

**BUELL MOTORCYCLE CO.
PURCHASE ORDER
STANDARD TERMS AND
CONDITIONS**

1. APPLICABILITY - These Standard Terms and Conditions of Purchase (“Standard Terms”) are part of each Purchase Order issued by EBR Motorcycles, LLC, d/b/a Buell Motorcycle Co., a Delaware limited liability company (“Buyer”). In these Standard Terms, “goods” and “services” refer to the goods or services described on the face of this Purchase Order to be purchased by Buyer from the seller named on the face of this order (“Seller”), and unless the context indicates otherwise, “contract” refers to the contract formed pursuant to this Purchase Order.

2. CONTRACT — This Purchase Order is an offer to buy by Buyer, and Buyer rejects any prior offers to sell made by Seller. If this Purchase Order nevertheless is in legal effect an acceptance of a prior offer by Seller, then Buyer’s acceptance is conditional upon Seller’s assent to all terms of this Purchase Order that are additional to or different from the terms of Seller’s offer. By signing and returning a copy of this Purchase Order, by shipping the goods or performing the services, or by any other conduct that recognizes the existence of a contract, Seller accepts and agrees and assents to all of the terms contained in this Purchase Order. Any acceptance by Seller is limited to acceptance of these express terms. Any reference in the Purchase Order to any proposal made by Seller is solely to incorporate the description or specifications for the goods or materials in the proposal, but only to the extent that the description or specifications do not conflict with the description or specifications in the Purchase Order. Additional or different terms in Seller’s proposal or any attempt by Seller to vary any of the Purchase Order terms shall be deemed material and are objected to and rejected by Buyer.

In the case of blanket Purchase Orders, the original Purchase Order is issued with an estimated total quantity for the time period covered by the Purchase Order. The actual quantity of goods or services and delivery requirements will be contained in the written forecasts issued regularly by Buyer to Seller. Each forecast will be considered an amendment to the applicable Purchase Order(s). These forecasts will list the quantity of goods or services Buyer is obligated to purchase, and Seller is obligated to deliver, during the next thirty days and a revised projection of future purchase and delivery requirements, subject to adjustment by Buyer as illustrated below:

<u>PERIOD</u>	<u>PERMISSIBLE BUYER QUANTITY ADJUSTMENT (+/-)</u>
1-30 days	0%
31-60 days	10%
61-90 days	30%
Beyond 90 days	100%

Seller will ship goods to Buyer or perform services under a blanket Purchase Order only after Seller receives a Release. Releases may be written or may be in any other form agreed to in writing by Buyer and Seller. Releases will include: (1) Buyer’s Purchase Order number; (2) an adequate description or indication of the goods or services being ordered (for example a Buyer part number); and (3) the quantity and, if the Purchase Order is not specific, the time and place of delivery.

3. DELIVERY — The time of delivery stated in this Purchase Order is of the essence. The date specified for delivery is the required delivery date at Buyer’s plant, unless otherwise specifically noted in this Purchase Order. Buyer reserves the right to refuse any goods or services in accordance with the terms specified herein. If Seller’s deliveries will not meet agreed schedules, Buyer may require Seller to ship via a more rapid route or carrier in order to expedite such delivery and any difference in cost caused by such change shall be paid by Seller. Such right shall be in addition to any other rights and remedies of Buyer. Acceptance of any part of the Purchase Order shall not bind Buyer to accept future shipments or performance of services nor deprive it of the right to return goods already accepted and shall not be deemed to be a waiver of Buyer’s right to cancel or return all or any part of the goods because of failure to conform to this Purchase Order or by reason of defects or other breach of warranty or to make any claim for damages, including manufacturing cost or loss of profits, injury to reputation, or other special consequential and incidental damages occasioned by Buyer. Such rights shall be in addition to any other remedies provided hereunder or provided by law or otherwise. Delivery shall not be deemed to be complete until goods have been actually received and accepted by Buyer notwithstanding delivery to any carrier or until any services have been performed, received, and accepted. Unless the parties agree to other terms, all packing, crating, and shipping charges and costs (including insurance, duties, transfer taxes, and inspection fees) from Seller’s dock to the place or places of delivery are included in the purchase price for goods and services covered by this Purchase Order. At Buyer’s request, Seller will itemize all of these costs on its invoice. Unless the parties agree to other terms, all goods will be delivered to Buyer “FCA” (as that term is defined in Incoterms 2000) the place or places of delivery specified by Buyer. Risk of loss will transfer to Buyer according to the “FCA” delivery term. Seller will provide Buyer with appropriate shipment tracking information within 72 hours of the common or contract carrier’s departure from the place of delivery.

4. PACKING AND SHIPPING — The goods purchased hereunder must be suitably packed and prepared for shipment to secure the lowest transportation rates or appropriately packed to comply with any specific transportation specifications of Buyer and in all cases to comply with carrier’s regulations. All charges for packing, crating, and transportation are included in the price for the goods set forth herein and will be paid by Seller except as otherwise specifically stated in this Purchase Order. At Buyer’s request, Seller will itemize all of these costs on its invoice. A Packing List shall accompany each box or package shipment showing the Purchase Order number specified hereon as well as the item number (including the current revision number), a description of the goods and the quantity of goods in the box or other package. In the event that no such Packing List accompanies any shipment, the count, weight, or other measure of Buyer shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of the ordered quantity, and excess or advance shipments may be returned to Seller at Seller’s expense.

5. PAYMENT AND ACCEPTANCE — The original and one copy of a Bill of Lading or comparable shipping document must accompany Seller's invoices. Unless otherwise expressly provided in this Purchase Order, Seller's invoices shall be paid within thirty (30) days of Buyer's receipt of the applicable goods or the performance of the applicable services. Payment of such invoices shall be subject to a pro rata adjustment by Buyer for any shortage in the goods shipped or defective goods rejected by Buyer or for any failure to perform services or defective performance thereof. Any discount period shall be calculated from the date of receipt by Buyer of an appropriate invoice. Payment for any goods will not constitute its acceptance by Buyer. Goods will be considered accepted by Buyer on the first of the following to occur: (1) the Buyer's product into which the goods are incorporated passes final inspection by Buyer; (2) the goods are resold by Buyer; or (3) the goods that are not incorporated into a product of Buyer or resold by Buyer are otherwise used by Buyer for its intended purpose.

6. WARRANTIES — Seller represents, certifies, and warrants (1) that the price charged for the goods and or services purchased pursuant hereto shall be no higher than Seller's current price to other customers for the same quality and quantity of such goods or services; (2) that all goods delivered pursuant hereto will be new, unless otherwise specified, and free from defects in material and workmanship and that all goods will conform to applicable samples, specification, drawings, and standards of quality and performance, and that all goods will be free from defects in design and suitable for their intended purposes; (3) that the goods covered by this Purchase Order are fit and safe for consumer use if so intended and comply with all applicable Federal Motor Vehicle Safety Standards; (4) that all services performed pursuant hereto will be performed in a timely, defect-free, and workmanlike manner and will be performed in accordance with the specifications and instructions of Buyer, provided nevertheless that Seller shall retain discretion and control with respect to the manner and means of performing such services and shall at all times remain an independent contractor. All the representations, certifications, and warranties of Seller, together with Seller's service warranties and guarantees, if any, shall run to Buyer, Buyer's affiliates, and Buyer's customers. Seller agrees to indemnify, defend, and hold Buyer, its affiliates, and its customers harmless from all claims, liability, loss, damage, and expense, including, but not limited, to recall expenses, expenses incurred by Buyer pursuant to repairs required under Buyer's retail warranty, reasonable attorney's fees, and other special, consequential, and incidental damages incurred or sustained by Buyer, its affiliates, or its customers by reason of any breach of any warranty, guaranty, certification, or representation with respect to goods and services that are covered by this Purchase Order.

All goods and services covered by this Purchase Order shall be subject to inspection and testing by Buyer and its agents at all times and places whether during or after manufacture as to goods or performance as to services and notwithstanding the terms of delivery or payment or as to goods that title has not yet passed to Buyer. In the event that goods supplied pursuant hereto or services performed hereunder contain defects in material or workmanship or as to services are not performed in accordance with the specifications and instructions of Buyer, Buyer may require prompt correction thereof. If Seller becomes aware of a potential defect in material or workmanship in goods supplied pursuant hereto or that services supplied hereunder were not performed in accordance with the specifications and instructions of Buyer, Seller shall promptly deliver written notice of the potential defect or improper performance to Buyer and will provide Buyer with all information and analysis related to the potential defect or improper performance that Buyer reasonably requests. As to goods, Buyer at its option may make the goods available for return and receive a refund or require that the goods be repaired or replaced. As to services, Buyer at its option may require that the services be rendered again at Seller's expense. If such defects persist or if Seller is unable or refuses to repair or replace the goods or render the service again promptly, Buyer may be contract or otherwise repair or replace such goods or obtain such services and charge Seller or deduct from amounts owed by Buyer to Seller the costs, expenses, and losses (including incidental and consequential damages) incurred thereby. After notification to Seller that goods are defective, all risk of loss with respect to such goods shall be borne by Seller and Seller shall pay all packing and shipping charges in connection with defective goods returned by the Buyer. Buyer's approval of any design(s) furnished by Seller shall not relieve Seller of its obligations herein. The goods and services covered by this Purchase Order are intended for the manufacture and sale of the established products of Buyer and its affiliates and in which Buyer and its affiliates have built a substantial and valuable reputation for quality and efficiency and any defect in the goods and services hereunder may occasion special damages to Buyer and its affiliates. All rights and remedies of the Buyer and its affiliates hereunder shall be in addition to any other remedies provided by law.

7. PRODUCT RECALL — If a defect in a good or service provided under this Purchase Order requires Buyer to conduct a voluntary or mandatory recall of any of its products in order to comply with any law or regulation of a domestic or foreign government (a "Compliance Recall"), Buyer and Seller shall have the rights provided in this section. Buyer shall determine in its sole discretion whether to conduct a Compliance Recall and the scope of any such recall pursuant to this section. If Buyer conducts a Compliance Recall, Buyer and Seller will negotiate a fair and mutually acceptable allocation of all out-of-pocket expenses related to the Compliance Recall campaign. If the parties are unable to agree on allocation of such expenses, Buyer and Seller will have the same rights and obligations with respect to the Compliance Recall as are laid out in the WARRANTIES section of these terms and conditions. If either party believes that the allocation of expenses of the Compliance Recall campaign pursuant to the WARRANTIES section of these terms and conditions is unfair under the circumstances of a particular Compliance Recall, the dispute shall be resolved pursuant to the DISPUTE RESOLUTION section of these terms and conditions with the following modification: if a dispute under this section is submitted to mandatory arbitration pursuant to the DISPUTE RESOLUTION section of these terms and conditions, the costs related to the Compliance Recall campaign shall be split according to the terms of the WARRANTIES section of these terms and conditions unless there is clear evidence that one party is primarily responsible for causing the circumstances that necessitated the Compliance Recall, in which case the costs related to the Compliance Recall campaign shall be split to fairly reflect the relative responsibility of the parties. This section does not affect the rights of Buyer or Seller if Buyer conducts a recall that is not a Compliance Recall.

8. PRODUCTS LIABILITY — Buyer and Seller hereby agree that it is in both parties' best interest to attempt to avoid making claims against each other when Buyer or Seller is sued or threatened to be sued on the grounds that one or more of the goods or services covered by this Purchase Order or any product of Buyer's into which such goods or services are incorporated allegedly caused personal injury, death, and/or property damage (a "Products Liability Action"). Neither Buyer nor Seller will file cross-claims or third-party complaints against the other party in litigation involving a Products Liability Action without delivering written notice to the other party in advance and thoroughly exploring alternatives to the filing. Buyer and Seller will make good faith efforts to cooperate with each other in defending against adverse claimants' allegations in Products Liability Actions. Without preventing either party from complying with all discovery requests and other legal obligations, if either Buyer or Seller has concerns about whether the other party is adequately handling the defense of a Products Liability Action, the parties will promptly meet and make every reasonable effort to resolve the concerns in a fashion reasonably satisfactory to Buyer and Seller. Any information that either

party wishes to remain subject to the attorney-client privilege or work-product privilege will be exchanged with the other party only under a written joint-defense agreement. In cases where settlement of a Products Liability Action covered by this section is or may be warranted, if a Buyer or Seller intends to settle a Products Liability Action and intends to seek contribution from the other party, the settling party, if reasonably possible under the circumstances, will not enter into the settlement of the Products Liability Action without first delivering written notice of the material terms of the proposed settlement to the other party. The terms of all settlements of Products Liability Actions shall be confidential and shall not be disclosed by Buyer or Seller without the written consent of the other party, unless disclosure is required by law.

9. CHANGES — Buyer may at any time by written or facsimile notice make changes within the general scope of this Purchase Order in any one or more of the following:

- (i) Drawing designs or specifications;
- (ii) Methods of shipment or packing;
- (iii) Quantities;
- (iv) Delivery schedules;
- (v) Place of delivery; and
- (vi) Instruction with respect to the rendition of services.

If any such change increases or decreases the cost of or the time required for the performance of the Purchase Order an equitable adjustment in the price and/or delivery schedule will be made and set forth in a written modification to the Purchase Order. Any claim for adjustment by Seller under this clause must be made within thirty (30) days from the date of receipt of the written notification of the change.

10. TAXES — Federal, state, or local taxes which are properly billable to Buyer shall be stated separately in Seller's invoices. All tax exemption certificates will be accepted by Seller.

11. BAILMENT — In the case of any tools, dies, jigs, fixtures, patterns, equipment, components, parts, raw materials, or other property of Buyer which may be in the possession of Seller in connection with this Purchase Order, Seller agrees that its responsibility shall be that of a bailee and that Seller shall indemnify and hold harmless Buyer from any loss or damage thereto which is caused by or as a result of any negligent act or omission on the part of Seller or its agents, employees, or others until such time as such property is delivered into the possession of Buyer. With respect to such property Seller shall:

- (i) Make and affix such markings thereon as Buyer may direct;
- (ii) Make no change, modification, or alteration thereto nor remove the same from Seller's plant without Buyer's written consent;
- (iii) Make no use thereof except in the production of material ordered by Buyer;
- (iv) Store the same without charge to Buyer in separate racks or separate sections of Seller's plant in either case clearly marked "Property of Buell Motorcycle Co.;"
- (v) Protect and care for the same in the same manner as Seller protects and cares for its own valuable property or in such other manner as reasonably specified by Buyer;
- (vi) Maintain the same in good condition excepting only ordinary wear and tear;
- (vii) Make such property available for inspection, and, subject to Buyer's obligations under this Purchase Order, removal, by Buyer at such times as Buyer designates; and
- (viii) Deliver such property to Buyer immediately upon Buyer's request.

Nothing in this Purchase Order shall constitute a "consignment" or "security agreement," or create a "security interest," within the meaning of the Uniform Commercial Code. Seller will maintain replacement cost property and casualty insurance covering all such property in Seller's possession and, upon request, will name Buyer as an additional insured and provide Buyer with a certificate of insurance. Seller will not assert against any of such property any statutory possessory liens, all of which Seller waives. Seller will not offset any amounts due from Buyer against such property. In no event may Seller sell such property or deliver possession of the same other than to Buyer or to another person or entity specifically designated by Buyer in writing. If Seller acquires tools or manufactures them in connection with this Purchase Order and charges Buyer for the use thereof or charges Buyer a tool-service charge in connection therewith Buyer may at its option upon completion or termination of this Purchase Order elect to take title to such tools, and upon receiving notice of such election Seller will deliver such tools to Buyer upon payment by Buyer to Seller of that portion of the cost of such tools which was unrecovered by Seller.

12. RESPONSIBILITY FOR PROPERTY — Any property of Buyer which in connection with this Purchase Order is in the possession or control of Seller or Seller's subcontractors, vendors, or agents shall be returned to Buyer in the condition in which it was received by Seller, except for ordinary wear and tear and except to the extent that such property has been incorporated into goods delivered hereunder or has been consumed in the production of such goods. Risk of loss with respect to all such property shall be borne by Seller.

INSURANCE — Seller shall maintain the following workers' compensation and employers' liability insurance covering its employees while on Buyer's premises: (a) statutory minimum requirements in the applicable state(s); and (b) coverage "B" employers' liability insurance with the following minimum limits: (i) bodily injury by accident with a minimum limit of \$100,000 for each accident, (ii) bodily injury by disease with a minimum limit of \$100,000 for each accident and a policy limit of at least \$500,000. Seller shall further maintain one or more general commercial and products liability insurance policies of the following types with the following minimum limits (a) bodily injury and/or property damage coverage with minimum limit of \$1,000,000 for each occurrence and a policy limit of at least \$2,000,000, and (b) a products/completed operations coverage aggregate of at least \$2,000,000. Seller shall further maintain umbrella liability insurance with minimum limits of \$5,000,000 per occurrence, \$5,000,000 aggregate, in excess of the underlying coverages covered above, but if Buyer reasonably determines that the goods or services covered by this Purchase Order requires a higher umbrella limit, it may require Seller to maintain umbrella liability insurance with minimum limits of up to \$10,000,000 per occurrence, \$10,000,000 aggregate, in excess of the underlying coverages

required above. Seller shall provide Buyer with certificates of insurance for the insurance required under this Purchase Order on an annual basis and at any other time that Buyer requests. Satisfactory evidence of such insurance shall be submitted to Buyer within a reasonable period of time after such request by Buyer. Seller shall furnish certificates of insurance prior to start of work on Buyer's or its customer's premises and indemnify Buyer against all loss, damage, or liability arising hereunder and work will be performed only in accordance with safety rules and procedures while on the premises.

13. BUYER'S LIMITATION ON LIABILITY — BUYER WILL NOT BE LIABLE TO SELLER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OTHER THAN SUCH DAMAGES RESULTING FROM BUYER'S WILLFUL MISCONDUCT. SELLER HEREBY SHALL NOT MAKE AND HEREBY WAIVES ANY CLAIMS FOR ANY REASON FOR DAMAGES, SUBROGATION, INDEMNIFICATION, OR ANY OTHER REASON AGAINST BUYER'S DIRECTORS, OFFICERS, AND/OR EMPLOYEES.

14. BUYER'S RIGHT TO INSPECT — Upon reasonable advance request, Seller will provide Buyer with reasonable access to Seller's plant to permit Buyer to inspect Seller's production of the goods and services covered by this Purchase Order.

15. ASSIGNMENTS — This Purchase Order may not be assigned by Seller in whole or in part without the prior written consent of Buyer, which shall be granted or withheld in Buyer's sole discretion. In the case of any such assignment, unless Buyer expressly agrees in writing to the contrary, Seller will remain liable for all of its obligations under this Purchase Order.

16. USE OF DESIGNS, DATA, ETC — Seller agrees that it will keep confidential the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, or other technical or proprietary information furnished by Buyer and use such items only in the production of goods or furnishing of services under this Purchase Order or other Purchase Orders from Buyer and not otherwise, unless Buyer's written consent is first obtained. Seller shall return all such items to Buyer or make such other disposition thereof as may be directed or approved by Buyer and its affiliate.

17. PATENTS AND DATA — Seller shall indemnify and hold harmless Buyer, Buyer's customers, and users of Buyer's products against liability or suit of any nature including costs and expenses for infringement of any patent or other intellectual property right arising from the manufacture, use, or sale of any goods or any part thereof called for in this Purchase Order, including, but not limited to, articles recommended by Seller which are manufactured by others, except to the extent that such liability or suit shall have arisen because of Seller's manufacture of articles of original design of Buyer. Buyer shall own the rights to any invention, improvement, or discovery (whether or not patentable) that Buyer funded in whole or in part through separately identified payments to Seller for the design or development of any product, any equipment, any component, or any manufacturing process. To the extent that Buyer does not own the rights to such invention, improvement, or discovery pursuant to the preceding sentence, if any experimental, developmental, or research work is called for or required hereunder, Seller agrees to and hereby does grant to Buyer an irrevocable non-exclusive fully transferable royalty-free license to make, have made, use, and sell any invention, improvement, or discovery (whether or not patentable) that Seller conceives of or first actually reduces to practice in the performance of this Purchase Order. Seller agrees to and hereby does grant to Buyer an irrevocable non-exclusive fully transferable royalty-free license to make, have made, use, and sell any such invention, improvement, or discovery (whether or not patentable). Seller agrees to and hereby does grant to Buyer (i) an irrevocable non-exclusive fully transferable royalty-free license to reproduce, translate, publish, use, and dispose of, and to authorize others to reproduce, translate, publish, use, and dispose of, any copyrighted or copyrightable material created under, or related to the subject matter of, this Purchase Order and (ii) the right to reproduce, use, and disclose for any purpose all or any part of the reports, drawings, blueprints, data, and technical information delivered or specified to be delivered by Seller to Buyer under, or related to the subject matter of, this Purchase Order.

18. NOTICE OF LABOR DISPUTE — Whenever any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately (but in no event later than 24 hours after becoming aware of such actual or potential dispute) give notice thereof, including all relevant information with respect thereto, to Buyer.

19. COMPLIANCE WITH LAWS — The Seller warrants that the goods covered by this Purchase Order have been produced in accordance with the requirements of the Fair Labor Standards Act (29 U.S.C. §§ 201-219) and all other applicable national, state, and municipal laws and regulations. If any of the goods covered by this Purchase Order are subject to the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, or the Flammable Fabrics Act, Seller's invoice shall bear the separate guaranties providing for under such acts or shall contain appropriate notice that a continuing guaranty has been filed with the Federal Trade Commission in accordance therewith. Seller agrees to comply with the applicable provisions of Executive Order 11246 of September 24, 1965, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veteran's Readjustment Assistance Act of 1974, 38 U.S.C. § 2012, and all rules and regulations promulgated pursuant thereto by the Secretary of Labor.

20. TERMINATION — Buyer may by written notice to Seller terminate the whole or any part of this Purchase Order if:

- (i) Seller fails to perform any provisions of this Purchase Order or so fails to make progress as to endanger performance of this Purchase Order in accordance with its terms; or
- (ii) Seller becomes insolvent or the subject of proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due.

If this Purchase Order is so terminated, Buyer may procure or otherwise obtain upon such terms and in such manner as Buyer may deem appropriate goods or services similar to those terminated. Seller, subject to the exception set forth below, shall be liable to Buyer for any excess costs of such similar goods or services. Seller shall transfer title and deliver to Buyer in the manner and to the extent requested in writing by Buyer at or after termination such complete articles partially completed articles and materials, parts, tools, dies, patterns, jigs, fixtures, plans, drawings, information, and contract rights as Seller has produced or acquired for the performance of the terminated part of this Purchase Order and Buyer will pay Seller the contract price for completed articles delivered to and accepted by Buyer and the fair market value of the other property of Seller so requested and delivered. Seller shall

continue performance of this Purchase Order to the extent not terminated. Buyer shall have no obligation to Seller in respect of the terminated part of this Purchase Order except as herein provided. Buyer's rights as set forth herein shall be in addition to Buyer's other rights and remedies in case of Seller's default whether set forth in this Purchase Order or not.

22. TRANSITION OF SUPPLY - Upon the expiration or earlier termination of any Purchase Order for whatever reason, Seller agrees to take such action as may reasonably be required by Buyer to accomplish the transition from Seller to an alternative seller, including, without limitation, the actions set forth below. The term "alternative seller" expressly includes, but is not limited to, a Buyer-owned facility.

- i. Seller shall provide all notices necessary or desirable for Buyer to resource the order to an alternative seller;
- ii. Seller shall provide a sufficient bank of goods covered by the order to ensure that the transition to any alternative seller chosen by Buyer will proceed with an uninterrupted supply of goods. Unless otherwise specified by Buyer on the face of an order amendment or in a signed writing by Buyer's designated representatives, a six-week goods inventory bank will be deemed sufficient to accomplish the transition. Such "six-week goods bank" will be calculated using the Releases of Buyer from the six weeks immediately preceding the termination/expiration of this order, not including any temporary interruptions, plant or industry shutdowns, or other reduced schedules;
- iii. Seller shall provide to Buyer all property furnished by or belonging to Buyer in as good of condition as when received, purchased, or fabricated by or for Seller;
- iv. Seller shall, at Buyer's option: (1) assign to Buyer any or all supply contracts or orders for raw materials or components relating to the Purchase Order; (2) sell to Buyer, at Seller's cost, any or all inventory or work-in-process relating to the Purchase Order; and (3) sell to Buyer, at the unamortized portion of the cost of such items, less any amounts Buyer previously paid to Seller for the cost of such items, any or all property owned by Seller related to production under the Purchase Order.

23. DEFAULT BEYOND CONTROL — Seller shall not be liable for damages or for default due to causes beyond Seller's control and without Seller's fault or negligence, provided (1) Seller exercises due diligence in promptly notifying Buyer of conditions that will result in delay, (2) Seller promptly and continuously uses its best efforts to deliver all late goods or services as quickly as possible, and (3) if Seller's delay is caused by the default of a sub-contractor or supplier, such default arises out of causes beyond the control of both Seller and sub-contractor or supplier and without the fault or negligence of either of them and the supplies or services to be furnished by the subcontractor or supplier were not obtainable from other sources. As used in this provision, the term "best efforts" means the highest level of effort (use of personnel, equipment, and other internal and external resources) that a party would reasonably be expected to devote to its highest priority customer or supplier, as the case may be, in a similar situation. Depending on the circumstances, best efforts may require that Seller (1) move some or all production of goods covered by this Purchase Order to another of Seller's facilities or to a third-party facility, (2) cooperate with Buyer to establish a substitute supplier to temporarily provide the goods or services covered by this Purchase Order, and/or (3) air freight the goods covered by this Purchase Order to the destination(s) designated by Buyer.

24. DISPUTE RESOLUTION — If any dispute arising out of or related to this Purchase Order shall arise, Buyer and Seller shall settle such dispute according to the terms of this section. Promptly after such a dispute arises, representatives of Buyer and Seller who have authority to resolve the dispute shall meet face to face at a mutually agreeable location and attempt in good faith to resolve the dispute. If these representatives are unable to resolve the dispute, at the request of either party, the dispute shall be submitted to mediation within 30 days after the face-to-face meeting.

The mediation will be conducted within 30 days of submission to a mediator mutually chosen by the parties. If the parties cannot mutually agree upon a mediator, then each party shall select a mediator, and those two mediators shall then select a third (3rd) mediator, unaffiliated with either of the mediators chosen by the parties, and the mediation shall be conducted by such third (3rd) mediator. Each party will be represented at the mediation with at least one representative with authority to settle the dispute. Buyer and Seller shall each bear its own costs and expenses incurred in connection with the mediation proceeding and will each pay one-half of the costs and expenses of the mediation. Any and all disputes of whatever nature arising between the parties that are not resolved between the parties or by mediation shall be promptly submitted to binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). An arbitrator mutually agreed upon by the parties shall preside over the arbitration, and if the parties cannot agree to an arbitrator, one AAA-Certified arbitrator shall be assigned to the arbitration according to the rules of the AAA. The arbitration shall take place in Grand Rapids, Michigan and shall be conducted in the English language.

25. RELEASE OF INFORMATION — Seller agrees that prior to the issuance of any publicity or publication of any advertising which in either case makes reference to this Purchase Order or to Buyer, Seller will obtain the written permission of Buyer with respect thereto (which permission may be withheld by Buyer in its sole discretion).

26. NON-WAIVER OF RIGHTS — The failure of Buyer to insist upon strict performance of any of the terms and conditions in the Purchase Order or to exercise any rights or remedies shall not be construed as a waiver of its rights to assert any of same or to rely on any such terms or conditions at any time thereafter.

27. FAIR PRACTICES — Seller shall comply, and shall ensure that each of its sub-suppliers shall comply, with all applicable laws, regulations, codes, and standards (and including without limitation the U.S. Foreign Corrupt Practices Act) in connection with performing Seller's obligations under this Purchase Order (in the case of sub-suppliers, their obligations to Seller related to the goods and services covered by this Purchase Order). Without limiting the generality of the preceding sentence, Seller agrees to remain, and shall ensure that each of its sub-suppliers remains, in compliance with all environmental, health, safety, and labor laws applicable to the operation and use of the facilities at which goods or services covered by this Purchase Order are manufactured or stored. In addition to its other obligations under this Purchase Order, Seller shall (i) conduct its business in an ethical and fair manner; (ii) maintain facilities for its workers that provide a safe and healthy environment; (iii) provide wages and benefits that conform to the prevailing industry standards; (iv) not exceed local work-hour limits; (v) not, directly or indirectly, use

any child labor (i.e., workers younger than 16 years of age or the compulsory age for school attendance), or purchase materials from any entity that uses child labor; (vi) not, directly or indirectly, use prison or other forced labor or purchase materials from any entity that uses prison or other forced labor; (vii) not discriminate on the basis of personal characteristics or beliefs; and (viii) cause its sub-suppliers to adhere to the provisions set forth in items (i) through (vii).

28. SUPPLIER PROCESS LIABILITY - In the event that any Supplier process, including, but not limited to, heat treating, plating and finishing, results in damage, destruction, cosmetic defects to Buyer's products or components, or the degradation or failure of the performance of Buyer's products or components, Supplier shall be liable for the full value of the Buyer's products or components processed by Supplier unless otherwise agreed by Buyer, in writing. Supplier's process liability as provided in the preceding sentence shall be in addition to other liability as provided in these Standard Terms.

29. SERVICE PARTS - To the extent the order relates to production of component parts ("Parts") for Buyer, then, in addition to the number of Parts sold by Seller to Buyer to allow Buyer under one or more Purchase Orders or Releases, Seller also agrees to sell to Buyer the number of Parts necessary to allow Buyer to fulfill its past model service and replacement parts requirements during the life of the program for which the Parts are produced and for ten (10) years following the conclusion of the life of the program. Unless otherwise agreed to in writing by Buyer, the per-Part price during the first five (5) years following the conclusion of the life of the program shall be the last price for such Part(s) prior to the expiration of the life of the program. For the remainder of the ten (10) year period, the per-Part price shall be increased only by mutual agreement of Buyer and Seller. Upon request by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's Parts sales activities.

30. ENTIRE AGREEMENT — This Purchase Order is intended by the parties as a final expression of their agreement and also is a complete and exclusive statement of the terms thereof, any prior oral or written agreements as to the same subject matter notwithstanding. This Purchase Order may not be modified or terminated orally or by trade usage or any course of conduct and no modification nor any claimed waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom such modification or waiver is sought to be enforced. Without limiting the foregoing, any additional or different terms in any other document shall be without force or effect (and Buyer hereby objects to such additional or different terms) unless such other document is signed by an authorized representative of Buyer.

31. HEADINGS — The headings at the beginning of each numbered section hereof have been inserted for ease of reference only and are not part of this Purchase Order.

32. GOVERNING LAW — The terms and provisions of this Purchase Order shall be construed, interpreted, and enforced exclusively in accordance with the laws of the State of Michigan **without giving effect to the United Nations Convention regarding Contracts for the International Sale of Goods (which the parties hereby expressly exclude)**. Seller will notify Buyer of the existence and content of any provision of law in the jurisdiction in which Seller is located or any other potentially applicable law which conflicts with any provision of this Purchase Order at any time.

33. NOTICES — Buyer and Seller will each use all commercially reasonable efforts to ensure that all written, verbal, and electronic notices called for under this Purchase Order are delivered to the appropriate personnel at the other party. Neither party will attempt to avoid receipt of notice from the other party. When Seller is required to deliver written notice or any other writing to Buyer under this Purchase Order, copies of the notice or other writing must be sent by hand delivery, overnight courier, or facsimile to the following:

Purchasing Manager
Buell Motorcycles Co.
2700 Patterson Ave. S.E.
Grand Rapids, MI 49546

Buyer may change the above-specified method of delivery at any time by written notice to Seller. Unless Seller notifies Buyer in writing that it requires a different method of delivery, when Buyer is required to deliver written notice or any other writing to Seller under this Purchase Order, it shall be sufficient for Buyer to send copies of the notice or other writing by hand delivery, overnight courier, or facsimile to the current Purchase Order contact (or their delegate) on file at Buyer.

34. ENGLISH LANGUAGE — This Purchase Order and all other written and electronic communication made under or in connection with this Purchase Order will be made in English. All mediation and arbitration proceedings conducted according to this Purchase Order will be conducted in English. The English language version of this Purchase Order will govern any translations of this Purchase Order into any other Languages.

35. SEVERABILITY — If any provision in this Purchase Order is determined to be unenforceable (1) the remainder of this Purchase Order will continue in effect without regard to the unenforceable provision and (2) the parties will promptly through good faith negotiations amend this Purchase Order to restore, to the maximum extent legally permissible, the benefits, rights, and obligations included in the unenforceable provision.