

BMP TERMS & CONDITION OF PURCHASE

4/2007 Revised

APPLICABILITY: These terms and conditions of purchase and the separate BMP Purchase Order Requirements are applicable to purchases made by BMP Industries, LLC, from its vendors and/or suppliers (hereinafter "Seller").

ACCEPTANCE AND ACKNOWLEDGEMENT: Any performance on a purchase order (hereinafter "P.O") is deemed an acceptance, without exception, of the terms and conditions set forth on the face of the purchase order and in these terms and conditions of purchase.

CHANGES: BMP may at any time make changes within the general scope of the P.O. and Seller shall comply therewith. Except as expressly provided for elsewhere, BMP and Seller agree that there shall be no adjustment in unit price or delivery schedule without written change order to the P.O.

INVOICES: Seller will send a separate invoice and shipping notice for each shipment. Each invoice must show the BMP P.O. number, part number(s), unit price(s), and quantities shipped. No charges shall be allowed for boxing, crating, packaging, or any other handling unless provisions are agreed to in writing. Delays in receiving invoice, errors or omissions on invoice, or lack of supporting documentation required by the terms of the order will be cause for withholding settlement without losing discount privilege.

PACKING: No charges shall be allowed for boxing, crating packaging, or any other handling unless such provision are agreed to in writing. All good must be packed appropriately to arrive at destination without damage or as otherwise noted on the P.O.

RECEIVING INSPECTION: All goods will be received by BMP subject to inspection, test and rejection. If goods received are in non-conformance to specifications, drawing, or P.O., at BMP's discretion goods may be (1) returned at Seller's expense and all delivery charges paid by BMP will be refunded by Seller, (2) corrected, or (3) replaced at Seller's expense, including transportation both way. This clause shall not affect any of the rights or liabilities of the parties under the WARRANTY clause. The aforesaid in no way relieves the Seller of its responsibility to inspect and verify that goods in every way meet P.O., print, and specification requirements.

WARRANTY: Seller warrants that all goods delivered under the P.O. will be merchantable, free from defect in materials and workmanship, and will conform to applicable specifications and drawings. If Seller is responsible for design, Seller warrants that all goods delivered under the P.O. will be free from defective design and will be fit and sufficient for all purposes for which it is designed as detailed on the P.O.,. BMP's approval of designs furnished by Seller shall not relieve Seller of obligations under this warranty. Seller's warranties shall pass on the BMP and its customers. Without prejudice to any other remedy that BMP may have, Seller shall be responsible for, and bear the expense of, any necessary correction due to faulty workmanship or materials, or due to faulty design unless such design was supplied by BMP.

Seller further warrants that all aircraft materials and/or components shall be furnished in compliance with all applicable Federal Aviation regulations. All inspection records will be made available to BMP upon request and supplied as directed on the P.O.. Seller further warrants that all goods supplied or services performed shall be in accordance with all applicable federal, state, and local laws including environmental protection and occupational safety and health.

DELIVERY: Shipments shall be made as specified and strictly in accordance with the delivery schedule of the P.O. All orders must be shipped as directed and described on the P.O. If the Seller's deliveries fail to meet the schedule, Seller will pay the difference between the shipping method specified in the P.O. and the premium transportation rates. In the event that Seller is unable to make delivery by the date required on the purchase order, BMP reserves the right to cancel or modify the P.O..

TAXES: Seller agrees to pay any taxes imposed by law on account of the goods purchased hereunder.

RIGHTS AND RESERVATIONS: Rights to all drawings, designs, information, tools, patterns, dies and other items supplied by BMP are reserved and the same shall not be used or reproduced for any purpose whatsoever except for the performance of work under the P.O. or subsequent P.O.'s.

DEFAULT: (a) BMP may, subject to provisions of paragraph (c) below, cancel in whole, or in part, the P.O. under any one of the following circumstances: (i) if Seller fails to make delivery of the goods or perform the services within the time specified herein or any agreed upon extension thereof; (ii) if Seller fails to perform any of the other provisions of the P.O., or fails to make progress so as to endanger performance of the P.O. in accordance with its terms; (iii) if in either of these two circumstances, failure to cure within a period of fifteen (15) days (or such longer period as BMP may authorize in writing) after receipt of notice from BMP specifying such failure, as indicated in (i) or (ii) above. (b) In the event BMP cancels the P.O. in whole or in part provided in paragraph (a) of this clause, BMP may procure upon such terms and in such a manner as BMP may deem appropriate, goods or services similar to those so canceled, and Seller shall be liable to BMP for any extra costs for such similar goods or services provided that Seller shall continue performance of the P.O. to the extent not canceled under the provisions of this clause. (c) Except with respect to defaults of subcontractors, Seller shall not be liable for any excess costs if the failure to perform the P.O. arises from causes beyond the control and without the fault or negligence of the Seller. Such causes may include, but are not restricted to, acts of God or the public enemy, acts of BMP, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control of both Seller and subcontractor, and without the fault or negligence of either of them, Seller shall not be liable for any excess costs for failure to perform unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to



permit Seller to meet the required delivery schedule. (d) If the P.O. is canceled as provided in paragraph (a) of this clause, BMP, in addition to any other rights provided in this clause, may require Seller to transfer title and deliver to BMP, in the manner and to the extent directed by BMP, (i) any completed goods, and (ii) such partially completed goods and materials, parts, tolls, dies, jigs, fixtures, plans, drawings, information and contract rights (hereinafter "manufacturing materials") as Seller has specifically produced or specifically acquired for the performance of such part of the P.O. as has been canceled, and Seller shall upon direction of BMP, protect and preserve property in possession of Seller in which BMP has an interest. Payment for completed goods delivered to and accepted by BMP shall be at the P.O. price. Payment for manufacturing material delivered to and accepted by BMP and for protection and preservation of property shall be in an amount agreed upon by Seller and BMP. (e) If, after notice of cancellation of the P.O. under the provisions of this clause, it is determined for any reason that the Seller was not in default under the provisions of this clause, the rights and obligations of the parties shall be the same as if the notice of cancellation had not been issued. (f) The rights and remedies of BMP provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the P.O. (g) The performance of work under the P.O. may be terminated in whole, or from time to time in part, by BMP for its convenience.

CHOICE OF LAW: This agreement shall be deemed to have been made in the State of Ohio, U.S.A. and shall be interpreted in accordance with the law of the State of Ohio without regard to conflict of law principles. Seller consents to the exclusive jurisdiction of the state and federal courts of the state of Ohio, U.S.A., for determination of any claim or controversy between the parties arising out of or relating to these terms and conditions of purchase. In the event that BMP shall engage an attorney or commence an action against Seller arising out of facts and circumstances related to these terms and conditions of purchase including, but not limited to, Seller's breach of any of its obligations hereunder, BMP shall be entitled to recover its reasonable attorney's fees, costs, and other disbursements incurred in connection therewith.