
 RAISBECK ENGINEERING <small>AN ACORN GROWTH COMPANY</small>	Document number: 2022-01-28	Main body Page: 1 of 16 Revision: A
	Title: GENERAL PURCHASE TERMS AND CONDITIONS	

I. **Definition that Apply to these Terms and Conditions.** For purposes of these General Purchase Terms and Conditions, the following definitions apply shall apply to the entire document:

- A. The “**Affiliates**” of a Business are (i) each entity that directly or indirectly, through one or more intermediaries, owns more than 50% of the outstanding voting securities of the Business [parent organizations], (ii) each entity that directly or indirectly through one or more intermediaries, is Controlled by the Business [child organizations], and (iii) each entity that directly or indirectly through one or more intermediaries, is Controlled by the same entity as the Business [sister organizations].
- B. “**Article**” has the meaning found in 14 C.F.R. § 21.1(b)(2).
- C. An “**Authorized Release Document**” means a document as described in 14 C.F.R. § 21.137(o) or an 8130-3 tag issued by an FAA designee.
- D. “**Buyer**” means Raisbeck Engineering Inc. Raisbeck Engineering Inc. is headquartered at 4411 South Ryan Way, Seattle, WA 98178.
- E. “**Controlled**” in the context of an entity means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the entity, whether through ownership of voting securities, by contract interest, or otherwise.
- F. A “**Claim**” means any claim, demand, loss, damage, injury, liability, obligation, damage, penalty, cost, action, suit, arbitration, or expense (including attorney’s fees, professional fees, and costs as incurred).
- G. When used with respect to a Service subject to a Purchase Order, “**Delivery**” means that the Service has met the terms described in section II.E of these terms and conditions. When used with respect to Goods subject to a Purchase Order, “**Delivery**” means that the Goods have been made available to the Buyer subject to the terms in section III.G of these terms and conditions.
- H. “**Goods**” means articles, parts, materials, tools, software, drawings, data, manuals or any items that are required to be delivered pursuant to, or in connection with, a Buyer Purchase Order.

Prepared by: J. Dickstein	Reviewed by: T. Morgan	Approved by: T. Morgan
Date: 1/25/22	Date: 1/27/22	Date: 2/4/22

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- I. When used in the context of Goods, “**Inspection Period**” has the meaning found in section III.F of these terms and conditions.
- J. “**Product**” means a Good or Service subject to a Purchase Order.
- K. “**Purchase Order**” means any communication from the Buyer that clearly seeks to purchase one or more Products from Seller. A document that is not understood by Company to be a Purchase Order is not a Purchase Order.
- L. “**Seller**” means any person who to whom Buyer provides a Purchase Order or who has agreed to sell one or more Good or Services to Buyer. Such a person remains a Seller through the completion or termination of the Buyer Purchase Order, and thereafter remains a Seller for purposes of each provision that survives completion or termination of the Buyer Purchase Order.
- M. “**Service**” means work performed for the Buyer. For purposes of these Terms and Conditions, anything that is the subject of a Buyer Purchase Order and is not a Good is a Service. Examples of Services can be found in section II.A of these Terms and Conditions.

II. **Terms and Conditions for Purchase of Services.** For purchase orders that reflect the purchase of Services, the terms and conditions found in this section II shall apply, in addition to the terms and conditions found in sections I and IV. In the event a purchase order involves the purchase of both Goods and services, these section II terms and conditions shall apply to the portion of the transaction that involves the purchase of Services. If the goods and services on the Purchase Order are so interlaced that they cannot reasonably be separated, and if there is a conflict between the terms and conditions that would apply to Goods and the terms and conditions that would apply to Services, then the terms and conditions that would apply to Goods shall be given effect, unless it is not possible to do so in which case the terms and conditions that would apply to Services shall be given effect.

A. **Services: Classes of Services.** This section II is intended to establish the terms and conditions that apply to Buyer’s contracts for the purchase of Services. This is intended to include [but not be limited to]:

1. Engineering services purchased by Buyer;
2. Design services purchased by Buyer;
3. Creation of bespoke software for Buyer (off-the-shelf software is a Good);
4. Approval and/or certification services purchased by Buyer; and
5. Mechanical repairs and alterations to Articles provided by Buyer.

B. **Services: Offer and Acceptance.** The Purchase Order is an offer to purchase and is expressly limited to these terms and conditions, and those terms and conditions stated on the face of the Purchase Order. If these terms and conditions conflict with the terms and conditions stated on the Purchase Order then these terms and conditions will take precedence. Any terms and conditions contained in any other document which are

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in addition to, or different from, these terms and conditions (as supplemented by the applicable Purchase Order) are hereby rejected and shall not become part of the agreement between the parties without Buyer's specific written consent. Seller must accept all of the terms of the Purchase Order in writing (which may be as simple as writing "I accept"). If Seller, instead of accepting the Purchase Order, provides services that substantially conform to the Purchase Order, then Buyer may at its sole election, either reject the tendered services or treat such action as constituting Seller's acceptance of the terms and conditions.


C. **Services: Price.** Prices stated in the Purchase Order are not subject to increase, except as otherwise specifically agreed to in writing. Seller shall be liable for and shall pay any sales tax, use tax, excise tax, or other tax associated with the transaction. Under no circumstances will signing a receipt, nor tendering payment to Seller, constitute either an acceptance by Buyer nor waiver of any of Seller's liabilities or warranties. The time allowable for payment shall begin after the later of: (a) Buyer's receipt of Seller's invoice and (b) Completion of services to Buyer's satisfaction.

D. **Services: Seller's Invoice.**

1. Seller shall tender a separate, itemized invoice to Buyer for services rendered.
2. The invoice shall contain the Purchase Order number, a description of the services rendered, and the total price.

E. **Services: Delivery.**

1. The deliverable product associated with the service shall be provided to Buyer according to secure industry-standard delivery mechanisms.
For example, where the deliverable of a service contract is a signed FAA Form 8110-3, it may be acceptable to provide the signed form by email, but where the deliverable of a service contract is confidential data, it may be more appropriate to deliver the data in a secure mechanism that is not subject to interception.
2. Where the form of Delivery is stated in the Purchase Order, that statement shall control the mechanism of Delivery and no other Delivery mechanism shall be acceptable. Delivery shall be strictly in accordance with the specified schedule and the other requirements of the Purchase Order.
3. Seller shall promptly notify Buyer in writing of any anticipated or actual delay, the reasons therefore, and the actions being taken by Seller to overcome or minimize the delay.
4. Services shall be deemed to have been Delivered when all four of these conditions have been fulfilled, relative to the Service:
 - a) The terms of the Purchase Order have been fully met. If the nature of the Service is ongoing, then completion of an increment, such as a time unit (e.g. a monthly service) or an agreed-upon completion goal (e.g. if the contract is for the ongoing overhaul of articles, then the

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completion of each overhaul may be invoiced) shall be sufficient to meet this Delivery element for the appropriate increment.

b) The Buyer has received the value of the Service.

c) Any Goods on which Services have been rendered have been returned to Buyer. If the Purchase Order requires Services to be performed on Goods, then Delivery of the Good to Buyer as if it had been a transaction for the purchase of Goods (subject to section III) shall be a necessary element to the Delivery.

d) Buyer has accepted the Delivery, and Buyer does not dispute the completion of the Service (or the Delivered portion of the Service if the Purchase Order may be invoiced in increments).

F. **Services: Risk of Loss.** Until Buyer accepts Delivery, Seller assumes all risk of loss or damage to any deliverable products associated with the Services.

G. **Services: Title/Delivery.** All title, rights and interest in the deliverable products associated with the Services pass to Buyer upon Delivery. This includes all intellectual property rights associated with the Services and the associated deliverable products. Such intellectual property rights shall be subject to the standards described in section IV.K of these terms and conditions.


H. **Services: Inspection, Acceptance and Warranty.** All Services delivered under this Purchase Order are subject to use and approval by Buyer before acceptance (this Period is known as the "Inspection Period"). Buyer may withhold acceptance until such use and approval are completed, notwithstanding any payment or prior test or inspection. The Inspection Period shall always be at least 90 days from Delivery. If the service is in support of an activity that requires a government approval, the Inspection Period shall not end until at least 90 days after the associated government approval or rejection becomes complete.

I. **Services: Warranty.** Seller expressly warrants that each Service provided will:

1. Conform in all respects to all the requirements of the Purchase Order;
2. Be free from defects
3. Be free from any Claims of or by third parties;
4. Meet industry standards for such Services;
5. Conform to government laws and regulations associated with such Services;
6. Comply with all applicable laws and regulations.

All such warranties shall survive Delivery and/or Termination of the Purchase Order and shall not be deemed waived by reason of Buyers acceptance of or payment for said Services. In addition to other remedies, if the Services do not perform according to Buyer's specifications, then Seller shall provide a full refund of the purchase price.

J. **Services: Refusal of Acceptance/Rejection/Revocation.**

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1. Buyer may reject, refuse acceptance or revoke acceptance of any or all of the Services which are not strictly in conformance with all of the requirements of the Purchase Order and these Terms and Conditions.

2. If Buyer is exercising a right under this section II.J provision, then it shall notify Seller in a timely manner.

3. If Buyer is exercising its rights under this section II.J provision with respect to Goods on which a Service(s) was performed, then at Buyer's election and at Seller's sole risk and expense, the Goods may be returned to Seller for immediate repair, replacement or other correction [the choice of which shall be at Buyer's sole option] and redelivery to Buyer. Such election shall benefit from the Buyer's privileges and rights associated with an analogous return of non-conforming Goods as described under section III of these Terms and Conditions.

K. **Services: Disputes** mean any and all disputes, controversies, claims, or differences arising out of or relating in any way to this Agreement or a Party's performance thereunder, including, but not limited to, any questions regarding the existence, validity, or termination hereof.

III. **Terms and Conditions for Purchase of Goods.** For purchase orders that reflect the purchase of Goods, the terms and conditions found in this section III shall apply, in addition to the terms and conditions found in sections I and IV. In the event a purchase order involves the purchase of both Goods and Services, these section III terms and conditions shall apply to the portion of the transaction that involves the purchase of Goods. If the goods and services on the Purchase Order are so interlaced that they cannot reasonably be separated, and if there is a conflict between the terms and conditions that would apply to Goods and the terms and conditions that would apply to Services, then the terms and conditions that would apply to Goods shall be given effect, unless it is not possible to do so in which case the terms and conditions that would apply to Services shall be given effect.


A. **Goods: Offer and Acceptance.**

1. Buyer offers to purchase Goods are typically placed by Purchase Order. In non-typical cases, Buyer offers to purchase Goods may be placed through other means, and then confirmed by Purchase Order.

2. The Purchase Order is an offer to purchase and is expressly limited to these terms and conditions, and those terms and conditions stated on the face of the Purchase Order.

3. If these terms and conditions conflict with the terms and conditions stated on the Purchase Order then these terms and conditions will take precedence.

4. Any terms and conditions contained in quotations or other Seller communications (or proposed in any acknowledgments or acceptance by Seller) which are in addition to, or different from, these terms and conditions (as supplemented by the applicable Purchase Order) are hereby rejected and shall

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not become part of the agreement between the parties without Buyer's specific signed, written, consent.

5. Seller may accept the offer represented in the Purchase Order by any writing (including an email) that indicates acceptance.

6. If Seller, instead of accepting the Purchase Order, ships or furnishes any Goods in response to the Purchase Order, then Buyer may at its sole election, either reject the tendered Goods or treat such action as constituting acceptance and assent to the terms and conditions hereof.

B. **Goods: Price.** Prices stated in a Purchase Order are F.O.B. Buyer's place of business (all freight and transportation charges shall be paid by Seller) unless otherwise specifically agreed to in writing by the parties. Prices stated in a Purchase Order are not subject to increase, except as otherwise specifically agreed to in writing. Seller shall be liable for and shall pay any sales, use, excise or other tax (which may be imposed upon any of the Products for their sale, use or delivery). The time allowed for payment shall begin after the later of: (a) Buyer's receipt of Seller's invoice and (b) Acceptance of Goods.

C. **Goods: Billing.** A separate, itemized invoice shall be rendered in duplicate to the address shown on the face of the Purchase Order to the attention of the Accounts Payable Department. The invoice should contain the Purchase Order number, a description of Products supplies/services furnished, quantity, unit price(s) and total price. Buyer may set off any amount owed by Seller or any of its affiliates to Buyer against any amount owed by buyer to Seller under this Purchase Order. Invoicing on this Purchase Order is to be mailed to Raisbeck Engineering, Inc., Attention Accounts Payable, 4411 S. Ryan Way, Seattle, WA 98178. All original invoices are to be mailed and not shipped with the products. A valid purchase order number and pack slip number must appear on the invoices. Payment of any invoices may be delayed pending correction of any errors or omissions.


D. **Goods: Packing.**

1. Seller shall prepare and pack the Products to prevent damage and deterioration.

2. Seller shall ensure that the Good(s) are packed and marked (including appropriate markings and labels for hazardous substances and/or materials) in accordance with industry standards and that such packages comply with applicable laws and carrier requirements. Seller shall pack the Good(s) in accordance with ATA Spec 300 or equivalent, or use Company-specified packaging when so stated on the Purchase Order.

3. Charges for preparation, packing, etc. are included in the price, shown on the Purchase Order.

4. If the Goods are flammable, toxic, volatile or otherwise hazardous, then Seller shall package them in accordance with manufacturer's instructions, local

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regulations and hazardous materials (dangerous goods) regulations, as applicable.

5. If Seller uses wood packaging, then such packaging shall comply with ISPM#15 and its marking requirements.

6. Packing slips must accompany all shipments. The following data should appear on each packing slip:

- a) Seller's name and address;
- b) Buyer purchase order (PO) number;
- c) Part number as shown on the PO;
- d) Part nomenclature;
- e) Quantity shipped;
- f) Unit of measure as shown on PO;
- g) Packing sheet number;
- h) Rejection tag number, if applicable;
- i) Sold to, and/or ship to, as applicable; and
- j) Debit memo number; if applicable.

E. Goods: Shipment and Delivery.

1. Shipment shall strictly match the Purchase Order, including but not limited to: the specified quantities, without shortage or excess; the specified schedules, neither ahead nor behind schedule; and the other requirements of the Purchase Order.

2. Time is of the essence in Seller's performance of its obligations under the Purchase Order and under this Agreement. Seller will immediately provide Notice to Company if Seller's timely performance is delayed or is likely to be delayed. Company's acceptance of Seller's Notice will not constitute Company's waiver of any of Seller's obligations.

3. Shipment shall be at Seller's sole cost and risk of loss.


4. Goods shall be deemed Delivered upon the later of (a) when the Goods are tendered to Buyer at Buyer's address, or at another destination if so-directed in the Purchase Order, and (b) upon Buyer's acceptance of the Goods in accordance with these Terms and Conditions.

F. Goods: Risk of Loss. Until acceptance of delivery, Seller assumes all risk of loss and damage to the Products, if any, supplied under this Purchase Order, including without limitation, any loss or damage resulting from mishandling or abuse, while such Products is in Seller's possession or in transit if returned to Buyer.

G. Goods: Title

1. All title, rights and interest in the Products pass to Buyer upon Delivery.

2. Unless otherwise specified in the Purchase Order (and unless acceptance is refused, rejected or revoked), upon Delivery, Buyer is the sole and exclusive owner of all Goods supplied to Buyer by Seller and Seller hereby

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irrevocably assigns and transfers to Buyer all of its worldwide right and title to, and interest in, such Goods.


H. Goods: Inspection and Acceptance.

1. All Products delivered under a Purchase Order are subject to testing, installation, successful operation and approval by Buyer before acceptance by Buyer (this Period is known as the "Inspection Period"). Buyer may withhold acceptance until such testing, installation, and successful operation are completed, notwithstanding any payment or prior test or inspection.
2. The Inspection Period shall always be at least 90 days, starting with the date of Delivery.
3. If the Goods are intended to support an activity that requires a government approval, such as incorporation into a prototype assembly in support of a government approval or certification, then the Inspection Period shall not end until at least 90 days after the associated government approval or rejection becomes complete.
4. Neither signing a receipt for Products, nor payment to Seller, shall constitute an acceptance by Buyer.

I. Goods: Quality Audit, Source Inspection and Evaluation. Buyer may inspect and evaluate Seller's plant, including but not limited to facilities, systems, equipment, testing, data, personnel, and all work-in process and completed Products. Further, Buyer Quality Control may from time to time elect to conduct source inspection either on a random basis or to the extent of 100% inspection. Seller will be notified if Buyer's source inspection is to be conducted on specific shipments. No shipments are to be held for Buyer source inspection unless notification is received prior to, or at time of, material being ready for shipment.

J. Goods: Warranty.

1. In addition to any other warranty offered by Seller, and in addition to all warranties provided under the Uniform Commercial Code, Seller warrants that Goods provided by Seller to Company shall:
 - a) Conform in all ways to the Purchase Order;
 - b) Conform in all ways to each certification, approval, and authorization applicable to the Goods (including those issued by the manufacturer and those issued by any government);
 - c) Be delivered according to the requirements of the Purchase Order;
 - d) Be accompanied by documentation meeting these terms and conditions and the Purchase Order;
 - e) Be of good quality, material and workmanship
 - f) Be merchantable and suitable for their intended purposes
 - g) To the extent not manufactured to detailed design furnished by Buyer, be free of all defects in design;
 - h) Be free of all liens, security interests or other encumbrances;
 - i) Be in the condition identified in the documentation and in the Purchase Order; and,

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j) Have been manufactured, produced, labeled, furnished, shipped, and delivered to Company in full and complete compliance with all applicable laws and regulations.

2. All warranties shall survive Delivery and shall not be deemed waived by reason of Buyers acceptance of or payment for said Products.

3. In addition to other remedies, if the Products do not perform according to Buyer's specifications or if any end-user returns the Products to Buyer for any reason, Buyer shall return such Products to Seller and Seller shall accept all such Products for a full refund of the purchase price.

4. Buyer shall be entitled to any and all warranties provided by the manufacturer of the Products in addition to those provided by Seller under the Purchase Order.


5. Neither signing a receipt for Products, nor payment to Seller, shall constitute a waiver by Buyer of any of Seller's warranties.

K. Goods: Refusal of Acceptance/Rejection/Revocation.

1. Buyer may also reject, refuse acceptance or revoke acceptance of any or all of the Products which are not strictly in conformance with all of the requirements of this Purchase Order and shall notify Seller of such rejection, refusal or revocation in a timely manner. Following such notification, Buyer may return these non-conforming Goods to Seller at Sellers sole risk and expense. Following such notification, Seller shall refund, repair, replace or otherwise correct the on-conformance to Buyer's satisfaction and shall redeliver conforming Goods to Buyer. The choice of such remedy shall be at Buyer's sole discretion.

2. Buyer may (a) hold or retain such Products, without permitting any repair, replacement or other correction by Seller; (b) hold or retain such Products for repair by Seller as Buyer may require; (c) hold such Products until Seller has delivered conforming replacements for such Products; (d) hold such Products until conforming replacements are obtained from a third party; or (e) return such Products with instruction to Seller as to whether the Products shall be repaired or replaced and as to the manner of redelivery.

3. All repair, replacement and other correction and redelivery shall be completed within such time as Buyer may require. All costs and expenses (to include Freight) and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Seller by equitable price reduction, set-off or credit against any amounts which may be owed to Seller under any Purchase Order, or otherwise at Buyer's discretion.

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IV. **Terms and Conditions that Apply to All Transactions.** These terms and conditions are in addition to the terms and conditions shown above; and shall apply to all Buyer purchases of Goods and/or Services.

A. **General: Price.**

1. All payments, costs and fees shall be in US Dollars.
2. The prices set forth in a Purchase Order are all inclusive, including, but not limited to: taxes, the cost of packing, crating, material and Delivery. Prices are not subject to revision.


B. **General: Seller's Invoice.**

1. Buyer may set off any amount owed to Buyer by Seller or any of its affiliates against any amount owed by Buyer to Seller.
2. All original invoices are to be mailed and emailed (both).
3. The invoice shall be mailed to Raisbeck Engineering, Inc., Attention Accounts Payable, 4411 S. Ryan Way, Seattle, WA 98178. It shall be emailed to ap@raisbeck.com.
4. Payment of any invoices may be delayed pending correction of any errors or omissions.
5. Notwithstanding any language on the invoice, the time for payment shall not begin until Acceptance of the Product(s).

C. **General: Compliance with Laws.** With the acceptance of this Purchase Order, Seller warrants that the Products to be furnished hereunder have been or will be produced in compliance with all applicable federal, state and local laws, regulations and ordinances of the United States or any other sovereign or state or municipal government which may now or hereafter govern performance under this Purchase Order including, without limitation, the manufacture of the Products purchased hereunder. Seller agrees to indemnify and hold Buyer harmless against any loss or liability due to Sellers violation of or non-compliance with such laws.

D. **General: Excusable Delay.** Time is of the essence in Seller's performance of its obligations under each Purchase Order. Buyer shall be excused for delay or failure to accept Delivery hereunder if such delay or failure results from acts or omissions that are beyond the reasonable control and without the fault or negligence of Buyer, including without limitation. Government embargoes, blockades, seizure or freeze of assets, delays or refusals to grant an export license or the suspension or the suspension or revocation thereof, or other acts of the Government, fires, floods, severe weather conditions or any other acts of God, quarantines, labor strikes or lockouts, riots, strife, insurrection, civil disobedience, war, material shortages or delays in deliveries to Seller by third parties. Buyer shall promptly notify the Seller of any such delay or failure and the cause thereof.

E. **General: Indemnity.** Seller shall indemnify, protect, save and keep harmless and defend Buyer and its affiliates, officers, directors, shareholders, managers, agents, employees, suppliers, subcontractors, servants, successors and assigns (each an 'Indemnatee') from any and all Claims arising out of or incidental to, (i) performance


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under the Purchase Order, unless such Claim results solely from the negligence of Buyer (ii) failure of any to Goods or Services to perform according to the Buyer's expectations, (iii) misrepresentation or fraud by Seller, and/or (iv) breach, nonperformance, or nonfulfillment of any warranty by Seller.

F. **General: Tools.** If Buyer furnishes Seller with equipment (such as special dies, molds, jigs, tools, etc.) or pays for such equipment, title thereto shall remain or vest in Buyer and, Seller shall identify, maintain and preserve such equipment and shall dispose of it solely in accordance with Buyer's direction. Unless otherwise authorized in writing by Buyer, Seller shall use such equipment and shall dispose of it in accordance with Buyer's direction. Unless otherwise authorized in writing by Buyer, Seller shall use such equipment solely in the performance of Purchase Orders for Buyer. Seller shall be responsible for any loss, damage, or destruction to such equipment, but Seller shall not include any insurance cost therefore or cost to store in the prices charged under this Purchase Order. Buyer also reserves the right to request and receive a list of Buyers' owned tools in Sellers' possession and to audit said list against actual tools at Sellers' facility. Buyers' owned tools shall be identified, calibrated, inspected and maintained according to the Raisbeck Engineering Quality Assurance Manual.

G. **General: Materials.** If Buyer furnishes any material (such as extrusions, fasteners, bushings, etc.) for fabrication hereunder Seller agrees (i) not to substitute material in such fabrication without Buyer's written consent (ii) title to such materials shall not be affected by incorporation in or attachment to any other property, and (iii) all such material (except that which becomes normal industrial waste or is replaced at the Sellers expense) will be returned in the form of products or unused material to Buyer. In addition, Seller shall inspect any Buyer furnished material and shall have the right to reject any nonconforming material but in the event of loss or attrition thereafter, Seller shall be responsible for replacing such material at Sellers expense. Inaccuracies, out of tolerance condition or inadequacies in quantity of materials accepted by the Seller, shall not excuse performance in strict accordance with the specifications of the Purchase Order. Buyer furnished material shall be controlled under the Seller's or Buyer's FAA approved quality manual system, whichever is in effect, and include records of inspection, audit, use, scrappage and storage.

H. **General: Nondisclosure, Acknowledgment and Transfer of Proprietary Rights.** Seller shall not reveal any specifications, designs or other information supplied by Buyer nor disclose to third parties any of the details connected with any Purchase Order without the prior written consent of Buyer. All right, title and interest in such specifications, design or other information, and any modifications thereto, whether made by Buyer or by Seller, shall remain the property of the Buyer. Any information or knowledge Seller discloses to Buyer regarding a Purchase Order shall not be treated by Buyer as confidential or proprietary unless expressly agreed upon by the parties in writing. Any such unpatented or otherwise unprotected information or knowledge shall be acquired by Buyer free of any restrictions. By accepting a Buyer Purchase Order,


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Seller hereby assigns to Buyer all right, title and interest in any intellectual property embodied in any design and/or non-recurring engineering developed by Seller for Buyer under this Purchase Order, including, without limitation specification, designs, drawings and other such copyrighted, copyrightable or patentable materials. Seller shall sign any documents or agreement necessary to permit Buyer to assert and/or register its rights over such intellectual property, including but not limited to documents transferring intellectual property rights, documents stating that the intellectual property represented a work-for-hire, documents waiving Sellers's rights to such intellectual property, etc.

I. **General: Changes.** Buyer may, at any time, by written change Purchase Order, suspend performance of this Purchase Order, in whole or in part, make changes in the quantities, drawings, designs, specifications, method of shipment or packing, or time or place of delivery of the Products, reschedule the Services, or require additional or diminished Services. Buyer may accelerate the schedule or increase the quantity provided at no charge providing Buyer notifies Seller at least thirty (30) days prior to the first day of the month in which the acceleration or increase is to take place. Buyer may decelerate the delivery schedule at no charge provided the Buyer notifies Seller at least thirty (30) days prior to the first day of the month in which the deceleration is to take place. Any claim for adjustment under this Section IV.I may, at Buyer's option, be deemed to be absolutely and unconditionally waived, unless asserted in writing (including the amount of the claim) and delivered to Buyer within thirty (30) days from the date of receipt by Seller of the change order. If the cost of property is made obsolete or excessive as a result of a change that is paid for by Buyer, Buyer may prescribe the manner of disposition of such property.

J. **General: Disputes.** Buyer and Seller shall attempt to resolve Disputes through negotiation. If a Dispute cannot be resolved by the functional representatives of Buyer and Seller, it shall be referred up through management channels of the Parties or their respective designees, for further negotiation. Any Dispute that arises under or is related to this Agreement that cannot be settled by negotiation and mutual agreement of the Parties shall be resolved as provided in Section IV.N, of this Agreement. Pending final resolution of any Dispute, Seller shall proceed with performance of this Agreement according to its terms.

K. **General: License and Intellectual Property Warranty.** Seller warrants that: (i) the Products are duly licensed products; (ii) Seller has rights to sell the Products; (iii) neither the Products furnished hereunder nor use thereof will infringe any United States or Foreign Letters Patent, trademark, trade secrets, copyright or other proprietary or similar rights; (iv) Seller will at its own expense, defend any suit or claim that may arise with respect to any aforementioned infringement or allegation thereof, and (v) Seller will indemnify and hold Buyer, its affiliates, officers, directors, shareholders, managers, agents, employees, suppliers, subcontractors, servants, successors and assigns and its customers harmless from all costs (including, without limitation, reasonable attorneys' fees and costs), expenses, damages or liability that Buyer may incur as a result of any

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proceedings charging infringement of any Supplemental Type Certificate, Service Bulletin, patent, copyright or trademark by reason of sale or use of any Products supplies/services/data furnished by Seller. The foregoing warranty shall not apply to the Products to the extent such Products comply with specifications furnished to Seller by Buyer.

L. **General: Entire Agreement.** This instrument and the Purchase Order contain the entire agreement between the parties, and it is expressly understood and agreed that no other promises, provisions, terms, warranties, conditions or obligations whatsoever, whether express or implied, shall be binding upon either party. Except as specifically authorized in these terms and conditions, any subsequent additions, deletions or modifications to this agreement shall not be binding upon the parties unless the same are mutually agreed upon and incorporated herein in a writing signed by both parties.

M. **General: Security Interest.** To the extent that Buyer pays for the Products procured herein before delivery, Buyer takes a security interest in monies paid, their proceeds, Seller's inventory and Products identified to the contract. Buyer reserves the right to file all necessary financing statements to perfect such security interests. Seller agrees to take any action, and to execute all necessary financing statements, to perfect such security interests.


N. **General: Applicable Law.** The Purchase Order or any other agreement related to the Purchase Order from shall be deemed to have been made in the State of Washington and shall be construed and governed in accordance with the laws of the State of Washington. Buyer and Seller expressly agree that the United Nations Convention on the International Sale of Goods shall not apply. Seller may only bring a case to enforce the Purchase Order, or any other agreement related to the Purchase Order, in a state or federal court in the State of Washington. Seller expressly consents to the personal jurisdiction of any state or federal court in the State of Washington. Seller consent, and waives any objection, to venue in any such a court.

O. **General: Failure to Comply.** If Seller fails to comply with any of the Purchase Order requirements, Buyer may terminate the Purchase Order for default or invoke applicable warranties for non-conformance. In lieu of this, however, Buyer may waive the Seller deficiency. In return for such a waiver, Seller agrees to negotiate an equitable reduction in the Purchase Order price.

P. **General: Termination.**

1. Each Purchase Order forms a separate contract and remains in effect with respect to that transaction until either the Purchase Order is terminated in accordance with this section or until the Product(s) is delivered to Buyer as anticipated by the Purchase Order and any post-Delivery Seller's obligations have been completed.

2. Termination Without Cause: Buyer may terminate, for its convenience, all or any part of a Purchase Order at any time by written notice to Seller specifying

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the extent of the termination and the effective date. Upon such termination, Seller shall:

- a) Stop work as specified in the notice.
- b) To the extent related to the terminated portion of the Purchase Order, place no further orders for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
- c) To the extent related to the terminated portion of the Purchase Order, terminate all orders for materials, services, or facilities, except as necessary to complete the continued portion of the Purchase Order.
- d) As directed by the Buyer, transfer title and deliver to the Buyer of (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, and (ii) the completed or partially completed plans, drawings, information, and other property that, if the Purchase Order had been completed, would be required to be furnished to the Buyer.
- e) Complete performance of the work not terminated.
- f) Submit to Buyer a written termination claim report to Buyer within (90) days after the effective date of termination, detailing all claimed liabilities owed by Buyer; failure to submit such a report shall be a waiver of any Seller claims against Buyer for any liability or indemnity related to or arising as a consequence of the termination.

3. Termination For Cause: If Seller fails to make delivery of Goods strictly according to the terms of the Purchase Order; fails to perform Services strictly according to the terms of the Purchase Order; fails to perform any other provision of the Purchase Order; fails to make progress in a way that appears to endanger performance of the Purchase Order in accordance with its terms; or becomes subject to bankruptcy, receivership, insolvency, or institutes or has instituted against it a proceeding for any of the foregoing or if Seller's assets are attached or assigned to creditors; and does not cure such failure within ten (10) days after notice from the Buyer, Buyer may (in addition to any other right or remedies provided by this Purchase Order or by law) terminate all or any part of the Purchase Order by written notice to Seller without liability. In case of a Termination for Cause, Buyer may purchase substitute Products elsewhere, and Seller shall be liable to Buyer for any excess cost associated with the acquisition of these substitute Products.

4. In the event of a partial termination, Seller shall continue performance of the Purchase Order to the extent not terminated.

5. If the Purchase Order is terminated, the Buyer, in addition to any other rights provided herein, may require the Seller to transfer title and deliver to the Buyer (i) any completed Products, and (ii) such partially completed Products and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and

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contract rights as the Seller has specifically produced or specifically acquired for the performance of the Purchase Order.

Q. General: Assignment and Subcontracting.

1. These terms and conditions, and the terms and conditions found in the Purchase Order, inure to the benefit of the Buyer, its successors and assigns.
2. Seller's warranty rights that are for the benefit of Buyer also apply to Buyer's customers for the Product(s), who may assert such rights directly against the Seller.
3. Seller may not assign any of its rights nor delegate any of its obligations under the Purchase Order without Company's prior written consent. Company may, at its option, void any attempted assignment or delegation undertaken without Company's prior written consent.
4. Seller may not subcontract any of its rights or obligations under the Purchase Order without Company's prior written consent. If Company consents to the use of a Subcontractor, Seller shall: (i) guarantee, and remain liable for, the performance of all subcontracted obligations; (ii) indemnify Company for all damages and costs of any kind, subject to the limitations in Section XI (Indemnification), incurred by Company or any third party and caused by the acts and omissions of Seller's subcontractor(s); and (iii) make all payments to its Subcontractors. If Seller fails to timely pay a Subcontractor for work performed, Company will have the right, but not the obligation, to pay the Subcontractor and offset any amount due to Seller by any amount paid to the Subcontractor. Seller shall defend, indemnify, and hold Company harmless for all damages and costs of any kind, without limitation, to the extent caused by Seller's failure to pay a Subcontractor.
5. Except as explicitly provided under this subsection Q, no person who is not a party to the Purchase Order shall be entitled to enforce or take the benefit of any of its terms (including these terms and conditions).

R. General: Remedies. The remedies herein provided shall be cumulative and in addition to any other remedies allowed by law or in equity. No waiver of a breach of any provision of this Purchase Order by either party shall constitute a waiver of any other breach of this Purchase Order at a future time or of any other right. Failure by Buyer to assert all or any of its rights upon any breach of this Purchase Order shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment or service. No waiver of any right shall extend to or affect any other right Buyer may possess, nor shall such waiver extend to any subsequent similar or dissimilar breach.

S. General: Limitation of Liability. The Buyer's liability to Seller relative to the transaction shall not, under any circumstances, be greater than the total dollar amount of the Purchase Order for the transaction. IN NO EVENT WILL BUYER BE LIABLE UNDER OR IN CONNECTION WITH THESE TERMS AND CONDITIONS OR ANY

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ASSOCIATED PURCHASE ORDER UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES.

T. **General: Offset Payments.** Seller may not offset payments to Buyer by amounts owed by Buyer to Seller or to any Seller Affiliate.

U. **General: Costs and Attorneys Fees.** In the event that Company needs to hire an agent or attorney or make use of an arbitrator, mediator, court system or other legal mechanism in order to secure a right owed to Company or otherwise enforce a right enjoyed by Company under any agreement subject to these terms and conditions, Seller shall be liable to Company for all costs and fees (including attorneys fees) associated directly or indirectly with this process.