

PURCHASE ORDER TERMS AND CONDITIONS

These terms and conditions ("Terms and Conditions") shall be applicable to all Purchase Orders received by you ("Seller") from Alaska Airlines, Inc. or Horizon Air Industries, Inc. as identified in the Purchase Order ("Buyer").

These Terms and Conditions shall apply to any Purchase Order whether such Purchase Order is delivered by mail or by electronic means.

GOODS AND SERVICES

The Seller agrees to perform work ("services") and/or provide goods or service deliverables (collectively referred to as "goods"), described in any Purchase Order, in accordance with the applicable Purchase Order, the Scope of Work, any Specifications provided and these Terms and Conditions (collectively referred to as the "Agreement")

OFFER AND ACCEPTANCE

The Purchase Order does not constitute a firm offer and may be revoked at any time prior to acceptance.

Seller's shipment of goods or commencement of services in response to Buyer's Purchase Order shall constitute Seller's acceptance of the Agreement.

Use of pre-printed invoices and forms by the Seller is for the convenience of the Seller only.

Seller's acceptance of the Agreement is expressly limited to the terms of the Agreement.

Any additional or different terms or conditions contained in any acknowledgment, invoice or other form of the Seller are not part of the Agreement nor are they proposals or counteroffers to modify the Agreement. To the extent any additional or different terms or conditions purport to be proposals or counteroffers, they are hereby expressly rejected.

TERMINATION FOR CONVENIENCE OR CAUSE

Buyer may terminate a Purchase Order or any part thereof for its sole convenience. Upon notice of such termination, Seller shall immediately stop all work and/or shipment of goods and cause its suppliers and/or subcontractors to cease their work against the Purchase Order.

Seller shall be paid a reasonable termination charge consisting of a pro rata percentage of the Purchase Order price reflecting the percentage of the work performed prior to notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for work performed or costs incurred after receipt of notice of termination, nor for costs incurred by Seller's suppliers that Seller reasonably could have avoided.

Buyer may terminate a Purchase Order or any part thereof for cause if Seller:

- (a) Defaults or fails to comply with any portion of the Agreement (including late delivery of goods or performance of services).
- (b) Becomes insolvent or files for bankruptcy protection.

In the event Buyer terminates for cause, Buyer will not be liable to Seller for any amounts; but Seller shall be liable to Buyer for all incidental damages and expenses, including costs of cover, resulting from the default that caused the termination

If a determination is made that Buyer improperly terminated for cause, then such termination shall be deemed to have been for Buyer's convenience.

Seller may terminate the Agreement upon written notice to Buyer if Buyer fails to pay Seller within thirty days after Seller notifies Buyer in writing that an undisputed payment is past due

PRICE

Buyer's order shall be filled at the price specified on the Purchase Order, or at any lower price agreed between the parties. The price on the Purchase Order shall include cost, insurance and freight (CIF) to FOB location unless specifically noted in writing on the Purchase Order.

When the Purchase Order specifically notes that the price is based on or is to be adjusted according to "net landed weights," "delivered weights," or "out turn" quantity or quality, the Purchase Order will reflect only a reasonable estimate of the price. The actual price paid will be equitably adjusted based upon goods actually received by Buyer.

All prices shall include packaging, labeling, boxing and crating as required under these Terms and Conditions.

Price is exclusive of sales, excise, use or value added taxes, if applicable.

PAYMENTS

As full consideration for the performance of the services, delivery of goods and/or the assignment of rights or other transfers as provided herein, the Buyer shall pay Seller the amount specified in the Purchase Order.

All payments shall be by Buyer's corporate check or electronic transfer, at the Buyer's option.

Applicable taxes and other charges such as duties, customs, tariffs and government-imposed surcharges shall be stated separately on Seller's invoice, as applicable

Seller shall invoice Buyer only for goods actually delivered and/or services actually performed.

Each invoice submitted by Seller must be provided to Buyer within ninety days of completion of the services or delivery of goods and must reference the applicable Purchase Order

Buyer reserves the right to return all incorrect invoices

All undisputed payments shall be made thirty days after receipt of correct invoice.

Disputed amounts will be resolved by good faith negotiations between the parties or under the "Disputes" provisions of these Terms and Conditions.

Payment is considered made when Buyer's check is mailed or electronic transfer is initiated

Buyer will be entitled to a 2% discount of the invoiced amount for all invoices that are submitted more than ninety days after completion of the services or delivery of goods.

If all undisputed payments are not received when due, interest will accrue at a rate equal to the Prime Rate, as published in the Wall Street Journal on the last day of the last full month before payment came due, plus 1% per annum

Notices should be sent in accordance with the Notice provisions of the Agreement.

CHANGES

Seller shall procure materials, fabricate and/or ship products or perform services only in accordance with the Agreement.

Buyer may from time to time, change shipping instructions and schedules or direct temporary suspension of scheduled shipments or work. Additionally, Buyer may change specifications, drawings, insurance requirements or quantities of the products or services. If a change causes an increase or decrease in cost and/or time required for performance, an equitable adjustment shall be made and the Agreement modified accordingly.

DELIVERY

Time is of the essence.

In the event of Seller's failure to deliver or perform as and when promised, Buyer may:

- (a) Return all or part of any shipment made and charge Seller for any loss or expense as though the Agreement had been terminated for cause.
- (b) Consider the Agreement breached and terminate for cause.

Unless otherwise specified in the Purchase Order, transportation of goods will be free on board (FOB) to the Buyer's facility as identified in the Purchase Order.

Buyer reserves the right to return, shipping charges collect, all goods received in advance of the delivery schedule. If no delivery schedule is specified, the order shall be filled promptly and delivered expeditiously. If no method of shipment is specified in the Purchase Order and the Purchase Order places the cost of shipping on the Buyer, the Seller shall use the least expensive carrier.

Each delivered container must be labeled and marked to identify the contents without opening. All boxes and packages must contain packing sheets listing the contents. Buyer's Purchase Order number must appear on all packing sheets, delivery tickets and bills of lading.

Seller shall ensure that all deliveries to Buyer are packaged and labeled in accordance with Airline Transport Association guidelines (e.g. Spec 300), if applicable; Department of Transportation regulations; good commercial practices and Alaska's written instructions, if any.

INSPECTION, ACCEPTANCE AND RISK OF LOSS

All goods and services shall be received subject to Buyer's inspection, approval, count and/or testing ("Inspection"). Buyer shall have a reasonable time after receipt of goods or services to conduct an inspection. Buyer may reject any or all goods or services that are, in Buyer's sole judgment, nonconforming.

Buyer shall pay all costs of inspection but may recover such costs from the Seller if the goods or services do not conform and are rejected.

Actual delivery, inspection and acknowledgement of conformance shall constitute acceptance by Buyer.

Acceptance by Buyer of any part of the goods or services covered by a Purchase Order shall be without prejudice to Buyer's right to reject any other goods or services if, in Buyer's sole judgment, such goods or services are nonconforming.

Payment for goods or services provided under the Agreement shall not constitute Buyer's acceptance of the goods or services.

Failure by Buyer to inspect or test the goods or services shall not affect Seller's obligations including warranties.

If Buyer rejects any goods or services, Buyer may, in its sole discretion and without prejudice to *any* rights or remedies:

- (a) Return such rejected goods to Seller at Seller's risk and expense (including all freight charges) for replacement or repair
- (b) Return all or any part of the goods delivered for full credit of the purchase price
- (c) Retain the rejected goods and repair such goods at Seller's expense, or
- (d) Consider the Agreement breached and terminate for cause

Seller assumes risk of loss until Buyer's acceptance

REPRESENTATIONS AND WARRANTIES

Services. Seller represents and warrants that all Services shall be completed in a professional, workmanlike manner, with the degree of skill and care that is required by current, good and sound professional procedures.

Seller hereby warrants and represents that, prior to accepting a Purchase Order for completion of work on Buyers' work site, it has inspected the work site and is familiar with all working conditions which exist there, including subsurface conditions, and that it has made due allowance for such conditions in all aspects of the Agreement, specifically including its price calculation and estimate of time for completion.

Goods. Seller warrants that all goods provided will be new and will not be used or refurbished unless explicitly authorized on the Purchase Order. Seller warrants its title to the goods, its right to transfer such goods and that such goods are free of any security interest, lien or encumbrance.

Seller hereby agrees that it will make spare parts available to Buyer for a period of four (4) years from the date of shipment.

Seller warrants that unless more stringent specifications are provided by Buyer in the Purchase Order, Scope of Work or Specifications, all goods will comply with American standards (including but not limited to, ANSI, ASME, ASTM, and NEMA).

Upon request by Buyer, when goods are manufactured or produced outside the United States or its territories, Seller shall furnish documents stating the foreign manufacturers' or producers' names and addresses and containing written assurances of compliance with American standards

Seller warrants that when any Purchase Order, Scope of Work or Specification identifies a required good as having a part number corresponding to an aircraft manufacturer's Illustrated Parts Catalog (IPC) or Buyer's supplement to the IPC, that such replacement part or good will also correspond to the IPC as supplemented and approved by the Buyer.

Goods and Services. The ordered goods and services are intended for use in the airline industry and any defect may occasion special damage to Buyer. Seller expressly warrants that all goods and services

shall conform to Agreement (including any samples, drawings, models, specifications other descriptions provided to Seller) and to any representations or promises made by Seller; shall be fit and sufficient for the purpose intended; shall be merchantable, of good material and workmanship and free from defects; and Seller warrants that goods and services of Seller's design will be free from defect in design. This warranty shall run to Buyer, its successors, affiliates, assigns, customers and users of the products or services.

Seller warrants and represents that that all goods and services provided, and their sale, performance, use or disposal (alone or in combination with other goods) will not infringe upon any U S or foreign patent, copyright or trademark or otherwise infringe upon any right of any third party

Seller agrees to replace or correct defects in any products or services not conforming to the foregoing warranties promptly and without expense to Buyer.

In the event of failure by Seller to correct defects in or replace nonconforming goods or services promptly, Buyer may make such corrections or replace such goods or services and charge Seller for the costs incurred by Buyer.

No implied or express warranties shall be deemed disclaimed or excluded unless specifically evidenced in a Purchase Order or specifically evidenced in a writing executed by an authorized purchasing agent of Buyer.

Representations and warranties provided by the Seller in any form shall be continuing representations and warranties.

INDEMNIFICATIONS

Except as otherwise limited in this agreement, Seller agrees to indemnify, hold harmless and (at Buyer's option) defend Buyer, its officers, directors, customers, agents, affiliates and employees, against all suits, claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the goods or services provided under the Agreement, including, without limitation any claim based upon:

- (a) Breach of any warranty;
- (b) The death or bodily injury to any person;
- (c) The destruction or damage to property;
- (d) The contamination of the environment and any associated clean up costs;
- (e) Seller's failure to satisfy the Internal Revenue Service's guidelines for an independent contractor;
- (f) The negligence, omissions or willful misconduct of Seller, its agents or contractors.

Seller further agrees to indemnify, hold harmless and (at Buyer's option) defend Buyer, its officers, directors, customers, agents, affiliates and employees, against all suits, claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or resulting from any actual or alleged infringement of patent, copyright, trademark or other intellectual property right of any third party; provided, however, that this indemnity shall not apply to any such claims, losses, expenses or damages arising out of compliance by Seller with specifications furnished by Buyer

Seller shall not settle any such suit or claim without Buyer's prior written approval.

Seller agrees to pay or reimburse all costs that may be incurred by Buyer in enforcing this indemnity, including attorneys' fees.

INSURANCE

Seller shall at all times maintain insurance of such nature and in such amounts as would be maintained by a prudent and profitable business person operating in Seller's industry which in no event shall be less comprehensive than is customary in the industry

Notwithstanding the above, unless excused by Buyer in writing, Seller shall, at a minimum, maintain at its sole cost (and Seller shall require that all affiliates and subcontractors that provide services under the Agreement shall maintain at their sole cost):

- (a) Workers' compensation insurance as required under the applicable state law;
- (b) Employer's liability insurance with limits of \$1,000,000;
- (c) Commercial comprehensive general liability insurance with limits of \$5,000,000 each occurrence and in the aggregate as applicable; and
- (d) If providing professional services, professional liability/errors and omissions liability coverage with limits of not less than \$1,000,000 per occurrence/\$3,000,000 in the annual aggregate.
- (e) Business auto insurance covering the ownership, maintenance or use of any owned, non-owned or hired automobile with a limit of not less than \$1,000,000 combined single limit per accident for bodily injury and property damage liability
- (f) Any additional insurance identified by the Buyer in the Purchase Order, supplement to the Purchase order or as part of a Change.

Upon Buyer's request, Seller shall provide to Buyer a certificate of insurance from its insurance provider. If requested by Buyer, such certificates (except for worker's compensation insurance and professional liability insurance) shall:

- (a) Name Buyer, its subsidiaries, affiliates, directors, officers, and employees as additional insureds with respect to liability, or any claims of liability, arising out of the work performed

by Seller that affords the additional insureds the same coverage as if the additional insureds were the named insured.

- (b) Provide on its face that the policies it represents will not be terminated, amended, or allowed to expire without thirty (30) days prior written notice to Buyer; and,
- (c) Provide on its face that the policies it represents contain severability of interest clauses, generally providing that, "the insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability "
- (d) Provide on its face that all insurance required hereunder shall be deemed primary insurance and shall not be deemed excess to any insurance now in effect or in the future which covers Buyer, its facilities, its agents, or employees.

All insurance required by this section must be written on either an "occurrence" or "claims made with prepaid tail" basis

ELECTRONIC TRANSACTIONS

If Buyer and Seller have mutually agreed to the use of an Electronic Data Interchange ("EDI") system to facilitate purchase and sale transactions, Seller agrees:

- (a) That it shall not contest:
 - i Any contract of sale resulting from an EDI transaction under the provisions of any law relating to whether agreements must be in writing or signed by the party to be bound;
 - ii. The admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form;
- (a) That is shall use proper security procedures to protect its EDI records from improper access, and;
- (b) That the records maintained by Buyer regarding EDI purchase orders issued by Buyer shall be controlling

If Buyer and Seller have mutually agreed to an Automated Clearing House to facilitate purchase and sale transactions, the date payment is due shall be extended by five days

LOGOS, TRADEMARKS AND COPYRIGHTS

The Seller shall not use the name, trademarks, logos or copyrights of Buyer (including but not limited to: Alaska Air Group, Alaska Airlines, Horizon Air Industries or any variations thereof) in its sales

promotion, advertising, press releases or any other publications or public disclosure (including releases to existing or prospective customers) without explicit written permission, except as required by law

AMENDMENTS

No provision of these Terms and Conditions may be modified, waived, terminated or amended except as may be agreed upon by the parties in writing signed by an authorized representative of Buyer.

ASSIGNMENTS AND DELEGATIONS

Seller may not assign rights or delegate duties under the Agreement (including by merger or by operation of law) without the prior written consent of Buyer. Any assignment not properly consented to is voidable by Buyer.

GOVERNING LAW

The Agreement and all matters arising out of or relating to the Agreement shall be interpreted and enforced under the laws of the state of Washington without regard to its choice of law rules and principles.

Except as modified by these Terms and Conditions, any Purchase Order issued by Buyer shall be governed by the Uniform Commercial Code provisions applicable to transactions in goods ("UCC"), regardless of whether the Purchase Order is characterized as a transaction in goods or a transaction in services.

COMPLIANCE WITH LAWS

Seller agrees, warrants and represents that it will comply with all federal, state and local laws and regulations with respect the goods and services to be provided, including but not limited to:

Equal Employment Opportunity

Buyer is a government contractor and is subject to the requirements of Executive Order 11246 (Equal Employment Opportunity). Pursuant to these requirements, the Equal Opportunity Clauses found at 41 CFR Section 60-1.4(a), 60-250.4(a-m) and 60-741.5(a)(1-6) are incorporated herein by reference and made an express part of this the Agreement. If applicable, Seller will comply with the following Federal Acquisition Regulations:

- (a) FAR 52.222-26 "Equal Opportunity,"
- (b) FAR 52.222-35 "Affirmative Action for Special Disabled and Vietnam Veterans,"

(c) FAR 52.222-36 "Affirmative Action for Handicapped Workers"

Small Business Plan Requirements

Buyer is a government contractor and is subject to the requirements of FAR 52.219. If the cost to Buyer of goods or services covered by the order exceeds \$10,000, FAR 52.219-8 is incorporated by reference. If the cost exceeds \$500,000, FAR 52.219-9 and 52.219.16 are incorporated by reference. Pursuant to FAR 52.219.9, if Seller (1) is not considered a Small Business (as defined in the Small Business Act), (2) is providing goods or services under the order in an amount greater than or equal to \$500,000, and (3) is subcontracting a portion of the goods or services from a third party, Seller agrees to submit to Buyer a Small Business Plan or letter stating that Seller does not have a Small Business Plan and listing the approximate dollar amount to be subcontracted.

Hazardous Communication Standard

If any of the goods covered by a Purchase Order are subject to the OSHA Hazard Communication Standard, 20 CFR part 1910, or to such other state hazard communications laws, regulations, or standards as OSHA may have approved (the "Standard"), Seller shall provide Buyer with a complete and accurate electronic Material Safety Data Sheet for each of the goods sold and shall label each of the goods as required by the Standard. Seller's failure to supply such sheet or to so label the goods shall be deemed to constitute Seller's warranty, representation and covenant that each of the goods sold is exempt from the Standard.

Employee Rights Concerning Payment of Union Dues.

Unless exempted by law, the requirements of 29 CFR Part 470 are incorporated by reference and made part of this Agreement.

CONFLICTS

Notwithstanding anything to the contrary, if Buyer and Seller have executed a separate agreement that incorporates these Terms and Conditions, then the specific terms of that agreement control to the extent that they are in conflict with these Terms and Conditions; furthermore, any specific terms noted on the face of Buyer's Purchase Order control over these Terms and Conditions.

CONFIDENTIALITY

Seller may acquire knowledge of Buyer's Confidential Information (defined below) in connection with its performance hereunder and agrees to keep such Confidential Information in confidence during and following termination or expiration of this Agreement. Seller also agrees to bind all subcontractors and third parties performing acts in furtherance of the Agreement to these provisions of Confidentiality.

"Confidential Information" includes but is not limited to all information whether written or oral, in any form, including without limitation, information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customer data, vendors, finances, personnel, Work Product

(defined below) and other material or information considered proprietary by Buyer relating to the current or anticipated business or affairs of Buyer which is disclosed directly or indirectly to Seller. In addition, Buyer Confidential Information means any third party's proprietary or confidential information disclosed to Seller in the course of providing goods or services to Buyer.

Seller agrees not to copy, alter or directly or indirectly disclose any Buyer Confidential Information. Additionally, Seller agrees to limit its internal distribution of Buyer's Confidential Information to Seller's employees, contractors and assistants who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Seller's employees, contractors and assistants of "Nondisclosure Agreements" with provisions substantially similar to those set forth herein. In no event will Seller use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of Buyer's Confidential Information; and Seller agrees not to use, except for the purpose of performing the terms of this Agreement:

- (a) the contents of this Agreement; and
- (b) all information exchanged or disclosed by the other party in the negotiation or performance of this Agreement, including without limitation personally identifiable customer data and membership information, except for:
 - (i) information already in the receiving party's possession at the time of disclosure;
 - (ii) information in the public domain;
 - (iii) information developed or obtained by a party from a third-party source and not in breach of this agreement; or
 - (iv) information a party is required to disclose by applicable law or valid court or administrative order.

Additionally, Seller agrees not to use Buyer's Confidential Information for its own benefit or for the benefit of any third party without Buyer's explicit written consent. The mingling of Buyer Confidential Information with information of Seller shall not affect the confidential nature or ownership of the information. Seller agrees not to design or manufacture any products that incorporate Buyer Confidential Information without Buyer's express written consent. All Buyer Confidential Information is and shall remain the property of Buyer. Upon Buyer's written request or the termination of this Agreement, Seller shall return, transfer or assign to Buyer all Buyer Confidential Information, including all Work Product, as defined herein, and all copies thereof.

"Work Product" includes all designs, discoveries, creations, works, devices, samples, models, work in progress, inventions, products, computer programs, procedures, improvements, developments, drawings, notes, documents, business processes, information and materials made, conceived or developed by Seller alone or with others which result from or relate to service deliverables ordered by Buyer on a work-for-hire basis. Standard goods manufactured by Seller and sold to Buyer without having been designed, customized or modified for Buyer do not constitute Work Product.

All Work Product shall at all times be and remain the sole and exclusive property of Buyer. Seller hereby agrees to irrevocably assign and transfer to Buyer and does hereby assign and transfer to Buyer all of its worldwide right, title and interest in and to the Work Product including all associated intellectual property rights. Seller will ensure that Seller's employees, contractors and assistants appropriately waive any and all claims and assign to Buyer any and all rights or any interests in any Work Product or original works created in connection with the Agreement. Seller irrevocably agrees not to assert against Buyer or its direct or indirect customers, assignees or licensees any claim of any intellectual property rights of Seller affecting the Work Product.

If either party is served with a subpoena or other legal process requiring the production or disclosure of any confidential information, then that party will immediately notify the owner of the information and will use its best efforts to permit the owner, at its sole cost and expense, a reasonable period of time to intervene and contest disclosure or production.

CONSEQUENTIAL DAMAGES

Except as otherwise specifically provided in these Terms and Conditions, neither party will be liable to the other party for any indirect, special, incidental or consequential damages, including lost revenues, lost profits or lost prospective economic advantage, whether or not foreseeable and whether or not based on contract, statutory liability, tort, warranty claims or otherwise in connection with this Agreement, and/or the products or services provided hereunder, and each party hereby releases and waves any claims against the other party regarding such damages.

DISPUTE RESOLUTION

The Parties shall follow these dispute resolution processes in connection with all disputes, controversies or claims, whether based in law or equity or any other legal theory (collectively "Disputes"), except as otherwise noted, arising out or relating to this Agreement or the breach or alleged breach hereof.

The Parties will attempt to settle all Disputes through good faith negotiations. If those attempts fail to resolve the Dispute within thirty (30) days of the date of initial demand for negotiation, then the Parties shall try in good faith to settle the Dispute by mediation conducted in Seattle, Washington under the Commercial Mediation Rules of the American Arbitration Association ("AAA"). Each Party shall bear its own expenses; the Parties shall equally share the filing and other administrative fees of the AAA and the expenses of the mediator.

Any Disputes not finally resolved at the mediation level shall be settled by binding arbitration conducted in accordance with the then current Commercial Arbitration Rules of the AAA by one neutral arbitrator, by arbitration conducted in Seattle, Washington. The arbitrator shall not have the power to award damages in excess of actual damages, such as punitive damages. The Federal Arbitration Act, 9 U.S.C. Sections 1 to 14, shall govern the interpretation and enforcement of this Section. Any decision shall be in accordance with the law and the evidence of record, and shall be promptly rendered in writing.

Disputes relating to either infringement, unauthorized use or misuse of a Party's Marks, or other intellectual property, a violation of which would cause that Party irreparable harm for which damages would be inadequate, shall be exempt from the dispute resolution processes described in this Section to the extent necessary to seek preliminary injunctive or other judicial relief in a court of competent jurisdiction

INJUNCTIVE RELIEF

The parties acknowledge that irreparable injury will result from the failure of either party to comply with the terms of the Agreement. In the event of any actual or threatened default or breach of any of the provisions of this Agreement, the aggrieved party will have the right to specific performance or injunctive relief, as well as any monetary damages or other appropriate relief in accordance with the terms of the Agreement.

JURISDICTION AND EXCLUSIVE VENUE

Any action or judicial proceedings to:

- (a) Enforce the Mediation or Arbitration provisions of this Agreement;
- (b) Enforce an arbitration award;
- (c) Seek injunctive relief;

Shall be instituted and maintained only in King County Superior Court, in the City of Seattle, State of Washington or the United States District Court for the Western District of Washington.

Seller expressly consents to personal jurisdiction of the state and federal courts above and waives any right to object to the exercise of personal jurisdiction by these courts

FORCE MAJEURE

In the event that a party's ability to perform any of its obligations under the Agreement is prevented, restricted or delayed because of act of nature, war, terrorism, strike, labor dispute, work stoppage, fire, act of government, or any other similar cause beyond the reasonable control of that party (a "Force Majeure"), then the party will be excused from performance of the obligation to the extent and for the duration of such prevention, restriction or delay.

The party unable to fulfill its obligations due to Force Majeure will immediately:

- (a) Notify the other party in writing of the reasons for its failure to fulfill its obligations; and

(b) Use all reasonable endeavors to avoid or remove the cause and perform its obligations as soon as possible.

In the event Seller claims a Force Majeure, Buyer may cancel any unfulfilled part of the Purchase Order at Buyer's sole option. If Seller's performance is excused under this provision it will satisfy Buyer's requirements under the Purchase Order prior to any allocation among customers as provided by Section 2-615 of the UCC. If Buyer delays acceptance or instructs Seller to delay delivery under this provision it will be responsible only for Seller's direct additional costs incurred by holding the goods or delaying performance of services.

EXCLUSIVITY

This is not an exclusive agreement. Buyer is free to engage others to perform services or provide goods the same as or similar to Seller's. Seller is free to advertise, offer and provide Seller's services and/or goods to others.

NOTICES

All notices given or made in respect of this Agreement must be in writing (including fax or email communication) and will be effective on the first business day on or after received. To be deemed sufficiently given, notices must be addressed to an employee of the receiving party known to have current oversight responsibility for the Agreement or a vice president of the receiving party.

Each of the following is prima facie evidence that a party has received notice: (i) a signed delivery receipt (e.g., for personal, certified mail, or courier delivery), (ii) an automated delivery acknowledgement or return transmission in the case of faxes, and (iii) a reply email from an employee of the receiving party acknowledging receipt and confirming oversight responsibility for the Agreement.

RELATIONSHIP OF THE PARTIES

The Seller is an independent contractor of the Buyer and is not an affiliate, employee, agent or partner of Buyer. Under no circumstances will any employee or agent of Seller will be construed to be an employee or agent of Buyer or vice versa.

SEVERABILITY

If any provision of the Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall remain in full force and effect.

SUCCESSORS AND ASSIGNS

The Agreement shall be binding and shall inure to the benefit of the permitted successors and assigns of each party hereto.

SURVIVAL

These Terms and Conditions (except for the covenant to maintain insurance) will survive termination of the Agreement

TAXES

In addition to the purchase price, Buyer shall pay any sales, excise, use, value added or similar taxes imposed on account of this purchase. Buyer is not responsible for any other taxes including taxes based upon Seller's income, gross receipts, business and occupation or similar taxes.

THIRD PARTY BENEFICIARIES

All subsidiaries of Alaska Air Group, Inc. are intended third party beneficiaries of the Agreement. There are no other intended third-party beneficiaries of the Agreement and the parties do not, by entering into this Agreement, create rights or standards on which a person not a party hereto can rely or benefit.

WAIVER

Acceptance or acquiescence to a course of performance, course of dealing or usage of trade will not operate to permanently waive a provision or modify any term in the Agreement.

A waiver of a breach of any term in this Agreement will not be considered to be:

- (a) A waiver of a further breach of the same term, or
- (b) Waiver of a breach of any other term

SOFTWARE PROVISIONS

In addition to the Terms and Conditions set out above, if the Purchase Order involves software, including embedded software, the following terms shall apply.

LICENSE FOR OFF-THE-SHELF SOFTWARE. Seller hereby grants to Buyer, and Buyer hereby accepts, on the following terms and conditions, a nonexclusive and nontransferable, fully paid-up, worldwide, irrevocable, and perpetual license (unless otherwise specified in the Purchase Order) to use the software for the number of users or copies of the software provided on the Purchase Order (the "License"). Seller and Buyer expressly agree that any software shrink-wrap and click-through software licensing agreements shall not apply to any software purchased under the Purchase Order unless the Buyer expressly agrees in writing to such shrink-wrap or click-through software licensing agreement

USE OF SOFTWARE AND DOCUMENTATION. Buyer may make backup and archival copies of the software and documentation. Buyer, its agents, contractors, assignees and employees shall have the right to use and operate the software within the scope of the License for Buyer's business purposes

SERVICES AT WORK SITE

Unless otherwise instructed by Buyer, Seller will provide for receipt, unloading, storage and protection of all materials introduced to Buyers' site, whether such materials are purchased by the Buyer or the Seller. Seller shall at all times keep the work site reasonably neat and clean and upon completion shall remove and dispose of all rubbish, trash and refuse. Seller shall be responsible for the proper use and storage of all Hazardous Substances, as defined by 40 C.F.R. 302.3, and all Hazardous Chemicals, as defined by 29 C.F.R. 1910.1200. Seller shall not generate any Hazardous Wastes, as defined by 40 C.F.R. 261.3, on site, without prior written authorization from Buyer. In the event Seller generates such Hazardous Waste, Seller must notify Buyer of the type and quantity and arrange with Buyer for proper storage and disposal, as Seller's sole expense. If Seller causes or discovers the release of Hazardous Substances on the Buyer's premises, the Seller will immediately notify Buyer.

END OF DOCUMENT