



SONFARREL AEROSPACE LLC, STANDARD TERMS AND CONDITIONS OF SALE

1. Definitions. As used in these terms and conditions, "Buyer" means the purchaser of any of the Goods; "Contract" means these terms and conditions and any modifications agreed to by Seller in writing; "Goods" means the products sold by Seller and identified in the Contract or Quotation; and "Quotation" means Seller's standard quotation form and terms, which include these Standard Terms and Conditions of Sale, describing or referenced to any of the Goods; "Seller" means SONFARREL AEROSPACE LLC, "Services" means labor or services sold by Seller and identified in the Contract or Quotation.
2. Acceptance. Acceptance of Buyer's purchase order is expressly made conditional on Buyer's assent to Seller's Standard Terms and Conditions of Sale. These terms and conditions supersede and are in lieu of any additional or different terms contained in Buyer's purchase order or any other document or communication of Buyer and Seller pertaining to Buyer's order, all of which are deemed by Seller to be material. Buyer unequivocally consents to Seller's Terms and Conditions of Sale by any of the following: (i) placing an order based upon, referring to or arising out of Seller's offer; (ii) instructing or requesting Seller whether orally or in writing to begin work on or to ship any of the Goods after receipt of Seller's offer; or (iii) accepting or paying for all or any part of the Goods.
3. F.O.B. Origin. All prices and shipments are F.O.B. Seller's plant, and are exclusive of all taxes. All risk of loss during transit shall remain with Buyer. Prices stated in the Contract or to be submitted are those currently in effect and are subject to escalation unless expressly agreed otherwise. Changes in the price of the Goods may be the result of correcting pricing mistakes, or may occur with periodic general price changes, and for specific Goods at any time. Seller will provide Buyer with advance written notice of price changes. Buyer will be charged extra for all applicable taxes, packing, special tests or inspections, insurance, shipping costs, and other charges imposed by Buyer. Buyer shall be liable for interest on unpaid invoices or any portion thereof, at the rate of one and one-half percent (1 ½ %) per month on the unpaid balance. Seller is authorized to ship the Goods in any manner commercially reasonable or customary.
4. Adequate Assurances. Seller may at any time stop work in process, refuse to make shipment, or instruct the common carrier or other third person in custody or possession of the Goods to hold, store or return the Goods to Seller if Buyer fails to make any payment or perform any other obligation owed to Seller when due or fails to provide adequate written assurances when requested by Seller upon Seller's reasonable insecurity about Buyer's ability to pay for the Goods or otherwise perform its contractual obligations. Buyer shall provide Seller with immediate written notice in the event of any material change in the solvency of Buyer, or upon the creation or filing of any plan of reorganization, merger, or the filing of any voluntary or involuntary bankruptcy petition.
5. Payment. Unless otherwise expressly provided in writing, and subject to Article 4 (Adequate Assurances), terms of payment are net cash payable thirty (30) days from the Seller's invoice date. No discounts or allowances are permitted without Seller's authorization. Buyer is



liable for collection agency fees and commissions incurred by the Seller in the event the Buyer fails to pay for Goods and/or services according to the terms of the Contract. Prices quoted do not include fees for First Article Inspection or any Line Item Release Value under \$450.00. Seller reserves the right to increase pricing to include (i) First Article Inspection of a minimum of \$1,200 per part, (ii) \$450.00 for any shipment under \$450.00, or (iii) price escalation for materials purchased by Seller from its supply base.

6. Claims. Any damages to, loss of, shortage in, or any other claim concerning the Goods which could be discovered by inspection upon delivery of the Goods must be reported to the delivering carrier, and, in writing, to Seller promptly and in no event later than thirty (30) days after discovery of the claim by Buyer; claims not received by Seller within the prescribed period of time are deemed waived. In the case of any such claim against Seller, inspection shall be promptly arranged with Seller, and where appropriate, representatives of the carrier. In no case shall any Goods be returned without first securing the written return authority of Seller.

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7. Delivery. Delivery dates specified are target dates only. However, Seller shall exercise reasonable efforts to comply with Buyer's requested delivery dates.

8. Modification. Buyer may not cancel, modify or amend any terms of the Contract or hold up releases after the Goods ordered are in process, except with Seller's written consent and subject to conditions then to be agreed upon, including timely receipt of all change orders and reimbursement of Seller for all added expense. Seller reserves the right at any time and without notice, to discontinue the manufacture of any of the Goods, to make changes in design and to make improvements to the Goods without incurring any obligation to correct, modify, adjust or improve the Goods previously manufactured and sold by Seller.

9. Changes. Buyer shall have the right to make changes to Goods ordered, or delivery, subject to Seller's right to an equitable adjustment in price or schedule.

10. Warranty. Seller warrants that for a period of twelve (12) months from the date of delivery, its products will be free from defects in materials and workmanship. No other warranty, expressed or implied, is provided, express or implied, including the IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE and MERCHANTABILITY. Without limiting the generality of the foregoing, Seller does not guarantee results from use of the Goods. Any description of the Goods contained in the Contract or otherwise is for the sole purpose of identifying the Goods, is not part of the basis of the bargain, and does not constitute a warranty that the Goods shall conform to that description. The use of any sample or model in connection with the Contract is for illustrative purposes only, is not part of the basis of the bargain, and is not to be construed as a warranty that the Goods will conform to the sample or model. No affirmation of fact or promise made by the Seller, whether or not in any Contract, shall constitute a warranty that the Goods will conform to the affirmation or promise. Minor cosmetic imperfections that do not affect form, fit or function do not constitute a breach of warranty. Seller offers no warranties relating to patent, trademark or copyright infringement. All warranties shall be voided by the customer's failure to protect the Goods from misuse, damage or neglect.



11. Limitation of Liability. Seller shall not be liable to Buyer or its customers whether in contract, tort, or otherwise, for incidental, consequential or special damages, or for costs of removal or return shipment. Under no circumstance shall Seller's liability or Buyer's remedy for damages against Seller exceed the cost to Buyer of the Goods. No claim or action arising out of the Contract may be brought by Buyer more than twelve (12) months after the date of delivery of the Goods.

12. Technical Advice. Seller may, upon Buyer's request, furnish technical advice with reference to the Goods sold hereunder, if and to such extent as Seller has offered such advice is expressly agreed that it shall be given and accepted at Buyer's sole risk and Seller shall not be responsible or liable for the advice or assistance given or the results thereof. Responsibility for the correctness and feasibility of Goods or specifications for the intended application of the Goods is solely the responsibility of Buyer.

13. Patents and Trademarks. Buyer shall defend and hold Seller harmless from any claims made against Seller, inclusive of attorney's fees and costs, that the manufacture or sale of Goods hereunder to Buyer's specifications, or by Buyer's combination of the Goods with any other products, where such combination constitutes actual or alleged infringement of any patent, copyright or trademark.

14. Severability. The invalidity of any provision of the Contract shall not affect the other provisions hereof, and the Contract shall be construed in all respects as if such invalid or unenforceable provision(s) were limited in scope and effect to the extent necessary to render such provision or provisions valid and enforceable, and if such a limiting construction is not possible, such provision(s) shall be omitted.

15. Assignment. Buyer may not assign its rights under the Contract without the written consent of Seller and any such purported assignment shall, at the election of Seller, be of no effect.

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16. Confidentiality. Buyer acknowledges and warrants that the information contained in Seller's quotation, or received from Seller during performance under the Contract, will be held in strict confidence and will be used only for the purpose(s) related to the Contract. Buyer shall ensure that such information is not improperly used, or disclosed to third parties, and shall exercise not less than a reasonable standard of care concerning its handling and use of such information. Upon receipt of notice from Seller, or upon the expiration or termination of the Contract, Buyer shall return all information previously supplied by Seller. Upon any breach of this provision, Seller shall be entitled to all available remedies including its attorney's fees and costs.

17. Termination for Default. Seller may terminate the Contract in whole or in part for any default by Buyer that is not cured within ten (10) days of written notice from Seller specifying the grounds for the asserted default. If the Buyer disputes the asserted grounds for default the parties shall resolve their differences in accordance with the Disputes clause hereof, and failing resolution, the Seller may proceed with termination for the stated grounds, and seek such remedies as may be available arising out of Buyer's default.



18. Disputes and Remedies. The parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to the Contract. Either party may initiate negotiations by providing written notice to the other party, setting forth the nature of the dispute and the relief requested. The recipient of such notice will respond in writing within five days with a statement of its position and recommended solution to the dispute. If the dispute is not resolved by this exchange of correspondence, then representatives of each party with full settlement authority shall meet or confer at a mutually agreeable time and place within ten (10) days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute. Either party may tender a dispute to a court of competent jurisdiction if negotiations fail to resolve the dispute. In the event of a breach of the Contract by either party, the prevailing party shall be entitled to all remedies available at law or in equity, including recovery of attorney's fees and costs.

19. Force Majeure. Seller may delay performance or delivery occasioned by causes beyond its control. Seller shall hold completed goods and shall deliver them when the cause affecting the delay has been removed. Seller shall not be assessed damages or costs associated with force majeure causes beyond its control.

20. Conditions Not Waived. Seller's failure to enforce or declare a default or breach with respect to any particular term or condition of the Contract shall not constitute a waiver of Seller's right to enforce or be protected by any other term or condition or, on a subsequent occasion, that particular term or condition.

21. Entire Agreement. The terms and conditions set forth herein and on the face hereof are intended by the Buyer and Seller as a complete and exclusive statement of their agreement, superseding all prior oral or written agreements and representations.

22. Governing Law. The Contract shall be construed in accordance with and governed by the laws of the State of California, excluding its conflicts of law principles. Jurisdiction of any legal action shall lie exclusively in a state or federal court located in the County of Orange, State of California.

(SONFARREL AEROSPACE LLC Sales Terms and Conditions, Rev. 100318)