

TERMS & CONDITIONS OF PURCHASE

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APPLICABILITY These terms and conditions of purchase and the separate Boone Air Parts Purchase Order Requirements are applicable to purchases made by Boone Air Parts, LLC. (hereinafter "Boone Air Parts") from its vendors and/or suppliers (hereinafter "Seller").

ACCEPTANCE AND ACKNOWLEDGEMENT Any performance on a purchase order (hereinafter "P.O.") is deemed an acceptance, without exception, of the terms and conditions set forth on the face of the purchase order and in these terms and conditions of purchase.

CHANGES Boone Air Parts may at any time make changes within the general scope of the P.O. and Seller shall comply therewith. Except as expressly provided for elsewhere, Boone Air Parts and Seller agree that there shall be no adjustment in unit price or delivery schedule without a written change order to the P.O.

INVOICES Seller will send a separate invoice and shipping notice for each shipment. Each invoice must show the Boone Air Parts P.O. number, part number(s), unit price(s), and quantities shipped. No charges shall be allowed for boxing, crating, packaging, or any other handling unless provisions are agreed to in writing. Delays in receiving invoice, errors or omissions on invoice, or lack of supporting documentation required by the terms of the order will be cause for withholding settlement without losing discount privilege.

PACKING No charges shall be allowed for boxing, crating, packaging, or any other handling unless such provisions are agreed to in writing. All goods must be packed appropriately to arrive at destination without damage or as otherwise noted on the P.O.

RECEIVING INSPECTION All goods will be received by Boone Air Parts subject to inspection, test, and rejection. If goods received are in non-conformance to specifications, drawings, or P.O., at Boone Air Parts' discretion goods may be (1) returned at Seller's expense and all delivery charges paid by Boone Air Parts will be refunded by Seller, (2) corrected, or (3) replaced at Seller's expense, including transportation both ways.

This clause shall not affect any of the rights or liabilities of the parties under the WARRANTY clause. The aforesaid in no way relieves the Seller of its responsibility to inspect and verify that goods in every way meet P.O., print, and specification requirements.

WARRANTY Seller warrants that all goods delivered under the P.O. will be merchantable, free from defect in materials and workmanship, and will conform to applicable specifications and drawings. If Seller is responsible for design, Seller warrants that all goods delivered under the P.O. will be free from defective design and will be fit and sufficient for all purposes for which it is designed. Boone Air Parts' approval of designs furnished by Seller shall not relieve Seller of obligations under this warranty. Seller's warranties shall pass on to Boone Air Parts and its customers. Without prejudice to any other remedy that Boone Air Parts may have, Seller shall be responsible for, and bear the expense of, any necessary correction due to faulty workmanship or materials, or due to faulty design unless such design was supplied by Boone Air Parts. Seller further warrants that all aircraft materials and/or components shall be furnished in compliance with all applicable Federal Aviation regulations. All inspection records will be made available to Boone Air Parts upon request. Seller further warrants that all goods supplied or services performed shall be in accordance with all applicable federal, state, and local laws including environmental protection and occupational safety and health.

DELIVERY Shipments shall be made as specified and strictly in accordance with the delivery schedule of the P.O. All orders must be shipped via FedEx on Boone Air Parts' FedEx account, unless otherwise specified by Boone Air Parts. If the Seller's deliveries fail to meet the schedule, Seller will pay the difference between the shipping method specified in the P.O. and the premium transportation rates. In the event that Seller is unable to make delivery by the date required on the purchase order, Boone Air Parts reserves the right to cancel or modify the P.O.

INDEMNIFICATION Seller shall indemnify and hold harmless Boone Air Parts against any and all claims for U.S. or foreign patent, copyright, trademark, or other proprietary rights infringement. Seller shall defend at Seller's expense any and all infringement suits or actions of law or in equity brought against Boone Air Parts and shall satisfy all judgments entered therein.

TAXES Seller agrees to pay any taxes imposed by law on account of the goods purchased hereunder.

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NON-DISCRIMINATION & FAIR LABOR STANDARDS ACT Seller hereby certifies that

all goods sold hereunder which are produced or manufactured in the United States are produced in compliance with all applicable requirements, orders and regulations of the United States Federal Government pertaining to nondiscrimination in employment and facilities including, but without limitation to, the provisions contained in paragraphs one through seven of Part II, Nondiscrimination in Employment by Government Contractors and Subcontractors, of Executive Order 11246 (as amended by Executive Order 11375), Certification of Nonsegregated Facilities (41 CFR Chap.1, Section 1-12.803-10), the Equal Opportunity and Affirmative Action clauses as required by 41 CFR 60-1.4 (f) (7),60-250.4(m) and 60-741.4(f), and the Fair Labor Standards Act of 1938 as amended (29 U.S. Code 201-219), all of which provisions are incorporated herein by reference and expressly made a part hereof. Seller also certifies full compliance with all state and local laws and orders relating to nondiscrimination in employment and facilities that are applicable to Seller.

RIGHTS AND RESERVATION Rights to all drawings, designs, information, tools, and other items supplied by Boone Air Parts are reserved and the same shall not be used or reproduced for any purpose whatsoever except for the performance of work under the P.O.

DEFAULT(a) Boone Air Parts may, subject to provisions of paragraph (c) below, cancel in whole, or in part, the P.O. under any one of the following circumstances: (i) if Seller fails to make delivery of the goods or perform the services within the time specified herein or any agreed upon extension thereof; (ii) if Seller fails to perform any of the other provisions of the P.O., or fails to make progress so as to endanger performance of the P.O. in accordance with its terms; (iii) if in either of these two circumstances, failure to cure within a period of ten (10) days (or such longer period as Boone Air Parts may authorize in writing) after receipt of notice from Boone Air Parts specifying such failure, as indicated in (i) or (ii) above. (b) In the event Boone Air Parts cancels the P.O. in whole or part provided in paragraph (a) of this clause, Boone Air Parts may procure upon such terms and in such a manner as Boone Air Parts may deem appropriate, goods or services similar to those so canceled, and Seller shall be liable to Boone Air Parts for any extra costs for such similar goods or services provided that Seller shall continue performance of the P.O. to the extent not canceled under the provisions of this clause. (c) Except with respect to defaults of subcontractors, Seller shall not be liable for any excess costs if the failure to perform the P.O. arises from causes beyond the control and without the fault or negligence of the Seller. Such causes may include, but are not restricted to, acts of God or the public enemy, acts of Boone Air Parts, acts of Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of Seller. If the failure to perform is caused by the default of a subcontractor and if such default arises out of causes beyond the control of both Seller and subcontractor, and without the fault or negligence of either of them, Seller shall not be liable for any excess costs for failure to perform unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. (d) If the P.O. is canceled as provided in paragraph (a) of this clause, Boone Air Parts, in addition to any other rights provided in this clause, may require Seller to transfer title and deliver to Boone Air Parts, in the manner and to the extent directed by Boone Air Parts, (i) any completed goods, and (ii) such partially completed goods and material, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter "manufacturing materials") as Seller has specifically produced or specifically acquired for the performance of such part of the P.O. as has been canceled, and Seller shall upon direction of Boone Air Parts, protect and preserve property in possession of Seller in which Boone Air Parts has an interest. Payment for completed goods delivered to and accepted by Boone Air Parts shall be at the P.O. price. Payment for manufacturing materials delivered to and accepted by Boone Air Parts and for protection and preservation of property shall be in an amount agreed upon by Seller and Boone Air Parts. (e) If, after notice of cancellation of the P.O. under the provisions of this clause, it is determined for any

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reason that the Seller was not in default under the provisions of this clause, the rights and obligations of the parties shall be the same as if the notice of cancellation had not been issued. (f) The rights and remedies of Boone Air Parts provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the P.O. (g) The performance of work under the P.O. may be terminated in whole, or from time to time in part, by Boone Air Parts, for its convenience.

VENUE SELECTION/CHOICE OF LAW This agreement shall be deemed to have been made in the State of Utah, U.S.A. and shall be interpreted in accordance with the law of the State of Utah without regard to conflict of law principles. Seller consents to the exclusive jurisdiction of the state and federal courts of the state of Utah, U.S.A., for determination of any claim or controversy between the parties and arising out of or relating to these terms and conditions of purchase. In the event that Boone Air Parts shall engage an attorney or commence an action against Seller arising out of facts and circumstances related to these terms and conditions of purchase including, but not limited to, Seller's breach of any of its obligations