

## STANDARD TERMS OF SERVICE

The following Standard Terms of Service (the “Standard Terms”) are attached to and made a part of that certain agreement or agreements evidenced by one or more quotations or other documentation (each, a “Paint Order”) by and between Saltillo Jet Center, S. de R.L. C.V, a Mexican corporation (“SJC”) and the customer whose name is set forth on such Paint Order (“Customer”). Each of the following provisions is incorporated by reference into the Paint Order as if set out in full therein and shall be deemed a part thereof.

### 1. Services.

1.1 Included Services. SJC shall provide the following services (collectively, the “Services”) for each aircraft that is subject to a Paint Order (the “Aircraft”):

(a) Incoming Inspection: The Aircraft will be inspected upon arrival at the Facility (as defined in Section 1.3 below) to determine the general condition of the airframe and for any evidence of damage. Particular attention will be given to the windows, flight controls, fuselage skin, boots and polished leading edges. All loose equipment and personal items on board the Aircraft will be identified and listed on the incoming inspection’s form. All Aircraft discrepancies noted during the incoming inspection and also during completion will be forwarded to Customer for direction, disposition, repair, replacement or exchange as detailed herein. Following completion of such inspection, the Aircraft will be towed to the de-fueling area where fuel will be removed from the Aircraft. SJC and Customer recognize that the removed fuel will no longer be useable for flight purposes.

(b) Work Scope: The fuselage and vertical stabilizer will be chemically stripped, and the wings and composite panels will be sanded and prepared for paint, and painted in accordance with the Aircraft maintenance manuals.

(c) Paint Stripping: Protective masking materials will be applied to the Aircraft windows, windshields frame, composites, and leading edges. All openings including engine intake will be sealed. The Aircraft will be stripped using a non toxic biodegradable stripper; then will be rinsed with water after the stripping process is completed. Hidden damage and corrosion inspections will follow.

(d) Sanding: The Aircraft will be sanded as required to remove all paint or primer residue not removed by stripping. Composite parts will be sanded as required. Preparation work also includes removal and treatment of minor surface corrosion.

(e) Composites: All applicable composites will be sanded down to the original base primer, and then it will be painted with an anti-static primer, Hi-Build primer and then sanded for top coat application.

(f) Flight Controls: Flight controls that require balancing will be removed for priming and painting. After paint is applied, flight controls will be balanced, reinstalled and operationally checked.

(g) Brightener Wash & Alodine (Conversion Coating): The Aircraft will be washed with diluted phosphoric acid soap brightener, rinsed and washed for a second time to achieve a water-break free cleanliness. After the brightener wash is completed all metal surfaces will receive an application of alodine treatment which consists of a controlled Chromic Acid, conversion coating into a Non-Metal Aluminum Oxide.

(h) Primer Application Protective: Masking will be applied to proper areas and the Aircraft will be wiped down with a solvent cleaner. Epoxy corrosion protective primer is applied, in order to achieve a corrosion protection and top coating bonding.

(i) Top Coat Application: The primer coat will be prepared and protective masking replaced as required. The Aircraft will be blown off with high-pressure dry air, wiped down with an alcohol-based cleaner, and cleaned with tack cloths. The floor will be wet down to eliminate possible air contamination caused by paint technician's movement across the floor during the painting process. Customer's choice of paint will be applied to the Aircraft and the control surfaces. Entrance door steps and door frame are also painted to match.

(j) Landing Gear: The landing gear (gear doors only) will be prepped and painted.

(k) Layout and Stripes: The layout will be done using fine line tape. The layout will be done in accordance with Customer approved drawings and will be inspected by the project designer for final layout approval prior to painting. After painting of the stripes, the tape will be pulled immediately (if the layout design allows).

(l) Placards: All required exterior placards will be applied to the finished surfaces in accordance with the Aircraft's manuals and applicable Federal Aviation Administration requirements.

(m) Antennas: No antennas will be painted unless directed by Customer in writing.

(n) Preflight Inspection: Flight controls will be operationally checked and a preflight inspection will be accomplished as per SJC's checklist.

(o) Weight and Balance: A weight and balance of the Aircraft per Customer's reasonable requirements will be performed after the paint process is complete.

(p) Final Detail Inspection: A final airworthiness inspection and work scope specification inspection are accomplished and the Aircraft log-books are signed off with an airworthiness release. A paint touch-up kit will be provided.

(q) Inspection; Return to Service:

- a. Work is accomplished and approval for return to service is conducted using Customer approved data or FAA approved procedures by authorized individuals. Manufacturer's approved data is utilized for return to service when customer's approved data is not readily available.
- b. All persons performing work required are appropriately rated, certified, and experienced to accomplish work. Unless otherwise specified by Customer, acceptance of Aircraft which has had all work completed will be documented and signed by Customer as having met the following appearance criteria.
- c. SJC will complete the work that it has contracted with Customer for with the following inspection criteria in mind and no other unless otherwise notified in writing by Customer prior to the performance of referenced paint work:
  - i. Inspection of the paint surfaces from ten (10) feet or more away and at ninety (90) degree angles from an painted surfaces (except surfaces adjacent to passenger entrances) shall be made to verify that the appearance of the applied paint is consistent with good workmanship.
  - ii. For the surfaces adjacent to passenger entrances, inspection shall be made 3 - 5 feet away from the center of the entrance.
  - iii. The final appearance of the completed decorative surface shall be uniform, glossy and relatively free from sags, dirt craters, excessive orange peel and dry or over spray.

1.2 Excluded Services. The Services set forth below (collectively, the "Additional Services") are not included in the pricing set forth in the Paint Order, except as specifically set forth thereon. Any Additional Services may result in a revised delivery date of each Aircraft, which revised date shall be furnished to Customer in the quotation for such Additional Services.

(a) Aircraft Discrepancies: Any Aircraft discrepancies noted during the incoming inspection and also during completion of the Services.

(b) Fuel Leaks: Excessive fuel leaks must be corrected prior to the paint application process. Fuel leaks may delay the re-finishing process, in which event Customer will be notified with a new estimated delivery date.

(c) Additional Paint Stripping: A mil thickness check will be completed on the Aircraft's skin. In the event that the paint thickness is greater than 10 mils, additional charges will apply.

(d) Fiberglass and Sheet Metal: Fiberglass and sheet metal repairs will result in additional charges with prior Customer approval.

(e) Corrosion and Minor Body Work: Repair of light surface corrosion and minor body work repair which does not exceed five (5) hours in the aggregate is included in the pricing set forth in the Paint Order; however, additional corrosion control or repair, skin repair, replacement of damage or worn flight control hardware or polishing of metal not already polished is excluded from the pricing set forth in the Paint Order.

(f) Primer: Intermediate primer is optional and shall be applied at the pricing set forth in the Paint Order.

(g) Additional Colors & Logos: One base color and two standard stripes are included in standard pricing, however, additional stripes, custom schemes, foreign registration requirements and corporate logos have an additional cost and quoted independently.

(h) Miscellaneous: The following Additional Services and/or additional charges are not included Services and shall be paid by Customer to SJC upon presentation if applicable:

- a. Charges for repairing any Customer furnished parts, material or equipment found not otherwise suitable for its intended use.
- b. Charges for any rework of or additions to Customer furnished engineering.
- c. Charges for gasoline, oil, insurance and flight crews required for flight testing an Aircraft, if applicable.
- d. Overtime charges for Services or Additional Services performed pursuant to the terms of this Agreement and approved by the Customer in advance.
- e. The sum of exchange part credits granted the Customer which credits are subsequently disallowed when the manufacturer or supplier rejects an exchange part.

- f. Sales and use tax.
- g. All incoming or outgoing direct freight charges applicable to this Agreement.

1.3 Place and Time of Performance: Unless otherwise agreed to by the parties, all Services and Additional Services hereunder shall be performed at SJC’s facilities location in Saltillo, Mexico (the “Facility”). Unless otherwise agreed to by the parties, or unless extended in accordance with the terms of this Agreement, SJC shall complete the Services within the time period set forth on the Paint Order.

1.4 Substitutions: SJC (with prior Customer approval, not to be unreasonably withheld) shall have the right to incorporate changes in design, construction, installation, and substitute equivalent equipment, accessories, parts or material where such changes are deemed necessary by SJC to improve product control, performance, reliability, stability, utility, manufacture or appearance of the goods or materials supplied herein. If due either directly or indirectly to governmental prohibitions, restrictions or priorities, any of the materials of construction specified or contemplated herein are not readily procurable for use for its intended purpose, then SJC shall have the right to substitute other materials suitable for the performance of the Services hereunder.

2. Customer Obligations.

2.1 Access. Customer will provide to SJC appropriate Customer and Aircraft information, records and documents, all to the extent reasonably requested by SJC in connection with the performance of the Services by SJC.

2.2 Information Provided. Customer acknowledges that if the Customer or Aircraft information, records or documents provided to SJC, which are reasonably required for SJC to perform the Services under a Paint Order, are not accurate then SJC’s ability to perform the Services effectively may be adversely impacted through no fault of SJC.

2.3 Payment. Customer will pay SJC, when due, the amounts Customer owes SJC under a Paint Order. Customer, if based in the United States, shall pay all amounts due hereunder solely by wire transfer to the following:

PAYMENTS IN PESOS	PAYMENTS IN DOLLARS
Beneficiario/ Beneficiary Saltillo Jet Center, S. De R.L. De C.V. Banco:/ Bank Banamex, S.A. Domicilio: / Address Blvd. Acuña 500 Zona Centro Ramos Arizpe, Coahuila, 25900 CLABE: 002078016100051245	Beneficiario:/ Beneficiary Saltillo Jet Center, S. De R.L. De C.V. Banco: / Bank Banamex, S.A. Domicilio: Address Blvd. Acuña 500 Zona Centro Ramos Arizpe, Coahuila, 25900 CLABE: 002078016190000604

Sucursal: Location of the bank 0161 Ramos Arizpe, Coahuila Cuenta: / Account No. 01615124	Sucursal: Location of the bank 0161 Ramos Arizpe, Coahuila Cuenta: Account No. 01619000060 Swift Code. BNMXXMXXMM
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2.4 Costs. Customer will bear all costs incidental to compliance with the requirements of this Section.

3. SJC's Compensation.

3.1 Pricing. The pricing for the Services is set forth on each Paint Order and shall cover on those Services set forth therein. If Customer requests that SJC provide any Additional Services not covered by a Paint Order, then SJC shall perform such Additional Services at the rates set forth below, or if not covered by the rates set forth below, at SJC's standard hourly rates in effect at such time.

- Paint Labor: \$35.00 per m/h (straight time), \$45.00 per m/h (overtime)
- Inspection/Maintenance/Planning: \$45.00 per m/h (straight time), \$55.00 per m/h (overtime)
- Engineering: \$55.00 per m/h (straight time), \$65.00 per m/h (overtime)

3.2 Materials and Supplies. Materials or supplies specified by Customer that must be purchased from outside vendors will be billed at cost plus an administrative fee of 15%. Associated shipping costs will be billed at cost plus an administrative fee of 10%.

3.3 Deposit. To secure reservation of the use of the Facility under each Paint Order, Customer shall deliver the deposit, if any, required by the Paint Order (the "Deposit"). If any payment required by Customer under the terms of the Paint Order (including these Standard Terms) is not made in accordance with the payment provisions set forth herein, SJC shall have the right, in its sole judgment, to forfeit, take, and use so much of such Deposit as may be necessary to satisfy such payment obligations in full and to exercise any other legal remedies to which it may be entitled. In the event of a draw upon the Deposit, Customer shall immediately reinstate the Deposit to the full amount required. The Deposit, net of any offset, will be credited against the fees owed under each Paint Order. If any Paint Order is cancelled by Customer for any reason (other than breach of the Paint Order by SJC), or by SJC due to breach of the Paint Order (including these Standard Terms by Customer), in addition to other remedies available at law or in equity, SJC shall be entitled to retain the full amount of the Deposit.

3.4 Payment of Invoices. Customer will pay all invoices of SJC within thirty (30) days of the date of the invoice. Any invoice not paid when due shall be subject to a late charge of one and one-half percent (1.5%) per month or portion thereof or, if lower,

the highest rate allowable under applicable law. Should Customer default in any payments due SJC, Customer agrees to pay all reasonable costs of collection incurred by SJC including reasonable attorneys' fees. Title to all equipment or other goods sold or provided hereunder by SJC shall remain in SJC's name until Customer has paid SJC in full. SJC shall retain a security interest in such equipment or other goods until such time.

4. Term; Termination; Events of Default; Remedies; Survival.

4.1 Term and Termination. Unless otherwise noted thereon, each Paint Order shall remain in effect for a term of one (1) year and may be extended for additional time periods upon mutual written agreement of the parties; provided, however, that a Paint Order may be terminated by either party by the party desiring to terminate a Paint Order giving the other party not less than sixty (60) days' advance written notice of the termination. In the event of such early termination, a Paint Order shall terminate as of the date set forth in such notice, payment for all costs and expenses related to any and all Services performed prior to the date of termination or expenses incurred in preparation for the performance of such Services shall be paid to SJC on the date of termination (if such have not been earlier paid), and neither party shall have any further obligations, liabilities or rights hereunder, except as to any matters which expressly are stated in a Paint Order to survive the termination or expiration hereof.

4.2 Events of Default. The occurrence and continuation of any of the following events at any time during the term of a Paint Order, except to the extent caused by, or resulting from, an act or omission of the other party in breach of a Paint Order, will constitute an event of default of a party (an "Event of Default"):

(a) Payment Default. If Customer fails to pay, when due, any amount payable hereunder and such failure shall continue for five (5) days after written notice to Customer.

(b) Other Default. If either party fails in any material respect to perform or comply with any other obligation in a Paint Order, and such failure is not remedied within thirty (30) days after the date the other party has given written notice to the party of such failure; provided, however, that if such failure is not susceptible of being cured within such thirty (30) day period but is otherwise susceptible of being cured, the failure will not constitute an Event of Default for so long as the party exercises reasonable diligence to cure the failure.

(c) Petition. If either party shall file a petition under any state or federal bankruptcy or other insolvency statutes or if a party under a Paint Order shall be adjudged bankrupt or insolvent in a proceeding filed against a party hereunder; provided that no such petition filed against a party shall constitute a breach of this Work Order if such party shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) days from the date of its creation, service or filing.

(d) Trustee. A receiver or trustee shall be appointed for all or substantially all of the assets of either party under a Paint Order and such receivership shall not be terminated or stayed within thirty (30) days.

#### 4.3 Rights and Remedies.

(a) Generally. Upon the occurrence and during the continuation of an Event of Default by a party, the other party may, in addition to any other rights or remedies the other party may have under a Paint Order or at law or in equity, terminate a Paint Order upon thirty (30) days written notice to the party.

(b) SJC Right to Suspend. Upon the occurrence and during the continuation of an Event of Default by Customer, SJC will have the right to suspend the performance of the Services, in addition to any other rights or remedies SJC may have under a Paint Order or at law or in equity.

#### 5. Independent Contractor.

5.1 Independent Contractor. It is understood and agreed that the relationship of SJC to Customer shall be that of an independent contractor.

5.2 No Employer/Employee Relationship. Nothing contained in a Paint Order or inferable herefrom shall be deemed or construed to (a) make SJC the agent, servant, or employee of Customer or (b) create any partnership, joint venture, or other association between Customer and SJC. Any direction or instruction by Customer or any of its authorized representatives in respect of the Services shall relate to the results Customer desires to obtain from the Services, and shall in no way affect SJC's independent contractor status as described herein.

5.3 Employees of SJC; Employment Taxes, etc. SJC agrees that all of SJC's employees, officers, agents and servants assigned to perform the Services under a Paint Order will be employees, officers, agents and servants of SJC solely. SJC will be exclusively responsible for filing any and all returns and reports, and for withholding and/or paying applicable government, e.g. federal, state and/or municipal, taxes or other assessments based upon wages or employment, including, but not limited to, income taxes, gross receipt taxes, taxes measured by gross income, social security taxes, workers' compensation insurance and unemployment insurance premiums for such persons.

#### 6. Force Majeure.

6.1 Neither Contractor nor Customer shall be liable for failure to perform its respective obligations under a Paint Order when such failure is caused by fire, explosion, water, act of God, civil disorder or disturbance, strikes, vandalism, war, riot, sabotage, weather and energy related closings, inability to procure materials, governmental rules or regulations, failure of third parties to perform their obligations hereunder, or like causes beyond the reasonable control of such party, or for real or personal property destroyed or damaged due to such causes (collectively, "Force Majeure").

6.2 The party claiming an event of Force Majeure shall, within ten (10) calendar days from the beginning of such delay, notify the other party in writing of the cause of delay. If the condition continues for more than thirty (30) continuous days, either party may terminate immediately upon giving written notice of termination to the other.

7. Limitation of Liability.

7.1 CONSEQUENTIAL AND INDIRECT DAMAGES. EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 10.4 AND OTHERWISE NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, NEITHER PARTY, NOR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES OR AFFILIATES, WILL BE LIABLE TO THE OTHER PARTY, NOR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES OR AFFILIATES, FOR CLAIMS FOR PUNITIVE, SPECIAL, EXEMPLARY, TREBLE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, LOSS OF USE OR REVENUE, OR LOSSES BY REASON OF COST OF CAPITAL, CONNECTED WITH OR RESULTING FROM ANY PERFORMANCE OR LACK OF PERFORMANCE HEREUNDER, REGARDLESS OF WHETHER A CLAIM IS BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, VIOLATION OF ANY APPLICABLE DECEPTIVE TRADE PRACTICES ACT OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE.

7.2 LIMITATION OF LIABILITY. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, SJC'S MAXIMUM AGGREGATE LIABILITY HEREUNDER WILL IN NO EVENT EXCEED THE AMOUNT OF FEES RECEIVED BY SJC FROM CUSTOMER IN THE PRIOR TWELVE (12) MONTHS PURSUANT HEREUNDER.

8. Exclusivity of Warranties.

8.1 Limited one-year warranty: Effective from the date of completion of the Services and any Additional Services under any Paint Order, SJC warrants its goods and services supplied hereunder to be free from defects on this material and workmanship under normal use for one (1) year on new equipment and for six (6) months on used equipment. SJC will repair the Services or Additional Services which breach this warranty when such Aircraft is returned to SJC within the warranty period, transportation costs prepaid by Customer. Repair and replacement as provided herein are the exclusive remedies for breach of the express warranty given herein. This warranty shall not apply to any Services or Additional Services, which in the judgment of SJC has been repaired or in any way altered so as to adversely affect its performance or reliability, or which has been subjected to misuse, negligence or accident. This warranty does not extend to the Customer furnished parts or equipment. It is understood and agreed that abnormal erosion or chipping from impact damage, fluid or elements shall not be deemed a defect. Paint warranty is limited solely to any available manufacturer's warranty. THE WARRANTY PROVIDED IN THIS SECTION AND THE OBLIGATION TO RE-

PERFORM THE SERVICES ARE EXCLUSIVE AND NO OTHER WARRANTIES AS TO THE SERVICES OF ANY KIND, WHETHER STATUTORY OR COMMON-LAW, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY, TITLE, NONINFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE) WILL APPLY.

9. Representations and Warranties.

Each party represents and warrants to the other party that: (a) it is a legal entity, duly formed and validly existing and in good standing under the laws of the state of its formation, (b) such party has the full power and authority to execute, deliver and perform a Paint Order and to carry out the transactions contemplated by a Paint Order; (c) the execution and delivery of a Paint Order by such party and the carrying out by such party of the transactions contemplated by a Paint Order have been duly authorized by all requisite corporate action, and a Paint Order has been duly executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against the party in accordance with the terms of a Paint Order, subject to applicable bankruptcy, insolvency, fraudulent conveyance and similar laws; (d) no authorization, consent, notice to or registration or filing with any governmental authority is required for the execution, delivery and performance by such party of a Paint Order; (e) none of the execution, delivery and performance by such party of a Paint Order conflicts with or will result in a breach or violation of any law, contract or instrument to which such party is a party or is bound; and (f) there are no legal or arbitral proceedings by or before any governmental authority, now pending or (to the knowledge of such party) threatened, that if adversely determined could have a material adverse effect on such party's ability to perform the party's obligations under a Paint Order.

10. Miscellaneous.

10.1 Survival. The terms of Sections 7, 8, 9 and 10.4 shall survive the expiration or earlier termination of a Paint Order.

10.2 Entire Agreement; Prior Agreements. These Standard Terms and any Paint Order, including all its attachments, constitutes the full and complete understanding and agreement of the parties with respect to the subject matter of these Standard Terms or any Paint Order and supersedes all prior understandings and agreements

10.3 Notices. All notices, requests, demands and other communications that are required or may be given in connection with a Paint Order will be in writing and, unless otherwise stated in a Paint Order for particular notices, will be deemed to have been duly given when received by the applicable party to a Paint Order, if (i) personally delivered, (ii) sent by a recognized overnight delivery service, postage prepaid, (iii) sent by certified or registered mail, return receipt requested and postage prepaid, or (iv) sent by facsimile transmission with electronic confirmation of receipt. Notices will be sent to the following addresses or fax numbers, as applicable (unless changed by a party by 10 days' prior notice to the other party in accordance with this Section 10.3), of the parties:

If to Customer: At the address set forth in the Paint Order.

If to SJC: Carr. Saltillo-Monterrey KM 13.5  
Aeropuerto Internacional  
Hangar 54  
Ramos Arizpe, Coahuila  
Mexico 25900

Attn: Pamela Aguirre  
Fax: (52-844) 288-3410\_  
Email: Pamela@saltillojetcenter.com  
With a copy to:

ExpressJet Airlines, Inc.  
700 North Sam Houston Parkway West  
Suite 200  
Houston, Texas 77067  
Attention: Associate General Counsel  
Phone No.: (832) 353-1141  
Fax No.: (832) 353-1071

10.4 Indemnification. Notwithstanding anything to the contrary herein, the indemnity obligations of SJC and Customer shall survive the expiration and termination of a Paint Order and are solely as follows:

(a) OWN PROPERTY AND EQUIPMENT; EMPLOYEES AND SUBSJC'S. EACH OF SJC AND CUSTOMER AGREE TO INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FOR DAMAGE TO, LOSS OR DESTRUCTION OF ITS OWN PROPERTY AND EQUIPMENT (WHETHER OWNED OR LEASED) AND FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM AND AGAINST ANY CLAIMS, SUITS, CAUSES OF ACTION, LIABILITY AND EXPENSE (INCLUDING REASONABLE ATTORNEY'S FEES) FOR ANY ILLNESS, INJURY OR DEATH OF ITS OWN EMPLOYEES, PERSONNEL, AGENTS OR SJCS ARISING OUT OF OR INCIDENTAL TO THE PERFORMANCE OF THE OBLIGATIONS HEREUNDER, INCLUDING TO THE EXTENT SUCH DAMAGE, LOSS, DESTRUCTION, ILLNESS, INJURY OR DEATH RESULTS FROM THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTY, ITS AGENTS, PERSONNEL AND EMPLOYEES.

(b) SJC PERFORMANCE OF AGREEMENT. SJC WILL BE RESPONSIBLE FOR ALL CLAIMS AND DEMANDS WHICH MAY BE MADE AGAINST SJC OR CUSTOMER AND WILL DEFEND, INDEMNIFY AND HOLD CUSTOMER HARMLESS FROM AND AGAINST ALL SUCH CLAIMS AND DEMANDS, TOGETHER WITH ANY SUITS, CAUSES OF ACTION, LOSSES AND DAMAGES FOR INJURY TO OR DEATH OF ANY

THIRD-PARTY, OR FOR DAMAGE, LOSS OR DESTRUCTION OF ANY THIRD-PARTY PROPERTY ARISING FROM AND IN THE COURSE OF SJC'S PERFORMANCE OF THIS AGREEMENT, EXCEPT AND TO THE EXTENT SUCH INJURY, DEATH, DAMAGE, LOSS OR DESTRUCTION RESULTS FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CUSTOMER, ITS AGENTS, PERSONNEL AND EMPLOYEES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, SJC WILL NOT BE RESPONSIBLE FOR ANY LOSS, INJURY, OR DAMAGE ARISING OUT OF CUSTOMER'S USE OR MISUSE OF AIRCRAFT OR OTHER EQUIPMENT REPAIRED AND/OR MAINTAINED BY SJC.

(c) CUSTOMER'S PERFORMANCE OF AGREEMENT. CUSTOMER WILL BE RESPONSIBLE FOR ALL CLAIMS AND DEMANDS WHICH MAY BE MADE AGAINST SJC OR CUSTOMER AND WILL DEFEND, INDEMNIFY AND HOLD SJC HARMLESS FROM AND AGAINST ALL SUCH CLAIMS AND DEMANDS, TOGETHER WITH ANY SUITS, CAUSES OF ACTION, LOSSES AND DAMAGES FOR INJURY TO OR DEATH OF ANY THIRD-PARTY, OR FOR DAMAGE, LOSS OR DESTRUCTION OF ANY THIRD-PARTY PROPERTY CAUSED BY CUSTOMER OR ITS AGENTS, EMPLOYEES OR PERSONNEL, EXCEPT AND TO THE EXTENT SUCH INJURY, DEATH, DAMAGE, LOSS OR DESTRUCTION RESULTS FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SJC, ITS AGENTS, PERSONNEL AND EMPLOYEES.

10.5 Insurance. SJC shall maintain the following insurance policies with underwriters reasonably satisfactory to Customer:

(a) Worker's compensation insurance as prescribed by applicable law. Employers liability insurance will be maintained with a limit of \$1,000,000.

(b) Commercial general liability (bodily injury and property damage) insurance.

The limit of liability for such insurance will not be less than \$1,000,000 per occurrence for bodily injury and \$1,000,000 per occurrence for property damage. If a combined single limit is provided, total coverage shall be not less than \$1,000,000 per occurrence, \$1,000,000 aggregate.

10.6 Assignment. No Paint Order (including these Standard Terms) shall be assignable by either party without prior written consent of the other party.

10.7 Governing Law. The Paint Order (including these Standard Terms) shall be governed by and construed in accordance with the laws of the State of Texas, excluding its conflicts of laws provisions.

10.8 Waiver. The failure of either party to insist upon or enforce, in any instance, strict performance of the other party of any of the terms of a Paint Order (including these Standard Terms) or to exercise any rights conferred under a Paint Order (including these Standard Terms) will not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such terms or rights on any future occasion.

10.9 Severability. In the event any one or more parts or provisions of a Paint Order (including these Standard Terms) are determined to be invalid or unenforceable by a court of competent jurisdiction, then such parts or provisions will be stricken and the remaining portions of a Paint Order (including these Standard Terms) will nevertheless be given full force and effect.

10.10 Risk of Loss; Title. Risk of loss for all Services and materials, products and other items and things delivered to Customer by or on behalf of SJC in connection with the Services or acquired by Customer pursuant to a Paint Order will pass to Customer upon such delivery or acquisition. Title to all Services and Materials, products and other items and things provided or to be provided by SJC under a Paint Order will pass to Customer, as and to the extent payment therefore is made by Customer in accordance with a Paint Order.

10.11 No Third-Party Beneficiaries. The provisions of a Paint Order (including these Standard Terms) are intended for the sole benefit of Customer and SJC, and there are no third-party beneficiaries.

10.12 Counterparts; Facsimile Signatures. Any Paint Order may be executed by the parties in any number of counterparts, each of which will be deemed an original instrument, but all of which together will constitute but one and the same agreement. Notices and documents, including a Paint Order, delivered by fax or other form of electronic transmission will be sufficient for purposes of binding the sending party and such facsimile signature shall have the same force and effect as the original ink signature.

10.13 Headings. Titles, captions and headings herein any in any Paint Order are inserted for convenience only and will not be used for the purposes of construing or interpreting the Standard terms or Paint Order.

10.14 References in a Paint Order. In a Paint Order (including these Standard Terms), unless a clear, contrary intention appears: (a) the singular includes the plural and vice versa; (b) reference to any Person includes such Person's successors and assigns but, in the case of a party, only if such successors and assigns are permitted by a Paint Order; (c) reference to any gender includes each other gender; (d) reference to any agreement (including a Paint Order), document or instrument means such agreement, document or instrument as amended, modified, supplemented or extended and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of a Paint Order; (e) reference to any law means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (f) reference to any Section means such Section of a

Paint Order, and references in any Section or definition to any clause means such clause of such Section or definition; (g) “hereunder,” “hereof,” “hereto” and words of similar import will be deemed references to a Paint Order as a whole and not to any particular Section or other provision of a Paint Order; (h) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and (i) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.