



SKURKA AEROSPACE INC.

4600 CALLE BOLERO * P.O. BOX 2869 * CAMARILLO, CALIFORNIA 93011-2869

purchasing@skurka-aero.com

GENERAL PURCHASE ORDER PROVISIONS

1. **Acceptance**- A confirmation of sale from Seller shall be regarded as acceptance of these conditions, irrespective of any condition that might be laid down by Seller in conflict with these conditions, even when reference is made to Seller's condition of sale in the confirmation of sale or acknowledgement of this order, or in any of the documents relating to Buyer's order, unless said conditions are expressly accepted in writing by Buyer.
2. **Specifications**- All articles ordered to Government or Buyer's specifications must comply with such specifications current as of the date of this order, unless otherwise specified by Buyer. Seller shall not incorporate any changes in design, material or processes without written approval by Buyer. Buyer's approval in no way relieves Seller from responsibility for meeting all requirements of the drawing and specifications governing this purchase order.
3. a. **Deliveries**- Buyer's production time is of the essence, the schedules are based upon the agreement that materials will be delivered to Buyer by the date specified on the face of the purchase order. If deliveries are not made by the time agreed upon, Buyer reserves the right to cancel or to purchase elsewhere, and hold Seller accountable for the additional costs thereof.
b. **Payment**- Invoices shall be mailed to Buyer's Accounting Department when items are shipped. The time for payment of Seller's invoices shall commence with date of actual receipt if items are in complete accordance with the requirements of this order. Any adjustments in Seller's invoices due to shortage, late delivery, rejection or other failures to comply with the requirements of this order may be made by Buyer before payment.
c. **Shipping**- Seller will deliver the material and equipment described herein in good condition with a Certificate of Conformance and properly packaged at the F.O.B. point stated on the face of this order at no additional cost to Buyer, unless otherwise stated herein. If this order specifies delivery of material or equipment F.O.B. destination, Seller shall bear all risk of loss and damage thereof until arrival and acceptance at destination, and such risk of loss or damage shall continue notwithstanding any prepayment by the Buyer of any part of the purchase price thereof. Buyer's count will be accepted as final and conclusive on all shipments not accompanied by packing slips. Buyer's order number and Seller's packing slip number, description and count must appear on all invoices, packages, and bills of lading.
d. **Inspection and Rejection**- Final inspection shall be made on Buyer's premises unless otherwise agreed in writing. Materials rejected, as not conforming to this order shall be returned at Seller's expense, including transportation and handling costs. Buyer reserves the right to rework or repair nonconforming items at the Seller's expense.
e. **Quantities**- Shipments must equal exact amount ordered unless otherwise agreed in writing by Buyer.
f. **Prices**- Seller warrants that each price for articles sold to Buyer under this order is no less favorable than that extended during the term of this order to any other customer for the same or like articles in equal or lesser quantities on similar terms, conditions and deliveries. In any event, no unallowable costs in accordance with the applicable Government regulations are to be included in the prices. The Seller shall refund the excess to the Buyer and hold Buyer harmless from any defective pricing practices.
g. **Taxes**- Any sales taxes of any nature which are billed to Buyer shall be stated separately in Seller's invoices. Any and all tax exemption certificates will be accepted by Seller. All other taxes of any nature shall be Seller's responsibility.
h. **Overtime**- Seller shall not perform or charge for overtime work in connection with this order unless prior written approval is obtained from Buyer. In the absence of such approval, premium compensation payments shall not be recognized by Buyer for any purpose.
i. **Certificate of Conformance**- When specified on the face of the purchase order a signed and dated statement must accompany each shipment stating that material furnished against the purchase order meets all purchase order, drawing, and specification requirements; and that other verifiable objective evidence of quality, such as test reports, data sheets and inspection records are on file and available for review by the Buyer or their customers.
4. a. **Changes**- Buyer reserves the right at any time to make changes in drawings and specifications as to any material and/or work including delivery covered by this order. Any difference in price, time or performance resulting from such changes shall be equitably adjusted and the contract shall be modified in writing accordingly.
b. Seller must notify Buyer, in writing, and obtain Buyer's authorization for any, and all, changes or anticipated changes, to the product or process definition specified by Buyer's purchase order.
5. a. **Termination**- Buyer may terminate this order in whole or in part at any time by written or telegraphic notice stating the extent and effective date of such termination. In such event the rights of the parties shall be governed by the provisions of the Government regulations as in effect on the date of this order. Buyer shall have the right to audit all elements of any termination claim and Seller shall make available to Buyer or Buyer's representative on request all books, records and papers relating thereto.
b. Buyer reserves the right to terminate this order in whole or from time to time in part for Seller's default (i) if Seller fails or refuses to perform in accordance with any of the requirements of this order or to make progress so as to endanger performance hereunder or (ii) if Seller becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Seller under any State or Federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to Buyer except for completed articles delivered and accepted by Buyer, payment for which can be set off against any damages to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost or the contract price, whichever is less. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs of procurement. If it is determined that Seller was not in default, the termination shall be considered to have been made pursuant to subparagraph (a) of this clause. Buyer shall have the right to audit all elements of any termination claim and Seller shall make available to Buyer or Buyer's representative on request all books, records and papers relating thereto.
c. To the extent this order is not terminated pursuant to subparagraphs (a) or (b) of this clause, Seller shall continue performance.
6. **Tools & Materials**- No designs, tools, patterns, jigs, dies or drawings supplied by Buyer to Seller for use in the manufacture of goods contracted for herein shall be used in the production, manufacture, or design of any other goods for any other purchaser or for the manufacture or production of larger quantities than those specified except with the express consent in writing of Buyer. At the termination of this contract any such designs, tools, patterns, jigs, dies, drawings and materials supplied by Buyer shall be segregated by Seller in Seller's plant and clearly marked so as to be easily identified as Buyer's property. Where materials are furnished by Buyer, title to such material in all stages of construction shall be and remain to Buyer. Seller's use of Buyer's tools and inspection equipment does not relieve Seller of meeting all specifications.
7. **Warranty**- In addition to any warranties, which may be prescribed by law, Seller warrants to Buyer, its successors and customers that all articles furnished will be free from defects in material and workmanship for a period of 12 months. Seller's standard warranty for similar articles offered at the time of this order, apply. Seller warrants that the articles will conform to applicable drawings, specifications, specified performance requirements, samples and other descriptions furnished or specified by Buyer, will be merchantable, suitable for the intended purposes and free from all other defects, including defects in design, to the extent such articles are not of a detailed design furnished by Buyer.
8. **Patent, Trademarks and Copyright Indemnity**- To the extent that the articles or materials covered by this order are not manufactured to designs furnished by Buyer, Seller agrees to save Buyer and/or its customers from any loss, damage, expense or liability which may be incurred on account of infringement or alleged infringement of any patents by reason of the manufacture, use of sale of such articles of materials, and that it will, at its own expense defend any action, suit, or claim in which such infringement is alleged, provided Seller is duly notified as to such action, suits or claims against Buyer or its customers. Buyer assumes and will hold Seller harmless against patent liability arising from design furnished by Buyer to Seller and manufactured by Seller from this purchase order.
9. **Assignment**- Seller may not assign this purchase order, or any portion thereof, or any claims for monies due, or to become due hereunder, without the prior written approval of the Buyer.
10. a. **Audit**- Seller agrees that its facility, books and records shall at all reasonable times be subject to audit by any authorized representative of the United States Government.
b. **Walsh-Healey Act**- Seller agrees to comply with the stipulations set forth in Public Contracts Act (41 U.S.C. 35-45).
c. **Notice of Delays**- Whenever Seller has knowledge of any actual or potential delaying or threatened delay to the timely performance of this order, Seller shall immediately give notice thereof including all relevant information with respect thereto, to Buyer.
d. **Laws**- Seller agrees that all items will be manufactured or furnished in compliance with all applicable provisions of the Federal, State and local laws, executive orders, rates and regulations as heretofore or here after amended, known as the Fair Labor Standards Act, Walsh-Healey Act, Eight-Hour Law, American Act, Vinson-Trammell Act, Royalty Adjustment Act, Anti-Kickback Act And the Espionage Act, and statutes relative thereto and all applicable regulations, rulings and interpretations there under.
e. **Employment of Aliens**- No aliens employed by Seller shall be permitted to have access to these plans, specifications or the work unless written consent of the Secretary of the Department concerned with the Government contract noted on this order, or his authorized representative, has first been obtained.
f. **Non-Discrimination**- In connection with the performance of the order, Seller shall not discriminate against any employee or applicant for employment because of sex, race, creed, color or national origin, age, handicap and Seller certifies that they are in full compliance with the rules and regulations of Equal Opportunity and Affirmative Action Programs.
g. **Secrecy**- Seller agrees to keep all proprietary information of Buyer confidential and comply with all applicable laws concerning the safeguarding of secret, confidential, or restricted matters, which may be disclosed or developed in connection with the work under this order, and furthermore the Seller shall not make any release of information concerning this order without written permission from the Buyer. Seller shall require a similar compliance of all subcontractors, suppliers or agents of the Seller to whom any work or duty relating to such work may be allotted.
h. **Disputes**- Except as otherwise specifically provided in this order, any dispute concerning a question of fact and/or law arising under this order is not disposed of by agreement of the parties shall be decided by a court of competent jurisdiction. Pending settlement of final decision of any such dispute, Seller shall proceed diligently with the performance of this order in accordance with the directions of the Buyer.
11. **Seller's Conditions**- The provisions of this order shall be deemed to control, irrespective of any conditions specified by Seller in conflict therewith unless accepted in writing by the Buyer.
12. **Vendor Quality Assurance Requirements**- Requirements of S.A.I. QSP P235 are made a part of this purchase order.
13. **Right of Access** - Seller shall grant right of access to Seller's facilities and applicable records, and Seller's sub-tier supplier's facilities and applicable records, for the purposes of reviewing product and processes for Buyer's purchase orders, to Buyer, Buyer's customers, and regulatory authorities after receiving reasonable notice of such visitations,

14. Flow Down Requirements – Seller shall flow down the applicable requirements of Buyer's purchase orders, including key characteristics, when identified, to its sub-tier suppliers.

15. Delegation of Verification – Where Seller, or its sub-tier supplier performs or subcontracts processes that cannot be verified through nondestructive inspections techniques at Buyer, Seller shall be, or utilize only, approved NADCAP processors.

MANUFACTURERS AND DESIGNERS OF ELECTRIC MOTOR, FANS AND BLOWERS

