

BAILEE RECEIPT IN FAVOUR OF  
**Fischer America, Inc., 1084 Doris Road, Auburn Hills, MI 48326**

NAME OF BAILEE: [INSERT FULL LEGAL NAME OF SUPPLIER] (the “Bailee”)  
BAILEE ADDRESS: [INSERT SUPPLIER ADDRESS]

DATE

The Bailee hereby acknowledges receipt from the Company of the goods/materials described on the attached Schedule "A" (the “Machinery”) in good order and condition.

The Bailee, in consideration of being allowed to use the Machinery, agrees to comply with the following terms and conditions:

1. **Applicability; Bailment at Will.** Any tools, equipment, machinery, fixtures, samples, models, testing and measurement equipment, drawings or things alike, “Supplier Manufactured Machinery” (as defined herein), “Technical Information” (as defined herein) or any other items of Buyer or Buyer’s Customers required for the production and testing of automotive parts which are in the possession of the Supplier including, without limitation, all the items listed on Exhibit A attached hereto and incorporated herein (Collectively, the “Machinery”), are subject to all the rules, terms, and conditions set forth in this Agreement. The Buyer’s Customer may be the OEM (Original Equipment Manufacturer, i.e. the automobile manufacturer) or a Tier 1 Supplier. The Supplier agrees to assume actual physical control over the Machinery as bailee at the will of Buyer as bailor. Any Machinery supplied to Supplier by Buyer or on its behalf or by Buyer’s Customer or on its behalf or paid for in full by Buyer or Customer and held by Supplier in Connection with supply relationship, unless explicitly otherwise agreed in writing, remains the sole and exclusive property of Buyer or Customer as the case may be, and Supplier shall have no right or interest except for the limited use rights expressly provided in this Agreement for Buyer’s benefit.

2. **Term.** The bailment hereunder shall be at the will of Buyer and may be terminated by Buyer at any time in its sole discretion and even if such termination makes it impossible for Supplier to produce or manufacture Products as any part of any supply relationship with Buyer hereunder.

3. **Use and Preservation of Property.** During the term of this Agreement, Machinery, including without limitation the Technical Information, shall be used exclusively by the Supplier and exclusively for the manufacture and construction of Products for Buyer and shall be used according to Buyer’s specifications, standards, and instructions and for no other purpose whatsoever. From and after the termination of this Agreement, any and all rights of Supplier to use the Machinery shall immediately cease and the same, including without limitation the Technical Information shall be returned to Buyer as herein provided. Supplier shall use the Machinery in a careful and proper manner, and shall comply with all applicable laws and regulations. Supplier shall maintain the Machinery in good repair and condition and unless

otherwise agreed in writing, the costs for the continuing repair, maintenance readiness of the Machinery in immaculate condition shall be borne by Supplier in all respects. Supplier shall maintain and update the Machinery so that it always reflects the latest valid drawing revision level. Supplier agrees to be solely responsible for all costs associated with replacement, repair, tool refurbishment, and maintenance of the Machinery due to any loss caused by Supplier's negligence.

4. **Buyer's Right of Access.** The Buyer and its agents and employees shall at all times have free access to the Machinery for the purpose of inspecting or marking it, watching its use and operations, or repossessing it during normal business hours upon twenty-four (24) hours notice.

5. **Return of Machinery.** Upon the written demand of the Buyer or upon the termination of this Agreement or an underlying Master Supply Agreement, Supplier agrees that it will return the Machinery, including without limitation the Technical Information, to Buyer at his designated place, or such other place designated by Buyer, in the same appearance and condition as when received, ordinary wear and tear excepted. Alternatively, at Buyer's discretion, Buyer may repossess the Machinery on Supplier's premises and Supplier shall grant access for such repossession. Under no circumstances shall Supplier delay the return of the Machinery or obstruct the repossession thereof based on any claims for payment or performance against Buyer. Supplier hereby unconditionally waives any statutory lien rights regarding the Machinery and any statutory rights to retain possession of the Machinery.

6. **Freight and Transport Cost.** Supplier agrees to pay freight, storage, and other charges for the transportation of the Machinery from the time it leaves Buyer until the Supplier receives the Machinery. Any changes to the Machinery which are necessary to meet the Supplier's production standards or which are necessary for compatibility with the Suppliers production equipment are subject to Buyer's or, at his sole discretion, at the Customer's review and approval prior to implementation. The Buyer shall issue a separate tooling purchase order to Supplier to cover the costs of approved changes to the Machinery for the above stated reasons.

Buyer agrees to pay freight, storage, and other charges for the transportation of the Machinery, excluding costs and expenses arising out of or in connection with any breach or default hereunder by the Supplier, from the time it leaves the Supplier until its return to Buyer, provided the Machinery has been cared for as required under Section 5 hereof.

7. **Title.** The Machinery, and any and all intellectual property rights with respect to such Machinery, including, without limitation, the Technical Information, is and shall at all times remain the property of Buyer and/or its Customer (whichever may be the case), and Supplier shall have no right, title, or interest therein except as expressly set forth in the Agreement. The Machinery is, and shall at all times be and remain, personal property even though the Machinery or any part of it may now be or hereafter become in any manner affixed or attached to real property or any improvements. Additions or improvements to the Machinery or any kind or nature made by Supplier require prior written approval by Buyer and shall become component

parts of the Machinery, as the case may be, and shall be governed by all the rules, terms and conditions set forth herein, in the Master Supply Agreement and the related documentation. The Buyer is entitled to file UCC-1 Financing Statements whenever and wherever it deems it necessary to further secure and perfect its rights in the Machinery.

Supplier shall preserve and maintain all serial numbers as stipulated by the Buyer and marks on the Machinery and shall clearly mark the Machinery as the property of Buyer. Upon request, Supplier shall provide Buyer with an inventory of all the Machinery in Supplier's possession. The Machinery shall not be sold, assigned by way of security, pawned, mortgaged, charged or otherwise encumbered or disposed of without the prior written consent of Buyer.

**8. Creation of Machinery by Supplier.**

**Transfer of Title.** If and to the extent any tooling or equipment is manufactured or otherwise created by the Supplier at Buyer's or Customer's expense ("Supplier Manufactured Machinery" or "SMM"), title to the SMM shall be deemed transferred to Buyer immediately upon completion of its creation and such transfer shall be documented by attaching the proper marking required to be attached by Supplier under Section 7, without regard to whether Buyer and/or Customer has actually made all payments required for the manufacture or creation of the SMM, for example, without limitation, if such payments are amortized into piece price.

**User of sub-suppliers.** Supplier shall not subcontract out the production or manufacture nor permit off-site maintenance of the SMM (in whole or in part) without first providing written notice to Buyer and receiving Buyer's prior written consent and Supplier agrees that Buyer may withhold its consent unless and until any proposed Sub-supplier agrees to the terms of this Section 8 for the benefit of Buyer.

**Buyer's Security Interest.** To secure any progress payments made by Buyer for the creation of the SMM and any claims and rights hereunder, Supplier hereby grants a first priority security interest to Buyer in the SMM, in any of its parts, in any related work in progress, in any materials acquired by Supplier for the manufacture or creation of the Machinery, and in any respective claims of Supplier against any subcontractor assisting with the creation or manufacture of the Machinery, in each case including any after-acquired property of such kind.

**Security Agreement.** The parties hereby agree that this Agreement shall constitute the Security Agreement required by the Uniform Commercial Code of the appropriate state and by accepting the purchase or work order Supplier authorizes Buyer to file UCC-1 Financing Statements whenever and wherever it deems it necessary to perfect and protect the interests of Buyer as described in this and the preceding sub-sections and to secure the same right for Buyer in any agreement with any Sub-supplier in connection with the purchase. To the extent required, upon request Supplier will promptly execute such Financing Statements and/or cooperate with their filing by Buyer. Buyer's failure to file or otherwise perfect its rights hereunder shall not, as between Buyer and Supplier, in any way limit, impair or compromise Buyer's security interests and rights hereunder.

**9. Location of Machinery.** The Machinery shall be located at the address of the Supplier set forth in the introductory paragraph of this Agreement and shall not be removed from that

location for any reason without Buyer's prior written consent.

10. **Supply of Technical Information and Confidentiality.** The Buyer will provide Supplier with all specifications, technological data, operation instructions, and other know-how relating to the use of the Machinery, and as the case may be, the production of the Supplier Manufactured Machinery (collectively, the "Technical Information"). Supplier must notify the Buyer of any missing Technical information. **Especially:**

**Progress Control during Manufacture.** The supplier agrees to carry out a regular progress control of all the production equipment purchased from him. He therefore submits this in the form of a control sheet and clear photos as agreed on with the Buyer to the responsible purchasing manager of the Buyer. During normal office hours and after prior notification the Buyer may enter the required areas of the plant. Upon request, the employees of the Buyer have to ensure appropriate observation of the secrecy interests of the Supplier and, in particular, submit a written declaration of secrecy.

**Submittal of Design Data.** All design data and 2D drawings have to be automatically submitted to the Buyer's responsible Purchasing officer by no later than the initial sample test report releases (series production readiness) or prior to that upon request by means of a CD Rom and in paper form (2D drawings).

**Cost Detailing for the Manufacture of New Equipment and/or Changes.** A statement of costs in the form of an appropriate Buyer's Detailed Tooling Sheet is to be compiled and submitted together with the offer for all new production equipment or changes to the production equipment.

11. **Confidentiality.** Supplier shall at all times, including but not limited to after the termination or expiration of the Agreement, keep in confidence all information relating to the Machinery, including without limitation the Technical Information. Supplier's obligations under this section 11 shall survive the termination of this Agreement.

12. **Supply of Raw Materials.** The Buyer has the right to specify raw material, packaging, and component requirements (cumulatively the "Supplies") for use with the Machinery. Should the Buyer exercise such right, Supplier agrees to purchase all of Supplier's supplies for use with the Machinery only after obtaining written approval from the Buyer.

13. **Indemnification by Supplier.** Supplier shall hold the Buyer harmless from and against all liabilities, damages, losses, judgments, and claims, including, without limitation, all costs and expenses (including attorney's fees) incident thereto which may be suffered by, accrued against, be charged to or recoverable from Buyer or from an affiliate by reason of loss or damage to property, or injury or death to any person arising out of or in any way connected with (i) Supplier's breach of this Agreement, (ii) Supplier's possession, use, or return of the Machinery, or (iii) Supplier's negligent acts or omission. Supplier shall not represent that it has any right, power, or authority not expressly granted by the rules, terms, and conditions set forth in this Agreement and shall hold the Buyer harmless for all claims whatsoever arising from Supplier's acts. Supplier's obligations under this Section 12 shall survive the termination of this

Agreement.

14. **No Warranty by Fischer.** The Buyer does not warrant the fitness, merchantability, design, condition, capacity, suitability, or performance of the Machinery or any other property under this Agreement. The Buyer makes no expressed or implied warranties and delivers the Machinery “as is” and “with all faults”.

15. **No Sub-Bailment.** Supplier may not transfer any rights or the possession of the Machinery held under bailment hereunder without the written consent of Buyer. The Buyer may grant or deny consent in its sole and absolute discretion.

16. **Status of Parties.** Nothing contained in this Agreement shall be construed to create relationship of agency, partnership, joint venture or license between Buyer and Supplier. Neither party shall have any right, power, or authorization to act or create any obligation, express or implied, on behalf of the other party.

17. **Application of other Agreements, Terms, and Conditions.** In addition to all the rules, terms, and conditions set forth herein, Supplier shall be subject to all the agreements, terms and conditions set forth in the underlying Master Supply Agreement and all other documents referenced herein. If any of such documents contain any agreements, rules, terms, or conditions that are in conflict with the rules, terms, and conditions set forth in this Agreement, the rules, terms, and conditions set forth in this Agreement shall prevail with respect to any aspect of Supplier’s possession of the Machinery.

18. **Governing Law, Jurisdiction and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without taking into account its principles on conflicts of law. Any action, suit or other proceedings pursuant to, arising under, or touching or concerning the Agreement or the transactions contemplated hereby shall be brought in any federal or state court of competent jurisdiction in the State of Michigan. The parties agree to take any and all necessary or appropriate action to submit to the jurisdiction and venue of any such court and they waive any rights of claims to lack of jurisdiction of such court, including, but not limited to, claims of forum non-conveniens. In any such action, suit or proceeding, (i) service of process may be by certified mail, return receipt requested or any means permitted or provided by applicable law and (ii) the successful or prevailing party shall be entitled to recover its reasonable attorneys’ fees and other costs incurred in connection with that action, suit or proceeding, in addition to any other relief to which such party may be entitled.

19. **Legal Force.** The terms and conditions of this Agreement are legally binding and valid for all business transactions between Buyer and Supplier. Supplier furthermore declares that it shall apply these terms and conditions to all associated companies and contractual partners of Buyer for commercial transactions regarding any equipment, tooling or machinery.

20. **Standards.** Supplier herewith agrees and will ensure to fully abide by all laws, rules,

regulations and technical standards, as they may apply in connection with its performance under this Agreement. All materials, equipment and workmanship shall be in accordance with the latest codes and standards. The applicable standards and regulations may include but are not limited to:

- DIN (Deutsches Institut fuer Normen)
- ANSI (American National Standards Institute)
- ISO (International Standard Organization)
- ASME (American Society of Mechanical Engineers)
- ASTM (American Society for Testing and Materials)
- OSHA (Occupational Safety and Health Administration)

In case of conflicts, Supplier shall inform Buyer and shall request a decision.

Authorized

Signature: \_\_\_\_\_ Title \_\_\_\_\_

I have authority to bind the Company

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of

**SCHEDULE "A"**

**TOOL  
NUMBER**

**TOOL  
DESCRIPTION**

**ASSOCIATED  
PART NUMBER**