

TAPADVANTAGE – BLUE



PREAMBLE

Williams International has developed a program designed to provide engine maintenance coverage at a fixed charge per hour of engine operation. Here-in-after Williams International Co., LLC will be referred to as “**Williams**” or “**Williams International**”. Williams or Williams International is meant in paragraphs pertaining to the contractual relationship of the parties and for service aspects of the relationship. This Agreement is made on authority of the signatures appearing between the parties named below, as of the date specified.

Williams International Product Support

Website: www.williams-int.com
E-mail: Wlproductsupport@williams-int.com
Toll Free: 800-859-3544
International: 248-960-2929
Fax: 248-960-2855
Address: Williams International
Product Support
2280 E. West Maple Road
Walled Lake, MI 48390

BY SIGNING BELOW, CUSTOMER ACCEPTS CONTRACT TERMS AND CONDITIONS

 (Owner Signature) (Owner Title)

 (Printed Name of Owner Signature) (Signature Date)

 (Williams International Signature) V. P. Product Support
 (Title)

Steve Shettler
 (Printed Name of Williams Signature) (Signature Date) (Contract Start Date) (Contract Expiration Date)

Please complete this page with accurate and complete information

Registered Owner's Name and Address:

Authorized Designee Name and Address:

_____ (Company Name)	_____ (Company Name, if different than Owner's)
_____ (Owner Name/Title)	_____ (Designee Name/Title)
_____ (Address)	_____ (Address)
_____ (City/State/Zip/Country)	_____ (City/State/Zip/Country)
_____ (Telephone/Fax)	_____ (Telephone/Fax)
_____ (E-Mail Address)	_____ (E-Mail Address)

AIRCRAFT AND ENGINE DATA

AIRCRAFT	MANUFACTURER: Sierra	REGISTRATION NUMBER: _____
	MODEL: 3A	SERIAL NUMBER: 0056

		LEFT	RIGHT
ENGINE	SERIAL NUMBER	141733	141710
	HOURS **	1968	1968
	CYCLES**	_____	_____
	DATE	3/23/2017	3/23/2017

** Engine hours and cycles are for Program starting point and may differ from actual hours/cycles at the time of contract execution date for new Program enrollments. For Contracts pertaining to renewal or transfers of existing Programs, hours/cycles are for general reference only. All hours must be reported and paid in accordance with the TapAdvantage Blue Agreement. Any lapse in hours or payment between this or prior Program contracts must be accounted for and paid in full, else termination per section 7.5 may occur.

ENGINE UTILIZATION

Is aircraft Maintenance and Operation going to be done in the Contiguous United States (i.e. excludes Hawaii and Alaska)?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Will your average flight length be less than 72 minutes?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If Yes, estimated average cycle time in minutes? (Reference Annex A on page 19, for potential effects)	_____ minutes	

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1. GLOSSARY OF IMPORTANT TERMS

An engine is a complex piece of machinery whose maintenance involves technical terminology. The applicable terms for purposes of this Agreement or Contract are collected and defined in this Article. As used in this Agreement, the terms defined herein shall have the meanings as stated with no other interpretation.

- **AIRCRAFT** means the particular aircraft referenced on Page 2.
- **ALERT SERVICE BULLETIN** means a mandatory Service Bulletin issued on all matters requiring the urgent attention of Owner or when the Engine modification is considered sufficiently critical that special scheduling or record of accomplishment is required. Generally, these bulletins shall be limited to items affecting safety.
- **APPROVED ENGINE MANUAL(S)** means any or all of the following specified for the engine model covered by the Program or that may be published by Williams in the future:
 1. Williams International Engine Installation Manual
 2. Williams International Engine Line Maintenance Manual
 3. Williams International Engine Manual
 4. Williams International Engine Operators Manual
 5. Williams International Engine Illustrated Tool Catalog
 6. Williams International Illustrated Parts Catalog
- **BUER** - Basic Unplanned Engine Removal - The premature removal and return of the Engine to Williams repair station as a consequence of failure due to an Engine Part, or Engine component induced malfunction of an Engine.
- **COMPRESSOR INSPECTION** means the inspection of the compressor section Items in accordance with the requirements of the appropriate Approved Engine Manual.
- **CONSUMABLE** means an Item that is replaced irrespective of apparent condition during the course of removal, inspection, or maintenance but excludes Wear-Out Items.
- **DESIGNEE** means a representative duly authorized by the Owner to act on the Owner's behalf with regard to the Engine and identified on the space provided on the front page of this Contract.
- **DESIGNATED FACILITY** means any facility designated or identified to Owner by Williams where services covered by this Agreement may be performed.
- **ENGINE** means the specific Williams manufactured engine(s) referenced on Page 2.
- **ENGINE CYCLE and (PARTIAL)** means Engine start, takeoff power setting, followed by Engine shutdown, regardless of duration (Includes in-flight start) in accordance with the appropriate Line Maintenance Manual.
- **ENGINE OPERATING HOURS** means the total number of hours run by an Engine accumulated in hours and tenths of hours based upon the time interval between Engine start and Engine shutdown.
- **HOT SECTION INSPECTION** means the inspection of the combustion and turbine section Items in compliance with the appropriate Approved Engine Manual.
- **HOURLY RATE** means the unit cost to Owner for each Engine Operating Hour at the Williams International Published Rate and adjusted per Article 5.4.

- **IMPROPER USE** means any of the following:
 1. Installation or maintenance of the Engine that is not in accordance with the appropriate Approved Engine Manual(s).
 2. Use or inspection of the Engine contrary to Williams International's current operating and maintenance instruction or recommendations, including, when without cause, Owner returns an Engine to Williams or a Designated Facility for a Major Periodic Inspection with more than 25 Engine Operating Hours remaining until the Major Periodic Inspection interval specified in the applicable Approved Engine Manual.
 3. Repair or alteration of the Engine other than by a Williams International Designated Facility.
 4. Misuse, neglect, accident, deliberate ingestion of foreign materials, sabotage, Acts of God, Acts of War or any other defect or cause outside Customer's or Williams' control which results in damage to the Engine, except for lightning and ingestion of foreign material entering through the front of the Engine via the fan inlet that is not deliberate.
 5. Installation and use of Parts in the Engine that was not originally manufactured, licensed, or approved by Williams.
- **INSPECTION CRITERIA** means engine hardware evaluation criteria as provided by the most current revision of the applicable FJ44 Approved Engine Manual.
- **ITEMS** means the Engine(s), Line Replaceable Units, or Parts and Spare Parts that pertain to the Engine, as well as a specifically identified functional assembly of any of the foregoing which is readily interchangeable as a unit. The parts listed in Annex D are not considered Items.
- **LINE REPLACEABLE UNIT** means an Item that may normally be removed and replaced with the Engine installed in the Aircraft and as allowed by the appropriate Approved Engine Manual(s).
- **MAJOR PERIODIC INSPECTION** means the inspection (Hot Section Inspection and Compressor Inspection) of an Item conducted when that Item has completed a planned number of Engine Operating Hours as recommended by Williams.
- **MISSION PROFILE** means the set of parameters describing the type of flight to be undertaken by the Engines and upon which the Hourly Rate is based, as further described in Annex A.
- **MONTHLY CHARGE** means the amount specified in part (1) of Article 5.1.
- **OPTIONAL SERVICE BULLETIN** means a Service Bulletin which describes modifications to the Engine which are for general product or configuration improvements and do not fall within the Standard Service Bulletin or Alert Service Bulletin categories.
- **OWNER** means the registered Owner of the Aircraft in which the Engine(s) is installed or the legal Owner of the Engine(s), but also includes any individual, firm or agency actually operating the Engine(s) as part of an Aircraft which is identified in Annex A, Mission Profile, as well as any agent or representative who is designated to Williams by the registered Owner to act in the registered Owner's or operator's behalf. While it is recognized that Owner also may be the operator, it is Owner who is a party to the Agreement and, therefore, is the person finally responsible to fulfill all the requirements of this Agreement.

- **PART** means any part manufactured or supplied by Williams assembled into or attached to the Engine. Where two or more parts are permanently attached by a manufacturing process, Part means the minimum assembly listed in the Williams International Illustrated Parts Catalog. The items listed in Annex D are not considered Parts.
- **PROGRAM** means the TAP Blue coverage and responsibilities as described in this agreement.
- **PUBLISHED RATE** means the base monetary amount charged for the Program per Engine Operating Hour for the engine model and application; this rate is established by Williams and adjusted per Article 5.4.
- **REPAIR** means the work required to render serviceable an Engine or a Part or Spare Part.
- **ROUTINE PERIODIC INSPECTION** means maintenance tasks provided at intervals up to but not including Hot Section or Compressor Inspections in accordance with the Approved Engine Manual
- **SERVICE BULLETIN** means the document issued by Williams International to notify Owner and describe changes to the Engine.
- **SPARE PART** means any Part manufactured or supplied by Williams as a spare to or a replacement of the equivalent Part originally assembled into or attached to the Engine. Where two or more Parts are permanently attached by a manufacturing process, Spare Part means the minimum assembly listed in the Williams International Illustrated Parts Catalog.
- **STANDARD (RECOMMENDED) SERVICE BULLETIN** means a Service Bulletin which describes modifications to the Engine that may affect performance, improve reliability, provide improved economy, and facilitate maintenance or operation.
- **UNSCHEDULED MAINTENANCE** means the maintenance required at other than Major Periodic Inspection intervals due to a failure of an Item. For this purpose, failure means the breakdown or deterioration of an Item that is established to the reasonable satisfaction of Williams to be due to a defect in material or workmanship in the manufacture of that Item and which either:
 1. Necessitates the removal of the Item from the Aircraft before the next scheduled shop visit of the Engine, or is discovered during a Repair performed in connection with such removal, or
 2. Is discovered during a shop visit and necessitates the scrapping of the Item which, in the opinion of Williams, is beyond economic Repair in accordance with Repair instructions contained in the Approved Engine Manual(s)
- **WEAR-OUT ITEM** means Items that are replaced due to wear out which includes filters, igniters, igniter leads, filter analysis kit, and oil.

2. COVERAGE

2.1 **Maintenance Provided.** Under terms of this Agreement, Williams will provide to Owner identified on the cover page, without future expense to Owner and subject to the exclusions and in consideration of the Monthly Charge, maintenance in a Williams Designated Facility, which is performed on while Engine is on the aircraft when practical, to perform the following for each covered Engine:

- (1) Scheduled Inspections. (See Annex B)
- (2) Unscheduled Maintenance and Repair. (See Annex B)
- (3) Incorporation of Alert (mandatory), Recommended, and Optional Service Bulletins – that are both published and approved by Williams – at the compliance intervals specified in these bulletins. (See Annex B)
- (4) Replacement of Life Limited Components.

2.2 **Rental Engine.** Williams will also arrange for a rental engine, upon request and subject to availability, during eligible scheduled Compressor Inspections and extended unscheduled Engine removal periods. Compressor Inspections scheduled as express overhauls are not eligible for rental engines in accordance with Section 2.3 below.

Use of a rental engine is subject to availability and a separate rental engine agreement will be required for each occurrence. The rental agreement terms may have, but not limited to, security deposit, minimum utilization requirements, fees for late rental return, or any delay exceeding the grace period relative to removal, shipping, import or export of the rental. A separate invoice will be sent for the use of the rental engine(s). Hours accumulated on the rental engine should not be included on your monthly TapAdvantage Blue report. Rental engine rates will be at the TapAdvantage Blue Published Rate.

RENTAL ENGINE COVERAGE

C	HOT SECTION INSPECTION
N	Shipping of rental engine
N	Installation & removal of rental engine
*	Hourly rental rate
^	COMPRESSOR SECTION INSPECTION
C ^	Shipping of rental engine
C ^	Installation & removal of rental engine
*	Hourly rental rate
C	UNSCHEDULED
C	Shipping of rental engine
C	Installation & removal of rental engine
*	Hourly rental rate

* = TapAdvantage Blue Published Rate applies N = Not Covered C = Covered
 ^ = Not applicable with express overhaul in accordance with section 2.3

2.3 **Express Compressor Section Inspection.** An option is available to TapAdvantage Blue customers to receive an expedited turnaround time in the Williams repair station for the compressor section inspection in lieu of rental engine use. This option is based on express availability in the Williams repair station. Advance scheduling is needed to ensure availability in accordance with Section 3.3. When this option is chosen, rental engine use is not covered by the Program since the express option was chosen.

2.4 **Exclusions.** The following are not covered:

- (1) Engine Repair due to damage caused by Improper Use, improper maintenance, abuse, neglect, hard landings, over-temperature, hot starts, contamination, pre-existing conditions, corrosion requiring component replacement outside of a Major Periodic Inspection or any other cause not within the control of Williams. Any damages, which are the responsibility of Williams, are limited to the Engine and exclude all other liability in tort or contract, including liability for consequential or incidental loss, damage or expense.
- (2) Repair or replacement costs attributable to the use of non-Williams originated Parts or non-Williams approved supplier Parts.
- (3) Expenses associated with transporting maintenance personnel to accomplish maintenance actions away from the Designated Facility, or expenses associated with ferrying Aircraft to a Designated Facility for maintenance.
- (4) Excess costs resulting from overtime labor or subcontract charges authorized by Owner or Designee.
- (5) Excess charges resulting from use of new Parts at Owner or Designee's authorization/direction, when Repair of the original Parts is feasible or exchange Parts are available. Williams International reserves the right to use new or exchange hardware at any time for Repairs, scheduled or Unscheduled Maintenance as determined by a Williams' technician.
- (6) Oil added between scheduled inspections.
- (7) Packaging, handling, transportation, insurance, and export controls that are excluded as described in Article 6.
- (8) Items attached to the Engine by the airframe manufacturer, except airframe Consumables in accordance with Annex B.
- (9) Installation / removal and shipping of rental engines are not covered for a Hot Section Inspections or for express compressor section inspections.
- (10) Replacement of Parts which are acceptable based on Approved Engine Manual Inspection Criteria.
- (11) Hangar fees or any fees associated with the hangar.
- (12) Service Bulletins or Maintenance complied with at intervals differing from those listed in the relevant Service Bulletin or Maintenance Manual.
- (13) Administration, labor, or other expenses driven by Designee, Owner, or other entity that Williams considers to be additional to Williams' standard practices. This includes, but is not limited to, additional requirements imposed for Aircraft operating under Federal Aviation Regulation 14 CFR Part 135. Williams reserves the right to charge for such expenses if deemed outside of its standard practices.
- (14) Items listed in Annex D and their related consumables; as well as components superseding, supplementing, or typically considered non-engine, as determined by Williams.

3. **RESPONSIBILITIES**

- 3.1 **Contact.** For the performance of any work under this Agreement, Owner or Designee shall comply with Williams Product Support direction, who is responsible for:
- (1) Providing the Owner or Designee the names, locations, and Engine maintenance capabilities of Designated Facilities;
 - (2) Defining the work to be performed.
- 3.2 **Engine Operating Hour Reporting.** Owner or Designee shall report to Williams the Engine Operating Hours and Engine Cycles and submit the required data monthly at www.williams-int.com or other means identified by Williams. The required data will be submitted at the end of each month and received by Williams with payment not later than the 15th day of the following month.
- 3.3 **Advance Work Request.** Owner or Designee shall notify and coordinate with Williams in advance prior to any Major Periodic Inspections. Express compressor section inspections have limited availability and should be coordinated as far in advance as possible. Best practice is considered for Owner or Designee to schedule 90 calendar days before Major Periodic Inspections are due on any Engine.
- 3.4 **Unscheduled Maintenance.** When Owner or Designee believes an Engine needs Unscheduled Maintenance, Owner or Designee will coordinate with a Designated Facility or Williams so the standard troubleshooting detailed in the appropriate Approved Engine Manual(s) may be accomplished. If this is unsuccessful in returning the Engine to service, Williams may request Owner or Designee or Designated Facility to carry out additional troubleshooting. Should this additional troubleshooting prove unsuccessful, Williams will recommend a Designated Facility for Repair. Refer to Annex B for a more detailed explanation of Williams and Owner responsibilities for Unscheduled Maintenance activities. The Owner will automatically be given 50 hours on the TapAdvantage Blue account, at the program current year's Published Rate, in the event of a BUER where the Engine has to be sent back to Williams for Repair. This fixed credit is intended to assist with Owner expenses related to the BUER and may not cover actual costs.
- 3.5 **Damages.** Owner or Designee shall notify Williams Product Support of all instances of known or suspected damage to an Engine within 3 calendar days of occurrence, or as soon as reasonably practical.
- 3.6 **Access for Williams Personnel.** Owner or Designee shall allow Williams' authorized personnel or agent's reasonable access to the Engines as well as the relevant operating and maintenance records maintained by Owner or Designee.
- 3.7 **Information to be Supplied by Owner:**
- (1) Owner or Designee will maintain and make available to Williams, information relating to the operation and maintenance of the Engines as from time to time may be reasonably requested by Williams.

In addition to maintaining a record of operating time and Engine Cycles in any logbook required by any airworthiness authority, Owner or Designee also shall maintain such record in the Engine logbook. The following information shall be maintained and forwarded to Williams by Owner or Designee for all Items removed on a unit exchange basis: **Engine Serial Number, Part On (to include Part number, serial numbers, hours and cycles),**

Part Off (to include Part number, serial number, hours and cycles), Reason for Removal including all relevant detail, Aircraft (to include model and serial number), Date of Replacement/Removal, Claim Number (if applicable). Failure to provide Williams with this information may result in Owner or Designee being charged for work performed on the Item which would not have been necessary had the operating time and Engine Cycles been known for the Item.

- 3.8 **Engine Operation and Maintenance.** During the term of this Agreement, Owner or Designee shall operate and maintain the Engines and Items in accordance with the Approved Engine Manuals and any other instructions and recommendations issued by Williams International Service Bulletins and the Aircraft manufacturer, and comply with the requirements of Airworthiness Directives issued by Regulatory Authorities.
- 3.9 **Operating Environment.** Owner or Designee warrants to Williams that the Engines specified herein will be operated within the Mission Profile defined in Annex A. If the Engine is operated near a salt-water environment, Owner or Designee must comply with the recommendation for water-wash in the Maintenance Manual chapter on Time Limits/Maintenance Checks and record the same in the Engine log. If corrosion is found during a Major Periodic Inspection and proper prevention measures were done in accordance with the maintenance manual, Parts are covered by the TapAdvantage Blue program.
- 3.10 **Scrap Parts.** All removed hardware which has been designated "scrap" during a maintenance action is the property of Williams and shall be returned to Williams.

4. **TECHNICAL SUPPORT**

- 4.1 **Technical Support.** Technical support will be available through online support or by telephone to provide advice and consultation to Owner or Designee with respect to servicing, maintenance, and operation of the Engines. Technical Advisors may be dispatched to support troubleshooting or maintenance if deemed necessary by Williams.

5. **PAYMENT**

- 5.1 **Charges.** In consideration for the coverage provided by this Agreement, Owner shall pay:
- (1) A Monthly Charge for each Engine equal to the Hourly Rate multiplied by the Engine Operating Hours for such engine in the calendar month; and
 - (2) Charges invoiced by Williams, for work authorized by Owner or Designee outside or excluded from the scope of this Agreement, or otherwise by Owner pursuant to the terms of this Agreement.
- 5.2 **Reporting and Invoice Generation.** Payment for this Program is done through a self-invoicing process. Therefore, Owner or Designee shall report Engine Operating Hours and Cycles for the Engine(s) via the Williams website at the end of each month. An online invoice will be generated from the reported Engine Operating Hours to identify the Monthly Charge that is due. Payment to Williams for the Monthly Charge must be received no later than the 15th of the following month. Actual hours must be reported each month. Zero hours for the period must be reported for the Engine(s) not operated in the given month.

All charges invoiced by Williams resulting from audits by Williams or work authorized by Owner or Designee outside or excluded from the scope of this Agreement are due immediately on the date of invoice generation.

An administrative charge will be applied on all past due accounts of eighteen percent (18%) per annum of the sum due (1.5% per month) or the maximum percentage permitted by law, whichever is the lesser.

- 5.3 **Minimum Hours.** Where the actual Engine Operating Hours accumulated in any year of this Agreement (beginning on the date stated on the cover page or any anniversary thereof) are less than 150 hours, Owner or Designee agrees to pay, in addition to the Monthly Charge, a fee in an amount equal to the difference between the 150 minimum hours per Engine and the actual Engine Operating Hours, multiplied by the Hourly Rate. This fee will be waived one time within the term of this Agreement in accordance with Article 5.1, on the first year within the term in which the actual Engine Operating Hours are less than the 150 minimum hours per Engine. The payment of this fee shall be included annually at the contract anniversary date. The payment is calculated using 12 payment periods starting with the first full reporting period following the contract anniversary date. For example, if the contract anniversary date is 15 April 2010, then minimum hour invoice will be billed for the hours reported to have been flown from 1 May 2010 through the 30 April 2011. Contracts that are transferred to new ownership or are terminated in accordance with Article 7.7 of this agreement will be subject to a prorated minimum hour amount calculated from anniversary date to the date of transfer. Payment will be due immediately and account must be reconciled prior to transfer.
- 5.4 **Rate Adjustment.** The Published Rate and the Hourly Rate shall be subject to an annual rate adjustment, to be applied January 1 of each year.
- 5.5 **Taxes, Etc.** Owner or Designee is responsible for all federal, state, local, or other taxes, duties, import tariffs and similar payments which may be required as a result of the work required to be performed under this Agreement.
- 5.6 **Audit.** All payments shall be subject to adjustment pending audit by Williams of Owner's or Designee's log books, Engine mission recording devices (if installed), or other means available Williams.
- 5.7 **Reserved Rights.** Without prejudice to its other rights and remedies, Williams reserves the right to:
- (1) Withhold the performance of its obligations as specified in this Agreement to Owner or Designee if Owner or Designee fails to make any payment which may be due in accordance with this Agreement (or any other contractual agreement between Owner and Williams) or fails to provide a statement of the Engine Operating Hours in accordance with Article 3.2. After Owner or Designee pays Williams all outstanding monies due Williams will perform the obligations withheld. Williams thereafter may require that Owner or Designee pay Williams in advance to cover future usage charges.
 - (2) Terminate this Agreement in accordance with Article 7.5 if Owner or Designee has not made any payment due in accordance with this Agreement or any other contractual agreement between Williams and Owner or Designee. In the case of termination, Owner or Designee agrees to allow Williams access to Owner's or Designee's premises or aircraft to recover any Williams' assets on loan to Owner or Designee and will cooperate in all respects to ensure the prompt return of such

assets to Williams.

5.8 **Adjustment to Payment.**

- (1) In the event that Williams is reasonably satisfied that an Engine requires Repair as a result of Improper Use or other excluded items in accordance with this Agreement on the part of anyone other than Williams then Williams shall cause such Repair to be carried out by Williams or its agents which may at its option complete maintenance and return engine to service by either:
 - (i) Repair the Engine, and /or
 - (ii) Perform MPI on the Engine.
- (2) Owner or Designee shall pay to Williams all labor and materials charges for such Repair. However, where MPI is performed under these circumstances, Owner or Designee shall pay to Williams any costs over and above those for MPI. In addition to the Monthly Charge, Owner or Designee will pay to Williams an amount calculated for Premature Major Periodic Inspection in accordance with Annex "C" as invoiced separately by Williams.
- (3) For purposes of this Agreement, the Repair, inspection, or supply of any Engine or other Item or Parts thereof by anyone other than Williams or suppliers, servicing companies, and inspection facilities approved in writing by Williams, or failure by Owner or its agents or contractors or Designee to maintain, operate, and store the Engine(s) and other Items in accordance with the applicable manufacturers' instructions as to maintenance and operation, shall be deemed to constitute Improper Use on the part of Owner or Designee.
- (4) If any Item is missing from a return shipment by Owner or Designee to Williams for Repair or inspection, Owner or Designee shall pay to Williams, in addition to the other charges provided for herein, the published list price of such Item.
- (5) In the event that Owner or Designee elects to have a Major Periodic Inspection more than 25 Engine Operating Hours prior to the time specified for that inspection by the applicable Approved Engine Manual, then Owner or Designee shall pay these hours as invoiced by Williams.
- (6) Adjustment to the Hourly Rate may be made if the actual operation profile falls outside of the stated Mission Profile as shown in Annex A. This includes excessive operation outside of the stated geographical area.

5.9 **Method of Payment.** All payments due to Williams are to be made in United States Dollars and shall be made by interbank transfer or credit card payment or by means as identified on Williams website. Fund must be deposited not later than the due date of payment.

(1) **Electronic Payments.** Payments must be made in US dollars. Instruct issuing bank to transfer total value of invoice to Williams

Bank: JP Morgan Chase Bank
611 Woodward Avenue
Detroit, MI 48226
USA

Account: 13126-23
Account Name: Williams International Co., LLC
Routing: 021000021 (Fed wire transfers)
072000326 (ACH payments)
CHASUS33 (swift – International)

(2) **Online at:** www.williams-int.com

Payment shall be deemed to have been made only when cleared or good value funds are received in the specified account. Owner or Designee undertakes that Williams shall receive in the USA the full amount falling due under this Agreement without any withholding or deduction whatsoever.

5.10 **Collection Expenses.** Owner or Designee shall pay all reasonable attorneys' fees, expenses and costs incurred by Williams in attempting recovery of any sum owed to it by Owner or Designee where Owner or Designee has failed to pay following Williams' notice to Owner or Designee of delinquency in payment thereof.

6. **SHIPPING**

6.1 **Shipping Expenses.** Except as excluded in this Article, Williams will pay all shipping expenses for operators on the Program, including costs for return of scrap Parts as provided in Article 3.10. Shipping of rental engines for a Hot Section Inspection is Owner or Designee cost.

6.2 **Transportation and Other Costs.** Williams will not pay transportation costs to or from a Designated Facility or for any shipping expenses incurred in connection with exclusions or non-covered items of the Program.

6.3 **Export Controls.** Items shipped under this Agreement may be subject to applicable export controls. Any special requirements necessitated by such controls shall be at Owner or Designee expense.

6.4 **Insurance.** All Items shipped by Owner or Designee will be insured by Owner or Designee during transit for not less than the catalog value of the shipped Items.

6.5 **Packaging.** All Items (including scrap Parts) returned by Owner or Designee to Williams shall be suitably packed for protection in shipment and storage at Owner's or Designee's cost. Engines must be shipped in a Williams engine shipping container in accordance with the instructions for shipment preparation specified in the applicable Approved Engine Manual.

6.6 **Shipment Address.** All hardware Items, including Engines being returned to Williams hereunder, shall be sent to the following:

Williams International Co. LLC.
2280 E. West Maple Road
Walled Lake, Michigan 48390

Telephone: (248) 960-2929
Williams Product Support: 1(800) 859-3544
Facsimile: (248) 960-2855

Or such address of which Williams may notify Owner or Designee.

7. **DURATION**

- 7.1 **Term.** Subject to the subsequent provisions of this Article, this Agreement shall remain in force until such time it is terminated by either party under terms and conditions of Paragraph 7.2 through 7.6 or for a period of 5 years from the effective date on Page 2 of this Agreement. This Agreement may be renewed by mutual agreement of the Parties
- 7.2 **Termination on Change of Configuration.** Williams, in its sole discretion, reserves the right to terminate this Agreement at any time by written notice to Owner or Designee, if the Engine(s) is installed and/or used on an aircraft other than the Aircraft specifically referenced on Page 2.
- 7.3 **Terminate at Owner's request.** Owner shall notify Williams a minimum of 30 days prior to desired termination date. Conditions of Paragraph 7.7 would apply and be binding.
- 7.4 **Termination on Default.** In the event that either party is in default in respect to any material provision of this Agreement and remains in default for a period of 28 days after receipt of notice of default from the other, such other party may, without prejudice to any rights and remedies otherwise provided by law, terminate this Agreement by notice at any time thereafter.
- 7.5 **Termination on Failure to Pay, Etc.** Williams may terminate this Agreement at any time by written notice to Owner or Designee for the following:
- (1) If Owner or Designee fails to pay Williams any amount due under the Agreement, or under any other contractual agreement between Williams and Owner or Designee, or per any invoice between Williams and Owner or Designee.
 - (2) If Owner or Designee becomes insolvent or performs or permits any act of bankruptcy, liquidation, reorganization or if a receiver, trustee, or custodian is appointed for Owner or Designee or a substantial part of Owner's property.
 - (3) If in Williams's sole discretion the operation of the Aircraft or Engine(s) is considered inappropriate or in violation of the conditions contained in this Agreement.
- 7.6 **Termination on Loss of Aircraft.** This Agreement shall be terminated upon total loss of the Aircraft or Engine.
- 7.7 **Payments on Termination.** Upon termination of the Agreement in accordance with any Articles herein, Owner or Designee shall pay to Williams all monies due. Payment shall be in accordance with the provisions of Article 5. No reimbursement shall be allowed in case of

termination of the Agreement. Proration of Minimum Hour requirement of Article 5.3 will be applied by calculating hours from the anniversary date through the termination month.

8. **DELAYS**

8.1 **Consequences of Delay.** Neither Williams International nor the Owner or Designee is responsible for any failure or delay in performance resulting from causes beyond their reasonable control. These may include but are not limited to events such as acts of government, court order, civil unrest, sabotage, adverse weather conditions, labor disputes and shortage of materials or services. Williams International, Owner or Owner's Designee will give timely Notice to the other of any such event and will endeavor to avoid or remove the cause and resume performance with minimum delay. The time for delivery will be extended accordingly.

9. **ASSIGNMENT**

9.1 **Ability To Assign.** Owner or the Owner's Designee may not assign this Agreement, in whole or in part. However, subject to inspection of the Engine by Williams, a new Owner may execute a new Agreement without penalty for prior hours reported and paid; if the prior hours were covered by the Program that is active at time of Assignment. The Hourly Rate may be subject to adjustment depending on Engine utilization as addressed in Mission Profile. Transfer of the Program to a new buyer will normally be permitted, but will always be subject to the approval of Williams International in its sole discretion.

10. **NOTICES**

10.1 **Form of Notice.** **Notice or notification under the Agreement** is the giving or receipt of written communication, facsimile (FAX) transmission, email and delivery via U.S. mail or other courier at the address shown on the cover page of this Agreement or an address otherwise stated herein as the address for notifications.

10.2 **Address for Williams.** All notices and correspondence sent to Williams should be addressed as specified in the cover of this Agreement, or such other address of which Williams may notify Owner or Designee.

10.3 **Address for Owner.** All notices and correspondence of a contractual nature sent to Owner shall be addressed as specified in the cover to this Agreement or such other address of which Owner may notify Williams.

11. **PATENT INFRINGEMENT**

11.1 **Indemnification.** Subject to the conditions set out in this Article, Williams International shall indemnify Owner or Designee against any claim that the use of any of the Items by Owner or Designee infringes any patent, design or model duly granted or registered; provided Williams International shall not be liable for any consequential damages or any loss of use of the Items or of the Aircraft in which the Items are installed arising as a result directly or indirectly of any such claim.

11.2 **Notice.** Owner or Designee will give immediate notice to Williams International of any such claim whereupon Williams International may at its own expense assume the defense of, or dispose of or settle such claim in its sole discretion, and Owner or Designee will give

Williams International all reasonable assistance and will not by act or omission do anything which may directly or indirectly prejudice Williams International in this connection.

11.3.1 **Substitution**. Williams shall have the right to substitute any allegedly infringing Items with substantially equivalent non-infringing Items.

11.4 **Limitation**. The indemnity contained in Article 11.1 shall not apply to claims for infringement with respect to the manner or method in which any Item is installed in the Aircraft.

12. **INTERPRETATION**

12.1 **Governing Law**. Michigan law (except for its conflict of laws provision which shall not apply) shall govern this Agreement, and the Michigan courts or the appropriate agency within this state shall resolve disputes.

12.2 **Miscellaneous**. Recourses are cumulative and not alternative. Singular includes the plural. Headings are for purposes of convenience only.

12.3 **Conflicts**. In the event of any conflict between an Annex or Appendix to this Agreement and any Article of this Agreement, the latter shall control.

12.4 **Severability**. If any provision of this Agreement shall be held to be invalid or unenforceable, then the same shall be deemed severable and the remainder of this Agreement shall remain valid and enforceable.

12.5 **Exclusion of Third Party Rights**. Nothing in this Agreement shall be construed to create any rights in any third persons, other than Owner or Designee and Williams International.

12.6 **Entire Agreement**. Owner or Designee and Williams International agree that neither of them has placed any reliance on any representations, agreements, statements or understandings relating to this Agreement made prior to the signature of this Agreement, whether orally or in writing, other than those expressly incorporated in this Agreement, which has been negotiated on the basis that its provisions represent their entire agreement and shall supersede all such representations, agreements, statements, and understandings.

13. **AMENDMENTS AND WAIVERS**

13.1 **Amendment Procedure**. This Agreement may be amended only in writing signed by both parties and expressly stating the purpose to amend this Agreement.

13.2 **Effect of Waivers**. Neither the waiver of any provision of this Agreement nor the failure to terminate on account of a breach shall be construed as a waiver of any other provisions, nor shall a waiver or failure to terminate in any instance be construed as a waiver of the same provision or breach in other or subsequent instances.

14. **LIMITATION OF LIABILITIES**

14.1 **Obligations**. Owner or Designee accepts that the obligations of Williams to supply

replacement Items and services under this Agreement, together with the express remedies provided to Owner or Designee in respect of Items in accordance with this Agreement, represent the entire liability of Williams to Owner or Designee in respect of all terms, conditions and warranties, express or implied, whether statutory or otherwise and any other liabilities whatsoever of Williams (except Williams' negligence), including without limitation liability relating to all goods and services to be supplied pursuant to this Agreement including but not limited to all Items supplied to Owner or Designee hereunder, and to all Items acquired by Owner or Designee from whomsoever prior to the date of this Agreement. Liability for damages, even if such damages are the responsibility of Williams International, are limited to the Engine and exclude all other liability in tort or contract including liability for consequential or incidental loss, damage or expense.

15. **TITLE AND RISK OF LOSS**

- 15.1 **Time of Transfer.** When Items are exchanged by Williams and Owner or Designee in accordance with this Agreement, title to the Item being supplied by Williams shall vest in Owner immediately upon its arrival at the destination specified by Owner or Designee. Title to the Item being returned by Owner or Designee in exchange shall vest in Williams upon its arrival at a destination specified by Williams. Full responsibility for all risk of loss of or damage to such Item, and for all duties, taxes and fees assessed thereon, shall be the responsibility of Owner or Designee.
- 15.2 **Clear Title.** Both Owner (or Designee) and Williams shall transfer the full legal title to any Item exchanged under this Agreement free and clear of all liens, charges or encumbrances and shall warrant such title.
- 15.3 **Williams Responsibility.** Williams shall be responsible for damage to or loss of Owner's Engine while in the possession of Williams, unless such damage or loss is caused by the negligence of a third party or Owner or Designee.

16. **ARBITRATION**

- 16.1 **Place and Procedures.** All disputes arising with respect to this Agreement shall be submitted to binding arbitration held in Oakland County, Michigan, U.S.A., in the English language in accordance with the rules of the American Arbitration Association pursuant to the procedure set forth in this Article. Williams will designate the arbitration site.
- 16.2 **Demand for Arbitration.** Either party may demand arbitration in writing, which demand shall include the name of the arbitrator and a statement of the matter in controversy.
- 16.3 **Arbitrators.** Within 30 days after receipt of such demand, the other party shall name its arbitrator, and the two arbitrators so selected shall select a third arbitrator within 10 days or, in the absence of an agreement on the third arbitrator by the two arbitrators so appointed, a third arbitrator shall be appointed by the American Arbitration Association. If a second arbitrator is not selected within the time provided, the first arbitrator shall serve as sole arbitrator.
- 16.4 **Power of Arbitrators.** The arbitrators shall have the power to determine the procedure to be followed, whether discovery is to be allowed and to what extent, and to establish a schedule for resolving the controversy, but they shall have no power to alter, change,

amend, modify, add to, or subtract from, any of the provisions of this Agreement. The decision of a majority of the arbitrators shall be the decision of the arbitrators. All decisions shall be in writing.

16.5 **Defense.** The parties agree that the provisions hereof shall be a complete defense to any suit, action, or proceeding instituted in any federal, state, or local court or before any administrative tribunal with respect to any controversy or dispute arising out of this Agreement, that judgment may be rendered to any court of competent jurisdiction on any award made by the arbitrators pursuant to this Agreement, and that the arbitration provisions hereof shall survive the termination of this Agreement for any reason.

16.6 **Costs.** The parties agree that in any dispute, whether determined by arbitration or negotiation, each party will pay its own expenses including, without limitation, attorneys' fees, arbitrators' fees, and other expenses. Arbitration costs not directly attributable to either party, such as payment for a facility, etc., shall be equally shared.

17. **ANNEXES**

17.1 **Enumeration of Annexes.** The following Annexes shall have the same enforceability as the Articles of this Agreement, except as provided by Article 12.3.

Annex A - Mission Profile

Annex B – Responsibility Table

Annex C - Premature Major Periodic Inspection

Annex D - Excluded Items / Parts

ANNEX A

MISSION PROFILE

The design Mission Profile, for which the Program is based on, is one engine Cycle for each mission of 72 minutes. The Datum Profile is the flight profile contained in chapter 5 of the applicable Williams International Line Maintenance Manual.

The Published Rate is for the Engine(s) used and operated in:

- A. The airframe configuration as produced by the original airframe equipment manufacturer.
- B. Datum flight profile.
- C. The limitations specified in the Aircraft flight manual, Approved Engine Manuals, and any other instructions and recommendations issued by Williams International, the Aircraft manufacturer and requirements of airworthiness directives issued by regulatory authorities. The agreed Hourly Rate for this agreement will be adjusted for operation of the Engine outside the above parameters as detailed on the Datum Profile. Where on the basis of a 6-month rolling average, the monthly utilization exceeds the profile agreed in this annex, Williams reserves the right to adjust the Hourly Rate.

Annex B

RESPONSIBILITY TABLE (Page 1 of 2) (Subject to the contract exclusions)

SCHEDULED INSPECTIONS	
Routine Periodic Inspections	
Major Periodic Inspection (Hot Section/Compressor)	
- Engine R&R and/or Access Time	
- Inspection / Assembly Labor	
- Oil Analysis	
- Oil Filter Analysis	
- Consumable Parts	
- Wear Out Items	<i>(Filters, Igniters, Igniter Leads, Filter Analysis Kit and Oil)</i>
- Spare Parts	
- Component Repair Labor	<i>(if required)</i>
- Life Limited Parts Replacement	
- Use of Rental Engine at TapAdvantage Blue rates	<i>(During Compressor Inspection, N/A for Hot Section Inspection)</i>
- Rental Engine R&R / Access Time for CSI	<i>(Not covered for Hot Section Inspection, or if Express Compressor Section Inspection option chosen)</i>
- Shipping	<i>(excluding rental engines during Hot Section Inspection and during Express Compressor Section Inspection)</i>
- Corrosion	

UNSCHEDULED MAINTENANCE
Engine and LRU R&R labor and/or Access Time
Troubleshooting ¹
Consumable Parts
Wear-Out Items
Exchange Engine/Module/LRU
Rental Engine at TapAdvantage Blue rates
Rental Engine R&R
Shipping

¹Troubleshooting is included in the flat rate hours published in the Service Facility Guidelines.

ANNEX B

RESPONSIBILITY TABLE (Page 2 of 2)

SERVICE BULLETINS
Alert (Mandatory), Recommended, and Optional
- Parts
- Labor

OTHER
Packaging – Always an Owner expense except for engine shipping container which will be provided by Williams at no cost.
Freight – Williams expense except as excluded in Article 5 and Article 6.
Lightning – Coverage applies to Engine maintenance that is a result of lightning strikes
Unintentional Foreign Object Ingestion – Coverage applies to Engine maintenance that is a result of ingestion of foreign objects that are not deliberate and not part of the aircraft entering through the front of the Engine via the fan inlet.
Airframe Consumables – Coverage applies to Consumables listed in the Aircraft manufacturer's Aircraft maintenance manual which are mating to Engine components when consumed for the purpose of returning the Engine to service during Engine covered maintenance, in accordance with Article 2.1 and subject to the exclusions in Article 2.4. Airframe Consumables whose uses are determined to be unnecessary or avoidable as relates to the Engine maintenance are not covered.

Online Technical Publications
Line Maintenance Manual
Illustrated Parts Catalog

ANNEX C

PREMATURE MAJOR PERIODIC INSPECTION

This Annex contains a calculation for Premature Major Periodic Inspection fee. Early MPI results in a fee which is in addition to the normally reported and paid operated hours.

If a Major Periodic Inspection is performed more than 25 Engine Operating Hours prior to the time interval for that inspection, the full payment of the charges calculated therein will be invoiced by Williams to Customer. The amount charged will be calculated by subtracting the Total Engine Operating Hours at time of premature MPI maintenance from the defined MPI Interval (less 25 hours); the resulting hours will be multiplied by the Published Rate.

ANNEX D

Excluded Items / Parts

Items listed herein and their related consumables; as well as components superseding, supplementing, or typically considered non-engine, as determined by Williams, are not covered under the TAP Blue contract:

- **There are no excluded Items / Parts at this time**