



**Supplemental Terms & Conditions for Use with Bill of Sale Payments**

“The bill of sale payments specified on the face of this purchase order, which are hereby defined as payments prior to delivery on work in progress for the Buyer under this purchase order, will be made upon the following terms and conditions:

- a) Upon the making of any bill of sale payment under this purchase order, title to all parts, material, inventories, work in process and non-durable tools theretofore acquired or produced by the Seller for the performance of this purchase order and properly chargeable thereto under sound accounting practice, shall forthwith vest in the Buyer; and title to all like property thereafter acquired or produced by the Seller for the performance of this purchase order, and properly chargeable thereto as aforesaid, shall vest in the Buyer forthwith upon said acquisition or production; provided that nothing herein shall deprive the Seller of any further final payment due or to become due hereunder; or relieve the Seller or the Buyer of any of their respective rights or obligations under this purchase order.
- b) Seller shall appropriately segregate and mark as the property of Buyer and safely keep, without expense to Buyer, all property, title to which is vested in Buyer under this agreement, and Seller shall further carry said property on its books and records as the property of Buyer and keep said property free from liens and encumbrances.
- c) The property so segregated and marked as the property of Buyer shall be used by Seller solely for the purpose of performing this purchase order unless otherwise agreed to in writing by Buyer.
- d) Seller shall furnish to Buyer, whenever Buyer shall reasonably request same, an inventory listing or describing in detail the property, title to which is vested in Buyer under this agreement. Buyer shall have the right to inspect at any time the property, title to which is vested in Buyer under this agreement, and to inspect Seller's books and records to the extent that they relate to such property, and for this purpose Buyer shall have the right to enter upon premises of Seller at all reasonable times.
- e) In making payment for the supplies furnished hereunder, there shall be deducted from the purchase order price therefore a proportionate amount of the bill of sale payment theretofore made to the Seller.
- f) Seller shall bear all risk of loss or destruction or of damage to property to which title vests in Buyer under the provisions of this agreement.
- g) It is recognized that property (including, without limitation, completed supplies, spare parts, drawings, information, partially completed supplies, work in process, materials, fabricated parts and other things called for herein), title to which is or may hereafter become vested in Buyer pursuant to this agreement, will from time to time be used by or put in care, custody or possession of the Seller in connection with the performance of this purchase order.”