

LEE AEROSPACE, INC.**PURCHASE ORDER TERMS & CONDITIONS AGREEMENT**

This Purchase Order Terms & Conditions Agreement (this “*Agreement*”) is entered into as of the date specified on the signature page below, by and between [*Seller’s Name, a state of organization and type of entity*], with its principal office [*in city, state of Seller, (“Seller”)*], and Lee Aerospace, Inc., a Kansas corporation (“*Buyer*”) with the primary procurement site located in Wichita, Kansas USA. Hereinafter, the *Seller* and *Buyer* may be referred to jointly as “*Parties*” hereto.

BUYER OFFERS TO PURCHASE THE GOODS AND SERVICES DESCRIBED HEREIN ONLY UPON THE TERMS AND CONDITIONS CONTAINED HEREIN. BUYER RESERVES THE RIGHT TO REVOKE THIS AGREEMENT WITHOUT NOTICE. THIS AGREEMENT SHALL BE DEEMED AGREED TO AND ACCEPTED BY THE SELLER AND BECOME A BINDING CONTRACT ON THE TERMS AND CONDITIONS CONTAINED HEREIN WHEN (A) SIGNED AND RETURNED TO SELLER, OR (B) SELLER ISSUES ITS ORAL OR WRITTEN ACKNOWLEDGMENT, OR (C) SELLER COMMENCES PERFORMANCE, OR (D) SELLER OTHERWISE ACCEPTS THIS AGREEMENT. BY ACCEPTING THIS AGREEMENT, SELLER WAIVES ALL TERMS AND CONDITIONS CONTAINED IN ITS QUOTATION, ACKNOWLEDGMENT, INVOICE, OR OTHER DOCUMENTS WHICH ARE DIFFERENT FROM OR ADDITIONAL TO THOSE CONTAINED HEREIN, AND ALL SUCH DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS SHALL BE NULL AND VOID.

1. Delivery and Performance:

- a. Time is of the essence. Seller shall make deliveries in quantities and at time specified by the Buyer. Buyer shall have the right to refuse shipments made in advance of the delivery schedule set forth in this Agreement. If at any time it appears that Seller will not make such schedule, Seller shall promptly notify the Buyer of the reasons for and estimated duration of the delay.
- b. Seller is expected to deliver goods that comply in all respects to this Agreement every time goods are delivered. Disruptions to Buyer’s normal business operations result in loss of time and productivity as well as adding a layer of administrative burden. As a result of the foregoing, if Buyer agrees to accept deliveries after the date of delivery has passed, Buyer shall have the right to: (i) direct the Seller to

make shipment to the Buyer's delivery dock by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by the Seller, and (ii) direct to Seller in the form of a purchase credit to Buyer to set off any sums owed to Seller by Buyer, in an amount equal to any and all charges incurred by Buyer as a result of such delay.

- c. Acceptance of late deliveries shall not be deemed a waiver of Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make payments in accordance with the delivery schedules set forth in this Agreement. Buyer shall not be liable for payment of goods delivered to Buyer in excess of quantities specified by Buyer. Buyer may from time to time change delivery schedules or direct the temporary suspension of scheduled shipments.

2. Warranty:

- a. In addition to the warranties provided by law, Seller expressly warrants that all goods and services supplied under this Agreement: (a) shall conform to specifications, drawings, samples or other descriptions furnished by Seller or specified by Buyer; (b) shall be merchantable, of good material and workmanship and free from defects; and (c) shall be fit and sufficient for Buyer's purposes.
- b. Seller warrants further that the prices charged the Buyer hereunder are no higher than prices charged or placed by others for similar quantities under similar conditions, and if Seller breaches this warranty, the prices of the goods and services supplied hereunder shall be reduced accordingly.
- c. Buyer's approval of specifications, drawings, samples and/or other descriptions finished by Seller shall not relieve Seller of its obligations as described in this Section 2 or otherwise under this Agreement. These warranties shall survive any inspection, acceptance or payment by Buyer, and shall be for the benefit of Buyer, its successors, assigns, customers, and the ultimate users of the goods or services supplied hereunder.

3. Title and Risk of Loss:

- a. Title to all goods supplied hereunder shall remain in Seller until delivery and acceptance by Buyer at Buyer's F.O.B. delivery dock. The risk of loss of or damage to the goods shall be upon Seller until they are accepted by the Buyer.

4. Pricing, Invoicing and Payment.

- a. Pricing under this Agreement shall be fixed for a period of 5-years from the date hereof.
- b. Payment terms shall be 2%/10/net 90 days, and all payments shall be made in United States Dollars.
- c. Individual invoices showing the number of this Agreement, part numbers, and Seller's packing list number shall be issued for each shipment, but shall not be issued before the date of shipment. No invoices shall be payable unless goods or services have been received by Buyer.
- d. No interest, finance or services charges shall be payable on the goods/services supplied hereunder. Buyer shall be entitled to a full cash discount on invoices bearing discount terms. Rejections, delay in delivery or delivery in advance of delivery date shall be considered just cause for Buyer withholding payment without loss of cash discount privilege.
- e. Unless otherwise specified on the face of this document, the price of goods supplied under this Agreement shall include all charges for Seller's packing and crating and for transportation to Buyer's delivery dock; the amount of any such charges shall be shown separately on Seller's invoice.
- f. In the event the goods subject to this Agreement have been imported by Seller and such goods were subject to import duty payment paid by Seller, such goods shall be shipped duty free to the Buyer and such cost shall not be made part of the sales price to Buyer.

5. Taxes:

- a. The price of the goods or services supplied hereunder includes all federal, state and local sales, use and similar taxes. The amounts of any such taxes shall be shown separately on Seller's invoice.

6. Setoff:

- a. All claims for money due or to become due from Buyer shall be subject to deduction or set off by the Buyer by reason of any counterclaim arising out of this Agreement or any other transaction with the Seller.

7. Termination:

- a. This Agreement shall remain in full force and effect for a period of 5 years unless otherwise terminated as set forth below in Section 7(b).
- b. This Agreement shall automatically terminate where (i) Seller refuses or fails to comply with any of the provisions hereof, including but not limited to the quality and performance standards set forth herein, which refusal or failure has not been cured within a period of ten (10) days after receipt of written notice of the same from Buyer; or (ii) Seller becomes insolvent, or makes a general assignment for the benefit of its creditors or files or has filed against it a petition in bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief of debtors, or in the event a receiver is appointed for Seller's property or business.
- c. Upon termination, and unless otherwise directed by the Buyer, Seller, (a) shall immediately terminate all work under this Agreement; (b) shall transfer title and deliver to Buyer all (i) completed goods, (ii) goods in process, and (iii) materials produced or acquired in connection with such goods, which goods and/or materials conform to the requirements of this Agreement, do not exceed the quantity authorized by Buyer, and cannot otherwise reasonably be used by Seller; and (c) shall take all action necessary to protect goods and materials in Seller's possession in which Buyer has or may require an interest. Buyer shall determine the amount,

if any, due Seller with respect to such termination of this Agreement and such determination shall be final.

8. Inspection:

- a. Seller shall permit inspectors of the Buyer or Buyer's customers (including the United States government) to have access to the Seller's plant at all reasonable times for the purpose of inspecting any goods supplied hereunder or work in process for production of such goods, and to conduct preliminary tests on work in process.
- b. All goods, except goods inspected and accepted by the government, shall be received subject to Buyer's inspection and rejection at Buyer's plant or other places designated by Buyer notwithstanding prior inspections.
- c. Title shall not be deemed transferred on any defective goods or goods otherwise not conforming or fulfilling Seller's warranty (express or implied) with respect to this Agreement (collectively "Defective Goods"), and hence no payment, including freight, shall be due with respect to the same.
- d. Defective Goods shall be held for Seller's inspection and at Seller's risk, and if Seller so directs, shall be returned at Seller's expense, and in addition to Buyer's other rights, Buyer may charge Seller all expenses on unpacking, examining, repacking and reshipping Defective Goods. Nonconforming products shall not be shipped to Buyer without written authorization and Defective Goods shall not be replaced without a new purchase order.
- e. Any payment by Buyer shall not be construed as an acceptance of Defective Goods, and notwithstanding any payment by Buyer, prior test or inspection, or passage of title, Buyer may revoke acceptance where the goods do not fully comply with the provisions of this Agreement. Failure to discover any defect or other nonconformance at the time of delivery will not relieve Seller of any obligations under this Agreement, or impair any rights or remedies of Buyer.

9. Changes:

- a. Buyer shall have the right at all times to make changes to drawings or specifications regarding the goods and services supplied hereunder. Any difference in price or time resulting from such changes shall be equitably adjusted and this Agreement shall be modified in writing accordingly so long as a claim for adjustment has been made in writing by the Seller to the Buyer within thirty (30) days of the date of receipt by Seller of such change.
- b. In the absence of such notice, the Buyer shall not be obligated to consider Seller's claim for an equitable adjustment resulting from such change. Buyer shall have the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim. Nothing in this Section 9 shall excuse Seller from proceeding with this Agreement as changed, including but not limited to failure of Buyer and Seller to agree upon any adjustment to be made under this Section 9. Seller must notify Buyer to receive written authorization of any product changes and/or process changes that Seller requests.

10. Buyer's Materials:

- a. Any materials, including but not limited to tools, molds, dies, gauges, jigs, fixtures and patterns, furnished by Buyer in connection with this Agreement shall be held by Seller as bailee for hire for use only in filling Buyer's orders, be kept separate and clearly identified by Seller as Buyer's property, and shall be fully insured by Seller in an amount equal to the replacement cost thereof with loss to be paid to the Buyer.
- b. Notice of loss or damage shall be provided by Seller to the Buyer within seven (7) calendar days of the occurrence of the loss or damage. All such materials furnished by Buyer which are not consumed in the performance of this Agreement shall be returned to Buyer at Buyer's direction. Seller waives and releases Buyer from, and Seller shall defend, indemnify and hold harmless Buyer from and against all claims of injury or damage to Seller, its employees and/or others, arising out of or in connection with the presence or use of such materials, whether such injury or

damage is caused by defects in such materials, Buyer's negligence or that of its agents or employees, or otherwise.

11. Tooling:

- a. Unless otherwise stated herein, Seller at its own expense shall furnish, keep in good condition, insure and replace as needed all tooling and other materials necessary for the performance of this Agreement.
- b. If Seller supplies special tooling or other materials related principally to this Agreement, Buyer at any time may purchase and take possession of any such tooling or other materials by paying Seller the unamortized cost thereof.

12. Drawings, Confidential Information and Inventions:

- a. All drawings, prints, samples, tests and reports, if and as required, shall be supplied by Seller without charge. Buyer shall have the right to use for any purpose unpatented information supplied by Seller if such information is supplied without written restriction regarding the use or disclosure of the same.
- b. Seller shall not use or disclose any drawings, prints, samples, tests or reports or other confidential information supplied by Buyer, whether or not designated as such, except as reasonably required to fulfill this Agreement.
- c. All inventions and ideas, whether or not patentable, made, conceived, developed or acquired by Seller incident to supplying goods or services under this Agreement shall vest in and inure to the Buyer's sole benefit, and Seller shall, at the request of Buyer, cause applications for patents covering such inventions to be executed by appropriate representatives of Seller and assigned to Buyer.

13. Indemnification:

- a. Except where goods are to be provided from specifications, designs, or processes furnished by the Buyer, Seller shall defend, indemnify and hold harmless Buyer from any loss or damage sustained by, and from and against all claims asserted against Buyer arising from any alleged infringement of any trademark, patent,

copyright or other proprietary right, by reason of the sale or use of goods and/or services supplied hereunder and if any of these goods or services or any part thereof is held to constitute infringement and its use is enjoined, Seller shall at its own expense either procure for Buyer the right to continue to use such goods or services or part thereof or replace them with non-infringing goods or services.

- b. Seller shall defend, indemnify and hold harmless Buyer from and against any claims asserted against it for injuries or damage to property arising in whole or in part from any act or omission of Seller, its agents, servants, employees, representatives or subcontractors with respect to the goods or services supplied hereunder, including those claims arising in whole or in part out of the negligence of Buyer.
- c. Seller waives and releases Buyer from all rights of contribution or indemnity to which it may otherwise be entitled. Used in this Section 13, the term "Buyer" shall mean Buyer, its officers, directors, agents, employees, subcontractors, parent, subsidiaries, divisions and affiliates, successors, assigns, customers and the ultimate users of the goods and services supplied hereunder.

14. Compliance with Laws:

- a. In performance of its obligations under this Agreement, Seller shall comply with all applicable executive orders, federal, state, municipal and local laws, rules, orders, requirements and regulations, including but not limited to the Fair Labor Standards Act of 1938, as amended, and the Williams-Steiger Occupational Safety and Health Act of 1970, as amended, together with all standards and regulations issued or adopted pursuant thereto.
- b. Seller's acceptance of this Agreement and supplying of goods and services hereunder shall constitute certification by Seller of such compliance. Any permits or licenses which may be required for performance by the Seller hereunder shall be obtained by Seller at its cost and expense. Seller shall furnish Buyer with certificates and other evidence of compliance upon Buyer's request. Seller shall upon delivery of goods supplied hereunder provide Buyer with material safety data

sheets (MSDS) or any essentially similar form approved by the Buyer setting forth the type and quantity of all hazardous substances, as defined in appropriate federal, state and local laws and regulations, contained in such goods.

- c. If the goods contain no such hazardous substances, the form shall so state. In addition any such hazardous substances shall be labeled by generic or basic chemical name only, and Seller shall provide Buyer with safe handling procedures for such substances including disposal procedures on the MSDS or other form provided.

15. Equal Opportunity Clause:

- a. Seller shall not maintain segregated facilities or discriminate against any employees because of age, race, color, religion, sex or national origin or any other ground prohibited by law.
- b. Seller shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, race, color, religion, sex or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- c. Seller shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity Clause. The Seller shall comply with all provisions of Executive Order 11246, as amended, The Vietnam Veterans Readjustment Act, The Rehabilitation Act of 1973, the Equal Pay Act of 1963, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, and all other Equal Employment Opportunity Laws and Executive Orders, and the rules, regulations, and relevant orders of the United States Secretary of Labor, which are incorporated herein by reference. Seller shall incorporate this Equal Opportunity Clause in every non-exempt contract between Seller and Buyer, and Seller shall

obtain identical certifications from subcontractors prior to award of any non-exempt subcontracts.

16. Insurance:

- a. Seller shall carry the following insurance coverage with a carrier acceptable to Buyer and furnish to Buyer, prior to the supply of goods or services hereunder, certificates of insurance evidencing such coverage, naming the Buyer as additional insured under its product liability coverage, and providing that Buyer shall receive at least thirty (30) days' prior written notice of any cancellation of or changes to such coverage: (1) comprehensive general liability, including contract liability, in the amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate for bodily injury or property damage, and \$2,000,000 per occurrence and \$3,000,000 in the aggregate for products; (2) workers' compensation as required by state law for all of Buyer's employees and those of its subcontractors. In addition, if this Agreement calls for installation or work at Buyer's site, or delivery directly by Seller (not via third-party carrier) to Buyer's site, Seller shall also carry automobile liability insurance for itself and each of its subcontractors in the amount of \$2,000,000 combined single limit or \$1,000,000 per occurrence for bodily injury and \$500,000 per occurrence for property damage, and the certificate of insurance furnished by Seller shall name Buyer as an additional insured under its comprehensive general liability and automobile liability policies. Seller shall furnish Buyer at its request a full copy of the policies listed above, including any and all endorsements thereto.
- b. The Seller shall have the burden of providing to Buyer the certificates of insurance required under this Section 16, and Buyer may refuse payment to Seller for goods or services supplied hereunder without any penalty to Buyer, pending Buyer's receipt of such certificates of insurance or any replacements for expired certificates.
- c. Notwithstanding the provisions of Section 7 hereof, if Buyer terminates this Agreement due to Seller's failure to provide it with certificates of insurance as required herein, Buyer may require Seller to arrange at its expense for the return of

all goods supplied hereunder to Seller, and Buyer shall not be required to take title to or otherwise pay for any goods in process or materials produced or acquired in connection with such goods.

17. Force Majeure:

- a. Neither party shall be liable to the other for damages arising from delay in delivery or any other nonperformance under this contract arising out of causes beyond its control and without its fault or negligence, including but not limited to acts of God or of the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

18. Government Contracts:

- a. In the event that this Agreement is placed against a United States government contract or purchase order, the clauses set forth in the Federal Acquisition Regulation (FAR) or similar federal procurement regulations which are included in Buyer's contract or purchase order are hereby incorporated by reference and made a part of this Agreement; provided, however, that appropriate revisions of these clauses shall be deemed to have been made so that, for example, references to "contracting officer" or "government" shall apply to the Buyer, and references to the "contractor" shall apply to the Seller as appropriate to the intent of each clause used in the government contract.

19. Limitation on Buyer's Liability:

- a. IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED PROFITS OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR DAMAGES IN THE NATURE OF PENALTIES; BUYER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THIS CONTRACT OR THE PERFORMANCE OR BREACH HEREOF SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE, TO THE GOODS OR SERVICES OR PART THEREOF THAT GIVES RISE TO THE CLAIM. ANY ACTION RESULTING FROM ANY BREACH ON THE PART OF BUYER AS TO THE GOODS OR SERVICES SUPPLIED HEREUNDER SHALL BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

20. Notice of Labor Disputes:

- a. Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this Agreement, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer.
- b. Seller shall insert the substance of this section in any contract with any subcontractors affecting the goods or services supplied hereunder except that each such subcontractor shall provide that in the event its timely performance is delayed by any actual or potential labor dispute, the subcontractors shall immediately notify Seller of all relevant information with respect to such dispute.

21. Quality Control:

- a. In accordance with the specific requirements of this Agreement, Seller shall maintain a quality control system acceptable to Buyer covering the goods and services supplied hereunder.
- b. Records of all certification and inspection work by Seller and its suppliers shall be kept complete and available to Buyer at Seller's facilities, including without limitation, all records, reports, data and other information necessary to insure compliance with applicable Federal Aviation Regulations. All Sellers' facilities that provide services according to this Agreement are subject to FAA surveillance or investigations as required by the FAA.
- c. Should Seller or any of Seller's key sub-tier supplier's relocate its manufacturing facility, subsequent to the execution this Agreement, Seller must notify Buyer of the proposed relocation in a timely manner prior to the planned relocation.

22. Notices:

- a. Notices supplied hereunder shall be deemed to have been duly given if delivered in writing personally, or by registered mail, postage prepaid to:

Lee Aerospace, Inc.
9323 E. 34th Street North
Wichita, KS 67226
Attention: Director of Supply Chain Management

23. Shipping:

- a. All goods supplied hereunder shall be suitably packed, marked and shipped in accordance with Buyer's instructions, or absent such instructions, in accordance with the requirements of common carriers in a manner to secure lowest transportation costs, and no additional charge shall be made to the Buyer unless otherwise provided on the face of this document.
- b. Packing slips shall accompany each shipment. Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded to Seller in accordance with Buyer's instructions. Seller shall describe goods on bill of lading or other shipping receipt and route shipments in accordance with Buyer's instructions.
- c. IF APPLICABLE: Full Shelf life is preferred 90% or a minimum (with notification) of 75% shelf life required at time of receipt. If below these requirements products could be a cause for rejection.
- d. Domestic Shipping:
 - i. All goods supplied hereunder and shipped domestically within the United States of America, shall be shipped FOB destination to Buyer's dock. Unless otherwise specified, the price set forth in a Purchase Order shall include all charges for Seller's packing and crating and for cartage to FOB destination at Buyer's dock.
- e. International Shipping:
 - i. All goods supplied hereunder and shipped internationally from outside of the United States, shall be shipped Delivery Duty Paid to Buyer's dock. Seller shall provide a "Commercial Invoice" for all goods imported to Buyer, which shall contain the description, value and country of origin of the merchandise being imported. The Commercial Invoice shall be signed by the Seller, Seller's shipper or Seller's agent

as required for Customs entry and shall be prepared in accordance with 19 CFR 141.86 of the U.S. Customs Regulations. The Commercial Invoice presented to Customs must contain certain pieces of information in order for Customs and the broker to be able to determine the classification of the merchandise. Seller shall be responsible for and agrees to indemnify Buyer for any and all fines, damages, losses, expense, attorney fees, court costs, etc., that result from Seller's failure to comply with the Commercial Invoice requirements.

24. Anti-Kickback Procedures:

- a. Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7. "Anti-Kickback Procedures," except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller.
- b. In addition to reporting possible violations of the Anti-Kickback Act to the United States Government pursuant to 41 U.S.C. 57, Seller shall report such possible violations, if related to Buyer, to Buyer.
- c. In addition to any other remedies that Buyer may have, Seller shall defend Buyer against all claims and procedures based upon actual or alleged violations of the Anti-Kickback Act of 1986 and any amendment thereof; and Seller shall indemnify and hold Buyer harmless from any losses, damages, liabilities, costs, and expenses including but not limited to, losses of profits, expenses of litigation, attorney's fees, penalties or fines, suspensions or reductions of progress payments, and all losses arising out of contract terminations, suspensions or debarments of Buyer, resulting from a violation of the Anti-Kickback Act of 1986 and any amendment thereof, by Seller, any of its officers, partners, employees, agents, or any subcontractors at any tier below Seller or such subcontractor's employees.
- d. If the United States Government, pursuant to FAR 52.203-7, directs the Buyer to withhold sums owed the Seller, Buyer shall be entitled to do so and Buyer may, if

ordered to do so, pay said money over to the United States Government and Buyer shall not be responsible to pay the said money to the Seller but Seller shall remain responsible for performance of the contract.

25. Rate Reduction: Reductions in the rate of delivery will be accepted by Seller at no additional charge within the following limitations:

- a. Buyer shall declare within the context of any production Purchase Order, as well as subsequent follow-on Orders, a "base schedule" of delivery requirements.
- b. The "base schedule" shall be for a period of twelve (12) months and shall identify the rate of delivery for each month. The initial four (4) months of deliveries in the "base schedule" represents Buyer's obligation/liability, whereas the last eight (8) months of deliveries in the "base schedule" are anticipated quantities based on market projections and thus are for planning purposes only.
- c. Buyer reserves the right to issue revisions as appropriate and without obligation for any element of the "base schedule" beyond four (4) months from delivery.
- d. The base schedule quantity shall become Buyer's obligation/liability as each monthly increment moves from five (5) months from delivery to four (4) months from delivery. Thereafter, Buyer shall retain its right to reschedule at no charge, quantities within the second (2nd) through the fourth (4th) month, providing the reschedule does not reduce the monthly quantity to less than one (1) for delivery in any month between the second (2nd) and fourth (4th) full calendar months from the date of notice. The quantity by which each month is reduced must be rescheduled for delivery.
- e. Any quantities scheduled for delivery within the first (1st) full calendar month from date of notice shall not be changed.
- f. Termination liability shall not apply to that element of the schedule that is beyond four (4) months from the date of termination notice, unless any element of later periods contains quantities which have been rescheduled as provided above.
- g. Seller will accommodate increases in the rate of delivery at no additional charge to Buyer to the degree that such increases can be achieved without incurring additional cost such as special expedite or overtime premiums. See LAI Indented Bill of

Material (BOM) for all tools, engineering drawings, specifications, and special instructions or documents related to configuration control. All items on the LAI BOM must be used at the revision shown to build this part. Contact LAI if a copy of the BOM or any item listed on it is needed.

26. Relocation of Manufacturing or Changes to QMS:

- a. Should Seller or Seller's key Sub-tier Supplier's decided to relocate any of its manufacturing of Goods, subsequent to the execution of the Agreement, Seller shall notify Buyer of the proposed relocation in a timely manner prior to the planned relocation. Any changes in the QMS that could affect the product Quality must have written notification in a timely manner.

27. Conflict Minerals:

- a. The Securities and Exchange Commission today adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies to publicly disclose their use of conflict minerals that originated in the Democratic Republic of the Congo (DRC) or an adjoining country.

The regulatory reform law directed the Commissions to issue rules requiring certain companies to disclose their use of conflict minerals that include tantalum, tin, gold or tungsten if those minerals are "necessary to the functionality or production of a product" manufactured by those companies. Companies are required to provide this disclosure on a new form to be filled with the SEC called Form SD.

28. General Provisions:

- a. This contract constitutes the entire agreement between the parties relating to the goods and services supplied hereunder. No modification of this contract shall be binding upon Buyer unless made in a writing signed by Buyer's duly authorized representative. All special terms and conditions or supplemental attachments which are attached to or referenced in this Agreement are made a part of the contract between the Buyer and the Seller as though fully set forth herein; provided that, to

the extent of any inconsistency, the terms and conditions of this Agreement shall govern.

- b. Seller shall not, in whole or in part, assign, subcontract or delegate its rights and obligations under this contract without the prior written consent of Buyer; any reference to subcontractors elsewhere in this Agreement does not constitute a waiver of Seller's obligations to obtain the prior written consent of the Buyer as aforesaid.
- c. No waiver by Buyer of a default shall be deemed a waiver of any subsequent default. Seller must flow down to sub-tier all applicable requirements provided by Buyer.
- d. The terms of this contract shall be governed by and construed in accordance with the laws of the state of Kansas. Any litigation under this Agreement if commenced by Seller shall be brought in the U.S. District Court for the District of Kansas, if such court does not have jurisdiction, then the state court in Sedgwick County, Kansas, and Seller shall accept venue in such court.

[Signature Page Follows]

IN WITNESS WHEREOF the undersigned acknowledge and agree this Purchase Order Terms & Conditions Agreement is effective as of the last date specified below.

BUYER

LEE AEROSPACE, INC.

By: _____

Name: _____

Date: _____

SELLER

[_____]

By: _____

Name: _____

Date: _____