

**TOOLS, DESIGNS, DRAWINGS, AND MATERIALS**

- A. The word "Tools" as used herein, shall be interpreted to include, but without limitation, any and all of the following: Tools, dies, jigs, fixtures, models, moulds, patterns and special appliances. The word "material", as used in this paragraph shall be interpreted to include, but without limitation, any and all of the following: raw material, castings, or Integral parts for use in items to be manufactured in connection with this contract.
- B. Title to and the right of immediate possession of all tooling, designs, drawings and materials furnished by Buyer to Seller for use hereunder, shall be and remain in Buyer at all times during performance of the Purchase Order. Buyer does not guarantee or warrant the condition, accuracy, suitability or fitness for the use intended of any such tools. The following shall be applicable unless otherwise specified in this order. All Tools covered hereby shall be the property of the Buyer, subject to Buyer's call, and must be maintained in good working condition by the Seller. All such tooling must be permanently marked or identified as "property of Lourdes Industries, Inc.", and with the Buyer's Tool Code Number and Part Number designated by Buyer.
- C. No tooling, designs, drawings or materials furnished by Buyer and/or by the Government to Seller for use in the manufacture of articles ordered hereunder or which shall become the property of Buyer shall be used in production, manufacture or design of any other articles for any other purchaser, or for the manufacture or production of larger quantities than those specified by Buyer, except with Buyer's express written consent. Upon completion or termination of this order, all such property shall be disposed of as Buyer may direct. All such property shall be segregated by Seller in Seller's plant and, whenever possible, clearly marked as the property of Buyer. Unless otherwise noted on the order, unusable scrap, as determined solely by Buyer, shall become the property of the Seller, as part of his remuneration for the work performed; unless such scrap results from work upon or with Government furnished tools Be material in which case it shall be disposed of in accordance with the instructions of the Government. Seller shall keep an inventory of all tooling in its possession which is furnished by Buyer or which becomes the property of Buyer under paragraph (B) above and shall furnish copies of such inventory to Buyer as may be requested.
- D. Buyer will not be liable for the cost of manufacture of any tools which Seller deems necessary in his manufacturing processes, unless Seller receives a written purchase order from Buyer authorizing the manufacture of such tools. In such event (or if the price to be paid is stated on the face of this order to include any tools used in the manufacture of items ordered), the tools shall become the property of Buyer and shall be so recorded and identified by Seller in accordance with the foregoing.
- E. Nothing in this section shall be construed as imposing as obligation on Buyer to furnish tools or material. The price to be paid by Buyer under this Purchase Order shall include all materials and tools furnished by Seller to manufacture or supply items purchased hereunder unless otherwise provided in this Order.
- F. If any merchandise fabricated by Seller from material furnished by Buyer is rejected by Buyer due to Seller's fault or failure to meet the requirements of the contract. Seller shall at Buyer's option, either replace such merchandise at Seller's own expense or pay Buyer the replacement costs of Buyer's materials or tools damaged or deteriorated in excess of normal wear and tear, while in Seller's possession.
- G. All materials, tooling, models, patterns, drawings and other personal property belonging to Buyer, furnished by Buyer to Seller or otherwise in Seller's custody or possession, shall be at Seller's risk of loss or damage from all hazards.