

PURCHASE ORDER GENERAL TERMS

1) No conditions laid down by Vendor in accepting or acknowledging this order shall be binding upon VT SAA/AERIA if in conflict with any instructions, agreement and/or condition herein stated, unless expressly accepted by VT SAA/AERIA in writing.

2) The Vendor shall not disclose any information concerning the order to any third party, except as herein specified, without first obtaining the written consent of VT SAA/AERIA.

3) No substitutes or changes in product and/or process definition allowed without prior written approval from VT SAA/AERIA. Vendor must notify VT SAA/AERIA of non-conforming material for approval prior to shipment.

4) Packaging must meet best industry standards. Vendor shall assure all articles are packaged in a manner and with materials to prevent deterioration, corrosion, damage, or intrusion of foreign objects.

5) Shelf-life limited materials shall have at least 80% of shelf life remaining upon arrival at VT SAA/AERIA in order to be accepted, unless otherwise approved by VT SAA/AERIA in writing. Vendor shall provide shelf-life data with each shipment documenting manufacture and expiration dates.

6) Vendor guarantees the right of access to VT SAA/AERIA, the FAA, and VT SAA/AERIA Customer to Vendor's facilities, quality-related records, and data.

7) A copy of all documentation for drop shipments must be forwarded to VT SAA/AERIA upon shipment of parts to final destination. Vendor shall provide shipment information including tracking number. Shipments shall be DDP VT SAA/AERIA's place of business.

8) Cancellation – If the Vendor refuses or fails to make deliveries of the articles within the time specified in the P.O. or any extension thereof, VT SAA/AERIA may terminate the right of Vendor to deliver the articles, except when delay of Vendor is due to unforeseeable causes beyond the control and without the fault or negligence of Vendor, including but not restricted to, acts of God, acts of Government, fires, floods, strikes, freight embargos, but not including delays caused by subcontractors or Vendors; provided that Vendor shall, within ten (10) days from the beginning of such delay, notify VT SAA/AERIA in writing of the cause of delay; and provided further that if delay due to such unforeseeable causes exceeds a total period of sixty (60) days, VT SAA/AERIA may terminate the right of Vendor to deliver the articles. In the event of any suspension of payment, or the institution of proceedings by or against either party, voluntary or involuntary, in bankruptcy, or insolvency, or under provisions of the United States Bankruptcy Act, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of either party, the other shall be entitled to cancel this contract forthwith by written notice.

9) Warranties – The Vendor warrants the articles to be supplied under this contract are fit and sufficient for the purpose intended; are merchantable, of good quality and free from defects, whether patent or latent, in material and workmanship; and that material or equipment for aircraft construction conforms to required specifications. The Vendor warrants that it has good title to the articles supplied and that they are free and clear from all liens and encumbrances. These warranties, together with their service warranties and guarantees shall run to VT SAA/AERIA, its successor, assignees and/or to persons to whom the materials or articles may be resold.

10) Vendor agrees to not, directly or indirectly, during the period that Vendor provides services or goods for VT SAA/AERIA, and for a period of one year thereafter, solicit, employ or hire or induce to hire any person who is or has been an employee of VT SAA/AERIA who is working with or has worked with Vendor regarding the subject matter of this agreement unless otherwise consented to in writing.

11) INDEMNITY – Vendor agrees to indemnify and hold VT SAA/AERIA harmless against all actions, losses, claims, damages or liabilities, to which VT SAA/AERIA may become subject arising out of Vendor's provision of its goods or services to or their use or resale by VT SAA/AERIA. Vendor will reimburse VT SAA/AERIA for any legal and/or other expenses reasonably incurred by VT SAA/AERIA in investigating and defending against any actions, losses, claims, damages, or liabilities arising from the use or resale of Vendor's products or services, provided however, that Vendor shall not be liable under the foregoing indemnity agreement for any actions, losses, claims, damages, or liability that a court of competent jurisdiction

determines resulted from the willful misfeasance or gross negligence of VT SAA/AERIA. The indemnification provided to VT SAA/AERIA hereunder shall be applicable whether or not negligence is alleged or proven.

12) Without in any way limiting the foregoing, Vendor shall maintain public liability and property damage insurance covering Vendor's obligations hereunder, shall name VT SAA/AERIA as an additional insured, and waive any right of subrogation under those insurance policies and, upon request, shall provide VT SAA/AERIA a copy of such insurance policy evidencing its existence. If Vendor's policies are Claims Made, Vendor shall obtain two years extended reporting period (tail) coverage. This provision shall survive the completion and full performance of the purchase order by vendor. Exclusive venue and jurisdiction for any dispute hereunder shall be in Bexar County Texas. Texas law shall apply.

13) Final inspection and acceptance of all goods and/or services shall take place in San Antonio, TX at VT SAA/AERIA facilities.

SPECIFIC TERMS & CONDITIONS WHERE APPLICABLE

1) Certificate of Conformance required with each shipment, as specified on the purchase order. The certificate shall state that all purchase orders and design requirements have been complied with and must be issued and signed by a responsible QA/Control Representative.

2. If material safety data sheets (MSDS) are required, provide the most recent for all chemicals which fall under the definitions in 29 CFR 1910.1200(g) of the Occupational Safety and Health Administration regulations.

3) Raw materials must be identified with continuous line stenciling stating size, heat lot, alloy, temper, material type, and applicable federal or military specifications. Vendor must provide actual test reports showing quantitative physical properties and/or chemical composition with each shipment.

4) Calibration and certification reports are to include calibration standards used (expiration date, NIST, traceability and results of any repairs made) and signature of technician performing calibration. All applicable test reports (functional, pressure or load tests) shall accompany each shipment to VT SAA/AERIA. The reports must be signed by a Vendor authorized representative performing the test and must assure compliance with specific requirements.

5) Perform inspection on all parts assemblies (i.e., no sample inspection) specified by this P.O. Inspection shall ensure conformance to drawing and specification requirements and maintain clear evidence of inspection. Notify VT SAA/AERIA of First Article Inspection processes for establishment and coordination of mandatory inspection points. Documented inspection points shall remain in effect for each part until such time formal notification is sent and approved by VT SAA/AERIA QA.

6) Protective covers or plugs must be installed on ducts, lines, tubes, vents, and electrical connectors or connections for protection from contamination and physical or electrostatic discharge type damage. Each o-ring or bearing will be individually packaged and identified per MIL-P-4861.

7) A copy of actual nondestructive test and/or Special Process Reports shall accompany each shipment to VT SAA/AERIA. The document must be signed by a Vendor authorized representative performing the inspection and assure the conformance to all applicable requirements.

8) Vendor shall maintain all documents including test data, inspection reports, material certificates, discrepancy reports, corrective action reports, and other product related documentation for at least 2 years.

9) Vendor shall provide VT SAA/AERIA with a copy of the original manufacturer's certification and data sheet that includes the specific lot numbers for the products being delivered.

10) Vendor will provide drawings with first time shipments and updates to drawings thereafter.

11) Items requiring rework by Vendor must be returned with a record of the work performed approved by Vendor's QA department. It is acceptable to send the parts with an FAA 8130-3 form, "Airworthiness Approval Tag".

12) Purchase order "Vendor Requirements" and Terms and Conditions are applicable to sub-contractors. VT SAA/AERIA approval is required to sub-contract.