

Supplier Terms and Conditions

Prior to accepting this Purchase Order, Helibasket LLC (“HELIBASKET”) urges the Seller to read and sign the final page of this document as acknowledgement and acceptance of the terms and conditions under which the Purchase Order is issued. The Seller should contact the HELIBASKET point of contact with any questions.

1. Definitions

As used herein, the following terms have the meanings so indicated:

- a) “Items” means goods, products, labor and/or services ordered by HELIBASKET from the Seller pursuant to a Purchase Order for HELIBASKET operations to support the manufacture of components, assemblies, and products
- b) “Purchase Order” means a transmission by HELIBASKET to the Seller, electronically through a computer network or otherwise, by mail of hard copy, or by such other means as may be agreed (each a “transmission”), containing a Purchase Order number, an item, identification or specification description, number of items requested, and/or such other information evidencing an offer to the Seller by HELIBASKET relating to the purchase of goods or services
- c) “Purchase Order Revision” means a transmission revising the information contained in a previously issued Purchase Order
- d) “Goods”, the terms “goods” as used herein means all parts, supplies, products, chemicals, machines, tooling, test equipment, computer software, components, assets and other tangible items or documentary information furnished or required to be furnished by the Seller under this Purchase Order for the production of goods
- e) The term “services” means all technical assistance, consultations, engineering, program management, and other effort furnished or required to be furnished by the Seller under this Purchase Order including labor furnished in connection with the production of goods

2. Services

Seller shall perform all work diligently, carefully and in a good and workmanlike manner.

Seller shall furnish all labor, supervision, machinery, equipment, goods and supplies necessary therefore; shall obtain and maintain all building and other permits and licenses required by public authorities in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors. **Seller is responsible for meeting all manufacturing/regulatory standards or certifications required on the Purchase Order. Seller is responsible for ensuring that all standards and certifications are on file and up to date. The Seller shall be responsible for any re-work and/or return of items that do not meet agreed-upon standards or specifications.**

Seller shall conduct all operations in Seller’s name and as an independent contractor, and not in the name or as an agent of HELIBASKET.

3. Receiving and Inspection

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For the purposes of receiving goods from suppliers, the term "receiving" applies to acknowledging the arrival of goods on HELIBASKET's premises. All items are subject to HELIBASKET's inspection, testing and approval, within a reasonable time frame, prior to their acceptance. HELIBASKET, at its option, may reject or refuse acceptance of items which do not meet the requirements of the Purchase Order or any applicable warranty within five (5) business days of receipt of the order, and may request from the seller an extended inspection period if required to fully inspect and conform the order in its entirety.

Items rejected or not accepted by HELIBASKET will be returned to the Seller at the Seller's expense, and the Seller agrees to refund to HELIBASKET any payments (including but not limited to shipment expense) made by HELIBASKET for such Items; payment by HELIBASKET for any Items shall not be deemed an acceptance thereof. Acceptance of any Item shall not relieve the Seller from any of its obligations, representations or warranties hereunder or pursuant hereto.

4. Acceptance

The Seller's acceptance is expressly limited to the written terms of this Purchase Order. No additional or different terms shall be binding.

HELIBASKET hereby objects to any additional or different terms contained in the Seller's acceptance. Any of the following acts by the Seller shall constitute acceptance and confirmation:

- a) Signing and returning a copy of this Purchase Order
- b) Written confirmation from the Seller
- c) Commencing performance of any effort required to complete this Purchase Order
- d) Informing HELIBASKET of the initiation of any effort required to complete this Purchase Order
- e) Shipping of any Goods in performance of this Purchase Order

5. Modification

No amendments or modifications of any of the terms and conditions of this Purchase Order shall be valid unless reduced to writing and agreed upon by both parties; this includes Standard Deviation Requests.

The terms and conditions of this Purchase Order shall not be amended or modified by the course of performance or course of dealing between the parties.

6. Quality and Warranty

The Seller warrants that all goods and services shall

- a) Conform strictly to the design criteria, specifications (including general specification and quality requirements), descriptions, drawings, samples, and other requirements referred to in this Purchase Order or provided by the Seller
 - i. be free from defects in design, material, and workmanship, and
 - ii. be free of all liens, encumbrances, and other claims against title
 - iii. Comply with any Supplier Deviation Requests
- b) All warranties specified in section "a)" of this clause shall
 - i. survive any inspection, delivery, acceptance, or payment by HELIBASKET, and

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- ii. be in effect for the longer of the Seller's normal warranty period or the Purchase Order's specified warranty period following the date of acceptance of the goods or services by HELIBASKET

7. Non-Complying Products

HELIBASKET shall have the right (but not the obligation) to review work progress and test all supplies, special tooling, goods and workmanship to the extent practicable at all times and places during the period of manufacture, including sub-tier suppliers.

In case any goods delivered, or services rendered hereunder are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, HELIBASKET shall have the right notwithstanding payment or any prior inspection or test or custom or usage of trade, either to reject it or to require its correction by and/or at the expense of the Seller promptly after notice.

8. Product Changes

The Seller shall notify HELIBASKET in writing prior to any change being made by the Seller in the material, processes or services furnished including those provided by sub-tier suppliers.

Such notification shall be forwarded to HELIBASKET at least thirty (30) days prior to the proposed effective date of such change except for those cases where an unsatisfactory condition requires immediate action, in which case the Seller shall promptly reply within 48 hours, in writing to advise HELIBASKET.

If such change, in HELIBASKET's opinion, would alter the characteristics of the material or services in a manner unacceptable to HELIBASKET, then HELIBASKET may cancel the purchase of such material or service affected by such change without cost or liability to HELIBASKET whatsoever.

9. Quantity

No substitution of materials, components or products may be made without written permission from HELIBASKET. Unless otherwise agreed to, no deviation from the quantities specified will be accepted.

10. Subcontracts and Assignment

- a) The Seller shall not subcontract with any other party without HELIBASKET prior written authorization for the whole or any major component of any item or service ordered hereunder, and the Seller shall require a like agreement from its subcontractors.
- b) This Purchase Order and the money due there from may not be assigned without the prior written consent of HELIBASKET
- c) Any attempt to assign without HELIBASKET consent is void

11. Pricing and Taxes

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Seller represents that the prices charged for the Goods and Services purchased hereunder by HELIBASKET are and will, at all times, be the lowest prices charged by Seller to any buyer purchasing similar quantities under similar circumstances.

In the event of any decrease in Seller's price for any Good or Service purchased pursuant to this Purchase Order in a quantity similar to that reflected hereon, or any other payment due hereunder, Seller shall provide a corresponding credit or rebate to HELIBASKET within thirty (30) days or on the next invoice, whichever occurs sooner.

The parties agree that the currency for any payments due hereunder shall be in U. S. Dollars. For any price termed "not to exceed", Seller warrants that the price charged to HELIBASKET is based on actual costs incurred by Seller for its performance with respect to the Good or Service in question.

Seller's prices for Goods and Services are inclusive of (i) all applicable local, state and federal taxes, and (ii) any other costs (including without limitation, set-up, testing and tooling costs and nonrecurring engineering expenses) incurred by Seller in connection with the development or manufacture of products for sale to and delivery to destination. If state or local sales or use tax, value-added tax or custom duty tax is applicable to any of the Goods and Services, it will be so noted on the Purchase Order, and the Seller shall bill the tax separately on its invoice.

12. Shipping

Unless the Purchase Order specifies a different point, all deliveries shall be F.O.B destination. Title and risk of loss of all goods shall pass to HELIBASKET upon final acceptance.

13. Payments

The seller shall issue a separate invoice for each Purchase Order and for each delivery under a Purchase Order.

Invoices for material deposits for this Purchase Order shall not exceed thirty percent (30%) of the cost of goods associated with specific line items of this Purchase Order. Material Deposits exceeding \$10,000 shall require paid invoices from approved sub-tier suppliers, or otherwise submit material invoices to HELIBASKET.

Seller shall submit an invoice within thirty (30) days of making a delivery. HELIBASKET will pay the Seller in accordance with the terms specified in the Purchase Order.

Invoices shall include, but not be limited to: (i) purchase order number, (ii) discount terms, if any, (iii) item number, (iv) description of supplies or services, including serial and/or lot number(v) quantities, (vi) unit prices, and (vii) extended totals.

Unless otherwise agreed in writing, the Seller shall be paid using terms set forth in the purchase order.

15. Drawings and Technical Data

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Unless otherwise agreed to in writing, any drawings, plans, specifications, tools and other goods supplied and owned by HELIBASKET in connection with the production of the goods being purchased shall remain the property of HELIBASKET and shall be returned upon demand or completion of this Purchase Order.

The Seller shall keep such property safe and in good condition and shall not use it except in connection with sales to HELIBASKET.

Additional requirements for safeguarding covered information specified by DFAR 252.204-7012 that may be necessary shall be detailed in the Purchase Order.

16. Disclosure

As outlined in HELIBASKET's Proprietary Information Agreement (PIA), the Seller, on behalf of itself and its employees, agrees that any ideas, know-how, concepts, information, or processes received from, and owned by, HELIBASKET, or created by the Seller in connection with the performance of this Purchase Order, and paid for with HELIBASKET funds, shall be the property of HELIBASKET and shall be preserved in strictest confidence by the Seller. HELIBASKET information shall not be used or disclosed by the Seller to third persons without prior approval from HELIBASKET.

Any discrepancies between the terms outlined within this clause and the PIA shall default to the PIA.

17. Stop-Work Order

HELIBASKET may, at any time, by written order to the Seller, require the Seller to stop all, or any part, of the work called for by this Purchase Order. The Seller shall immediately comply with the terms and conditions of the Stop-Work Order and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of thirty (30) days, HELIBASKET shall either:

- a) cancel the stop-work order; or
- b) terminate the work covered by the order as provided in the default, or the termination for convenience clause

If a stop-work order is issued by HELIBASKET for the convenience of HELIBASKET, then HELIBASKET shall allow reasonable cost resulting from the stop-work order in arriving at the termination settlement.

If a stop-work order is issued by HELIBASKET for default, HELIBASKET may allow reasonable costs resulting from the stop-work order.

18. Remedies

If, in HELIBASKET's judgment, the goods or services supplied by the Seller are defective or nonconforming, or the Seller fails to comply in any material respect with any of the terms and conditions or warranties of this Purchase Order, and it is agreed upon by both parties that the damages or loss are not incidental or consequential, then HELIBASKET may, at its option:

- a) Terminate this Purchase Order or any part hereof;

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- b) Reject goods or services in whole or in part;
- c) Return goods to the Seller and charge the Seller with all costs, expenses and damages associated with such return;
- d) Purchase substitute goods or services elsewhere and charge the Seller for any loss, costs and damages incurred; or
- e) Require the Seller promptly to replace, repair or otherwise correct without expense to HELIBASKET any nonconforming goods or services

Any such replacements, repairs or corrections shall be subject to the warranties stated herein. Any other rights and remedies stated herein shall be in addition to any rights and remedies provided by law or equity, and shall survive inspection, test acceptance and payment.

19. Disputes

Any claim, controversy, or dispute that may arise under or in connection with this Purchase Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Chief Executive Officer.

Any dispute that cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within ninety (90) days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon, in writing, may be settled by appropriate legal proceedings including, without limitation, arbitration or litigation. The Seller shall proceed diligently with performance pending resolution of any such dispute by settlement or final judgment.

No report to credit agencies shall be made by Seller until dispute is resolved by settlement or final judgment. By accepting this Purchase Order, the Seller consents to this condition in its entirety. Except as may be expressly set forth in this Standard Terms and Conditions Document with the Government Contracting Officer's express consent, the vendor/subcontractor shall not acquire any direct claim or direct course of action against the U.S. Government.

20. Termination for Convenience

- a) HELIBASKET may terminate this Purchase Order in whole or in part, by providing notice of such termination to the Seller, specifying the extent and effective date of such termination. On the specified termination date, the Seller shall:
 - i. Stop performing its obligations under this Purchase Order, or any specified part thereof, as appropriate
 - ii. Promptly take all commercially reasonable actions to limit amounts for which HELIBASKET is responsible under paragraph "b)" of this clause
 - iii. Promptly deliver to HELIBASKET all completed or partially completed goods to which the termination applies
- b) In the event of any termination pursuant to this clause, HELIBASKET's total liability shall be payment to the Seller for:

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- a) the purchase price of completed goods and services and a pro rata portion, based upon the degree of completion for partially completed goods or services if such completed or partially completed goods or services have been delivered to HELIBASKET and the Seller has not previously been compensated therefore
 - b) the Seller's direct costs and associated indirect costs for labor and products, plus a reasonable profit for work performed specifically for HELIBASKET and not allocable to completed or partially completed goods or services to be delivered to HELIBASKET pursuant to paragraph "a)" of this clause
 - c) Amounts determined by HELIBASKET to be reasonably paid by the Seller for any termination pursuant to this clause shall not exceed the purchase price of the goods and services to which such termination applies
- c) The Seller shall have no claim against HELIBASKET for work not performed, goods or services not delivered, loss of anticipated profits or consequential damages suffered by reason of any such termination. The Seller shall submit detailed claims for compensation under this clause within thirty (30) days after the effective date of termination. The Seller hereby waives, releases, and renounces any claim for compensation not made within this period.

21. Termination for Default

HELIBASKET may cancel this Purchase Order, in whole or in part, to the extent the Seller fails to perform any of its material obligations under this order.

In the event and to the extent of any cancellation under this clause, all obligations of HELIBASKET and all rights and licenses of the Seller under the Purchase Order shall thereupon be canceled, and all rights and licenses of HELIBASKET and all accrued obligations of the Seller under the Purchase Order shall survive, but only with respect to the goods and services covered by the cancellation notice. The Seller shall continue to perform those obligations under this Purchase Order to the extent not canceled.

HELIBASKET may return, and the Seller shall have no claim against HELIBASKET for, Goods or Services not accepted and/or rejected by HELIBASKET. The Seller shall submit detailed claims for compensation under this clause within thirty (30) days after the effective date of Termination for Default. The Seller hereby waives, releases and renounces any claim for compensation not made within this period.

If, after issuance of a default notice under this clause, it is determined for any reason that the Seller was not in default, or that the default was excusable under the provisions of this Purchase Order, then there will be no cancellation and the Purchase Order will be terminated for convenience in accordance with the provisions of the clause entitled "Termination for Convenience", as of the date the cancellation would have taken effect under this clause,

22. Force Majeure

Time is the essence of this Purchase Order. Neither party shall be liable for delays due to causes not reasonably foreseeable which are beyond reasonable control, such as act of God, acts of civil or military authorities, act of terrorism, fires, strikes, floods, epidemics, war, or riots.

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In the event of any such delay caused by such event of force majeure, the date of performance shall be extended for a period of time equal to the time actually lost by reason of such delay, without cost to either party.

Whenever the Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, the Seller shall immediately give HELIBASKET written notice thereof.

23. Indemnity

The Seller shall defend, indemnify, and hold harmless HELIBASKET, its subsidiaries, and their respective directors, officers, employees and agents (hereinafter referred to as "Indemnities") from and against all actions, causes of action, liabilities claims, suits, judgments, liens, award, and damages, of any kind and nature whatsoever for property damage, personal injury, or death and expenses, costs of litigation and counsel fees related thereto, or incidental to establishing the right to indemnification, arising out of or in any way related to this Purchase Order and/or the performance thereof by the Seller.

24. Infringement

The Seller shall at its own expense, hold harmless and defend HELIBASKET against any claim, suit, or proceeding brought against HELIBASKET which is based upon a claim, whether rightful or otherwise, that the goods or services, or any part thereof, furnished hereunder constitute an infringement of any patent, copyright, or trademark.

The Seller shall pay all damages, costs, and expenses arising from such claims. In case the goods or services furnished hereunder, or any part thereof, are held to constitute infringement and the use of said goods or services or part is enjoined, the Seller shall, at its own expense, either procure for HELIBASKET the right to continue using said goods or services or replace the same with non-infringing goods or services.

This clause shall not apply to any goods or services, or part thereof manufactured or furnished to HELIBASKET design.

25. Insurance

The Seller shall, and shall require its subcontractors to, keep all materials, tools, equipment, and documentation in which HELIBASKET has any interest insured against risk of loss or damage for their value at the Seller's own expense during such time as they remain in the Seller's possession.

The Seller shall also provide and maintain insurance in the following amounts:

- a) Workmen's compensation insurance: statutory limits
- b) General liability insurance: bodily injury liability insurance coverage written on the comprehensive form of policy of at least \$1,000,000 per occurrence

26. Severability

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If any court or administrative body of competent jurisdiction shall find any provision of this Purchase Order to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect.

27. Conflicts

To the extent of conflicts, if any, among the provisions hereof or any attachments hereto, such conflicting provisions shall prevail in the following order of precedence:

- a) Typed provisions on the face of the Purchase Order;
- b) Purchase Order attachments;
- c) Printed terms and conditions;
- d) Specifications.

Note: If the purchase order/subcontract is issued pursuant to a government prime contract, FAR and DFARS clauses supersede all other provisions.

28. Publicity

No news release, including photographs and films, advertisement, public announcement, web site application or any part of the subject matter of this Purchase Order shall be made public by the Seller without prior written approval of HELIBASKET.

Seller Acknowledgement**Signature:** _____**Name:** _____**Title:** _____**Date:** _____