

## CONTRACT TERMS AND CONDITIONS

1. This order becomes a contract subject to the terms and conditions set forth herein when accepted by acknowledgement of commencement of performance by "Seller". No changes in, modification of, or revision of this order or the terms and conditions hereof, shall be valid unless agreed to in writing by Specialized Vehicles Corporation (SVC) hereinafter called the "Buyer". The failure of Buyer to actively reject orally or in writing, any conflicting or contradictory terms contained in any documents forwarded by Seller to Buyer subsequent to the Purchase Order shall not be deemed to be an assent to such terms.
2. If a specific price for the goods which are itemized on the face side hereof (hereinafter, the "goods") has been quoted to Buyer by a representative or agent of Seller or if a price previously established by Seller has been set forth for the goods on the face of this order, such price shall be the price of the goods and the full extent of Buyer's liability for the goods, unless a different price is agreed to in writing by Buyer.
3. No additional charges of any kind, including charges for boxing, packing, or cartage, taxes, import or export duties, excises, or other extras, will be allowed unless specifically agreed to in writing in advance by Buyer.
4. Seller's prices shall exclude any federal, state, or local sales, use, or excise taxes levied upon, or measured by the sale, the sale price, or use of the goods. All such taxes, lawfully applicable, shall be listed separately on Seller's invoice. If such applicable taxes are not separately listed, Seller assumes responsibility for the payment of them, and shall indemnify and hold Buyer harmless from any and all liability in connection with such taxes. Tax exemption certificates or other evidence of exemption, furnished by Buyer, shall be accepted by Seller in lieu of such taxes.
5. Deliveries are to be made both in quantities and at times specified herein. Buyer reserves the right at any time to cancel and void this order or any part thereof without liability if delivery is not made within the time specified on the order, which is of the essence, or within the time mutually agreed upon or if unspecified, within a reasonable time. Unless otherwise authorized in writing by Buyer, Seller shall ship the goods, at no additional expense to buyer, to the destination indicated by Buyer. Legal title and risk of additional loss with respect to the goods shall pass to Buyer upon delivery to the designated destination.
6. If the goods are not packaged, marked, shipped, and routed in accordance with Buyer's direction and the instructions set out in this order, Seller shall pay to Buyer any excess cost occasioned thereby.
7. Inspection and test of the articles by Buyer may at Buyer's option be made at Seller's plant and/or the point of destination. Acceptance of all or any part of the goods by Buyer shall not relieve Seller from any of its obligations and warranties hereunder, nor will acceptance of any part of the order bind the Buyer to accept future shipments or deprive Buyer of any right which it may have to return goods already accepted. Acceptance of all or any part of the order shall not be deemed a waiver of the Buyer's rights either to cancel or to return all or any portion of the goods because of failure to conform to the order or by reason of defects, latent, or patent, or other breach of warranty or to make any claim for damages suffered by the Buyer as a result of any default of the Seller of the Seller's products or performance. In no event shall payment be deemed to constitute acceptance. If material use discloses that any part of the goods received is not in accordance with Buyer's specifications or if any of the goods fail to meet the warranties contained in Paragraph 8, Seller, upon notice thereof from Buyer, shall promptly correct or replace the same at Seller's expense. If Seller shall fail so to do, Buyer may cancel this order as to all such goods, and in addition, may cancel the then remaining balance of this order. After notice to Seller, all such goods will be held at Seller's risk. Buyer may, and at Seller's direction shall, return such goods to Seller at Seller's risk, and all transportation and handling charges, both to and from the destination, shall be paid by Seller. Any payment for such goods shall be refunded by Seller unless Seller promptly corrects or replaces the same at its expense. Return of any defective material by Buyer shall not be deemed a waiver of any right or remedy which Buyer may have as a result of or in connection with the existence of such defect or defects.
8. Buyer shall have the right to all of Buyer's remedies and Seller's warranties to the fullest extent provided under the Uniform Commercial Code, including, but not limited to warranties of merchantability and fitness, and such remedies and warranties shall survive inspection, tests, acceptance, and payment.
9. Seller shall indemnify and hold Buyer harmless against all loss on account of claims of injuries to persons or damage to property based in whole or in part upon a defect in the goods or from any act or omission of Seller, its agents, employees and subcontractors. Further, Seller agrees to indemnify and hold harmless the Buyer, its successors and assigns, against any and all claims, liabilities, costs, expenses (including, but not limited to court costs, attorneys' fees, inspectors' fees, or costs of testing) incurred by Buyer in connection with or related to any recall, inspection, testing, replacement, or correction of the goods or any and all parts or equipment in which the goods are incorporated, when such recall, inspection, tests, replacement, or correction results from or are related to, in whole or in part, a defect or alleged defect in the goods.
10. Except for customary quantity variations recognized by trade practice, goods in excess of those specified need not be accepted by Buyer and any such goods not accepted will be held at Seller's risk. Buyer may, and at Seller's direction shall, return such goods at Seller's risk, and all transportation charges, both to and from the original destination, shall be paid by Seller.
11. Unless otherwise authorized in writing by Buyer, Seller shall not make commitments for materials nor fabricate in advance of time necessary to permit shipment on delivery dates.
12. Buyer shall have the right by written notice to cancel, suspend, or change from time to time the goods and services to be furnished by Seller hereunder. Upon the receipt of such notice, Seller shall immediately comply with the notice and adjust operations in connection with this order accordingly. All costs and expenses relating to the order and incurred by the Seller subsequent to the receipt of such notice, which would not have been incurred if the Seller had complied with such notice, shall be the sole responsibility of the Seller. In the event of cancellation of this order, Buyer shall be responsible and liable only for the price of the goods accepted prior to such notice plus the actual and reasonable costs incurred by Seller prior to notice of cancellation with respect to the goods canceled. In the event of suspension of this order Buyer shall be responsible and liable only for the price of the goods eventually accepted. Any increase in the price of such goods shall be subject to the prior approval by Buyer. In the event of a modification of this order by Buyer (including, but not limited to, a change in the number of design goods), Buyer shall be responsible and liable only for the price of the goods accepted plus the actual and reasonable costs incurred by Seller to accomplish such modification. Any increase in the price of the goods resulting from modification of this order is subject to the prior approval of Buyer. In the event of any cancellation, suspension, or modification of this order, Seller shall not be entitled to, nor shall Buyer be responsible or liable for, anticipatory profits or consequential damages.
13. Buyer reserves the right, by written notice, to cancel this order without liability to Buyer in the event of (i) insolvency of Seller, (ii) the filing of a voluntary Petition in Bankruptcy by Seller, (iii) the filing of an involuntary petition to have Seller declared bankrupt, (iv) the appointment of a Receiver or Trustee for Seller, or (v) the execution by Seller of an Assignment for the Benefit of Creditors. If Seller fails to perform, or breaches any of the terms, Buyer reserves the right, immediately upon such failure of performance or breach, and without any liability to Buyer to cancel this order in whole or in part by written notice to Seller, after notifying Seller of such failure or breach and of Buyer's intent to exercise such right to obtain the goods from another source, with any excess costs resulting therefrom chargeable to Seller. Seller shall be liable for Buyer's damages in connection with such breach or failure to perform including consequential damages reasonably foreseeable by Seller or of which Seller was apprised by Buyer, provided, however, the Seller shall not be responsible for delays or defaults occasioned by fires, Acts of God, wars, or riots, but in the event of such occurrence, Buyer reserves the rights to cancel this order without liability of any kind.
14. Except when Buyer supplies all specifications for the goods, Seller shall hold and save Buyer, its successors, assigns, customers, users, and affiliated corporations, harmless from loss and or liability of any nature of kind arising out of or existing because of the infringement or alleged infringement of any patent for or on account of the manufacture, sale, or use of any goods furnished hereunder. Buyer shall notify Seller in writing of any suit filed against it or its affiliated corporations, or their customers, on account of any such infringement or alleged infringement, and at Seller's request shall give Seller control of the defense of such suit, insofar as Buyer has the authority to do so, and information and assistance for the same, all at Seller's expense. Buyer and the party against whom suit is brought may be represented by their own counsel, in any such suit. Furthermore, in the event that Buyer should be enjoined in such suit or proceeding from using any part of the goods delivered hereunder, Seller, at its option, shall promptly either: (a) secure termination of the injunction and procure for the Buyer the right to use such goods without any obligation or liability or (b) replace said goods with non-infringing goods or modify them to become non-infringing, all at Seller's expense. The provisions of this paragraph shall not apply to the Buyer's use of any of the goods delivered hereunder in combination with other materials or in the practice of any process, or to infringement by reason of such use.
15. Machinery, equipment, patterns, drawings, specifications, and samples furnished to Seller by Buyer on other than a charge basis shall be held by Seller as upon consignment, and upon completion of this order shall be returned to Buyer or otherwise satisfactorily accounted. Unless otherwise agreed, Seller, at its expense, shall insure all such items for the reasonable value thereof against loss or damage of any kind.
16. Unless otherwise stated, all special drawings, patterns, tools, dies, jigs, machinery, and equipment needed by Seller for the performance of this order shall be obtained by Seller at its own expense and shall be the property of Seller.
17. Seller shall, in the performance of work under this order, fully comply with all applicable federal, state, and local laws and regulations, and shall indemnify and hold buyer harmless from any costs, loss, or liability resulting from Seller's failure of compliance.
18. Seller shall not assign or transfer this order or any interest therein or monies payable thereunder without the written consent of the Buyer, and any assignment or transfer made without such consent shall be null and void.
19. The remedies provided Buyer herein shall be cumulative and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereunder shall not constitute a waiver of any other breach.
20. The contract resulting from the acceptance of this order shall be governed by and construed according to the laws of the State of North Carolina.
21. If applicable to this purchase order, subcontract or bill of lading, the affirmative action clause for disabled workers (41 CFR §60-741.4), the equal opportunity clause in Section 202 of Executive Order 11246, and the affirmative action clause for disabled veterans and veterans of the Vietnam era (41 CFR §60-250.4) are hereby incorporated herein by reference. Further, if applicable, Seller agrees to file Standard Form 100 (EEO-11).