

TERMS AND CONDITIONS OF PURCHASE

1. **Formation of Contract**

This Purchase Order (the "Order") constitutes the offer of Sun Country Industries ("Buyer") to purchase from the addressee ("Seller") the goods and services described on the Order pursuant to the terms and conditions set forth below. Any references to the Seller's quotation are made only for the purpose of specifying price, the nature and description of the item or items, the terms of payment and the time of delivery, and then only to the extent that such terms are consistent with this Order. In no event shall this Order constitute an acceptance of any quotation or other offer made by the Seller, except to the extent that all of the terms of such quotation or offer are identical to the terms set forth herein. The Seller's acknowledgement of this Order, or the Seller's performance in response thereto, shall constitute the Seller's acceptance of Buyer's offer to purchase and shall create a binding contract between the Seller and Buyer subject to and in accordance with these Terms and Conditions. Seller's acceptance of Buyer's offer to purchase is limited to the terms of this Order. Any terms and conditions contained in the Seller's acknowledgement which are in addition to or are inconsistent with these terms shall be construed as proposals for addition to the contract. Such terms will not become part of the contract unless agreed to in writing by Buyer.

2. **Assignment and Delegation**

Seller may not assign this Order or delegate any part of the performance hereof without the prior written consent of Buyer.

3. **Purchase Order Number**

Seller shall use Buyer's purchase order number on all invoices, packaging and correspondence relating to this Order. Failure to use that number may result in a delay in paying invoices or responding to correspondence.

4. **Price**

Seller represents that the price to be paid by Buyer for goods and services hereunder is no more than the price charged to any other customer of the Seller for goods and services comparable to the goods and services to be purchased hereunder, other than variations attributable solely to differences in quantity.

5. **Delivery**

Seller shall perform its obligations hereunder strictly in accordance with the delivery schedule referred to in this Order. Invoices covering material shipped in advance of that schedule will not be paid until the appropriate period following their scheduled delivery date.

6. Confidential Information

By accepting a Purchase Order, Supplier agrees that any Confidential Information provided must be kept confidential. The Supplier shall limit disclosure of Confidential Information to supplier employees having a need to know in order to complete the terms of the Purchase Order and shall inform such employees that they are bound by obligations of confidentiality. The Supplier shall exercise reasonable care to protect the Confidential Information from unauthorized disclosure, which care shall in no event be less than the Supplier takes to protect its own Confidential Information of a like nature. Such Confidential Information may include but is not limited to drawings, specifications, process information, methods and software from Sun Country Industries or SCI's customers.

7. Warranties

No attempt by Seller to limit the warranties or remedies of Buyer and its customer shall be effective with respect to any goods or services purchased hereunder. Seller expressly warrants that all goods furnished and services performed under this Order will (i) be free from defects in material and workmanship, (ii) conform to applicable specifications, drawings, samples, descriptions or other instructions given, and (iii) be fit for their intended purpose. Goods ordered to government specifications shall comply with all applicable specifications in effect at the date of this Order unless otherwise specified by Buyer. These warranties shall extend to Buyer and its successors, assigns and customers, and all users of the goods covered by this Order.

8. Non-Infringement

Seller warrants that the goods sold hereunder do not and will not infringe any valid United States or foreign patent, trademark, copyright or other proprietary right. Seller shall defend, at its own expense, any claim, action or suit that may be brought against Buyer or its customers alleging any such infringement, and Seller shall indemnify Buyer and its customers and hold Buyer and its customers harmless against all claims, judgments, decrees, damages, costs and expenses incurred by Buyer or its customers on account of any such actual or alleged infringement.

9. Cancellation

(a) Buyer may cancel this Order in whole or in part if Seller does not make any delivery when and as required hereunder or if Seller breaches any of the terms hereof. If Buyer cancels all or any part of this Order pursuant to this paragraph (a), Buyer may purchase similar goods elsewhere on such terms and in such manner as Buyer may deem appropriate and Seller shall promptly remit to Buyer the difference between the price paid by Buyer for such replacement goods and the price to have been paid under this Order.

(b) Buyer may cancel this Order in whole or in part, without cause, at any time by notice to Seller in writing. Seller will thereupon immediately stop work on this Order or the cancelled portion thereof and immediately notify its subcontractors in writing to do

likewise. Buyer's sole obligation to Seller following such cancellation shall be the payment of Seller's uncompensated actual costs incurred prior to Seller's receipt of Buyer's cancellation notice and any costs directly arising from such cancellation. In no event shall Buyer's obligations exceed the price specified in this Order. Any claim for amounts due on account of such cancellation shall include such detail as Buyer may reasonably request and shall be subject to audit by Buyer.

10. Compliance with Applicable Laws

Seller agrees that it will comply, and that all goods and services hereunder will comply, with all applicable laws, statutes, rules, regulations, or Orders of the United States government or any state or political subdivision thereof.

11. Buyer Property

As used herein, "Buyer Property" means all dies, molds, jigs, tools, drawings, designs, specifications and other materials furnished by Buyer to Seller in connection with this Order, or the cost of which is amortized or included in the price of this Order. Title to all Buyer Property furnished by Buyer to Seller shall remain in Buyer at all times. Title to all other Buyer Property shall pass to Buyer upon completion or termination of this Order. Seller shall compensate Buyer for any loss of or damage to Buyer Property while in the possession or control of Seller or its subcontractors, and shall, at the Seller's own expense, maintain full and complete insurance thereon in an amount satisfactory to Buyer. All Buyer Property shall be used by Seller only for the purposes of manufacturing the goods or performing the services specified in this Order and shall be returned to Buyer upon completion or cancellation of this Order. Seller shall hold all Buyer Property in strict confidence and not disclose such information to any other party without the prior written consent of Buyer.

12. Advertising

Without the prior written consent of Buyer, Seller shall not advertise or publish the fact that Seller has furnished or contracted to furnish any goods or services to Buyer.

13. Taxes and Duties

All taxes and duties applicable to this Order shall be paid by Seller unless otherwise stated herein.

14. Notice of Delay

Seller will promptly notify Buyer of any event that threatens timely completion of this Order. However, the giving of such notice shall not excuse any such delay.

15. Governing Law

This Order shall be governed by the laws of the State of New Mexico and constitutes the entire agreement between Buyer and Seller.