



SUNSHINE AVIONICS MANUFACTURING DIVISION

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Page 1 of 4

The following provisions, terms, and conditions applicable to this Purchase Order additionally apply to all Change Notices issued in amendment to this Purchase Order as though fully set forth in any such amendments.

1. AGREEMENT: This Purchase Order is entered into in the state of Florida; contains the entire agreement between the Buyer and Seller and is not subject to variation irrespective of the wording of the Seller's acceptance without the prior written agreement by the Buyer's Purchasing Representative, and any additional or different terms of Seller's acceptance are hereby expressly rejected. This Purchase Order becomes a binding contract, including all terms and conditions contained herein and/or contained in documents attached hereto as specified when it is accepted by the Seller, either by acknowledgment in writing or the commencement of performance hereof.

2. DEFINITIONS: As used herein, the following definitions apply unless otherwise noted. "Buyer" means Sunshine Avionics Manufacturing Division. The term "Purchasing Representative" means Buyer's authorized representative. The term "Seller" means the legal entity to whom this Purchase Order is issued. This Order means this contractual instrument, including changes. Government means the government of the United States. Prime Contract means the government contract under which this Order is issued. FAR means Federal Acquisition Regulations. Contracting Officer means the government contracting officer(s) for the Prime Contract.

3. INTERPRETATION OF ORDER: The provisions of this Order shall be governed by and construed according to the laws of the State of Florida.

4. DISPUTES: Either party may litigate any dispute arising under or relating to this Order before any court of competent jurisdiction. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance. Seller's performance shall be in accordance with Buyer's written instructions.

5. INVOICES AND PAYMENT: Seller, upon submission of proper invoices, will be paid the prices stated herein for supplies delivered and accepted, or services rendered and accepted, less deductions if any, as herein provided. Cash discount calculation is determined by receipt date of supplies or services or of receipt date of correct invoice, whichever is later. Payment will be subject to set-off of any valid claim of Buyer against Seller arising from this or any other transaction. If terms of this Order do not appear on or agree with Seller's invoice rendered, Seller agrees that Buyer may change the invoice to conform to this Order and make payment accordingly or return such invoice to Seller for correction prior to payment. Individual Invoices showing Order number and Order item number must be issued for each shipment applying to this Order. One invoice, of each set of invoices submitted, must be either the actual original or plainly marked "Original".

6. ASSIGNMENT: Seller may not assign this Order or any portion thereof without the written consent of Buyer. Seller shall supply Buyer immediately with two copies of any such assignment and shall indicate on each invoice to whom payment is to be made. Payments to an assignee of any monies due or to become due hereunder shall be subject to set-off or recoupment for any present or future claim or claims which Buyer may have against Seller arising under this or any Order, and Buyer may, without notice to the assignee, make direct settlement and/or adjustments in price with Seller binding both Seller and assignee.

7. PACKING AND SHIPPING: All items shall be prepared for shipment and packed in accordance with sound commercial practices to prevent damage or deterioration, and so as to secure lowest transportation rates and comply with carrier tariffs. The price of this Order includes all costs of packaging and shipment to the designated F.O.B. destination point. Each container shall be consecutively numbered and marked with the applicable purchase order number and part number. Container and Order numbers shall be indicated on the bill of lading. Two copies of the packing sheets, showing the Order number, shall be attached to the No.1 container of each shipment. Items sold F.O.B. place of shipment shall be forwarded with freight charges prepaid and billed.

8. DELIVERY: It is agreed that time is of the essence in the performance of this Order. Deliveries shall be in strict accordance with the schedule and quantities as specified in this Order. If it appears that Seller's deliveries will not meet such schedule or if Seller's deliveries fail to meet such schedule, upon request by Buyer, and in addition to any other rights or remedies provided to Buyer by law or under this Order, Seller shall Ship via expedited routing necessary to meet such schedule or to recover the maximum possible time lost by failure to deliver on schedule, and the cost difference between the expedited routing and the Order routing shall be borne by Seller. Unless otherwise agreed in writing, Seller shall not make material commitments, manufacture or ship supplies covered by this Order in excess of the quantity specified or in advance of the time necessary to meet Buyer's delivery schedule. Seller shall not ship supplies to arrive at Buyer's plant earlier than two weeks in advance of the specified schedule unless authorized in writing. Any such deliveries may be returned to Seller at Seller's expense or payment deferred to the date payment would become due according to the specified schedule at Buyer's option.

9. CHANGES: Buyer may, at any time, by a written notice, and without notice to sureties, make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of packing or shipment; (iii) place of

inspection, acceptance and/or point of delivery; (iv) specified quantities; (v) the period of performance of work; (vi) data requirements, and Seller shall comply therewith. Should any such change cause an increase or decrease in the cost of, or the time required for performance of this Order, an equitable adjustment shall be negotiated and the Order modified accordingly. Any proposal for adjustment together with detailed supporting data shall be submitted to Buyer within fifteen (15) days from Buyer's written notice of such change. Where the cost of property made obsolete or excess as a result of a change is included in Seller's claim, Buyer shall have the right to prescribe the manner of disposition of such property. Failure to agree on any claim for equitable adjustment under this clause shall be considered a dispute. Buyer and Seller agree that there shall be no adjustment in the price or time for performance hereunder unless an authorized representative of Buyer's Procurement Department shall have directed a change thereto by the issuance of a written notice as provided by this clause. Seller shall advise Buyer's Purchasing Representative if Seller receives, from any other source any notification which Seller regards as a change to this Order. Seller shall provide such advice, in writing, no later than five (5) working days from receipt of any such notification and prior to taking any action in accordance therewith.

10. SPECIFICATIONS: All material or equipment listed herein to which Buyer and/or Government specifications are applicable must comply with such specifications current as of the date of this Order, or, if this Order is issued under a Government prime contract, as of the date of such prime contract.

11. WARRANTY: Seller warrants that all articles, materials, work and services furnished hereunder will be free from defects in material and workmanship, will conform to all applicable specifications, drawings, samples, and descriptions, and, if of Seller's design or selection, will be free from design defects and fit for the intended use. Except as may be otherwise provided in the specifications applicable to this Order, or other documents incorporated herein by reference, these warranties shall remain in effect for a period of twelve (12) months from date of acceptance by Buyer. If the materials, articles or the results of services to be provided hereunder are incorporated by Buyer in items for resale by Buyer, said twelve (12) month period shall begin as of the date of Buyer's delivery of any such resale items to its customers. The foregoing shall be in addition to any standard warranty of guarantee of Seller and any warranties otherwise created by operation of law. All warranties and guarantees shall run to Buyer and Buyer's customers.

12. INSPECTION AND ACCEPTANCE: All materials, articles and workmanship shall, during the performance of this Order, be made available for inspection and/or test at Seller's plant to authorized representatives of Buyer and/or Buyer's customer. Seller shall provide a complete inspection system, satisfactory to the Buyer, covering the inspection and certification of all materials, fabricating methods, jigs, dies and finished articles. All articles furnished under this Order shall be subject to final inspection and acceptance by Buyer after delivery to destination, notwithstanding prior payment. Without limitation as to Buyer's right to recover all expenses reasonably related to breach, Buyer may, at its option, reject and return for credit or replacement any articles which contain defective material or workmanship or do not conform to specifications or samples. All costs relating to and risks connected with articles or services rejected by Buyer shall be borne by Seller and all rejected articles or services may be returned by Buyer at Seller's risk and expense and at the full invoice price, plus applicable transportation charges. Unless Seller replaces or corrects rejected articles and tenders such replacement or corrected articles within the delivery schedule specified for the rejected article, Buyer may, at its option, terminate this Order for default, or replace or correct such articles and charge to Seller the cost occasioned thereby, or accept the late tender and/or defective articles at an equitable reduction in price including, but not limited to, costs of inspection for any retained articles. The Buyer may also charge the Seller for any additional cost of inspection or test when prior rejection makes such reinspection or retest necessary. Materials ordered herein will not be accepted unless to the extent required by this Purchase Order they are accompanied by proper certification confirming adherence to applicable specifications.

13. PATENT INDEMNITY: To the extent that specifications for the items or work ordered have not originated with Buyer, Seller guarantees that the sale and/or use of such items delivered hereunder, and their manufacture by Seller will not infringe upon any United States or foreign patents or copyrights and agrees to indemnify and save Buyer and/or its successors, assigns or customers harmless from any expense, loss, damage or liability which may be incurred on account of any such infringement or alleged infringement with respect to such items, and to defend at its own expense any actions, suits or claims in which infringement is alleged, provided Seller is notified as to such actions, suits or claims against Buyer and is given full and exclusive control of the defense and all negotiations relative to the settlement thereof to the full extent of the ability of Buyer to do so. Buyer agrees, to the extent of its ability to do so, to supply any pertinent evidence needed to defend any such action, suit or claim but only at the expense of Seller.

14. BUYER-FURNISHED PROPERTY: Seller agrees that it will use any design, tool, patterns, drawings, information material, manufacturing aids, computer software and/or equipment furnished by Buyer only in the production of the articles called for herein; will not use any other items in lieu thereof, and will not use such items for the production or



SUNSHINE AVIONICS MANUFACTURING DIVISION

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Page 2 of 4

manufacture of larger quantities than those specified herein. Buyer does not warrant the accuracy of manufacturing aids, computer software, tools or fixtures which it furnishes and all work must be in strict accordance with specifications. If a defect in material is alleged by Seller and confirmed by Buyer, Seller's sole remedy will be to require Buyer to deliver a replacement for such defective material. Additional material supplied as a result of Seller's spoilage will be charged to Seller at Buyer's cost plus handling. Such charges may be deducted from any amounts due Seller. Title and right of immediate possession of all such items will remain as Buyer's except as to those identified as Buyer's customer in which case the title shall remain with Buyer's customer. Seller agrees to maintain inventory control for such items adequate to the Buyer and furnish written inventories of such items upon request. When Buyer furnishes materials, parts, tooling, manufacturing aids, computer software or other property, Seller's shipper and final invoice must contain the statement "All materials, parts, manufacturing aids, computer software, tooling or other property furnished and/or acquired under this Order (except those which become normal industrial waste or were replaced at Seller's expense) have been returned to Buyer in the form of tooling and/or finished parts, spoiled parts, or unused material". The Buyer reserves the right to retain 10% of the total amount of Seller's invoices until all requirements of this clause have been fulfilled. Unless otherwise specified herein, proceeds of scrap salvage shall accrue to Seller and are reflected in the prices stated herein. Spoiled and unused material shall be returned F.O.B. Buyer's plant or credit allowed Buyer at prevailing market prices at Buyer's option. Upon completion or a termination of this Order, all items shall be returned to the Buyer.

15. SPECIAL BUYER TOOLING, MANUFACTURING AIDS OR COMPUTER SOFTWARE: If the prices stated on the face of this Order include, as a separate item, any jigs, tools, dies, manufacturing aids, computer software, or other equipment to be used in filling this Order, such shall become the property of Buyer and title thereto and the right of immediate possession thereof shall exclusively vest in Buyer (i) in cases where purchased outside of Seller's organization, at the time they are first delivered to Seller or its agents or (ii) in cases where manufactured by Seller within its organization at the time of acquisition of material and/or component parts which make up any of such jigs, tools, dies or other equipment. Such equipment shall be immediately identified as the property of Buyer and upon completion of this Order shall be disposed of as Buyer may direct, or will be delivered with final shipment of the parts to the Buyer. As a condition of payment Seller shall furnish Buyer a certified tool list. In no event will Seller dispose of, use, or permit use by parties other than the Buyer without prior written agreement of the Buyer.

16. EXCLUSIVE USE OF SELLER TOOLING, MANUFACTURING AIDS OR COMPUTER SOFTWARE: In the event that the Purchase Order price for items to be furnished hereunder includes any costs for tooling, manufacturing aids, or computer software required for performance hereof and is identified as Seller's, such tooling or computer software will be of a permanent nature and title shall remain in Seller. Notwithstanding Seller's retention of title, such tooling, manufacturing aids or computer software will be retained, stored, replaced if necessary, and maintained for the exclusive use of Buyer at no additional cost to Buyer, and in no event will Seller use such tooling, manufacturing aids or computer software in the manufacturing of goods or the performance of services for anyone other than Buyer or permit its use by any person other than Buyer or dispose of any such tooling or computer software without the prior written agreement of Buyer.

17. TERMINATION/CANCELLATION/STOP WORK:

(a) Termination-Convenience: The performance of work under this Order may be terminated, in whole or in part, by Buyer for Buyer's convenience in accordance with the "Termination" clause in FAR 52.249-2, which is incorporated herein by reference, except "Government" and "Contracting Officer" means Buyer, "Con- tractor" means Seller, and "Contract" means this Order; in subparagraph (d) change the period of 1 year to 6 months; delete subparagraph (i) in its entirety, and in subparagraph (k) change "90 days" to "30 days". Buyer's right of termination hereunder is independent of any Government prime contract convenience termination.

(b) Termination-Default: This Order may be terminated, in whole or in part, by Buyer for default in accordance with the "Default" clause FAR 52.249-8, which is incorporated herein by reference, except "Contractor" means Seller, and "Government" in all paragraphs other than (c) means Buyer, and the reference to a Disputes clause is inapplicable. If the parties fail to agree on the amount to be paid for manufacturing materials referred to in paragraph (e) of the "Default" clause, the amount shall be the reasonable value thereof (not to exceed a reasonable allocable portion of the price of this Order).

(c) Stop Work: The Buyer may, by written notice to Seller, require the Seller to stop for a period not to exceed ninety (90) days, all or any part of the work called for by this Order in accordance with the "Stop Work Order" clause in FAR 52.212-13, which is incorporated herein by reference, except "Government" and "Contracting Officer" means Buyer, and "Contractor" means Seller as used therein.

18. COMPLIANCE WITH LAWS AND REGULATIONS: Seller warrants that Seller's performance of this Order will comply with all applicable federal, state, and local laws and regulations.

19. SUBCONTRACTING: Seller agrees to obtain Buyer's written approval before subcontracting this Order or any substantial portion thereof; provided however, that this limitation shall not apply to the purchase by Seller of standard commercial supplies or raw

material. Seller shall select subcontractors (including supplies) on a competitive basis to the maximum practical extent consistent with the requirements of this Order and applicable FAR requirements. Buyer approval of any subcontract submitted for approval shall not relieve Seller from any obligation imposed by this Order or impose on Buyer any responsibility for the work to be performed under such subcontract.

20. NON-DISCLOSURE: Except to the extent necessary to perform this Order, Sellers shall not, without first obtaining the written consent of Buyer, reveal information to third parties concerning the award and performance of this Order.

21. CONFIDENTIAL DISCLOSURE: Seller shall keep confidential all designs, processes, drawings specifications, reports, computer software, data, and other technical or proprietary information and the features of all parts, equipment, tools, gauges, patterns, and other items furnished or disclosed to Seller by Buyer. Unless otherwise provided herein or authorized by Buyer in writing, Seller shall use such information and items, and the features thereof, only in the performance of this Order provided, however, the Seller may produce items for direct sale to the U.S. Government where the U.S. Government has the right to use the equipment, tools, gauges, patterns, designs, drawings, engineering data or other technical or proprietary information furnished by Buyer to Seller. Upon completion or termination of this Order, Seller shall, at Seller's expense, make such disposition of the aforesaid only as directed by Buyer.

22. INDEMNIFICATION: In the event Seller, its employees, agents, subcontractors and/or lower-tier suppliers in the performance of this Order enter premises occupied by or under the control of Buyer, Seller shall indemnify and hold harmless Buyer, its officers and employees from any loss, cost, damage, expense or liability by reason of property damage or personal injury of any nature or kind arising out of, as a result of, or in connection with such performance, if occasioned in whole or in part by the actions or omissions of Seller, its employees, agents, subcontractors and/or lower-tier suppliers. Without in any way limiting the foregoing undertakings, Seller and its subcontractors and lower-tier suppliers shall maintain public liability and property damage insurance in reasonable limits covering the obligations set forth above, and shall maintain proper Worker's Compensation Insurance covering all employees performing under this Order.

23. TAXES: Unless otherwise specified on the face of this Order, the prices stated include all applicable state, federal and local taxes.

24. RISK OF LOSS: Risk of loss of or damage to supplies furnished under this Order shall remain with the Seller and shall pass to Buyer only upon acceptance by Buyer.

25. LICENSE: If performance under this Order requires any research or development work, the Buyer shall be granted an exclusive, royalty-free, transferable, irrevocable license to practice in the manufacture, use and disposition of any article, material, method or service, any patent, patent application, invention improvement or discovery (whether or not patentable) conceived or first actually reduced to practice, either in the performance of any work related to the subject matter of this Order or in the course of any work which was done upon the understanding that the Order would be awarded. If data of any sort is specified for delivery under this Order, Seller grants to Buyer a royalty-free, non-exclusive, irrevocable license to publish, reproduce, transfer, or otherwise use and authorize others to use such data, whether or not covered by copyright; provided that if such data is not originated in the performance of this Order and is copyrighted, such license shall be granted only to the extent Seller now has or acquires the right to grant the license without becoming liable to pay compensation to others solely because of such grant. Seller shall inform Buyer as to any data delivered under this Order, the use of which may create liability to third parties.

26. INDEPENDENT CONTRACTOR: It is understood and agreed that Seller shall be deemed to be an independent contractor in all its operations and activities hereunder, and that the employees furnished by Seller to perform work here- under shall be deemed to be Seller's employees exclusively.

27. AUDIT: Seller's manufacturing plant, or such part of any manufacturing plant as may be engaged in furnishing or constructing the articles ordered, and Seller's books of account, shall at all times be subject to inspection and audit by Buyer.

28. NON-WAIVER: The failure of Buyer to enforce at anytime any of the provisions of this Order, or to exercise any option herein provided, or to require at any time performance by the Seller of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this Order or any part thereof, or the right of Buyer thereafter to enforce each and every such provision.

29. OTHER RIGHTS AND REMEDIES: The rights and remedies herein reserved to the Buyer shall not be exclusive and shall be cumulative and additional to any other or further rights and remedies provided in law or equity. If any provision of this Order is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable. In the event of litigation of any matter related to this Order, the prevailing party shall be entitled to reimbursement of attorney fees and costs reasonably incurred.

30. ORDER OF PRECEDENCE: In the event of any inconsistency in this Order, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the



SUNSHINE AVIONICS MANUFACTURING DIVISION

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Page 3 of 4

following order (a) Special provisions appearing on the face of this Purchase Order; (b) these Purchase Order General Terms and Conditions; (c) the Specifications; (d) the drawings; (e) the other provisions of the Order whether incorporated by reference or otherwise.

31. CONDITIONS APPLICABLE TO ORDERS PLACED UNDER GOVERNMENT CONTRACTS AND SUBCONTRACTS: If a Government contract number appears on the face of this Order, (a) notwithstanding the provisions of Article 3 of these Purchase Order General Terms and Conditions, this Order shall be governed by and construed according to the Federal Law of Government Contracts as enunciated and applied by Federal Judicial Bodies, Boards of Contract Appeals, and quasi-Judicial Agencies of the Federal Government. To the extent that the Federal common law of Government Contracts is not dispositive, the laws of the state of Florida shall apply, (b) the following provisions of the Federal Acquisition Regulations (FAR) as applicable and in effect on the date of this Order are incorporated herein by reference, subject to the following definitions and to the modifications indicated:

"Contractor" means Seller

"Subcontractor" means Seller's subcontractors

"Contract" means this Order.

FAR Section No.	Title
52.203-6	Restrictions on Contractor Sales to the Government
52.203-7	Anti-Kickback Procedures
52.204-2	Security requirements, excluding any reference to the Changes Clause
52.208-1	Required Sources for Jewel Bearings and Other Related Items (if this Order involves such items)
52.210-5	New Material, in which "Contracting Officer" means Buyer's Purchasing Representative and "Government" means Buyer in the last two sentences of the clause
52.210-7	Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property, in which "Contracting Officer" means Buyer's Purchasing Representative
52.212-8	Priorities, Allocations and Allotments
52.212-13	Stop Work Order, in which "Contracting Officer" means Buyer's Purchasing Representative, the title "Termination for Convenience of the Government" in paragraph (a) (2) means "Termination" and the words "for the convenience of the Government" in paragraph (c) are replaced by "in accordance with the Termination clause"
52.212-15	Government Delay of Work, in which "Contracting Officer" means Buyer's Purchasing Representative
52.214-26	Audit-Sealed Bidding (applicable to Orders exceeding \$10,000)
52.214-28	Subcontractor Cost of Pricing Data - Modifications - Sealed Bidding (applicable to Orders over \$100,000)
52.215-1	Examination of Records by Comptroller General (if this Order exceeds \$10,000)
52.215-2	Audit By Department of Defense (if this Order exceeds \$10,000)
52.215-26	Integrity of Unit Prices (Subparagraph (c) is deleted)
52.219-8	Utilization of Small Business Concerns And Small Disadvantaged Business Concerns
52.219-9	Small Business And Small Disadvantaged Business Subcontracting Plan (if this Order exceeds \$500,000 or if for construction \$1,000,000), in which "Contracting Officer" means Buyer's Purchasing Representative in the first sentence of subparagraph (c)
52.219-13	Utilization of Women-Owned Small Businesses
52.220-3	Utilization of Labor Surplus Area Concerns (If this Order exceeds \$25,000)
52.220-4	Labor Surplus Area Subcontracting Program (if this Order exceeds \$500,000)
52.222-1	Notice to Government of Labor Disputes in which "Contracting Officer" means Buyer's Purchasing Representative
52.222-4	Contract Work Hours And Safety Standards Act-Overtime Compensation-General, but only paragraphs (a) through (d) of FAR 52.222-4. Buyer may withhold or recover from Seller such sums as the Contracting Officers withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause
52.222-20	Walsh-Healy Public Contracts Act (If this Order exceeds \$10,000)
52.222-21	Certification of Non-Segregated Facilities
52.222-26	Equal Opportunity, but only subparagraphs (b) (1) through (b) 11
52.222-35	Affirmative Action For Special Disabled And Vietnam Era Veterans (if this Order exceeds \$10,000)
52.222-36	Affirmative Action For Handicapped Workers (if this Order exceeds \$2,500)
52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (applies to Orders over \$10,000)
52.223-1	Clean Air and Water Certification (by acceptance of this Order, Seller provides the required certification)
52.223-2	Clean Air And Water (if this Order exceeds \$100,000)
52.223-3	Hazardous Material Identification and Material Safety Data
52.224-2	Privacy Act Notification
52.225-9	Buy American Act-Trade Agreements Act Balance of Payments Program
52.225-11	Certain Communist Areas
52.227-1	Authorization And Consent
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement
52.227-8	Reporting Of Royalties (Foreign) (if this Order exceeds \$50,000)
52.227-9	Refund Of Royalties
52.227-10	Filing Of Patent Applications-Classified Subject Matter
52.227-11	Patent Rights, Retention by the Contractor (if this order is to be performed by Small Business)
52.227-12	Patent Rights, Retention by the Contractor

52.228-5

52.230-3

52.230-4

52.230-5

52.243-6

52.245-2

52.245-17

52.245-18

52.246-2

52.246-16

52.246-23

52.247-63

DOD FAR Supplement Clause

52.203-7001

52.204-7005

52.208-7000

52.208-7001

52.208-7002

52.208-7003

52.208-7005

52.208-7006

52.225-7011

52.227-7013

52.227-7018

52.227-7027

52.227-7029

52.227-7030

52.227-7037

52.233-7000

52.243-7001

52.246-7001

52.247-7023

52.271-7002

Insurance-Work On A Government Installation (to extent work required to be performed on a Government Installation)

Cost Accounting Standards, in which paragraph (b) of the Clause is deleted. Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting this clause, and the following FAR 52.230-4 clause, provided Seller shall not be required to disclose to Buyer such communications containing information which is privileged and confidential to the Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of this clause or the following FAR 52.230-4 clause.

Administration Of Cost Accounting Standards

Disclosure And Consistency Of Cost Accounting Practices, in which paragraph (b) of the Clause is deleted. Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications

between Seller and the Contracting Officer respecting this clause, and the preceding FAR 52.230-4 clause, provided Seller shall not be required to

disclose to Buyer such communications containing information which is privileged and confidential to the Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of the loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier sub contractors to comply with the requirements of this clause or the preceding FAR 52.230-4 clause.

Change Order Accounting

Government Property (if provided under this Order), in which: "Contracting Officer" means Buyer's Purchasing Representative, "Government" means Buyer except: In the terms, "Government furnished property", "Government property" and "Government owned property"; and the second time it appears in paragraph (b) (1) (ii) and in paragraph (c) (1) "Government" means Government or Buyer: In paragraph (f) and in the following phrase "its" becomes "their", and in paragraph (g) and subparagraph (g) (1). The fourth sentence of paragraph (h) is changed to read: "Neither the government nor the Buyer shall be liable..."

Special Tooling, (if provided under this Order) in which: "Contracting Officer" means Buyer's Purchasing Representative, and "Government" means Buyer except in paragraphs (c) (1), (i) (1) and (i) (4) where it means Government or Buyer. The term "90 days" is changed to "120 days" in paragraph

Special Test Equipment, in which "Contracting Officer" means Buyer's Purchasing Representative. In paragraph (b) (4) "Government-owned" means Government-owned and Buyer-owned. The term "30 days" in the second sentence or paragraph (b) is changed to "45 days".

Inspection of Supplies in which "Contracting Officer" means Buyer's Purchasing Representative or his authorized designee, and "Government" means Buyer except that, the first time it appears in the first sentence of paragraph (b) and in the fourth sentence of paragraph (b) it means Buyer and the Government, and the first time it appears in paragraph (k) it means Government or Buyer. The provisions in the clause for access, rights to inspect, safety protection and relief from liability apply equally to Buyer and the Government.

Responsibility For Supplies in which "Government" means Buyer, except in paragraph (d) where "Government" means Government or Buyer.

Limitation Of Liability

Preference For U.S. Flag Air Carriers

Title

Special Prohibition on Employment (if this order exceeds \$25,000)

Overseas Distribution Of Defense Subcontracts (if this Order exceeds \$100,000)

Required Sources For Miniature And Instrument Ball Bearings (if this Order involves such items)

Required Sources For Precision Components For Mechanical Time Devices (if this Order involves such items)

Required Source for High Purity Silicone (if this Order involves such items)

Required Source for High Carbon Ferrochrome (if this Order involves such items)

Required Source for Forging Items (if this Order involves such items)

Required Sources for Anti-Friction Bearings

Preference for Domestic Specialty Metals

Rights In Technical Data And Computer Software

Restrictive Markings On Technical Data

Deferred Ordering Of Technical Data

Identification of Technical Data

Technical Data-Withholding of Payment

Validation of Restrictive Markings on Technical Data (in which "Government" and "Contracting Officer" remain unchanged and Seller is a "subcontractor")

Certification of Requests for Adjustment or Relief Exceeding \$100,000

Pricing of Adjustments

Warranty of Data

Transportation of Supplies by Sea

Recovery of Nonrecurring Costs on Commercial Sales



SUNSHINE AVIONICS MANUFACTURING DIVISION

PURCHASE ORDER GENERAL TERMS AND CONDITIONS

Page 4 of 4

If this order is in excess of \$100,000 and a pricing certificate is required by FAR 15.804-2, the following FAR clauses as modified herein are incorporated by reference, substituting Buyer for "Contracting Officer" in the Certificate required by FAR 15.804-4.

- 52.215-2 Audit by Department Of Defense
- 52.215-22 Price Reduction For Defective Cost Or Pricing Data
- 52.215-24 Subcontractor Cost Or Pricing Data

If a pricing certificate was not required by FAR 15.804-2 for the original issuance of this Order, the following FAR clauses as modified herein are incorporated by reference, substituting Buyer for "Contracting Officer" in the Certificate required by FAR 15.804-4.

- 52.215-23 Price Reduction For Defective Cost Or Pricing Data- Modifications
- 52.215-25 Subcontractor Cost Or Pricing Data-Modifications

Seller shall indemnify and save harmless Buyer from any and all loss and expense caused by the failure of Seller or its Subcontractors to comply with any of the provisions of the foregoing to the extent such clauses are or become applicable to this Purchase Order.

Seller agrees to insert the Provisions of this Article 31 in all subcontracts or purchase orders of a lower tier whenever applicable by the requirements of any of the laws, ordinances, rules and regulations herein referenced.

32. GRATUITIES AND CONTINGENCIES:

(a) Seller agrees that in consideration of this Order, neither Seller nor any agent or representative of Seller has nor will pay any fees, commissions, percentages, brokerage fees or other sums to persons contingent upon or resulting from execution of this Order (other than bonafide employees of established commercial or Seller agencies used by Seller for the purpose of securing business) nor has or will Seller extend or offer any form of compensation or remuneration to Buyer's employees for the purpose of securing this Order, or obtaining favorable treatment with respect to Seller's performance of this Order.

(b) In the event of breach or violation of the agreements described in (a) above, Buyer shall have the right, as its option, to terminate this Order for default without liability, or at its option may deduct from amounts that otherwise may be owed Seller the full amount of any such fees, commission, remuneration or other sum. Such rights and remedies of Seller shall be in addition to any other rights and remedies provided by law or under the terms of this Order.

33. INJUNCTIVE RELIEF: Seller acknowledges and agrees that failure to deliver the goods or services that conform to requirements of this Order in a timely manner will seriously affect Buyer's production schedules and costs and result in damage to Buyer; Seller also acknowledges that the amount of such damages is difficult if not impossible to calculate, either in monetary or schedule terms. Therefore, in the event that Seller fails to perform its obligations under this Order, or fails to make progress so as to endanger performance of this Order in accordance with its terms, Seller agrees to deliver any supplies and manufacturing materials (as defined in FAR 52.249-8) pertaining to this Order within 48 hours of Buyer's written demand thereof. If Seller fails to deliver, Seller hereby agrees and consents to entry of an injunction prohibiting such failure, on Buyer's application therefore, reciting the facts of Seller's failure to deliver in spite of Buyer's demand. However, delivery of supplies and manufacturing materials in response to Buyer's demand, or as a result of court order shall not affect Buyer's liabilities to Seller, if any, for goods and services furnished by Seller. Buyer shall be entitled to recover its costs and attorney's fees incident to obtaining the injunction provided for herein.

34. OTHER RIGHTS AND REMEDIES: The rights and remedies herein reserved to Buyer shall not be exclusive and shall be cumulative and additional to any other or further rights and remedies provided in law or equity. If any provision of this Order is or becomes void or unenforceable by force or operation of law, all other provisions shall remain in full force and effect.

35. RIGHT OF ENTRY: Buyer and/or its CUSTOMER(s) and REGULATORY AUTHORITIES shall have the "RIGHT OF ENTRY" to access Seller's facilities, or their subcontractor(s), when requested, to allow review for Quality of Work, Records, Materials and Special Processes and related documentation, as applicable. Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of Buyer or its Customer(s) acting in performance of their duties.

36. OZONE DEPLETING SUBSTANCES: In accordance with Section 326 of the FY 1993 Defense Authorization Act, Public Law 102-484, and Defense Acquisition Regulation Supplement 210.002-71, contracts may not be awarded after 1 Jun 93 which include any government specification, standard, drawing, or other document that requires the use of a Class 1 ODS, or establishes a requirement that can only be met through the use of a Class 1 ODS, in the design, manufacture, test, operation, or maintenance of any ARTICLE unless a waiver to do so has been obtained. If in reviewing the government specifications, standards, drawings or documents provided, the SUPPLIER determines that a requirement exists to use a Class 1 ODS, or which can only be met through the use of a Class 1 ODS, the SUPPLIER should notify BUYER in order that an acceptable alternative can be approved or a waiver for the use of the Class 1 ODS can be obtained if no suitable substitute is available. Warning statements for ARTICLES containing or manufactured with ozone depleting chemicals (as required by the Clean Air Act of 1990, Section 611, 40 C.F.R., Part 82) should not be applied directly to the ARTICLE. All such statements are to be included in a separate writing such as the Bill of

Lading, Certificate of Conformity, shipment papers or any other proper notification that complies with the listed regulation. If a product is a pure chemical or chemical compound, the warning statement shall be applied directly to the ARTICLE. The required Federal wording for the warning is:

"WARNING: CONTAINS (OR MANUFACTURED WITH, if applicable) (insert name of substance), A SUBSTANCE WHICH HARMS PUBLIC HEALTH AND ENVIRONMENT BY DESTROYING OZONE IN THE UPPER ATMOSPHERE."

37. RECORD RETENTION: All records must be maintained for a minimum of 10 years unless agreed upon prior to customer/supplier approval.

38. QUALITY SYSTEM: Seller shall comply with Buyer's Supplier Quality Assurance Manual (SQAM) latest revision. Latest revision will be provided by Buyer upon request.

39. NOTIFICATION OF NON-CONFORMANCE (ESCAPE): The supplier is required provide notification immediately in the event that non-conforming product was delivered.

40. SUPPLIER DEVIATION REQUESTS: The supplier must request a deviation from the drawing, or PO notes by submitting a deviation request form. This request will be reviewed and dispositioned prior to product leaving the supplier's facility. Any non-conformances delivered may be subject to return, replacement, or refund.

41. SUPPLIER ORGANIZATIONAL CHANGES: The supplier is required to provide notification when changes in product and/or process, changes of suppliers, changes of manufacturing facility location, and any change which can affect product conformity and/or product quality.

42. FLOW DOWN REQUIREMENTS: The supplier is required to flow down requirements specified on drawings, Purchase Order Notes, and any other correspondence provided to supplier in order to maintain product conformity and quality requirements. Specific flow-down requirements are also identified in the Supplier Quality Assurance Manual (SQAM).