The following Terms and Conditions of Sale (which were set forth in our Quotation, if any, to Buyer) shall be the only Terms and Conditions applicable to the agreement between LKD Aerospace, Incorporated (LKD Aerospace) and Buyer resulting from LKD Aerospace's acceptance of Buyer's order (the "Sales Contract"), and shall apply to the order regardless of anything which may appear on Buyer's purchase order. Buyer's assent to the Terms and Conditions of Sale set forth herein and on the reverse side hereof shall be conclusively presumed from Buyer's failure to object in writing and from Buyer's acceptance of all or any part of the products ordered. This Sales Contract constitutes the entire agreement between the parties and all prior and contemporaneous negotiations, understandings, and agreements, whether oral or in written, are merged herein and the rights and obligations of the parties shall be as set forth herein.

1. Prices are F.O.B. LKD Aerospace, plant of manufacturer unless otherwise specified. Prices are shown herein and are subject to change without notice. Purchase prices are stated in United States Dollars and payment shall be in United States Currency. Invoice terms are net 30 days unless otherwise specified. LKD Aerospace reserves the right to modify or withdraw credit terms at any time without notice and to require guarantees, security or payment in advance of the amount of credit involved.

2. Prices do not include sales, use, excise or any similar tax. Any tax at other government charge upon the production, sales, shipment or use of the product which LKD Aerospace is required to pay or collect from Buyer shall be paid by Buyer to LKD Aerospace unless Buyer furnishes LKD Aerospace with a tax exemption certificate acceptable to the applicable taxing authority. Buyer shall be responsible for obtaining any necessary governmental clearances, including import and foreign exchange licenses, which may be required by any government other than the United States.

3. LKD Aerospace will ship in accordance with instructions supplied by Buyer, but if Buyer fails to furnish such instructions, LKD Aerospace will select what is, in its opinion, the most satisfactory routing for the shipment. If Buyer is to pick up products and has not done so within seven days of notification that they are ready for delivery, LKD Aerospace may ship the products commercial carrier (best way). Title to and risk of loss for the products pass to Buyer upon delivery to carrier. Any prepayments by LKD Aerospace of freight charges shall be for the account of Buyer and shall be paid by Buyer with and in addition to the purchase price.

4. LKD Aerospace reserves the right to start production and commit funds to meet Buyer's delivery date based on conditions in LKD Aerospace's plant and lead time required by LKD Aerospace's suppliers. In the event of default, breach, or cancellation by Buyer, Buyer shall be responsible for any losses resulting to LKD Aerospace there from.

5. Shipping dates are given based to the best of LKD Aerospace's knowledge based upon conditions existing at the time the order is placed and information furnished by Buyer. LKD Aerospace will, in good faith, endeavor to ship by the estimated shipping date, but shall not be responsible for any delay or any damage arising there from. Furthermore, LKD Aerospace shall not be liable for any delay or any damage arising there from. Furthermore, LKD Aerospace shall not be liable for any failure to perform its obligations under this Sales Contract resulting directly or indirectly from or contributed to by any acts of God, acts of Buyer, acts of civil or military authority, priorities, fire, strikes, or other labor disputes, accidents, floods, epidemics, war, riot, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel, or supplies, or other circumstances beyond LKD Aerospace's reasonable control whether similar or dissimilar to the foregoing.

6. Buyer's order may not be modified or rescinded except in writing signed by LKD Aerospace and Buyer. If all or part of Buyer's order is terminated by such modification or rescission, Buyer, in the absence of a contrary written agreement hereunder, shall pay termination charges based upon costs incurred by LKD Aerospace as determined by accepted accounting principles plus a reasonable profit. Furthermore any products scheduled for completion within 30 days of Buyer's request for termination or rescheduling will be accepted and paid for in full by Buyer.

7. Should LKD Aerospace be prevented from completing this Sales Contract or any part thereof because of any rule, regulation or order of the Federal government or any State government or of any Federal or State commission body or authority having jurisdiction, then Buyer agrees promptly, upon request and upon receipt of invoice thereof, to pay to LKD Aerospace for any product or products then completed or in process an amount to be determined by LKD Aerospace and representing its proportionate price of the products so completed or in process.

8. DISTRIBUTED FACTORY NEW PARTS WARRANTY: LKD Aerospace warrants to Buyer that at the time of shipment products represented as distributed products that are in fact factory new, will be free from defects of material and workmanship and will conform to the applicable LKD Aerospace or authorized distributor drawing and specifications. Should any such defect become apparent within twelve months from delivery thereof to Buyer, LKD Aerospace's sole obligation under this warranty will be limited to either, at LKD Aerospace's option and expense: (1) repairing, (2) replacing or (3) extending credit for the products or parts thereof returned to LKD Aerospace by Buyer, F.O.B. LKD Aerospace's plant. LKD Aerospace reserves the exclusive right to determine whether the part was defective. Buyer's exclusive remedy for breach of such warranty will be enforcement of such warranty.

9. FAA REPAIR STATION STANDARD REPAIRED PARTS WARRANTY: LKD Aerospace warrants to Buyer that at the time of shipment products represented as repaired products by LKD's FAA/EASA certified repair station will be repaired, will be free from defects of material and workmanship and will conform to the applicable LKD Aerospace, airline or Component Maintenance Manual. repaired parts carry a 6 month warranty from date of shipment from LKD. Should any such defect become apparent within six months from delivery thereof to Buyer, LKD Aerospace's sole obligation under this warranty will be limited to either, at LKD Aerospace's option and expense: (1) repairing, (2) replacing or (3) extending credit for the products or parts thereof returned to LKD Aerospace by Buyer, F.O.B. LKD Aerospace's plant. LKD Aerospace reserves the exclusive right to determine whether the part was defective. Buyer's exclusive remedy for breach of such warranty will be enforcement of such warranty.

WARRANTY ALL OTHER PARTS (EXCLUSIVE OF DISTRIBUTED FACTORY NEW PARTS AND REPAIRED PARTS)

The items are sold "As Is", Where Is and without warranty for fitness of a particular purpose, or merchantability, or any other warranty, guarantee, or representation of any kind, whether written or implied.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

Notwithstanding the foregoing, LKD Aerospace hereby assigns Buyer any assignable warranties or applicable rights LKD Aerospace may have as a seller of the item, without liability of any kind, to Buyer on any such warranty.

10. LKD Aerospace accepts your purchase order for items listed may not be, resold without prior written consent and none of the items may be returned to LKD Aerospace for any reason except at Buyer's sole discretion. Any applicable warranty. Any material returned (BMA) will be subject to a minimum 25% restocking fee. It is specifically understood and agreed that the title to all products and materials listed or included on this invoice shall remain in LKD Aerospace, Inc. until full payment of same has been received and good funds have cleared the bank. The Buyer agrees to pay all costs of collection, including but not limited to a reasonable attorney's fee, in the event it becomes necessary for LKD Aerospace to enforce the terms of this Agreement.

11. It is the Buyer's responsibility to obtain a valid export license for this material from the State of Washington, as effective and in force on the date hereof. Wherever a term defined by said Uniform Commercial Code is used, the definition contained in the Uniform Commercial Code is to control. No action for breach of sale, this Sales Contract or any covenant or warranty arising there from, shall be brought more than one year after the cause of action has accrued.

Any lawsuit to enforce the terms of this contract shall be brought in King County Washington and controlled by Washington law. The prevailing party in any such lawsuit shall be entitled to recover its reasonable attorney fees.