



TERMS AND CONDITIONS OF PURCHASE
(NON-MILITARY)

1. Acceptance of this order shall be limited to the terms and conditions herein and incorporated herein by reference. This order shall be deemed accepted upon the return of the acknowledgement of this order or within a reasonable time thereof. Buyer rejects any additional or inconsistent terms and conditions offered by the seller at any time, including any such terms and conditions contained in any Seller quotation, specification or other document which may be referenced by Buyer in this order, and irrespective of Buyer's acceptance of or payment for Seller's items or services. No officer, employee or other representative of Purchaser is authorized to make any oral contract of commitment for the purchase of materials or to modify or change the terms and conditions of this order unless such modification or change is in writing approved by Vice President of the Purchaser.
2. Time of delivery is of the essence of this order and Purchaser reserves the right to cancel this order without liability and without waiver of any other remedies if delivery is not effected as specified herein or on written shipping authorizations shall be deemed to be incorporated herein and made a part hereof.
3. Seller expressly warrants that all material and work covered by this order will in all respects conform to the specifications, drawings, samples or other description furnished or specified by Purchaser of furnished by materials and workmanship and free from defect, latent or otherwise. Seller also warrants that if such material and work is the product of Seller and is in accordance with Seller's specifications, it will be fit and sufficient for the purposes intended.
4. Materials purchased are subject to Purchaser's inspection and approval at destination. If rejected, material will be returned for credit or replacement at Seller's risk, and all handling and transportation expenses both ways shall be assumed by Seller. No material returned as defective shall be replaced without authorization from Purchaser. Payment for material on this order prior to inspection shall not constitute an acceptance thereof.
5. It is understood and agreed the Seller warrants that the sale or use of the material covered by this order, either alone or in combination with other materials, will not infringe or contribute to any patents, either in the U.S.A. or in foreign countries and that the Seller covenants to defend every suit which shall be brought against the Purchaser or any party selling or using any of the Purchaser's product for any alleged infringement of any patent by reason of the sales or use of said materials, either alone, or in combination with other materials, and to pay all expenses and fees of counsel which shall be incurred in and about defending, and all costs, damages and profits recoverable in every such suit.
6. No charge for packaging, crating or boxing will be allowed, unless specified on the face of this order.
7. The Seller shall not be responsible for delays in deliveries. If occasioned by causes beyond the control and without the fault or negligence of the Seller, including but not restricted to, acts of God or of the public enemy, acts of the Government (including, but not restricted to, any preference, priority or allocation order), fires, floods epidemics, quarantine, restrictions, strikes, freight embargoes, unusually severe weather and delays of a subcontractor due to such causes, provided that the Seller shall give the Purchaser prompt notice of any cause that will result in such delay.
8. Purchaser reserves the right at any time to make changes in drawings and specifications as to any material and/or work covered by this order. In the event any such changes caused a decrease or increase in Seller's production costs, the price set hereunder shall be equitable adjusted and contract shall be modified in writing accordingly.
9. Information, including but not limited to technical information, drawing and data, submitted any time by Seller to Purchaser relating to goods or services covered by this purchase order are deemed not to be submitted in confidence unless otherwise specifically agreed to in writing. Any restrictive markings affixed upon any such information furnished to Purchaser shall be of no force or effect, may be modified, removed or ignored by Purchaser without any liability to Seller and the information may be used by Purchaser in any way in the conduct of its business. Seller's sole rights with respect to use of such information by Purchaser, its successors, subsidiaries, licenses, affiliates or parents shall be determined only by valid pre-existing patent rights of Seller as related to the manufacture, use or sale of goods or services covered by this order. Seller agrees to promptly notify Purchaser of any pre-existing patents of any other form of protection which Seller may hold or know of which relates to the goods or services to be provided under this purchase order. In connection with the development of any ideas, inventions, improvement or discoveries, including all related information and know-how, related to the goods or services to be provided under this purchase order and for which Purchaser has provided or is to provide support to Seller in the form of funding, including but not limited to payments in whole or part for prototype components or tooling, designing, testing or consulting. Purchaser shall automatically be entitled to and Seller agrees to and hereby assigns all rights, title and interest to such ideas, inventions, improvement and discoveries (unless otherwise specifically agreed to in writing and such event Purchaser shall be entitled to a least a nonexclusive paid up irrevocable worldwide right and license including the right to fully sublicense third parties including the U.S. Government for all Governmental purposes to practice and have practiced

for its purpose such invention). Seller agrees to promptly notify Purchaser in writing of any such idea, invention, improvement or discovery so developed. The provisions of this clause shall survive termination of fulfillment of this order and shall inure to the benefit of Purchaser's successors, subsidiaries, licenses, affiliates or parents.

10. Purchaser may forthwith cancel the contract resulting from the acceptance of this order in the event of the happening of any of the following: insolvency of the Seller, the filing of a voluntary petition in bankruptcy by the seller provided it is not vacated within thirty (30) days from the date of filing, the appointment of a receiver or trustee for Seller provided such appointment is not vested within thirty (30) days from the date of such appointment, the execution by Seller of any assignment for the benefit of creditors. The exercise by Purchaser of the right of cancellation reserved in this paragraph shall not impose any liability upon Purchaser by reason of the cancellation nor have the effect of waiving damages which the purchaser might otherwise be entitled to.

11. Purchaser reserves the right to terminate without cause this order any time in whole or in part upon written notice to the Seller. Upon termination by Purchaser, under this paragraph, Purchaser shall pay Seller the following amounts without duplication: (1) The purchase order price for all supplies or services which have been completed, in accordance with this purchase order and release hereunder and not previously paid for; (2) the actual costs incurred (exclusive of profit) by Seller in accordance with this purchase order and release there under, which are properly allocable or apportionable under generally accepted accounting practices to the terminated portion of this purchase order, including the cost of discharging liabilities which are so allocable or apportionable, and (3) the reasonable costs of Seller in protecting property in which Purchaser has or may acquire an interest. Payments made under this paragraph, exclusive of payments under subdivision (3) hereof, shall not exceed the aggregate price specified in this purchase order, less payments otherwise made or to be made.

12. Any right or remedy expressly conferred on the Purchaser herein shall not limit or modify any right or remedy which the purchaser would otherwise have. When shipments to places other than the Purchaser's plant are authorized, Seller's invoices will be paid by Purchaser at the time specified on the face hereof but not before acknowledgment of receipt of shipment by the consignee.

13. This contract may not be assigned by Seller without the written consent of the Purchaser.

14. By making shipment under this purchase order, Seller agrees and declares that it has complied with and has not violated in any way the Child Labor provisions of the Fair Labor Standards Act of 1949, as amended.

15. Shipment of any of the material specified on the face hereof shall constitute acceptance of all the terms and conditions of this order irrespective of whether Seller shall have returned the acceptance copy.

16. Purchaser shall be entitled to any discounts allowable by Seller for prompt payment even though purchaser is unable to make payment within the time limits set by Seller where such failure is due to strike of the causes beyond the control of purchaser.

17. Non-discrimination: By acceptance of this order Seller certifies that it will comply with all applicable provisions of E.O. 11246 and E.O. 11375, as amended, the Vietnam Era Veterans Readjustment Act of 1974, E.O. 11701, the Rehabilitation Act of 1973, E.O. 11758 and the rules, regulations and relevant orders of the Secretary of Labor.

18. FAR 52.222.39 "Notification of Employee Rights concerning payment of Union Dues or Fees" is hereby included by reference.

19. Seller shall comply with the labeling requirements for Class 1 and Class II Ozone Depleting Substances as required by Section 611 of the Clean Air Act Amendment of 1990 and the final rules (40 C.F.R. Part 82) implementing the same (collectively, the "Act"). Seller shall accurately label, consistent with the requirements of the Act any products containing a controlled substance that it is supply to Buyer. In the event Seller discovers that it has failed to comply with the labeling requirements of the Act, it shall immediately notify Buyer of those products supplied to Buyer which failed to comply with the labeling requirements of the Act.

20. Neither the final payment nor any part of the retained percentage shall become due until the Contractor shall deliver to AM General waivers of liens from all Subcontractors providing for a complete release of all possible liens arising out of this Contract, or receipts in full in lieu thereof, and in either case a notarized affidavit stating that said releases and receipts cover all materials and labor incorporated in the work for which a lien might be filed. The Contractor may, if any Subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to AM General, to indemnify it against any claim by lien or otherwise. If any lien or claim remains unsatisfied after all payments are made, the Contractor shall refund to AM General all monies that the latter may be compelled to pay in discharging such lien or claim, including all costs and a reasonable attorneys fee.