



Ser # 1000-ACC-INS-020A
19 January 2023

1. **GENERAL:** This proposal represented by the attached Yingling Aviation Quote and any subsequent Work Authorization form is submitted to Customer for informational purposes only. This proposal shall not become a binding Agreement between Customer and Yingling Aircraft, Inc., (hereinafter referred to as “Yingling Aviation”), unless the quote is signed by the Customer and returned via electronic mail to Yingling Aviation at its office in Wichita, Kansas, and there accepted by Yingling Aviation within (30) days from the date of the proposal unless sooner revoked by Yingling Aviation or rejected by Customer.

2. **DEPOSITS AND PROGRESS PAYMENTS:**
 - (a) When services are being performed for the following departments: **Paint, Aircraft Services, Interiors and Avionics**, that are associated with a signed contract/quote and will be scheduled onsite 30+ days there will be a requirement of fifty percent (50%) of the contract price or parts, whichever is greater. The deposit is due upon signature of quote.
 - (i) Any change orders made during the duration of the project that requires additional parts or labor, above and beyond original quote, will be billed on final invoice.
 - (ii) When a project duration has reached sixty (60) days, a progress invoice will be issued for twenty-five percent (25%) of the remaining project, the invoice payment is due upon receipt.
 - (iii) When the project duration reaches ninety (90) days, a progress invoice will be issued for ten percent (10%) of the remaining project, the invoice payment is due upon receipt.
 - (iv) Additionally, every thirty (30) days after the ninety (90) days, there will be a required ten percent (10%) progress invoice issued for the remaining cost, the invoice payment is due upon receipt.

 - (b) When a service is scheduled for less than thirty (30) days and a change order of significance is required, a deposit is required for the additional parts. The deposit is due upon request.

 - (c) When services are being performed for the **Propellor Department**, Customers that have a signed quote/contract of Twenty Thousand Dollars (\$20,000.00) or greater will be required to pay a fifty percent (50%) deposit. The deposit is due upon signature of quote.

- (i) If/When the project duration reaches sixty (60) days, a progress invoice will be issued for twenty-five (25%) of the remaining project, the invoice payment is due upon receipt.
 - (ii) Any change orders made during the duration of the project that require additional parts or labor, above and beyond the original quote, will be paid for upon final invoice.
 - (d) Unless otherwise approved via electronic mail by the Yingling Accounting Department, full payment for services rendered and parts is required prior to aircraft departure.
 - (e) Acceptable methods of payment include: company check (if previously approved), credit card or wire transfer.
 - (f) Deposits are non-refundable and will be retained as liquidated damages in the event the project is canceled.
 - (g) For payment or account questions, please contact the accounting department at (316) 943-3246. The accounting department at Yingling Aviation must approve exceptions to the payment terms or payment methods listed above in advance with such approval evidenced by electronic mail. A deposit is required when received allows the aircraft to be placed on the schedule (see item 15).
3. **ADDITIONAL CHARGES:** The following additional charges are not reflected in the quoted prices and shall be paid by Customer to Yingling Aviation upon demand if applicable:
- (a) The sum of any sales, or use, tax if applicable to the Work performed by Yingling Aviation.
 - (b) Charges for any Re-Work of, or additions to, Customer-Furnished engineering.
 - (c) Charges for fuel, oil, insurance and flight crews required for flight-testing/certification of an aircraft.
 - (d) Overtime charges for Work performed to meet Customer's requested completion date. Pursuant to the terms of this proposal, any overtime cost will be estimated and forwarded to Customer for approval.
 - (e) Exchange part credits granted to Customer, which are subsequently disallowed when the manufacturer or supplier rejects and exchange core.
 - (f) Freight charges not included in the original quote.
 - (g) Misc. Supplies (consumables), Environmental Fees, Re-Stock Fees, Disposal Fees, etc.
 - (h) A handling and inspection fee equal to 10% of the retail value of all FAA Approved Customer-supplied parts, (if authorized by Yingling Aviation).
4. **PLACE AND TIME OF PERFORMANCE:** The price quoted herein is based on all services being performed at Yingling Aviation in Wichita, Kansas. Yingling Aviation will attempt to schedule the performance of its obligations required by the terms of this proposal

for the convenience of Customer, and the Customer's schedule, subject only to the availability of materials, parts, hangar and shop space and labor. Unless otherwise agreed in writing, Yingling Aviation's Performance pursuant to this proposal shall be carried out during regular working hours as opposed to overtime hours.

5. **CHANGES IN DESIGN:** Yingling Aviation shall have the right to incorporate minor changes in design, construction, installation, and substitute equivalent equipment, accessories, parts or material where such changes are deemed necessary by Yingling Aviation to improve product control, performance, reliability, utility, manufacture or appearance of the goods or material supplied here in. If due either directly or indirectly to governmental prohibitions, restrictions or priorities, any of the materials of construction specified or contemplated herein are not readily procurable for use for its intended purpose, then Yingling Aviation shall have the right to substitute other material suitable for the job.
6. **LIMITED WORKMANSHIP WARRANTY:** Maintenance and modification Workmanship (defect as a consequence of Yingling Aviation services and labor) is warranted against defect for a period of ninety (90) days upon delivery to Customer, or one hundred eighty days (180) in the case of propeller overhauls upon delivery to Customer. New miscellaneous wiring and hardware (switches, relays, etc.) utilized in Avionics modifications are warranted against defect for a period of one (1) year upon delivery to Customer. These warranties shall apply only if (a) the aircraft/product is returned to Yingling Aviation in Wichita, KS at the Customer's expense; (b) the repair work is performed by employees of Yingling Aviation at its facilities in Wichita, Kansas; and, (c) will be scheduled during normal business hours. The Limited Warranty does not apply to Customer-supplied parts, nor does it cover labor to remove, replace or troubleshoot issues with Customer-supplied parts.
7. **LIMITED PARTS WARRANTY:** Yingling Aviation does not warrant parts, material, components, equipment or services supplied/performed by other companies, but agrees to use its best efforts to ensure that the suppliers' and subcontractors' warranties with respect to such parts, materials, components, equipment or services will be extended to cover and be enforceable by the Customer. Yingling Aviation will act for its Customers in the processing of any claims or adjustments arising out of and because of defective parts, materials, components, equipment in accordance with such suppliers and subcontractors' warranties.

These warranties are the only warranties made by Yingling Aviation. Repair or replacement as provided herein shall be the exclusive remedy for a breach of the warranties given herein. These warranties shall not apply to any installation, which in the judgment of Yingling Aviation, has been repaired or in any way altered so as to adversely affect its performance or reliability, or which has been subjected to misuse, negligence or accident.
8. **DISCLAIMER OF WARRANTIES: YINGLING MAKES NO IMPLIED WARRANTY OF ANY KIND AND SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT AND DISCLAIMS ANY**

WARRANTIES ARISING BY USAGE OF TRADE OR BY COURSE OF DEALING.

9. **LIMITED LIABILITY:** TO THE FULLEST EXTENT PERMITTED BY LAW, YINGLING AVIATION'S LIABILITY ON ANY CLAIM OF ANY KIND RESULTING FROM THE PERFORMANCE OF THIS AGREEMENT, OR BREACH THEREOF, SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE PRODUCT, PART OR THE SERVICES OR LABOR WHICH GIVES RISE TO THE CLAIM AND, IN ANY EVENT, WITHIN THIRTY (30) DAYS FROM THE DATE OF OCCURRENCE OF THE CLAIM UNLESS THE PARTIES HAVE AGREED IN WRITING TO A DIFFERENT CLAIM PERIOD. UNDER NO CIRCUMSTANCES SHALL YINGLING AVIATION BE LIABLE FOR, ANY INDIRECT, CONSEQUENTIAL DAMAGES, INCIDENTAL DAMAGES/EXPENSES, PUNITIVE OR SPECIAL DAMAGES, DOWN TIME OF THE AIRCRAFT, AND/OR LOSS OF REVENUE FOR ANY TYPE OF CLAIM.
10. **INFORMATION FOR EXTERNAL PROVIDERS:** Supplier employees need to be aware of their contribution to product conformity, their contribution to product safety and the important of ethical behavior.
11. **TITLE/LIEN:** Title to the Work passes to the Customer when the Customer takes delivery of the airplane/product. Customer grants to Yingling Aviation a continuing, first priority security interest in and lien upon the Work, the aircraft and any proceeds thereof, including but not limited to insurance proceeds or sale or disposition of the aircraft or any portion thereof and the proceeds of such proceeds (collectively, "the Collateral") to secure prompt repayment of any and all amounts owed by Customer to Yingling Aviation. Yingling Aviation's security interest in and lien upon the Collateral shall attach to all of the Collateral upon the execution and delivery of this Agreement, without further act being required on the part of either Customer of Yingling Aviation. Enforcement of said security interest and lien shall be in accordance with applicable state and federal law.
12. **INSPECTION FLAT RATE:** Inspection labor quotes include flat-rate labor for complete inspection in accordance with the requirements specified in the manufacturer's current inspection manual, or Customer's FAA Approved AAIP. Parts costs are included in the flat rate.
13. **FREIGHT/TAXES:** Quoted pricing does not include any applicable freight or sales tax. (Currently, the state of Kansas does not require Yingling Aviation to charge Kansas Sales Tax on aircraft Work-order parts & labor per KSA 79-3606(g)). Customers could be subject to their home state's use tax laws. All Federal, State, or Local taxes applicable to the sales, possession, use, or transportation of the articles sold or the Work performed and all duties, imposts, tariffs, or other similar levies, shall be added to the invoice and paid by the Customer, unless Customer furnishes an appropriate certificate of exemption. Customer shall indemnify and hold Yingling Aviation harmless from the payment or imposition of any tax or levy imposed on any articles sold, or for any Work performed,

plus penalties, interest, or reasonable attorney's fees connected with the imposition of any such tax or levy.

14. **OEM PARTS PRICING:** Parts pricing is subject to change by the OEM without notice.
15. **SCHEDULING:** All service positions are provided on a first scheduled, first served basis. An early-signed proposal will ensure the greatest number of available positions. Yingling Aviation shall not be liable for delays caused by subcontractors, vendors, shippers or other circumstances beyond our control. Yingling Aviation will not be liable for any consequential damages, incidental damages/expenses, down time of the aircraft, and/or loss of revenue because of such delays. **Aircraft requiring a deposit will not be placed nor time reserved on Yingling's schedule until the deposit payment is received in full.**
16. **AUTHORITY:** Anyone signing for Customer represents that he or she is acting as Customer's Agent and is unequivocally authorized to bind Customer to this Agreement.
17. **MODIFICATIONS:**
 - (a) **Modification Proposals** are budgetary in nature and contingent upon the Customer supplying Yingling Aviation with existing avionics, electrical and aircraft prints, drawings, and diagrams that accurately represent the current condition of the aircraft. Should there be any discrepancies found in this data that cause Yingling Aviation additional Work to accomplish the items referenced in the Proposal, the Customer shall be notified and additional estimates shall be executed, detailing the cost and downtime impact of such additional Work.
 - (b) Work not defined will be accomplished on a time & material basis at current posted labor rates and will receive Customer approval prior to proceeding.
 - (c) Parameters of the Proposal could change once a detailed engineering analysis of the aircraft can be accomplished.
 - (d) Proposals are exclusive of freight, environmental fees, or any aircraft operation expenses such as crew, fuel, etc., for flight-testing and certification, as this will remain the responsibility of the Customer. Certification cost may be shown as a separate item on the proposal.
 - (e) Yingling Aviation uses its best efforts to ensure OEM equipment performance & compatibility is as advertised, but is not responsible for the equipment manufacturer's inability to supply equipment which delivers all of its advertised features, nor is responsible for vendor-to-vendor incompatibilities that may be discovered during the course of a modification.
 - (f) Modification Proposals do not include pricing for removal and reinstallation, or modification, of interior components unless otherwise specified
 - (g) Modification Proposal pricing does not include costs associated with relocation of existing avionics equipment.
18. **AIRCRAFT STORAGE:** Due to limited aircraft storage space, the following policy is in place: During active/ongoing maintenance customer aircraft will be kept inside storage facilities. Should a customer stop communication "go-dark", the company reserves the right to place customer's aircraft outdoors on secured tie-down. Upon completion of

aircraft work, customer's aircraft will be placed outdoors on secured tie-down. You may have your aircraft stored in a hangar if hangar space is available and confirmation of such arrangements have been confirmed in writing (including via electronic mail) between Customer and your project coordinator or manager overseeing your project at Yingling. Kansas weather events can be sudden, severe, and cause significant damage to aircraft. Yingling Aviation staff will not make decisions on behalf of Customers regarding a choice of storage and will not be responsible for aircraft damage caused by wind, hail, tornado, or other Acts of God. The choice of storage is solely the decision of the owner or their authorized representative.