



Kirkhill Inc.
300 East Cypress St.
Brea, CA 92821
Tel: 714-529-4901

Instructions

- A. Signed acknowledgement must be returned immediately for prompt payment of this order.
- B. Invoice in triplicate, showing purchase order, item, part and Government contract numbers, if any, on all copies and mark one "Original."
- C. Taxes payable by Buyer to Seller must be itemized on invoice.
- D. Invoices must bear the following certificate: "We hereby certify that these goods were produced in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof."
- E. Packing List must show part number ordered, purchase order and item description. **MARK PACKING LIST AND INVOICE COVERING FINAL SHIPMENT: "ORDER COMPLETED."**
- F. Include packing list in each shipment. Show bill of lading or express receipt number and purchase order number on all packages. Mark each container to show number of containers in shipment (such as 1 of 3). Attach packing list to number one container. Show purchase order number on all paper.
- G. **DO NOT DECLARE VALUE** on express, or air shipments. **DO NOT insure parcel post if Buyer's risk. OBTAIN PARCEL POST RECEIPTS, AIRMAIL COPY OF BILL OF LADING, EXPRESS RECEIPT, OR AIRBILL TO OUR TRAFFIC DEPARTMENT IMMEDIATELY.**
- H. Load, block and brace rail shipments per latest loading rules of Association of American Railroads.
- I. The following certification shall appear on all packing lists unless specifically excepted: "Materials and/or parts furnished on this order have been manufactured in accordance with all applicable instructions and specifications."

THIS ORDER CONSISTS OF THE NUMBER OF PAGES SPECIFIED ON THE FACE OF THIS ORDER, AND IS SUBJECT TO THE ABOVE INSTRUCTIONS AND TERMS AND CONDITIONS PRINTED BELOW.

Kirkhill Inc. Terms and Conditions

This Order Subject to the Following Terms and Conditions:

1 SHIPMENT AND ADVANCE COMMITMENTS

Each container, and accompanying packing list must show this order number. No charge shall be made for packaging, delivery or similar costs unless expressly authorized by this order. All items shall be suitably prepared for shipment to secure the lowest transportation and insurance rates, and meet Carrier's requirements, Buyer may at its option, either retain items received in advance of the delivery schedule or return them to Seller at Seller's own risk and expense; - retained time for payment and discount shall be based upon schedule delivery dates. Seller shall place all orders for and schedule deliveries of materials and parts necessary for its performance under this order at such times as will enable Seller to meet but not unreasonably anticipate, the schedule of deliveries set forth herein. In the event of termination of or changes to this order, Buyer shall not be liable for any charges of costs arising out of commitments by Seller for the acquisition of said materials and parts performed hereunder in advance of the time necessary to meet the delivery schedule unless Buyer has given its prior written consent to such advance commitments of work.

2 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 of items in complete accordance with the requirements of this order. Any adjustment in Seller's Invoice due to shortage, late delivery rejection or other failures to comply with the requirements of this order may be made by Buyer before payment.

3 WARRANTIES AND INSPECTION

Seller expressly warrants that all items will conform to applicable specifications, drawings and samples, that they will be free from defects in material and workmanship and that they will be fit for their intended use. Upon final inspection and acceptance, Seller's liability under said warranties shall be limited to liability for latent defects, fraud or such gross mistakes that amount to fraud. Said warranties, however shall not be deemed to limit any warranties of additional scope given to Buyer by Seller. Unless otherwise specified all items will be subject to final inspection and acceptance at Buyer's Plant. Buyer may at its option either hold rejected items for Seller's instructions and at Seller's risk or return them to Seller at Seller's expense and Seller shall promptly reimburse Buyer.

4 CHANGES

Buyer shall have the right at any time before completion of the order to make changes in quantities, drawings and specifications, delivery schedules, and in methods of shipment and packaging. If such changes cause an increase or decrease in prices or in the time required for performance, Seller shall promptly notify Buyer, within 30 days thereof and an equitable adjustment shall be made. Changes shall not be binding upon Buyer unless evidenced by purchase order change notice issued and signed by Buyer.

5 TAXES

Federal, State or local taxes of any nature, which are billed to Buyer, shall be stated separately in Seller's invoices. Seller will accept any and all tax exemption certificates.

6 PATENTS

Seller shall with respect to any device or composition of design submitted by Seller or of Seller's standard manufacture indemnifies and hold harmless Buyer, its customers and agents from cost and damages as finally determined by any court for infringement of

any U.S. Letters or patents by reason of the sale or normal use of such device or composition, provided that Seller is promptly notified of all such actual or potential infringements, suits and is given full and exclusive control of the defenses thereof by Buyer.

7 BUYER'S USE

Buyer, its successors and assignees, may subject all items to further manufacture, may combine them with other articles, or sell or put them to any use whatsoever, and Seller may make no claim for royalties or additional compensation by reason of such manufacture, combination, sale or use. All unpatented ideas, information, designs, devices, prints, drawings and technical data concerning Seller's products, methods, or manufacturing processes, which Seller discloses or furnishes to Buyer in connection with this order shall, except only to the extent as may be otherwise specifically agreed to in writing by Buyer and Seller, be deemed to have been disclosed or furnished as part of the consideration for this order, and Seller agrees not to assert any claims (except claims for patent infringement) by reason of Buyer's use, duplication or disclosure thereof.

8 PROPERTY FURNISHED TO SELLER BY THE BUYER

All designs, tools, patterns, drawings, specifications, and any other information, materials or equipment, etc., furnished by Buyer to seller for use in the manufacture of the items hereunder shall remain Buyer's or the Government's property, as the case may be, and Seller shall not use any such property in the production or manufacture other than specified herein, without first obtaining Buyer's written consent thereto. Seller shall be fully responsible for all property on delivery to Seller until redelivery thereof to Buyer, and shall promptly upon completion of the work, or at Buyer's request deliver all such property and productions to Buyer, or if Buyer demands delivery of same prior to completion of the work Seller shall deliver such property and production to Buyer in accordance with the terms of said demand.

9 TERMINATION

The termination clause contained in paragraph 52.249-2 of the Federal Acquisition Regulations as in effect on the date of this order, is made a part hereof by this reference. Provided, however, that if termination is occasioned by Seller's breach of any condition hereof including breach of warranty, or by Seller's delay, except only delay due to causes beyond Seller's control and without Seller's fault or negligence, Seller shall not be entitled to payment of any costs or of any profit referred to in said clause, and Buyer shall have as against Seller, all remedies provided by Law.

10 TIME

Time shall be of the essence hereunder.

11 CONFIDENTIAL

Seller shall not, without first obtaining Buyer's written consent, disseminate the fact that Seller has furnished or has contracted to furnish Buyer the items covered hereby, nor except as is necessary for performance of this order, shall Seller disclose any of the details connected with this order to third parties

12 CONDITIONS APPLICABLE TO ORDERS PLACED UNDER U.S. GOVERNMENT CONTRACTS OR SUBCONTRACTS:

(a) AUDIT AND INSPECTION

Seller's manufacturing plant and books, or such part of the plant as may be used in furnishing the items ordered, will at all times be subject to inspection and audit by any person designated by the head of any executive department of the Government. If the Government on Seller's premises makes any inspection or test, Seller shall provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. Seller agrees that the expiration of three (3) years after final payment under this order; have access to and the right to examine any directly pertinent books, documents, papers and records of the Seller involving transactions related to this order, the preceding part of this sentence shall not apply if this order (1) does not exceed \$10,000.00 or (2) is for Public utility services at rates established for uniform applicability to the general public.

(b) MILITARY SECURITY REQUIREMENTS

The military security requirements clause contained in paragraph 52.203-13 of the Federal Acquisition Regulations, as in effect on the date of this order, is made a part hereof by this reference, provided however, that whenever the word "Government" appears in said clause it shall be deemed to read "Government or Buyer" and whenever the word "Contractor" appears therein it shall be deemed to read "Seller."

(c) EMPLOYMENT OF ALIENS

No aliens employed by Seller shall be permitted to have access to the plans, specifications, or the work, unless the written consent of the Secretary of the department concerned with the Government contract noted on this order, or of his duly authorized representative, has first been obtained.

(d) NON DISCRIMINATION

The parties shall comply with all Federal equal employment opportunity obligations under 41 CFR 60-1.4(a), 60-300.5 (a), 60-741.5(a) and federal labor law obligations under 29 CFR part 471, appendix A to subpart A. **This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.**

(e) NOTICE TO GOVERNMENT OF LABOR DISPUTES

Whenever Seller has knowledge that an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information to Buyer's Contracting Office.

(f) CONVICT LABOR

In connection with the performance of this order, Seller agrees not to employ any person convicted of a felony

(g) LAWS

Seller agrees that the items will be manufactured or furnished in compliance with all applicable provisions of the federal laws, as heretofore or hereafter amended known as the fair Labor Standards Act, and the Espionage Act (and statutes relative thereto) and all applicable rulings, regulations and interpretations issued there under.

(h) PATENTS

Seller shall, prior to filing any patent application, which discloses classified subject matter relating to this order, obtain permission from the Buyer.

13 OVERTIME

Seller shall not have performed overtime work in connection with this order unless prior written approval is obtained from Buyer. In the absence of such approval, Buyer shall not recognize premium compensation payments for any purpose.

14 WAIVER

No waiver of a breach of any provision of this order shall constitute a waiver of any other breach, or of such provision.

15 ASSIGNMENT AND SUBCONTRACTS

(a) This order may not be all or substantially all assigned by Seller without the prior written consent of Buyer.

(b) Seller may, without Buyer's consent assign monies due and to become due under this order upon the following conditions:

(1) Buyer shall continue to have the right to exercise any and all of its rights under, settle any and all claims arising out of, and enter into amendments to this order without notice to or consent of the assignee.

(2) The entire amount of said monies is assigned to a single assignee, and shall not be subject to further assignment; and

(3) If Buyer is given notice of the assignment, all invoices shall refer to the assignment.

16 VALIDITY

The invalidity in whole or in part of any condition of this order shall not affect the validity of other conditions.

17 PRICES

Seller represents that it is intended that its prices shall not exceed prices permitted by applicable Government price regulations: in the event it is subsequently determined that Seller's prices are in excess of prices permitted by such regulations, Seller shall refund the excess to Buyer.

18 SELLER'S CONDITIONS

The provisions of this order shall be deemed to control, irrespective of any conditions specified by Seller in conflict therewith.

19 LICENSE RIGHTS TO BUYER

Seller agrees to and does hereby grant to Buyer a nonexclusive, irrevocable, royalty-free right to use all data (including drawings, specifications, reports, designs, and the like) called for in this purchase order for any purpose including the manufacture by Buyer or others of items to which any such data pertains.