

Chassix, Inc.

Sales Terms and Conditions

This document constitutes an offer or counteroffer (an "Offer") by Chassix, Inc. or its applicable subsidiary or affiliate ("Seller") to sell the products and/or services described in related purchase order or sales contract (the "Products") to buyer ("Buyer"), subject to and in accordance with these terms and conditions and attachments to this document (the "Terms and Conditions"). Seller's acceptance of any order is subject to Buyer's assent to all of the Terms and Conditions set forth herein. Buyer's assent to these Terms and Conditions shall be presumed from Buyer's acceptance of all or any part of the Products order.

Prices: Buyer acknowledges and agrees that prices of the Products are not fixed, and are subject to change by Seller based on, among other things, volume fluctuations, currency fluctuations, or increases in Seller's cost of raw materials (including but not limited to metal), component parts, or labor. Payment terms are MNS-2. Payments owed to Seller for Products supplied under this Contract are not subject to any setoff or recoupment by Buyer unless and until Seller agrees in writing to such setoff or recoupment specifically, and that Buyer shall not exercise any rights to setoff or recoupment in connection with any disputed, contingent, or unliquidated claim.

Buyer may request changes in the design, agreed upon specifications for the Products or in delivery schedules. Any such changes, including changes in the volumes or ramp-up schedule may result in price adjustments, which the parties agree to negotiate equitably.

The Buyer agrees to pay the amount of any excise, sales, gross receipts, duty, use or occupation tax levied upon this transaction or upon any sale, contract, shipment or delivery incident thereto, or to furnish SELLER with necessary funds for such payment if payable by Seller, in addition to the price or prices agreed to. Any increased cost due to any governmental enactment or ruling shall be paid by Buyer.

Late Payment: In the event a payment is not received by the date due or in the event of Buyer bankruptcy, Seller retains the right to:

1. Change payment terms including but not limited to shipping C.O.D., requiring payments by wire transfer, holding shipment until the account is current.
2. Offset amounts due against invoices payable to the Buyer from any company related to Buyer.
3. Charge interest on past due invoices at the highest rate allowable by law.
4. Any collection costs, including but not limited to attorney's fees, shall be reimbursed to Seller by Buyer.
5. Seller's failure to exercise a right or remedy or Seller's acceptance of a partial or delinquent payment shall not be deemed to be a waiver of any of Seller's rights or Buyer's obligations under this Contract.

Delivery Point and Transfer of Title: Except as otherwise agreed, Ex Works "EXW" (Incoterms 2000) will apply, and Buyer will be responsible for insurance from the Seller's plant to its facility.

Security Agreement and Insurance: Buyer hereby: (i) grants to Seller a purchase money security interest in all Products; and (ii) authorizes Seller to file such financing statements and other documents, and agrees to execute such other documents and to do such other acts, as Seller may reasonably deem necessary or advisable to protect its rights in such Products. In the event Buyer breaches the terms or conditions of the Contract, including, but not limited to, any past due balances, together with interest, costs, and attorney fees which are permitted herein, Seller shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code. Seller is hereby granted a power of attorney on behalf of Buyer to execute all appropriate documents (including financing statements) to perfect and record such security interest.

Insurance: Until Seller has received full payment of the price payable under the Contract, Buyer shall maintain insurance covering all Products in such amounts and against such risks as is customary by companies engaged in the same or similar business and similarly located, naming Seller and its subsidiaries and affiliates as insured or coinsured, and shall, upon Seller's request, furnish evidence of such insurance satisfactory to Seller.

Design Indemnity: Buyer hereby releases, holds harmless, indemnifies and defends Seller from and against any loss, liability, claims, suits and costs caused by, arising out of, or relating to the design of either 1) Products supplied hereunder or 2) The Design of the packages or containers in which they are shipped, if such Products, packages or containers are made in compliance with Buyer's design or specifications.

SELLER is not responsible for variations between blueprints and tooling equipment supplied by Buyer. SELLER is further released from responsibility for defects caused by machinery provided by Buyer.

Service Parts: Seller understands that Buyer will require service parts for 5 (five) years following the final model year of production. During series production of the Products, Seller will supply any necessary spare or service parts at the prices specified in this order. At least 1 (one) year prior to the end of series production, Seller and Buyer will agree on a spare parts production plan, which will include details of Buyer's anticipated spare parts requirements and the prices at which Seller is willing to supply such, including any necessary set up and run charges, costs for assembly (if any), and the costs of any replacement tooling required for the production of service parts.

Warranty:

Seller warrants that the Products will conform to the description and specifications agreed with Buyer; that it will convey good title thereto, free from any security interest or other lien or encumbrance unknown to Buyer; and that the Products will be free from defects in material and workmanship; provided that such warranty of freedom from defects in material and workmanship extends only for the period for which Buyer warrants such to its ultimate Buyer(s), or for a period of 36 months from the date of shipment, whichever is shorter, and that Buyer gives SELLER notice of any such defect immediately after Buyer discovers or should have discovered such defect. SELLER MAKES NO WARRANTY THAT THE PRODUCTS ARE MERCHANTABILITY OR FIT FOR ANY PARTICULAR PURPOSE. SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, EXCEPT SUCH AS IS EXPRESSLY SET FORTH HEREIN.

The warranty set forth in this section shall not apply in the event of defects or damages caused by: (i) failure of Buyer to comply with any operational or maintenance guidelines or requirements; (ii) physical abuse of the goods or any component or acts of vandalism by any persons other than Seller, its employees, agents, or subcontractors; (iii) alterations, modifications, additions, or repairs made during the applicable warranty period by anyone other than Seller, its employees, agents or subcontractors; or (iv) accidents or damage resulting from fire, water, wind, hail, lightning, electrical surge or failure, earthquake, theft or similar causes not caused or contributed to by the sole negligence of Seller or its employees, agents, or subcontractors.

Liability: SELLER will not be liable for any incidental or consequential damages for any breach of warranty. Seller's liability and Buyer's exclusive remedy are expressly limited to replacement thereof with conforming Products at Buyer's facility with Seller bearing the cost of freight and insurance. Upon receipt of return authorization from Seller, Buyer will return any non-conforming Products to Seller.

Intellectual Property Rights:

Except as stated in this Section, Seller does not transfer to Buyer any Intellectual Property Rights related to the Products, other than the right to incorporate Products purchased from Seller in vehicles and component parts and to sell those vehicles and component parts to the public.

1. **Patents:** Seller will indemnify Buyer and its successors and assigns, in respect of any Products supplied hereunder, against all judgments, decrees and costs resulting from infringement of any United States Letters Patent covering (a) standard commercial compositions offered for sale generally by Seller at the time of acceptance by it of this order, or (b) standard commercial forms, shapes or constructions offered for sale generally by Seller at the time of acceptance by it of this order. Buyer will indemnify Seller, its successors and assigns, against all judgments, decrees and costs resulting from infringement of any United States Letters Patent to the extent that such infringement arises from designs, specifications or instructions furnished or expressly or implicitly required by Buyer and different from the matters embraced by (a) and (b) of the preceding sentence. Neither party shall be entitled to indemnification under this clause as to any claim of infringement if it does not give to the other party prompt notice in writing upon learning thereof and full opportunity, at the expense of such other party, to defend and dispose of such claim of infringement.
2. **No License.** The sale of the Products does not convey to Buyer any right or license of any kind under any patent owned or controlled by Seller or under which Seller is licensed, but the foregoing shall not be understood to limit in any way the right of Buyer to use and sell the Products, in the event that the Products sold hereunder are covered by any such patent.
3. **Developments.** SELLER will own, and will be entitled to apply for patents or other intellectual property protection for, any developments it conceives in the course of supplying Products to Buyer. To the extent that the use and sale by Buyer of its products requires the use of such development, Seller hereby grants to Buyer a royalty-free, non-exclusive, non-transferable, non-assignable license to use such development.

Property: Buyer is responsible to insure, maintain and pay property taxes on its property used in manufacturing this product. SELLER is not responsible to store the equipment at the end of the contract. Buyer is required to remove the equipment at SELLER's request within 60 days. If equipment is not removed as requested, SELLER may dispose of it as it sees fit. Buyer is to reimburse SELLER in full for any tooling and other expense incurred on its behalf. No production shipments will be made until tooling has been paid in full.

Term & Termination: Each contract will remain in effect for the term specified in the Contract (or until terminated if no term is specified) unless earlier terminated by Seller (1) by reasonable (but not less than 30 days) notice to the other party, or (2) pursuant to Late Payments. If Buyer terminates a Contract issued for a term of more than one year ("Long Term Contract") before the end of its specified term (other than for Seller's Default), Buyer will (1) purchase completed Products at the Contract price and work-in-process and raw materials at Seller's actual cost, in each case to the extent authorized in Buyer's firm releases and (2) reimburse Seller for reasonable costs actually incurred by Seller as a result of the early termination, including the cost to store the items to be purchased and relocate production to an alternate source and the cost of unreimbursed and unamortized research and development costs, engineering costs, capital equipment, Seller's Property, and supplies and that are unique to the Products.

Inspection Buyer or its authorized agents shall have the right to visit Seller's workshops to inspect progress and construction of the Products during normal business hours upon three (3) days' prior written notice, provided that Buyer and such agents shall abide by any applicable rules that Seller may have in effect or hereafter put into effect at such workshops, including, without limitation, rules relating to workers, safety, use of cameras, security and confidentiality procedures or requirements, designated entrances, hours of work and the handling of equipment or materials.

Excusable Delay: A delay or failure by Seller to perform its obligations under the Contract will be excused, and will not constitute a default if caused by an event or occurrence beyond the reasonable control of SELLER and without its fault or negligence, including a labor dispute. Quantities so affected may be eliminated from the Buyer's purchase agreement, without liability, but the Buyer's purchase order shall remain otherwise unaffected.

Proprietary Information: Trade secrets, specifications, drawings, notes, instructions, engineering data and analyses, compositions of matter, financial data, and other technical and business data which are supplied or disclosed by SELLER in connection with the contract will be deemed confidential and proprietary to, and remain the sole property of, Seller. Buyer may not disclose or use confidential information for any purpose other than as contemplated under the contract.

Export Controls: The goods supplied hereunder are licensed for export to their country of destination. Any diversion by Buyer to a different country may be prohibited or require the Buyer to receive a validated export license under applicable U.S. export control regulations.

Other:

1. SELLER has right to publicize name of Buyer and photographs of parts produced for advertising purposes.
2. This contract shall be governed by the laws of the State of Michigan and, additionally, with respect to products delivered outside the United States, the United States of America. The 1980 U.N. Convention on contracts for the International Sale of Goods shall not apply.
3. This Offer, Contract and any Purchase Orders shall be construed and interpreted in accordance with the English language only. No translation, if any, of this Offer or the Contract shall have any force or effect in the interpretation of this Offer or the Contract or in the determination of the intent of Seller or Buyer.
4. This contract may not be assigned by Buyer without prior consent of Seller.
5. In the event of Seller's enforcement of any term or condition in the Contract, Buyer shall be liable to Seller for all costs, including attorneys' fees, incurred by Seller in enforcing the Contract and in collecting any sums owed by Buyer to Seller.

Waiver:

Failure to enforce any term, right or conditions in these terms and conditions shall not be construed as a waiver of any terms or rights described in this document. Further, in the event any terms herein are determined unenforceable under law, the remainder of the document remains intact.