

911 Battresby Avenue
ENUMCLAW, WA 98022 360-802-8300 FAX 360-302-7924

1. ACCEPTANCE: ACCEPTANCE OF THIS ORDER BY SELLER IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS CONTAINED IN THIS ORDER. ANY TERM OR CONDITION STATED BY THE SELLER IN ANY PRIOR PROPOSAL, ON SELLER'S ACKNOWLEDGMENT FORM, OR IN OTHERWISE ACKNOWLEDGING OR ACCEPTING THIS ORDER IS DEEMED BY BUYER TO BE A MATERIAL ALTERATION OF THIS ORDER AND IS HEREBY OBJECTED TO BY BUYER. ANY SUCH TERM OR CONDITION SHALL BE TOTALLY INAPPLICABLE TO THIS ORDER UNLESS SPECIFICALLY AGREED TO IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BUYER. ACCEPTANCE OF THE GOODS OR SERVICES COVERED BY THIS ORDER WILL NOT CONSTITUTE ACCEPTANCE BY BUYER OF SELLER'S TERMS AND CONDITIONS. **ANY OF THE FOLLOWING ACTS BY SELLER SHALL CONSTITUTE ACCEPTANCE OF THIS ORDER AND ALL OF ITS TERMS AND CONDITIONS: SIGNING AND RETURNING A COPY OF THIS ORDER: DELIVERY OF ANY OF THE GOODS ORDERED: INFORMING THE BUYER IN ANY MANNER OF COMMENCEMENT OF PERFORMANCE: OR RETURNING SELLER'S OWN FORM OF ACKNOWLEDGMENT.**

2. PRICE AND DELIVERY: Seller shall furnish the goods covered by this order (the "Goods") or the services covered by this order (the "Services") in accordance with the prices and delivery schedule stated on the face of this order. All prices shall include applicable taxes, except sales taxes which are to be separately shown where applicable.

Seller warrants that the prices charged for the Goods or Services ordered will be as low as the lowest prices charged by the Seller to any customers purchasing similar goods or services in the same or smaller quantities and under like circumstances. Buyer may return, or store at Seller's expense, any Goods delivered more than five (5) days in advance of the delivery date specified for such Goods. Time is of the essence of this order.

3. F.O.B. TITLE AND RISK OF LOSS: Unless otherwise specified on the face of this order, the FOB point shall be Buyer's location designated on the face of this order. If transportation is FOB Seller's location, Seller shall bear all risk of loss or damage to the Goods, and title shall not shift to Buyer, until delivery of the Goods to the carrier. If transportation is FOB to buyer's location, Seller shall bear all risk of loss or damage to the Goods, and title shall not shift to Buyer, until delivery of the Goods to Buyer's location.

4. INVOICING: After each shipment made or service provided under this order, Seller shall send a separate invoice, including item number, in duplicate, accompanied by a bill of lading or express receipt. Payment of invoice shall not constitute acceptance of the Goods or Services and shall be subject to appropriate adjustment for failure by Seller or any of its affiliated companies to Buyer against any amount owed by Seller or any of its affiliated companies to Buyer against any amount owed by Buyer to Seller under this order.

5. INSPECTION:

(a) All Goods may be inspected and tested by Buyer, its customers, high tier contractors, and the US Government, at all reasonable times and places. If such inspection or testing is made on Seller's premises. Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of the Goods, Seller shall use an inspection system accepted by Buyer in writing. All inspection records relating to the Goods shall be available to Buyer during the performance of this contract, and retained for a minimum period of seven (7) years or for such longer periods specified by Buyer in its acceptance of the inspection system. Seller must have Buyer written approval before disposal/disposition of any records.

(b) Final inspection and acceptance by Buyer shall be at Buyer's plant or shipping destination unless otherwise specified in this order. Such inspection shall be in accordance with the customary established inspection procedures. If rejection of a shipment would result from Buyer's normal inspection level under such procedures, Buyer may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge the Seller the reasonable costs thereof.

(c) No inspection (including source inspection), tests, approval (including design approval), or acceptance of the Goods shall relieve Seller from responsibility for any defect in the Goods or other failures to meet the requirements of this order, or for latent defects in the Goods or other failures to meet the requirements of this order, or for latent defects, fraud, such gross mistakes as amount to fraud, and Seller's warranty obligations. If the Goods are defective or otherwise not in conformity with the requirements of this order, Buyer may, by written notice to Seller: (i) rescind this order as to such Goods/ (ii) accept such Goods at an equitable reduction in price/ or (iii) reject such Goods and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such Goods are replacements. If Seller fails to deliver required replacements promptly, Buyer may: (i) replace or correct such Goods and charge the Seller the cost occasioned Buyer thereby/ or (ii) terminate this order for cause as provided in Section 15(b) hereof. Rights granted to Buyer under this Section 5 are in addition to any other rights or remedies provided elsewhere in this order or in law.

6. TOOLS: If Buyer furnishes Seller equipment (such as special dies, molds, jigs, tools, test equipment, masks, 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 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 order. Buyer also reserves the right to request and receive list of buyers' owned tools in suppliers possession and to audit said list against actual tools at suppliers facility. Buyer receives the right, at its sole discretion, to remove any Buyer owned tooling, if Buyer feels work is in jeopardy.

7. MATERIALS: If Buyer furnishes any material (such as extrusions, fasteners, bearings, bushings, etc.) for fabrication hereunder Seller agrees (i) not to substitute any other material in such fabrication without Buyers 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 losses 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 applicable specification and/or drawings.

8. CONFIDENTIAL OR PROPRIETARY INFORMATION AND PROPERTY: Seller shall keep confidential and otherwise protect from disclosure all information and property obtained from Buyer in connection with this Order and identified as confidential or proprietary. Unless otherwise expressly authorized herein or by Buyer, Seller shall use such information and property, and the features thereof, only in the performance and for the purpose of the Order. Upon Buyer's request, and in any event upon the

911 Battresby Avenue
ENUMCLAW, WA 98022 360-802-8300 FAX 360-302-7924

completion, termination or cancellation of this Order, Seller shall return all such information and property to Buyer or make such other disposition thereof as is directed by Buyer. Seller shall not sell or dispose of as scrap or otherwise any completed or partially completed or defective proprietary property before receiving written authorization from Buyer and before rendering such property unsuitable for use. In all lower tier subcontracts and purchase orders issued by Seller and involving subcontractor receipt of such information or property, Seller shall provide the Buyer the same rights and protections as contained in this clause.

9. COMPLIANCE WITH LAWS: Seller shall comply with all federal, state and local laws, ordinances, rules and regulations in the manufacture and sale of the Goods and performance of the Services, including but not limited to the Occupational Safety and Health Act, the Truth in Negotiation Act, the Resources Conservation and Recovery Act and all applicable requirements of the Fair Labor Standards Act. Seller will defend and hold Buyer harmless from any loss, damages, or costs arising from or caused in any way by any actual or alleged violation of any federal, state or local law, ordinance, rule, or regulation, or failure by the Seller to have (i) any chemical substances sold hereunder included in the list of approved chemical substances published by the environmental Protection Agency pursuant to the Toxic Substances Control Act; or (ii) provide a complete Material Safety Data Sheet (OSHA Form 20) or equivalent for any chemical substances sold hereunder as required by any federal, state or local law, ordinance, rule or regulation.

10. PATENTS AND COPYRIGHTS: Seller shall defend, at its own expense, any suit or claim that may be instituted against Buyer or any customer of Buyer for alleged infringement of patents or copyrights relating to the maintenance, sale or use of the Goods, except for any such infringement resulting from Seller's compliance with detailed designs provided by Buyer, and Seller shall indemnify Buyer and its customers for all costs and damages arising out of such alleged infringement. Buyer shall have the right, at no additional charge, to use and/or reproduce the Seller's applicable literature, such as operating and maintenance manuals, technical publication, prints, drawings, training manual, and other similar supporting documentation and sales literature. Seller shall advise Buyer of any updated information relative to the foregoing literature and documentation with timely notification in writing.

11. LIABILITY FOR INJURY: Seller shall indemnify Buyer against any and all costs, loss and liability for all personal injury and property damage caused by the Goods or Services performed by Seller (whether performed on the premises of Seller or Buyer or elsewhere) and shall defend at its sole cost and expense any action brought against Buyer as a result of any such personal injury or property damage. Seller shall carry and maintain insurance coverage satisfactory to Buyer to cover the above, and upon Buyer's request, shall furnish Buyer with evidence of such insurance in a form satisfactory to Buyer.

12. ASSIGNMENT: Seller shall not assign this order or any rights under this order without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without such written consent.

13. NOTICE OF LABOR DISPUTES: Whenever an actual or potential labor dispute delays, or threatens to delay the timely performance of this order, Seller shall immediately notify Buyer in writing of all relevant information with respect to such dispute.

14. PUBLICITY: Seller shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this order without the prior written consent of Buyer, except as may be required to perform this order.

15. CHANGES: Buyer may, at any time, by written change order, suspend performance of this 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

Goods, reschedule the Services, or require additional or diminished Services. If any such change causes an increase or decrease in the cost of, or the time required for performance of this order, an equitable adjustment shall be made in the contract price claim for adjustment under this Section 15 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 made obsolete or excess as a result of change is paid by Buyer, Buyer may prescribe the manner of disposition of such property.

16. TERMINATION:

(a) **Without Cause:** Buyer may terminate, for its convenience, all or any part of this order at any time by written notice to Seller. Upon such termination, Seller must submit a written termination claim to Buyer within ninety (90) days after the effective date of termination, or such claim shall be absolutely and unconditionally waived.

(b) **With Cause:** If Seller fails to make delivery of the Goods, or fails to perform any other provision of this order, or so fails to make progress as to endanger performance of this order in accordance with its terms, and does not cure such failure within ten (10) days after notice from the Buyer, Buyer may (in addition to any other right or remedy provided by this order or by law) terminate all or any part of this order by written notice to Seller without liability and purchase substitute goods elsewhere, and Seller shall be liable to Buyer for any excess cost occasioned Buyer, thereby. Seller shall continue performance of this order to the extent not terminated pursuant to this Section 16(b). If this order is terminated as provided in this Section 16(b) the Buyer in addition to any other rights provided herein, may require the Seller to transfer title and delivery to the Buyer (i) any completed Goods, and (ii) such partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Seller has specifically produced or specifically acquired for the performance of this order.

17. WAIVER: The failure of Buyer to insist upon the performance of any provision of this order, or to exercise any right or privilege granted to the Buyer under this order, shall not be construed as waiving such provision or any other provision of this order, and the same shall continue in full force and effect. If any provision of this order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this order shall not be affected thereby, and shall remain in full force and effect.

18. APPLICABLE LAW: The validity, performance, and construction of this order shall be governed by the laws of the state shown on Buyer's address on this order.

19. DISPUTES/JURISDICTION & VENUE: Buyer and Seller shall use their best reasonable efforts to resolve any and all disputes, controversies, claims, or deference between Buyer and Seller, arising out of or relating in any way to this Contract or its performance, including, but not limited to, any questions regarding the existence, validity or termination hereof ("Disputes"), through negotiation. Only upon failure by Buyer and Seller to resolve the Dispute through such negotiation may either Party institute legal action. Any dispute arising under this order which is not disposed of by agreement of the parties shall be decided by account proceeding. The jurisdiction and venue of any dispute shall be submitted to the King County Superior Court, State of Washington and each party submits to the jurisdiction of the court for such purpose. Any removal to Federal Court shall be to the Western District, Seattle, Washington. Pending settlement of final decision of any such dispute, Seller shall proceed diligently with the performance of this order in accordance with Buyer's direction.

20. COMPLETE AGREEMENT: This order, and any supplemental sheets and readers annexed hereto by Buyer,



GENERAL TERMS & CONDITIONS OF PURCHASE

911 Battrsby Avenue
ENUMCLAW, WA 98022 360-802-8300 FAX 360-302-7924

contains the complete and entire agreement between the parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matter.

21. ANTI-KICKBACK: Seller warrants that it is in full compliance with the provisions of the Anti-Kickback Act of 1986, 41 U.S.C. 51-58 and shall indemnify, protect, defend and hold Buyer harmless from any liabilities or monetary loss Buyer may suffer a result from failure of such compliance by Seller.

22. ON-SITE WORK: Prior to Seller performing work at Buyer's facility, a completed Contractor Service Agreement latest edition) is required and incorporated herein by reference.

23. INDEMNIFICATION: When Seller is performing work at Buyer's facility, the Seller agrees to indemnify & save harmless the owner, its officers, agents & employees, from & against any and all suits, claims, actions, losses, costs, penalties & damage of whatsoever kind or nature including attorney fees, arising out of, in connection with, or incident to, the work of this contract, except that caused by the sole negligence of owner.

reasonable attorney fees shall be allowed to the prevailing party.

24. AUTHORIZED AGENT: All Buyer's contractual direction (including, but not limited to pricing, delivery, and configuration changes) shall be authorized in writing by Purchasing Agent only.

25. NON-DIRECT SALE OF BOEING PROPRIETARY PARTS: Upon acceptance of this offer, Buyer warrants to Seller that all Boeing proprietary parts will only be used or resold to Boeing or vendor with an approved Boeing purchase order.