

3-24-2015

MEMORANDUM OF AGREEMENT

BETWEEN

[REDACTED] - JOINT DEVELOPMENT PROGRAM FOR INITIAL PHASE

AND

HONEYWELL INTERNATIONAL INCORPORATED

NUMBER: [REDACTED]

PREAMBLE

This Memorandum of Agreement ("Agreement") is entered into and effective as of this 18th day of March, 2015 ("Effective Date") between:

[REDACTED] corporation having its principal place of business at [REDACTED] (hereinafter [REDACTED]),

and

Honeywell International Incorporated a Delaware Corporation, acting through its Business and General Aviation business, with its primary office at 1944 East Sky Harbor Circle, Phoenix, Arizona 85034 (hereinafter "Honeywell"). [REDACTED] and Honeywell may also be referenced to as a "Party" or the "Parties" as the context so requires.

WHEREAS, [REDACTED] intends to design, manufacture and support the [REDACTED] (hereafter "Aircraft") and

WHEREAS, [REDACTED] desires to establish a business agreement with Honeywell to acquire and support an Avionics System for the Aircraft, referred to hereafter as "Avionics" or as "Product(s)" and as further defined in Section 2. To the extent the Product(s) consist of various components, components may be referred to as Product(s) as the context so requires; and

WHEREAS, Honeywell is engaged in the business of designing, manufacturing, selling, and supporting of Avionics and desires to establish a business agreement with [REDACTED] for the Avionics; and

NOW THEREFORE, in consideration of the mutual premises and covenants herein contained, and other valuable consideration, [REDACTED] and Honeywell hereby agree as follows:

[REDACTED]

[REDACTED] Honeywell [Signature]

THIS DATA AND INFORMATION CONTAINED HEREIN IS PROPRIETARY DATA OF [REDACTED] NEITHER THIS DATA NOR THE DATA CONTAINED HEREIN SHALL BE REPRODUCED, USED, OR DISCLOSED TO OTHERS WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF [REDACTED]

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**SECTION 1.0 - GENERAL PROGRAM DESCRIPTION – JOINT DEVELOPMENT PROGRAM**

**1.1 General Program Description**

██████████ and Honeywell entered into this Agreement which contemplates the development, testing, validation, certification, design, manufacture, and support (including training) of a new aircraft model type. For the purposes of this Agreement, including the attachments hereto the name ██████████ will apply to the next generation of ██████████ aircraft. The ██████████ family of aircraft will consist of a -1 and -2 model. This Aircraft name may be changed by ██████████ at any time. The name for the Avionics will be the ██████████ Avionics System which may be changed by mutual agreement. The Product(s) will be functionally and physically interchangeable among both aircraft models unless otherwise agreed in the Final Statement of Work (SOW), Technical Requirements Document (TRD) and Systems Requirements Documents (SRDs) as defined in 1.2.3.1. This Agreement is for the sale of goods. The Joint Development Program ("JDP") described in Section 1.2 is necessary to assure that the Product(s) meet the requirements of this Agreement.

**1.2 Development Program**

**1.2.1.** The Key Milestone events for design, development and certification of the Product(s) (the "Milestone Schedule") are:

**P22-2 Milestones**

• JDP Kickoff	MoA Execution
• Systems Requirements Review	09/01/15
• Delivery of EASE Computer for CASE lab	03/01/16
• Preliminary Design Review	06/23/16
• Delivery of HW and SW available to SIB	09/01/16
• Interim Design Review	11/22/16
• Critical Design Review Meeting	06/13/17
• Critical Design Review Closure*	09/13/17
• Delivery of ITF and Iron Bird Hardware & Software (Including spares) Complete*	03/01/18
• Marketing Mockup Hardware Delivery	06/01/18
• T1 Flight Test Hardware Delivery*	01/11/19
• T1 Flight Test Software Delivery*	03/11/19
• Test Readiness Review	03/11/19
• T2 Flight Test Hardware and Software Delivery*	03/29/19
• Spare Flight Test Hardware and Software Delivery*	05/24/19
• T3 Flight Test Hardware and Software Delivery*	06/17/19
• Production Readiness Review	06/23/19
• P1 Flight Test Hardware and Software Delivery*	05/24/19
• All Qualification Testing Complete*	12/19/19
• Certification Hardware and Software Delivery*	05/01/20
• TSO Submittal	03/12/21

Should Honeywell fail to achieve any key milestone event, identified with an "\*" in Section 1.2.1 above, on the scheduled date, Honeywell will pay to [REDACTED] fifty thousand dollars (\$50,000) in cash only, which could be used for any product furnished by Honeywell to [REDACTED], whether for the [REDACTED] aircraft program or any other [REDACTED] aircraft program, at [REDACTED]'s sole election, per day for each day of the delay up to a total maximum amount of five million dollars (\$5,000,000) in cash only, which could be used for any product furnished by Honeywell to [REDACTED], whether for the [REDACTED] aircraft program or any other [REDACTED] aircraft program, at [REDACTED]'s sole election, as liquidated damages and not as a penalty for each delayed milestone event. To the extent that Honeywell has substantiated that [REDACTED] has caused such delay, the Milestone Schedule for that key milestone event will be extended accordingly on a day for day basis. If Honeywell should fail to meet any of the above milestones, Honeywell shall provide [REDACTED] with prompt notice of the cause of the failure and a complete recovery plan (to include rescheduling or accelerating other activities) so that Honeywell will meet the commitments as set forth in this Agreement. However, should the Parties mutually agree to modify the Milestone Schedule, the dates for the key milestone events will be adjusted accordingly and the liquidated damages above shall apply to the adjusted date for that key milestone event. The liquidated damages in this Section result from Honeywell's failure to achieve key milestone events. Nothing in this Section shall preclude [REDACTED] from exercising its other rights or remedies set out in this Agreement including without limitation the right to terminate this Agreement for default under Section 16.1 and to pursue all available remedies. Honeywell and [REDACTED] will establish a joint baseline program plan and integrated master schedule by PDR to support the Key Milestone events identified above, which identifies key Honeywell program milestones and related [REDACTED] dependencies. The baseline program plan will be updated as necessary at CDR and maintained in accordance with the Program Management Plan.

1.2.2. The technical issues to be progressed in the JDP (as defined below) will be mutually agreed between the Parties and will include and not be limited to Product(s) design and trade studies that will facilitate a design which will:

- Meet the Product(s) and Aircraft performance guarantees.
- Improve power utilization and thermal dissipation
- Improve Product(s) and Aircraft availability.
- Reduce Product(s) and Aircraft manufacturing cycle time and part count.
- Improve Product(s) and Aircraft maintainability and direct maintenance cost.
- Improve Product(s) and Aircraft reliability.
- Streamline Certification process.
- Improve Aircraft Weight.
- Improve cabin and cockpit noise
- Meet Removal and Replacement requirement.
- Reduce Aircraft wiring

The Initial SOW, Initial TRD and Initial SRDs do not yet identify all the requirements for the design, certification and manufacture of the Product(s) and identify specific areas that require further definition. Trade studies will be performed as necessary to achieve optimum technical solutions for those

specifications in the Initial SOW, Initial TRD and Initial SRDs that have not been fully defined. All the referenced activities in this paragraph shall be completed prior to PDR. [REDACTED] and Honeywell will meet to map out a schedule for closure of these items to support the schedule milestones in 1.2.1. If it is necessary to conduct trade studies to determine the most appropriate way forward, these will be conducted with the involvement and concurrence of [REDACTED] with the preferred solution for the Aircraft always taking precedence.

**1.2.3** The Joint Development Program (JDP) will consist of an Initial Definition Phase (IDP) and a Final Design Phase (FDP).

**1.2.3.1** For purposes of defining the Joint Development Program only, Initial Definition Phase will commence upon MoA execution and continue through Product(s) Preliminary Design Review (PDR) during which the Parties will develop the design configuration. [REDACTED] and Honeywell have mutually developed Initial Technical Specification(s) [REDACTED] (Attachment M), [REDACTED] (Attachment N), [REDACTED] and associated compliance matrices. The Initial Technical Specification(s) are top level descriptions of the requirements for the Product(s). The Initial Technical Specification(s) do not yet identify all the requirements for the design, certification and manufacture of the Product(s) and identify specific areas that require further definition. The Parties will jointly detail and further develop the Initial Technical Specification(s) for the Product(s) and will define the other deliverables contemplated by the JDP in a document that will be referred to as the Updated Technical Specification(s). The closure of the IDP will coincide with the release and approval of the Updated Technical Specification(s) at Preliminary Design Review for the Product(s). For the purposes of this Agreement, technical specifications may include Technical Requirement Documents (TRD), System Requirement Documents (SRD), Statements of Work (SOW) and other drawings and data as the content so requires.

**1.2.3.2** Honeywell shall have full integration and design responsibility, meaning integration of the Product(s) with every other component on the Aircraft that has Direct Interface (as defined below) to the Product(s) including the Data Concentration Network System ensuring that the Product(s) meet the requirements, have the performance capabilities, functional reliability, maintainability, and satisfactory completion of Highly Accelerated Life Tests (HALT) and Highly Accelerated Stress Screening (HASS), all as specified in this Agreement and in all other respects satisfy requirements with regard to airworthiness, safety and certification. Direct Interface is defined herein as any connection, attachment or interaction (including wireless), including structural, mechanical or electrical, directly between the Product(s) and another component on the Aircraft. Additionally, Honeywell as part of its integration activities, shall provide input to Gulfstream and modify the design of the Product(s) as required in order to meet Aircraft certification and performance requirements, as well as unique [REDACTED] requirements. [REDACTED]'s Aircraft will serve as the final test bed to determine acceptability of the integration of the Product(s) with the Aircraft.

**1.2.3.3** IDP will be conducted at [REDACTED]'s site or other sites as may be appropriate.

**1.2.3.4** The deliverables for closure of IDP include but are not limited to the following:

- Completion of Product(s) Preliminary Design Review (PDR).
- Signed specifications –Initial Product(s) SOW, TRD and SRDs.

- Signed Updated statement of work.
- Signed interface control documents.
- Signed development/compliance hardware support plan.
- Weight Control Reporting Plan.
- Quality management plan.
- Signed detailed responsibility matrix.
- Preliminary fault hazard analysis.
- Preliminary systems safety assessment.
- Delivery of Engineering Drawings and Documentation requested by Gulfstream under Section 1.3.1.
- Delivery of applicable tool software for testing, integration, and maintenance under Section 1.4.
- Certification support plan.

### 1.2.3.5 Preliminary Design Review Requirements

1.2.3.5.1 Honeywell shall conduct a Preliminary Design Review (PDR) defined herein as Final Design Review of the whole Product(s) as per the agreed to Milestone Schedule. PDR will be held at a mutually agreed upon site(s) and may be split-up into several meetings along major work package or sub-supplier lines.

1.2.3.5.2 At PDR(s), [REDACTED] shall provide input to the design proposal which shall either be incorporated by Honeywell, or addressed in a mutually agreeable alternate method.

1.2.3.5.3 At PDR(s), Honeywell shall demonstrate, to the satisfaction of [REDACTED], integration of the Product(s) into all other applicable aircraft systems and structure.

1.2.3.5.4 [REDACTED]'s approval of the content of the PDR will signify the completion of the IDP and approval to proceed with the Final Design Phase and detail design of Product(s).

### 1.2.3.6 Critical Design Review Requirements

1.2.3.6.1 Final Design Phase will commence after Product(s) PDR and continue through Product(s) Critical Design Review (CDR) defined herein as Final Design Review during which detailed design work will be performed by Honeywell, with [REDACTED] providing input into the detailed design which shall either be incorporated directly by Honeywell or addressed in a mutually agreeable alternate method. The Final Design Phase will conclude upon CDR closure.

1.2.3.6.2 Upon completion of all design work associated with the approved Initial Product(s) SOW, TRD and SRDs provided at PDR, and submission of all Technical Specification(s) deliverables, Honeywell shall conduct a Critical Design Review (CDR) of the whole Product(s) as per the agreed to Milestone Schedule. CDR will be held at a mutually agreed upon site(s). The CDR shall consist of a complete and integrated review of the whole Product(s) at one time along major work package or sub-vendor lines.

[REDACTED]   
Honeywell 

**1.2.3.6.3** During the Final Design Phase Honeywell and [REDACTED] will mutually establish an appropriate method to communicate changes to maximize the efficiencies in reviewing any proposed changes during the program. In addition Honeywell will, on a bi-weekly basis or other interval as determined by [REDACTED], keep [REDACTED] informed of design progress and changes to physical and functional interfaces to ensure design continuity between PDR and CDR reviews. Acceptance of design change(s) by [REDACTED] is required prior to implementation of any software or hardware revision. Every change which affects the physical and functional interface of the Product(s) to the airframe shall be incorporated by Honeywell in the appropriate interface documents. After CDR, notification of Class 1 or Class 2 changes will be in accordance with Section 12 – Changes.

**1.2.3.6.4** During CDR, [REDACTED] will review and may approve the detailed design. Any known deficiencies arising from JDP with the detailed design shall be captured by the Parties in a CDR action item log, which shall be addressed to [REDACTED] satisfaction prior to CDR closure. For avoidance of doubt, both Parties will endeavor to complete all their respective CDR actions in a manner that supports the key milestone schedule pursuant to Section 1.2.1.

If [REDACTED] directs a change that is not already a Honeywell obligation currently specified in the Agreement (i.e. certification, qualification, integration, etc) after Honeywell has provided a detailed design at CDR maturity level, has ensured the design is compliant to specifications, has submitted all complete deliverables, and the [REDACTED] directed change is not related to or not a result of a cascade or resulting action from an open CDR action, then such [REDACTED] directed change will be handled in accordance with Section 12 – Changes, even though the CDR amendment has not been executed.

For avoidance of doubt, CDR shall not be considered closed until: (a) detailed design is at CDR maturity level, (b) all deliverables are submitted and accepted by [REDACTED] (c) all CDR action items are closed (d) the design is compliant to specifications and (e) the Final Technical Specification is mutually agreed upon and released.

#### **1.2.3.7 Contract Amendment after CDR**

**1.2.3.7.1** At the end of CDR, a formal contract amendment to this Agreement will be executed by the Parties, which will include:

- a. The incorporation of the Final Product(s) SOW, the Final TRD, and the Final System Requirements Documents (SRDs).
- b. Any changes to other terms and conditions of this Agreement, which have been agreed upon during the JDP in relation to the Final SOW, Final TRD and Final SRD.

#### **1.2.4 Cost for changes prior to CDR Closure:**

Both Parties acknowledge that Honeywell's [REDACTED] avionics system is used on multiple [REDACTED] programs and have agreed to establish an initial baseline for the Honeywell [REDACTED] avionics system for the [REDACTED]. Prior to JDP, the baseline is defined as the [REDACTED] certified avionics system, as appropriate, along with the differences specified in Attachment M, [REDACTED] Avionics Suite Technical Requirement Document(s) and Attachment N, [REDACTED] Avionics Suite Technical Requirement Document(s) compliance matrix ("Baseline").

The Parties acknowledge that in the course of the JDP for the Product(s), various modifications to the Aircraft specification, the Initial SOW, TRD, SRDs or the design of Product(s) may be required prior to CDR, and the Parties agree to cover the cost of such changes as follows:

**1.2.4.1 [REDACTED] Costs - [REDACTED]** will be responsible for cost associated with any [REDACTED] directed change to the extent that it, individually or in the aggregate with other such changes, causes any of the changes identified below (which requirements are beyond what is specified in the agreed to TRD and SRDs):

- Any additional hardware at the part number level beyond what is specified in Attachment L, Product(s) Shipset Description/BOM
- An additional TAWS function beyond two (2) in the aggregate for the [REDACTED] program
- An additional CMCF beyond one (1) in the aggregate for the [REDACTED]
- Change from the existing ARINC 664 protocol
- Additional synoptic beyond the Baseline
- Any hardware change that affects the form, fit, or function of the Touch Screen Controller
- Changes that affect the core software beyond the Baseline
- A change that affects TSC software beyond the Baseline (excluding I/O changes to aircraft interfaces)
- A hardware design change to the IOGM
- Additional SATCOM channels beyond Baseline
- An additional PFD display change beyond Baseline
- Additional changes beyond converting the Baseline Engine Instrument display to the [REDACTED] Engine display.
- An additional INAV/Charts display change beyond Baseline
- A change to the Video display beyond Baseline
- A change that affects the architecture (excluding CAS message color, I/O, text and logic) of the Monitor Warning function
- Additional Flight Director mode beyond Baseline
- An additional requirement for mode simplification beyond Baseline
- A change to the NGFMS core navigation, position or performance algorithms beyond Baseline
- A change that affects the architecture of the TOLD function beyond Baseline
- A change that affects the Flight Director control laws and performance algorithms beyond Baseline
- Changes to Flight guidance panel hardware or firmware beyond Baseline
- Display technology other than [REDACTED]
- A design change to the off-the-shelf, TSO'd products including the Display Unit, CAU, IRS, AHRS, VIDL-G, COM, DME, ADF, Transponder, NAVCOM, TCAS, SATCOM, Weather Radar, Radar Altimeter and HF
- Final phase and aftermarket sellable options



[REDACTED] (As an illustrative example, a fleet customer purchasing a [REDACTED], and [REDACTED] would receive up to five percent (5%) discount off of the otherwise applicable Product(s) shipset price for the [REDACTED] family of aircraft while the [REDACTED] family and [REDACTED] would be priced in accordance with the respective MOA). Upon written request by Honeywell, [REDACTED] will provide a letter from its Chief Financial Officer certifying the amount of the discount applicable to the fleet customer transaction.

### 3.9 Price Point Aircraft Discount

In the event [REDACTED] decides to develop a Price Point Aircraft, then Honeywell shall support sales of price point Aircraft by providing pricing discount for its Product(s). Such Price Point Aircraft program discounts will be mutually agreed and documented in an amendment to this Agreement.

### 3.10 Offset Credits

Any purchase order placed by Honeywell with a sub-contractor outside the United States for Product(s) under this Agreement, with the exception of low-dollar common usage parts (*i.e.* connectors, fasteners, etc.) may be used to satisfy [REDACTED]'s (including its parent company, [REDACTED], and all other affiliated entities) contractual obligations, current and future, to procure goods and/or services from firms in said country to offset, in part, their sales of goods and services into that country and their impact on that country's balance-of-trade accounts. If [REDACTED] requests these offset credits, Honeywell agrees to assist [REDACTED] in securing offset credit for [REDACTED], or its affiliated companies, and [REDACTED] will reimburse Honeywell's direct costs associated with such assistance.

3.11 Honeywell and [REDACTED] will work together to define an agreed upon options strategy, timing and industry-based pricing for the [REDACTED], targeting no later than October 31, 2018. This strategy will determine initial entry into service (EIS) options and planned options/feature update programs to occur at later dates. In addition to [REDACTED] options that are being made available, options proposed for consideration for EIS include:

- SVLM (SmartView for Lower Minimums)
- Traffic Alert and Collision Avoidance System (TCAS) - Flight Director Mode
- RDR4000 enhanced weather features
- Dual GPS Landing System (GLS) CAT I
- Wireless Server Unit (WSU)
- CMC remote sharing

## SECTION 4.0 - PACKAGING AND SHIPPING

### 4.1 Shipping, Marking and Packing Instructions

Unless otherwise stated herein, Honeywell shall adhere to all shipping, marking and packing instructions in accordance with [REDACTED] Document Number [REDACTED], as amended from time to time.

## SECTION 5.0 - EXPORT/IMPORT COMPLIANCE

### 5.1 Compliance with Export Laws

Each Party shall perform under this Agreement in compliance with all applicable export control laws and regulations, including without limitation the U.S. Department of Commerce's Export Administration Regulations ("EAR") and, to the extent applicable, the U.S. Department of State's

International Traffic in Arms Regulations ("ITAR"). For all Product(s) and associated technical data and services exported by a Party, such Party shall obtain all export and re-export approvals and licenses, and maintain supporting documentation, as required under applicable U.S. export laws and regulations.

## 5.2 Export Representations and Warranties

Honeywell represents and warrants that all "Deliverables," which are defined as items required to be supplied by Honeywell to [REDACTED] under this Agreement, including without limitation goods, components, spare parts, accessories, software and technical data thereof, provided by Honeywell to [REDACTED] under this Agreement:

- 5.2.1 shall not be subject to any controls, requirements or restrictions set forth under the ITAR;
- 5.2.2 to the extent that the Deliverables are subject to the EAR, and except for prohibitions relating to exports or re-exports destined for countries listed in Country Group E of the EAR, shall be classified under the EAR, or be otherwise eligible for a license exception available under the EAR, such that the Deliverables may be exported from the United States, and thereafter re-exported to a country other than the United States (a "Foreign Country"), without first requiring authorization by, or notification to, the U.S. Department of Commerce's Bureau of Industry and Security; and
- 5.2.3 to the extent that the Deliverables are of Foreign Country origin and are subject to export control laws or regulations promulgated in any Foreign Country, Deliverables shall be classified under such foreign laws or regulations such that the Deliverables may be imported into and exported from the United States, and thereafter re-exported to a Foreign Country (other than countries listed in Country Group E of the EAR), without first requiring authorization by, or notification to, any foreign governmental authority.

## 5.3 Exceptions

The following exceptions to, and modifications of, the representations and warranties of Section 5.2 are acknowledged and agreed:

- 5.3.1 Prior to FAA certification of the Product(s), if a component of the Deliverables is subject to control under the ITAR, Honeywell at its expense shall obtain, or cause to be obtained, all export licenses (including without limitation technical assistance agreements) and other governmental approvals required to authorize use of such ITAR-controlled item and its associated technical data in connection with (i) FAA (and foreign equivalent) certification of such items and the Aircraft and (ii) the activities of each Party and each Parties' vendors under or in support of this Agreement. Honeywell shall be responsible for and shall reimburse [REDACTED] for direct damages incurred by [REDACTED] arising from delay in certification or customer delivery of the Aircraft or Product(s) to the extent that such damages are caused by delays in obtaining the required government approvals.
- 5.3.2 The Parties acknowledge that the items listed below are classified under the EAR such that EAR licensing requirements do apply for export from the United States (such data is referred to as "Controlled Data" and such software is referred to as "Controlled Software"). Re-export of such Controlled Data and Controlled Software may also be subject to licensing requirements under Foreign Country export regulations.

Item Description /	Hardware	Software	Technology
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Part No.			
[REDACTED]	ECCN: [REDACTED] License Req'd: Yes	ECCN: [REDACTED] License Req'd: Yes	ECCN: [REDACTED] License Req'd: Yes

**5.3.3** With respect to Controlled Data and Controlled Software, Honeywell represents and warrants the following:

**5.3.3.1** All Controlled Data and Controlled Software shall be clearly identified and marked, at the time of disclosure to Gulfstream, as export controlled data/items (such identification shall include the applicable ECCN(s) and, if of Foreign Country origin and export restricted under the laws of that Foreign Country, such Foreign Country export control classification);

**5.3.3.2** Honeywell shall not include any Controlled Software in the Product(s) in a manner that would cause an Aircraft into which the Product(s) are incorporated to require authorization by, or notification to, any US or Foreign governmental authority prior to export or re-export to any Foreign Country (except for prohibitions relating to exports or re-exports destined for countries listed in Country Group E of the EAR); and

**5.3.3.3** Honeywell shall not include any Controlled Data in technical publications provided by Honeywell and intended for distribution to operators of Aircraft as part of standard product support (including without limitation service bulletins, maintenance manuals and other technical publications).

**5.4 Remedy**

In the event that Honeywell determines that any Deliverable fails to satisfy the representations and warranties of Section 5.2 or 5.3, then Honeywell shall promptly provide notice thereof to [REDACTED]. Such event shall be a breach under this Agreement concerning which [REDACTED] shall be entitled to recover damages. [REDACTED] shall use its commercially reasonable efforts to mitigate damages and cooperate with Honeywell concerning remedial action plans to remedy such breach.

**5.5 Change in Laws / Regulations**

The representations and warranties of Honeywell in this Section 5 shall be applied based upon the ITAR, EAR and Foreign Country and other export laws and regulations, and governmental interpretations thereof, in effect as of the Effective Date of this Agreement. For design changes (including without limitation substitution of components), the representations and warranties of Section 5.2 or 5.3 shall be applied based on the ITAR, EAR and Foreign Country and other export laws and regulations, and governmental interpretations thereof, in effect as of the date of submittal of the change to [REDACTED] for review under the Changes Section of this Agreement. If any changes in the ITAR, EAR or Foreign Country and other export laws and regulations laws, or governmental interpretations thereof, result in Deliverables becoming subject to validated licensing requirements in the future, then [REDACTED] and Honeywell shall negotiate an equitable adjustment of costs and schedule to obtain substitute components or otherwise redesign the affected Product(s) to avoid such validated licensing requirements. If Honeywell is unable to modify the Deliverable in a manner that still meets the export, technical and other requirements of this Agreement, or if the Parties cannot agree on an equitable adjustment, then such event shall be considered a Force Majeure event, and the Parties will negotiate an appropriate resolution.

**5.6 Certification of Export Classification**

[REDACTED]

[REDACTED]   
Honeywell 

THIS DATA AND INFORMATION CONTAINED HEREIN IS PROPRIETARY DATA OF [REDACTED]. NEITHER THIS DATA NOR THE DATA CONTAINED HEREIN SHALL BE REPRODUCED, USED, OR DISCLOSED TO OTHERS WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF [REDACTED].

Prior to the first shipment to [REDACTED] of each unique part number of any of the Product(s), any LRU or any technical publications intended for distribution directly to operators of Aircraft as part of standard product support, Honeywell shall provide to [REDACTED] written certification for each such part number of the following: (a) for each item supplied from the United States, its EAR Export Classification Control Number ("ECCN") and Schedule B number; and (b) for each item supplied from a Foreign Country, its Harmonized Tariff Schedule ("HTS") number. Such information shall be provided in writing using [REDACTED] Part Information Request Form [REDACTED] or other mutually agreeable format. Honeywell will also provide the current classification data on shipping documents accompanying the items.

[REDACTED] may request such classification data for other Deliverables. If the requested data does not exist at the time of [REDACTED]'s request, Honeywell will submit a proposal to [REDACTED] for the cost of developing it. If the cost is negligible, Honeywell will furnish the data at no charge. The Parties will consider the aggregate effect of multiple requests in determining whether the cost is negligible.

#### 5.7 Possible Future Export Restricted Activity

The Parties acknowledge that from time to time [REDACTED] develops proposals for and enters into contracts with governments and other customers that involve equipment and/or modifications subject to control under the ITAR or under sections of the EAR that require individual licenses. If in connection with any such effort [REDACTED] desires technical assistance, equipment or any other item from Honeywell that is subject to control under the ITAR or to individual license requirements under the EAR, and Honeywell agrees to provide such support, then the Parties shall enter into either an amendment to this Agreement or a separate agreement concerning such support. Any such amendment or agreement shall address written certification by Honeywell of the applicable export control classification of Deliverables, including without limitation USML Category Number(s), and the Parties' respective obligations regarding compliance with applicable licensing requirements.

### SECTION 6.0 - DELIVERIES

#### 6.1 Title and Risk of Loss

##### 6.1.1 Title, Risk of Loss and Shipping Point

6.1.1.1 Title to all Product(s) to be delivered to [REDACTED] for production purposes shall remain with Honeywell until such Product(s) are accepted from the Honeywell Point of Use (POU). Honeywell shall not be liable for any loss or damage to such equipment after acceptance from Honeywell's POU facility at [REDACTED]'s location in [REDACTED] to [REDACTED]'s production representative unless such loss or damage was occasioned by acts or omissions of Honeywell.

6.1.1.2 Title to all non-POU Product(s) to be delivered to [REDACTED] shall remain with Honeywell until such Product(s) are delivered to the point specified on the face of each Order issued by [REDACTED].

##### 6.1.2 Risk of Loss for Returned or Rejected Product(s)

Notwithstanding the foregoing, Honeywell will be responsible for shipping cost(s) and will bear risk of loss or damage to Product(s) subsequently rejected by [REDACTED] and placed on transport for return to Honeywell until such Product(s) is repaired or replaced and redelivered to [REDACTED]. [REDACTED] will notify Honeywell prior to shipping the Product(s) back to Honeywell.

associated with removal and reinstallation) at Honeywell's sole election and cost, the defective part or condition with reasonable care and dispatch. Honeywell will reimburse [REDACTED], via the process described in Section 11.4 below, for the cost of labor and all related tasks associated with the removal of defective Product(s), to include gaining access and closure and troubleshooting, installation of the replacement unit and required operational checks that are needed to return the Aircraft to service, provided the work is performed by [REDACTED], a [REDACTED] Factory Authorized Service Center, a [REDACTED] Authorized Warranty Facility, or by a facility as directed by [REDACTED] in writing. Reimbursement will be at [REDACTED]'s then current standard labor rate and will be based on standard hours applicable to the removal and replacement of each Product(s).

#### 11.4 Reimbursement for Removal and Reinstallation of Honeywell Product(s)

11.4.1 [REDACTED] reserves the right to invoice Honeywell for warranty costs under this Section 11, to include labor and all related tasks whether performed at [REDACTED], a [REDACTED] Authorized Warranty Facility or by a facility directed by [REDACTED] or any [REDACTED] authorized facility to effect the removal and reinstallation of Honeywell Product(s) or Parts Of Assemblies (POA) inclusive of consumables and maintenance replacement units. Unless otherwise agreed between the Parties, requests for reimbursement may be submitted no more frequently than one per month.

11.4.2 [REDACTED] will include the following data on the warranty claim process:

- a. The date the Product(s) was identified and removed.
- b. Part number description and serial number.
- c. Reason for removal.
- d. Aircraft serial number.
- e. Then actual labor hours, if known, or standard published labor hours and any related labor hours incurred.
- f. Labor rate at then published rates.
- g. Reimbursement amount.

11.4.3 Honeywell will have thirty (30) calendar days from the date of notification to take exception to any item(s) submitted. If upon review, [REDACTED] concurs with said exception, [REDACTED] will adjust invoice amount accordingly. Any claims not contested by Honeywell within the thirty (30) day period and not paid will be debited to Honeywell's account.

#### 11.5 Disclaimer

THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND NO OTHER WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM THE COURSE OF DEALING OR USAGE OF TRADE, WILL APPLY. THE REMEDIES SET FORTH IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE REMEDIES OF GULFSTREAM FOR ANY CLAIMS, EXPENSES, OR DAMAGE ARISING OUT OF OR RELATED TO PRODUCT(S) DELIVERED UNDER THIS AGREEMENT.

IN NO EVENT WILL EITHER PARTY BE LIABLE IN TORT OR IN AGREEMENT FOR ANY INCIDENTAL, SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

## SECTION 12.0 - CHANGES

### 12.1 Changes After CDR Closure

██████████ will have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, method of transportation or other terms of this Agreement. The Parties agree to manage the technical scope of changes through a mutually agreed process that will be documented in the Program Management Plan. Subsequent to the closure of CDR and the release of the Final Technical Specification(s), notice of changes hereunder will be delivered to Honeywell in writing and Honeywell will be bound by such changes upon receipt of such writing and Honeywell will immediately implement said changes. If such changes cause an increase or decrease in the cost of performance or time required for performance, an equitable adjustment may be made to the recurring price, non-recurring cost and/or the delivery schedule of the affected performance, as applicable. Any claim by Honeywell for an equitable adjustment under this Section must be provided to ██████████ within thirty (30) days from the date of written notification of the change or Honeywell will be conclusively deemed to have waived such claim; provided however in the event Honeywell does not have sufficient information (after exercising reasonable diligence to gather information) to provide data to completely support the claim, then Honeywell may provide written notification of the claim with a not to exceed Rough Order of Magnitude (ROM) within thirty (30) day period and shall provide a firm fixed price quote within a fourteen (14) day period following the ROM or such longer time as ██████████ may allow. In the event Honeywell provides a timely claim, Honeywell shall use best efforts to minimize the impact of any such changes and such claim must include cost breakdowns maintaining the same margin or profit percentage relative to the original agreement and supporting documentation to validate the proposed cost/price impact. Honeywell will provide a sufficient level of information to allow the Parties to reach agreement. ██████████ reserves the right to perform audits and analysis of cost data and pricing rationale using an independent third-party auditor. Honeywell's actual cost data and pricing rationale will remain confidential with the designated third party and shall not be disclosed to ██████████. The third party will issue an appropriate opinion or report to ██████████ sufficient to evaluate and verify the said claim. The cost associated with the independent third party auditor will be shared equally between the Parties. ██████████ procurement will provide written letter authorization to Honeywell to proceed for any Honeywell claimed compensatory changes. For avoidance of doubt, ██████████ authorization to proceed shall not be considered as acknowledgement of responsibility for the Honeywell claimed compensatory changes. Upon mutual agreement of any appropriate equitable adjustment, this Agreement will be amended in writing accordingly. In no event will ██████████ be liable for any claim for an increase in price after payment for the Product(s). If Product(s) is made obsolete as a result of a change, ██████████ will have the right to prescribe the manner of disposition of such Product(s). Changes that do not affect Honeywell's program level of effort in the aggregate, required for Honeywell to perform its obligations under this Agreement, will not be eligible for price adjustments. The Parties will promptly work together to determine if any such changes have impacted Honeywell's program level of effort. If the Parties mutually agree there is an impact, these changes will be handled in accordance with this Section.

Once Honeywell has provided the agreed upon substantiation to validate their claim in accordance with Attachment K, Claim Substantiation Worksheet, if the Parties are unable to agree on the responsibility for cost for any change or group of changes within ninety (90) days or if Honeywell expenditures against such claim(s) reach one million dollars (\$1,000,000), then the claim shall be resolved by submitting the matter first to Level 1 ██████████

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Programs and Director, Procurement; for Honeywell Director Honeywell Program] and failing agreement at Level 1, then to Level 2 [REDACTED] Vice President of Procurement; for Honeywell Vice President Customer Business Team]. If the Parties are unable to agree at Level 2, then the matter shall be resolved through the dispute resolution process in Section 17.1.

For avoidance of doubt, any integration, certification, or qualification changes shall be handled in accordance with each respective Section of this Agreement including but not limited to Section 1.2.3.2 Integration, Section 2.2 Supplier Performance, 2.3 Certification, and Section 2.4 Qualification.

Post CDR closure, up to twenty percent (20%) of the total parameter changes to the Data Concentration Network (DCN) Interface Control Document (ICD) will be at no charge to [REDACTED]. A parameter is defined as a unique data element that is exchanged between end systems that are connected to the DCN, including redundancy. One (1) DCN ICD parameter change is defined as a new parameter added to the DCN ICD, or an existing parameter deleted from the DCN ICD, or a change to an existing parameter of the DCN ICD. For the avoidance of doubt, any certification and/or qualification ICD changes will be at no cost to [REDACTED] and will be excluded from the total number of changes. For example, if CDR Approved DCN ICD has 10,000 parameters, [REDACTED] will be allowed 2,000 parameter changes at no cost.

## 12.2 Class 1 & 2 Design Changes – Honeywell Requested Changes

**12.2.1** Class 1 changes are those that affect fit, form, function, interchangeability, safety, strength, performance, flight characteristics, weight, balance, Product(s) qualifications, service life or installation of the next assembly. These changes are required to be submitted to and approved by [REDACTED] engineering prior to incorporation.

**12.2.2** Class 2 changes are those that do not affect fit, form, function, interchangeability, safety, strength, performance, flight characteristics, weight, balance, Product(s) qualification, service life or installation of the next assembly.

- a) Class 2 changes that are the subject of a Honeywell Modification Letter must be approved by [REDACTED] Engineering prior to incorporation. [REDACTED] will respond with said concurrence or any exceptions taken within two (2) weeks after receipt of Honeywell's notification.
- b) Class 2 changes that are not the subject of a Honeywell Modification Letter do not require prior approval by or notice to [REDACTED].

## 12.3 Engineering Coordination Memo

All Class 1 and Class 2 Design changes will be submitted in writing to [REDACTED] Engineering via an Engineering Coordination Memo ("ECM") with copies to [REDACTED] Procurement and quality assurance. The ECM relates to the exchange of technical information only, and is not to be considered

- a. a request for quotation,
- b. a contractual obligation, or
- c. authority to proceed with a change in scope of work, guarantees, costs, or delivery.

**SECTION 13.0 – DERIVATIVE AIRCRAFT**

13.1 At any time during the term of this Agreement, [REDACTED] may elect to build a derivative of the Aircraft. A Derivative Aircraft is defined as an already type certified aircraft that will undergo sufficient modification as to require re-certification or issuance of a new type certificate or an amendment to an existing type certified aircraft. The Parties obligations to each other for Aircraft under this Agreement do not extend to Derivative Aircraft.

**SECTION 14.0 - INTELLECTUAL PROPERTY OWNERSHIP AND LICENSES**

**14.1 Intellectual Property Definitions**

"Background IP" means all Copyrights, Trade Secrets, Patents, Trademarks and all other intellectual property rights that

- a. were Developed, or acquired from a third party, by a Party prior to the effective date of this Agreement, or
- b. are Developed, or acquired from a third party, by a Party other than in the performance of this Agreement and without using any Background IP or Program IP of the other Party.

"Copyrights" means copyrights, copyright registrations, applications to register copyrights, works of authorship and any other copyrightable works.

"Developed" means conceived, authored, first used in commerce or otherwise created, as applicable depending upon the type of intellectual property right. (For the avoidance of doubt, any intellectual property Developed by a Party's subcontractors shall be deemed for purposes of this Agreement to be developed by such Party.)

"Joint Program IP" means all Program IP Developed jointly by the Parties.

"Patents" means patents, patent applications, patent disclosures and any other patentable subject matter.

"Program Duration" means, for purposes of this Section only, during and after the term of this Agreement for so long as any aircraft in which Product(s) supplied hereunder is incorporated remains in service.

"Program IP" means all of the following that are Developed by or on behalf of a Party in the performance of this Agreement: (a) Copyrights; (b) Trade Secrets; (c) Patents; and (d) all other intellectual property, but excluding Trademarks.

"Trade Secrets" means trade secrets, know-how and confidential information, including test results and data, engineering drawings, designs, analyses, specifications and reports.

"Trademarks" means trademarks, service marks, corporate names, trade names, internet domain names and other similar intellectual property.

**14.2 IP Ownership**

14.2.1 Program IP. All Program IP shall be owned by the Party that Develops such Program IP.

14.2.2 Joint Program IP. Joint Program IP shall be jointly and equally owned by the Parties. Each Party shall own, without further consideration to the other Party, an undivided joint ownership interest in and to all Joint Program IP. Each Party shall be free to use and

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exploit Joint Program IP for any purpose without the consent of the other Party and without any duty to account to or pay royalties to the other Party; provided that nothing in this subparagraph shall be deemed or construed to grant any rights in Background IP or sole Program IP beyond those rights expressly granted elsewhere in this Section.

#### 14.3 P22 Program License -- General

14.3.1 General. Each Party hereby grants to the other Party and its Affiliates a non-exclusive, royalty-free, irrevocable and worldwide license to use those portions of the licensing Party's Program IP and Background IP that are necessary for the licensed Party to exercise and perform such licensed Party's rights and obligations under this Agreement, but for no other purpose. Notwithstanding the foregoing, in the event of any inconsistency between the license granted in this Section 14.3 and the licenses granted elsewhere in either Section, 14.4 (Software License) or 14.5 (Interface and Integration), then the provisions of such other Sections 14.4 or 14.5, as applicable, shall control.

#### 14.3.2 Technical Publications and Training Materials.

- a. Honeywell grants to [REDACTED] a non-exclusive, worldwide, royalty-free, perpetual, irrevocable, license, with rights to sublicense, under its Background IP and Program IP to use Honeywell Materials (as defined below) for inclusion in, or that will be published as, Customer Publications (as defined below) and to use, copy, make derivative works (in any medium) Honeywell Materials in support of the design, manufacturing, certification, modification, operation, troubleshooting, line maintenance, training and other program support concerning the Aircraft and relating to the Product(s); provided, however, as to the Honeywell PlaneView Operating Manual (Pilot Guide) (the "Honeywell Pilot Guide"), such license (a) shall include without limitation the right to extract illustrations, systems descriptions and other text and data therefrom and make full use thereof, including creation of copies and derivative works, within the scope of the license granted above but (b) shall not include the right for [REDACTED] to make modifications to the Honeywell Pilot Guide and then republish such manual as a further revision of a Honeywell-created publication. (As an illustrative example only and without limitation, this license authorizes use of the Honeywell Pilot Manual and other Customer Publications as references and sources of system descriptions, illustrations and other data for developing in any medium checklists, aircraft operating guides, training textbooks/courseware, computer based training modules and flight training devices/simulators but does not grant a license to obtain and use underlying Honeywell information, data or software that are not included in the Customer Publications, such as Honeywell proprietary ASCB system bus protocols.)
- b. "Honeywell Materials" means electronic and written information provided by Honeywell under this Agreement and specifically identified by Honeywell for use in, or as, Customer Publications. For the avoidance of doubt, Honeywell Materials does not include the underlying Honeywell engineering or design documents/data (such as system requirements documents, software requirements documents, hardware requirements documents, product specifications, or interface control drawings), component maintenance information, or software in any form.
- c. "Customer Publications" means the Aircraft Flight Manual, Aircraft Operating Manual, Aircraft Maintenance Manual, Fault Isolation Manual, Quick Reference Handbook, Wiring Diagram Manual, Customer Bulletins, Aircraft Service Changes, PlaneView Operating Manual (Pilot Guide) and other publications intended for use by Aircraft customers as references for operating the Aircraft or

performing troubleshooting or other line maintenance on the Aircraft, but shall not include (a) component maintenance manuals or (b) generic Honeywell documentation that is not specific to Product(s) in the Aircraft or (c) Level 3 maintenance information. Publications not expressly listed in the preceding sentence shall not qualify as a "Customer Publication" unless [REDACTED] has provided Honeywell with written notice designating such publication as a "Customer Publication" and the parties determine, either through mutual agreement or dispute resolution (acting reasonably and promptly), that the designated publication fits within such definition.

#### 14.4 P22-2 Program License – Software

- 14.4.1 With respect to software in any of Honeywell's Product(s) delivered pursuant to this Agreement, [REDACTED] agrees to accept the terms and conditions stated below effective the date of first delivery hereunder.
- 14.4.2 "Licensed Software" means any software and software documentation in any form whatsoever delivered by Honeywell related to installation, testing, certification, operation or maintenance of the Product(s) as specified as a deliverable under this Agreement; provided, however, Licensed Software does not include the [REDACTED] (as defined in the License Agreement between [REDACTED], Honeywell and [REDACTED]).
- 14.4.3 Subject to the terms and conditions herein, Honeywell grants to [REDACTED] a non-exclusive, perpetual, irrevocable, non-transferable (except as set forth below), royalty-free license to use the Licensed Software (i) on a single Honeywell Product(s) with which the Licensed Software is installed, in the course of the normal installation, operation, and maintenance of the Honeywell Product(s) as set forth in the Honeywell manuals and/or specifications for Honeywell Product(s) (including without limitation the Final Specification), (ii) in the analysis or the formatting of reports using data from or related to Honeywell Product(s) and (iii) on Honeywell or non-Honeywell products (as specified in this Agreement or in Honeywell documentation provided under this Agreement) used to test, maintain, download or process information compiled by Honeywell Product(s), and (iv) as otherwise reasonably called for in support of the design, testing, and certification and future modification of the Aircraft, including without limitation use in connection with the [REDACTED] Integrated Test Facility ("ITF") and other [REDACTED] test laboratories for such design, testing and certification of the Aircraft. Notwithstanding the foregoing, in the event of any inconsistency between the license granted in this Section 14.4.3 and the licenses granted in Section 14.5 (Interface and Integration), then the provisions of Section 14.5, as applicable, shall control. For the avoidance of doubt, this license does not extend to a license in data or software for development of or use in any equipment, training device, or software for simulating the Honeywell Product(s) for training use by [REDACTED] or any third parties.
- 14.4.4 Making copies of the Licensed Software (excluding the documentation) is prohibited unless otherwise authorized in writing by Honeywell (which consent shall not to be unreasonably withheld or delayed).
- 14.4.5 The Licensed Software may not be sub-licensed, transferred, or loaned to any other party without Honeywell's prior express written consent, except that [REDACTED] may transfer its irrevocable, perpetual, royalty-free (except as provided below) license as set forth above in 14.4.3 (i) in the Licensed Software to the purchaser or lessor of the Honeywell Product(s) with which the Licensed Software is installed. Upon transfer, no copies of the software shall be retained by the transferor. Transferees, as applicable, shall have the same right of transfer to future purchasers or operators of the Aircraft.

- 14.4.6 [REDACTED] agrees to utilize all Licensed Software only as authorized herein. [REDACTED] may not either itself or with the assistance of others, make modifications to the Licensed Software, including, but not limited to, translating, decompiling, disassembling or reverse assembling, reverse engineering, creating derivative or merged works, or performing any other operation on Licensed Software and documentation to recover any physical portion of the program listing, object code or source code. Honeywell retains all rights, title and interest in any such modifications. Use of the Product(s) under Section 14.4.3 shall not constitute a derivative or merged work.
- 14.4.7 [REDACTED] shall provide language in the Aircraft literature or the agreement for purchase or lease of the Aircraft that provides a notice substantively equivalent to the following: 1) that the Aircraft contains software and the owner or operator agrees to use the Licensed Software on a single Honeywell Product(s) with which the Licensed Software is installed, in the course of the normal installation, operation, and maintenance of the Honeywell Product(s) as set forth in the Honeywell manuals and/or specifications for Honeywell Product(s); 2) that the owner or operator shall not translate, decompile, disassemble or reverse assemble, reverse engineer, or create derivative software or merged software works and that the owner and operator agree to be bound by these restrictions; and 3) that the Licensed Software is licensed and not sold and Honeywell retains all trade secrets, copyrights, patents and other intellectual property rights in the Licensed Software, and 4) that the license in the Licensed Software may only be transferred upon the sale or lease of the Honeywell Product(s) with which the Licensed Software is installed on.
- 14.4.8 In the event that [REDACTED] does not comply with any of the terms and conditions of this software license and [REDACTED] fails to remedy or be substantially engaged in curing such failure within thirty (30) days after having received notice from Honeywell of such failure, [REDACTED] will be deemed to have committed a material breach of this Agreement.
- 14.4.9 In the performance of a contract with the government by [REDACTED], [REDACTED] will not grant any ownership rights to the government in any software or software documentation provided by Honeywell to [REDACTED] under this Agreement. The Licensed Software is provided with RESTRICTED RIGHTS. Use, duplication, or disclosure by the U.S. Government is subject to the restrictions set forth in the Rights in Technical Data and Computer Software clauses of FARS 252.227-7013 and other corresponding Federal Regulations.
- 14.4.10 The Licensed Software is licensed and not sold. Honeywell retains all trade secrets, copyrights, patents and other intellectual property rights in the Licensed Software.
- 14.4.11 Honeywell may offer other software, which may be enhancements or upgrades to Licensed Software not required to be delivered under this Agreement, for a royalty or license fee, provided that, nothing in this subparagraph shall be deemed or construed to grant any rights to Honeywell in [REDACTED] Background IP or [REDACTED] sole Program IP. For the avoidance of doubt, there shall be no royalty or license fee for software that corrects defects in Licensed Software required for the Product(s) to function in accordance with the Final Specification.
- 14.4.12 Honeywell represents and warrants the following with respect to the Licensed Software:
- a. The Licensed Software shall include all software and software documentation required for the Product(s) to function in accordance with the Final Specification, except for the [REDACTED];
  - b. Honeywell has the full right and authority to convey the licenses free and clear of any liens or encumbrances.

14.5 [REDACTED] License – Interface and Integration

14.5.1 Honeywell hereby grants [REDACTED] a non-exclusive, perpetual, irrevocable, non-transferable (except as set forth herein) and royalty-free license to use the Licensed Software, Honeywell Patents and other Honeywell intellectual property (including without limitation interface requirements documentation, engineering drawings and other technical data) to the extent such items are reasonably necessary to

- a. integrate the Product(s) into the [REDACTED]; and
- b. interface the Product(s) with any other systems, components, services or other items installed in the [REDACTED], whether such items are supplied by Honeywell, Gulfstream or third parties and whether such items are interfaced before or after initial FAA certification of the [REDACTED]; and
- c. extract and use the following:
  1. data supplied by third parties (e.g., satellite weather) except to the extent restricted by a third party license; and
  2. video redisplay of the cockpit display images, including without limitation synthetic vision images as generated by the Product(s) (provided, however, that this license does not include the right to transfer databases or software from the Product(s) to non-Honeywell components or systems), and
  3. Aircraft Condition Data (as defined below); and
  4. symbology/graphical user interface features related to "look and feel," including without limitation replicating such items on other non-Honeywell displays in the Aircraft.

For the avoidance of doubt any Honeywell created algorithms that are embedded in a system provided by Honeywell cannot be used to reverse engineer a Honeywell system or software.

Notwithstanding the foregoing, such license shall not include use of Honeywell Software or Patents (except, for Patents, to the extent reasonably necessary to provide common symbology/graphical user interface features related to "look and feel" as that provided in the Product(s), or as set forth below in Section 14.7) in the internal operation of non-Honeywell components or systems. "Aircraft Condition Data" means data concerning (i) aircraft position, speed, altitude, rates, accelerations, flight path, NAV/DME, active flight modes, and similar data indicating the state of the aircraft, all as transmitted on the current ASCB system bus, and (ii) aircraft system or component status or condition (including without limitation fault indications, flight control positions, aircraft configuration, hydraulic system pressures, probe/sensor readings, and flight plans), all as transmitted on the current ASCB system bus or current ARINC bus outputs. Further, if additional aircraft condition data or interface media (including without limitation inclusion of additional data or interfaces concerning ASCB or ARINC) become available through expansion of program scope or changes to the Product(s) or the [REDACTED], such additional aircraft condition data and interface to such media will be subject to the same royalty free license terms in the above paragraph. The Parties acknowledge and agree that inclusion of an item in this definition of Aircraft Condition Data shall not be construed as an admission by either Party that a license is required for such item and, further, that omission of an item from this definition shall not be construed as an admission by either Party that a license is required for use of such item.

**14.5.2** [REDACTED] shall have the royalty free right to grant sublicenses for licenses granted under Section 14.5.1 above to [REDACTED]'s other suppliers to the [REDACTED], provided that any such disclosure shall be subject to a confidentiality agreement restricting the supplier on terms substantively the same as those in Section 17.5 of this Agreement and [REDACTED] shall provide Honeywell with prior written notice of each such sublicense.

**14.5.3** For the avoidance of doubt,

- a. this Section 14.5 shall not obligate Honeywell to perform work beyond that otherwise required under this Agreement and any additional work beyond such requirements in support of interfaces or integration that constitutes a Change (as defined in Section 12), if any, shall be subject to additional charges in accordance with Section 12,
- b. Honeywell shall provide technical data reasonably requested by [REDACTED] in support of integration or interface efforts referenced in this Section 14.5, and
- c. Honeywell does not warrant:
  - i. that any interfaces to the Product(s) which are not proposed in the specifications of the Product(s) upon the Effective Date of this Agreement will be technically feasible,
  - ii. that any modification of data or images will be technically feasible, and
  - iii. the data or images or use thereof external to the Honeywell Product(s).

**14.6 License – Incorporated IP**

**14.6.1** [REDACTED] grants and agrees to grant to Honeywell, a royalty free, worldwide, perpetual, irrevocable, nonexclusive license in Incorporated [REDACTED] IP (as defined below) to make, have made, use, sell, offer for sale, and import Honeywell products. "Incorporated [REDACTED] IP" means [REDACTED] Program IP and [REDACTED] Background IP, if any, that is incorporated into Product(s) (or associated Honeywell documentation) in furtherance of Honeywell complying with [REDACTED] specifications and associated obligations under this Agreement, but excluding any such Gulfstream Program IP and Gulfstream Background IP that –

- a. is the subject of a [REDACTED] Patent (which is addressed below in Section 14.8);
- b. is a [REDACTED] Trademark;
- c. is [REDACTED] software;
- d. embodies or otherwise discloses the design or operation of the [REDACTED] or any system or component incorporated therein, other than the Product(s) (but excluding those aspects of Product(s) that embody or otherwise disclose the design or operation of the [REDACTED] or its other systems or components), including without limitation proprietary [REDACTED] interfaces or communications protocols, aircraft performance data, system architecture or flight control system control laws; or
- e. is identified in writing by [REDACTED] as a [REDACTED] Feature in accordance with Section 14.8.

For the avoidance of doubt, the license granted in this subsection shall not include the right to disclose to third parties, reproduce or use any of the following documents: [REDACTED]

specifications, engineering drawings, design requirements documents, interface control documents or other [REDACTED] documentation

**14.6.2** Honeywell grants and agrees to grant to [REDACTED] a royalty free, worldwide, perpetual, irrevocable, nonexclusive license in Incorporated Honeywell IP (as defined below) to make, have made, use, sell, offer for sale, and import [REDACTED] products. "Incorporated Honeywell IP" means Honeywell Program IP and Honeywell Background IP, if any, that is incorporated into the [REDACTED] (or associated [REDACTED] documentation) other than the Product(s) in furtherance of [REDACTED] performing under this Agreement, but excluding any such Honeywell Program IP and Honeywell Background IP that –

- a. is the subject of a Honeywell Patent;
- b. is a Honeywell Trademark;
- c. is Honeywell Software;
- d. embodies or otherwise discloses the design or operation of the Product(s), including without limitation proprietary Honeywell interfaces, communications protocols or system architecture.

For the avoidance of doubt, the license granted in this subsection shall not include the right to disclose to third parties, reproduce or use any of the following documents: Honeywell specifications, engineering drawings, interface control documents or other Honeywell documentation.

#### **14.7 License – Specific Honeywell Patents**

**14.7.1** Honeywell hereby grants [REDACTED] a non-exclusive, perpetual, irrevocable, non-transferable and royalty-free license to make, have made, use, sell, offer for sale, and import products for [REDACTED]

**14.7.2** As to US Patents [REDACTED] and their counterparts, Honeywell will neither assert such Patents against [REDACTED] nor seek an injunction against any other [REDACTED] avionics supplier(s) for [REDACTED] aircraft identified in subsection 14.7.1 above and will upon request from [REDACTED] grant a license to such Patents at a commercially reasonable royalty rate.

#### **14.8 [REDACTED] Feature**

**14.8.1** "[REDACTED] Feature" means a feature, function or other item that is identified by [REDACTED] in writing to Honeywell as being the subject of a [REDACTED] Patent or Patent application, or which [REDACTED] otherwise desires to designate as a [REDACTED] Feature so as to retain exclusivity (either full or partial).

14.8.2 Upon written notification from [REDACTED] identifying a [REDACTED] Feature as set forth above, Honeywell shall in good faith negotiate with [REDACTED] to reach a commercially reasonable agreement concerning the terms and conditions for inclusion of such [REDACTED] Feature into Product and the extent to which such [REDACTED] Feature shall be exclusive to [REDACTED] applications. Factors to be considered in such negotiations shall include without limitation Honeywell pricing, the scope of license, if any, to be granted by [REDACTED] to Honeywell concerning use of such [REDACTED] Feature in non-[REDACTED] applications and royalties, if any, to be paid by Honeywell to [REDACTED] for use in non-[REDACTED] applications. Honeywell pricing shall be based upon, without limitation (but subject to Honeywell's obligation to negotiate in on a good faith commercially reasonable basis), the non-recurring costs incurred by Honeywell, the recurring costs incurred by Honeywell if applicable and, if [REDACTED] either declines to grant a license or grants only a limited license, then such pricing also shall take into account the extent to which, if at all, inclusion of such [REDACTED] Feature impacts the baseline architecture of the relevant Honeywell Products.

14.8.3 If [REDACTED] does not designate an item as a [REDACTED] Feature until after such item is incorporated into the Honeywell detailed design Product specification, or is committed to include such item in Honeywell product for another customer, then the Parties shall engage in the good faith negotiations required above (provided that Honeywell shall not be obligated in such negotiations to agree to royalties on use prior to [REDACTED]'s designation of such item as a [REDACTED] Feature). If the Parties fail to reach agreement, then [REDACTED] shall grant a royalty free, worldwide, perpetual, irrevocable, nonexclusive license under any [REDACTED] Program IP or Background IP that is required to continue inclusion of such feature in the Products or other Honeywell products which are equivalent to Products with the licensed use being the right to make, have made, use, sell, offer for sale, and import such Honeywell products.

14.8.4 Notwithstanding the foregoing, Honeywell will incorporate the [REDACTED] feature into Product(s) as provided in this Agreement, will not impose additional pricing or other restrictive terms or conditions as a result of [REDACTED] Patents covering such items, will not obtain any license right to [REDACTED] Patents covering either such item (other than to make and sell Product(s) to [REDACTED]) and, if Honeywell patents an invention which is necessary to implement [REDACTED]'s intellectual property related to either such item, then Honeywell will grant [REDACTED] a non-exclusive, perpetual, irrevocable, non-transferable and royalty-free license to make, have made, use, sell, offer for sale, and import products for [REDACTED] aircraft under such Honeywell patents.

#### 14.9 Prior Notice of Patent Application

In the event that either Party elects to file a patent application concerning a Subject Invention (as defined below), and to avoid potential future issues between the Parties concerning inventorship, the filing Party shall provide notice to the other Party at least thirty (30) days prior to filing the application. Such notice shall identify the inventor(s) and describe the invention and claims in sufficient detail to allow the other Party to confirm inventorship. "Subject Invention" means an invention that

- a. relates to display symbology, display features and other pilot/user interaction features or functions and
- b. was developed in connection with work, and with respect to which the Parties have collaborated, in each case, under this Agreement, but excluding inventions Developed to implement such items without collaboration with the other Party (e.g., without limitation, software algorithms).