



Turbine Engine
Specialist, Inc.

Turbine Engine Specialists, Inc.
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ATTENTION: All Turbine Engine Specialist (TES) Engine & Auxiliary Power Unit (APU) Operators and Honeywell Authorized Service Centers regarding HTF, & 36-100/150 Auxiliary Power Units (APUs).

SUBJECT: Rental Engine and APU Program Requirements; Rental Rates

The contact information for the TES Engine Rental Bank is rentalbank@tesservice.com or call USA 1-888-384-1070 International # 44-24-7542-0000. Europe, Middle East, Africa and India customers are recommended to contact rentalbank@tesservice.com or # 44-24-7542-0000.

A. ENGINE RENTAL POLICY & PRICING GENERAL ENGINE RENTAL POLICY

1. Operator / Service Center Notes:

- **Business & General Aviation Operator Notes:** Rental assets are made available to Business and General Aviation (BGA) Operators through Honeywell authorized Service Center channel partners, or contacting us directly at the contact information provided above.
- **Business & General Aviation Service Center Notes:** Rental assets are made available to Honeywell's Service Center channel partners, or direct to Operators, to support Operator needs and their Service Center selection. TES owns final allocation of all rental assets. As such, rental availability should, TES requires a purchase order from the Service Center, or Operator, installing the rental engine or APU.

2. Requirements/Obligations:

As a condition of renting an engine or APU, the following documents are required to be submitted in electronic form to rentalbank@tesservice.com. These documents can be found via the link below:

<http://www.tesservice.com/honeywell-apu-rental-bank>

- **Purchase Order - PO** - TES requires a Purchase Order and Rental Worksheet from the Authorized Service Center or operator prior to shipment of the engine or APU from storage to the installation location.
- **Bailment Agreement** - A current TES Equipment Bailment Agreement must be fully completed and signed by the Operator and Authorized Service center (when applicable) in strict accordance with its terms without any modifications and returned to the TES Engine Rental Bank prior to shipment of the engine or APU from storage to the installation location. Electronic signatures are acceptable and available. Bailment agreements are sent in PDF format for signature & no modifications are permitted.



- TES will not expedite shipment for a delay in bailment signature
 - Rentals are to be used exclusively to support the end user serial number (SN) listed on the bailment. For other end user SN support, different from the one stated on bailment, removals are required to close current rental event. New paperwork, PO, COI and bailment are required prior to installing our rentals for new rental event.
 - Rentals are not to be held on site without being installed and flown even if customer unit is still in repair. Knowledge of rentals being requested and stored on customer site will result in rental fees, late fees, shipping fees and recertification fees invoiced to the PO and at the operators' responsibility.
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- Certificate of Insurance - COI - The Bailment Agreement requires Operator's insurance carrier to provide evidence of liability and property loss coverage in the amounts specified in the Bailment Agreement and this insurance verification document is to be provided to the TES Engine Rental Bank in the form of an acceptable Certificate of Insurance (COI). An engine or APU can be shipped to the installation location while waiting for the COI. If a valid COI has not been provided by the bailment commencement date, the APU may not be installed. The Service Center must ensure that a customer does not install and operate an APU without valid COI, or the Service Center assumes any liability resulting therein. If the insured period is close to expiring, or becomes expired while rental is installed, it is the responsibility of the service center or operator to acquire a valid COI or TES has the right to request the rental to be uninstalled. The Service Center or operator is liable for the value of the authorized equipment, damage, or any other loss during shipment. In addition, if a valid COI has not been provided by the bailment commencement date, then a \$1000 fee per day per engine will be invoiced and not covered by the contract. The Certificate of Insurance requirements can be found on the portal. <http://www.tesservice.com/honeywell-apu-rental-bank>
 - Reservations: TES only holds a bank rental unit for a maximum of two (2) weeks.
 - If a service center is acquiring a rental for a MSP operator, please make sure a service authorization approval number is obtained prior to a rental request. If not, then the rental would be a billable event.
 - Shipping: The Operator shall be responsible for all transportation charges involved in the rental event unless covered by a contractual program that specifically calls out alternative treatment, such as MSP Gold. Shipments of rented TES assets should be coordinated through TES and failure to do so will result in additional charges or delays. MSP, FMP and MSA customers should note that terms and conditions related to rental engine or APU specified in their maintenance agreements take precedence but do not modify the terms and conditions of the Bailment Agreement.
 - Pricing referenced therein will apply for events not supported under contract. Questions related to maintenance agreements should be directed to the appropriate Honeywell Contract Manager.
 - TES holds the right to refuse shipment until all documents are received.
 - If an operator or service center becomes blocked or otherwise disbarred pursuant to a US government enforcement action, TES may pursue appropriate legal recourse. |



NOTE: Due to product liability risk, TES reserves the right to recall the rental engine or APU and/or if the aircraft is released prior to the return of these documents, TES will invoice a fee of \$1000.00 per document per day until all documents are received.

3. Rental Charge Computation

- Rental fee charges will begin according to the **Commencing Date** stated on the bailment. The Commencing Date is intended to be the requested delivery date of the rental Engine or APU.
 - Daily rental fee charges will begin according to the **Commencing Date** stated on the bailment. The Commencing Date is intended to be the requested delivery date of the rental engine or APU. The **End Date** on the bailment is driven by the customer unit repair completion date. For example, standard bailment end dates are 60 days. However, if the customer's unit in repair is completed prior to the bailment end date, the rental is expected to be returned within 15 days locally and 20 days internationally.
- Rental fee or **Extended Usage Fee (EUF)** are computed based on the customer unit repair completion date and the actual rental removal date. If an Operator continues to maintain possession of the rental engine or APU, past the contracted term, either installed or not, regardless of the return of the Operator's own engine or APU, the Daily Late Return Fee or Extended Usage fee will be assessed in addition to the rental calculations until the engine or APU is returned.
- Rental charges are computed by multiplying the number of hours utilized by the hourly fee rate for the duration of the rental period, except as modified below.
- If the **Minimum Fee** is not exceeded in the rental period, the Minimum Fee is applicable.
- Operator engines or APUs repaired at non-authorized Honeywell Service Centers that are supported by a rental asset will be subject to a fifty percent (50%) premium above the contracted rental rate.
- **Scheduling:** TES requests a minimum of two (2) weeks' notice for scheduled maintenance event to assure rental support without delay or extra shipping charges.
- **Delays in Customer Repairs:** Any required documentation, customer holds or approval to proceed with repairs that exceed 3 days will be subject to \$2000 per day until addressed.

4. Rental Return to Service Delay Charge:

All engine or APUs must be returned to TES with all parts and operating information intact in the original configuration supplied and in the original container provided. Parts are not to be removed or exchanged without authorization from the Engine Rental Bank. Any engine or APU returned for post-rental inspection that is missing parts, updated logbooks, missing the storage container or complete removal information that will delay the "return to service" of that engine or APU will be subject to a \$2000.00 "Return to Service Delay Charge", each 10 days of delay starting on the day the engine or APU was received at or Facility.

- If any parts are discovered missing on the TES rental asset, please notify rentalbank@tesservice.com
- The missing parts must be forwarded within ten (10) business days from the date of notification to avoid additional charges. Parts received after ten (10) business days will be subject to Replacement Cost and immediate billing at full list price.
- Information (log book or other missing information) not received after ten (10) business days will be subject to additional fees equal to the cost TES incurs to obtain information or replacement documents and parts. Return to Service Delay Charges will not be covered by contractual maintenance agreements.



5. Extended Usage Fee (EUF):

The prompt return of the rental engine or APU is required and the application of the Extended Usage Fee

(EUF) will be enforced. For the overall benefit of all Operators, the Extended Usage fee will be administered as follows:

- Extended Usage fees will become effective beginning on the sixteenth (16th) calendar day after the Operator's engine or APU repair is completed. EUF are in addition to current applicable rental rates.
- If Operator's engine or APU is ready for reinstallation in United States of America and shipped outside of the continental United States of America, Extended Usage fees will become effective beginning on the twenty-second (22nd) calendar day. The same grace period will be provided to engines shipping to different regions; the Americas to Europe, Middle East, and North Africa, or to Asia Pacific and vice versa. For shipments within European Union member countries, the 15-day requirement stands and Extended Usage Fees will be applicable on the 16th day.
- The time measurement begins the day the Operator engine repair completes and ends the day before the rental engine is removed.
- Extended Usage Fee (EUF) are in addition to the daily rate (where applicable)

Note: Operator repair completion date is required within 24 hours of removal of the rental engine or APU. A Rental is considered rented, with all applicable fees, until removal paperwork is provided.

The above terms do not preclude TES's right to request the return of the rental engine or APU within five (5) days, per terms of TES's standard Engine Rental and Bailment Agreement

6. Restocking Fee

If a loaner asset is shipped and not installed within 10 days, the following charges will apply:

- a) Restocking fee of \$2000.00
- b) All freight charges
- c) Any other costs to return unit back to service

7. Timely Operator Engine/APU Repair After Loaner Installation

Repair on customer engines and APUs supported by a TES loaner should begin within 10 days after delivery of loaner engine or APU. If the customer engine or APU repair has not commenced by the 10th day after delivery, catalog loaner rates will apply whether the loaner is covered under a maintenance contract. If the customer engine or APU is being shipped from South America, China or India to out-of-country repair facility, the customer engine or APU repair should commence by the 21st day after receipt of loaner engine or APU.

8. Deposit/Advanced Cash Payments

Operators and/or Service Centers that do not carry sufficient credit terms with TES will be required to submit a deposit in advance prior to release of rental engine or APU shipment. The repair on the customer's engine or APU must be approved and work started within 10 days of receipt of loaner engine, or all deposits will be forfeited. The Honeywell Authorized Service Center is responsible for verification of their BGA Customer's credit worthiness and will independently require a deposit or advanced cash payment.



Asset Type	Advanced Deposit Requirement
BGA APU	Three times (3x) the Daily Rate x 30 days
BGA Engines	Three times (3x) the Minimum Fee

9. Shipping & Shipping Charges

- The Operator or Authorized Service Center is responsible for all rental engine or APU shipping expenses unless otherwise stated in a Honeywell contract (i.e. MSP Gold).
- TES will make every attempt to execute next day delivery requests received after 3pm central time. Service Centers and Operators requiring expedited delivery are encouraged to submit their requests prior to 3pm central time. Due to logistics provider cut-off times and customs broker office hours, requests for next day delivery received after 3pm central time may deliver the following business day.
- All logistics providers are required to have adequate insurance coverage and HTF engines require air-ride equipped trucks for ground transportation.

10. Other

- All TES rentals come with end unit assembly 8130 certification & EASA Form One only. The TES Engine Rental Bank will make a reasonable attempt to obtain other 8130's; however, they may not be available and is not a service provided by TES.
- Warranty-
 - Rental BGA APUs are not provided free of charge for rental events supporting an in-warranty APU.
 - Rental BGA Engines are provided free of charge for unscheduled heavy events supporting an in-warranty engine.
- Replacement Cost: if at the end of the rental period the Operator retains the asset against TES's request to return it, the Operator or Service Center will be billed the Replacement Cost as defined
- For each model below: Replacement Cost charges are in addition to any unpaid rental fees or charges accrued.

11. All rates and fees in this Policy are quoted in US Dollars.

C. ENGINE RENTAL POLICY: HTF

1. HTF Rental Fees:

Model	Hourly Rate	Daily Rate	Min. Rental Charge	Daily extended usage fee	Test Cell Fee	Replacement Value
HTF7000*	\$2,415	\$4,567.5	\$15,000	\$1,000	\$11,500	\$4,000,000

* NON-COMPLIANCE OF PRE-REMOVAL RUNS = TEST CELL FEES



2. Rental Engine Removal: upon removal of all fan engines, Service Center or Honeywell repair facility will:

- 1) Perform Power Assurance Run per the LMM and submit copy of run data sheet with TES Rental Engine Worksheet Record TSN/CSN on Rental Information Sheet
- 2) Return removed rental engine to TES or TES designated facility.
- 3) Hazmat shipping requirements deem that both the oil and fuel lines be purged prior to shipment of both engines and APUs. If not purged, Service Center or operator will be responsible for paying the additional hazardous good shipping costs, even if shipment would normally be covered under a maintenance contract (MSP Gold).
- 4) Email a digital copy of rental removal logbook entry to the TES Engine Rental Bank rentalbank@tesservice.com
- 5) Complete & Email Rental Engine Worksheet to rentalbank@tesservice.com



BUSINESS AND GENERAL AVIATION AUXILIARY POWER UNIT

1. APU Rental Fee:

The Rental Fees are computed as follows: total daily fee charges will be the greater of the minimum daily fee or the daily fee rate multiplied by the number of days that the Operator has the APU in its possession (excluding installation), plus the accumulated APU operating hourly fees.

The above terms do not preclude TES's right to request the return of the rental APU within five (5) days, per terms of TES's standard Aircraft Engine Rental & Bailment Agreements.

Model	Hourly Rate	Daily Rate	Min Daily Fee	Extended Daily Usage Fee (EUF)	Test Cell Fee	Replacement Cost
36-100A	\$243	\$728	\$2,520	\$500	\$7,750	\$300,000
36-100E	\$277	\$826	\$2,520	\$700	\$7,750	\$300,000
36-100G	\$277	\$826	\$2,520	\$700	\$7,750	\$300,000
36-150BD	\$180	\$546	\$2,520	\$600	\$7,750	\$450,000
36-150CL	\$187	\$556	\$2,520	\$600	\$7,750	\$450,000
36-150CX	\$180	\$546	\$2,520	\$500	\$7,750	\$450,000
36-150EMB	\$180	\$546	\$2,520	\$600	\$7,750	\$450,000
36-150F	\$180	\$546	\$2,520	\$500	\$7,750	\$450,000
36-150F2M	\$180	\$546	\$2,520	\$500	\$7,750	\$450,000
36-150FN	\$180	\$546	\$2,520	\$600	\$7,750	\$450,000
36-150GIV	\$205	\$611	\$2,520	\$600	\$7,750	\$800,000
36-150G	\$193	\$535	\$2,520	\$500	\$7,750	\$450,000
36-150HH	\$180	\$546	\$2,520	\$500	\$7,750	\$450,000
36-150IAI	\$222	\$535	\$2,520	\$600	\$7,750	\$450,000
36-150W	\$232	\$698	\$2,520	\$600	\$7,750	\$300,000

*NON-COMPLIANCE OF PRE-REMOVAL RUNS = TEST CELL FEES.

2. Rental APU Removal: upon removal of all APUs, Service Center or Operator will:

- 1) Perform Pre-removal Run per the documentation provided and submit copy of run data sheet with TES Rental Engine Worksheet Record TSN/CSN on Rental Information Sheet
- 2) Return removed rental engine to TES or TES designated facility.
- 3) Hazmat shipping requirements deem that both the oil and fuel lines be purged prior to shipment of both engines and APUs. If not purged, Service Center or operator will be responsible for paying the additional hazardous good shipping costs, even if shipment would normally be covered under a maintenance contract (MSP Gold).
- 4) Email a digital copy of rental removal logbook entry to the TES Engine Rental Bank rentalbank@tesservice.com



5) Complete & Email Rental Engine Worksheet to rentalbank@tesservice.com

APPENDICES

Shipping Container Guidelines

- Check General Exterior Condition of Container for:
 - Condition of bottom skid: the skid must be in a condition that allows the engine container to be loaded safely. A broken or missing skid can allow the engine to slide on the forklift forks. Additionally, the center portion of the skid helps support the engine weight during shipping.
- Check Repairs to Container:
 - Containers that have been repaired with material from the local hardware store and leaving the United States may not be acceptable to some countries that require a US-4541 (HTTP) stamp and or certification documenting that the container meets specific insect deterrent requirements.
 - Check to ensure repairs to the container will not cause an unsafe condition. i.e. screws, nails, etc. protruding into the container in such a manner that would cause an unsafe condition to the engine, the shipper, or the end user.
- Review Box Size for Correct Engine Model:
 - i.e. 72x48x54 = 731-2 /3.....80x48x54 =731-5, etc.
- Inspect the Foam shipping material in the container for deterioration due to extended use, contaminates or exposure to the elements.
 - Is the foam's thickness adequate to ensure it will absorb any unanticipated shock during the shipping process?
 - Has the foam been exposed to major levels of fuel and oil that would create a shipping hazmat condition or cause damage to the engine or its components; i.e. corrosion, electrical connections, etc.
 - Has the foam been exposed to the elements in such a manner that it has become brittle due to heat or wet soaked due to snow or rain?
 - Is the condition of the plastic liner in an acceptable condition as to help prevent damage to the foam should it be exposed to engine fuel and oil?
 - Is the container free of trash and debris?