CONDITIONS OF PURCHASE

I. GENERAL DEFINITIONS

A. The term "Supplies" as used herein may refer to goods, products, services rendered in connection with Supplies, reports, data and other personal or intellectual property ordered or deliverable hereunder as the context so requires, and any provision hereof or of the law pertaining to goods, products, supplies, or services shall apply to all things so defined.

B. The terms "Conforming" or "Conforming Supplies" means Supplies that conform in all respects with the specifications as set forth in the Agreement(s) or otherwise communicated in writing by Buyer to Seller. All Supplies delivered to Gulfstream must be Conforming.

C. The terms "Non-Conforming" or "Non-Conforming Supplies" means Supplies which fail in any respect to conform with the specifications as set forth in the Agreement(s) or otherwise communicated in writing by Buyer to Seller.

D. Purchase Order(s),Scheduling Agreement(s), or Supplier Monitored Inventory Agreement(s) (individually referred to as "PO(s)","Scheduling Agreement(s)", or "SMI Agreement(s)" respectively or collectively referred to as "Agreement(s)") are an agreement whereby Buyer agrees to purchase and Seller agrees to sell the Supplies, consisting of the terms specified on the face page thereof, the Conditions of Purchase set forth therein and the Buyer Published Instruction forms incorporated by reference.

E. Scheduling Agreement(s) is an agreement between Buyer and Seller whereby the Buyer communicates to Seller the actual and forecast requirements for the supply of Supplies pursuant to the terms specified on the face page hereof, the Conditions of Purchase set forth herein and the Buyer Published Instruction forms incorporated by reference. Actual requirements are those Supplies to be delivered by Seller to Buyer within fifteen days (15) of issuance of the initial or modified Scheduling Agreement(s). Forecast requirements are those Supplies projected to be delivered by Seller to Buyer later than fifteen days (15) after issuance of the initial or modified Scheduling Agreement(s).

F. Forecast requirements provided under the Scheduling Agreement(s) are for planning purposes only. Buyer is not obligated to procure forecast requirements under the Scheduling Agreement(s). Pricing set out in the Scheduling Agreement(s) will apply regardless of actual quantities ordered under the Scheduling Agreement(s).

G. SMI Agreement(s) is an agreement between Buyer and Seller whereby the Buyer communicates to Seller the annual forecasted requirements for Supplies pursuant to the terms specified on the face page thereof, the Conditions of Purchase set forth therein and the Buyer Published Instruction forms incorporated by reference. Seller is obligated to maintain quantities of Supplies sufficient to fulfill the forecast requirements provided in the SMI Agreement(s) that are within the Seller's lead-time for Supplies. Buyer will issue PO(s) under the SMI Agreement(s) for the quantity of Supplies required for delivery to Buyer in the month following issuance of the PO(s). Buyer shall only be liable for the Supplies inside the Seller's lead-time.

F. In the event of any conflict between the terms and conditions constituting the Agreement(s), the following order of precedence shall apply: (i) the terms specified on the face page of this Agreement(s), then (ii) the Conditions of Purchase, then (iii) the terms in the Buyer Published Instruction forms.

II. PAYMENTS

Any applicable discount terms shall appear on the face page of this Agreement(s) and shall be paid within the terms specified thereon based upon receipt by Buyer of the invoice thereof, irrespective of the invoice date. All invoices shall reference the Agreement(s) and shall be submitted in duplicate copies. All other invoices shall be paid upon thirty (30) days of receipt of invoice. The date of receipt of an invoice shall be the date of receipt of a correct invoice or acceptance of all Supplies then due, whichever is later. Seller will use best efforts to invoice Buyer for Supplies no later than ninety (90) calendar days after Buyer's receipt of such Supplies.

III. ACCEPTANCE OF Agreement(s) BY SELLER

Acceptance of this Agreement(s) by Seller is required on the attached acceptance copy, which must be signed by Seller and returned immediately. However, any conduct by Seller recognizing the existence of an agreement also shall be deemed an acceptance, **without exception**, of the terms of this Agreement(s). Any addition to, or other modification of, these terms, or in quantities, prices or deliveries contained in any acknowledgment, invoice, or other form of communication from Seller, irrespective of whether communicated to Buyer before or after receipt by Seller of this Agreement(s) or of any Supplies ordered, is hereby objected to and rejected, and shall be of no effect, notwithstanding Buyer's acceptance of delivery or payment for such Supplies. The terms and conditions of this Agreement(s) may only be amended or modified in writing, acknowledged and signed by an authorized Buyer representative. Any claim by Seller that this Agreement(s) has been amended or modified except in compliance with the preceding sentence, shall give Buyer the right, at its election, to rescind this Agreement(s), regardless of whether the Supplies ordered have been delivered to Buyer.

IV. ACCEPTANCE, TITLE AND RISK OF LOSS

A. Title to all Supplies to be delivered hereunder shall remain with Seller until the Supplies are delivered at the shipping point specified on the face of this Agreement(s) and Buyer has inspected and, at its discretion, tested the Supplies and found the Supplies to be either Conforming or otherwise satisfactory. The foregoing notwithstanding, if Buyer has not notified Seller within thirty (30) days of testing and inspection that the Supplies are Non-Conforming or that Buyer is rejecting the Supplies, title thereto shall pass to Buyer, and the Supplies shall be deemed to have been accepted. All risk of loss or damage to the Supplies shall be upon Seller until title to the Supplies passes to Buyer; but Seller shall bear all risk of loss or damage to Supplies rejected by Buyer after Seller's receipt of written notice of rejection of such Supplies until they are redelivered to Buyer, in a Conforming condition, except for the loss, destruction of, or damage to such rejected Supplies resulting from the negligence of Buyer.

B. Title to all Supplies delivered hereunder shall be delivered free and clear of all liens, charges or encumbrances, and Seller warrants that the title conveyed shall be good and the transfer rightful. If the Supplies have been either originated or designed by Buyer in accordance with specifications or other data furnished by Buyer, all rights to the Supplies or such other data and all rights to the reproduction, use or sale thereof are, and shall continue to be owned solely by Buyer.

C. Seller shall bear all risk of loss or damage to any and all property furnished by Buyer to Seller or any subcontractor or agent of Seller for Seller's performance under this Agreement(s) until the said property has been redelivered to Buyer. Seller, or, as applicable, its subcontractors or agents, shall properly segregate, identify and protect all such property.

V. INSPECTION AND WARRANTY

A. Inspection

1. Seller and Seller's subcontractors and agents shall maintain quality control and inspection systems satisfactory to Buyer. At all reasonable times, including the period of manufacture, Buyer may inspect and test the Supplies and component parts thereof, and inspect the involved plants of Seller and Seller's subcontractors or agents. Reasonable facilities and assistance for safe and convenient inspection or test shall be provided without cost to Buyer. Seller, at no expense to Buyer, shall promptly comply with any written directions by Buyer reasonably necessary to correct deficiencies in such systems or in the manufacture of the Supplies or the Supplies themselves.

2. Upon request, Seller shall provide Buyer, without cost to Buyer, written or oral reports relating to the status of Seller's performance hereunder. Neither any inspection, testing, delivery nor payment for the Supplies delivered hereunder shall constitute acceptance thereof, as the Supplies are subject to final inspection, test, and acceptance at the destination stated herein.

3. Seller will immediately notify Buyer in writing of any material or component escapes. Escapes are any material or component issue that may result in performance or airworthiness issues, FAR non-compliance, or non-conforming aircraft products as defined below:

(a) Material or component issues that might affect the item's ability to perform to original specifications.

(b) Airworthiness of the component or end use product in question.

(c) FAR non-compliance has been identified with components.

(d) Non-conformance to original specification (component or material does not conform to engineering specification, drawing or document).

4. Seller notification of escapes shall include the following:

(a) "What, why, how and when" information about the escape.

(b) Inspection methods, or if removal is required, NDT standards, tools and inspection resources. Include serial numbers or batch numbers to identify parts.

(c) State urgency and recommended time to comply.

(d) Give replacement or return guidance, including turn times and pool availability.

(e) State actions being taken to prevent recurrence.

(f) State if Airworthiness issue, Quality issue, FAR non-compliance, non-conformance, or combination.

(g) Provide a draft Service Bulletin, if applicable.

In those cases where Seller has Material Review Board (MRB) authority and the escape disposition meets type design, then a separate submission, other than MRB with the component, is not necessary.

B. WARRANTY

1. Seller warrants that the Supplies shall conform strictly to all requirements hereof including, without limitation, specifications, drawings, samples and other referenced descriptions and technical documents, and shall be of good material and workmanship (including design, if Seller is responsible there for) and free from other defects.

2. The above warranty shall expire after a period of (78) months from the date of shipment, or (72) months from the date of delivery of the aircraft to the operator unless otherwise noted on the face of this Agreement(s). This entire warranty period shall recommence after redelivery pursuant to C.1 below.

C. REMEDIES

1. Buyer may, if the Supplies or any part or portion thereof are Non-Conforming, do any or all the following:

(a) Reject or return those Supplies which, in Buyer's judgment, fail to pass inspection or meet warranty or conform to the requirements of this Purchase Order, including with respect to timeliness of delivery. As to returned Supplies (and as to rejected Supplies, but only if Buyer so directs), Seller shall promptly, at its expense, and at Buyer's election, repair or replace such Supplies, and Seller shall also be responsible for Buyer's cost of removal and reinstallation of such Supplies. Upon rejection or failure to promptly repair or replace, Buyer may cancel this Agreement(s) and/or effect cover by purchase or otherwise. Supplies rejected or in excess of quantities called for herein may, at Buyer's election, be returned to Seller at Seller's expense. If notice of rejection or return is given, incidental expenses and the risk of loss or damage to such rejected or returned Supplies shall be borne by Seller. In addition, Buyer may charge Seller all expenses of unpacking, examining, repacking and reshipping such Supplies.

(b) Accept or retain Non-Conforming Supplies and, at Buyer's election, either equitably reduce the purchase price of those Supplies or repair them at Seller's expense. Buyer reserves the right to require repayment, or effect a setoff against any amounts owed to Seller (irrespective of whether such amounts owed are in connection with this Agreement(s) or not), of any expenses incurred by Buyer resulting from rejection or return and of any amount paid for such Non-Conforming Supplies pending a Conforming redelivery.

(c) In the event Buyer receives Non-Conforming Supplies whose defects or non-conformity are not apparent on inspection, Buyer reserves the right to

(i) require replacement of the Non-Conforming Supplies at Seller's expense, as well as payment or reimbursement for removal and reinstallation of the Non-Conforming Supplies, and

(ii) charge Seller's account for all direct and related tasks at any Buyer facility or any Buyer authorized facility to effect the removal and reinstallation of Seller's components or parts of assemblies inclusive of consumables and maintenance replacement units.

2. Acceptance of Supplies previously rejected or returned, or of used Supplies, or of former Government property, may be revoked if delivery is Conforming, but is not accompanied by written notice that those Supplies were previously rejected, returned, used or former Government property.

VI. CHANGES

A. Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, method of transportation or other terms of this Agreement(s), which changes Buyer shall document in writing (an "Amendment"). Seller shall proceed promptly to make such changes in accordance with the terms of such Amendment. If an Amendment causes an increase or decrease in the cost of performance of this Agreement(s) or in time required for performance, an equitable adjustment may be made, as applicable, to the price and/or the delivery schedule of the affected performance and this Agreement(s) shall be amended in writing accordingly. Any claim by the Seller for an equitable adjustment under this clause must be asserted in writing within thirty (30) days from the date of the Amendment or Buyer shall not be obligated to consider Seller's claim for an equitable adjustment. In no event shall Buyer be liable for any claim for an increase in price after payment for the Supplies. If Supplies are made obsolete as a result of an Amendment, Buyer shall have the right to prescribe the manner of disposition of such Supplies.

3. All Class 1 and Class 2 Design changes shall be submitted in writing via a "Seller Engineering Memo" (SEM) to Buyer Engineering with copies to Buyer Purchasing and Quality

B. Class 1 & 2 Design Changes by Seller:

1. Class 1 changes are those that affect fit, form, function, interchangeability, safety, strength, performance, flight characteristics, weight, balance, product qualifications, service life or installation of the next assembly. These changes are required to be submitted to and approved by Buyer Engineering prior to incorporation.

2. Class 2 changes (those that do not affect fit, form, function, interchangeability, safety, strength, performance, flight characteristics, weight, balance, product qualification, service life or installation of the next assembly) must also be submitted for Buyer Engineering's review and concurrence with respect to classification prior to incorporation. Assurance. Buyer will respond with said concurrence or any exceptions taken within 2 weeks after receipt of Seller notification.

VII. TERMINATION

A. FOR DEFAULT OF SELLER

1. Buyer may terminate this Agreement(s), or any part thereof, by giving notice of default to Seller under any of the following circumstances:

(a) If Seller refuses or fails to make deliveries or perform the services within the time specified herein.

(b) If Seller fails to comply with any of the other provisions of this Agreement(s), or so fails to make progress as to endanger performance of this Agreement(s) in accordance with its terms, and does not cure any such failure within a period of ten (10) calendar days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure.

(c) If Seller dissolves, liquidates, becomes insolvent, makes a general assignment for the benefit of creditors, has a trustee or custodian appointed for itself or any material portion of its property or is subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors, whether voluntary or involuntary.

2. In the event of termination by Buyer as the result of Seller's default, Buyer may purchase or manufacture similar Supplies and/or require Seller to transfer title and deliver to Buyer any or all Supplies or component parts thereof produced or procured by Seller under this Agreement(s), and Seller shall be liable to Buyer for any excess cost to Buyer in generating or procuring Conforming Supplies. The foregoing notwithstanding, Seller shall not be liable to Buyer for such excess cost when the default of Seller is due to force majeure per Paragraph C below; provided however that Seller shall not be excused from liability unless Seller has notified Buyer in writing of the existence of such force majeure within ten (10) calendar days from the beginning thereof.

3. In the event of termination by Buyer, Buyer's liability in the event of a default termination shall be limited to the Agreement(s) price of items delivered and accepted, subject to downward equitable adjustment (i) for the reasonable value of such Supplies or components thereof, and, (ii) if the Supplies are Non- Conforming, for the reasonable value of any Conforming replacements that Buyer may require to be delivered pursuant to 2, above.

B. FOR CONVENIENCE OF BUYER

Buyer may terminate this Agreement, or any part thereof, by giving written notice thereof to Seller. In the event of such termination, Buyer will pay to Seller costs incurred by Seller, to be mutually agreed upon, for Supplies identified on Agreement order(s) issued by Buyer, determined in accordance with generally accepted accounting principles plus a reasonable allowance for profit earned thereon; provided that Seller will not be entitled to profits with respect to work and/or services performed after the effective date of such termination and/or any recovery of costs for: i) non-recurring engineering, ii) material procured outside of lead-time, and/or iii) for work performed outside of the lead-time for Supplies. The total termination sum payable to Seller shall not exceed the total agreed to price for Supplies indicated on Agreement order(s) issued by Buyer as reduced by the amount of payments otherwise made, and as further reduced by the agreed to price of work not terminated; further provided, however, that if it appears that Seller would have sustained a loss of the entire Agreement had it been completed, no profit will be payable hereunder and an appropriate adjustment will be made reducing the amount otherwise payable hereunder to reflect the indicated rate of loss. Any claims for damages by Seller under this paragraph must be asserted in writing in detail within thirty (30) days of receipt of Buyer's written termination notice and must be accompanied by cost breakdowns and supporting documentation; further provided, at Buyer's discretion, this information will be subject to audit by Buyer and/or a Buyer designated third party.

C. FORCE MAJEURE

In the event of a significant force majeure event, terrorist act or other act or declaration of war that materially impacts Buyer's aircraft backlog or sales activities, Buyer may, in addition to the other rights set forth in this Agreement(s), reschedule or cancel deliveries affected by such an event as required (in Buyer's sole determination). In the event Buyer elects to either reschedule or cancel deliveries, Buyer will notify Seller in writing of the deliveries impacted by Buyer's determination. The Agreement(s) will be modified accordingly, and all other deliveries, rights and obligations under the Agreement(s) will remain unchanged, and there shall be no penalty, additional costs or liability assessed to Buyer as a result of its cancellation or rescheduling of deliveries under this paragraph.

VIII. INTELLECTUAL PROPERTY RIGHTS

All designs, copyrights, trade secrets, patents or other intellectual property developed by Supplier hereunder shall be a "work made for hire" and owned by Buyer. Except to the extent that Supplies are made to the detailed design of Buyer, Supplier shall at its expense defend and indemnify Buyer and its affiliates, other suppliers and customers regarding all expenses and other losses arising from claims that Supplies infringe any patent, copyright, trade secret or other intellectual property right of another party.

IX. CONFIDENTIALITY

All information furnished by Buyer or any other person acting on behalf of Buyer, and all information learned or observed about Buyer or its operations, is confidential and Seller shall not disclose any such information to any other person or entity, or use such information for any purpose other than performing this Agreement(s), without Buyer's express prior written consent. All information in tangible form, including drawings, samples, models, specifications, or other documents provided by Buyer or prepared by Seller for Buyer shall be returned to Buyer promptly upon request. Seller shall not publicize the fact that Buyer has contracted to purchase Supplies from Seller, nor shall any information relating to this Agreement(s) be disclosed without Buyer's written consent. Unless otherwise agreed in writing, no information disclosed by Seller to Buyer shall be deemed confidential, and Seller shall have no rights against Buyer with respect to Buyer's use or dissemination thereof. Seller's confidentiality obligations shall survive any expiration or termination of this Agreement(s).

X. ASSIGNMENT AND NON-DELEGATION OF PERFORMANCE

Seller may not assign this Agreement(s), in whole or in part, to any person or entity, including any subcontractor or subcontractors, without the prior written consent of Buyer. No substantial part of Seller's obligations shall be performed by others without Buyer's written consent, which consent will not relieve Seller of its obligations under this Agreement(s). No breach hereof shall vest rights against Buyer in a third party.

XI. SPECIAL TOOLING

All required tooling will be provided in accordance with Buyer Tooling document entitled "Tooling and Planning Manual for Subcontractors" and SD20 Manual entitled "DETAIL TOOL 20" latest revision.

XII. PARTS OBSOLESCENCE

Seller agrees to continue all manufacturing capabilities and/or provide alternate support for the form, fit and functional requirements for the original configurations on any/all of the "out-of-production" configurations, modifications or enhancements, so long as the model aircraft for which it was designed remains in service. Seller further agrees to provide Buyer ninety (90) days notification for "last-time-buy" options for any obsolete end items and parts of assemblies at the pricing set forth in this Agreement(s) where applicable.

XIII. INDEMNITY BY SELLER

Seller shall defend, indemnify and hold harmless Buyer against all damages, claims, costs and expenses (including attorneys' fees) arising out of or resulting from the Supplies provided under this Agreement(s), or from any act or omission of Seller, its agents, employees or subcontractors or which otherwise arises as a result of Seller's performance of this Agreement(s) including, without limitation, all liabilities to its employees, agents and subcontractors, including liability for personal injury or death arising out of or resulting from providing such Supplies. If Seller enters the premises of Buyer or Buyer's customer, Seller shall indemnify and hold harmless Buyer, its officers, agents and employees from any loss or liability by reason of property damage, personal injury or death arising out of Seller's presence thereon, including loss or liability arising from the negligence of the Buyer.

XIV. DISPUTES

Any controversy or claim between the parties arising out of or relating to this Agreement(s), or the breach thereof, shall be governed by the laws of the State of Georgia, and settled by arbitration in city from which the Agreement(s) originated, under the Commercial Arbitration Rules of the American Arbitration Association ("AAA") and administered by the AAA. Pending settlement by agreement or a final judgment, Seller shall proceed diligently with the performance hereof according to Buyer's instructions.

XV. INSURANCE

Seller shall obtain and maintain the following insurance in such amounts and from such companies acceptable to Buyer, and as may be specified in this Agreement(s) or otherwise by Buyer from time to time, during the term of this Agreement(s): Coverage must include Worker's Compensation Insurance as required by law; a Commercial General Liability policy insuring against bodily injury, personal injury and property damage (including products and completed operations and contractual liabilities, including for the indemnification obligations of Seller hereunder); and automobile bodily injury and property liability insurance. Upon request, Seller shall provide Buyer with satisfactory evidence that such insurance is in effect.

XVI. SPARES INVENTORY

To the extent Seller has provided spares inventory, Seller shall at its expense maintain the spares inventory to the latest production configuration.

XVII. EXPORT CONTROLS

Seller represents and warrants that the deliverables provided hereunder (a) shall not be subject to export controls under the U.S. Dept. of State Int'l Traffic in Arms Regs. ("ITAR") and (b) are not subject to specific license requirements under the U.S. Dept. of Commerce Export Admin. Regs. ("EAR"), other than for exports to proscribed countries included in Country Group E. Seller shall indemnify Buyer and its affiliates regarding all expenses and other losses arising from breach of this warranty.

XVIII. MISCELLANEOUS

a. Seller hereby accepts the terms, conditions and instructions set forth in this Agreement(s) and on the face hereof. To the extent Seller has entered into a Memorandum of Agreement (MOA), Product Support Agreement (PSA), Service Center Agreement (SCA), or agreement for the construction or design of building or hangars (Construction Agreements) with Buyer, the terms of the MOA or construction agreement will apply to this order and the terms and conditions set of forth in GA276 will not be applicable. The terms and conditions of GA276 will apply to this order if Seller has not entered into a MOA, PSA, SCA or Construction Agreement with Buyer.

b. Any and all remedies herein specified shall be in addition to any further remedies provided in law or equity.

c. Buyer's failure to insist on performance of any of the terms of this Agreement(s), its failure to exercise any right or privilege or its waiver of any breach hereunder shall not effect a waiver of any other right or privilege, whether of the same or similar type.

d. TIME IS OF THE ESSENCE in the performance of this Agreement(s).

e. If Buyer issues a Scheduling Agreement(s) to Seller, Seller shall continuously maintain thirty (30) days of Scheduling Agreement(s) requirements as extra Supplies in its production plan and/or on their shelf to support production shortages. Upon notification by Buyer, these extra Supplies must be shipped within four (4) hours of Buyer's request via Air Express. Should Seller fail to maintain the extra Supplies as stated above, Seller shall provide Buyer with prompt notice of the cause of the failure and a complete recovery plan (to include rescheduling or accelerating other activities) to achieve the required extra Supply requirements.

f. Seller's required delivery schedule for Supplies will be indicated by Buyer on the Agreement(s). Buyer will make commercially reasonable effort to issue Agreement(s) honoring Seller's lead-time, however, from time to time, Buyer may issue or modify Agreement(s) such that delivery dates fall inside of Seller's lead-time, Seller will use commercially reasonable efforts to accommodate Agreement(s) delivery dates for those Supplies scheduled inside lead-time. Seller will not be in breach of its obligation to deliver Supplies per the schedule in the Agreement(s) (when that Supply is scheduled inside lead-time), provided that Seller has exercised commercially reasonable efforts to meet such date. Agreement(s) issued or modified by Buyer will be binding and cannot be rejected because one or more of the deliveries in the Agreement(s) were scheduled inside lead-time. Notwithstanding modifications to the Agreement(s) delivery dates and/or quantities made by Buyer, all other terms and conditions of the Agreement(s) continue to apply.