

## Interface Air Repair's- Terms and Conditions 11/2011

•**ACKNOWLEDGMENT AND ACCEPTANCE.** This purchase order (order) shall only become effective when it is accepted by seller by promptly replying the purchase order. Acceptance is limited to the terms and conditions of the order. No waiver, modification or additions to the terms of this order shall be valid unless in writing and signed by an authorized representative of buyer. Further, no change or modification of this order shall be allowed after its acceptance by seller unless authorized by a change order signed by an authorized representative of buyer.

•**INVOICING.** Seller will deliver a separate original invoice for each Purchase Order or for each shipment (if more than one) made on this order and if the shipment completes the order, the following notation must appear thereon: "This shipment completes this order." The invoice, bill of lading and shipping memorandum well be dated as of the date of actual shipment and the cash discount period, if any, will date from the actual receipt of acceptable goods ordered herein or the actual date of receipt of the invoice in the Buyer's office, whichever is later, and not from the date of invoice.

•**PRICE.** If this order is not priced, it shall not be filled at prices higher than those last quoted or charged the Buyer, unless such increased price has been authorized by Buyer. The price will include all taxes except state or local sales or use taxes or similar taxes which Seller is required by law to collect from Buyer. Such taxes, if any, shall be separately stated in Seller's invoice and paid by Buyer unless an exemption is available. Seller shall not charge Buyer for boxing, packing, crating, hauling, storage or transportation to point of delivery unless previously agreed to in writing by buyer. Seller agrees that any price reduction made with respect to the articles covered by this order subsequent to its placement but prior to payment will be applicable to this order. Seller shall comply with the shipping instructions specified on the purchase order.

•**CONFIRMING PURCHASE ORDERS.** Orders marked "Confirming Orders" have already been place and should not be duplicated. If duplication occurs, the Buyer reserves the right to reject all such duplications.

•**CANCELLATION.** If the Seller refuses or fails to provide any service or to make deliveries of the articles within the time specified in this order, or any extension thereof, Buyer may terminate the right of Seller to provide any service or to deliver the articles, except when delay of Seller is due to unforeseeable causes beyond the control and without the fault or negligence of Seller including, but not restricted to acts of God, acts of Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, but not including delays caused by subcontractors or suppliers: provided that , Seller shall have, within ten (10) days from the beginning of such delay, notified Buyer in writing of the causes of the delay and provided further that if any such delay exceeds sixty (60) days, Buyer may terminate the right of Seller to deliver the articles.

•**REDUCTION IN OPERATIONS.** Notwithstanding any other provision herein, if the point of delivery of any article or service is a Buyer facility where Buyer operations are expected to cease or by substantially reduced because of any cause beyond the control of Buyer or because Buyer, in its sole business judgment, decides to close or substantially reduce the operations of the facility. Buyer may terminate this Agreement with respect to such article or service at the affected facility upon thirty (30) days prior written notice.

•**TERMINATION.** If either party (the "Defaulting Party") becomes insolvent; if the other party (the "Insecure Party") has evidence that the Defaulting Party is not paying its bills when due without just suspends operations for reasons other than a strike, then the Insecure Party may immediately terminate this order on written notice to the Defaulting Party, unless the Defaulting Party immediately gives adequate assurance, satisfactory to the Insecure Party of the future performance of the order by the Defaulting Party. If bankruptcy proceedings are commenced with respect to the Defaulting Party and if this order has not terminated, then the Insecure Party may suspend all further performance of this order until the Defaulting Party assumes or rejects this order pursuant to §365 of the Bankruptcy Code or any similar or successor provision. Any such suspension of further performance by the insecure Party pending the Defaulting Party's assumption or rejection will not be a breach of this order agreement and will not affect the Insecure Party's right to pursue or enforce any of its rights under this order or otherwise, including Buyer's right to procure the articles or services from any other supplier or suppliers of Buyer's choice.

•**INSPECTION.** All articles or services ordered hereunder will be subject to final inspection and approval of the Buyer and any such articles or services which do not comply with this order or which contain defective material or workmanship may be rejected by Buyer irrespective of date of payment thereof. Title to articles ordered will not pass to buyer until buyer inspects and accepts the shipment. The Buyer may, at Buyer's option, hold any articles rejected for cause for the Seller's instructions or return them to the Seller at Seller's expense.

•**PATENT PROTECTION.** Seller shall defend, indemnify and hold harmless the Buyer, its officers, directors, employees, successors, assigns and customers against proceedings at law, claims, suits, losses, damages, judgments, fines, costs and any and all liability or expense arising out of or in connection with any claim that the use of articles or materials furnished by the Seller hereunder, infringes any existing patent, copyright, trade secret, trademark or the proprietary right. Buyer agrees to give Seller notice of any such claim, suit, action or demand of which Buyer has received notice. Any design development during the manufacture of items of the Buyer's original design becomes the property of the Buyer. No patent application is to be made by the Seller in connection with such design development without the prior written approval of Buyer. If any of the articles ordered herein purport to be protected by one or more patents or copyrights, and a decree or judgment be entered in a court of competent jurisdiction holding invalid any such patents or copyrights or any of the protection which it purports to give, this order agreement may forthwith be cancelled by the Buyer.

•**WARRANTIES.** The Seller warrants that the articles or services to be supplied hereunder are fit and sufficient for the purpose intended; that they are merchantable, or good quality and free from defects, whether patent or latent, in material and workmanship; and will conform to applicable specifications, instruction, drawings, data and samples. The Seller warrants that it

has good title to all articles supplied and that they are free and clear from all liens and encumbrances. Such warranties, together with service warranties and guarantees, shall run to the Buyer, its officers, directors, employees, successors, assigns, and customers. Seller will notify buyer of any un-airworthy condition and/or defects pertaining to the order with 48 hours.

•**ASSIGNMENT.** Neither party may assign this order or any rights or obligations herein without first obtaining the written consent of the other party; provided that consent is hereby given to an assignment to any corporation with which either party may merge or consolidate or which may succeed to its business.

•**CONFIDENTIAL.** The seller shall not disclose the terms of this order or any information concerning this order to any third party, except as herein specified, without first obtaining the prior written consent of the Buyer.

•**ADDITIONAL TERMS – SERVICES.** If this Purchase Order covers the furnishing of services or labor and materials, the commencement of work shall constitute, in the absence of a prior written acceptance, the acceptance of the general terms set forth in this order and the following shall apply:

1) **Independent contractor status and liability.**-Seller agrees that he is an independent contractor and as such shall be solely responsible for injury to or death of persons and damage to or loss of property resulting from the quality of or manner in which work is performed pursuant to this order agreement. All persons performing work hereunder shall be under the exclusive care, custody, control and direction of Seller and Seller shall have the sole right to employ, discharge and direct such persons. All work shall be performed in a professional and workmanlike manner.

2) **Indemnity.**-Seller will defend, indemnify, and hold harmless Interface Air Repair, Inc., its officers, employees, and agents (collectively "IAR") against and from all claims, suits, judgments, losses, damages, fines or costs (including reasonable attorneys fees and expenses) resulting from any claim suit or demand by any third party, including but not limited to injuries to or deaths of persons or loss of or damage to property, arising out of (i)the provision of any Services or products by Seller under this Agreement, or (ii)any failure of supervision, negligence, or willful misconduct of Seller in connection with Seller's performance under this Agreement, all except to the extent caused by the negligence of Interface Air Repair, Inc. Seller's obligations under this paragraph will survive the termination of this Agreement.

3) **Insurance.**-As specified in the Comments Section of Buyer's Blanket Purchase Order, Seller shall maintain appropriate insurance, where applicable to the type of service being performed, of the following categories: Public Liability, General Property Damage, Workmen's Compensation, Automobile Public Liability and Property Damage. Such insurance will be endorsed to name to Interface Air Repair, Inc. as an additional insured to the extent of the contractual obligations assumed by Vendor under this Agreement. Certificates evidencing such insurance will be provided to Interface Air Repair, Inc. will be given at least thirty (30) days advance written notice in the event of cancellation, termination, or material modification of the coverage.

4) **Liens.**-seller shall keep the premises, property or improvements of Buyer free and clear from all liens for work performed and materials furnished hereunder, and shall indemnify Buyer against all costs, expenses, losses or damage resulting from the filing of any and all such liens.

•**COMPLIANCE WITH LAWS.** Seller agrees to comply with all applicable state, federal and local laws, including but not limited to, all applicable requirements of the Federal Government, pertaining to non-discrimination in employment and facilities, including, without limitation, the provisions contained in 41 CFR60-250.4 and 741.1, Paragraphs 1 through 7 of Part II, Nondiscrimination in Employment by Government Contractors and Subcontractors of Executive Order 11246, (as amended by Executive Order 11375), Certification of Non segregated Facilities (41 CFR, Chap.1,Section 1-12, 803.10), and all provisions of 29 CFR part 470 (Executive Order13201). If applicable, this purchase order incorporates by reference the federal contract clause and requirements found at 48 CFR 52.519-8, "Utilization of Small Business Concerns."

•**CERTIFICATION.** Seller's acceptance of this order shall constitute a certification that all articles delivered hereunder were produced in conformance with the Fair Labor Standards Act.

•**GOVERNING LAW.** This order and any dispute arising under or in connection with this order, including any action in tort, shall be governed by the laws of the State of California.