 <p>BLR PERFORMANCE INNOVATION <i>Better Performance Starts With Better Technology</i></p> <p>BLR Aerospace, LLC</p>	<h1>Purchase Order</h1> <h2>Standard Terms and Conditions</h2>		REV: B
	Operations Document	DOC#: BLR-DOC-6011	Effective Date: 5/24/2023

Quality Management System

Seller must maintain a Quality Management System (“QMS”) that is certified by a third-party registrar that is equivalent to AS9100D (Revised 2018), or national equivalent, as amended from time to time.

Applicable Law; Venue

Each Order, including all matters of construction, validity, and performance, will in all respects be governed by, and construed and enforced in accordance with the law of the State of Washington, without giving effect to any conflict of law rule that would cause the substantive law of a different jurisdiction to apply. Each party consents to exclusive jurisdiction and venue in the federal courts sitting in Snohomish County, Washington, unless no federal subject matter jurisdiction exists, in which case each party consents to exclusive jurisdiction and venue in the Superior Court of Snohomish County, Washington.

Order of Precedence

In the event of a conflict or inconsistency between any of the terms of the following documents, the following order of precedence will control:

1. Orders;
2. Engineering Drawing by Part Number;
3. if applicable, related drawing deviations as requested by BLR.

Warranty

Seller expressly represents and warrants that the Products will be manufactured, repaired, tested, certified, weighed, inspected, shipped, sold, and delivered by Seller in accordance with the applicable Order and will conform to the Drawings or other specifications.

Title and Risk of Loss/Delivery

Title and Risk of Loss shall pass from Seller to BLR in accordance with delivery terms on the applicable Order.

Invoice and Payment

Seller may date and submit an invoice for a Product only after it is complete and Seller’s quality assurance department has certified that the Product meets the requirements of the applicable Order and specifications. Unless otherwise provided in the applicable Order, an invoice will be paid by BLR 30 days from the date of the invoice unless the parties agree otherwise in writing. All payments are subject to adjustment for shortages, credits, and rejections, and will be made through ACH in U.S. Dollars.

Responsibility

Seller will be responsible for fulfilling the requirements of an Order. All products shall be manufactured in accordance with BLR Quality Management System, BLRPMA-1 at latest revision. Seller will bear all risks of providing adequate facilities and equipment to perform each Order in accordance with its terms.

Inspection

Unless otherwise specified in an Order, all Products are subject to inspection upon receipt by BLR, notwithstanding any prior payment or inspection. BLR may reject any Product which does not strictly conform to the requirements of the applicable Order and this Agreement. BLR will by notice, rejection tag, or other communication notify Seller of a rejected Product. BLR may reject Products up to the point they are received by BLR customers.

Source Inspection


BLR’s authorized representatives may enter Seller’s plant at all reasonable times to conduct preliminary inspections and tests of any Product, inventories, and work-in-process. BLR will notify Seller if BLR expects to inspect specific shipments. No shipments are to be held for BLR inspections unless notification is received prior to, or at the time of Products being readied for shipment. Seller will include in its subcontracts issued in connection with an Order a like provision giving BLR the right to enter the premises of Seller’s subcontractors. When requested by BLR, Seller will accompany BLR to Seller’s subcontractors.

FAA or Equivalent Inspection

The FAA or any equivalent government agency may inspect and evaluate Seller’s plant including, but not limited to, Seller’s and subcontractor’s facilities, systems, data, equipment, procedures, personnel, testing, and all Inventory, Inventory holding areas, and completed Products. For purposes of this paragraph, equivalent government agency means those governmental agencies so designated by the FAA or those agencies within individual countries that have responsibility for assuring aircraft airworthiness.

Resident Representative

BLR may in its discretion and for such periods as it deems necessary assign resident personnel at Seller’s facilities. Seller will furnish, free of charge, all office space, secretarial service and other facilities and assistance reasonably required by BLR’s representatives at Seller’s plant. The resident team will provide communication and coordination to ensure timely performance of the Order. BLR’s resident team will be allowed access to all work areas, Order status reports and management review necessary to assure timely performance and conformance with the requirements of each Order. Notwithstanding such access, Seller will be solely responsible to perform in accordance with each Order.

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Packaging and Shipping

Seller will (a) prepare for shipment and suitably pack all Products to prevent damage or deterioration, (b) where BLR has not identified a carrier, secure lowest transportation rates, (c) comply with the appropriate carrier tariff for the mode of transportation specified by BLR and (d) comply with any special instructions stated in the applicable Order. BLR may elect, if reasonable conditions exist, to request Seller to prepay, and if BLR so elects Seller will prepay, shipping and freight-forwarder costs, and add these charges to the invoice for these shipments. BLR will pay no charges for preparation, packing, crating or cartage unless stated in the applicable Order. The prices shown in the "Statement of Work" include packaging costs and all materials and labor required to package Products identified in "Statement of Work".

Order Acceptance

Each Purchase Order (PO) is BLR's offer to Seller for Products or services. Seller's commencement of performance or acceptance of the PO in any manner will be conclusive evidence of Seller's acceptance of the PO as written. BLR will assume Seller has accepted PO if acknowledgement is not received within three (3) working days of Seller's actual receipt of PO. Any rejection by Seller of an Order must be in writing and specify the reasons for rejection, and any changes or additions that would make the Order acceptable to Seller.

Change Order

BLR may at any time by written instruction make changes within the general scope of an Order in any one or more of the following: Drawings, designs, specifications, BLR-furnished data, shipping, packing, place of inspection, place of delivery, place of acceptance, adjustments in quantities, or adjustments in delivery schedules. Seller will proceed immediately to perform the Order as changed. If any such change causes an increase or decrease in the cost of and/or the time required for the performance of any part of the work, an equitable adjustment will be made in the price of or the delivery schedule for those Products affected, and the applicable Order will be modified in writing accordingly. Nothing excuses Seller from proceeding with an Order as changed, including failure of the parties to agree on any adjustment to be made.

Termination of Orders

BLR may, from time to time and at BLR's sole discretion, terminate all or part of any Order issued hereunder, and/or written authorization to proceed as specified by written notice to Seller. Any such written notice of termination will specify the effective date and the extent of any such termination.

Suspension of Work

BLR may at any time, by written order to Seller, require Seller to stop all or any part of the work under an outstanding Order. On receipt of a Stop Work Order, Seller will promptly comply with its terms and take all reasonable steps to minimize the occurrence of costs arising from the work covered by the Stop Work Order during the period of work stoppage. No later than 120 days following the issuance of the Stop Work Order, BLR will (a) cancel the Stop Work Order, -OR- (b) extend the Stop Work Order for a second defined term, -OR- (c) terminate or cancel the work covered by the Stop Work Order. In the event the Stop Work Order (including any extensions) is canceled by BLR, Seller will promptly resume work in accordance with the terms of any applicable Order

Use of Arbitration

In the event of any dispute over the terms of any Order, Seller and BLR will use their best efforts to resolve the matter without commencing legal proceedings. Disputes will be settled by individuals who have been designated by their respective parties. As a prerequisite to legal proceedings, except in cases where a party must seek injunctive relief to avoid irreparable harm, any dispute that cannot be settled promptly by such individuals will be referred for resolution to an officer or other senior representative of each of the parties, each of whom will have the authority to settle the matter in controversy.

Insurance


Seller will maintain insurance policies sufficient to protect Seller's business against all risks applicable to performing this Agreement. At a minimum Seller's insurance will include comprehensive aviation liability insurance, covering bodily injury and property damage (including products/completed operations liability). Seller will maintain workers' compensation coverage with limits which meet statutory requirements, and employer's liability coverage for bodily injury by accident, each accident; and bodily injury by disease, each employee. Seller's insurance will cover loss or destruction of or damage to all property in which BLR does or could have an insurable interest pursuant to this Agreement, including but not limited to Tooling, Inventory (including finished, invoiced Products awaiting shipment), drawings, specifications, data and other materials relating to any of the foregoing in each case to the extent in the possession or under the effective care, custody or control of Seller, in the amount of its full replacement value providing protection against all perils normally covered in an "all risk" property coverage form, and including coverage for earthquake and flood.

Indemnification

Seller will hold harmless and indemnify BLR Indemnitees against any and all Claims in respect of or arising from (1) an act or omission, including but not limited to negligence, gross negligence, or intentional conduct in breach of any legal or equitable duty of Seller or of its, subcontractors, agents, or affiliates; (2) a breach of an Order by Seller, including but not limited to Seller's warranty; and (3) any defect, error, or omission in respect of any work or Product.

Tooling

Tooling consists of the tools, tool designs, tool drawings, NC tapes, tooling masters, soft and hard production tooling, assembly fixtures, inspection fixtures, program-specific shop aides, and other equipment supplied or procured by Seller for manufacture of Products that is identified as being owned by BLR as reflected on a Master Tool List. Seller will complete and submit to BLR the initial

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Master Tool List, which may be updated from time to time. The Master Tool List and any changes to it will become final and a binding part of the Order when countersigned by BLR and Seller. Seller will maintain a formal, internal tool control system that allows for the proper segregation, maintenance, and accountability of Tooling. No repair, replacement or rework of Tooling may be performed without BLR's prior written consent. Seller will notify BLR of any action required for discrepant Tooling. Repair, replacement, or rework of BLR-furnished tooling by Seller, in accordance with BLR's prior written consent, will be reasonably compensated by BLR unless such repair, replacement or rework is required due to Seller's act or omission. Routine maintenance of Tooling is responsibility of Seller.

Performance During Disputes

If a dispute between Seller and BLR arises under any Order, each party agrees to continue with the performance of the Order under dispute, including the delivery of Products and payment for Products at the Order price, pending resolution of the dispute.

Entire Agreement

This Agreement contains the entire agreement between the parties unless Supplier has an executed Master Service Agreement with BLR which supersedes this agreement. This agreement supersedes all previous proposals, understandings, commitments, or representations whatsoever, whether oral or written, related to its subject matter, and may be supplemented or changed only in writing signed by authorized representatives of each party. Unless the context clearly requires otherwise, references to this Agreement will be deemed to include all Exhibits to this Agreement, and all related documents, instruments, and agreements.

Record Retention

Seller will ensure that quality assurance records of Seller and its subcontractors will be maintained on file at their respective facilities and available for inspection by BLR's authorized representatives. Seller and its subcontractors will retain such records for a period of not less than 10 years from the date of final payment under the applicable Order for all Products unless otherwise specified on the Order. Failure to comply with these requirements will be a breach and grounds for default.

Assignment

Seller may not assign any of its rights or delegate any of its duties under this Agreement without BLR's written consent. The following are deemed prohibited assignments within the ambit of the foregoing prohibition: (1) a consolidation or merger of Seller; (2) a change in the ownership or voting rights of more than 50% of the ownership interests of Seller; (3) any assignment or transfer which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other significant change in corporate or proprietary structure; (4) the sale, assignment or transfer of all or substantially all of the assets of Seller. Notwithstanding the foregoing, any reorganization or restructuring that does not result in a change of the ultimate beneficial ownership or the ultimate control of Seller will be permitted.

Subcontracting and Sourcing

Seller will include as part of its subcontracts those elements of the Agreement that protect BLR's rights including but not limited to right of entry provisions, proprietary information and rights provisions, and quality control provisions. In addition, Seller will provide to its subcontractor's sufficient information to clearly document that the work being performed by Seller's subcontractor is to facilitate performance under this Agreement or any Order. Sufficient information may include but is not limited to Order number, number, or the name of each party's Contract Representative.

Notice of Damage or Loss

Seller will give prompt written notice to BLR's Contract Representative of the occurrence of any damage or loss to any property required to be insured herein. If any such property will be damaged or destroyed, in whole or in part, by an insured peril or otherwise, and if no Event of Default will have occurred and be continuing, then Seller may, upon written notice to BLR, settle, adjust, or compromise any and all such loss or damage not in excess of \$2,500 Dollars in any one occurrence, and \$7,500 Dollars in the aggregate. Seller may settle, adjust, or compromise any other claim by Seller only after BLR has given written approval, which approval will not be unreasonably withheld.

Control of Product Configuration

Without first obtaining BLR's approval, Seller will not make any change in materials or design details that would affect the Product or any component part including, without limitation, (a) part number identification, (b) physical or functional interchangeability, or (c) repair and overhaul procedures and processes and material changes which affect these procedures. If BLR grants approval, all part numbers and the originals of all Drawings and data will be revised by BLR or by Seller at BLR's direction. Seller will place the above clause in all its subcontracts for supplier identified purchased equipment whether the equipment is supplied to Seller as an end item or as a component part of an end item.

Publicity

Seller shall not disclose, use, or refer to this PO, or the name, trade names, trademarks, or service marks of BLR Aerospace, in any advertising, publicity release, customer list, promotional or other published material without the prior written consent of BLR, which consent may be withheld at BLR's sole discretion.