

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 (for the present purposes, the term "MHD-ROCKLAND" includes all affiliates), 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 "Products") 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 Products overhauled, repaired, or exchanged by MHD-ROCKLAND, or by its approved subcontractors, 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. "Defective Product" shall mean any Product, which is determined by MHD-ROCKLAND, into which a Defective Part is incorporated or that has been subject to a Defect in Workmanship
 - ii.d. Overhauled components supplied on an exchange or outright sale basis and incorporated by MHD-ROCKLAND during repair or overhaul will be subject to this same warranty.
- (iii) New spare parts and materials incorporated 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 are 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-incorporated 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(s) 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's discretion, without charge to the Customer for such replacement, or
- (iii) the replacement of the Defective Product(s) with equivalent Product(s), at MHD-ROCKLAND's expense.

The decision to repair or replace the Defective Part(s) or Defective Product(s) 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(s) 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 costs of removal and reinstallation of the Products on the aircraft, are borne by the Customer.
- (ii) if the Customer 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 any claims under this warranty shall necessarily and exclusively be submitted to the courts of the district of Montreal, Quebec, 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 Products – twelve (12) months, or eight hundred (800) flying hours, or five hundred (500) cycles, whichever comes first from the date of installation of the Products on the aircraft.
- (ii) Repaired Products – six (6) months, or four hundred (400) flying hours, or two hundred fifty (250) cycles, whichever comes first from the date of installation of the Products 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's 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 in accordance with 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. For each Defective Part or Defective Product 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 or Defective Product 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 the request of MHD-ROCKLAND, 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 Products 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 in accordance with 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 for shipping charges and pay all subsequent related packing and transportation costs.
 - v.a. Any Defective Product replaced under MHD-ROCKLAND's warranty shall automatically become the property of MHD-ROCKLAND.
- (vi) In the case that 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 manipulated 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.

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 in accordance with the manufacturer's recommendations, or other applicable documents, or other handling causes for which MHD-ROCKLAND is not responsible;
- (iii) any Product damaged or that otherwise becomes defective due to the failure or malfunction of another component or unit not been maintained by MHD-ROCKLAND (i.e. consequential or resultant damage), or due to aircraft operation and/or maintenance not performed in accordance with 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) in accordance with 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 in accordance with 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 that has been improperly unpacked or repacked other than in accordance with ATA 300, OEM recommendations, or MHD-ROCKLAND's instructions;

TERMS AND CONDITIONS FOR REPAIR AND OVERHAUL SERVICES PROVIDED BY MHD-ROCKLAND INC.

MHD-ROCKLAND STANDARD COMMERCIAL WARRANTY

- (x) any parts that 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 OR SUITABILITY FOR PARTICULAR PURPOSE **AND FURTHER EXCLUDE ANY REPRESENTATIONS, WARRANTIES OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE.** 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.