



PROPOSAL

Number
2013.00340 -001

3701 Aviation Rd
Lincoln, NE 68524

15745 South Airport Rd
Battle Creek, MI 49015

Fax: [REDACTED]

Fax: [REDACTED]

To: Mr. Larry Visoski
Hyperion Air
3800 SOUTHERN BLVD #204
SUITE 204
WEST PALM BEACH, FL 33406

Make, Model, Serial
Gulfstream G-IV
Registration

Date
24 Jan 2013

Quoted By
George Bajo - Battle Creek

1 (302) 998-0592 Fax:

PAINT REFURBISHMENT

1.00 **Duncan Aviation Complete Paint Specifications- GIV/SP (2013) Incoming Inspection** Quoted \$ 202,428

The aircraft will be inspected upon arrival for evidence of damage or discrepancies. Particular attention will be given to the windows, flight controls, fuselage skin, boots and polished leading edges. If discrepancies are found, the customer will be notified for approval to repair or defer.

Paint Stripping

Protective masking materials will be applied to the aircraft to protect sensitive areas such as windows, composites, and leading edges. All openings will be sealed. The aircraft will be stripped using an approved Non-Hap's stripper and then rinsed with heated fresh water. Masking materials will be removed.

NOTE: A MIL thickness check will be completed upon input of the aircraft into paint. If the existing MIL thickness is greater than 10 MIL's additional labor and stripper will be required to completely strip the aircraft. Any additional labor or stripper required will be submitted via a Change Order for customer approval. Due to new EPA restrictions, stripper materials are limited to Non-HAP (Hazardous Air Pollutant) strippers.

Sanding

The aircraft will be sanded as required to remove all paint or primer residue not removed by stripping.

Composites

Applicable composites will be sanded down to the original base primer, painted with a anti-static primer, and then sanded and prepped for top coat application.

NOTE: Existing cracks in composite surfaces will eventually transfer through the paint finish. Duncan Aviation's warranty does not cover problems caused by or related to the inherent qualities of airframe composite materials. See Paint Warranty for Details.

1.00 Continued...Duncan Aviation Complete Paint Specifications-GIV/SP (2013)**Flight Controls**

Any flight controls that require balancing, per the aircraft maintenance manual, will be removed for priming and painting. After final paint is applied, the flight controls will be balanced, reinstalled, and operationally checked. Any flight control hardware that is damaged or is found to have excessive wear must be replaced. The replacement of flight control hardware or addition of balance weights will be additional and submitted via a Change Order for customer approval.

Pre Treatment

Protective masking materials will be applied to the aircraft and the aircraft will be washed with PreKote, scrubbed, and rinsed with fresh water. Masking materials will be removed.

Primer Application

Protective masking materials will be applied to the aircraft. A "Chrome Free" corrosion protective primer will be applied. Fill primer will be applied to the fuselage and tops of wings for cosmetic appearance.

Top Coat Application

The primer coat will be sanded and protective masking replaced as required. The aircraft will be blown off with high pressure dry air, wiped down and cleaned with tack rags. Two coats of high gloss paint will be applied to the aircraft and the control surfaces.

NOTE: One base color is included in standard pricing. The application of a second base color to the wings, horizontal / vertical stabilizers and the use of metallic paint for the second base color, is not included in this Proposal and will be additional.

Landing Gear

The landing gear (struts, gear doors and wheels) will be prepped and painted. The wheel wells will be cleaned only. See additional and upgrade options for painting of the wheel wells.

Following painting of the landing gear, the aircraft will be jacked, the landing gear assembly will be inspected and all operational checks will be completed. The landing gear will be lubricated in accordance with the proper maintenance manual.

NOTE: The lubrication may be waived at the written request of the Customer.

Layout and Stripes

The customer approved paint scheme will be laid out on the airplane using a fine line tape. The layout will be inspected by the Project Designer for final approval prior to painting. After painting of the stripes, the tape will be pulled immediately (if the layout design allows) leaving a clean, crisp edge.

NOTE: Two stripe colors applied in a maximum of four stripes are included in standard pricing. See additional and upgrade options for application of additional stripes and/or colors.

NOTE: Applying custom schemes, custom registration number styles, foreign registration numbers to wings, flags, logos, multiple stripe schemes (more than four (4) stripes), continuous taper spacing between tapered stripes, etc. will be additional and bid upon specification / request.

1.00 Continued...Duncan Aviation Complete Paint Specifications-GIV/SP (2013)**Placards**

Silk-screens will be used to apply the airframe placard information in English where applicable.

NOTE: Bilingual placards will be additional and bid upon specification / request.

Antennas

Antennas will be retained as existing and cleaned only.

NOTE: Customer requests to paint any antennas will be evaluated by an avionics specialist, and if approved, will be completed per a customer approved Change Order.

P-Static Check

A visual inspection of the static wick bases and a P-Static check of the radome is included at no charge. Any repairs will be an additional cost and submitted via a Change Order for customer approval.

RVSM Continued Airworthiness

Returning the Pitot static system and components of RVSM compliant aircraft to service will require that the operator provide the applicable Instructions for Continued Airworthiness as indicated in their FAA / EASA approved RVSM Operations Manual.

Preflight Inspection

Flight controls will be operationally checked and a preflight inspection will be accomplished per the Duncan Aviation Checklist.

Final Detail / Touch Up Kit

A Final Quality Inspection will be completed by the Paint Team Leader and Project Designer. The windows will be cleaned and any exposed polished metal surfaces will be repolished. The aircraft will be cleaned, logbook entries completed, and all required documents will be checked on board.

A paint touch up care kit will be provided.

Nose Erosion Boot / Erosion Tape

A clear vinyl nose erosion boot will be applied to the radome. Clear 3M tape will be applied to the painted leading edges per customer specification.

Entrance Door & Door Frame

The entrance door and the entrance door frame will be prepared for paint and painted to match the fuselage base color. The step treads will be covered with new ribbed vinyl stair mat. The handrail will be polished per the current finish. New placards will be installed as required.

Baggage Door & Door Frame / Access Bay

The inside of the baggage door, baggage door frame, rear bay access door and frame will be prepped and painted to match the fuselage color. The existing rear bay access door ladder will remain as existing.

**1.00 Continued...Duncan Aviation Complete Paint Specifications-
GIV/SP (2013)****Additional Fill Prime Application**

A fill prime application will be provided on the fuselage (upper 3/4ths of fuselage) and tops of wings.

NOTE: Additional work may be required in the future to strip an aircraft with fill primer applied.

Hazardous Materials Handling

The hazardous materials generated through the strip and paint process will be treated and disposed of in accordance with EPA regulations.

Notes:

Additional corrosion control or repair, skin repair, replacement of rusty or corroded steel fasteners, or polishing of metal not already polished will be an additional cost and submitted via a Change Order for Customer approval.

2.00 ADDITIONAL & UPGRADE OPTIONS- GIV/SP

The following items, if requested, will be additional:

Second base color, **Bid Upon Request**

Second Base Color with separate wing colors, **Bid Upon Request**

Additional stripe colors, **ADD \$ 2,400 ea**

Wheel Wells, **ADD \$ 7,500**

Paint Inside Engine Cowlings, **ADD \$ 7,700**

Access Doors, **ADD T&M**

Wing Registration Markings, **ADD T&M**

Flags, **ADD T&M**

Inspection Panels / Screws, **ADD T&M**

Defueling Service Fee, **ADD T&M**

Weight and Balance, **ADD T&M**

Engine Preservation as required in a/c maint manual, **ADD T&M**

3.00 THREE-YEAR PAINT WARRANTY

Duncan Aviation, Inc. ("Duncan Aviation") Warrants all exterior strip and paint work performed by Duncan Aviation to be free from defects in material workmanship for a period of three (3) years or 1500 flight hours whichever first occurs.

For a full copy of Duncan Aviation's Paint Warranty and Limitations of Liability please contact your Sales Representative or Project Manager or you can download a copy from your myDuncan account.

4.00 NOTES

FEES: Freight and consumables fees are included in this proposal.

TAXES: No state sales tax will be collected for parts or labor performed on aircraft in Nebraska or Michigan, for those aircraft that are based and registered outside those respective states. Aircraft registered within the States of Nebraska or Michigan where work is performed, will be subject to the local state tax requirements unless the appropriate tax exempt form is provided to Duncan Aviation. Although Duncan Aviation may not collect tax for work performed, your particular state may require a use tax for work performed away from your home state. Duncan Aviation suggests you check with your local tax adviser.

4.00 Continued...NOTES

DESIGN SERVICES: Professional Design services are provided at no charge for completion of this project with Duncan Aviation. Pre-planning, material selection, exterior illustrations and research of pertinent FAA regulations are all included as part of the Duncan Design services. Customer requested Duncan Design services will be billed at \$125.00 per hour for projects not completed at one of Duncan Aviation's facilities.

PHOTOS: Customer grants Duncan Aviation the right to take photographs and/or video of the interior and exterior of the aircraft. Duncan Aviation is authorized to copyright, use, and publish the photographs or video in print and/or electronically and will make commercially reasonable efforts to not name the company or show any identifying information.

DEFUELING SERVICE FEE: A defueling service fee will be applied to the quantity of fuel removed for fuel processing, certification, quality, and purity requirements.

REGISTRATION CHANGES: Registration number changes may require updating of certain aircraft transponder equipment. Changes may also be required to FMS equipment, instrument panel placards, flightphones, airshow systems, and briefing cards. Changes and equipment updates will be completed on a Time & Material basis at current shop rate. Temporary registration numbers, if required, will be additional.

COUNTRY OF REGISTRY: Quote is applicable for U.S. (N#) registered aircraft and those country's which are on Duncan Aviation's repair station.

Total Quoted \$ 202,428

CORE VALUES

At Duncan Aviation, We:

Deliver high-quality products and services.
 Charge fair prices and provide efficient turntimes.
 Lead through action and innovation.
 Focus on solutions rather than problems.

Respect others and are accountable for our actions.
 Maintain a team approach and offer positive suggestions.
 Value honesty, integrity, loyalty and trust.
 Support our communities and encourage volunteerism.
 Are proud to be the best at what we do.

Living up to our core values is a challenge that we enthusiastically accept. We ask our customers to decide whether we have done so.

PROPOSAL TERMS & CONDITIONS

Binding Effect: The Agreement incorporating this Proposal is referred to herein as the "Agreement," which shall be deemed to include all of the terms and conditions of this Proposal as if they were in the same document as and a part of the Agreement. This Proposal is not binding on Duncan Aviation, Inc. ("Duncan") unless the Agreement is signed by Customer and returned to Duncan within thirty (30) days of the date of hereof.

Payment Terms; Deposit: Unless otherwise agreed, payment in full will be made prior to aircraft departure from Duncan's facility. If service is not provided at a Duncan facility, payment in full will be made prior to final sign-off. Acceptable methods of payment include approved check, wire transfer, or cash. A deposit equal to 30% of quoted items on projects expected to require four weeks or more to complete or requiring special parts orders or pre-arrival engineering services will be made at time of firm schedule commitment. This deposit is non-refundable and will be retained by Duncan as liquidated damages if Customer cancels or materially changes the scope or scheduling of the project. On projects expected to require more than four weeks to complete, progress payments equal to 50% of projected remaining account balance will be made at project mid-point or, if sooner, at six-week intervals from the date the project commences. A finance charge of 1.33% per month will be assessed on account balances unpaid for 30 days or more. Payment or account questions should be directed to **Duncan's Customer Accounts Department at 402.479.1574**. Exceptions to the foregoing payment terms or methods must be approved in writing in advance by Duncan's Customer Accounts Department.

Additional Charges: Items listed as "estimated" are for informational purposes only. The final charges for estimated items will be based upon actual services and/or parts provided and may vary from the estimated charge. The following additional charges are not reflected in the quoted prices and, if applicable, will be paid by Customer to Duncan upon demand: (1) Sales or use tax; (2) Charges for repairing Customer-furnished parts, material or equipment determined to be unsuitable for its intended purpose; (3) Charges for rework of or additions to Customer-furnished engineering and for fuel, oil, lubricants, insurance and flight crews required for ground or flight testing; (4) Overtime charges; (5) The amount, if any, by which exchange part credits granted Customer by Duncan exceed the amount of such credit received by Duncan from the manufacturer or supplier; and (6) Freight charges.

Place and Time of Performance: Unless otherwise provided on the face hereof, the quoted price is based on all services being performed at a Duncan facility. Unless otherwise agreed to in writing Duncan's performance will be carried out during regular (non-overtime) working hours. Customer specified Change Orders may result in additional charges and/or downtime.

Substitutions: Duncan may incorporate changes in design, construction or installation and substitute equivalent equipment, accessories, parts, or material where it deems such changes necessary to improve the quality, performance, reliability, stability, utility or appearance of the goods or materials supplied hereunder. If any materials specified or contemplated herein are not readily procurable for their intended purpose due, directly or indirectly, to governmental prohibitions, restrictions or priorities, Duncan will have the right to substitute equivalent suitable materials.

Software: Any software provided hereunder shall be subject to the terms and conditions of the supplying vendor's software license. The warranties for software shall be limited to the warranties provided by such vendor.

Limited Warranty for Services and Components: Duncan warrants that the services performed hereunder will comply with applicable FAA regulations in effect as of the date the work is performed (as interpreted by the FAA office having jurisdiction over the facility at which the work is performed) and will be free from defects in workmanship and material, including new components manufactured by Duncan, under normal use for one (1) year and for ninety (90) days on used components refurbished by Duncan from date of installation. The warranty on all other new and used components shall be limited to the warranty provided by the supplying manufacturer or vendor, if any. This warranty does not apply to (i) normal wear and tear, (ii) the consequences of accident, negligence, abuse or misuse, or of repair, removal, reinstallation or alteration other than by Duncan and (iii) to Customer furnished parts or equipment or to work which, at Customer's direction, was not performed in accordance with Duncan's standard operating procedures. **The sole and exclusive remedy of Customer, and Duncan's sole and exclusive liability, with respect to this warranty is limited to repair or replacement (at Duncan's option) of the nonconforming or defective work or component.** Such repair or replacement shall be performed at a Duncan facility and Customer shall be responsible for transportation costs. **THE FOREGOING WARRANTY IS IN LIEU OF, AND THE CUSTOMER HEREBY WAIVES, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.**

Limitation of Liability: In no event shall Duncan be liable for any special, incidental, consequential and/or punitive damages, including, without limitation, loss of profits, loss of goodwill, loss of use, loss of time, diminution of value, or inconvenience, even if informed of the possibility of such damages. In the event Duncan physically damages Customer's property, Customer's sole and exclusive remedy, and Duncan's sole and exclusive liability, is limited to the repair or replacement (at Duncan's option) of the damaged portion of the property.

Force Majeure: Duncan will not be liable to Customer for any failure to meet its obligations under the Agreement or this Proposal due to any cause beyond its reasonable control, including, without limitation, (i) government embargoes or other governmental acts that interfere with Duncan's performance; (ii) any other acts or failure to act of any government, including delays, failure, or refusal to grant approval(s) by the FAA or other aviation authority; (iii) blockades; (iv) seizure or freeze of assets; (v) fires, earthquakes, floods, severe weather conditions, or any other acts of God; (vi) labor strikes or lockouts; (vii) riots, strife, insurrection, civil disobedience, armed conflict, terrorism or war (declared or not), or impending threat of any of the foregoing if reasonably expected to cause injury to people or property; or (viii) shortages of or inability to obtain materials or supplies.

Attorneys' Fees: Customer agrees that Duncan shall be entitled to have and recover reasonable attorneys' fees, costs and expenses incurred in connection with any action or proceeding to enforce its rights (whether in contract, tort or otherwise) and/or to collect amounts due to it in connection with the Customer's account with Duncan.

Law and Venue: If the work performed in connection with this is to be performed at Duncan's facilities in Michigan, the Agreement and this Proposal shall be subject to and interpreted in accordance with the laws of the State of Michigan, irrespective of its choice of law principles. Customer agrees that any dispute regarding the Agreement or this Proposal shall be resolved exclusively in either Federal or State Court in Michigan and hereby consents to exclusive jurisdiction of such courts in Michigan to resolve any disputes regarding this Proposal.

If the work performed in connection with this Proposal is to be performed at any Duncan facility other than the facilities located in Michigan, this Proposal shall be subject to and interpreted in accordance with the laws of the State of Nebraska, irrespective of its choice of law principles. In such event, Customer agrees that any dispute regarding the Agreement or this Proposal shall be resolved exclusively in the either Federal or State Court in Nebraska and hereby consents to exclusive jurisdiction of such courts in Nebraska to resolve any disputes regarding this Proposal.

General: Upon entering into the Agreement, the Agreement and this Proposal and all of the terms and conditions set forth therein are binding on and enforceable by and against the parties, their successors, legal representatives, and assigns. No part of this Proposal or the Agreement shall be affected if any other part of it is held invalid or unenforceable. The Agreement and this Proposal shall constitute the sole agreement between the parties hereto with respect to the matters set forth in the Agreement and this Proposal, superseding any and all prior oral or written agreements or understandings. The Agreement and this Proposal may only be modified by a written addendum specifically referencing the Agreement and this Proposal which is signed by the parties.