

THIS PURCHASE ORDER IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- 1. ACCEPTANCE:** This Purchase Order constitutes Buyer's offer to Seller upon the terms and conditions stated herein and shall become a binding contract upon said terms and conditions upon acceptance by Seller, unless otherwise provided on the face hereof. Such acceptance may be evidenced either by written notice of such acceptance received by Buyer within fifteen (15) days following receipt of this Purchase Order by Seller or by the first to occur of the following: (a) Written notice of commencement of performance by Seller received by Buyer within fifteen (15) days of receipt of this Purchase Order by Seller; or (b) completion of all performance required by Seller under this Purchase Order within the time set forth herein for such performance, as extended by Buyer. With the exception of changes evidenced by Purchase Order Amendments issued and signed by Buyer, this Purchase Order can be accepted only upon the exact terms set forth herein and no terms which are in any manner whatsoever additional to or different from those set forth herein shall become a part of or in any way alter this Purchase Order as a result of such acceptance.
- 2. WARRANTIES:** Seller warrants that all items delivered under this Purchase Order will be free from defects in materials (except to the extent of defects in materials furnished by Buyer) and free from defects in workmanship; that all items will conform to the applicable specifications, drawings and/or instructions which are incorporated herein, and/or samples approved by Buyer, and, except as to those items manufactured pursuant to detailed designs furnished by Buyer, that all items will be free from defects in design and suitable for the purposes intended by Buyer, whether such purposes are expressed or reasonably implied. Said warranties shall be in addition to any other warranties of Seller, express, implied and/or statutory and all warranties of Seller shall inure to the benefit of Buyer, its successors and customers and/or other subsequent owners.
- 3. TIME OF ESSENCE:** Time is of the essence in the performance of this Purchase Order. Seller shall comply with all delivery schedules and quantities ordered hereunder, as referred to or set forth on the face of this Purchase Order, and failure to comply therewith shall constitute a default hereunder, provided that Buyer may elect to accept a delivery which is not in compliance therewith. Such acceptance shall not constitute a waiver of any rights or remedies provided Buyer by law or under this Purchase Order, as to that delivery or any subsequent delivery. In the event of failure or anticipated failure to meet any such delivery schedule, Seller shall, upon the request of the Buyer, ship via expedited routing, in which event Seller shall bear the cost of the difference between expedited routing charges and ordered routing charges. Delays in performance under this paragraph 3 shall be excused to the extent such delays are occasioned by causes totally beyond the control of Seller such as acts of God or of public enemies, fires, epidemics, floods, strikes, freight embargoes, unusually severe weather, riots or wars, whether declared or undeclared.
- 4. INSPECTION:** Buyer and any of its customers shall have the right to inspect the first and any subsequent item covered by this Purchase Order, including the right to inspect any or all of such items or work in progress on such items at Seller's plant, and including all materials, fabricating methods, jigs, mixtures, dyes and finished or unfinished items. In the event of inspection at Seller's plant, Seller shall, without additional cost, make reasonable provisions for such inspection including but not limited to provisions for assistance to and the safety and convenience of persons conducting such inspection. In the event any such inspection is conducted by a party other than Buyer and an inspection report or certificate is issued, Seller shall, upon receipt of such report or certificate, furnish Buyer with a copy thereof. Unless otherwise stated herein, all items shall be subject to final inspection and approval at destination, notwithstanding prior payment, it being expressly agreed that payment of all or any part of the invoice price shall not constitute final acceptance. Rejected items may be returned at Seller's risk and expense and at full invoice price (less any adjustment for trade discounts allowed). The exercise of the right of first item inspection and subsequent inspection by Buyer or its customers shall in no way relieve Seller of its obligation to supply all items in accordance with the specifications, drawings and/or instructions incorporated herein and shall not alter or diminish any of Buyer's rights under paragraph 2 or any other provision of this Purchase Order. Buyer may base its acceptance or rejection of any or all of said items on inspection by sampling.
- 5. SPECIFICATIONS, DRAWINGS AND/OR INSTRUCTIONS:** All specifications, drawings, instructions, schedules, exhibits and Purchase Order Amendments attached hereto are incorporated herein by reference and made a part hereof.
- 6. CHANGES BY BUYER:** Buyer shall have the right at any time before completion of this Order to make changes in specifications, drawings, and/or instructions, quantities, delivery schedules, methods of packaging or shipping, place of inspection, and any other terms hereof, but no such change shall be effective unless evidenced by a Purchase Order Amendment issued and signed by Buyer. In the event that any such change results in an increase or decrease in Seller's costs or in the time required for performance, Seller shall notify Buyer thereof immediately. Seller waives its right to reimbursement for any increased costs unless written notice thereof, setting forth the facts on which such claim for reimbursement is based, shall have been received by Buyer prior to (1) the commencement of any work giving rise to such increase; or (2) thirty (30) days from the date of such Purchase Order Amendment, whichever is earlier. Termination of this Purchase Order under the provisions of paragraph 14 hereof shall not constitute a change under this paragraph 6.

The parties hereto shall negotiate in good faith for an equitable adjustment in the Purchase Order price of any increase or decrease in costs under this paragraph 6. If the parties cannot agree upon such adjustment, the Purchase Order price of any item affected thereby shall be increased or decreased by the actual increase or decrease in Seller's costs as reflected on Seller's books. Buyer may audit all elements of any such difference in cost.
- 7. MATERIAL FURNISHED BY BUYER:** In the event that Buyer furnishes any materials to Seller, including partially or wholly fabricated parts, Seller shall be responsible for any loss or damage thereto, including damage caused by faulty workmanship. Buyer's schedule of materials furnished to Seller within this Purchase Order is binding upon Seller unless Seller objects to said schedule within five (5) days of receipt of said materials. Promptly upon completion or termination of this Purchase Order, or upon receipt of a written request or demand from the Buyer, all items of material furnished by Buyer and not fabricated into items for delivery to Buyer hereunder, shall be returned to Buyer. Seller hereby waives all liens or claims he may have or be able to assert against material furnished by Buyer. For purposes of this paragraph 7, material furnished by Buyer shall also be deemed to include any such material delivered directly to Seller by any customer of Buyer. Seller's invoice for finished items shall represent and warrant to Buyer that: "All material furnished to Seller by Buyer under this Purchase Order (except that which became normal industrial waste or was replaced at Seller's expense) has returned to Buyer in the form of items ordered hereunder or unused material."
- 8. TOOLS, DRAWINGS AND INFORMATION:** Seller agrees that it will use any materials, designs, tools, patterns, drawings, information or equipment furnished by Buyer only in the production of the items ordered herein and not otherwise, and that all of the above and any other technical or proprietary information or features relating to said items or their production process shall be kept confidential by Seller unless otherwise provided herein or authorized by Buyer in writing. Upon completion or termination of this Purchase Order, Seller shall return such items and information to Buyer or shall make such other disposition thereof as may be directed in writing by Buyer. Patent rights to all features of novelty herein and any secret processes are reserved by Buyer. Buyer does not warrant the accuracy of tools and fixtures which it furnishes and all work must be in strict accordance with the drawings, specifications, and/or other instructions incorporated herein. Seller agrees that any special tool or test facilities created or acquired for production on this Purchase Order shall become the property of Buyer at the time of completion or termination of the Purchase Order. Seller agrees to maintain all items furnished by the Buyer and to return such items upon receipt of written demand from Buyer, or in the absence of such demand upon completion or termination of this Purchase Order, in as good condition as when received, reasonable wear and tear excepted.
- 9. PACKING:** All items are to be packed in suitable containers for protection in shipment and storage. Highly polished, highly finished, or precision parts shall be properly greased or otherwise treated and packed in appropriate containers so as to afford adequate protection against atmospheric deterioration.
- 10. DISPUTE:** In the event of any dispute between Buyer and Seller concerning any compensation due Seller from Buyer, Buyer shall have the right to debit the account of Seller for such disputed amount until said dispute has been terminated by agreement or otherwise. This paragraph 10 shall not apply in the event Buyer exercises its option to terminate under paragraph 14 hereof.
- 11. PATENT RIGHTS:** If payment under this Purchase Order is to be made for experimental, developmental or research work, Seller agrees that it will disclose to Buyer or its designee and to no other person, each invention, improvement or discovery conceived or first actually reduced to practice in the performance hereof and any secret process, design or drawing developed in the performance hereof that all rights in any such invention, improvement, discovery, secret process, design or drawing shall be the sole property of Buyer or its designee and that it will perform such acts in connection with the disposition of such rights as may be requested by the Buyer.
- 12. INDEMNIFICATION:** Seller shall indemnify, defend and hold Buyer harmless from any and all liability or expense incurred directly or indirectly by Buyer, its agents or customers, including attorneys' fees, arising out of the following:
 - a. Seller's failure to comply with any federal, state or local laws, rules, regulations or orders;
 - b. The infringement or alleged infringement of any United States patent with respect to the items ordered herein and/or their process of manufacture, to the extent such items are manufactured according to designs not originated by Buyer; and/or
 - c. Any other act, omission or breach of warranty of Seller, its agents, employees or subcontractors in the course of the performance of this Purchase Order including without limitation all claims, demands or liabilities, real or asserted, based upon any agreement between Buyer and any third party or parties, for damages, whether direct or consequential, or other relief arising out of or resulting from any such act, omission or breach of warranty, or the matters referred to in subparagraphs (a) and (b) of this paragraph 12.
- 13. TAXES:** Federal, state or local taxes of any nature which are considered a part of the invoice price hereunder, shall be stated separately in Seller's invoices. Any and all tax exemption certificates will be acknowledged in said invoices and accepted by Seller.
- 14. TERMINATION:** Buyer may, at its option, terminate further work outstanding under this Purchase Order, with or without cause, in whole or in part, by giving written or telegraphic notice to Seller. Seller shall terminate all work outstanding hereunder when and to the extent specified in said notice, and take any necessary action to protect property in Seller's possession in which Buyer or its customers have or may acquire interest.
 - a. **With Cause:** In the event of a default by Seller as defined in paragraph 15 hereof, Buyer may terminate this Purchase Order and Buyer shall have no further obligation to Seller hereunder. In the event of such termination, Buyer may purchase supplies or services elsewhere on terms deemed appropriate by Buyer and may hold Seller liable for any costs or expenses incurred by Buyer in excess of the Purchase Order price for any items so acquired.
 - b. **Without Cause:** In the event of a termination by Buyer in the absence of Seller's default, Seller shall immediately notify Buyer of Seller's costs and method of determining said costs accrued to date of said written notice of termination of this Purchase Order, and if the parties cannot agree upon the amount of fair compensation to be paid to Seller for such termination within thirty (30) days after the receipt by Seller of such written notice, or within such further time as the parties mutually agree upon in writing, Buyer will pay to Seller, as damages deemed to result from such termination, the following, without duplication:
 - (i) that portion of the Purchase Order price allocable to services rendered or items which have been completed hereunder;
 - (ii) the actual material and labor costs incurred by Seller which are properly allocable under recognized commercial accounting practices to the uncompleted and terminated portion of this Order, plus a reasonable profit (the rate of which shall not exceed that used in establishing the original Purchase Order price) on work actually performed by Seller prior to the effective date of termination; and
 - (iii) Seller's reasonable costs actually incurred in protecting property in which Buyer or any of its customers has or may acquire an interest.Payments under (i) and (ii) may not exceed the aggregate price specified on this Purchase Order. Failure to provide Buyer with the notice of costs as set forth herein within thirty (30) days of receipt by Seller of such notice of termination shall constitute a waiver of Seller's rights to recover under (i) above. On Buyer's instructions, Seller will deliver and transfer title to Buyer of any property the cost of which is reimbursed under (ii) above; or with Buyer's approval, may retain such property at an agreed price, sell such property at any approved price, or pay the amount so agreed or received as Buyer directs. Buyer may audit all elements of any termination claim hereunder.
- 15. DEFAULT:** Default of Seller hereunder shall include, without limitation, the failure of Seller to observe or comply with any of the instructions, terms, conditions or warranties contained in or applicable to this Purchase Order, failure to make reasonable progress toward the fulfillment of this Purchase Order so that Buyer's performance under any superior contract is thereby endangered, an event or series of events occurring prior to Seller's completion of performance hereunder by which after thorough review of Seller's progress toward such completion of performance, Buyer reasonably anticipates the failure of Seller to perform any of Seller's obligations hereunder, or the commencement of any proceedings by or against Seller in bankruptcy or insolvency, including the appointment of a recorder or trustee or an assignment for the benefit of creditors.
- 16. WAIVER:** Except to the extent that Buyer may have otherwise agreed in writing, no waiver by Buyer of any breach by Seller of any of the terms or conditions of this Purchase Order shall be deemed to be a waiver of any subsequent or continuing breach of the same term or condition hereof nor shall the failure of Buyer to exercise a right or a remedy provided herein be deemed a waiver by Buyer of such right or remedy.
- 17. APPLICABLE LAW:** Unless otherwise provided on the face hereof, this Purchase Order shall be construed in accordance with the laws of the State of Michigan.
- 18. INDIVIDUAL PURCHASE ORDER:** This Purchase Order constitutes a separate and self contained order and is not a part of any larger contract or overall purchase order, unless specifically stated on its face to be a Blanket Purchase Order. Buyer expressly disclaims any assurances or guarantees that further Purchase Orders will be submitted to Seller.
- 19. ENTIRE AGREEMENT:** This agreement constitutes the entire agreement between the parties. No changes in the terms, representations, warranties or conditions contained herein shall be binding unless set forth in a Purchase Order Amendment issued and signed by Buyer and except as set forth in paragraph 6 hereof, signed by Seller.
- 20. ASSIGNMENT AND SUBCONTRACTING:** This Purchase Order shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, provided that Seller shall not assign this Purchase Order without the written consent of Buyer. Seller shall not subcontract for the manufacture in completed or substantially completed form of any items ordered herein without the written consent of Buyer.
- 21. GOVERNMENT CONTRACTS:** In the event that a government contract number or the designation "Government" is indicated on the face hereof, that Purchase Order and any contract of which it becomes a part shall be subject to all applicable provisions, requirements and terms of any government contract or subcontract thereunder, whether or not Seller or Buyer is a party thereto, pursuant to which this Purchase Order is issued, and all federal laws and regulations applicable to said contracts and to this Purchase Order; and in such event, this Purchase Order shall be subject to and incorporate and does hereby incorporate by reference, wherever applicable to this Purchase Order, all such provisions of the Defense Acquisition Regulations, or any comparable, alternative or additional regulations deemed to be applicable to this Purchase Order. These provisions are applicable in accordance with their terms and Seller's obligations thereunder are the same as the obligations of Buyer, under its prime contract or sub-contract. Wherever necessary, for a fair and reasonable interpretation of said provisions within the context of this Purchase Order, the term "Government" shall refer only to the United States Government, the term "Contracting Officer" shall refer to the Government Contracting Officer for the prime contract pursuant to which this Purchase Order has been issued, the term "Contractor" and equivalent phrases shall refer to Seller and the term "Contract" shall refer to this Purchase Order:
 - a. **Non-discrimination in Employment:** The provisions of the Equal Opportunity Clause at 41 CFR § 60-1.4(a) and the Affirmative Action Clauses of 41 CFR § 60-250.4 and § 60-741.5(a) are hereby incorporated as terms and conditions of this Purchase Order (Contract).
 - b. **Renegotiation:** This Purchase Order shall be subject to any act of Congress providing for its renegotiation and shall be deemed to contain all the provisions required by any such act. Seller agrees to insert a like provision in all subcontracts as defined and with the exceptions specified in the Renegotiation Act of 1951 (P.L. 9. 82nd Congress), as amended.
 - c. **Employment of Aliens:** No aliens employed by Seller shall be permitted to have access to the plans or specifications or the work under construction or to participate in the contract trials in connection with Seller's performance under this Purchase Order without the written consent beforehand of Buyer.
 - d. **Examination of Records:** (P.L. 245, 82nd Congress, Ch. 652, 1st Sess.) By acceptance of this Purchase Order, Seller agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the prime contract referred to on this Purchase Order, have access to, and the right to examine any directly pertinent books, documents, papers and records of Seller involving transactions relating to this Purchase Order.
 - e. **Espionage:** Seller will report to the United States Government, immediately when known, any danger of espionage or sabotage. It will supply if requested, the full name, citizenship and country of birth, and alien status of any of its employees, and it will refuse to employ, or will discharge any person or persons whose access to the work in connection with the finding of this Purchase Order shall be characterized as undesirable by the United States Government.
 - f. **Secrecy:** Seller will be responsible in all matters within its control for the safeguarding of all secret, confidential or restricted matters that may be disclosed or that may be disclosed in connection with the work to be performed under this Purchase Order and will not disclose to any third party any of the details, plans, or specifications involved in this Purchase Order without the written consent of the Buyer. Seller agrees to insert the provisions of this clause in all subcontracts under this Purchase Order which involve access to matters classified as above.Any contract clause directed to be inserted under any of the provisions contained in this paragraph 21 shall be deemed to have been inserted and incorporated herein by this reference. On request of Seller, Buyer will provide Seller with copies of any of the provision incorporated in this paragraph 21. In the event of a conflict between the provisions of this paragraph 21 and any other paragraph of this Purchase Order, said provisions of this paragraph 21 shall prevail.
- 22. FAIR LABOR STANDARDS ACT:** At the time of delivery of invoicing hereunder, Buyer may require Seller to certify that the items sold to Buyer hereunder were manufactured or produced in full compliance with the Fair Labor Standards Act and any applicable regulations promulgated thereunder, effective as of the date of such certification.
- 23. RIGHTS AND REMEDIES NOT EXCLUSIVE:** In addition to any rights or remedies of Buyer set forth in this Purchase Order, Buyer shall be entitled to any and all other rights and remedies which the law provides for breach of any of the terms or conditions hereof.