

MHD ROCKLAND'S STANDARD COMMERCIAL WARRANTY

1. GENERAL

In the event of failure, malfunction or other defective condition occurring before the expiration of the Warranty Period, and being due to Defective Parts or Defects in Workmanship performed by MHD ROCKLAND, the remedies specified in this Warranty and Disclaimer Statement will apply.

Subject to the Terms of this Warranty and Disclaimer, MHD ROCKLAND warrants that:

- (i) the components and accessories overhauled, repaired, or exchanged by MHD ROCKLAND (hereinafter referred to as the "Product") shall comply with the applicable regulations of the applicable Airworthiness Aviation authorities (TCCA and/or FAA), with approved OEM maintenance documentation, and/or applicable Technical Data;
- (ii) the Product overhauled, repaired, or exchanged by MHD ROCKLAND or by its approved subcontractor shall be free from Defective Parts or Defects in Workmanship.
 - ii.a. Defects in Workmanship shall mean failure to conform to the documented overhaul or repair procedures, prescribed by the manufacturer of the Product or associated Technical Data, module or accessory, or to other generally accepted industry maintenance practices.
 - ii.b. Defective Part shall mean any part, component or accessory, which is determined by MHD ROCKLAND, to exhibit or have been subject to a Defect in Workmanship.
 - ii.c. Overhauled components supplied on an exchange or outright sale basis and embodied by MHD ROCKLAND during repair or overhaul will be subject to this same warranty.
- (iii) New spare parts and materials embodied by MHD ROCKLAND during repair or overhaul will carry the manufacturer's new part warranty. MHD ROCKLAND will pursue warranty claims with the manufacturer on the Customer's behalf, and will credit all amounts received under such claims to the Customer's account.
- (iv) Current and relevant inspection criteria is used for the Customer's components and parts that have been inspected per the respective Technical Data and assessed as "fit for re-use", and subsequently re-embodied by MHD ROCKLAND during the Services of the Product.
 - iv.a. Due to unknown part history, no absolute life expectancy of these parts can be given.

The obligation of MHD ROCKLAND under its warranty shall be limited to:

- (i) restoration of the Defective Workmanship and/or Defective Part(s) of the Product in full accordance with the appropriate repair or overhaul instructions without charge to the Customer for such restoration, or
- (ii) the replacement of the Defective Part(s), at MHD ROCKLAND discretion, without charge to the Customer for such replacement, or
- (iii) the replacement of the defective Product with equivalent Product, at MHD ROCKLAND's expense.

The decision to repair or replace the defective unit is solely at the discretion of MHD ROCKLAND.

Any such repair or replacement by MHD ROCKLAND shall also be accomplished diligently and the period of this Warranty shall:

- (i) be extended for a period equal to the period of time it took MHD ROCKLAND to correct the defect and return the Product to the Customer, or
- (ii) have the benefit of the unexpired portion of the original Product's warranty in case of replacement.

Unless otherwise agreed between the Parties:

- (i) the removal and reinstallation of the Product on the Aircraft, are borne by the Customer.
- (ii) if the Customer's requests field services then charges for travel and stay of MHD ROCKLAND personnel will be borne by the Customer.

The rights and obligations of the parties under this Warranty shall be construed, interpreted and applied under the laws of the province of Quebec and city of Pointe-Claire, Canada.

This Warranty shall not be extended, altered or varied except by a written instrument executed by MHD ROCKLAND.

1.1. WARRANTY DURATION

MHD ROCKLAND warrants the services performed against all defects in materials and workmanship for a period of:

- (i) Overhauled Product – shall be twelve (12) months, or eight hundred (800) flying hours, or five hundred (500) cycles, whichever comes first from the date of the Product install on the aircraft. In no case shall the warranty extend past twenty-four (24) months from the date of shipment as stated on MHD ROCKLAND Sales Invoice.
- (ii) Repaired Product – shall be six (6) months, or four hundred (400) flying hours, or two hundred fifty (250) cycles, whichever comes first from the date of the Product install on the aircraft. In no case shall the warranty extend past twenty-four (24) months from the date of shipment as stated on MHD ROCKLAND Sales Invoice.

1.2. WARRANTY VALIDITY

The warranty offered by MHD ROCKLAND shall apply only to the extent that the Products are:

- (i) The same P/N and Serial Number (S/N) previously serviced by MHD ROCKLAND under the Terms of the original Repair Order.
- (ii) Installed, operated, maintained, and/or stored IAW the instructions provided by the aircraft manufacturer or the Product OEM.

1.3. NOTIFICATION

Defects shall be reported to MHD ROCKLAND within forty five (45) days from the discovery by Customer or any third party of the alleged defect. Customer shall make a warranty claim with full details of the alleged defect including:

- (i) Part Number of the defective part;
- (ii) Serial Number of the defective part;
- (iii) MHD ROCKLAND's original Repair Order number and/or Contract Number if applicable;
- (iv) Date of receipt of the Repaired Product to the Customer;
- (v) Aircraft Tail Number;
- (vi) Date of installation onto the aircraft;
- (vii) Date of defect discovery;
- (viii) Detailed description of the "reason for removal";
- (ix) Specific information relating to the nature of the defect and the manner in which the defect is covered by this Warranty;
- (x) Date of removal of the Repaired Product from the aircraft;
- (xi) Time/Cycles of the Product "on wing" - TSN/TSO - CSN/CSO

If the Customer fails to provide its written statement or the defective part to MHD ROCKLAND, the warranty claim shall be deemed suspended until the Customer completes these obligations within forty five (45) additional days, after which the warranty claim shall be deemed rejected.

Additionally, upon MHD ROCKLAND's request, the Customer shall also provide such additional documentation as may reasonably be required by MHD ROCKLAND to make warranty claim adjudication.

1.4. WARRANTY PROCESS

- (i) Upon notification by the Customer MHD ROCKLAND shall issue the Customer a Return Material Authorization (RMA) claim number for return of the Product to be evaluated by MHD ROCKLAND.
- (ii) The Customer shall return, together with its warranty claim and MHD ROCKLAND's RMA, any Product (along with all attached or related items, including the Product records, needed to determine the cause(s) of malfunction) alleged to be defective and under warranty. The Defective Product shall be properly identified, properly packed and returned prepaid to MHD ROCKLAND, or as otherwise agreed between the Customer and MHD ROCKLAND.
- (iii) The Product shall be delivered to MHD ROCKLAND within thirty (30) days from the date of submission of the completed warranty claim form to MHD ROCKLAND.
- (iv) Upon receipt of the Product for which Warranty is claimed; MHD ROCKLAND shall promptly conduct and document an investigation to determine the validity of such claim IAW the Terms of this Warranty and Disclaimer statement. MHD ROCKLAND shall be the sole decision maker about whether there is a defect in workmanship under normal use and service.
 - iv.a. Following the date of the Product receipt at MHD ROCKLAND's Facilities, a warranty claim shall be deemed to have been accepted by MHD ROCKLAND if it has not been accepted or rejected forty five (45) days from the date of receipt at MHD ROCKLAND's facility.
- (v) If Defective Workmanship and/or Defective Part(s) are proven to be the cause of the stated defect, such repair and/or replacement shall be made by MHD ROCKLAND, as per the Terms of this Warranty, without charge, and MHD ROCKLAND will also reimburse the Customer of shipping charges and pay all subsequent related packing and transportation costs.
 - v.a. Any defective Product replaced under MHD ROCKLAND Warranty shall automatically become the property of MHD ROCKLAND.
- (vi) In the case a warranty claim is rejected, MHD ROCKLAND shall give due evidence of its refusal and inform the Customer of the viability of a repair, the cost of the repair including all shipping charges to the Customer's facility.
 - vi.a. If the Customer agrees to perform the repair, the Customer shall provide, in writing, to MHD ROCKLAND its approval to proceed with the repair, which will be undertaken pursuant to the Terms of this agreement.
 - vi.b. If the Customer elects to not proceed with the repair then the Customer is still responsible for all associated shipping charges, testing, and evaluation costs.

MHD ROCKLAND will accept or reject the Customer's warranty claim after technical investigation based on the relevant Technical Data and sound aviation industry practice.

MHD ROCKLAND shall advise Customer of its finding within thirty (30) days from the date of the Product receipt by MHD ROCKLAND.

1.5. EXCLUSIONS; LIMITATIONS

This Warranty applies only to the actual work carried out by MHD ROCKLAND and those sections of the Products disturbed in the process of overhaul or repair during which the Defect in Workmanship occurred. Subsequent repairs, inspections or modifications in the same section of the Product (other than that required to confirm the defect) by any agency other than MHD ROCKLAND will void this warranty, unless prior written consent of MHD ROCKLAND is obtained.

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This Warranty applies to work carried out on behalf of Customer and is made for the benefit of Customer. It may only be transferred with the prior written consent of MHD ROCKLAND.

The Warranty excludes:

- (i) any Product whose manufacturer's identification tag or serial number have been removed or obliterated or altered or cannot otherwise be identified;
- (ii) any defects due to normal wear and tear or if the Product was not handled IAW the manufacturer's recommendations, or other applicable documents, or other handling causes for which MHD ROCKLAND is not responsible;
- (iii) any Product which has been damaged or otherwise become defective due to the failure or malfunction of another component or unit which have not been maintained by MHD ROCKLAND (i.e. consequential or resultant damage), or due to aircraft operation and/or maintenance not performed IAW OEM and/or Aviation Authorities instructions;
- (iv) any failures, malfunctions, or non-conformities of the Product attributable in whole or in part to improper storage, improper handling, improper preservation resulting in corrosion and/or erosion, incorrect installation, misuse, improper operation, or failure to maintain or service the Product(s) IAW applicable and published maintenance practices mandated or recommended by the Product and/or Aircraft OEM, and sound aviation industry practices;
- (v) failures, malfunctions, or non-conformities of the Product attributable in whole or in part to acts of God, combat damage, or obvious neglect;
- (vi) failures, malfunctions, or non-conformities caused by parts, or components not installed by MHD ROCKLAND, or alterations of a Product which is not IAW published OEM procedures;
- (vii) any Product used in service after being involved in an accident unless the Customer proves that the alleged defect is not the result of the accident;
- (viii) any foreign object damage (FOD) sustained in operation, transit or in storage;
- (ix) any Product which has been improperly unpacked or repacked other than IAW ATA 300, OEM recommendations, or MHD ROCKLAND's instructions;
- (x) any parts which are replaced as a result of the Customer's elected maintenance or as a result of the Customer's decision to transfer spare subassemblies between Products, or any parts thereof;
- (xi) any surcharges, import taxes duties, handling fees or other fees that may be levied in transporting the Product to MHD ROCKLAND for repair.

In no event shall the liability of MHD ROCKLAND or MHD ROCKLAND's suppliers arising under this Agreement exceed the price of the overhaul or repair services or materials that gives rise to the claim.

In no event, whether as a result of breach of contract or warranty, alleged negligence, or otherwise, shall MHD ROCKLAND be subject to liability for incidental, consequential, indirect, special or punitive damages of any kind, including without limitation to damage to the engine, airframe or other property, commercial losses, lost profits, loss of use, grounding of engines or aircrafts, costs or expenses of operation, removal, transportation or reinstallation of engines, inconvenience, loss of time, cost of capital, cost of substitute equipment or facilities or services, downtime, claims of customers, or changes in retirement lives and overhaul periods.

This Limited Warranty, the obligations of MHD ROCKLAND and the rights and remedies of the Customer set forth in this Limited Warranty are exclusive and are expressly in lieu of all other warranties, express or implied, including any implied warranties of merchantability or fitness for particular purpose. The Customer hereby waives and releases all other obligations, representations or liabilities, express or implied, arising by law in contract, tort (including negligence or strict liability) or otherwise, including but not limited to any claims arising out of, connected with or resulting from the performance of this Limited Warranty or from the design, manufacture, sale, repair, lease or use of the Product, any component thereof and services delivered or rendered hereunder or otherwise.