

AEROSONIC LLC
PURCHASE ORDER GENERAL TERMS AND CONDITIONS

The following provisions, terms and conditions applicable to this Purchase Order (hereinafter referred to as "Order") additionally apply to all Change Notices issued in amendments to this Order as though printed thereon:

1. ACCEPTANCE OF CONTRACT: THIS ORDER CONTAINS THE ENTIRE AGREEMENT BETWEEN THE BUYER AND SELLER AND IS NOT SUBJECT TO VARIATION, IRRESPECTIVE OF THE WORDING OF SELLER'S ACCEPTANCE, WITHOUT THE PRIOR WRITTEN AGREEMENT BY BUYER'S PROCUREMENT REPRESENTATIVE, ANY ADDITIONAL OR DIFFERENT TERMS OF SELLER'S ACCEPTANCE ARE HEREBY EXPRESSLY REJECTED. BUYER IS NOT BOUND BY ANY PROVISIONS, PRINTED OR OTHERWISE THAT MAY APPEAR ON ANY ACKNOWLEDGEMENT, PURCHASE ORDER, INVOICE OR OTHER FORM USED BY THE SELLER, SUCH PROVISIONS ARE HEREBY EXPRESSLY REJECTED. THIS ORDER BECOMES A BINDING CONTRACT INCLUDING ALL TERMS AND CONDITIONS CONTAINED HEREIN AND/OR CONTAINED IN DOCUMENTS ATTACHED HERETO AS SPECIFIED, WHEN IT IS ACCEPTABLE BY THE SELLER, EITHER BY ACKNOWLEDGEMENT OR THE COMMENCEMENT OF PERFORMANCE HEREOF. This agreement is entered into and governed by the laws of the State of Florida.

2. DEFINITIONS: As used herein, "Buyer" means Aerosonic LLC; "Seller" means the person(s) or company to whom this Order is issued; "FAR" means the Federal Acquisition Regulations.

3. PRICING: Buyer shall not be billed at prices higher than stated on this Order unless authorized by a Purchase Order Revision issued and signed by Buyer. Seller represents that the price charged for the items or services covered by this Order is the lowest price charged by the Seller to Buyers of a class similar to Buyer under conditions similar to those specified in this Order and that prices comply with applicable governmental regulations in effect at the time of quotation, sale or delivery. Seller agrees that any price reduction made in merchandise covered by this Order subsequent to the placement of this Order will be applicable to this Order.

4. PACKING AND SHIPPING: All items shall be prepared for shipment and packed in accordance with sound commercial practices to prevent damage or deterioration, secure lowest transportation rates, and comply with carrier tariffs unless otherwise indicated on the purchase order. No charges will be paid by Buyer for preparation, packing, crating or cartage unless so stated in this Order. All shipments to be forwarded on one day via one route shall be consolidated. Each container shall be consecutively numbered and marked with the applicable Order number and part number. Container and Order numbers shall be indicated on the bill of lading. A copy of the packing slip, 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 freight charges collect. Seller shall make no declaration concerning value of the product shipped, except where the tariff rating or rate is dependent upon the released or declared value, in which event such value shall be released or declared at the maximum value for the lowest rating or rate. All items to be shipped F.O.B. Seller's plant, F.O.B. city of origin or F.O.B. shipping point also shall be delivered by Seller F.O.B. equipment of carrier designated by Buyer at the nearest point such equipment is available, except that LCL rail shipments shall be delivered to carrier.

5. DELIVERY: Buyer may at any time, make changes to delivery dates. 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. Notwithstanding the foregoing, Seller shall not be liable for delay in delivery due to causes beyond Seller's control and without Seller's fault or negligence, providing Seller exercises due diligence in promptly notifying Buyer in writing of the conditions which will result in delay,

and provided further, if Seller's delay is caused by the default of a subcontractor or supplier, such default arises out of causes beyond the control of both Seller and the subcontractor or supplier, and without the fault or negligence of either of them, and the supplies or services to be furnished by the subcontractor or supplier were not obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. 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. This Order may not be undershipped in regards to the quantity specified and shall not be overshipped in regards to the quantity specified except with the express written permission of the Buyer. Seller shall not ship supplies to arrive at Buyer's plant earlier than five days in advance of the specified schedule unless authorized in writing. At Buyer's option, 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 specific schedule.

6. INSPECTION AND ACCEPTANCE: All materials, articles and workmanship shall, during the performance of this Order, be made available for inspection and test at Seller's plant by authorized representatives of Buyer and/or Government. 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. If any inspection or test is made by Buyer on Seller's premises, the Seller shall, without additional charge, provide all reasonable facilities and assistance for the safety and convenience of Buyer's inspection in the performance of their duties. All articles furnished under this Order shall be subject to final inspection and acceptance by Buyer after delivery to destination, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Without limitation as to Buyer's right to recover all expenses reasonably related to breach, Buyer may, at its option, return for credit or reject any articles which contain defective material or workmanship or do not conform to specifications of 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 to Seller at Seller's risk and expense 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. Materials ordered herein may not be accepted unless accompanied by proper certification confirming adherence to applicable specifications, or the certificates and/or test reports are in the Seller's files, subject to Buyer's review.

7. CORRECTIVE ACTIONS: When corrective actions are issued to the Seller, the Seller shall address them in a timely manner by performing proper root cause analysis and submitting an appropriate corrective action plan. Failure to respond to corrective actions may disqualify the Seller from being an approved supplier.

8. INVOICES AND PAYMENT: Seller, upon submission of proper invoices, will be paid the prices stipulated herein for supplies delivered and accepted, or services, rendered and accepted, less deductions, if any, as herein provided. Cash discount calculation is determined by receiving date of supplies or services or receiving date of correct invoice, whichever is later. Invoice must not be dated prior to shipment of supplies. Payment will be made in accordance with the terms of this Order. Buyer's check will be accepted in payment without discount for collection. Payment will be subject to deductions of any valid claim of Buyer against Seller arising from this or any other transaction, including, but not limited to subsequent adjustment for shortages and for allowance for supplies rejected and expense of rework incurred by Buyer. If terms of this Order do not appear on or agree with Seller's invoice as 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. Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer against any amount payable by Buyer and Seller.

9. WARRANTY: Seller warrants that all articles, materials, work and services furnished hereunder will be free from defects in material and workmanship, will conform to applicable specifications, drawings, samples, and descriptions, and, if of Seller's design, 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 the period of one (1) year from delivery to 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 one (1) year period shall begin as of the date of Buyer's delivery of any such resale items to its customers. The aforesaid express warranties shall be in addition to any standard warranty or guarantee of Seller and any warranties otherwise created by operation of law. All warranties and guarantees shall run to Buyer and Buyer's customers. If services or technical data are to be provided by Seller hereunder, Seller warrants to Buyer that such services and/or technical data have been performed or prepared with the same degree of care, skill and diligence as is ordinarily possessed and exercised by a member of the same profession, currently practicing, under similar circumstances.

10. GOVERNING LAW: This Order shall be governed by and construed in accordance with the laws in the State of Florida. Each party consents to the jurisdiction of the state courts located in Pinellas County, Florida and the federal courts located in the Middle District of Florida, Tampa Division and here by appoints the controller of Aerasonic, at its principal office in Clearwater, Florida as its agent for accepting any process in Florida.

11. CHANGES: Buyer may at any time, by a written notice, and without notice to the 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; (vii) delivery, 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 for this Order and the Order will be modified accordingly. No claim by Seller for such adjustment will be valid unless submitted to Buyer within fifteen (15) days from Buyer's written notice of such change, or such longer period as may be authorized by Buyer in writing. 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 and either party may thereupon pursue any remedy which it may have pursuant to Article 36. Nothing contained in this clause shall relieve Seller from proceeding without delay in the performance of this Order as changed. 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 Procurement Department if Seller received, from any source other than that Department, 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.

12. TERMINATION/CANCELLATION/STOP WORK:

a. Termination-Convenience: The performance of work under this Order may be terminated, in whole or 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, and "Contractor" means Seller as used therein.

b. Termination-Default: This Order may be terminated, in whole or part by Buyer for default in accordance with the "Default" clause in FAR 52.249-8 which is incorporated herein by reference, except "Government" and "Contractor" means Buyer, "Contractor" means Seller and reference to a Disputes clause refers to Article 36 hereof.

c. Termination-Cancellation-Other: By written notice to Seller, Buyer may cancel this Order, in whole or in part, in the event of suspension of Seller's business, insolvency of Seller, institution of bankruptcy, reorganization, arrangement or liquidation proceedings by or against Seller appointment of a trustee or receiver for Seller's property or business or any assignment by Seller for the benefit of creditors. Such cancellation shall be deemed

“for default” in accordance with paragraph (b) of this clause and the rights and obligations of the parties shall be determined as therein provided.

d. **Stop Work:** The Buyer may, by written notice of 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 52.242-15, which is incorporated herein by reference, except “Government” and “Contracting Officer” means Buyer, and “Contractor” means Seller as used therein.

13. **PATENT INDEMNITY:** Except insofar as this Order calls for articles pursuant to Buyer’s designs, drawings, or specifications, Seller guarantees that the sale and/or use of such articles delivered hereunder, and their manufacture by Seller will not infringe upon any intellectual property right including but not limited to patents, copyrights and trade secrets. Seller 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 against it which infringement is alleged, provided Seller is notified as to such actions brought against Buyer and is given full and exclusive control of the defense and all negotiations relative to the settlement thereof. 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 the Seller.

14. **NON-DISCLOSURE:** Except to the extent necessary to perform this order, and subject to the limitations and requirements of Clauses 17 and 36. Seller shall not, without first obtaining the written consent of Buyer, or when applicable, the Government, reveal information to third parties concerning the award and performance of this Order.

15. **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 suppliers) on a competitive basis to the maximum practical extent consistent with the requirements of this Order. Buyer approval of any such contract 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.

16. **ASSIGNMENT:** Seller may not assign this Order or any portion thereof without the express written permission of Buyer.

17. **CONFIDENTIAL DISCLOSURE:** Seller shall keep confidential all designs, processes, drawings, specifications, reports, 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, thus, Seller shall not sell, or otherwise dispose of as scrap or otherwise, any completed or partially completed or defective goods without defacing or rendering such goods unsuitable for use. Further, Seller shall not disclose or transfer such information or items to any person, firm, corporation, or entity for the purpose of design, manufacture or repair of a part or detail of a part, compare or design a part, or apply for FAA Parts Manufacturer Approval or other government approval to manufacture a part without Buyer’s express written consent. Upon completion or termination of this Order, Seller shall, at Seller’s expense, make such disposition of all such information, items and goods as herein required or as may be subsequently directed by Buyer.

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

19. **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 subcontractors and lower-tier suppliers shall maintain public liability and property insurance in reasonable limits covering the obligations set forth above, and shall maintain proper Worker's Compensation insurance covering all employees performing this Order.

20. TAXES: Buyer agrees to pay any Federal excise tax or State or local sales tax for which liability arises on account of the Sale to Buyer of the supplies ordered hereunder provided this Order is designated on its face as a "taxable" Order. Except as herein stated, Seller agrees that all Federal or State or local taxes measured by gross proceeds of sale which are imposed on Seller by reason of this Order are included in the price of the supplies ordered hereby.

21. BUYER-FURNISHED PROPERTY: Seller agrees that it will use any design, tools, patterns, drawings, information, material and/or equipment furnished by Buyer only in the production of the articles called for herein, will not use such items for the production or manufacture of larger quantities than those specified herein; will not use any other items in lieu thereof, and will not reveal information proprietary to Buyer unless with Buyer's written consent; 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 which are required to produce the items. Buyer does not warrant the accuracy of tools and fixtures which it furnishes and all work must be in strict accordance with specifications. Title and right of immediate possession of all such items will remain as Buyer's except as to Government property in which case the title shall remain with the Government. Seller agrees to maintain inventory control for such items adequate to the Buyer and furnish inventories of such items upon request. When Buyer furnishes materials, parts, tooling and/or other property, Seller's shipper and final invoice must contain the statement "All materials, parts, tooling or other property furnished and/or acquired under this Purchase Order (except those which became normal industrial waste or were replaced at Seller's expense) have been returned in the form of parts, unused material and/or tooling." Proceeds of scrap salvage shall accrue to Seller and are reflected in the prices stated herein. If a defect is alleged by Seller and confirmed by Buyer, Seller's sole remedy will be to require Buyer to deliver a replacement for 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. Spoiled and unused material shall be returned F.O.B. Buyer's plant or credit allowed at prevailing market prices at Buyer's option. Buyer reserves the right to retain 10% of the total amount of Seller's invoice until all requirements of this clause have been fulfilled. Upon completion of a termination of this Order all items furnished shall be returned to the Buyer.

22. EXCLUSIVE USE OF SELLER TOOLING: Any tooling manufactured hereunder for the performance hereof and identified as Seller's Tooling will be permanent and title thereto will remain with Seller. Notwithstanding Seller's retention of title, such tooling 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 in the manufacture of goods or the performance of services for anyone other than Buyer or permit its use by any person other than Buyer or Seller, or dispose of any such tooling without the prior written agreement of Buyer.

23. SPECIAL BUYER TOOLING:

a. Except as may be otherwise provided for in this Order, jigs, fixtures, molds, patterns, special gauges, special test equipment and other items of special tooling shall be furnished by and at the expense of Seller. Such special tooling shall be kept in good condition by the Seller and when necessary shall be replaced by Seller all without expense to Buyer. Title to such special tooling shall remain with Seller except that Buyer may, at any time, reimburse Seller for the negotiated price of all or part of such special tooling, and upon payment therefore, shall

become the owner thereof, entitled to possession at the completion of this Order, or such earlier date as the parties may agree.

b. If the prices stated on the face of this Order include, as a separate item, a figure covering the cost of any jigs, tools, dies or other equipment used in filling this Order, they 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 and before any use is made thereof by 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.

c. All such equipment described in 20(b) above, will be identified as Buyer's property in accordance with Buyer's instructions and in no event will Seller dispose of, use, or permit its use by parties other than the Buyer without prior written agreement of the Buyer. As a condition of payment therefore, Seller agrees to provide Buyer with a certified tool list.

d. If a Government contract number appears on the face of this Order, Articles 19 and 20 (a) through (c) are inapplicable with the provision of FAR 52.245-1.

24. END OF LIFE PRODUCTS/OBSOLESCENCE: Buyer requires Seller to be aware of and proactively monitor all items and material used in the manufacture of this Order for impending end of life/obsolescence issues. Supplier will provide immediate formal notification to Buyer as soon as a pending end of life/obsolescence issue or event is known to Seller, describing the end of life/obsolete item, reason for end of life/obsolescence, estimated date the item will no longer be available, and any proposed alternatives. Timely notification is imperative to allow sufficient time to identify alternates for the affected parts, and perform any necessary certifications/approvals, which may involve OEMs and airline regulatory agencies. Seller will use diligent efforts to minimize cost and operational impact, including the effects of interchangeability to Buyer and its customers. Buyer may desire to place additional orders for items purchased hereunder. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any item purchased under this Order.

25. CHANGE NOTICES FOR PRODUCT OR PROCESS: Seller shall submit any and all internal change notices pertaining to the Seller's product on this Order.

26. 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 that prime contract. Should applicable specifications or any material or equipment listed by the Buyer or Government be revised prior to shipment, Seller, upon written consent of Buyer, shall furnish such material or equipment in accordance with the revised specification or list.

27. LICENSE: If performance under this Order requires any research or development work, the Buyer shall be granted an exclusive, royalty-free, 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. Buyer may sell or otherwise transfer such license without restriction. If data of any sort is specified for delivery under this Order, Seller grants to Buyer a royalty-free, exclusive, irrevocable license to publish, produce, 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.

28. 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 hereunder shall be deemed to be Seller's employees exclusively without any relation whatever to Buyer as employees or an independent contractors, that said employees shall be paid by Seller for all services in connection; that Seller shall carry Worker's Compensation insurance and that Seller shall be responsible for all obligations and reports covering social security, unemployment insurance, and worker's compensation, income tax, and other exports and deductions required by State and/or Federal Law.

29. WAIVER: The failure of Buyer to enforce at any time 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 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 Agreement or any part thereof, or the right of Buyer thereafter to enforce each and every provision.

30. INSOLVENCY: In the event of the institution of any proceedings by or against either party in bankruptcy or insolvency or under any provisions of the bankruptcy or the appointment of a receiver or trustee or an assignment of the benefits of creditors of either party, the other party may terminate this Order with no further cost or liability.

31. INJUNCTIVE RELIEF: Seller acknowledges and agrees that failure to deliver 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 in monetary terms and that such goods, materials and services are unique and cannot be purchased on the open market. 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 therefore. If Seller fails to deliver, Seller hereby agrees and consents to entry of an injunction (by a court of competent jurisdiction) prohibit such failure; on Buyer's application therefore, reciting the facts of Seller's failure 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 previously furnished by Seller and accepted by Buyer. Buyer shall be entitled to recover its costs and attorney's fees incident in obtaining the injunction provided for herein.

32. 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 enforceable by force or operation of law, all other provisions shall remain valid and enforceable.

33. ORDER OF PRECEDENCE: In the event of any inconsistency in this contract, unless otherwise provided herein, the inconsistencies shall be resolved by giving precedence in the following order (a) the special provisions appearing on the Order; (b) these Purchase Order Terms and Conditions; (c) the specifications; (d) the drawings; (e) the other provisions of the contract, whether incorporated by reference or otherwise.

34. COMPLIANCE WITH LAWS AND REGULATIONS: Seller warrants that Seller's performance of this contract will comply with all applicable laws, statutes, regulations, including, but not limited to, all environmental laws and regulations. Seller shall notify Buyer at the earliest opportunity of any aspect of its performance that becomes subject to additional regulation during the term of the Agreement. Upon the written request of Buyer, Seller shall provide Buyer with written confirmation of its compliance hereunder. Further, Seller shall indemnify and hold Buyer harmless from all claims, demands, damages, costs, fines, penalties, attorney's fees and all other expenses arising from the failure of the Seller to comply with any applicable law, statute or regulation. On its invoice, or in other form satisfactory to Buyer, Seller shall submit certification that the goods covered by this contract were produced in compliance with all applicable requirements of Section 6, 7, and 12 of the Fair Labor

Standards Act, as amended, and of regulations and orders of the US Department of Labor issued under Section 14 thereof.

35. SAFETY: If during the performance of this Purchase Order, Seller or Seller's employees, subcontractors or agents (collectively Seller's personnel) enter Buyer's premises and/or a directed third party facility, Seller agrees to comply with Buyer's Environmental, Health and Safety regulations (Buyer's Regulations). Buyer reserves the right to reasonably refuse entry to any of Seller's personnel, eject Seller's personnel and/or request Seller's personnel to not return to Buyer's premises as a result of any alleged or actual violation of Buyer's Regulations. Buyer's Regulations are available for Seller's review upon request.

36. DISPUTES: Except as otherwise provided in the Order, the Seller may appeal any decision of Buyer concerning an issue of law, fact or contractual interpretation arising under the Order which is not disposed of by agreement, by pursuing any right or remedy which Seller may have in law or equity in any United States court of competent jurisdiction. Pending the final decision on a dispute hereunder, the Seller shall proceed diligently with its performance of the Order obligations in accordance with the direction of the Buyer.

37. HAZARDOUS SUBSTANCE INFORMATION: Seller shall provide a completed Material Safety Data Sheet for each material, which contains hazardous substances as illustrated by OSHA 29CFR1910.1200 or in California by Cal/OSHA General Industrial Safety Order 5194 and information on product composition and/or safety as required by applicable regulation of any country. Buyer will restrict its use of Seller's proprietary ingredient information received hereunder to use by Buyer's Medical, Safety and Environmental Control Departments for the protection of the employees, except where disclosure is required by law. No component, equipment, machinery, building maintenance items, or production parts shall be made out of or contain asbestos in any of its mineral forms. Seller's signature agreement or performance under this Agreement shall be construed as certification by Seller of conformance to all the requirements of this Clause. Seller agrees to follow Buyer's directives, if any, which may be attached to and made part of this Agreement. Seller shall indemnify Buyer for all loss, penalties, fines, damage, settlement and all reasonable associated expenses arising out of its non-compliance of any applicable laws and regulations in connection with its performance hereof.

38. 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 bona fide employees of established commercial or Seller agencies used by Seller for the purposes 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, at 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 Buyer shall be in addition to any other rights and remedies provided by law or under the terms of this Order.

39. QUALITY CLAUSES: For quality clause definitions as noted on the Order, reference Aerosonic form 7-2098.

40. RECORDS: Records that are created by the Supplier to fulfill this Order shall be maintained for a minimum of ten (10) years.

41. GOVERNMENT CONTRACT PROVISIONS: If a Government contract number appears on the face of this Order;

a. Notwithstanding the provisions of Article 18 hereof, this order shall be governed by and construed according to the Federal Law of Government Contract as enumerated and applied by Federal Judicial Bodies and Board of Contract Appeals.

b. Any and all Government property furnished hereunder shall be administered and maintained in accordance with FAR Part 45.

c. The following provisions of the Federal Acquisition Regulations (FAR) and Department of Defense FAR Supplement (DFAR) are incorporated herein by this reference, it being understood that, where used in those provisions, unless otherwise stated here, where necessary or appropriate to derive proper meaning in a subcontract situation, the term "Contract" shall mean this Order or subcontract; the term "Contractor" shall mean Seller, and terms "Government" and "Contracting Officer" shall mean buyer whenever appearing in the clauses. The dates of the Clauses incorporated by reference below are the same as the corresponding clauses under the Buyer's prime Government contract or Buyer's Customer's prime US Government contract as amended from time to time.

FAR/DFARS/AFARS

| <u>Reference</u> | <u>Title</u> |
|------------------|--|
| 52.202-1 | Definitions |
| 52.203-3 | Gratuities |
| 52.203-5 | Covenant Contingent Fees |
| 52.203-6 | Restriction on Subcontractor Sales to the Government |
| 52.203-7 | Anti-Kickback Procedures |
| 52.203-8 | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity |
| 52.203-10 | Price or Fee Adjustment of Illegal or Improper Activity |
| 52.203-11 | Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions |
| 52.203-12 | Limitation on Payments to Influence Certain Federal Transactions |
| 52.203-13 | Contractor Code of Business Ethics and Conduct |
| 52.203-17 | Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights |
| 52.204-2 | Security Requirements |
| 52.209-5 | Certification Regarding Responsible Matters |
| 52.211-5 | Material Requirements |
| 52.211-15 | Defense Priority and Allocation Requirements |
| 52.214-26 | Audits and Records – Sealed Bidding |
| 52.214-27 | Price Reduction for Defective Cost or Pricing Data-Modification-Sealed Bidding |
| 52.214-28 | Subcontractor Certified Cost or Pricing Data-Modification-Sealed Bidding |
| 52.215-2 | Audit and Records-Negotiation |
| 52.215-10 | Price Reduction for Defective Certified Cost or Pricing Data |
| 52.215-11 | Price Reduction for Defective Certified Cost or Pricing Data-Modifications |
| 52.215-12 | Subcontractor Certified Cost or Pricing Data |
| 52.215-13 | Subcontractor Certified Cost or Pricing Data-Modifications |
| 52.215-14 | Integrity of Unit Prices |
| 52.215-15 | Pension Adjustments and Asset Reversions |
| 52.215-18 | Reversion or Adjustments of Plans for Postretirement Benefits (PRB) Other Than Pensions |
| 52.215-19 | Notification of Ownership Changes |
| 52.216-5 | Price Redetermination - Prospective |
| 52.216-16 | Incentive Price Revision – Firm Target |

52.216-17 Incentive Price Revision – Successive Targets
52.219-8 Utilization of Small Business Concerns
52.219-9 Small Business Subcontracting Plan
52.222-1 Notice to Government of Labor Disputes
52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation
52.222-6 Davis Bacon Act
52.222-7 Withholding of Funds
52.222-8 Payrolls and Basic Records
52.222-9 Apprentices and Trainees
52.222-10 Compliance with Copeland Act Requirements
52.222-11 Subcontracts (Labor Standards)
52.222-12 Contract Termination-Debarment
52.222-13 Compliance with Davis Bacon and Related Act Regulations
52.222-14 Disputes Concerning Labor Standards
52.222-15 Certification of Eligibility
52.222-16 Approval of Wage Rates
52.222-20 Walsh Healy Public Contracts Act
52.222-26 Equal Opportunity
52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
52.222-36 Affirmative Action for Workers with Disabilities
52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
52.222-41 Service Contract Act of 1965
52.223-3 Hazardous Material Identification and Material Safety Data
52.223-5 Pollution Prevention and Right-to-Know Information
52.223-6 Drug-Free Workplace
52.223-7 Notice of Radioactive Material
52.224-2 Privacy Act
52.225-1 Buy American Act – Supplies
52.225-8 Duty Free Entry
52.225-13 Restrictions on Certain Foreign Purchases
52.227-1 Authorization and Consent
52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
52.227-9 Refund of Royalties
52.227-10 Filing of Patent Applications – Classified Subject Matter
52.227-11 Patent Rights – Ownership by the Contractor
52.227-13 Patent Rights – Ownership by the Government
52.228-3 Worker’s Compensation Insurance (Defense Base Act)
52.228-4 Worker’s Compensation and War-Hazard Insurance Overseas
52.228-5 Insurance – Work on a Government Installation
52.230-2 Cost Accounting Standards
52.230-3 Disclosure and Consistency of Cost Accounting Practices
52.230-6 Administration of Cost Accounting Standards
52.242-15 Stop Work Order
52.244-2 Subcontracts
52.244-6 Subcontracts for Commercial Items
52.245-1 Government Property
52.246-3 Inspection of Supplies – Cost-Reimbursement
52.246-5 Inspection of Services – Cost-Reimbursement
52.246-23 Limitation of Liability
52.246-24 Limitation of Liability – High Value Items

- 52.246-25 Limitation of Liability – Services
- 52.247-63 Preference for U.S.–Flag Air Carriers
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 52.248-1 Value Engineering
- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
- 252.211-7000 Acquisition Streamlining
- 252.255-7000 Buy American Act-Balance of Payments Program Certificate
- 252.225-7001 Buy American Act and Balance of Payments Program
- 252.225-7002 Qualifying Country Sources as Subcontractors
- 252.225-7008 Restriction on Acquisition of Specialty Metals
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.225-7010 Commercial Derivative Military Article – Specialty Metals Compliance Certificate
- 252.225-7012 Preference for Certain Domestic Commodities
- 252.225-7013 Duty-Free Entry
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings
- 252.225-7025 Restriction on Acquisition Forgings
- 252.225-7032 Waiver of United Kingdom Levies – Evaluation of Offers
- 252.227-7013 Rights in Technical Data-Noncommercial Item
- 252.227-7030 Technical Data-Withholding of Payment
- 252.227-7037 Validation of Restrictive Markings on Technical Data
- 252.235-7003 Frequency Authorization
- 252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services
- 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts)
- 252.247-7023 Transportation of Supplies by Sea
- 252.247-7024 Notification of Transportation of Supplies by Sea
- 252.249-7002 Notification of Anticipated Contract Termination or Reduction

Seller agrees that all supplies and services herein ordered will be manufactured or performed and furnished in accordance with all applicable requirements of the statutes referenced in this rider and they are hereby incorporated by reference all representations and stipulations required by said statutes and the regulations issued there under by the Secretary of Labor, whose applicable rulings and interpretations are binding on seller:

- 1) David Bacon Act (Act of March 3, 1931, as amended; 40 U.S. Code 276a)
- 2) Copeland Act (18 U.S. Code 276c; 48 USC 8 74; 40 USC 276c)
- 3) Walsh Healy Public Contracts Act (41 USC 34-45)
- 4) Service Contract Act (41 USC 351)
- 5) Contract Work Hours and Safety Standards Act (40 USC 376-333)
- 6) Honest Leadership and Open Government Act (Public Law 110-81 - September 2007)

Acknowledgement of purchase orders/subcontracts issued as the result of a United States Government prime contract or subcontract shall be in accordance with the provisions of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700) governing rated orders. Failure to provide acknowledgement within the allotted time frame and in manner prescribed therein shall constitute acceptance of the order/subcontract and all terms and conditions set forth therein.

42) RIGHT OF ENTRY: Upon request the Seller shall provide Aerosonic, Aerosonic's customers and regulatory agencies access and right of entry to Seller's facilities at all reasonable times to determine and verify that quality of the work, materials and technical records associated with this purchase agreement.

43) CONTERFEIT PARTS: Seller shall not deliver Counterfeit Parts or Work to Aerosonic under this purchase agreement. The requirements of SAE AS5553 shall be in force as applicable. As used in this purchase agreement Counterfeit Parts or Work shall be defined as parts or work that, at any level to the lowest level of assembly or

manufacture have not been designed and/or produced under an approved system of manufacture and/or that do not conform to prescribed manufacturing and quality standards. This term shall also include otherwise appropriately approved parts or work that have reached their design-limit lifetime, have been altered in a fashion not approved, or have been repaired, salvaged or harvested without proper disclosure of such nature. In the event that parts or work delivered under this purchase agreement constitute or include Counterfeit Parts or Work, Seller shall at its sole expense promptly replace such Counterfeit Parts or Work with parts or work conforming to the requirements of this purchase agreement. Notwithstanding any other provisions in this or other agreements, Seller shall be liable for all costs related to removal and replacement of Counterfeit Parts and Work including without limitation Aerosonic's costs of identifying, removing, exchanging and replacing (together with any re-testing or calibrating necessitated by replacing) such Counterfeit Parts or Work. The remedies contained herein are in addition to any other remedies that Aerosonic may have at law or equity.