



STANDARD TERMS & CONDITIONS FOR PURCHASE ORDERS



As used herein, "Buyer" means Erickson Incorporated and all its affiliated companies, including but not limited to Erickson Helicopters, Inc., acting through its authorized representatives and "Seller" means the party identified on the face of the purchase order.

1. CONTRACT FORMATION AND APPLICABILITY

This Order becomes a binding contract when accepted by Seller as evidenced by (1) giving Buyer formal Order Acknowledgment or (2) any performance in furtherance of filling this Order. These terms apply to any repaired or replacement goods provided by Seller hereunder. Buyer is not obligated to any minimum purchase or future purchase obligations under this Order.

This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with this Order. This Order is Buyer's offer to purchase and notification of objection in advance to additional terms proposed in Seller's acceptance.

2. PRICE

Buyer shall not be billed at prices higher than those stated on this Order. Unless otherwise specified, the price includes all charges for packing, hauling, storage and transportation to point of delivery. Seller agrees that any price reduction made with respect to the items covered by this Order subsequent to its placement but prior to payment will be applicable to this Order.

Seller represents and warrants that the price for the goods is the lowest price charged by Seller to any of its external buyers for similar volumes of similar goods. If Seller charges any other buyer a lower price, Seller must apply that price to all goods under this Order. If Seller fails to meet the lower price, Buyer, at its option, may terminate this Order without liability.

3. SOURCE INSPECTION

Buyer may, subject to reasonable notification to Seller, conduct inspection at Seller's facilities. Seller shall, without charge, provide facilities for Buyer's personnel and provide all requested data necessary for Buyer's adequate inspection.

4. BUYER-OWNED OR FURNISHED MATERIALS

If Buyer is charged the cost of dies, jigs, tools, forgings and patterns used in the performance of this Order, they shall become the property of Buyer the same as if furnished by Buyer. In both events, Seller assumes all liability for risk of loss to Buyer-owned or Buyer-furnished equipment while in Seller's possession.



5. PATENT INFRINGEMENT - INDEMNIFICATION

Unless performing to design specifications provided by Buyer, Seller warrants that supplies furnished in the performance of this Order will not infringe any letters Patent, and will indemnify, defend, and hold Buyer and any Indemnitees (defined below) entirely harmless from all damages and expenses arising from a claim of Patent infringement. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

6. INDEMNIFICATION AND ADEQUATE INSURANCE

Seller shall defend, indemnify and hold harmless Buyer and its subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Buyer's customers (collectively, "**Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with the products purchased from Seller or Seller's negligence, willful misconduct or breach of these terms. Seller shall not enter into any settlement without Buyer's or Indemnitee's prior written consent.

Seller will maintain, at its own expense, public liability and product liability insurance in adequate amounts fully to indemnify Buyer and shall, upon Buyer's request, provide certificate of insurance evidencing Seller's insurance. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Buyer's insurers and Buyer or the Indemnitees.

7. RECORDS

Seller agrees to maintain and make available to Buyer after final payment for a period of 10 years all records pertaining to inspection certifications of processes and materials; design, test and qualification data, as well as purchase order records pertaining to this Order.

8. CHANGES

Buyer may at any time make changes to: (i) drawings and specifications; (ii) methods of packaging or shipment; (iii) quantities; and (iv) delivery schedules and place of delivery subject to an equitable adjustment in the price of the Order based on Seller's claim within thirty (30) days of change notification substantiated by records made available to Buyer.

9. PACKING AND SHIPPING

Delivered Duty Paid (named place of destination) as defined by INCOTERMS 2010 unless otherwise specified on the specific purchase order. Seller shall pack and ship parts to prevent any corrosion, deterioration or damage to: (i) the parts; and (ii) any other products in the shipment. Unless Buyer provides specific packing or shipping instructions, supplies furnished will be packed and shipped in accordance with sound commercial practices, and all such charges are included in Seller's price. Returnable containers may be used only with Buyer's approval.



10. TITLE AND RISK OF LOSS

Title passes to Buyer upon delivery of the goods to Buyer's specified delivery location. Seller bears all risk of loss or damage to goods until delivery to Buyer's specified delivery location.

11. DELIVERY SCHEDULES

Timely delivery of the goods is of the essence. Should Seller fail to perform to the established delivery schedule, Buyer may, at its option, (i) accept late deliveries or (ii) terminate this Order due to Seller's breach, and in either instance, Seller will be liable for any damages incurred by Buyer.

Supplies and/or parts delivered more than five (5) days in advance of the scheduled delivery date without the approval of Buyer may be returned to Seller at Seller's expense for re-shipment in accordance with the delivery schedule.

12. INSPECTION AND ACCEPTANCE

Final inspection and acceptance will take place at Buyer's facility. In the event delivered supplies do not conform to the requirements of this Order, Buyer may, without waiving any remedies provided by law:

- 1) Return nonconforming goods to Seller at Seller's expense for replacement or correction as Buyer may elect;
- 2) Accept nonconforming goods subject to a reduction in the purchase price;
- 3) Replace or correct the nonconforming goods at Seller's expense;
- 4) Require Seller to correct nonconforming goods at Seller's expense and terminate the Order for Seller's breach of failure to do so within a reasonable time; or
- 5) Terminate the Order for Seller's breach.

13. WARRANTY

Seller warrants that supplies or services furnished under this Order will be:

- 1) Merchantable;
- 2) Fit and sufficient for the purpose intended;
- 3) Conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer;
- 4) Free of design defects (if designed by Seller or its vendors); and
- 5) Free of defects in material and workmanship for a period of two (2) years after acceptance by Buyer or five hundred (500) flight hours after aircraft installation, whichever first occurs.

These warranties survive any delivery, inspection, acceptance or payment of or for the goods by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the goods with the foregoing warranties.

14. CONFIDENTIALITY

Seller shall keep confidential the features of any equipment, tools, gauges, and patterns furnished by Buyer and will use such items only in the production of goods and/or performances of services covered by this Order or other orders from Buyer. Seller agrees



that any Buyer-owned data designs or other information supplied by or on behalf of Buyer shall not be disclosed in whole or in part, to third parties without express written permission from Buyer. Seller further agrees that such Buyer-owned or furnished data and information shall only be used in the performance of this or any other contract with Buyer. Seller shall not use Buyer-owned data, designs, or information supplied by or on behalf of Buyer for manufacture of Buyer's products, or cause others to do so, without express written authorization from Buyer.

15. PATENT RIGHTS

Where payment is made for experimental, developmental, or research work performed under this Order, Seller agrees promptly to disclose to Buyer and, on request, to assign to Buyer without additional compensation, full and complete title to each improvement and invention conceived or reduced to practice hereunder, free and clear of any encumbrances or restriction, and for this purpose Seller will procure the execution of all documents necessary to vest full title to such improvements and inventions, Seller will procure the execution of all oaths, declarations, and other documents necessary or required to file such patent applications and vest full title therein in Buyer.

16. SELLER'S DRAWINGS

One reproducible copy of the engineering drawing and every revision thereof for each item of Seller's design ordered hereunder shall be furnished upon receipt of this Order or Drawing Release by Seller to Buyer to be utilized for receiving inspection and creation of such control drawings as may be required by Buyer's contract with his customer.

17. STOP WORK ORDER

Buyer may require Seller to stop all or part of the work called for by the Order and Seller will immediately comply and take necessary steps to minimize its costs incurred in the performance of the Order. Within ninety (90) days after the Stop Work Order is issued, Buyer shall either: (i) cancel the Stop Work Order and Seller will resume performance, or (ii) terminate the Order in accordance with these terms and conditions.

If the Stop Work Order is canceled or expires, Buyer shall equitably adjust the price and delivery schedule, as appropriate, to compensate Seller for increased costs incurred provided a claim is submitted within thirty (30) days substantiated by records made available to the Buyer.

18. TERMINATION FOR CONVENIENCE

Buyer may terminate this Order in whole or in part for any reason or no reason with notice to Seller. Upon receipt of notice, Seller shall discontinue efforts and, to the greatest extent possible, incur no further costs in connection with the Order as terminated.

Seller will be entitled to the contract price for completed supplies, which conform to the Order requirements, profit on work-in-process and all reasonable costs solely and directly attributed to the termination of the Order.



Seller's claim must be submitted within sixty (60) days and substantiated by records made available to Buyer. In no event will Seller's recovery exceed the value of the Order.

19. IMPORT

Should supplies furnished under the Order be manufactured outside the United States, Buyer shall be so notified. Seller is solely responsible for compliance with all import regulations and attendant administration and expense. Buyer shall not be considered the importer of record for any purpose.

20. CHOICE OF LAW

This Order shall be construed, interpreted, and enforced in accordance with the laws of the State of Oregon.

21. RIGHT OF ENTRY

Buyer, its customers and all applicable regulatory authorities, have the right of entry to Seller's facility when necessary, to determine and verify the quality of contracted work, records, and material.

22. NEW/COUNTERFEIT MATERIAL

The term *Material*, as used in this clause, includes but is not limited to raw material, parts, components, assemblies and end items. The term *New*, as used in this clause, means Original Equipment Manufacturer (OEM) or Original Component Manufacturer (OCM) Material previously unused or composed exclusively of previously unused Material. The term *Counterfeit Material* means Material salvaged, produced or altered to resemble a product without authority or right to do so, with the intent to mislead or defraud by presenting the imitation as New Material. Supplier shall deliver New Material under this Order. Supplier shall not deliver Counterfeit Material to Buyer. Supplier represents and warrants that all electronic parts delivered under this Order are obtained from OEMs, OCMs, or their authorized dealers. If electronic parts cannot be obtained from OEMs, OCMs, or their authorized dealers, Supplier shall obtain Buyer's written approval before making such procurements. Supplier shall employ inspection, testing and authentication processes reasonably designed to detect and avoid Counterfeit Material and shall provide written description of Supplier's detection and avoidance processes and a certification of Supplier's use of such processes to Buyer upon request. Supplier shall notify Buyer in writing within ten (10) days of discovery when Material is found or suspected to be Counterfeit Material. Upon request, Supplier shall provide OEM/OCM documentation that enables traceability of the affected Material to the applicable OEM/OCM. Should any Material delivered under this Order be found to constitute or include Counterfeit Material, Supplier shall, at its expense, promptly replace such Counterfeit Material with genuine parts conforming to the requirements of this Order. Notwithstanding any other provision in this Order, Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Material, including, without limitation, Buyer's costs of removing Counterfeit Material, of installing replacement New Material and of any testing/corrective action necessitated by the replacement of Counterfeit Material with New Material.