

**COMMERCIAL
GENERAL PROVISIONS - FIXED PRICE**

1. ENTIRE AGREEMENT

Upon acceptance of partial performance of this Purchase Order, Seller agrees to the following terms and conditions and Seller further agrees that the provisions under this Purchase Order including said terms and conditions, and including all documents incorporated herein by reference shall constitute the entire agreement between the parties hereto and supersede all prior agreements relating to the subject matter hereof.

2. ACCEPTANCE

This Purchase Order may be accepted only by Seller's agreement to all the terms and conditions appearing herein or added as supplements herein. Acceptance may be made by signing the acknowledgment copy of the Purchase Order attached hereto and returning it to Buyer or by part performance hereunder, and any such acceptance shall constitute an unqualified agreement to the terms and conditions set forth herein unless otherwise modified in writing by both parties. No charge beyond the price specified in the Purchase Order will be allowed except with Buyer's written consent. No additional or different terms and conditions proposed by Seller in accepting this Purchase Order shall be binding upon Buyer unless accepted in writing by Buyer, and no other additions, alterations or modification to, and no waiver of any of the provisions herein contained shall be valid unless made in writing and executed by Buyer and Seller.

3. CHANGES

- a. Buyer may at any time, by written notice or order:
 - (1) Make changes in the shipping and packing instructions;
 - (2) Increase or decrease the quantities ordered;
 - (3) Change the drawings, designs, or specifications;
 - (4) Change the place of inspection, delivery, or acceptance;
 - (5) Change the amount of Buyer furnished property.
- b. If any change causes variation in the cost of performance or the time required for performance, an equitable adjustment shall be made in the Purchase Order price and/or delivery schedule and the Purchase Order shall be modified in writing accordingly. Any claim for adjustment under this clause must be asserted within fifteen (15) days from the date the change is ordered. Pending such adjustment, Seller will proceed in accordance with such change notice or order.
- c. Buyer's engineering and technical personnel may render assistance or give technical advice to or effect an exchange of information with Seller's personnel in a

liaison effort concerning the articles to be furnished under this Purchase Order. Such exchange of information or advice shall not authorize the Seller to change the articles hereunder or the provisions of this Purchase Order nor shall such changes in the articles or provisions of this Purchase Order be binding upon the Buyer unless incorporated as a change in accordance with paragraph a. hereof.

- d. Seller's proposal in response to Buyer directed changes shall be supported by labor hour estimates, labor rates and material prices.
- e. Pending the resolution of Seller's proposal or any claim for equitable adjustment, Seller will proceed in accordance with the direction of the Buyer.

4. INSPECTION AND ACCEPTANCE

- a. All work directed hereunder will be subject to inspection and test at the Seller's or lower tier Subcontractor's facility by Buyer. Notwithstanding prior test and inspection at Seller's facility, all articles will be subject to final acceptance at Buyer's facility or any other location designated by Buyer. Seller shall pay the cost of all Buyer's articles, parts or materials which may be damaged by any improper workmanship on the part of the Seller.
- b. The Seller shall provide and maintain an inspection system acceptable to Buyer, but approval of the system does not relieve the Seller of the obligation to make complete and adequate tests. Buyer reserves the right to inspect, test, and count at all times and places whether during or after manufacture. The Seller shall provide and shall require Subcontractors to provide all reasonable facilities for the safety and convenience of Buyer personnel (including inspection and resident representatives) in the performance of their duties. Buyer further reserves the right to reject lots of material when samples drawn are at variance with the provisions set forth herein.
- c. Rejected work may, at Buyer's option, be returned to Seller at Seller's expense for outbound and inbound shipments with risk of loss or damage upon the Seller, or be accepted with an equitable adjustment in price. Upon rejection, Seller shall immediately refund previous payments or issue a credit memorandum for rejected items. Rejected items will not be resubmitted for acceptance without a concurrent notice of the prior rejections.
- d. If, after required by Buyer, the Seller fails to promptly replace or correct any rejected articles, Buyer (1) may replace or correct such articles, and charge to the Seller

the cost incurred by Buyer thereby, or (2) may, without further notice, terminate the Purchase Order for default, in accordance with Clause 7 entitled "Default".

- e. The Buyer reserves the right to charge to the Seller any additional cost incurred by the Buyer due to inspection or test when the articles are not ready for inspection or test per notification by the Seller, or when reinspection or retest is necessitated by prior Buyer rejection of unacceptable articles.
- f. Responsibility for and risk of loss and damage to supplies to be delivered by Seller hereunder shall be upon Seller until final acceptance by Buyer, except for loss or damage arising from gross negligence of Buyer.

5. WARRANTY

Seller warrants that all items ordered hereunder will be free from defects in design, workmanship and materials including any damage due to unsatisfactory packaging by the Seller for one (1) year from the date of final acceptance by Buyer and will comply with all pertinent specifications. Buyer's release or approval of data or drawings will not relieve Seller of any warranty hereunder. Any items corrected or furnished in replacement shall also be subject to all the provisions of this Clause to the same extent as items initially furnished.

6. SUBCONTRACTS AND PURCHASED ITEMS

Seller will not subcontract without Buyer's prior written authorization for the design or procurement of the whole or any major component of any item ordered hereunder. This is not a restriction on authorized distributors.

7. DEFAULT

- a. Time is of the essence in this Purchase Order.
- b. Buyer may, by written notice of default to the Seller, terminate this Purchase Order or any part thereof if the Seller fails: (1) to deliver the articles in accordance with the delivery schedule specified herein, or any extension thereof by change order or amendment, or (2) to replace or correct defective articles in accordance with the provisions of the Clause hereof entitled "Inspection and Acceptance", or (3) to perform any of the other provisions of this Purchase Order or fails to make progress as to endanger performance of this Purchase Order in accordance with the terms and, in either of the circumstances specified in (2) or (3) does not correct such failure within a period of five (5) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure. In the event that this Purchase Order provides for the furnishing of items in more than one (1) lot, the entire Purchase Order, including all lots, may be terminated for default upon Seller's failure as described in (1), (2), or (3) above in connection with any one (1) lot or part thereof.

- c. In the event of termination pursuant to this clause, Buyer may purchase similar articles elsewhere on such terms and in such manner as Buyer may deem appropriate and the Seller shall be liable to Buyer for any excess costs and expense occasioned by Buyer thereby.
- d. If, after notice of default under the provisions of b. above, it is determined that Seller was not in default, said notice shall be deemed to have been issued pursuant to the Clause entitled "Termination for Convenience" and the rights and the obligations of the parties thereto shall be governed by that clause.
- e. Failure of Buyer to enforce any right under this Clause shall not be deemed a waiver of any other right hereunder. The rights and remedies of Buyer under this Clause shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this Purchase Order.

8. TERMINATION FOR CONVENIENCE

- a. The performance of work under this Purchase Order may be terminated by the Buyer in accordance with this Clause in whole, or from time to time in part, whenever the Buyer shall determine that such termination is in the best interest of the Buyer. Any such termination shall be effected by delivery to the Seller of a Notice of Termination specifying the extent to which the performance of work under this Purchase Order is terminated and the date upon which termination becomes effective.
- b. After receipt of a Notice of Termination, and except as otherwise directed by the Buyer, the Seller shall:
 - (1) Stop work under this Purchase Order on the date and to the extent specified in the Notice of Termination;
 - (2) Place no further orders or subcontracts for material, services, facilities, except as may be necessary for completion of such portion of the work under the Purchase Order as is not terminated;
 - (3) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;
 - (4) Assign to Buyer, in the manner, at the times, and to the extent directed by the Buyer, all of the right, title, and interest of the Seller under the orders and subcontracts so terminated, in which case Buyer shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
 - (5) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Buyer, to the extent he may require, which approval

or ratification shall be final for the purposes of this Clause;

- (6) Transfer title and deliver to Buyer, in the manner, at the times, and to the extent, if any, directed by the Buyer (A) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as part of, or required in connection with the performance of, the work terminated by the Notice of Termination, and (B) the completed or partially completed plans drawings, information, and other property which, if the Purchase Order had been completed, would have been required to be furnished to the Buyer;
 - (7) Use his best effort to sell, in the manner, at the times, to the extent, and at the price or prices directed by the Buyer, any property of the types referred to in (6) above; provided, however that the Seller (A) shall not be required to extend credit to any purchasers, and (B) may require any such property under the conditions prescribed by and at a price or prices approved by Buyer; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by Buyer to the Seller under this Purchase Order or shall otherwise be credited to the price or cost of the work covered by the Purchase Order or paid in such other manner as the Buyer may direct;
 - (8) Complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and
 - (9) Take such action as may be necessary, or the Buyer may direct, for the protection and preservation of the property related to the Purchase Order which is in the possession of the Seller and in which Buyer has or may acquire an interest. The Seller shall submit to the Buyer a list, certified as to the quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Buyer, and may request buyer to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, Buyer will accept title to such items and remove them or enter into a storage agreement covering the same: provided, that the list submitted shall be subject to verification by the Buyer upon removal of the items, or if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustments to correct the list as submitted shall be made prior to final settlement.
- c. After receipt of a Notice of Termination, the Seller shall submit to the Buyer his termination claim, in the form and certification prescribed by the Buyer. Such claim

shall be submitted promptly but in no event not later than one (1) month from the effective date of the termination.

- d. Subject to the provisions of Paragraph c., the Seller and the Buyer may agree upon the whole or any part of the amounts to be paid to the Seller by reason of the total of partial termination of work pursuant to this claim, which amount or amounts may include a reasonable allowance for profit on work done but not including any anticipated profits; provided that such amount or amounts, exclusive of settlement costs, shall not exceed the total contract price as reduced by the amount of payments otherwise made and as further reduced by the Purchase Order price of work not terminated. The Purchase Order shall be amended accordingly, and the Seller shall be paid the agreed amount.
- e. In no event shall Buyer be liable for any special, indirect or consequential damages or costs of any kind and no matter how they are caused. Nor is Buyer liable for any damages of liabilities in excess of the price of any single component which is the subject of any claim or the amount of this agreement, whichever is less.

9. CONFIDENTIAL RELATIONSHIP

All specifications, drawings, blueprints, samples, models, and other information supplied by Buyer are Confidential. Material made in accordance with Buyer's specifications and drawings shall not be furnished or quoted to any person or entity without Buyer's prior written consent. All spoiled or defective materials or products which contain any confidential information, trade secret or patented device shall be subject to disposition by Buyer and returned to Buyer upon demand.

10. ADVERTISING AND/OR NEWS RELEASE

Seller shall not, without the prior written consent of the Buyer, use in advertisements and/or any other media, information relation to the requirements set forth in this Purchase Order. Seller shall formally transmit to the Buyer a request for such release including the exact wording and any sketches or photographs which may form a part of the release.

11. INDEMNITY FOR INFRINGEMENT

The Seller shall, at its own expense, hold harmless and defend Buyer, its customers and all persons claiming under Buyer, against any and all claims or suits for the infringement of any trade secret, patent, copyright or trademark, and shall indemnify and hold harmless the aforesaid parties against all damages, costs, and expense including attorney's fees related to or arising therefrom by reason of the manufacture, sale combination or the normal and intended use of the articles covered by this Purchase Order. Seller shall be given adequate notice of such claim or

suits and will assume full and complete control in the defense thereof.

12. SHIPMENTS AND ADVANCE COMMITMENTS

Each container and accompanying packing list must show this Purchase Order number. No charge shall be made for packaging, delivery or similar costs, unless expressly authorized by this Purchase Order. All items shall be suitably prepared for shipment to secure the lowest transportation and insurance rates and to 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 risk and expense; if retained, time for payment and discount shall be based on scheduled delivery dates. Seller shall place all orders for and schedule deliveries of materials and parts necessary for the performance under this Purchase 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 the Purchase Order, Buyer shall not be liable for any charges or costs arising out of commitments by Seller for the acquisition of said materials and parts, or any other work performed hereunder in advance of the time necessary to meet the delivery schedule hereunder, unless Buyer has given its prior written consent to such advance commitments of work or the ordering of material.

13. PAYMENT

Invoices shall be submitted in duplicate and shall contain the following information: Purchase Order number, item furnished, description of articles or services, sizes, quantities, unit price and extended totals. Invoices submitted hereunder will be paid within thirty (30) days after receipt of invoices and final acceptance of delivered items by Buyer. Any adjustment in Seller's invoices due to shortages, late delivery, rejections or other failure to comply with the requirements of this order may be made by Buyer before payment, cash discounts will be taken from date of invoice receipt. Payment does not constitute final acceptance.

14. BUYER'S PROPERTY

All technical information or data, designs, sketches, drawings, blueprints, patterns, dies, models, molds, tools, jigs, fixtures, plates, cuts, special appliances and materials furnished by or paid for by Buyer in connection with this Purchase Order shall be and remains the property of the Buyer, Buyer shall have the right to enter Seller's premises and remove them at any time, without being guilty of trespass or liable for damages or expense of any kind. All such items shall be used only in performance of work under this Purchase Order, unless Buyer consents otherwise, in writing. Seller shall prominently mark all such items as property of Buyer. Seller shall also mark such items with corresponding drawing number. Seller shall similarly list all such items on invoices, and they shall be at Seller's risk and shall be replaced by Seller if lost, damaged or destroyed. They shall be maintained in good condition, at Seller's expense, and kept insured by Seller, with loss payable to Buyer. Seller shall, without limitation as to time, indemnify and save Buyer harmless from all claims which

may be against said property, including without limitation, mechanic's lien or claims arising under Workmen's Compensation or occupational injury laws, and from all claims from injury to persons or property arising out of or related to such items or their performance under this Purchase Order. All information disclosed to Seller by Buyer shall be deemed proprietary and will be protected by Seller in the same manner Seller protects its own proprietary information.

15. DATA - WITHHOLDING OF PAYMENT

If technical data (as defined elsewhere in this Purchase Order) or any part thereof, is not delivered within the time specified in this Purchase Order or is deficient upon delivery (including having restrictive markings not specifically authorized by the Purchase Order, Buyer may, until such data is delivered or deficiencies are corrected, withhold payment to the Seller of twenty percent (20%) of the Purchase Order price, unless a lesser amount is set forth in the schedule.

16. ASSIGNMENT

Seller shall not assign any performance, rights or claims under this Purchase Order without first obtaining the prior written consent of Buyer and any such attempted assignment shall be void. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for any set off or claims which Buyer may have against Seller arising out of this or any other of Buyer's Purchase Order with Seller, whether such set off or counterclaim arose before or after any such assignment by Seller.

17. STOP WORK ORDER

- a. Buyer may, at any time, by written order to the Seller, require the Seller to stop all, or any part of the work called for by this Purchase Order for a period of ninety (90) days after the Stop Work Order is delivered to the Seller and for any further period to which the parties may agree. Any such order shall be specifically indemnified as a Stop Work Order issued pursuant to this Clause. Upon receipt of such an order, the Seller shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allowable to the work covered by the order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, Buyer, shall have either:
 - (1) Cancel the Purchase Order, or;
 - (2) Terminate the work covered by such order as provided in the Termination for Convenience Clause of this Purchase Order.
- b. If a Stop Work issued under this clause is cancelled or the period of the order or any extension thereof expires, the Seller shall resume work. An equitable adjustment shall be made in the delivery schedule, the Purchase

Order price, or both and the Purchase Order shall be amended in writing accordingly, if

- (1) The Stop Work Order results in an increase in the time required for, or in the Seller's cost properly allocable to the performance of any part of this Purchase Order, and
 - (2) The Seller asserts a claim for such adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if Buyer decides the facts justify such action, it may receive and act upon such claim asserted at any time prior to final payment under this Purchase Order.
- c. If a Stop Work Order is not cancelled and the work covered by such order is terminated for the convenience of Buyer, the reasonable costs resulting from the Stop Work Order shall be allowed in arriving at the termination settlement.
- d. In no event will the Buyer be liable for any special, indirect or consequential costs or damages of any and no matter how they are caused.

18. RHODE ISLAND LAW TO GOVERN

This Purchase Order shall be governed by, subject to and construed according to the laws of the State of Rhode Island. Any dispute arising from or in connection with this agreement shall only be brought in a court having its jurisdiction in the State of Rhode Island.

19. CONFLICTS

To the extent of conflicts, if any, among the provisions of the printed conditions herein and the typed provisions in the Purchase Order, or any other provision attached hereto, or any specification attached hereto, such conflicting provisions shall prevail in the following order of precedence:

- a. Typed provisions in the Textron Marine & Land Systems Purchase Order
- b. These General Provisions
- c. Specifications, drawings, statements of work or other attachments and documents.

20. BANKRUPTCY

Buyer may, without liability whatsoever, except for articles delivered and accepted, terminate the Purchase Order immediately by notice in writing, in the event the Seller:

- a. Makes an assignment for the benefit of creditors, or
- b. Admits inability to pay debts as they mature, or
- c. Has appointed, by any court, a trustee or receiver of all or a part of Seller's assets, or
- d. Has a proceeding instituted under any provision of the Federal Bankruptcy Act or by or against Seller and is

acquiesced in or is not dismissed within thirty (30) days or results in an adjudication in Bankruptcy.

21. EFFECT OF INVALIDITY

The invalidity in whole or in part of any provision of this Purchase Order shall not affect the validity of any other provision.

22. REMEDIES AND NONWAIVER

Except as otherwise expressly provided, the remedies herein provided shall be cumulative and additional to any other remedies in law or equity. No waiver of a breach of any provision of the Purchase Order shall constitute a waiver of any other breach, or of such provision.

23. COMPLIANCE WITH LAW

Seller agrees in the performance of this Purchase Order to comply with all applicable Federal, State, and local laws, regulations, rules and orders, including but not by way of limitation, the provisions of the Fair Labor Standards Act of 1936, as amended, and any other Executive Orders. Seller does indemnify and hold harmless Buyer from any claim, damages or expense including attorney's fees relating to or arising from Seller's failure to comply with this clause.

24. RETURN OF DEFECTIVE MATERIAL

Should it become necessary for Buyer to return any rejected material hereunder, Buyer will return it collect, uninsured except as provided below, F.O.B. shipping point, at Sellers' expense. Buyer will promptly notify the Seller upon rejection of defective material. Should the Seller desire to provide shipping instructions contrary to the above, it shall notify Buyer promptly and in any event, prior to date of shipment.

25. MONITORING OF THE WORK

In addition to provisions contained in Clause 4 - INSPECTION AND ACCEPTANCE, through the period of performance of the work, including work performed at Seller's lower-tier subcontractors and suppliers, Buyer may, at its option assign a representative(s) to be in residence at the Seller's facility to perform such monitoring, and the Seller shall provide adequate office space, support items and secretarial service to the Buyer's representative(s). Nothing in this clause shall give cause for a variation in the agreed to price and delivery as contracted in the Purchase Order.

26. COPYRIGHTS

Buyer shall have the right at no additional charges to use, transfer, and/or reproduce the Seller's applicable literature such as operating and maintenance manuals, technical publications, prints, drawings, training manuals and other similar supporting documentation and sales literature. Seller agrees to advise Buyer of any updated information relative to the foregoing literature and documentation with timely notification in writing.

Seller agrees to indemnify and hold harmless Buyer from all damages injuries, liabilities or expenses, including Attorneys' fees arising out of or in conjunction with its performance under this Purchase Order, the furnishing of any products, or its presence on Buyer's premises pursuant to this order. Seller shall carry adequate insurance to address this matter.

27. EQUAL EMPLOYMENT OPPORTUNITY

Seller agrees to comply with all provisions of Executive Order 11246 of September 24, 1965; and all rules, regulations and relevant orders of the Secretary of Labor relating to equality of employment opportunity. Seller further agrees, upon request of Buyer, to promptly execute all certifications required under said Executive Order and implement rules and regulations.

28. SUPPLEMENTAL TERMS

In addition to the General Provisions set forth above, certain additional clauses may be applicable to this Purchase Order. These additional clauses may be included either by reference thereto in the Purchase Order, or by attachment, or both.