



Yingling Aircraft, LLC – Terms and Conditions

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Ser # 1000-ACC-INS-024A
September 21st, 2023

1. **GENERAL:** The proposal represented by the attached Yingling Aviation Proposal (the "Quote") and any subsequent Work Authorization form is submitted to Customer for informational purposes only. This Quote shall not become a binding agreement between Customer and Yingling Aircraft, LLC (hereinafter referred to as "Yingling Aviation"), unless the Quote is signed by Customer and returned via electronic mail to Yingling Aviation at its principal place of business in Wichita, Kansas, and there accepted by Yingling Aviation within (30) days from the date of the Quote unless sooner revoked by Yingling Aviation or rejected by Customer.
2. **DEPOSITS AND PROGRESS PAYMENTS:**
 - (a) When services are being performed for the following departments: **Paint, Aircraft Services, Interiors and Avionics**, that are associated with a signed Quote and will be scheduled onsite for thirty (30) or more days, a deposit of fifty percent (50%) of the contract price or parts, whichever is greater, shall be due upon Customer's acceptance of the Quote as evidenced by Customer's original or electronic signature thereon.
 - (i) Any change orders made during the duration of the project that require additional parts or labor, beyond original Quote, will be billed on the final invoice.
 - (ii) Yingling Aviation reserves the right to request a progress payment at any time during the duration of the project.
 - (iii) When a service is scheduled for less than thirty (30) days and a change order of significance is required (with "significance" being determined in Yingling Aviation's sole discretion), a deposit is required for the additional parts. The deposit is due upon request.
 - (b) When services are being performed for the **Propellor Department**, Customers that have a signed Quote of Twenty Thousand Dollars (\$20,000.00) or greater shall be required to pay a fifty percent (50%) deposit. The deposit is due upon signature of the Quote.

- (i) Any change orders made during the duration of the project that require additional parts or labor, beyond original Quote, will be billed on the final invoice.
 - (ii) Yingling Aviation reserves the right to request a progress payment at any time during the duration of the project.
 - (c) Unless otherwise approved via electronic mail by Yingling Aviation's Accounting Department, full payment for services rendered and parts supplied is required prior to the aircraft being returned to service and the aircraft being released for departure.
 - (d) Acceptable methods of payment include: company check (if previously approved), credit card or wire transfer.
 - (e) A deposit, when required, must be received prior to an aircraft being placed on the schedule (see item 14). **Deposits are non-refundable and will be retained by Yingling Aviation as liquidated damages, and not as a penalty, in the event Customer cancels the project.**
 - (f) For work covered by an approved third party payment (e.g., insurance), Yingling Aviation will require proof acceptable to Yingling Aviation, in its sole discretion, that Yingling Aviation is a properly named payee.
 - (g) For payment or account questions, please contact the Accounting Department at (316) 943-3246. The Accounting Department at Yingling Aviation must approve exceptions to the payment terms or payment methods listed above in advance, with such approval evidenced by electronic mail.
3. **ADDITIONAL CHARGES:** The following additional charges are not reflected in the quoted prices and shall be paid by Customer to Yingling Aviation upon demand, if applicable:
- (a) The sum of any sales or use taxes, if applicable to the work performed by Yingling Aviation.
 - (b) Charges for any rework of, or additions to, Customer-furnished engineering.
 - (c) Charges for fuel, oil, insurance, and flight crews required for flight-testing/certification of an aircraft.
 - (d) Overtime charges for work performed to meet Customer's requested completion date. Pursuant to the terms of the Quote, any overtime cost will be estimated and forwarded to Customer for approval.
 - (e) Exchange part credits granted to Customer, which are subsequently disallowed when the manufacturer or supplier rejects any exchange core.
 - (f) Freight charges not included in the original Quote.
 - (g) Miscellaneous supplies (consumables), environmental fees, restock fees, disposal fees, and other similar charges.
 - (h) A handling and inspection fee equal to ten percent (10%) of the retail value of all FAA approved Customer-supplied parts (if authorized by Yingling Aviation).

4. **PLACE AND TIME OF PERFORMANCE:** The price quoted herein is based on all services being performed at Yingling Aviation in Wichita, Kansas. Yingling Aviation will attempt to schedule the performance of its obligations required by the terms of the Quote for the convenience of Customer, and Customer's schedule, subject only to the availability of materials, parts, hangar and shop space and labor. Unless otherwise agreed in writing, Yingling Aviation's performance pursuant to the Quote shall be conducted during regular working hours as opposed to overtime hours.
5. **CHANGES IN DESIGN:** Yingling Aviation shall have the right to incorporate minor changes in design, construction, installation, and substitute equivalent equipment, accessories, parts or material where such changes are deemed necessary by Yingling Aviation to improve product control, performance, reliability, utility, manufacture or appearance of the goods or material supplied here in. If due either directly or indirectly to governmental prohibitions, restrictions or priorities, any of the materials of construction specified or contemplated herein are not readily procurable for use for its intended purpose, then Yingling Aviation shall have the right to substitute other material suitable for the job.
6. **LIMITED WORKMANSHIP WARRANTY:** Maintenance and modification workmanship (i.e., a defect as a consequence of Yingling Aviation's services and labor) is warranted against defect for a period of ninety (90) days following delivery of the aircraft to Customer, or one hundred eighty days (180) in the case of propeller overhauls following delivery to Customer. New miscellaneous wiring and hardware (switches, relays, etc.) utilized in avionics modifications are warranted against defect for a period of one (1) year following delivery to Customer. These warranties shall apply only if (a) the alleged defect is discovered during the applicable warranty period, (b) Customer provides written notice to Yingling Aviation of such a claim of defective condition no later than the earlier to occur of thirty (30) days after Customer has actual or constructive knowledge of such a defective condition and the expiration of the applicable warranty period, (c) the notice sent by Customer to Yingling Aviation sets forth a detailed written description of the alleged defect and the date such alleged defect was discovered, (d) the aircraft/product is returned to Yingling Aviation in Wichita, Kansas, at Customer's expense, (e) the repair work is performed by employees of Yingling Aviation at its facilities in Wichita, Kansas; and, (f) will be scheduled during normal business hours. This limited warranty does not apply to Customer-supplied parts, nor does it cover labor to remove, replace or troubleshoot issues with Customer-supplied parts.
7. **LIMITED PARTS WARRANTY:** Yingling Aviation does not warrant parts, material, components, equipment or services supplied/performed by other companies, but agrees to use its best efforts to ensure that the suppliers' and subcontractors' warranties with respect to such parts, materials, components, equipment or services will be extended to cover and be enforceable by Customer. Yingling Aviation will act for its Customers in the processing of any claims or adjustments arising out of and because of defective parts, materials, components, equipment in accordance with such suppliers and subcontractors' warranties.

These warranties are the only warranties made by Yingling Aviation. Repair or replacement as provided herein shall be the exclusive remedy for a breach of the

warranties given herein. These warranties shall not apply to any installation, which in the judgment of Yingling Aviation, has been repaired or in any way altered so as to adversely affect its performance or reliability, or which has been subjected to misuse, negligence or accident.

8. **DISCLAIMER OF WARRANTIES:** YINGLING AVIATION MAKES NO IMPLIED WARRANTY OF ANY KIND AND, TO THE FULLEST EXTENT PERMITTED BY LAW, SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND DISCLAIMS ANY WARRANTIES ARISING BY USAGE OF TRADE OR BY COURSE OF DEALING.
9. **LIMITED LIABILITY:** TO THE FULLEST EXTENT PERMITTED BY LAW, YINGLING AVIATION'S LIABILITY ON ANY CLAIM OF ANY KIND RESULTING FROM THE PERFORMANCE OF WORK DESCRIBED IN THE QUOTE, OR BREACH THEREOF, SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE PRODUCT, PART OR THE SERVICES OR LABOR WHICH GIVES RISE TO THE CLAIM AND, IN ANY EVENT, WITHIN THIRTY (30) DAYS FROM THE DATE OF OCCURRENCE OF THE CLAIM UNLESS THE PARTIES HAVE AGREED IN WRITING TO A DIFFERENT CLAIM PERIOD. UNDER NO CIRCUMSTANCES SHALL YINGLING AVIATION BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR ANY PUNITIVE OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY TYPE OF CLAIM FOR DOWN TIME OF THE AIRCRAFT AND/OR LOSS OF REVENUE.
10. **TITLE/LIEN:** Title to the work performed by Yingling Aviation passes to Customer when Customer takes delivery of the airplane/product. Customer grants to Yingling Aviation a continuing, first priority security interest in and lien upon the Work, the aircraft and any proceeds thereof, including but not limited to insurance proceeds or sale or disposition of the aircraft or any portion thereof and the proceeds of such proceeds (collectively, the "Collateral") to secure prompt repayment of any and all amounts owed by Customer to Yingling Aviation. Should Customer stop communication with Yingling Aviation or "go-dark," Yingling Aviation reserves the right to sell the Collateral in accordance with the provisions of the Uniform Commercial Code as adopted in the State of Kansas or as otherwise permitted by applicable law. Yingling Aviation's security interest in and lien upon the Collateral shall attach to all of the Collateral upon the execution and delivery of the Quote, without further act being required on the part of either Customer or Yingling Aviation. Enforcement of said security interest and lien shall be in accordance with applicable state and federal law.
11. **INSPECTION FLAT RATE:** Inspection labor quotes include flat-rate labor for complete inspection in accordance with the requirements specified in the manufacturer's current inspection manual, or Customer's FAA approved aircraft inspection program. Parts costs are included in the flat rate.

12. **FREIGHT/TAXES:** Quoted pricing does not include any applicable freight or sales tax. (Currently, the state of Kansas does not require Yingling Aviation to charge Kansas sales tax on aircraft work-order parts labor per KSA 79-3606(g)). Customers could be subject to their home state's use tax laws. All Federal, State, or Local taxes applicable to the sales, possession, use, or transportation of the articles sold or the Work performed and all duties, imposts, tariffs, or other similar levies, shall be added to the invoice and paid by Customer, unless Customer furnishes an appropriate certificate of exemption. Customer shall indemnify and hold Yingling Aviation harmless from the payment or imposition of any tax or levy imposed on any articles sold or for any work performed, together with any penalties, interest, or reasonable attorneys' fees connected with the imposition of any such tax or levy.
13. **PRICING:** Pricing is subject to change by the original equipment manufacturer or other suppliers without notice to Yingling Aviation. As a result, Customer acknowledges and agrees that Yingling Aviation reserves the right to modify any Quote to reflect any such price increases upon notice to Customer. Once Customer has been notified of any such price increase, the Quote shall be deemed to have been modified as if Customer submitted a change order.
14. **SCHEDULING:** All service positions are provided on a first scheduled, first served basis. An early-signed Quote will ensure the greatest number of available positions. **Aircraft requiring a deposit (see Item 2) will not be placed on Yingling's schedule until the required deposit payment is received in full.**
15. **DELAYS:** Yingling Aviation shall not be liable for delays in delivery, performance or failure to perform, manufacture or Redeliver due to causes beyond it reasonable control, or acts of God, acts of Customer, acts of government or military authority, increase in scope of work requested by Customer, condition of the aircraft, delays in transportation or shortages, or inability due to causes beyond it reasonable control to obtain necessary labor, materials, utilities, components or manufacturing facilities.
16. **PHOTOS AND VIDEOS:** Yingling Aviation reserves the right to use photo or videos that may include Customer's aircraft for print media, advertisement, online or in any marketing from that Yingling Aviation chooses. Yingling Aviation will not include any registration numbers or company names in the use of these photos or videos.
17. **INSURANCE:** Customer shall be responsible for maintaining insurance on the aircraft, including hull insurance, equal to or greater than the value of Customer's aircraft during the performance of the work or services.
18. **AUTHORITY:** Anyone signing for Customer represents that he or she is duly authorized to sign the Quote and any change orders or other documents related hereto and confirms that he or she is acting as Customer's duly authorized agent and is unequivocally authorized to bind Customer to this Quote and any change orders or other documents related hereto.
19. **MODIFICATIONS:**

- (a) Modification Quotes are budgetary in nature and contingent upon Customer supplying Yingling Aviation with existing avionics, electrical and aircraft prints, drawings, and diagrams that accurately represent the current condition of the aircraft. Should there be any discrepancies found in this data that cause Yingling Aviation additional Work to accomplish the items referenced in the Quote, Customer shall be notified, and additional estimates shall be executed, detailing the cost and downtime impact of such additional Work.
 - (b) Work not defined will be accomplished on a time & material basis at current posted labor rates and will receive Customer approval prior to proceeding.
 - (c) Parameters of the Quote could change once a detailed engineering analysis of the aircraft can be accomplished.
 - (d) Quotes are exclusive of freight, environmental fees, or any aircraft operation expenses such as crew, fuel, etc., for flight-testing and certification, as this will remain the responsibility of Customer. Certification cost may be shown as a separate item on the Quote.
 - (e) Yingling Aviation uses its best efforts to ensure original equipment manufacturer equipment performance and compatibility is as advertised but is not responsible for the equipment manufacturer's inability to supply equipment which delivers all of its advertised features, nor is responsible for vendor-to-vendor incompatibilities that may be discovered during the course of a modification.
 - (f) Modification Quotes do not include pricing for removal and reinstallation, or modification, of interior components unless otherwise specified
 - (g) Modification Quote pricing does not include costs associated with relocation of existing avionics equipment.
20. **AIRCRAFT STORAGE:** Due to limited aircraft storage space, the following policy is in place: During active/ongoing maintenance customer aircraft will be kept inside storage facilities. Should Customer stop communication or "go-dark," Yingling Aviation reserves the right to place Customer's aircraft outdoors on secured tie-down. Upon completion of aircraft work, Customer shall have a grace period of three (3) days for aircraft Redelivery, and any time after that will be subjected to local ramp or hangar fees. Yingling Aviation will not be responsible for Customer's aircraft once the grace period is expired. Aircraft storage fees will to aircraft not in work or awaiting Customer approvals beyond three (3) days. Yingling Aviation may store Customer's aircraft in a hangar if hangar space is available and confirmation of such arrangements have been confirmed in writing (including via electronic mail) between Customer and Customer's project coordinator or manager overseeing Customer's project at Yingling. Kansas weather events can be sudden, severe, and cause considerable damage to aircraft. Yingling Aviation staff will not make decisions on behalf of Customer regarding a choice of storage and will not be responsible for aircraft damage caused by wind, hail, tornado, or other Acts of God. The choice of storage is solely the decision of Customer or Customer's authorized representative.
21. **PARTS:** Customer agrees that parts carrying the FAA "parts manufacturer approval" may be used unless otherwise agreed to by Yingling Aviation and Customer. Any parts or assemblies permanently removed from the aircraft as part of any maintenance or modification while Yingling Aviation is performing work for Customer shall become the

property of Yingling Aviation unless otherwise specified in writing and agreed to by both Customer and Yingling Aviation.

22. **COMPLIANCE WITH LAW:** Customer, by signing the Quote, represents and warrants to Yingling Aviation, that neither Customer nor any person who owns a direct or indirect interest in Customer is a person with whom a U.S. person is prohibited from transacting business of the type contemplated by the Quote, whether such prohibition arises under U.S. law, regulation, executive orders and lists published by the Department of Treasury's Office of Foreign Assets Control ("OFAC") (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise. Customer and, to Customer's knowledge, each shareholder, member or partner, as applicable, of Customer is (i) not identified on OFAC's Specially Designated Nationals and Blocked Persons List ("OFAC's List") maintained by the OFAC or the Department of Treasury and/or on any other similar list maintained and published by OFAC pursuant to any authorizing statute, executive order or regulation, (ii) in compliance with the regulations of OFAC (including those named on OFAC's List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto, (iii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or executive order of the President of the United States and (iv) have not been indicted for or convicted of any Patriot Act Offense. None of the funds or other assets of Customer constitute property of any Embargoed Person (as hereinafter defined) and, to Customer's knowledge, no Embargoed Person owns any interest in Customer. The term "Embargoed Person" means any shareholder, member or partner, as applicable, of Customer that is subject to trade restrictions under U. S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any executive orders or regulations promulgated thereunder with the result that such investment in Customer is prohibited by law. Upon request, Customer shall supply such information necessary for Yingling Aviation or its agents, or Escrow Agent to complete necessary "Know Your Customer" review.
23. **GOVERNING LAW** These Terms and Conditions, the Quote and any other documents associated with the Quote, or the work performed by Yingling Aviation thereunder shall be governed by the laws of the State of Kansas and any action brought by either Customer or Yingling Aviation shall be brought in the Kansas state District Court sitting in Sedgwick County, Kansas.