

TERMS AND CONDITIONS
(UPDATES ARE INCORPORATED ON OUR WEBSITE)

1 APPLICABLE LAW DEFINITIONS: The definition of terms used, interpretation of this Agreement and rights of portions hereto shall be construed under and governed by the Uniform Commercial Code of the "State of Texas". "Buyer" when used herein means Alamo Aircraft, Ltd. "Vendor" means the person, firm or corporation to which this purchase order is addressed; and "goods" means those articles, materials, supplies, drawings, data, or other property or services described on the front side of this purchase order.

2 ACCEPTANCE: If this order constitutes an offer, Vendor's acceptance of this order is hereby expressly limited to the terms of this order and shipment of any part of the goods covered hereunder shall be deemed to constitute such acceptance. If this order constitutes an acceptance of an offer, such acceptance is expressly made conditional on Vendor's assent to the terms of this order, and shipment of any part of the goods covered hereunder shall be deemed to constitute such assent. No waiver, alteration or modification of or addition to the terms and conditions contained herein shall be binding unless expressly agreed in writing by a duly authorized officer of Buyer.

3 QUALITY: Vendor warrants all goods and services when delivered pursuant hereto to be merchantable, free from defects in workmanship or material, to conform strictly to the specifications, drawings, samples or other description specified herein or furnished herewith and to be fit for the uses and purposes intended. All warranties shall survive any intermediate or final inspections, delivery, acceptance or payment by Buyer, and shall continue in effect through a period of one year from the date of delivery.

4 DELAYS: Time is of the essence. If any goods are not delivered within the specified time in this order, Buyer, in addition to other remedies provided by law, may either (i) refuse to accept such goods and cancel this order, or (ii) terminate order and obtain goods from other sources, and Vendor shall pay on demand to Buyer in Bexar County, Texas, all additional costs and expenses, direct or indirect, including court costs and attorney's fees incurred in reprocurring goods, or (iii) cause Vendor to ship goods by the most expeditious means of transportation, with any additional transportation charges for Vendor's account. All the remedies of Buyer are cumulative with any other rights hereunder, at law, or in equity. However, Vendor shall not be liable for delays in delivery or failure to manufacture or deliver due to acts of God, acts of civil or military authorities, governmental priorities, fire, strikes, floods, epidemics, war or riot, provided that the cause for such delay is reported in writing to Buyer within seven (7) days from this commencement of such delay.

5 INSPECTION: All goods ordered shall be subject to final inspection and approval at destination by buyer or its duly authorized representative or U.S. Government if contract is cited. Vendor must supply a Statement of Quality confirming goods are delivered according to applicable specification and such reports must accompany goods upon delivery. This report must bear the Buyer's purchase order number and description of the goods shipped. Buyer reserves the right to reject and hold, subject to Vendor's disposal, all goods not conforming to specifications, or for which no acceptable statement of quality is supplied.

6 PATENTS: Vendor shall protect and indemnify Buyer from and against claims, damages, judgments, expenses and loss arising from infringement or alleged infringement of any patent of the United States or foreign letters patent by any of the goods delivered hereunder, and Vendor shall defend or settle at his own expense any suit or proceeding brought against Buyer for such infringement. Furthermore, in the event that Buyer should be enjoined in such suit or proceeding from using any of the goods delivered hereunder, Vendor, at its option, shall promptly either (i) secure termination of the injunction and procure for Buyer the right to use such goods without any obligation or liability, (ii) replace said goods with non-infringing goods or modify same to become non-infringing, all at Vendor's expense and to Buyer's satisfaction, or (iii) remove said goods at Vendor's expense and refund to Buyer all amounts paid to Vendor. Vendor shall comply with all "Rights Guard" requirements of government contracts.

7 INDEMNIFY: Vendor shall indemnify and save harmless Buyer from and against any loss, cost, damage or expense arising from (i) any and all claims which may be made against Buyer by reason of injury or death to person, or damage to property, suffered or claimed to have been suffered by any person, firm, corporation or other entity caused by or alleged to have been caused by non-conforming or defective goods furnished hereunder or by any act or omission, negligent or otherwise, or Vendor or any of their employees, workmen, servants or agents; (ii) any and all damage to Buyer's property, including property occupied or used by, or in the care, custody or control of, Vendor, caused or alleged to have been caused by defective goods furnished hereunder or by any act or omission, negligent or otherwise, of Vendor or any subcontractor of Vendor or of any of their employees, workman, servants, or agents; and (iii) any and all claims which may be made against Buyer by reason of injury or death to person or damage to property, however caused or alleged to have been caused by, and suffered or claimed to have been suffered by Vendor or any subcontractor of Vendor or by any of their employees, workmen, servants or agents.

8 INSURANCE: If this purchase order required the performance of work on Buyer's property, or on the property of a third party, Vendor shall provide at its sole expense public liability and property damage insurance in amounts satisfactory to Buyer. Vendor and its subcontractors shall comply with all requirements of the laws of the State in which Vendor is performing the work hereunder relating to workmen's compensation and employer's liability and shall furnish evidence of such compliance as required by the Buyer. Vendor further agrees to carry, at its sole expense, comprehensive general liability insurance, including but not limited to contractual liability insurance, (broad or intermediate form), manufacturer's and contractor's liability insurance and completed operations and products liability insurance, in amount satisfactory to hold Buyer harmless.

9 NON-WAIVER: The failure of Buyer to insist upon strict performance of any terms and conditions hereof, or failure or delay to exercise any rights or remedies provided herein or by law or to properly notify Vendor in the event of breach, or the acceptance of or payment for any goods hereunder, or approved of design, shall not release Vendor of any of the warranties or obligations of this purchase order and shall not be deemed a waiver of any right of Buyer to insist upon strict performance hereof or any of its rights or remedies as to any such goods, regardless when shipped, received or accepted, or as to any prior subsequent default hereunder, nor shall any purported oral modification or rescission of this purchase order by Buyer operate as a waiver of any of the terms hereof.

10 OCCUPATIONAL SAFETY AND HEALTH: Vendor warrants that the goods sold and/or services performed under this contract comply in all respect with the Occupational Safety and Health Act of 1970 as modified and all applicable regulations, rulings, orders and standards promulgated thereunder. Vendor agrees to hold Buyer harmless from any and all liabilities, claims, fines, civil and criminal penalties, including reasonable costs and settlements, which may arise out of the delivery by Vendor of items which do not meet those requirements.

11 COMPLIANCE WITH LAWS: In the performance of work hereunder, Vendor shall comply with all applicable and valid Federal, State and Local laws, and rules and regulations of any governmental authority which have the effect of law.

12 WITHHOLDING OF PAYMENTS: Buyer shall have the right (but no duty) to withhold any moneys payable by it hereunder and apply same to the payment of any obligations of Vendor to Buyer or any other parties arising in any manner out of this order or its performance.

13 TOOLS, DRAWINGS, AND MATERIALS: Vendor shall use any designs, tools, jigs, patterns, drawings, information, equipment, and/or other items, hereinafter "items" furnished by Buyer only in the production of the goods called for herein and not otherwise, unless by Buyer's written consent. Buyer makes no warranty, express or implied, concerning the accuracy of any items which it furnishes. All work must in strict accordance with specifications, regardless of any deficiencies in items supplied by the Buyer. Title to all items furnished shall remain with Buyer and upon completion or termination to this order all items shall be returned to Buyer or disposed of in accordance with Buyer's directions. Vendor shall assume all risk of loss or damage to persons or property (including to the items) resulting in any way from Vendor's possession or use of items, and Vendor agrees to indemnify Buyer from any injuries to any person resulting directly from the items.

14 TERMINATION OF BUYER'S OPTIONS: Should Buyer's need for the goods or services to be supplied hereunder be reduced or eliminated, Buyer shall have the right to terminate the order in whole or in part, and shall pay to Vendor this reasonable value of the work performed by Vendor in respect to such goods or services up to the time of written notification of termination by Buyer, in the event Vendor is unable to make other favorable disposition of the goods. In no event shall Buyer's liability under this clause exceed the aggregate price specified in this order, less payments previously made hereunder. This clause shall not apply to any cancellation by Buyer for default or delay by Vendor for any other cause allowed by law.

15 ASSIGNMENTS AND SUBCONTRACTING: Vendor may not assign this order in whole or in part nor shall any claims arising or sums payable hereunder be assigned without the prior written consent of Buyer. No subcontract shall be made by Vendor with any other party for furnishing any of the completed or substantially completed goods hereunder required without the prior written approval of the Buyer.

16 MODIFICATIONS: No modifications of this order shall be binding on Buyer unless in writing and signed by Buyer or his agents.

17 SUPPLEMENTAL CONDITIONS APPLICABLE IF GOVERNMENT CONTRACT(S) IS/ARE CITED ON FACE OF THIS ORDER: All Federal Acquisition Regulations and Defense Federal Acquisition Regulations cited therein apply and the following clauses are hereby incorporated by reference. In the

following clauses, the term "Contractor " shall mean Vendor, and the terms "Government Contracting Officer", and equivalent phrases shall include "Buyer". The dates of these Federal Acquisition Regulation Clauses shall be the same as the date of the corresponding clauses in the prime contract or latest revisions.

52.202	Definitions
52.203	Improper Business Practices Provisions and Clauses
52.208-9	Contractor use of Mandatory Sources of Supply
52.209-3	First Article Approval – Contractor Testing
52.209-4	First Article Approval – Governmental Testing
52.209-5	Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
52.209-6	Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
52.211-5	Material Requirements
52.211-14	Notice of Priority Rating for National Defense Use
52.211-15	Defense Priority and Allocation Requirements
52.211-16	Variation in Quantity
52.211-17	Delivery of Excess Quantities
52.211-18	Variation in Estimated Quantity
52.213-3	Notice to Supplier
52.213-4	Terms and Conditions – Simplified Acquisitions (Other Than Commercial Items)
52.215-8	Order of Precedence – Uniform Contract Format
52.215-10	Price Reduction for Defective Cost or Pricing Data
52.215-12	Subcontractor Cost or Pricing Data
52.215-14	Integrity of Unit Prices
52.215-19	Notification of Ownership Changes
52.216-24	Limitation of Government Liability
52.216-25	Contract Definitization
52.219-1	Small Business Program Representation
52.219-8	Utilization of Small Business Concerns
52.222-1	Notice to the Government of Labor Disputes
52.222-3	Convict Labor
52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation
52.222-11	Subcontracts (Labor Standards)
52.222-12	Contract Termination – Debarment
52.222-20	Walsh-Healey Public Contracts Act
52.222-21	Certification of Non-Segregated Facilities
52.222-22	Previous Contracts and Compliance Reports
52.222-25	Affirmative Action Compliance
52.222-26	Equal Opportunity
52.222-35	Equal Opportunity for Disabled Veterans, Special Veterans of the Vietnam Era & other Eligible Veterans
52.222-36	Affirmative Action for Workers with Disabilities
52.222.37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era
52.222-44	Fair Labor Standards Act and Service Contract Act – Price Adjustment
52-223-3	Hazardous Material Identification and Material Safety Data
52.223-6	Drug-Free Workplace
52.223-7	Notice of Radioactive Materials
52.223-10	Waste Reduction Program

52.223-11	Ozone-Depleting Substances
52.225-1	Buy American Act - Supplies
52.225-3	Buy American Act – Free Trade Agreements – Israeli Trade Act
52.227-14	Rights in Data – General
52.229-3	Federal, State and Local Taxes
52.229-4	Federal, State and Local Taxes (State & Local Adjustments)
52.232-1	Payments
52.232-9	Limitation on Withholding of Payments
52.232-11	Extras
52.232-17	Interest
52-232-23	Assignment of Claims
52.232-25	Prompt Payment
52.233-1	Disputes
52.242-3	Penalties for Unallowable Costs
52.242-4	Certification of Final Indirect Costs
52.242-13	Bankruptcy
52.242-14	Suspension of Work
52.242-15	Stop-Work Order
52.242-17	Government Delay of Work
52.244-2	Subcontracts
52.244-5	Competition in Subcontracting
52.245-1	Government Property
52.245-2	Government Property (Instruction Operating Services)
52.246-1	Contractor Inspection Requirements
52.246-11	Higher – Level Contract Quality Requirement (Government Specifications)
52.246-15	Certification of Conformance
52.246-16	Responsibility for Supplies
52.246-17	Warranty of Supplies of a Noncomplex Nature
52.246-23	Limitation of Liability
52.246-24	Limitation of Liability – High-Value Items
52.246-9004	Product Verification Testing
52.246-9064	Quality Conformance Inspection
52.247-1	Commercial Bill of Lading Notations
52.247-29	F.O.B. Origin
52.247-31	F.O.B. Origin, Freight Allowed
52.247-32	F.O.B. Origin, Freight Prepaid
52.247-33	F.O.B. Origin, with Differentials
52.247-34	F.O.B. Destination
52.247-48	F.O.B. Destination – Evidence of Shipment
52.247-61	F.O.B. Origin – Minimum Size of Shipments
52.247-63	Preference for U.S.-Flag Air Carriers
52.247-64	Preference for Privately Owners U.S. Flag Commercial Vessels
52.247-65	F.O.B. Origin, Prepaid Freight – Small Package Shipments
52.248-1	Value Engineering
52.249-1	Termination for Convenience of the Government (Fixed Price) (Short Form)
52.249-2	Termination for Convenience of the Government (Fixed Price)

52.249-8	Default (Fixed Price Supply and Service)
52.249-14	Excusable Delays
52.251-1	Government Supply Sources
52.252-1	Solicitation Provisions Incorporated by Reference
52.252-2	Clauses Incorporated by Reference
252.215-7000	Pricing Adjustments
252.217-7026	Identification of Sources of Supply
252.217-7027	Contract Definitization
252.217-7028	Over and Above Work
252.223-7001	Hazard Warning Labels
252.223-7004	Drug-Free Work Force
252.225-7012	Preference for Certain Domestic Commodities
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
252.225-7025	Restriction on Acquisition of Forgings
252.225-7036	Buy American Act – Free Trade Agreement’s Balance of Payments Program
252.243-7001	Pricing & Contract Modifications
252.243-7002	Requests for Equitable Adjustment
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)
252.246-7000	Material Inspection and Receiving Report

CAGE 55345

DUNS 02-700-5180

TIN # 74-2862664