

February 11, 2019  
PROPOSAL: WOQ19-00044

Jege LLC  
3800 Southern Blvd suite 204  
West Palm Bch FL 33406

Gulfstream Aerospace N120JE GIV 1085

Attn: Larry Visoski  
Manager  
[REDACTED] Cell

7435 Valjean Avenue  
Van Nuys, California 91406  
United States  
Phone: 818-989-2900  
Fax: 818-947-5474

Clay Lacy Aviation (CLA) is pleased to provide this proposal for the purposes of accomplishing the following work scope. Summary prices are subject to change depending upon your acceptance of individual line items within the work scope and agreed to in writing.

**PRICING SUMMARY**

(excluding additional work covered under paragraph 7 of the Terms and Conditions)

<b>Item</b>	<b>AVIONICS</b>	\$333,711.00
	Subtotal	\$333,711.00
	<b>Total</b>	<b>\$333,711.00</b>

(Excludes all work scope items identified as **Option Items** or *As Required* on the Aircraft Work Proposal and Agreement.)

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**SCHEDULED INFORMATION****Requested Input Date:****Requested Location****Lead Time**

The required lead time is 30 calendar days upon receipt of executed agreement. (Lead time excludes options - please see optional item for any additional lead time required)

**Down Time**

Our estimated down time for the work scope quoted is 19-22 business days. This down time estimate includes normal discrepancy findings but does not include major discrepancies, corrosion or structural repairs. This category of discrepancy will require evaluation to determine repair schemes and schedule impact.

The projected down time excludes additional work requested, overtime not included in the quoted items and options (See the optional item for any additional down time required).

**PROPOSAL ACCEPTANCE INSTRUCTIONS**

The prices contained in this Aircraft Work Proposal and Agreement (hereafter proposal) shall remain firm for a period of ninety 90 days from the date hereof.

In order to accept the proposal customer shall sign this document in the space provided on the following page, initial the payment terms on the following page, initial as Accept or Decline all Optional items that may be contained within the Work Scope and return it to CLA within such ninety (90) day period. Upon execution by CLA, this proposal shall be deemed a binding contract.

Until actual receipt by CLA of a signed proposal from the customer, CLA may withdraw or modify the proposal.

The exhibits attached hereto are expressly made a part of this proposal.

CLA's acceptance is conditioned upon customer's agreement to all of the terms and conditions within this work proposal, the attached terms and conditions, and all exhibits attached hereto.

Terms and conditions contained herein may not be amended without written consent of CLA.

Upon your review and acceptance, please return signed copy electronically or fax to 818.947.5474.

**PAYMENT TERMS**

**Progress Billings**

DESCRIPTION	AMOUNT
50% Initial Payment	\$166,855.50

**Balance Due On Delivery**

\_\_\_\_\_ Initial

The above quoted prices are exclusive of California State Sales Tax (if applicable), consumables and required shipping charges. Unless previously agreed, full payment for services rendered is required upon delivery. Acceptable methods of payment include: Certified funds, wire transfer, cash or other arrangements acceptable to Clay Lacy Aviation.

Work Payment Terms:

A deposit of 50% of the total proposal is due prior to start of the work and the remainder balance will be due on delivery.

Payments made by Credit Card are subject to a 4% processing fee assessed on the total amount charged.

**AUTHORIZATION**

**Clay Lacy Aviation**

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**ACCEPTED AND AGREED TO**

**Jege LLC**

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

I certify that I have full legal authority to sign this Work Proposal Agreement

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**Item:** 1. AVIONICS

**Item Subtotal:** \$333,711.00

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<b>Item:</b>	1. AVIONICS	<b>Item Subtotal:</b>	\$333,711.00
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1.1 C/W Aircraft Modification to FANS 1A+ / CPDLC / ADS-C compliant configuration with ATNB1, ADS-B Out & option for AFIS Retention (See Option 1)  
 \* ESTIMATED DOWNTIME: 19 to 22 Days

C/W FANS 1A+ System Installation per KaiserAir STC ST03422CH

- Install Universal Avionics UNS-1 Espw FMS as a third FMS with the following features & functions
  1. Full CPDLC / ADS-C Out capability when coupled with the Unilink 801 (listed below)
  2. FAA TSO-C146c approved Universal Avionics' SBAS-FMS meets the requirement for the Navigation Source part of an aircraft's Automatic Dependent Surveillance Broadcast (ADS-B) Out installation and approval. (Note: This system does not qualify for the LPV Approach certification as it is a single system)
  3. Full color LCD display with full function keyboard
  4. Full laterally displayed and coupled third FMS with independent world wide database and independent data loader
- \* Aircraft currently has a 3rd NZ2000 FMS Nav Computer & Display Unit that will have to be removed, disabled & restrapped, avionics re-configured, wires capped & stowed. Engineering drawings will be provided along with a revised AFMS to show only 2 NZ's, Revised ELA and FAA Form 8110-3.

- Installation of a Universal Avionics UL-801 Unilink Communications Management Unit (CMU), provides advanced air-to-ground, two-way datalink capabilities with:
  1. Imbedded VHF Datalink (VDL) for sending information between aircraft and stations
  2. Automatic Dependent Surveillance-Contract (ADS-C) functionality
  3. Compliant with European Link-2000+ Program Mandates (See Note 1)
  4. Compliant with FANS-1A requirements.
  5. International interface with the True North Simphone FANS-1/A Data Link Unit, FAA TSO-C159c approved Iridium SBD Transceiver (Required for FANS operations).

- Installation of the True North SIMPHONE Data Link Unit , Inmarsat Filter & Iridium Antenna

- Installation of a Universal Avionics CVR-120A Cockpit Voice Recorder with:
  1. Solid State recording and memory
  2. 120 minutes of cockpit voice and ambient audio recording
  3. Meets all published and emerging regulations for cockpit voice and datalink recording with the convenience of a small, lightweight unit

**FANS Notes:**

1. FANS certification will require crew training on equipment and procedures. Clay Lacy Aviation will assist you in scheduling training and provide an LOA template (Training is independent of Clay Lacy and charges will be paid directly to the training provider)
2. Please note there is a 6 to 8 week lead time for Universal Avionics Equipment

C/W ADS-B Out (DO-260B) System Installation, "ADD - On" to FANS 1A+ Installation

- Factory Upgrade to both of your existing (DO-260A) Collins TDR-94D Transponders from their existing -409 status to -501 status (DO-260B compliant, SB 514), and addition of applicable annunciators and return to service per Existing STC

**ADS-B OUT Notes:**

1. ADS-B (DO-260A) compliance is currently required for operations above 29,000 feet AGL in Australia, Singapore, Hong Kong and Vietnam Airspace
2. DO-260B ADS-B compliance will be mandatory for ALL aircraft operations in United States Airspace in 2020. This solution satisfies both of these requirements

**Item:** 1. AVIONICS **Item Subtotal:** \$333,711.00

3. Transponder system modifications may impact existing RVSM equipment approvals. Aircraft operators should be aware that their current RVSM manual, RVSM ICA and LOA approvals may require revisions if any of the above address the existing Transponders by their full part numbers

**GENERAL NOTES:**

1. DUE TO THE UNIQUE VARIATIONS IN INTERIOR CONFIGURATIONS, ADDITIONAL LABOR FOR THE REMOVAL & REINSTALLATION OF THE CABIN INTERIOR MAY BE REQUIRED. THESE OPERATIONS WILL BE INVOICED SEPARATELY ON A TIME AND MATERIAL (T&M) BASIS
2. POST INSTALLATION FLIGHT TESTING OF THE FANS SYSTEM AND ASSOCIATED COSTS WILL BE THE RESPONSIBILITY OF THE AIRCRAFT OPERATOR
3. ANTENNA OR EQUIPMENT RELOCATION / RECONFIGURATION NECESSARY TO ACCOMODATE THE PROPOSED EQUIPMENT -IF REQUIRED- WILL BE ASSESSED AT TIME OF AIRCRAFT ARRIVAL AND ANY ADDITIONAL ENGINEERING AND/OR LABOR WILL BE QUOTED SEPARATELY

\*\* Prices subject to change upon evaluation of aircraft and equipment installed.

\*\*\* This proposal valid till 5/31/19.

<b>Labor Flat Rate:</b>	\$84,915.00
<b>Parts Flat Rate:</b>	\$239,499.00
<b>Services Flat Rate:</b>	\$9,297.00
<b>Misc charges:</b>	As required
<b>Total:</b>	\$333,711.00

**1.2 OPTION 1:**

**C/W AFIS System Retention**

Should you desire to retain your existing AFIS Unit to provide data to the existing NZ-2000 FMS Systems, the following will be complied with:

- Update your existing AFIS via Honeywell Service Bulletin to Hardware Mod Level 7 (or later) and Software Mod Level 8 (or later) allowing the AFIS VHF to access the SITA Network.
- \* Upgrade costs may vary depending on current Hardware and Software Level Status and will be quoted separately.
- \*\* Any Repairs required on the AFIS Flight Data Management Unit will also be quoted separately.

- Provide and install a factory New Sensor System S65-111-2 VHF Antenna dedicated to AFIS operations.
- Switch your service provider to SatCom Direct

**NOTES:**

1. There is currently a 30 day Turn Time for upgrading the AFIS DMU at Honeywell. Rental Units are available for use while customer units are upgraded
2. Prices subject to change upon evaluation of aircraft and equipment installed.

Accept \_\_\_\_\_ Decline \_\_\_\_\_

<b>Labor Flat Rate:</b>	\$25,245.00
<b>Parts Flat Rate:</b>	\$3,600.00
<b>Services Flat Rate:</b>	\$18,067.00
<b>Misc charges:</b>	As required
<b>Total:</b>	\$46,912.00

## 1. LIMITED WARRANTY:

Maintenance and modification workmanship is warranted against defect for a period of 1 year, or 400 flight hours, whichever occurs first, from the date of return to service. Modifications and installations incorporating new equipment and/or components are warranted against installation workmanship defects for a period of 1 year, or 400 flight hours, whichever occurs first, from date of return to service. Workmanship as it relates to fuel leak repairs will be warranted against defect for a period of 3 months, or 150 flight hours, whichever occurs first, from date of return to service. The foregoing warranty shall be effective only if the aircraft/equipment is returned to Clay Lacy Aviation facility for repair, at Customer's expense, together with particulars in writing of the nature of the defect. Clay Lacy Aviation does not warrant parts, material, components, equipment or services supplied or performed by other companies, but agrees to use commercially reasonable 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 the Customer. Clay Lacy 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 or workmanship in accordance with such suppliers and subcontractors warranties. This warranty does not extend to Customer furnished parts, materials, equipment or components. This warranty is the only express warranty made, and there are no other express warranties except as made herein. Repair or replacement as provided herein are the exclusive remedies for a breach of the express warranty given herein. This warranty shall not apply to any installation or maintenance, which in the judgment of Clay Lacy Aviation, has been subjected to misuse, negligence, foreign object damage, improper maintenance, improper operation, accident, fire, flood, or other acts of God. Implied warranties of merchantability or fitness for a particular use are limited in duration of the express warranty given herein. There is no warranty covering, and Clay Lacy Aviation shall not be liable for any consequential damages, incidental damages, or incidental expenses. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). IN NO EVENT SHALL CLAY LACY AVIATION BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUE OR PROFIT AND COST OF REPLACEMENT AIRCRAFT. NO AGREEMENT EXTENDING THIS WARRANTY SHALL BE BINDING UPON CLAY LACY AVIATION UNLESS IN WRITING AND SIGNED BY ITS DULY AUTHORIZED OFFICER OR REPRESENTATIVE. THE ABOVE WARRANTY IS THE ONLY WARRANTY GIVEN UNLESS OTHER WARRANTIES ARE ATTACHED AND EXPRESSLY MADE A PART HEREOF.

## 2. PRICES, TAXES AND DELIVERY.

All prices are based on delivery to Clay Lacy Aviation repair facility, Delivered Duty Paid ("Delivery") and the redelivery to the Customer after completion of work at Clay Lacy Aviation facility ("Redelivery"). Prices do not include transportation, insurance, taxes, imposts, or other similar charges. The amount of all Federal, State or local taxes applicable to the sale, 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 price and paid by the Customer, except where the Customer shall furnish an appropriate certificate of exemption. Customer shall indemnify and hold Clay Lacy Aviation harmless from the payment or imposition of any tax or levy imposed on any articles sold, or for any Work performed, plus penalties, interest or reasonable attorneys fee connected with the imposition of any such tax or levy.

## 3. PARTS.

Parts pricing is subject to change by the OEM. Due to supplier pricing variations, final invoice pricing may be more or less than the "Estimated" amount in this proposal. Customer understands and agrees that FAA PMA approved parts may be used in the repair, maintenance, overhaul or alteration of Customer's aircraft, engine or component thereof. Customer furnished parts will be assessed 20% handling surcharge at the time of installation based on the Manufacturer's Suggested Retail Price ("MSRP"), unless previously agreed in writing. For rebuilt, reworked, overhauled or refurbished parts where this is MSRP, Customer will provide the invoice from which Clay Lacy Aviation will determine the surcharge on a cost plus basis. Customer furnished parts must be accompanied by a properly executed release for return to service in accordance with FAA regulations and Clay Lacy Aviation requirements. Clay Lacy Aviation disclaims any and all liability for Customer furnished parts and specifically excludes any and all express, implied or statutory warranties for such parts including, but not limited to, the warranties of merchantability and fitness for a particular purpose. Customer shall release, indemnify, defend, save and hold harmless Clay Lacy Aviation, its employees, directors, officers, agents and subcontractors from and against any and all responsibilities, liabilities, claims, demands, suits, judgments, losses, damages, costs and expenses for the performance of such parts and installation by Clay Lacy Aviation of such parts.

## 4. TITLE/LIEN.

Title to furnished parts, material and associated labor shall pass to Customer upon Redelivery. Provided, however, when Redelivery is projected to be more than sixty (60) calendar days from the date of Delivery to Clay Lacy Aviation Clay Lacy Aviation reserves the right to transfer title to parts, material and associated labor to Customer at the time that such items are incorporated into Customer's aircraft, and to invoice Customer for such items upon incorporation. Customer grants to Clay Lacy Aviation a security interest, and Customer agrees to execute any documentation required to perfect such interest, in all property owned by Customer (including Customer's beneficial rights in property leased by Customer) and in possession of Clay Lacy Aviation to secure amounts owing to Clay Lacy Aviation and in the future. Clay Lacy Aviation's security interest will attach to such collateral upon the execution and delivery of this agreement without any further act being required by either Customer or Clay Lacy Aviation.

## 5. PAYMENT.

Unless previously agreed in writing, receipt of a deposit of 50% of the total proposal is required prior to start of the work, and full payment for services is required prior to Redelivery and aircraft departure. Acceptable methods of payment include: Certified funds, wire transfer, cash or other arrangements acceptable to Clay Lacy Aviation. Payments made by Credit Card are subject to a 4% processing fee assessed on the total amount charged. Progress payment will be established for projects in excess of \$100,000.00. Deposits are non-refundable and will be retained as liquidated damages in the event the project is canceled. Requests for credit will not be considered until Customer has completed, signed and delivered an application for credit. Any unpaid balance on account must be paid within 30 days of invoice date or a monthly finance charge of the lesser of: (i) 1.75% or (ii) the maximum permitted by applicable law will be assessed. For payment or questions, please contact the credit manager at 818-989-2900. The credit department must approve exceptions to the payment terms or payment methods listed herein in advance and in writing. If a final invoice cannot be provided at Redelivery, Clay Lacy Aviation will provide an estimated invoice in order to expedite the timely delivery of aircraft to Customer. Any estimated invoice is subject to change. Subsequent supplementary invoices reflecting the actual charges and balances will be submitted to Customer as soon as practicable and will be reconciled with the amounts previously invoiced to Customer and/or paid.

## 6. DELAYS.

Clay Lacy Aviation shall not be liable for delays in delivery, performance, or failure to perform, manufacture or redelivery due to causes beyond its reasonable control, or acts of God, acts of the Customer, acts of government or military authority, increase in the scope of work requested by Customer, condition of aircraft, delays in transportation or shortages, or inability due to causes beyond its reasonable control to obtain necessary labor, materials, utilities, components or manufacturing facilities. In the event of any such delay, the date of performance/Redelivery shall be extended for a period of time as may be reasonably necessary to compensate for any such delay.

## 7. CHANGES.

Customer may request changes or additions to the work and/or in any applicable drawings, specification and/or designs, provided that such changes or additions are documented on a Clay Lacy Aviation contract/proposal addendum, and signed by an authorized Customer representative. Any change or addition may affect price and redelivery. Any change in price shall be borne by Customer. It is understood that all prices are based on straight time labor costs; any change requested by Customer necessitating an overtime expense will be deemed a change under this paragraph.

## 8. LIMITATION OF LIABILITY.

TO THE FULLEST EXTENT PERMITTED BY LAW, CLAY LACY AVIATION'S LIABILITY ON ANY CLAIM OF ANY KIND, INCLUDING NEGLIGENCE FOR ANY LOSS (INCLUDING DEATH) OR DAMAGE ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THIS AGREEMENT, OR FROM THE PERFORMANCE OR BREACH THEREOF, OR FROM THE MANUFACTURE, SALE, REDELIVERY, RESALE, REPAIR OR USE OF ANY ARTICLE OR WORK COVERED BY OR FURNISHED UNDER THIS AGREEMENT SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE ARTICLE OR WORK WHICH GIVES RISE TO THE CLAIM. ANY SUCH LIABILITY SHALL BE CONDITIONED ON CUSTOMER PROVIDED PROMPT WRITTEN NOTICE TO CLAY LACY AVIATION OF ANY CLAIM AND, IN ANY EVENT, WITHIN ONE YEAR FROM THE DATE OF OCCURRENCE OF THE CLAIM UNLESS THE PARTIES HAVE AGREED IN WRITING TO A DIFFERENT CLAIM PERIOD. IN NO EVENT SHALL CLAY LACY AVIATION BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUE OR PROFIT AND COST OF REPLACEMENT AIRCRAFT OR FOR ANY DAMAGES ARISING FROM OR RELATED TO ACTS OF WAR OR TERRORISM.

Except as expressly provided to the contrary in writing, the provisions of this Agreement are for the parties and not for the benefit of any other person.

## 9. EXCHANGES AND RETURNS.

Exchange cores must be returned freight prepaid, to the Clay Lacy Aviation facility within fourteen (14) calendar days (twenty-one (21) calendar days overseas) from the date of shipment. Delay in accomplishing a timely return will subject Customer to a core charge as established by Clay Lacy Aviation. Customer agrees to pay for all replacement parts in the overhaul of the exchange core not required as part of a normal overhaul. Customer shall be invoiced for any such replacement parts. Clay Lacy Aviation will return all non-repairable (nonconforming) cores or parts upon Customer's written request provided that the Customer will pay any taxes, duties, imposts and tariffs levied on the value of the returned items and all costs of return if any. All sales are final; no return of unused parts will be permitted unless previously authorized by Clay Lacy Aviation. All authorized returns will be subject to a restocking/recertification charge. Customer agrees to pay for any core charge backs resulting from cores deemed unacceptable by the manufacturer or distributor.

## 10. GOVERNMENTAL AUTHORIZATIONS.

In all cases, Customer shall be the importer or exporter of record and shall be responsible for timely obtaining any required governmental authorization such as import license, exchange permit or any other required governmental authorization such as import license, export license, exchange permit or any other required governmental authorization. If Customer asks Clay Lacy Aviation to assist, Customer shall pay for Clay Lacy Aviation's services, but Customer shall remain importer or exporter of record. Clay Lacy Aviation shall not be liable if any authorization is delayed, denied, revoked, restricted, or not renewed and Customer shall not be relieved of its obligation to pay for services rendered by Clay Lacy Aviation to Customer. All articles, parts or equipment delivered shall at all times be subject to the U.S. Export Administration Regulations and/or International Traffic in Arms Regulation and/or customs Regulations and laws of the U.S.A. and any amendments. Customer agrees not to dispose of U.S. origin items provided by Clay Lacy Aviation other than in and to the country of ultimate destination specified in Customer's purchase order and/or approved government license(s) or authorization(s), except as these laws and regulations may permit.

## 11. INDEMNIFICATION.

Customer shall indemnify and hold Clay Lacy Aviation, its employees and agents harmless for loss of or damage to the aircraft, including the Work accomplished on the aircraft under this agreement, for any reason or cause whatsoever while the aircraft is in the possession and/or control of Clay Lacy Aviation or on the premises of Clay Lacy Aviation. Notwithstanding the foregoing, Clay Lacy Aviation shall indemnify and hold Customer harmless for any loss or damage to the aircraft occurring while it is not in flight, provided such damage to the aircraft is solely, directly and proximately caused by negligence of Clay Lacy Aviation, and providing further that Clay Lacy Aviation will not indemnify Customer for any damages that arise from or are related to acts of war or terrorism. In no event shall Clay Lacy Aviation indemnify or liability exceed the price allocable to the work, article or part which gives rise to a claim for loss or damage to the aircraft.

## 12. FLIGHTS.

This agreement does not cover test flights or Redelivery flights of Customer's aircraft by Clay Lacy Aviation or any other flights of Customer's aircraft. In the event that Customer desires Clay Lacy Aviation to perform such services, they will be rendered under a separate agreement, which will require appropriate insurance and indemnification protection of Clay Lacy Aviation by Customer before the commencement of such flights. Customer is responsible for aircraft operating expenses such as crew, fuel, etc. for the flight-testing and certification, subject to the provisions of Section 12 herein.

## 13. CUSTOMER REPRESENTATIVES.

Customer's representatives shall have access during normal business hours to Clay Lacy Aviation's facilities and the aircraft while the work is being accomplished. Clay Lacy Aviation rules and regulations concerning employees and facilities will be observed by such representatives, who shall not have access to any portion of Clay Lacy Aviation facilities that may be restricted by U.S. Government security regulations, or by Clay Lacy Aviation.

Initials \_\_\_\_\_

**14. DEFAULT.**

Should events occur which would give rise to a claim by Customer that Clay Lacy Aviation has breached this agreement or is otherwise in default, Customer shall first give Clay Lacy Aviation a thirty (30) calendar days written notice of such claim. Before Customer can submit such claim to any dispute resolution process, Clay Lacy Aviation shall have a thirty (30) calendar day period to cure any claim and avoid any liability to Customer. Customer's breach or failure to pay any sum due under this agreement or any other agreement or contract with Clay Lacy Aviation regardless of when the agreement or contract was entered into, will at Clay Lacy Aviation sole option if the breach or nonpayment is not cured within ten (10) calendar days after written notice of the breach, constitute a default of this agreement and all other agreements and contracts between Customer and Clay Lacy Aviation. In such an event, Clay Lacy Aviation may at its option withhold performance under this agreement and any or all of the other agreements and contracts until a reasonable time after all defaults have been cured, and/or do anything else that the law permits.

**15. DISPUTE RESOLUTION.**

If a dispute, claim or controversy arising out of or relating to the agreement occurs (the "Dispute"), either party shall give written notice to the other party requesting that senior management attempt to resolve the dispute. Within fifteen (15) calendar days after receipt of such notice, the receiving party shall submit a written response. Both the notice and the response shall include a statement of the applicable party's position and a summary of reasons supporting that position. The parties shall cause senior management to meet within thirty (30) calendar days after receipt of the notice, at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to use commercially reasonable efforts to resolve the Dispute in good faith.

**16. ATTORNEY.**

The prevailing party in any litigation to enforce this agreement or any obligation concerning its subject matter shall be entitled to its reasonable costs and attorneys fees in addition to any relief obtained.

**17. APPLICABLE LAW.**

This agreement shall be interpreted, and the rights and liabilities of the parties determined, in a accordance with the law of the State of California, without regard to conflicts of law principles. The parties consent and hereby submit to the exclusive jurisdiction of the state courts located in Los Angeles County, California for a determination of any and all issues between them relating to this agreement or its subject matter. Customer hereby waives 1) the right to a jury trial in any and all proceedings, 2) any and all objections to venue and inconvenient forum in the state courts referred to in this section, and 3) any and all rights to remove any action to the United States District courts.

**18. WAIVER.**

Failure by Clay Lacy Aviation to assert all or any of its rights upon any breach of this agreement shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment or service. No written waiver of any rights shall extend to or affect any other right Clay Lacy Aviation may possess, nor shall such written waiver extend to any subsequent similar or dissimilar breach.

**19. SEVERABILITY.**

Any provision of this agreement, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**20. ASSIGNMENT.**

The assignment of the agreement or a related purchase order, or any rights or obligations, by either party without the prior written consent of the other party shall be void. Notwithstanding the above, Customer's consent shall not be required for the substitution of a subsidiary or affiliated company of Clay Lacy Aviation in the place of Clay Lacy Aviation as the contracting party and/or the recipient of payments pertaining to all or part of any purchase order. Should such substitution occur, Customer shall be notified thereof in writing.

**21. TITLES/SUBTITLES.**

The titles and subtitles given to sections of the agreement are for convenience only and shall not in any manner be deemed to limit or restrict the context of the section to which they relate. The words "hereof", "hereunder", "herein", "herewith" and similar terms are not to be deemed restrictive and refer to the entire agreement including all exhibits.

**22. MODIFICATION.**

This agreement may only be modified, supplemented, or amended by a writing duly signed by an authorized representative of both parties hereto.

**23. ENTIRE AGREEMENT; AUTHORITY:**

This agreement is intended to be the complete and exclusive statement between the parties of the work to be done and the applicable terms and conditions. No prior proposals, statements, negotiations, warranties, course of dealing or usage of trade will be part of this agreement. Clay Lacy Aviation objects to Customer's inconsistent or additional terms, however stated, and such shall not be part of this agreement unless Clay Lacy Aviation specifically accepts them in writing. Anyone signing for the Customer represents that she or he is employed by the Customer in the capacity indicated and is unequivocally authorized to bind the Customer to this agreement.

**24. BINDING EFFECT.**

This Proposal is submitted to Customer for informational purposes only. This proposal shall not become a binding agreement between Customer and Clay Lacy Aviation unless signed by Customer and returned to Clay Lacy Aviation at its office in Van Nuys, California, and there accepted by Clay Lacy Aviation,

within thirty (30) days from the date of the proposal unless sooner revoked by Clay Lacy Aviation or rejected by Customer.

**25. PRICING.**

Work will be performed on either a flat-rated or time and materials basis, as noted in Customer's proposal or squawk summary. Unless otherwise quoted in the proposal or airframe squawk summary as time and materials worked, Clay Lacy Aviation will perform all work on a flat-rated basis for labor. Quoted prices for inspections are firm prices and include flat-rated labor for complete inspection in accordance with the requirements specified in the manufacturer's inspection manual. Flat-rated labor will be billed at the quoted rate regardless of the actual amount of labor required to perform the work. Estimates of cost of work, which is noted, to be performed on a time and materials basis are subject to change. The final cost of each time and materials item will be based on the actual materials, parts, labor and outside services required to complete the item.

**26. ADDITIONAL CHARGES.**

The following additional charges are not reflected in the quoted prices and shall be paid by Customer to Clay Lacy Aviation upon demand if applicable: (a) Clay Lacy Aviation charges for repairing any Customer-furnished parts, material or equipment found not otherwise suitable for its intended use; (b) Clay Lacy Aviation charges for any rework or additions to Customer furnished engineering; (c) Clay Lacy Aviation charges for fuel, oil, insurance and flight crews required for flight testing and/or ground runs on an aircraft; (d) if overtime is required in order to complete the work on the schedule requested by Customer, Clay Lacy Aviation will advise Customer of the necessity and estimated cost of the overtime work. Customer will have the option to pay overtime rates or adjust the delivery date. Customer will pay for all approved overtime charges for work performed pursuant to the terms of this proposal; and/or (e) Necessary replacement parts.

**27. AVIONICS/INTERIORS.**

Interiors and Avionics are not "standardized." As such, it is Clay Lacy Aviation policy to inform Customer that this proposal is budgetary in nature, pending a review of accurate and complete historical aircraft records, including but not limited to wiring diagrams, electrical load analysis, 337s, interior drawings, incorporated STCs, equipment lists, logbooks and other documents. Customer must submit all requested aircraft records to Clay Lacy Aviation at least thirty (30) days prior to delivery of the aircraft to Clay Lacy Aviation for any avionics and/or interior work. Any delay in furnishing such records will affect the proposed pricing, downtime and anticipated Redelivery date listed in the attached quote. Existing aircraft equipment must be compatible with the system to be installed. The aircraft must have adequate space and power to accommodate the additional equipment. Upon Clay Lacy Aviation's receipt of the above-mentioned information, Clay Lacy Aviation can provide Customer with a complete proposal. Customer may help Clay Lacy Aviation in providing this by making sure that Customer has sent avionics drawings along with photograph of Customer's instrument panels and pedestal in addition to an equipment list. Certification costs are shown as a separate item on the proposal. Clay Lacy Aviation proposal prices do not include removal and reinstallation or modification of interior components unless otherwise specified.

**28. SCHEDULING.**

Maintenance positions are provided on a first scheduled, first served basis. An early-signed proposal will ensure the greatest number of available maintenance positions. Clay Lacy Aviation shall not be liable for delays caused by subcontractors, vendors, shippers or other circumstances beyond our control. Clay Lacy Aviation will not be liable for any consequential damages, incidental damages, incidental expenses, down time of aircraft, and/or loss of revenue because of such delays.

**29. SUBSTITUTIONS.**

Clay Lacy Aviation shall have the right to incorporate changes in design, construction, installation, and substitute equivalent equipment, accessories, parts or material where such changes are deemed necessary by Clay Lacy Aviation to avoid delays or improve product control, performance, reliability, stability, utility, manufacturer or appearance of the goods or materials supplied herein.

**30. AIRCRAFT RECORDS.**

The Customer is responsible for furnishing all aircraft records requested by Clay Lacy Aviation at the time of delivery. Sign-offs will be documented on copies of the current manufacturer's maintenance schedule and in the aircraft logbooks. If additional sign-offs are needed for third party maintenance tracking systems, the sign-offs will be accomplished on a time and material basis at the then current labor rate.

**31. AIRCRAFT FUEL.**

Depending on de-fuel truck availability at the site, fuel removed from the aircraft for maintenance needs may not be able to be placed back in the aircraft due to regulations regarding commingled fuel. To ensure a minimum amount of lost fuel, Clay Lacy Aviation recommends that you plan your fuel so that Customer plan to delivery the aircraft to Clay Lacy Aviation with as small of a fuel load as possible. This will save Customer cost in both man-hours charged to de-fuel the aircraft and also limit the amount of fuel that could be lost during maintenance.

**32. CONTRACT CHANGE ORDERS.**

If Customer requests changes to the scope of work as defined herein or discrepancy repair conditions are found, the Customer will be provided with a Contract Change Order ("CCO"). The hourly rates will be the then current rates when the aircraft arrives for work. The CCO will state the change or addition to the scope of work and will inform the Customer of the impact that this has to pricing, downtime and anticipated Redelivery date. The CCO will reference and amend this proposal. The Customer will be required to sign the CCO before the work scope change or addition will begin. Any delay in Customer signing the CCO will result in a minimum of one (1) additional day added to the Redelivery date for each day the CCO remains unsigned and unreturned to Clay Lacy Aviation.

Initials \_\_\_\_\_