



Savvy Aircraft Maintenance Management, Inc.

4801 Braeburn Drive

Las Vegas, NV 89130

Tel 702-655-1359

Fax 646-607-0144

SERVICE AGREEMENT

THIS AGREEMENT is between Savvy Aircraft Maintenance Management, Inc., a Nevada corporation that provides aircraft maintenance management services (“Savvy”), and an individual or entity (“Client”) that owns a general aviation aircraft (“Aircraft”) for which Client desires aviation maintenance management services to be performed by Savvy in consideration of an annual fee (“Stated Fee”) paid by Client to Savvy.

RECITALS:

- A. Savvy is a company providing professional aircraft maintenance representation and advocacy for aircraft owners to help ensure each owner’s aircraft receives competent maintenance in compliance with all applicable regulatory requirements and is maintained in a safe, reliable and airworthy condition. By providing aircraft maintenance management services, Savvy also seeks to improve the quality of each client’s aircraft ownership experience by reducing the time that the client spends dealing with maintenance issues. Through its services, Savvy endeavors to help its clients ensure that their aircraft are maintained in the safest and most cost-efficient and effective manner possible.
- B. Savvy assigns an FAA-certified Airframe and Powerplant Mechanic with Inspection Authorization (A&P/IA) as Client’s “Account Manager” to work directly with Client to manage the maintenance performed on Client’s Aircraft. The Account Manager is not on-site and does not perform maintenance on Client’s Aircraft, but provides oversight of, direction to, and technical interface with the maintenance facilities and technicians/mechanics doing the work, primarily by means of Savvy’s proprietary Internet-based online ticket system.
- C. Client is an aircraft owner who desires to retain Savvy to provide maintenance management, representation and advocacy services with respect to the Aircraft.
- D. Throughout this Agreement, the phrase “Applicable Regulations” shall mean the Federal Aviation Regulations (14 CFR) if the Aircraft is registered in the United States, or the applicable civil aviation regulations if the Aircraft is registered in any other country.

1. **Term:** Savvy agrees to provide the aircraft maintenance management services defined herein to Client for Aircraft for a period of one year from the effective date of this Agreement (“Start Date”), which shall be the date upon which Savvy has received electronic notification of Client’s intention to be bound by the terms of this agreement. However, Savvy’s obligation to provide aircraft maintenance management services hereunder shall not commence until Savvy has received via physical or electronic delivery (1) a Certificate of Insurance showing Savvy as an Additional Insured on Client’s aircraft insurance policy (see paragraph 16 below), and (2) electronic scans of the Aircraft’s maintenance records (see paragraph 14 below). Client understands and agrees that Savvy cannot provide maintenance management services defined herein until it has received these documents.
2. **Aircraft Maintenance Management Services Provided:** Savvy will serve as Client’s aircraft maintenance manager whenever the Aircraft undergoes scheduled or unscheduled inspection, repair, overhaul, preservation, and/or replacement of its components (collectively “maintenance”) at any aircraft maintenance facility (“Service Center”) worldwide, provided that the maintenance technicians performing work on the Aircraft are willing and able to communicate with Savvy in English via Savvy’s Internet-based ticket system.

As Client’s maintenance manager, Savvy will:

- Assist Client in selecting the best Service Center and/or maintenance technician for the maintenance desired by Client.
- Assist Client in making arrangements to have Aircraft ferried to and from the selected Service Center, should this be necessary.
- Establish a formal protocol for each maintenance transaction (described herein) to help ensure that Client complies with Applicable Regulations as the owner and operator of the Aircraft, remains in control of the process and does not have adverse cost surprises when presented with the invoice by the Service Center.
- Give specific written direction to the Service Center and maintenance technicians doing the work.
- Use the proven methodologies of Reliability-Centered Maintenance (RCM) and Condition-Based Maintenance (CBM) to achieve the required levels of safety and dispatch reliability for the Aircraft at the lowest possible cost.
- Implement a state-of-the-art engine condition monitoring program, including regular borescope inspections, spectrographic oil analysis, and digital engine monitor data analysis for the Aircraft, keep Client apprised of inspection results, interpret those results, and make recommendations based on those results as necessary.

- Act to minimize Client's expenditures for replacement parts for the Aircraft by evaluating lower-cost alternatives (e.g., repair, PMA equivalents, salvage yards, and discounts).
- Seek to minimize expenditures for unnecessary parts and labor for the Aircraft by helping to ensure that systematic troubleshooting be completed before Client authorizes that repairs be performed or parts ordered, and providing the Service Center with a thoughtful troubleshooting plan where appropriate.
- Track the status of the Service Center's progress on the work it has been directed to perform, and communicate this status to Client on a regular basis.
- Utilize Savvy's Internet-based online ticket system to create a detailed written audit trail of all discrepancies reported, decisions made and approvals given by the Client; discrepancies, cost estimates, and status reports provided by the Service Center; advice given and recommendations made by the Account Manager; and any other maintenance-related communications involving the Client, Service Center and/or Account Manager.

Under no circumstances will any employee or agent of Savvy when acting in that capacity:

- perform inspection, repair, or any other maintenance (as that term is defined in Applicable Regulations) on Client's aircraft; performing maintenance is the responsibility of the Service Center.
- make maintenance decisions concerning Client's aircraft; such decision making is the responsibility of the Client. Savvy will offer consultation, advice and recommendations to assist Client's decision making process, but the ultimate decisions about what maintenance is to be performed on the Aircraft and how it is to be performed is the responsibility of the Client.
- second-guess airworthiness determinations made by the Service Center relating to the Client's aircraft. The Service Center inspects the aircraft and assesses its condition; Savvy does not. However, in the event an airworthiness determination made by the Service Center is questioned by the Client, Savvy may arrange for an independent expert to inspect the aircraft and provide a second opinion.
- make any recommendation to the Client or give any direction to the Service Center that would violate any Applicable Regulations or compromise the safety of the Client's aircraft.

3. **Maintenance Procedure and Protocol:** When the Aircraft is taken to a Service Center for maintenance, Client shall instruct the Service Center that Client has retained Savvy as Client's maintenance manager during the course of the maintenance to be provided by the Service Center, and shall direct the Service Center to interface with Savvy as the Aircraft owner's representative on all technical matters relating to maintenance of the Aircraft.

Savvy will communicate directly with the Service Center on Client's behalf, and direct the Service Center to structure each maintenance transaction in three sequential phases:

- **Inspection phase:** The Service Center inspects the aircraft, performs any necessary troubleshooting, itemizes any discrepancies found, recommends corrective action to remedy those discrepancies, formulates specific cost estimates for parts and labor to rectify each discrepancy, and identifies those discrepancies that the Service Center judges to be airworthiness items that impact its ability to approve Aircraft for return to service.
- **Approval phase:** Savvy reviews Service Center's discrepancy list and cost estimate for each discrepancy, discusses the discrepancies and estimates with Client, researches alternatives, negotiates amendments with the Service Center, makes recommendations to Client, receives written instructions from Client and ultimately furnishes the Service Center with specific written approvals, directions and instructions to proceed.
- **Repair phase:** The Service Center performs repairs and replaces parts as directed by Savvy in writing on Client's behalf, approves the aircraft for return to service, makes all appropriate maintenance record entries in compliance with Applicable Regulations, providing the originals to Client and a copy to Savvy, and presents its invoice to the Client with a review copy to Savvy.

During the inspection phase, Savvy will direct the Service Center to inspect Client's Aircraft but perform no repairs and order no replacement parts until specifically instructed to do so. Savvy will further direct Service Center that upon completion of the inspection, the Service Center is to provide a written itemized list of discrepancies found, together with its recommendation for corrective action (repair, replacement, overhaul, alteration, or deferral) plus a detailed estimate of the cost, including parts and labor, to correct each discrepancy. Savvy will also direct the Service Center to specifically identify those discrepancies that, in the Service Center's opinion, it believes to be "airworthiness items" that must be corrected in order for the Service Center to approve the aircraft for return to service.

During the approval phase, Savvy will review the Service Center's itemized discrepancy list and cost estimate, forward a copy of the list to Client, and consult with Client regarding each listed discrepancy, the maintenance recommendations and cost estimates provided by the Service Center. During this consultation, the

Savvy will discuss each discrepancy with Client; explain the nature of the discrepancy, any safety of flight risks presented by the discrepancy, dispatch reliability implications, and any applicable regulatory requirements. Savvy will make recommendations to Client regarding resolution of each discrepancy and may propose lower-cost alternative approaches to Client. Savvy will explain the benefits and drawbacks of each alternative, along with any safety risks, dispatch reliability implications and applicable regulatory requirements that may be involved.

At no time and under no circumstances will Savvy make the ultimate decision as to the method to be used to deal with any discrepancy reported by the Service Center. Each such decision will be made by Client after considering the Service Center's recommendations and any alternatives recommended by Savvy.

When Client has made a decision regarding the method to be used to correct each discrepancy, Client will transmit instructions to Savvy in writing or electronically. Savvy will forward the specific instructions to the Service Center in writing or electronically, will discuss those instructions with the Service Center as necessary to ensure that the Service Center understands and is willing to comply with them, and shall monitor Service Center's progress as it performs the maintenance as instructed.

Prior to completion of repairs, Savvy will give specific instructions to the Service Center that it make all maintenance record entries required by Applicable Regulations on stickers that may be placed in the Aircraft's maintenance records and that the original(s) are provided to Client with copies to Savvy before the airplane is flown by Client. Client understands that the Aircraft may not be flown after maintenance until the maintenance record entries required by Applicable Regulations are made by the Service Center. Client understands that such entries may be made on stickers and provided to Client by the Service Center.

Should troubleshooting of a discrepancy be required in order for the Service Center to make a recommendation for the method of correction, Savvy will work with the Service Center and its technicians as the troubleshooting proceeds and may, as Savvy deems appropriate, make suggestions in the troubleshooting process, and in some cases may recommend that an outside expert be called in to assist (any retention of an outside expert must be approved in written or electronic format by Client). Savvy will keep Client advised of the status and results during such troubleshooting activities.

Client will be responsible for payment for all services performed by Service Center, including, but not limited to, labor, parts, and applicable taxes and fees. Savvy will request a copy of the Service Center's invoice to Client, will assist Client in reviewing the invoice and determining whether the amounts billed are consistent with the estimates provided and the actual work performed by the Service Center. Should Client be dissatisfied with the Service Center's invoice, Savvy will provide a good faith opinion as to whether the bill is reasonable and, if requested by Client, Savvy will contact the Service Center for further explanation of the invoice, and will attempt to negotiate an appropriate adjustment to the invoice on Client's behalf.

4. **Operator**: At all times and under all circumstances of this Agreement, Client is the “operator” of the Aircraft as that term is defined in Applicable Regulations. At no time will Savvy be or act as the operator of the Aircraft. Savvy will assist Client in making maintenance decisions and complying with Client’s obligations as owner/operator of Aircraft under Applicable Regulations, but at no time will Savvy make maintenance decisions relating to the Aircraft.
5. **Annual Fee**: In consideration of the aircraft maintenance management services provided hereunder, Client will pay Savvy the agreed-to annual fee (“Stated Fee”). This Stated Fee applies if Aircraft is flown up to 200 hours per year. If Aircraft is flown more than 200 hours during the annual term of this Agreement, an additional fee equal to 50% of the Stated Fee (“High-Use Fee”) shall be added to the annual fee for each additional 100 hours or fraction thereof of operation during the one-year term of this Agreement; the additional fee(s) shall be, due when the aircraft passes 200 hours of operation during the annual term of this Agreement, and each 100 hours thereafter. The Stated Fee shall be paid in advance no later than the Start Date of this Agreement, and this Agreement shall not become effective until the annual fee has been paid in full by Client. One half of the Stated Fee will be considered earned by Savvy upon receipt, and the other half of the Stated Fee shall be considered earned by Savvy at the start of Aircraft’s annual inspection. Any applicable High-Use Fee(s) shall be considered earned by Savvy when due as provided herein.

The Stated Fee and any applicable High-Use Fees cover maintenance management services for all maintenance to the Aircraft during the annual term of this Agreement except for certain “Extraordinary Items” defined herein. Extraordinary Items shall include, but not be limited to, the following: major repairs and major alterations as those terms are defined by Applicable Regulations; engine teardown, overhaul, rebuild or replacement; structural repairs covered by the Aircraft’s hull insurance; new paint and/or interior; and major avionics upgrade. Additional negotiated fees will apply for management of Extraordinary Items.

6. **Termination**: Client may terminate this Agreement at any time for any reason upon 15 days prior written or electronic notice to Savvy.

Savvy may terminate this Agreement upon 15 days prior written or electronic notice to Client under the following circumstances: (a) if Client is needed to make decisions concerning approval of maintenance of Aircraft and is not available to Savvy for consultations for more than three (3) consecutive business days; (b) if Client disputes an invoice from Service Center that Savvy in its professional opinion, judges to be fair and reasonable and has approved for payment, or if Client fails to pay such an invoice in a timely fashion; (c) if Client demands that Savvy perform services that Savvy deems to be excessive or beyond the scope of its obligations as set forth herein; (d) if Client fails to maintain Savvy as an “additional insured” on its Aircraft insurance policy(ies) as set forth in paragraph 16 below; or (e) if Savvy deems that Client has been uncooperative with Savvy’s maintenance

protocols and procedures or has repeatedly acted in contravention of Savvy's recommendations or advice.

In the event of early termination of this Agreement by either party, Savvy will refund any unearned portion of the annual fee to Client.

7. **Expiration and Renewal**: Savvy shall notify Client in writing or electronically at least 60 days prior to expiration of this Agreement, and shall request that Client notify Savvy in writing or electronically of Client's decision to terminate this Agreement at the conclusion of its one-year term at least 30 days prior to the expiration of that term. Absent receipt by Savvy of such termination instruction from Client, this Agreement shall automatically be renewed on its anniversary date for an additional year, and the terms, conditions and fees hereunder shall be automatically amended to the then-current revision of the Service Agreement and Stated Fee as it appears on the Savvy web site on the renewal date..
8. **Dispute Resolution**: Should a dispute of any sort arise between Savvy and Client, Client's heirs, successor, assigns, officers, insurers or attorneys, regarding any matter associated with this Agreement or as a result of any action, omission or negligence alleged on the part of Savvy, Client and Savvy each specifically agree to waive any rights that the parties may have to a trial within the State or federal courts of the United States, and agree to submit the disputed matter to binding arbitration through the American Arbitration Association as a commercial (not consumer) matter.
9. **Sale or Substitution of Aircraft**: Should Client sell Aircraft and acquire another aircraft, this Agreement will continue, at the election of Client, once Client has provided Savvy with the needed information on the replacement aircraft so that Savvy may carry out its obligations under this Agreement. The type of replacement Aircraft may require an upward or downward adjustment to the Stated Fee under this Agreement, prorated according to the time remaining in the term of the Agreement. Such and adjustment shall be required if the replacement aircraft has a different Stated Fee, or if the annual inspection due date for the replacement aircraft is such that Savvy would be required to manage more than one annual inspection during the one-year term of this Agreement.
10. **Acquisition of Additional Aircraft**: Should Client acquire one or more additional aircraft, they may be added to this Agreement with a pro-rated adjustment of the fee based on the type(s) of aircraft and the time remaining in the term of the Agreement.
11. **Inspection or Maintenance by Savvy**: At no time will Savvy or any of its employees or agents perform any inspection of or maintenance to Client's Aircraft as those terms are defined in Applicable Regulations.
12. **No Warranties**: CLIENT UNDERSTANDS THAT SAVVY WILL USE ITS BEST EFFORTS TO ACT AS A MANAGER AND AN ADVOCATE ON BEHALF OF CLIENT IN HELPING CLIENT OBTAIN HIGH QUALITY, COST-EFFECTIVE

MAINTENANCE ON CLIENT'S AIRCRAFT. HOWEVER, SAVVY MAKES NO GUARANTEES OR WARRANTIES OF ANY SORT, EXPRESS OR IMPLIED, AS TO THE ACTUAL QUALITY OF MAINTENANCE PERFORMED ON CLIENT'S AIRCRAFT, OR THE SAFETY OR AIRWORTHINESS OF CLIENT'S AIRCRAFT FOLLOWING ANY INSPECTION OR MAINTENANCE. CLIENT UNDERSTANDS THAT CLIENT REMAINS FULLY RESPONSIBLE FOR THE INSPECTIONS AND MAINTENANCE PERFORMED ON CLIENT'S AIRCRAFT.

13. **Confidentiality**: Savvy agrees to keep all communications with Client confidential and share them with no one other than those Savvy is specifically directed to do so by Client or by appropriate action of law.
14. **Aircraft Maintenance Record Entries**: Client acknowledges that as owner and operator of the Aircraft, Client is solely responsible to ensure all maintenance record entries required by Applicable Regulations are made and signed off by the appropriate authorized maintenance personnel prior to making any flight of the Aircraft after maintenance. While Savvy will assist and counsel Client in carrying out Client's regulatory obligations as owner/operator, no employee or agent of Savvy (when acting in that capacity) will make any maintenance record entries for Client's Aircraft. Further, Client agrees to provide complete copies of all maintenance records for the Aircraft to Savvy at the inception of this Agreement, and recognizes that Savvy cannot and will not undertake any of its obligations under this Agreement until it is in possession of a complete and accurate copy of such records.
15. **Hold Harmless**: Client and Savvy mutually agree, for Client's self and for Client's successors, heirs, assigns, insurers and attorneys and for Savvy, its officers, directors, successors, agents, assigns and attorneys, to save each other harmless against any and all loss (including, without limitation, claims involving strict or absolute liability in tort), cost, damage, injury or death claims, demands, liability, third party claims and expense of every nature arising directly or indirectly from or in connection with this Agreement, except when arising from the willful misconduct or gross negligence of Savvy or Client.
16. **Additional Insured**: Client agrees to add Savvy as an "additional insured" to its insurance policy(ies) for the Aircraft on or prior to the effective date of this Agreement and to maintain Savvy as an "additional insured" continuously throughout the term of this Agreement including all renewals.
17. **Liens**: Savvy agrees that it will take no action to place a lien on Client's Aircraft as a result of failure of Client to pay any fee due Savvy under this Agreement.
18. **Transfer**: Savvy agrees that should Client sell the Aircraft that Client may transfer the remaining term of this Agreement to the new owner and that it will take effect once the new owner of the Aircraft completes and executes a successor Agreement with Savvy.

19. **Applicable Law:** The terms and conditions of this Agreement shall be interpreted under the laws of the United States and the State of Nevada.
20. **Entire Agreement:** The terms and conditions of this Agreement constitute the entire agreement between the parties and supersede all prior written and oral negotiations, representations and agreements, if any, between the parties and will be binding upon them their successors, assigns and legal representatives.
21. **Modification of Agreement:** No change or modification hereof or waiver of any term or condition hereof will be effective unless the change or modification is in writing and signed by both parties.
22. **Partial Invalidity:** If any term or provision of this Agreement or the application of any such term or provision will be invalid or unenforceable to any extent, the remainder of this Agreement, by any other application thereof, will be valid and be enforced to the fullest extent permitted by law.
23. **Additional Work:** This Agreement sets for the obligations of Savvy for aviation maintenance management. Should Client seek to have Savvy undertake any work or travel that is not specifically covered by this Agreement, such work, shall be the subject of a separate and discreet written Agreement and not conducted under the terms of this Agreement.
24. **Privacy:** Client has reviewed and agreed to Savvy's Privacy Policy, agrees that Savvy has taken reasonable steps to protect the limited private information and data provided by Client to Savvy and further agrees to hold Savvy harmless and waive any rights of suit against Savvy for loss of such data.

—END—

SPECIAL TERMS AND CONDITIONS

The following special terms and conditions shall apply if and only if specifically requested by Client and agreed to by Savvy in writing or electronically:

CONSULTING-ONLY ADDENDUM

Section 2 of the Agreement titled “Aircraft Maintenance Management Services Provided” and Section 3 of the Agreement, titled “Maintenance Procedure and Protocol” are hereby amended to provide that Savvy shall not communicate with or provide direction to any Service Center performing maintenance on Aircraft, and that Savvy’s responsibilities and obligations under the Agreement shall be restricted to consulting with and providing guidance to Client.

USAIG-INSURED ADDENDUM

For Aircraft insured by United States Aircraft Insurance Group (USAIG) and for which Savvy is a named additional insured on the USAIG policy, Section 15 of the Agreement titled “Hold Harmless” shall remain in effect for a period of five (5) years following the termination of the Agreement (including all renewals and extensions), and shall itself terminate at the end of those five years and become of no further cause and effect.

—END—