



TERMS AND CONDITIONS -- CONTRACT FOR PURCHASE OF GOODS

The following Terms and Conditions constitute and govern the contractual relationship for the purchase of goods (Goods) between Pankl Aerospace Systems (Buyer) and the person or business entity selling the Goods (Seller) described on the corresponding purchase order (Order), which is incorporated herein by reference.

1. Acceptance. This Order constitutes an offer on the Buyer's part to purchase Goods at the prices stated and upon the terms and conditions herein contained. In the event that this Order is not accepted within 10 days after receipt by the Seller, the Buyer may cancel this Order. The acceptance of the Order by confirmation or by performance constitutes acceptance of the terms and conditions herein contained, which terms shall override any and all supplemental, inconsistent or conflicting terms, which may be contained in Seller's documentation or correspondence. Any terms or conditions proposed in Seller's acceptance, whether they add to, modify, vary from or conflict with the terms herein are hereby expressly objected to.

2. Delivery and Packaging. Delivery of all Goods shall be made to the address(es) specified in the Order and if not specified at such address as the Buyer shall specify in due course; all Goods shall be packaged and delivered at Seller's expense. All Goods must be packed by Seller securely so as to be delivered to the Buyer in perfect condition. Packaging shall be clearly marked with appropriate order/installment number. Packages containing Goods supplied against the Buyer's drawings, part numbers or catalogues must be marked with the appropriate reference with reasonable details of the Order, including a statement of origin.

3. Time for Delivery; Property and Risk. Goods shall be delivered on the date(s) specified or if no date is specified within a reasonable period provided that the Buyer shall be under no obligation to accept delivery before the specified date(s), but reserves the right to do so. Time shall be of the essence. The Buyer shall (without prejudice to any other rights) be entitled to reject the Goods not timely delivered, and cover with comparable goods. The Seller will indemnify the Buyer against any loss the Buyer may sustain as a result of such delinquent delivery. Property and risk in goods supplied under the Order shall remain with the Seller until they are delivered to and signed for as accepted by the Buyer, provided, that if the Goods are rejected by the Buyer. The risk shall revert to the Seller.

4. Force Majeure. The Buyer shall not be liable to the Seller for failure to accept delivery of the Goods resulting from any breakdown of plant or apparatus, fire, explosion, accident, strike or other labor difficulty, lockout or any event or cause beyond its control whatsoever until the expiry of any such event and any disorganization of the Company caused thereby has ceased. If the Seller fails to perform any part of this Order by reason of any event or cause such as specified therein, the Buyer might at its discretion suspend or cancel the delivery of the Goods without any liability to the Seller for payment.

5. Rejection of Nonconforming Goods. The Buyer shall be entitled to reject nonconforming goods within a reasonable time, such time to be not less than three months after the date of delivery. On rejection, Buyer shall have the right to cover. If in Buyer's opinion The Seller is unable to perform the Order and comply with all relevant terms and conditions herein, Buyer may reject the Goods (and any installment thereof) and/or cancel the Order (notwithstanding that title in the Goods may have passed) by giving written notice to the Seller and the Buyer shall return to the Seller any of the Goods at the expense and risk of the Seller or, at the Buyer's option, require the Seller to collect the same; and the Seller shall forthwith repay to the Buyer any money paid by the Buyer to the Seller in respect of rejected or undelivered Goods (if any).

6. Warranty as to quality of Goods. The Seller warrants to Buyer, its successors, assigns, customers and users of Goods sold by Buyer that all Goods provided hereunder should be (i) merchantable, (ii) new, (iii) free from defects in material and workmanship, (iv) with regard to Goods

designed by Seller, free from defects in design, (v) in compliance with all applicable specifications, drawings, and performance requirements, (vi) fit for the purpose intended, and (vii) free from liens or encumbrances on title. Deliver, inspection, test, acceptance or use of, or payment for the Goods furnished hereunder shall not affect Seller's obligation under this warranty, and such warranties, and all other warranties, express or implied, shall survive delivery, inspection, test acceptance, payment, and use.

7. Indemnity. The Seller will defend and indemnify and keep the Buyer fully indemnified with respect to any and all damages, costs, claims, liabilities, expenses, losses (including attorneys fees and on sequential losses) and demands incurred by the Buyer, directly or indirectly as a result of the Seller's breach of any of the warranties and undertakings contained in Paragraph 6 above, or implied, by statute or otherwise, or resulting from any actual or alleged infringement of any third party patent, trade mark or other industrial or commercial rights of a similar nature, by the sale of any Goods supplied by the Seller.

8. Payment. If payment is made by the Buyer within 14 days of delivery of the Goods or performance of the Services, the Buyer shall be entitled to deduct a discount of 3% unless otherwise agreed between the parties.

9. Confidentiality and Design. This Order and the subject matter thereof shall be treated as confidential between the parties and shall not be disclosed or publicized to any third party for any reason without prior written consent. The Seller shall not use the name or other identity of the Buyer for advertising or publicity purposes without the Buyer's prior written consent. The Seller will not copy, publicize or make available to any third party any drawings, patterns, design formula, written instructions, any means of production, material, tools, samples, casting equipment, models, forging dies, gauges, plans, descriptions as well as any other documents accompanying the order including any confidential information, specifications and other technical papers, supplied by the Buyer or produced by the Seller at the expense of the Buyer for the purposes of this Order, and the same shall remain the Buyer's property and must be returned together with any other property of the Buyer in the Seller's possession to the Buyer on demand at the expense of the Seller. The Seller shall return and shall ensure that any assignee or sub-contractor returns any of the Buyer's property in the Seller's possession to the Buyer immediately on termination of this contract free of charges and without request from the Buyer. Any copyright (including, without limitation, any copyright relating to drawings, models, and Goods), design right, or other intellectual property in the Goods or any such rights related directly or indirectly to their supply and production under the terms of this Order shall remain vested in the Buyer.

10. Assignment and Sub-contracting. The Seller shall not without written consent of the Buyer, assign, transfer or sub-contract this Order, or any substantial part of it, to any third party. In the event that the Buyer permits the Seller to transfer or sub-contract this Order to a third party, the Seller shall ensure that such third party complies with all the terms and conditions contained in this Order, and the Seller hereby indemnified the Buyer against any cost, loss, expense or liability incurred as a result of the failure of such third party to comply with the terms and conditions of this Order.

11. Right to Inspect. The Buyer shall be entitled to inspect on reasonable notice to the Seller, the Goods as they are being produced by the Seller. The Seller shall give reasonable notice to the Buyer of any tests it proposes to make in relation to the Goods and the Buyer shall be entitled to attend such tests.

12. Resolution of Disputes. Buyer and Seller agree that any and all disputes under the Agreement shall be resolved by the Superior Court of California, County of Los Angeles, which shall have exclusive jurisdiction.

Pankl Aerospace Systems, A member of Pankl Racing Systems

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Please visit our homepage: www.panklaerospace.com,