



**AEPC™**

**Mooney/PistonPower™ Airframe Maintenance Program Agreement**

**[AGREEING PARTY]**

**AGREEMENT NUMBER: M\_\_\_\_\_**

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**AEPC™**

**Mooney/PistonPower™ Airframe Maintenance Program Terms and Conditions**

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## AEPC™

### Mooney/PistonPower™ Airframe Maintenance Program Agreement

Agreement Number: M\_\_\_\_\_

This Mooney/PistonPower™ Airframe Maintenance Program Agreement (“Agreement”) is entered into as of [Agreement Start Date], by and between [Client], [State of Incorporation/Entity Type] (“Client”), and AEROENGINE PROTECTION CORP., a Florida corporation (“AEPC™”) dba PistonPower™.

### The Parties

AEPC™ provides technical, logistical, and cost-management guidance and other services and advice to owners of piston aircraft in connection with Scheduled and Unscheduled Airframe and Engine repairs and related aviation issues. AEPC™’s services include coordinating scheduled and unscheduled maintenance and repairs. AEPC™ identifies aircraft and engine maintenance, service, and Repair Facilities—worldwide—authorized by OEM and the FAA or their counterparts worldwide to perform the types and level of maintenance required to return an airframe and/or engine to service. AEPC™ makes these services available to owners of piston aircraft under a Mooney/PistonPower™ Airframe Maintenance Program Agreement.

Client is the owner, lessee, lender, or operator of a piston aircraft that is seeking services and advice related to Scheduled and Unscheduled Airframe and Engine Maintenance, cost-management, technical guidance, and overall advice regarding the maintenance and general use of their aircraft.

### Purpose and Intent

Because of AEPC™’s technical expertise and knowledge, Client and AEPC™ desire to enter into a Mooney/PistonPower™ Airframe Maintenance Program Agreement on the terms and conditions stated below.

### Terms and Conditions

All capitalized terms in this Agreement shall have the meanings ascribed to them in this Agreement or in Exhibit A (Defined Terms), which is part of and incorporated into this Agreement.

**The parties acknowledge that this Agreement is not an insurance policy or product, and the Agreement requires the Client to maintain a hull and liability insurance policy that covers, at a minimum, the market value of the Aircraft and Airframe for physical damage.**

- I. **Airframe and Engine(s) Covered.** This Agreement covers the Airframe and Engine(s) identified on Exhibit B—that is part of and incorporated into this Agreement as identified on Exhibit B.
- II. **AEPC™’s Roles and Responsibilities**
  - A. **Advice and Guidance.** AEPC™ shall provide guidance and support in connection with Scheduled Maintenance and Unscheduled Maintenance covered by this Agreement,

cost-management or cost-containment advice, and, as needed, general information regarding reputable sellers of aircraft components or accessories, aircraft and engine repair facilities, and aircraft storage facilities throughout the United States and abroad.

**B. FAA-Licensed Repair Facility (OR THEIR COUNTERPART WORLDWIDE).** AEPC™ shall identify, in consultation with the Client, an FAA-Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ that is authorized to perform maintenance and repairs under this Agreement.

**C. Scheduled Maintenance.**

1. Scheduled Maintenance shall be performed by an OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ at AEPC™'s expense for parts in discrepancy and associated labor of the Airframe, Engine(s) and Systems, subject to a purchase order issued by AEPC™ on the Client's behalf, and subject to the Client's Pro Rata share, if applicable. The Client agrees to notify AEPC™ at least sixty (60) days in advance of Scheduled Maintenance.
2. If the Client elects to perform Scheduled Maintenance in advance of a Scheduled Event, AEPC™ may, in its sole discretion, require the Client to pay a portion of the total cost of such Scheduled Event, or adjust any applicable Client Pro Rata accordingly, based upon the time remaining until the Scheduled Event was scheduled to occur.
3. If the Client is required to perform Scheduled Maintenance based on a calendar interval versus an hourly interval and their hourly rate was calculated based on the hourly interval, AEPC may, in its sole discretion, require the Client to pay a portion of the total cost of such Scheduled Maintenance based on the money collected for the hourly interval versus the calendar interval. [For example, an Engine has an implied 2000 hour overhaul interval, as well as a 12 year calendar interval and the Client is required to comply with the Inspection at 1750 hours TSN/TSOH the Client Pro Rata would be calculated as follows: 1750 hours divided by the Inspection interval 2000 hours or 12.5%, the Client Pro Rata.]

**D. Unscheduled Maintenance.**

1. Unscheduled Maintenance for certain parts or part numbers as identified on Exhibit C to this Agreement, shall be performed by an OEM Authorized, FAA Licensed Repair Facility (or their counterparts worldwide) acceptable to AEPC™ at AEPC™'s expense for parts and labor, including the labor hours expended in Troubleshooting up to a maximum of two (2) hours. The Client shall be responsible for any additional troubleshooting hours unless approved in advance by AEPC™. Such advance approval shall not be unreasonably withheld.
2. Upon being notified by Client that an Airframe or Engine requires Unscheduled Maintenance and of the location and condition of the affected aircraft, AEPC™ shall coordinate with an OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ to initiate one or more of the following actions, as it deems appropriate:
3. Dispatch appropriate personnel to the specified location; or

- i. Initiate timely maintenance pursuant to a purchase order issued by AEPC™ whenever practicable.
  - ii. In the event the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ is required to access an internal Component and/or System in the course of performing Un-scheduled Maintenance of a covered Component and/or System, AEPC™ will only pay for 100% of the Un-scheduled Maintenance that directly caused entry to the Airframe or Engine in order to return the Airframe or Engine to service.
4. In the event the aircraft is AOG (due to the failure of a Covered Component and/or System) for five (5) business days and the delay results from a Covered Component not being available, commencing day six (6) AEPC™ will pay the operator One Hundred (\$100.00) Dollars per day for up to five (5) additional days.(USA ONLY)

**E. Buy-In.** AEPC™ and the Client agree, in accordance with the hours consumed on the Airframe, Engine, Components and/or Systems that the Client shall be responsible for its Pro Rata share of each Scheduled Event, Component and/or System upon inspection and log book review. The Client agrees to pay AEPC™ a Buy-In to remove all Client Pro Rata's at Agreement signing in accord with the Buy-In stated on Exhibit B.

**If the Client elects to replace a Component prior to its calendar or hour expiration or the FAA or OEM adjusts the calendar or hour limitations of a given Inspection or Component and/or System, AEPC™ shall assign a Pro Rata to the Client accordingly. In connection with any maintenance hereunder that requires the Client to pay a Pro Rata share, AEPC™ may, in its sole discretion, require the Client to make a payment or payments in advance, in an amount reasonably estimated by AEPC™ to be equal to the Client's Pro Rata share.**

Notwithstanding anything to the contrary set forth herein, the Client shall pay the Buy-In Fee as described on Exhibit B, if applicable, at the time of the execution of this Agreement. No further Pro Rata payments by the Client will be required hereunder, except as specifically described in Subsections (C)(1) and (2) above, as applicable.

**F. Freight Charges.** AEPC™ shall pay all domestic (USA ONLY) truck/ground freight charges (if applicable and approved in advance by AEPC™) incurred in connection with the shipping of an Airframe or Engine Covered Component in connection with Un-scheduled Maintenance covered under this Agreement.

**G. Rental Components.** Subject to the specific provisions of this subsection, AEPC™ shall pay the costs to provide a Rental Component, if required and available, during Un-scheduled Maintenance covered by this Agreement that requires more than ten (10) business days AOG. As a condition to the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ furnishing a Rental Component to the Client in connection with maintenance or repair covered hereunder, a Rental Agreement shall be executed between the Client and the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™. In no event shall AEPC™ pay for any Rental Component for more than three (3) business days after completion of the Un-scheduled Maintenance, and any rental charges incurred thereafter

shall subject the Client to the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™'s standard rental charges. In the event a Rental Component is provided in connection with any Exclusions, the Client shall be solely responsible for the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™'s normal rental charges. AEPC™ has no obligation under this Agreement to pay any costs in connection with the repair, maintenance, or failure of a Rental Component. As well, AEPC™ has no liability for any consequential damage resulting from the use of a Rental Component.

- H. Replacement Components.** Components installed under this Agreement will not necessarily be new unless approved in writing by AEPC™ in advance. AEPC™ will only pay for the Component(s) requiring replacement, not the entire or upgraded Assembly.
- I. No Conversion.** Nothing stated in this Agreement shall be deemed to provide for the conversion of any Airframe or Engine to a later or improved model or for the replacement of Serviceable Components in response to design changes or regulatory changes after manufacture of the Airframe or Engine.
- J. Replaced Hardware and Components.** All non-consumable hardware and Components removed and replaced during an Airframe or Engine repair shall become the property of AEPC™ and may not be destroyed or removed from the OEM Authorized, FAA Licensed Repair Facility acceptable to AEPC™ without the prior written consent of AEPC™.
- K. Missing Components and Accessories.** Client shall be responsible for the costs to replace any Component and/or Accessory that is missing from an Airframe or Engine covered hereunder. In addition, the Client shall be responsible for the costs to recertify any Component missing its document of certification, if required.
- L. Prices for Parts and Labor.** In no event shall AEPC™ be required to pay (i) a price for any Component that exceeds the then-current OEM retail prices, as listed in the OEM parts catalog, or 110% of the price paid to the Component provider whichever is less; or (ii) labor rates that exceed the then-current regional labor rate.
- M. Warranty Maintenance.** Unless otherwise agreed to by the parties, in writing, all warranty maintenance shall be completed by an OEM Approved Repair Facility authorized to perform warranty maintenance and acceptable to AEPC™.
- N. Technical Advisor.** AEPC™ shall provide technical guidance and support in connection with Scheduled Maintenance and Unscheduled Maintenance covered hereunder.
- O. Exclusions.** In no event shall AEPC™ be responsible for:
  - 1. Costs incurred to remedy or repair any loss or damage to an Airframe or Engine in any way attributable to Abuse;
  - 2. Costs incurred for repair logistics expenses related to remote/on-site maintenance activities, including, but not limited to, rental equipment, travel, meals, lodging;
  - 3. Costs incurred to remedy or repair any loss or damage to a Covered Aircraft, Engine or Airframe in any way attributable to a Non-Covered Component or Accessory failure that causes damage to any Covered Component and Accessory;
  - 4. Costs incurred to remedy or repair any loss or damage attributable to any ex-



ternal causes whatsoever, including, but not limited to, fire, extinguishing of fire, accident, Lightning Strike, explosion, impact or collision including Foreign Object Damage, prior damage history, total particulate matter (any solid particles or liquid droplets of all sizes that remain suspended in the air for any length of time, including, but is not limited to, volcanic ash, soot, dust, and fumes) and aerosols, corrosion, erosion, burglary, theft, vandalism, or natural catastrophe or any consequence of war, terrorism, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock-out, labor disruption, civil unrest, military or usurped power, conspiracy, confiscation, commandeering, requisition or destruction of or damage to property by order of any government or any public authority;

5. Any labor or other costs arising in connection with a discretionary or optional Inspection (including inspections associated with the potential sale, transfer, export or import of the Aircraft), and any costs to remedy or repair discrepancies identified by such Inspection, which Inspection was not directly necessitated by the malfunction of an Airframe, Engine, Accessory, or Component or part thereof, or required in connection with a Scheduled Event or a Routine Inspection.
6. Items in need of repair to the extent covered by insurance (whether or not a claim is filed) or applicable warranty;
7. Any costs incurred in connection with a "no fault found" event;
8. All tooling and equipment rental costs, Interior Consumables, decorative plating, fuels, deicing and anti-ice fluids, methanol, alcohol, lavatory and potable water, cleaning fluids and solvents, oxygen, nitrogen and fire extinguishing agents;
9. Consumption of fuels, lubricants, fluids and gases, except those listed on Exhibit C;
10. Expenses for test flights and Aircraft ferry flights for Scheduled Maintenance or Unscheduled Maintenance;
11. Additional maintenance required by the FAA (or their counterpart worldwide) as a result of regulations relating to charter or any other revenue-generating operations that require increased maintenance;
12. Any Components requiring repair or replacement and the associated labor to repair or replace any such Components and/or Accessories, including Primary and Secondary Structure, as a direct result of (i) Corrosion or Erosion that is beyond OEM's limits, (for the avoidance of doubt, the foregoing does not by itself exclude the repair of Components and/or Accessories in connection with Scheduled Maintenance or Unscheduled Maintenance covered hereunder to the extent such repairs are the direct result of Corrosion or Erosion that is within OEM's limits), determined to be unusual wear and tear or requiring disassembly; and (ii) delamination (excluding windows) and/or disbonding beyond OEM's limits;
13. Costs to remedy or repair any loss or damage incurred while the Covered Airframe or Engine is under the care, custody, and control of the OEM Authorized,

FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™;

14. To remedy or repair any loss or damage attributable to secondary damage outside of the System that was the source of the failure;
15. The exterior paint and normal care such as cleaning, washing, polishing, servicing, pre-flights and post-flights
16. Upgrades to software, including software for satellite TV, SATCOM or any communication device; and commissioning, licensing or user fees required by maintenance providers or regulatory agencies;
17. Mission Specific Equipment
  - i. Airframe life extension Airworthiness Directives issued by the FAA (or their counterparts worldwide), and Airframe life extension Service Bulletins issued by OEM; and
  - ii. Any costs arising in connection with a discretionary or optional Inspection (including inspections associated with the potential sale, transfer, export or import of the Aircraft), and any costs to remedy or repair discrepancies identified by such Inspection
18. Payment of environmental fees, duties and import tariffs applicable to:
  - i. The repair, maintenance, sale, use, delivery, or transportation of the Covered Airframe and/or Components and/or Accessories;
  - ii. Maintenances arranged or facilitated under the Agreement; or
  - iii. Repair logistics expenses related to on-site maintenance activities.
  - iv. Any charges for overtime, night work, public holidays, call-out charges, or premium fees, unless otherwise agreed to by AEPC™ in writing.

**P. Limitation of Liability, Specific Exclusions, and Disclaimer of Warranty.** Client acknowledges and agrees that:

1. All repair and maintenances performed under this Agreement will be performed by an OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ and not by AEPC™. The OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ when performing services for the Client in accord with this Agreement, shall be doing so as an independent contractor and shall in no case be considered an agent of AEPC™.
2. AEPC™ will use its best efforts to resolve any reasonable disputes between the Client and the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ but does not warrant or guarantee the work of any OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ in any respect. All warranties for repair and maintenance work performed shall be provided directly to Client by the OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ providing such services. AEPC™ hereby assigns to Client any

and all warranties, if any, that an OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ may provide to AEPC in connection with providing such maintenances.

3. AEPC™ makes no warranty or representation, whether express, implied, statutory, or otherwise to the Client in connection with any repair and maintenance performed by an OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™, whether arising under this Agreement or otherwise, including, without limitation, **THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
4. In no event shall AEPC™ be liable to Client for any loss or damage of any kind in any way relating to the performance of any repair and maintenance work by an OEM Authorized, FAA Licensed (or their counterparts worldwide) Repair Facility acceptable to AEPC™ or any other maintenances provided by third parties in connection with this Agreement, whether based on breach of contract, tort, or any other theory or doctrine.
5. In no event shall AEPC™ be liable to the Client for any lost profits or savings, loss of data, loss of revenue, loss of use or money, loss of business, loss of opportunity, or any incidental, special, indirect, or consequential damages (whether or not also constituting one of the foregoing specific types of loss).

**Q. Authorized Maintenance Performed by the Client.** If Client is authorized by the FAA (or their counterparts worldwide), under FAR Part 43, Appendix A, Paragraph C, preventive maintenance and OEM, and approved by AEPC™, to perform Unscheduled Maintenance (after the expiration of any applicable OEM warranty period), the Client must deliver to AEPC™ a completed Reimbursement Request Form and any other documentation reasonably requested by AEPC™ within ten (10) business days of the labor performed and AEPC™ shall reimburse Client in accordance with this Agreement.

### **III. Client's Responsibilities.**

- A. Pre-Enrollment Airframe Review.** The Client, at their expense, must submit the requested Covered Aircraft for a Pre-Enrollment Airframe Review, which consists of an annual inspection of the Airframe and associated logbook(s) review to determine the eligibility for acceptance of any Airframe into the Program.
- B. Pre-Enrollment Engine Review.** The Client, at their expense, must submit the requested Covered Engine for a Pre-Enrollment Engine Review, which consists of those inspections of the Engine and associated logbook(s) review to determine the eligibility for acceptance of any Engine into the Program.
- C. Operation and Maintenance.** During the term of this Agreement, Client shall:
  1. Operate and maintain the Airframe and Engine(s) in accord with the applicable Aircraft Engine(s) and Airframe flight manuals and in accord with all applicable Aircraft and Engine OEM maintenance manual recommendations and procedures.

2. Be responsible for all Costs incurred in connection with the consumption of fuels, lubricants and fluids, wear and tear items, soft goods (carpet, seat covers, sidewall panels and baggage compartment panels), **ALL** consumables (including but not limited to alternator and air conditioning belts, oxygen, batteries, tires and tubes, brake pads and rivets, rotors, bulbs (landing, taxi, navigation and position, strobes, instrument, interior and cockpit, de-ice, wing) and for parts or labor incurred in connection with compliance with any Service Bulletin, inspections for continued airworthiness (ICA) or Mandatory Airworthiness Directive issued by the OEM or FAA (or their counterparts worldwide).
3. Not operate Aircraft, Engine and Airframe for any Prohibited Purpose.
4. Have all warranty maintenance completed by a Repair Facility authorized by the OEM to perform warranty maintenance, licensed by the FAA (or their counterparts worldwide) and acceptable to AEPC™ unless otherwise agreed to in writing and signed by the parties. The OEM or maintenance providers Warranty is always applied first and any remaining repair costs will then be considered with the appropriate application.
5. Promptly report any Exclusion or discovery of any damage to the Aircraft Engine or Airframe, which may result in an Exclusion to AEPC™.
6. Upon request from AEPC™, permit Airframe and Engine exceedance testing to be performed on the Covered Aircraft, Airframe and Engine(s). The testing shall be performed by a Maintenance Facility in accordance with generally accepted practices to determine if any Exceedance of OEM's Airframe or Engine parameters has occurred. AEPC™ has the right to collect and examine any and all testing data related to the Airframe, Engine(s) or Components and/or Accessories. Client shall preserve all such data.
7. At its cost, participate in an Airframe and Engine trend-monitoring program for the Airframe and Engine, as requested, if the airframe is equipped to do so.
8. Permit AEPC™ to determine in good faith and utilizing the Client's trend monitoring data as described above whether Client's operation of the Aircraft, Engine or Airframe is in accord with the current Aircraft Flight Manual.
9. Return each Component and/or Accessory replaced under this Agreement (a "Core") to the Repair Facility or other provider of the replacement Component in accordance with such facility's or provider's requirements.
10. Be responsible for payment of any late fees assessed due to Client's failure to timely return a Core. Client acknowledges that AEPC™ shall invoice Client for the full retail price of any Core not returned in accordance with this provision.

**D. Client's Representations and Warranties**

1. Client represents and warrants that it has, to the best of its knowledge, disclosed to AEPC™ any Exclusion or damage to the Aircraft, Engine(s) or Airframe known to or suspected by it.

2. Client represents and warrants that the logbooks and records for the Covered Aircraft, Engine(s) and Airframe now contain, and shall continue to contain, accurate entry of all operating times, operating events, and any modifications, repairs, or maintenance required to be recorded for the purposes of this Agreement and by the FAA, the OEM, or as required by law. Client shall promptly furnish such information to AEPC™ upon request and at the conclusion of each Agreement Year. During Scheduled Maintenance and Unscheduled Maintenance, Client shall provide all logbooks and any other pertinent operating records, if required, with the Covered Aircraft Engine(s) and Airframe to the Repair Facility designated to perform the specified maintenance or repairs.
- E. Insurance.** Client shall maintain throughout the term of this Agreement a hull and liability insurance policy which covers the market value of the Covered Aircraft and Airframe for physical damage.

#### **IV. Transfer, Termination, and Continuation of Maintenance.**

- A. Term; Renewal Agreement.** The initial term of this Agreement is Sixty (60) months. Except in accord with the specific provisions of this Section III, this Agreement is non-cancelable by either party. At the conclusion of each sixty (60) month period, a renewal agreement subject to the then-current AEPC™ terms and conditions shall be issued to the Client as mutually agreed by the parties, with such agreement not to be unreasonably withheld, conditioned, or delayed. At the time of issuance of such renewal agreement, Client must be in compliance with all terms and conditions of this Agreement, including, but not limited to, payment of Overage Charges and Minimum Maintenance Charges. The beginning Account Balance under such renewal agreement shall be equal to the amount of the Account Balance at the conclusion of this Agreement, calculated as described in Exhibit A.
- B. Assignment.** This Agreement may not be assigned by the Client without the prior written consent of AEPC™. AEPC™ shall be entitled to assign some or all of its rights and remedies under this Agreement without notice or prior consent of Client.
- C. Transfer of Aircraft to Affiliate.** In the event the Client determines to transfer the Covered Aircraft to an Affiliate during the term of this Agreement, the Client shall provide written notice to AEPC™ at least ten (10) days prior to the date of such transfer. Such notice shall include the name and address of the Affiliate, the intended use of the Aircraft, the State/Country and climate in which the Affiliate intends to operate the Aircraft, and any other information reasonably requested by AEPC™. If the Client is in full compliance with the terms and conditions of this Agreement at the time of the proposed assignment, then AEPC™, the Client, and the Affiliate shall take all necessary steps to arrange for the assignment and assumption of all rights and obligations of Client under this Agreement to such Affiliate. Notwithstanding the foregoing, in the event the Client assigns its rights and obligations under this Agreement to an Affiliate as provided in this subsection, and such Affiliate intends to utilize the Aircraft in a manner or in a geographical climate or region that warrants an adjustment to the Agreement Terms and/or Hourly Rates, AEPC™ shall have the right to make an appropriate adjustment to the Agreement Terms and/or Hourly Rates. The Account Balance under this Agreement

after such assignment shall be the same as the amount of such Account Balance immediately prior to such assignment, calculated as described in Exhibit A.

- D. Sale of Covered Aircraft: New Agreement with Purchaser.** In the event the Client determines to sell the Covered Aircraft during the term of this Agreement, the Client shall provide written notice to AEPC™ at least ten (10) days prior to the date of closing of such sale. Such notice shall include the name, telephone number, email address, and address of the Purchaser, the Covered Aircraft and Airframe Operating Hours as of the closing date, and any other information reasonably requested by AEPC™. If the Client is in full compliance with the terms and conditions of this Agreement at the time of sale, the Purchaser's creditworthiness is acceptable to AEPC™, the Purchaser is acceptable to AEPC™, and the Purchaser desires to maintain enrollment in the Program, AEPC™ and the Client shall take all necessary steps to arrange for the execution and delivery of a new agreement between AEPC™ and the Purchaser. The new agreement will be subject to the then-current AEPC™ terms and conditions, including the then current Hourly Rate and Transfer Fee, and shall be entered into on or before the closing date of such sale. The beginning Account Balance under such new agreement shall be equal to the amount of the Account Balance at the conclusion of this Agreement, calculated as described in Exhibit A. In addition, this Agreement shall be terminated, and neither AEPC™ nor the Client shall have any further obligations under this Agreement, effective as of the date AEPC™ and the Purchaser enter into the new term agreement.
- E. Sale of Covered Aircraft: Termination of Agreement.** In the event of a sale of the Covered Aircraft to a Purchaser (which Purchaser shall not be an Affiliate of the Client) not desiring to participate in the Program, AEPC™ shall consent to termination of this Agreement with the Client under the following terms:
1. The receipt by AEPC™ of any data and documents reasonably requested by AEPC™ in order to establish the Client's liabilities and/or obligations accrued under this Agreement;
  2. Full payment of all amounts due and owing by the Client through the date of termination of this Agreement;
  3. Receipt by AEPC™ of evidence satisfactory to AEPC™ of the sale of the Covered Aircraft; and
  4. Return of all equipment on loan to the Client hereunder.
- F. Upgrade of Program: New Agreement with Client.** In the event the Client desires to upgrade to another AEPC™ PistonPower™ Airframe or Engine Maintenance Program Agreement at any time during the term of this Agreement, the Client shall provide written notice to AEPC™ requesting the upgrade. Such notice shall include the program type and the desired effective date of such upgrade. If the Client is in full compliance with the terms and conditions of this Agreement at the time of the proposed upgrade, then AEPC™ and the Client shall take all necessary steps to arrange for the execution and delivery of a new agreement between AEPC™ and the Client under the desired program, subject to the then-current AEPC™ terms and conditions. This Agreement shall be terminated as of the date AEPC™ and the Client enter into the new agreement, and neither AEPC™ nor the Client shall have any further obligations under this Agreement.

- G. Early Termination: Irreparable Damage or Theft of Aircraft.** In the event the Covered Aircraft is damaged beyond economical repair or is unrecoverable because of theft, or otherwise is a complete loss, the Client shall provide written notice to AEPC™ describing such damage, theft, or loss within five (5) business days following the occurrence and shall pay all amounts then due and owing under this Agreement and return all equipment on loan to the Client under this Agreement. The liability of the parties in further performance of this Agreement shall be terminated effective as of the date of such damage or theft.
- H. Early Termination: Client's Failure to Pay or Failure to Perform.** In the event the Client fails to pay any amounts due and owing within thirty (30) days after such amounts are due, or fails to perform any of its other obligations under this Agreement or under any other written agreement between the Client and AEPC™, AEPC™ shall have the right to terminate this Agreement after providing written notice to the Client of such failure to perform and the passage of a thirty-day (30) period where such failure to perform persists. This Agreement shall be terminated effective as of the date of the Client's receipt of a written notice from AEPC™ advising the Client of the termination. In connection with any such termination, the Client shall immediately pay all amounts due and owing by the Client through the date of termination of this Agreement and return of all equipment on loan to the Client under the Agreement. In connection with any such termination:
1. The Client shall immediately pay all amounts due and owing by the Client through the date of termination of this Agreement, including any Minimum Service Charges;
  2. The Client's right to any amounts previously paid by it to AEPC™ shall be forfeited;
  3. The Client's rights in and to the Credit and Account Balance as of the date of such termination shall be forfeited; and
  4. Return of all equipment on loan to the Client hereunder.
- I. Early Termination: Falsification, Misrepresentation, or Withholding of Data.** In the event the Client falsifies, misrepresents, or withholds any data required to be maintained or submitted to AEPC™ or any OEM Authorized, FAA Licensed Repair Facility acceptable to AEPC™ pursuant to this Agreement or pursuant to any other written agreement between the Client and AEPC™, AEPC™ shall thereafter have the right to terminate this Agreement by providing written notice thereof to the Client. The liability of the parties in further performance of this Agreement shall be terminated effective as of the date of the Client's receipt of such notice. In connection with any such termination, the Client shall immediately pay all amounts due and owing by the Client through the date of termination of this Agreement and return of all equipment on loan to the Client under the Agreement. In connection with any such termination:
1. The Client shall immediately pay all amounts due and owing by the Client through the date of termination of this Agreement, including any Minimum Service Charges;
  2. The Client's right to any amounts previously paid by it to AEPC™ shall be forfeited;

3. The Client's rights in and to the Credit and Account Balance as of the date of such termination shall be forfeited; and
4. Return of all equipment on loan to the Client hereunder.

**J. Early Termination: Insolvency or Bankruptcy.** AEPC™ shall have the right to terminate this Agreement under the following circumstances:

1. The Client is or becomes insolvent or generally fails to pay or admits in writing its inability to pay debt owed as it becomes due; or
2. The Client applies for, consents to, or acquiesces in the appointment of a trustee, receiver, or other custodian for the Client or any of its property, or makes a general assignment for the benefit of creditors, or, in the absence of such application, consent, or acquiescence a trustee, receiver, or other custodian is appointed for the Client for a substantial part of Client's property and is not discharged within sixty (60) days; or
3. Any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law is commenced in respect of the Client, and if such case or proceeding is not commenced by the Client, it is consented to or acquiesced by the Client or remains pending for sixty (60) or more days; or
4. Any proceeding shall be instituted by or against the Client for its liquidation or dissolution; or
5. If the Client's business, which has an interest in the Covered Aircraft, shall terminate for any reason or the Client takes any action to authorize, any of the foregoing.
6. AEPC™ shall have the right to terminate this Agreement by providing written notice thereof to the Client and the liability of the parties in further performance of this Agreement shall be terminated effective as of the date of the Client's receipt of such notice. In connection with any such termination as described in this Section, the Client shall immediately pay all amounts due and owing by the Client through the date of termination of this Agreement, including any Minimum Maintenance Charges and return of all equipment on loan to the Client under the Agreement. In connection with any such termination:
  - i. The Client shall immediately pay all amounts due and owing by the Client through the date of termination of this Agreement, including any Minimum Maintenance Charges;
  - ii. The Client's right to any amounts previously paid by it to AEPC™ shall be forfeited;
  - iii. The Client's rights in and to the Credit and Account Balance as of the date of such termination shall be forfeited.

**K. Early Termination: Repossession.** In the event that during the Agreement term the Covered Aircraft is repossessed by a lender, lessor, or third party who does not wish to continue the Agreement, the parties hereto shall have no further obligations under this Agreement, except as follows:



1. The receipt by AEPC™ of any data and documents reasonably requested by AEPC™ in order to establish the Client's liabilities accrued under this Agreement;
2. Client shall immediately pay all amounts due and owing by the Client through the date of repossession of the Aircraft, including any Minimum Service Charges; and
3. The Client's right to any amounts previously paid by it to AEPC™ shall be forfeited;
4. Client shall return all equipment on loan to the Client under this Agreement.

**L. Account Balance Credit Towards Replacement Aircraft.**

1. In the event (i) the Client sells the Aircraft and the Purchaser does not wish to enroll in the Program (as provided in Subsection IV(E) above), or (ii) this Agreement is terminated because of damage to or theft of the Aircraft (as provided in Subsection IV(G) above), the Client shall have the rights set forth in this Subsection IV(L).
2. If the Client elects to enroll a Replacement Aircraft in the Program and enter into a new agreement covering such Replacement Aircraft, the Client shall be eligible to apply the amount of its Account Balance under this Agreement, calculated as described in Exhibit A, against either (1) the amount of the Buy-In, if any, due under the new agreement for the Replacement Aircraft if the Replacement Aircraft is an In-Service Aircraft; or (2) the amount of monthly flight hour payments due under such new agreement if the Replacement Aircraft is a New Aircraft. The Client's rights under this Subsection IV(L) shall expire in the event that the Client does not enter into a new agreement for a Replacement Aircraft within twelve (12) months from the date of the termination of this Agreement pursuant to either Subsection IV(E) or (G), as applicable.

**V. Fees and Other Charges.**

- A. Agreement Effectiveness.** AEPC™ shall have no obligations under this Agreement unless and until this Agreement is executed and delivered by both parties, all Initial Fees as specified on Exhibit D are paid, the Pre-Enrollment Airframe and Engine(s) Reviews have been completed and paid for by Client, and the Covered Airframe and Engine(s) have been accepted by AEPC™.
- B. Enrollment Fee.** Upon the execution hereof and at the conclusion of this Agreement the Client shall make a payment as described in Exhibit D. If payment for any agreement is not received, whether required under this Agreement or under any other written agreement between the Client and AEPC™, all services provided under this Agreement may be discontinued and late charges (as described in Subsection (F) of this Section) may be assessed.
- C. Monthly Payment.** Each month, during the term of this Agreement, the Client shall make a payment, in advance based upon an established Hourly Rate and the Minimum Operating Hours as stated on Exhibit B.
  1. Not later than ten (10) days after the end of each month, the Client shall submit a report on-line using the AEPC™ PistonPower™ website, providing accurate op-

erational information including the Aircraft Total Hours and Airframe and Engine(s) Operating Hours during the preceding month. This report must be submitted even in the event the Aircraft is not flown during a given month.

2. If the Client's monthly report is not received within thirty (30) days after due, whether required under this Agreement or under any other written agreement between the Client and AEPC™, all services provided under this Agreement may be discontinued.
3. Upon each anniversary, of this agreement, AEPC™ shall be entitled to adjust its charges to the Client, establishing the new Hourly Rate for the following twelve (12) month period. Such adjustment shall be made in accordance with the annual utilization, labor rates, part costs and general operating expenses.

- D. Minimum Service charge.** The Client agrees to pay the Minimum Service Charge based upon the minimum operating hours as set forth on Exhibit B multiplied times the Hourly Rate, annually. In the event the Client fails to operate the Airframe/Engine(s) for the minimum operating hours in any Agreement Year, AEPC™ shall invoice the Client, and the Client shall pay, for such deficiency. Notwithstanding the foregoing, in the event this Agreement is terminated for any reason prior to the expiration of the term set forth in Subsection IV (A) hereof, the Client shall be required to pay for that number of minimum flight hours allocable through the date of the termination and the Client's Account Balance shall be forfeited.
- E. Reporting Airframe Hours Per Year.** Not later than ten (10) days after the end of each Agreement Year, the Client shall submit a report online using the AEPC™ website, via email, or fax, providing accurate operational information, including the Aircraft's total time and Airframe and Engine(s) Operating Time for each Covered Airframe and Engine(s). If Client's annual report for any agreement is not received within ten (10) business days after due, whether required under this Agreement or under any other written agreement between the Client and AEPC™, all maintenances provided under this Agreement may be discontinued and late charges (as described in Subsection (O) of this Section) may be assessed.
- F. Payments in U.S. Dollars.** All payments under this Agreement shall be made in U.S. Dollars, payable subject to AEPC™'s standard payment policies and procedures.
- G. Minimum Reimbursement.** AEPC™ will not reimburse any amounts less than Two Hundred Fifty (\$250.00) Dollars for any Repairs on Covered Components and/or Accessories, approved by AEPC™.
- H. Late Charges.** In the event the Client fails to make any payment when due under this Agreement or under any other written agreement between the Client and AEPC™, whether relating to payment of an invoice for the Client's repair or maintenance, and such payment remains unpaid for a period of at least thirty (30) days after the date of the invoice, all maintenances provided under this Agreement may be discontinued. AEPC™ shall also have the right to assess a late charge on the outstanding invoice amount at a rate of eighteen percent (18%) per annum, assessed monthly, from the date of the invoice to the date such invoice is paid.
- I. Tax-Exempt Status.** If the Client is tax-exempt, the Client must provide to AEPC™ written evidence of its tax-exempt status issued by one or more taxing authorities upon ex-

execution of this Agreement and upon any renewal of or change to such tax-exempt status. If the Client fails to provide current proof of tax-exempt status to AEPC™, AEPC™ will be unable to obtain tax-exempt treatment on behalf of the Client with respect to repair and maintenance costs covered under the Agreement and shall invoice the Client directly for any taxes actually assessed.

- J. Transfer Fees.** In the event of a transfer or sale of the Covered Aircraft, as described in Subsection IV(C) and IV(D), which results in the execution of a new agreement with the Purchaser, a Transfer Fee payable by the Purchaser shall be due and payable to AEPC™ as set forth on Exhibit D.

## VI. General Provisions.

- A. Entire Agreement.** This Agreement constitutes the entire agreement of the parties hereto concerning the subject matter hereof and supersedes all prior and contemporaneous agreements between the parties. No modification of this Agreement shall have any force or effect unless the same is in writing and duly executed by each of the parties hereto.
- B. Notices.** Any notice or other communication to be given hereunder shall be in writing and shall be deemed to have been duly given on the date of delivery, provided delivery is actually tendered at the appropriate address, addressed to the person to receive such notice, 1) in person, 2) by courier service, or 3) within three (3) days after deposit in the U.S.P.S. by first class certified mail, postage prepaid, return receipt requested, all addressed as set forth on Exhibit D or such other address as either party hereto shall designate to the other in conformity with the foregoing.
- C. Waiver; Remedies.** No delay on the part of any party in exercising any right shall operate as a waiver thereof, nor shall any waiver of any right operate as a waiver of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that the parties otherwise may have at law, in equity, or both.
- D. Beneficiaries of Agreement.** The rights and obligations contained in this Agreement are provided for the exclusive benefit of the parties hereto and shall not benefit, and do not benefit, any third parties.
- E. Force Majeure.** Neither party shall be liable for any failure or delay in the performance or fulfillment of any of its duties or obligations under this Agreement directly or indirectly resulting from any cause or circumstance beyond its control, including, but not limited to, acts of nature, Federal, State, or local laws or governmental regulations, orders or restrictions, war, war-like conditions, hostilities, mobilization, blockade, embargo or other transportation delay, detention, revolution, riot, looting, strike, lockout or other labor dispute, shortage of labor, inability to secure fuel, materials or supplies of power at reasonable prices or because of shortages thereof, epidemic, fire, or flood.
- F. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- G. Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. Notwithstanding anything contained in this Agreement to the contrary, if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to

the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement.

- H. Waiver of Resorting to the Courts.** Each party knowingly, voluntarily, and intentionally waives any right it may have to resort to the courts in respect to any claim, dispute, or litigation arising out of, under, or in connection with this Agreement or any other document or instrument delivered to the other as of the date hereof, prior thereto, or thereafter, or any course of conduct, course of dealing, statements (whether verbal or written), or actions of the parties hereto. This waiver includes any constitutional right to a trial by jury the parties may have. Each party acknowledges and agrees that it has received full and sufficient consideration for this provision and that this provision is a material inducement for such party entering into this Agreement.
- I. Arbitration.** The parties agree that any and all claims and/or disputes between the parties arising out of or in any way relating to this Agreement, including the scope and interpretation of this Agreement and the arbitrability of any claim or dispute, shall be resolved by binding arbitration by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.
- J. Venue.** Each of the parties hereby knowingly, voluntarily, and intentionally agrees that arbitration proceedings shall be held in Chicago, Illinois. Each of the parties acknowledges and agrees that it has received full and sufficient consideration for this provision and that this provision is a material inducement for such party entering into this Agreement.
- K. Governing Law.** This Agreement and the rights of the parties under this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois exclusive of conflict or choice-of-law rules. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding the provision in this Section with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C. Sections 1–16).
- L. Arbitration Expenses.** If a judgment is rendered in favor of a party hereto in connection with a breach or threatened breach of this Agreement by the other party, the prevailing party shall be entitled to recover its reasonable arbitration expenses, including attorneys' fees.
- M. Headings.** The titles of the sections and subsections have been inserted as a matter of convenience and reference only, and shall not control or affect the meaning, interpretation, or construction of this Agreement.
- N. Counterparts.** This Agreement may be executed and delivered in any number of counterparts, each of which shall be considered an original and all of which, collectively, shall constitute a single agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Mooney/PistonPower™ Airframe Maintenance Program Agreement Number: M\_\_\_\_\_ as of the date first above written.

**AEROENGINE PROTECTION CORP.**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CLIENT**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

### DEFINED TERMS

**The following words and phrases when used in this Agreement shall have the respective meanings set forth below and shall apply to the singular and plural forms of the defined terms.**

1. ABUSE means (i) operation of the Aircraft and/or Airframe other than in accord with the Aircraft or Airframe operating manual and Certificate of Airworthiness or (ii) maintenance, repair, alteration, change in configuration and/or design of an Airframe or Component, or use of Components that deviates from the FAA or OEM specifications in applicable Maintenance Bulletins, applicable maintenance manuals or repair and Overhaul manuals. Abuse specifically includes careless handling, packaging and storage, lack of sufficient protection from the elements, including but not limited to, those that expose the Aircraft or Airframe to the damaging effects of Corrosion, and failure to properly preserve the Airframe in accordance with OEM's specifications in applicable Maintenance Bulletins, maintenance manuals, or repair and Overhaul manuals.
2. ACCCOUNT BALANCE means the sum of the number of Flight Hours paid by the Client as part of (a) BUY-IN, (b) MONTHLY PAYMENTS or (c) any MINIMUM MAINTENANCE CHARGE hours, times the AIRFRAME INSPECTION ACCRUAL RATE listed in Exhibit B multiplied by 100% less the ADMINISTRATIVE FEE percentage listed in Exhibit B less (d) the aggregate amount paid by or on behalf of AEPC™ for all maintenance and repair covered under this Agreement, other than amounts attributed to Unscheduled Maintenance or an Unanticipated Failure, less (e) any taxes allocated to this Agreement, plus (f) the account balance (which may be a negative number) under all prior contracts, if any, of which this Agreement is a renewal or from which this Agreement is transferred. All amounts calculated under this Agreement shall be determined in accordance with this Agreement and as determined by AEPC™ in its reasonable discretion from time to time.
3. COVERED ACCESSORY means the Airframe Accessory, covered under this Agreement listed on Exhibit C.
4. ADMINISTRATIVE FEE means the percentage listed in Exhibit B to calculate a reduction in the paid AIRFRAME/ENGINE INSPECTION ACCRUAL RATE to compensate AEPC™ if contractually obligated to return an ACCCOUNT BALANCE if an OVERHAUL is not performed.
5. AEPC™ means AeroEngine Protection Corp., a Florida corporation.
6. AFFILIATE means any person or entity that controls, is controlled by, or is under common control with the Client. For the purposes hereof, "control" means not less than 50% ownership.
7. AGREEMENT YEAR means the calendar year commencing on the date of this Agreement and each calendar year thereafter commencing on the identically numbered day. For example, an Agreement dated October 1, 2016, will have as its first (1st) Agreement Year the period commencing on October 1, 2016, and ending on September 30, 2017, and so on, going forward.
8. AIRCRAFT means a device that includes Airframe or Engine(s) that is used or intended to be used for flight in the air.

9. AIRFRAME means the particular airframe described on Exhibit B which includes the fuselage, air-foil surfaces, propellers and landing gear of an Airframe and their accessories and controls and distinct from its Engine(s) as described on Exhibit B.
10. AIRFRAME/ENGINE(s) DATA means the application for enrollment under this agreement as such on Exhibit B.
11. AIRFRAME OPERATING HOURS means the cumulative number of hours in operation of the Aircraft computed, as indicated by the HOBBS Meter, in accordance with industry standards.
12. AIRFRAME HOURLY RATE means the rate as identified on Exhibit B which is calculated based on the Operating Hours per year of the Anticipated Aircraft Flight Profile.
13. AIRFRAME MONTHLY RATE means the rate identified on Exhibit B which is calculated based on the Aircraft Inspections for the Airframe set forth in the applicable manuals.
14. AIRWORTHINESS DIRECTIVE means a mandatory requirement issued by the FAA.
15. ALTERATION means any change in configuration and/or design of an Airframe, Accessory or component.
16. AGREEMENT MONTH means the calendar month commencing on the date of this Agreement and each calendar month thereafter commencing on the identically numbered day. For example, An Agreement dated June 3, 2017, will have as its first (1st) Agreement Month the period commencing on June 3, 2017, and ending on July 2, 2017. Its second (2nd) Agreement Month will commence on July 3, 2017, and end on August 2, 2017.
17. APPLIANCE means any installment, mechanism, equipment, part, apparatus, appurtenance and accessory, including communications equipment that is used or intended to be used in operating or controlling an Aircraft in flight, is installed in or attached to the Aircraft and is not part of an Airframe, Engine(s) or Propeller.
18. ASSEMBLY means an integrated group of Components, miscellaneous parts, or consumable items, which are directly or indirectly related to Aircraft sub-assemblies.
19. AVIONICS means the branch of technology that deals with the design, production, installation, use and servicing of electronic equipment mounted in Aircraft.
20. ANTICIPATED AIRCRAFT FLIGHT PROFILE means the Client's Aircraft usage identified as such on Exhibit B.
21. AOG means "aircraft on ground" due to the failure of a Covered Component or System.
22. AUTHORIZED REPAIR FACILITY means any maintenance facility or maintenance center authorized by OEM and licensed by the FAA to perform the type and level of maintenances on the particular Airframe model in accord with this Agreement. Notwithstanding the foregoing, AEPC™ shall have the right to select the maintenance facility or maintenance center to perform the Inspections and any Unscheduled Maintenance covered hereunder.
23. BUY-IN means a payment for usage of the Airframe and/or Accessories prior to enrollment in the Program, which eliminates the need for any further Pro Rata payments by the Client, except as specifically described in Exhibit B or II(C)(1) and (2) hereof, as applicable, and is set forth, if applicable, on Exhibit B.
24. CLIENT means the party defined as such on page 1 of this Agreement.

25. COMPONENT means a part, a combination of parts, a subassembly unit of an Airframe, or Engine as referenced in the appropriate illustrated parts catalogue, which perform a distinctive function necessary to the operation of a system.
26. COMPUTERIZED AIRCRAFT MAINTENANCE PROGRAM means a computer software program used to track and forecast the maintenance activity of an Aircraft.
27. COVERED COMPONENT means the Airframe components covered under this Agreement as listed on EXHIBIT C.
28. CORROSION means the breaking down of essential properties in a material due to chemical reactions with its surroundings.
29. CONSUMABLE HARDWARE means a Component which is replaced irrespective of apparent condition during the course of removal, maintenance, repair, Overhaul or Inspection.
30. CREDIT means the sum of the number of Flight Hours paid by the Client as part of (a) any BUY-IN, (b) MONTHLY PAYMENTS, (c) any MINIMUM MAINTENANCE CHARGE hours, times the AIRFRAME/ENGINE INSPECTION ACCRUAL RATE listed in Exhibit B multiplied by 100% less the ADMINISTRATIVE FEE percentage as listed in Exhibit B, less (d) the aggregate amount paid by or on behalf of AEPC™ for all maintenance and repair covered under this Agreement, other than amounts attributed to Unscheduled Maintenance or an Unanticipated Failure percentage as listed in Exhibit B, less (e) any taxes allocated to this Agreement, plus (f) the account balance (which may be a negative number) under all prior contracts, if any, of which this Agreement is a renewal or from which this Agreement is transferred. All amounts calculated under this Agreement shall be determined in accordance with this Agreement and as determined by AEPC™ in its reasonable discretion from time to time.
31. CURRENT AGREEMENT EFFECTIVE DATE means the date specified in the first paragraph of this Agreement.
32. AIRFRAME means the Airframe identified on Exhibit B that is used or intended to be used for propelling an Aircraft. It includes appurtenances and accessories necessary for its functioning but does not include Propellers.
33. AIRFRAME OPERATING HOURS means the time interval as designated by the OEM approved flight manual or as recorded in the permanent Aircraft records.
34. ENGINE means the Engine identified on Exhibit B that is used or intended to be used for propelling an Aircraft. It includes appurtenances and accessories necessary for its functioning but does not include Propellers.
35. ENGINE OPERATING HOURS means the time interval as designated by the OEM approved flight manual or as recorded in the permanent Aircraft records
36. ENROLLMENT FEE means the fee identified as such on Exhibit B.
37. EROSION means the gradual changing of a surface by mechanical action or friction
38. EXCEEDANCE(S) mean any operation of the Aircraft or Airframe outside OEM's recommended operating limits.
39. EXCLUSION(S) means the events defined in Subsection II(K) of this Agreement.
40. FLIGHT HOUR(S) means the cumulative number of hours, or parts thereof, in operation of the Airframe and Engine(s) as applicable and indicated by the HOBBS meter.



41. FOREIGN OBJECT DAMAGE (“FOD”) means any damage to an Airframe caused by material that is foreign to (not a part of) that Airframe.
42. FAA (or their counterpart worldwide) means the Federal Aviation Authority having jurisdiction over the Aircraft. For the purposes of this Agreement, the FAA (or their counterpart worldwide) is identified on Exhibit B as the.
43. INSPECTION means the comparison of an Airframe, Engine(s) or Component or parts thereof, against the applicable maintenance manual limits through disassembly, fiber optic scope, non destructive testing or other means approved by the Governing Aviation Authority or the OEM for the purpose of determining maintenanceability.
44. IN-SERVICE AIRCRAFT means an Airframe and/or Engine(s) that has accrued more than ten (10) Flight Hours, or an Aircraft that has reached an age in excess of one (1) month from the date of manufacture or in-service date.
45. INTERIOR CONSUMABLE means that portion of an Aircraft's interior, which is susceptible to normal wear and tear, including laminates, carpets, and Soft Goods.
46. LIGHTNING STRIKE means an occurrence in which lightning has contacted the Aircraft or caused some outside electrical charge to be introduced into the Airframe or Engine(s).
47. NON-COVERED COMPONENT means any Component part, a combination of parts, a subassembly unit of an Airframe, or Engine(s) as referenced in the appropriate illustrated parts catalogue, which perform a distinctive function necessary to the operation of a system that is not a Covered Component.
48. ORIGINAL ENROLLMENT DATE means the date on which the Airframe and Engine(s), as applicable, were originally enrolled on the AEPC program, as specified on Exhibit D, provided there has been no lapse in coverage.
49. ORIGINAL EQUIPMENT MANUFACTURER (“OEM”) means the original manufacturer, authorized design holder, or type certificate holder of an Airframe, Component, and/or Airframe and is generally used to refer to the Original Equipment Manufacturer’s specified parts, practices, or procedures.
50. OVERHAUL means the maintenance procedure in which an Airframe, Engine or Component is disassembled to the extent needed to determine the condition of all its parts, repaired as necessary to meet “NEW” limits standards, reassembled, operated in accordance with the OEM’s overhaul manual and approved for return to maintenance, in accordance with the OEM’s requirements or as otherwise approved by the FAA.
51. OVERHAULED PART means a Component, part or appliance that is disassembled to the extent needed to determine the condition of all its parts, repaired as necessary, reassembled, tested and approved for return to maintenance, in accordance with the OEM’s requirements or as otherwise approved by the FAA.
52. OEM AUTHORIZED, FAA LICENSED REPAIR FACILITY ACCEPTABLE TO AEPC™ means a maintenance facility that is authorized by OEM, licensed by the FAA and acceptable to AEPC™ as a maintenance facility that is authorized to perform maintenances on the Aircraft, Airframes, and Components.
53. OEM means OEM Aircraft Incorporated, an aircraft manufacturer

54. PRE-ENROLLMENT AIRFRAME REVIEW means the inspections, as such, on Exhibit E that may be required to enroll the Covered Airframe in the Program under this Agreement.
55. PRE-ENROLLMENT ENGINE REVIEW means the inspections, as such, on Exhibit E that may be required to enroll the Covered Engine(s) in the Program under this Agreement.
56. PREVENTIVE MAINTENANCE means a simple or minor preservation operation and the replacement of small standard parts not involving a complex assembly operation.
57. PROHIBITED PURPOSE means agricultural crop dusting, production flight tests, banner towing, target towing, air show or exhibition, maritime patrol, experimental use, skydiving, racing, hostile military operations, any use of the Aircraft in connection with illegal activity, or any use of the Aircraft in such geographical or climatic environments as to expose the Airframe or Airframe to the damaging effects of Corrosion.
58. PRO RATA means the sharing of cost allocations between the Client and AEPC™, and, if applicable, such costs are set forth on Exhibit C, attached to this Agreement
59. PURCHASER means an individual or entity to whom or to which ownership of the Aircraft is transferred during the term of this Agreement.
60. PASSENGER ENTERTAINMENT SYSTEMS means computers, flat panel LCD or CRT monitors and related fixtures, and cabin entertainment systems to include all audio and video systems and internet access systems, e.g. Wi-Fi.
61. PRIMARY and SECONDARY STRUCTURE means the aluminum, steel and/or graphite or fiberglass composite materials, including the fasteners attached thereto, which form the fuselage, wings, vertical and horizontal stabilizers, flight control surfaces, fairings, doors, engine mounts and nacelles, including attachment and support structures found within these areas
62. RENTAL AGREEMENT means the agreement that sets forth the terms and conditions under which a Repair Facility, as applicable, agrees to provide the Client with a Rental Component, Rental Module, or Rental Airframe during Unscheduled Maintenance, if applicable and available.
63. RENTAL COMPONENT means a rental Component provided to the Client by a Repair Facility under the terms of this Agreement pursuant to a Rental Agreement between the Client and the Repair Facility.
64. REPAIR means a maintenance procedure in which a damaged Component is restored to a condition that allows it to fulfill its design function.
65. REPLACEMENT AIRCRAFT means an Aircraft enrolled in the AEPC™ Mooney/PistonPower™ Airframe Maintenance Program pursuant to a new agreement with the Client under either Subsection IV(D) or (G), as applicable.
66. ROUTINE INSPECTION means Inspection and serviceability checks as defined as routine inspections in the OEM's Airframe maintenance manuals. Routine Inspections include all scheduled checks up to Overhauls.
67. SCHEDULED EVENT means any maintenance event that is described as scheduled in the applicable operator's manual or as required by the FAA (or their counterparts worldwide).
68. SCHEDULED MAINTENANCE means the disassembly, inspection, repair, reassembly and the functional test of an Airframe, Engine(s) and/or Component in accordance with the requirements of the applicable maintenance, repair, and Overhaul manuals or as required by the FAA. Scheduled Maintenance does not include Routine Inspections and maintenance. Scheduled

Maintenance specifically includes (i) the repair of any damage discovered during the course of performing a Scheduled Event, even if any such repair is not described and scheduled by the OEM in the applicable OEM manual.

69. MAINTENANCE BULLETIN is a document issued by the OEM, which specifies an optional, recommended, or mandatory compliance procedure related to improving performance, maintainability, and reliability, and in some cases, may be issued to correct an airworthiness deficiency.
70. SERVICEABLE COMPONENT means an Airframe or Component that is in a certifiable airworthy operating condition per the applicable maintenance manuals and the requirements of the FAA..
71. MAINTENANCE LIFE LIMIT means an Aircraft part whose maintenance life is limited to a specified number of operating hours or calendar time.
72. SHOP ENTRY means putting an Airframe, Engine(s) and/or Component into a OEM Authorized Repair Facility for maintenance.
73. SOFT GOODS means the fabric and coverings included within the cockpit, cabin and baggage areas to include seats and divans.
74. SYSTEMS means a group of individual Components or subassemblies that work in unison and that comprise an entire operating body of the Aircraft and/or Engine(s).
75. TOTAL PARTICULATE MATTER means any solid particles or liquid droplets of all sizes that remain suspended in the air for any length of time. Particulate matter includes, but is not limited to, volcanic ash, soot, dust, and fumes.
76. TIME BETWEEN OVERHAUL (TBO”) means the manufacturer’s recommended number of operating hours or calendar time before the Airframe requires an Overhaul.
77. TRANSFER FEE means the fee identified as such on Exhibit D.
78. TROUBLESHOOTING means an investigative maintenance action that may result in the identification of a malfunctioning or failed Airframe or Component.
79. UNSCHEDULED MAINTENANCE means unexpected maintenance or repair necessitated by malfunctions of an Airframe, Engine(s) or Component or part thereof, which maintenance is not related to or required in connection with the sign off of a Scheduled Event.
80. UNSERVICEABLE UNIT means a Component that is not in operating condition within the limits specified in the applicable Manuals, specifications and/or publications.

## EXHIBIT B

### AIRFRAME and ENGINE DATA, FEES, AND AUTHORIZED CONTACTS

Aircraft Make & Model: \_\_\_\_\_ Engine Make & Model: \_\_\_\_\_

Aircraft Manufacture Date: \_\_\_\_\_ Aircraft Registration No: \_\_\_\_\_

Serial Number	Hours When Delivered	Current Hours
Airframe:	H: _____	H: _____
Engine #1:	H: _____	H: _____
Engine #2:	H: _____	H: _____
Prop #1:	H; _____	H; _____
Prop #2:	H; _____	H: _____

Original Enrollment Date: \_\_\_\_\_ Agreement Effective Date: \_\_\_\_\_

Airframe Warranty Expiration:      Engine #1 Warranty Expiration:      Engine #2 Warranty Expiration:

Term: \_\_\_ Years \_\_\_ Hours      Term: \_\_\_ Years \_\_\_ Hours      Term: \_\_\_ Years \_\_\_ Hours

#### FEE SCHEDULE *All fees in US Dollars*

Governing Airworthiness Authority \_\_\_\_\_

**Hourly Rate Per Airframe and Engine:** \_\_\_\_\_ (Due and payable monthly in advance on the Agreement Effective date)

**Buy-In:** \_\_\_\_\_

**Enrollment Fee:** \_\_\_\_\_

**Minimum Annual Operating Hours X Hourly Rate**

÷ 12 DUE MONTHLY in Advance: \_\_\_\_\_

**Unscheduled Portion of the Hourly Rate:** \_\_\_\_\_

**Administrative Fee:** \_\_\_\_\_

**Subsequent Transfer Fee:** \_\_\_\_\_ (Due and payable only upon the transfer of this Agreement)

#### MINIMUM OPERATING HOURS

**Minimum Operating Hours Per Airframe Per Agreement Year:** \_\_\_\_\_

**EXHIBIT B-1**  
**CONTACT INFORMATION**

**Agreement Number: M** \_\_\_\_\_

<b>CLIENT</b> Name: _____ Contact: _____ Title: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____	<b>REGISTERED OWNER</b> Name: _____ Contact: _____ Job Title: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____
<b>OPERATOR</b> Name: _____ Contact: _____ Job Title: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____	<b>MAINTENANCE CONTACT</b> Name: _____ Contact: _____ Job Title: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____

## EXHIBIT B-2

### CONTACT INFORMATION

<b>ACCOUNTS PAYABLE CONTACT</b> Name: _____ Contact: _____ Job Title: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____	<b>LIEN HOLDER</b> Name: _____ Contact: _____ Job Title: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____
<b>INSURANCE CARRIER</b> Name: _____ Policy No.: _____ Contact: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____	<b>INSURANCE BROKER</b> Agent: _____ Contact: _____ Address: _____ _____ Telephone: _____ Fax: _____ E-Mail: _____

## **EXHIBIT C**

### **COVERED SYSTEMS, COMPONENTS AND ACCESSORIES**

## Exhibit D-1

### PistonPower™

#### Pre-Enrollment Airframe Review

#### Checklist for Repair Station Performing Airframe Review

AEPC™ Contract Number: M \_\_\_\_\_

A/C Registration #: \_\_\_\_\_ A/C Serial #: \_\_\_\_\_

A/C Make: \_\_\_\_\_ A/C Model: \_\_\_\_\_

\* Please initial or check mark each item as completed. List details and/or finding at bottom of page.

1. Perform “Aircraft Operational and Functional Check” of all systems in accordance with the OEM Maintenance Manual/Aircraft preflight checklist.
2. Check for complete airframe, engine and propeller logbooks.
3. Check for compliance with all Airworthiness Limitations in Section 4 of AMM. If applicable, check for compliance with Airworthiness Limitations on any installed STC’s or major alterations. Report any Airworthiness Limitations for which compliance is not well documented. Complete a Magneto Timing Check.
4. Check for compliance with overhaul/replacement schedule in Section of AMM, report any items for which compliance with recommended overhaul/replacement times is not well documented. (Mags, alts, vac pumps, etc).
5. Confirm that aircraft is equipped as shown in equipment list.
6. Check entire exterior of airframe for significant cosmetic flaws (e.g. cracks, missing or discolored paint).
7. Check underside of wings for evidence of fuel leaks, with concentration at fuel quantity senders.
  - AEPC™ may request a more detailed inspection depending on any reported discrepancies from the shop
  - When this checklist is complete please scan and email in PDF format to: techsupport@pistonpower.com.
  - AEPC™ would also like a signed PDF copy of any log entry and the completed invoice emailed to the above address.

**Note**



## Exhibit D-2

### PistonPower™

#### Pre-Enrollment Engine Review

#### Checklist for Repair Station Performing Engine Review

AEPC™ Agreement Number: M \_\_\_\_\_

A/C Registration #: \_\_\_\_\_ Engine Serial #: \_\_\_\_\_

\* Please initial or check mark each item as competed. List details and/or finding at bottom of page.

1. Ground run to warm up engine for compression check.
2. During ground run check idle speed, oil pressure and perform magneto check. Record results:
3. Idle speed: \_\_\_\_\_
4. Oil Pressure: \_\_\_\_\_
5. Magneto RPM drop: Left: \_\_\_\_\_ Right: \_\_\_\_\_
6. Remove Cowling from “warm” engine
7. Compare Engine Serial Number to Logbook
8. Complete a Magneto Timing Check
9. Check for oil leaks
10. Check cylinders for cracks in prone locations and around spark plug bosses
11. Check engine case for cracks
12. Check oil breather system for obstructions
13. Check compression using differential method. If Continental engine obtain master orifice reading before compression test: Compression results: #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_  
#4 \_\_\_\_\_ #5 \_\_\_\_\_ #6 \_\_\_\_\_
14. Take oil sample and send to lab. Oil sample should be Blackstone Labs sample kit, fill out paperwork completely please. If unable to complete paperwork for sample completely please contact AEPC™ for assistance.
15. Cut oil filter open and check for unusual metal or other contamination. If metal is found place filter media in zip lock bag. Contact AEPC™ for further instructions.
16. Install new oil filter.
17. Reinstall cowling.
18. Check oil level.

- AEPC™ may request a borescope inspection and possibly a valve guide inspection depending on engine condition and compression check readings.
- When this checklist is complete please scan and email in PDF format to: techsupport@pistonpower.com.
- AEPC™ would also like a signed PDF copy of any log entry and the completed invoice emailed to the address above.