

**TERMS AND CONDITIONS FOR PURCHASE AND SALE OF GOODS**Article 1. Exclusivity of Terms, Entire Agreement; Buyer; Specifications1.1 Exclusivity of Terms; Entire Agreement; Buyer

1.1.a Except as otherwise specifically provided herein, the terms of the Agreement are exclusive and contain the entire agreement of Buyer and Seller (sometimes referred to herein as "Parties[y]") with respect to the purchase by Buyer from Seller of goods and related services (collectively, whether goods or related services, "Goods"), and none of these terms may be added to, modified, or superseded except by written agreement or modification hereof signed by authorized representatives of Buyer and Seller, notwithstanding any terms which may now or in the future appear on Seller's invoices, quotations, acknowledgments, or other forms. Any shipment, delivery, or other tender of performance by Seller shall be taken as Seller's assent to and acceptance of the terms hereof, notwithstanding Buyer's payment or other acceptance of the Goods or Seller's performance.

1.1.b "Buyer" shall mean any Honda Company that purchases or is expected to purchase Goods under this Agreement. "Seller" shall mean any Seller Company that sells or is expected to sell Goods under this Agreement. As a result, each Buyer shall have the right to issue an order, purchase order, material release request, or other form adopted by Buyer as an order ("Order") to each Seller under this Agreement, and the Parties agree that each such Order shall be a separate contract between such Seller and the Honda Company issuing such Order. The Parties further agree, except as set forth herein, that the other Honda Companies or Seller Companies that are not parties to such Order shall have no obligations, liabilities, or responsibilities under such Order, and that any default under such Order or otherwise under this Agreement by Buyer or Seller shall not constitute an event of default by any other Honda Company or Seller Company under any other Order or this Agreement.

1.2 Notwithstanding the foregoing, Buyer and Seller agree that the following, to the extent transmitted, including, without limitation, electronic transmissions, to Seller by Buyer or accepted in writing by Buyer as applicable to the Agreement, are incorporated herein by reference: models; drawings; Buyer's specifications, including without limitation Honda Engineering Standards; Seller's specifications accepted in writing by Buyer; quality control regulations and quality standards; guidelines for electronic transactions (including without limitation electronic data interchange); packaging and transportation guidelines; forms of Order; Buyer's applicable requests for proposals (except to the extent that Seller's specific written

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objections thereto were subsequently agreed to in writing by Buyer); and other standards, procedures, guidelines, or specifications, all as replaced, substituted, amended, and in effect from time to time (collectively, the "Specifications").

## Article 2. Separate Contracts; Applicability

2.1 Each contract for the purchase and sale of Goods shall be entered into hereunder by Buyer's issuance to Seller, and Seller's acceptance, of an Order. Acceptance of any Order is expressly limited to its terms and the terms of the Agreement, and any additional or different terms are objected to without further notification by Buyer. Each Order accepted by Seller under the terms of this Section 2.1 shall incorporate all the terms of the Agreement and will be a separate contract, and any two (2) or more Orders hereunder are not intended to be parts of an installment contract, but shall be separate contracts. Notwithstanding the foregoing, these Terms and Conditions for Purchase and Sale of Goods (these "Terms and Conditions") shall be applicable and effective from and after the Effective Date.

2.2 Each Order, when completed by Buyer, will be transmitted by hand, mail, courier, or facsimile transmission, or transmitted electronically to Seller in accordance with Electronic Data Interchange ("EDI") standards and procedures or such other standards and procedures for electronic communication established as Specifications in compliance with Section 1.2 hereof. Buyer may also transmit Orders by telephonic means or other form of unwritten communication. Any Order transmitted by a form of unwritten communication shall be deemed delivered when received by Seller but shall be confirmed by Buyer in writing or electronically in accordance with EDI or other electronic communication standards and procedures.

2.3 An Order will be deemed to have been accepted by Seller upon the first to occur of the following: (a) Seller's first shipment or other tender of performance under the Order, (b) written acceptance by Seller, (c) acceptance by Seller via an electronic transmission sent in accordance with EDI or other electronic communication standards and procedures, or (d) Seller's failure to deliver written objection to Buyer's Order within eight (8) days of Seller's receipt thereof (or such shorter period as may be specified in the Order or any Specification).

2.4 Buyer shall have the right at any time to change any Order (whether by adjustment order or otherwise) as to Specifications, delivery, packaging, or means of shipment. If any such change is expected to result in a change in cost to Seller, Seller shall immediately inform Buyer of such fact and Buyer and Seller will agree upon an adjustment in the price or other terms of the Order to reflect the change, if such change can be demonstrated to Buyer's satisfaction.

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### Article 3. Price, Taxes, Payment

3.1 The price(s) applicable to each Order shall be reached after mutual consultations and may follow submission by Seller of one or more quotations. A quotation shall be deemed accepted upon notice by Buyer to Seller of acceptance (whether such notice is written, electronic, or otherwise); provided, however, that if Goods are ordered prior to acceptance of a quotation, then pricing for such Goods shall be as agreed upon by Buyer and Seller.

3.2 All price quotations submitted by Seller to Buyer and all prices set forth in or with reference to each Order shall be

3.2.a F.O.B. Buyer's plant or other designated place of delivery specified by Buyer in the Order or otherwise in writing;

3.2.b Inclusive of applicable taxes (except those based on Seller's net income, revenues, and the like, those exempted under Section 3.3, or as otherwise specified by Buyer), excises, duties, importation fees, and any other fees directly related to the production, sale, or transportation of the Goods, except only as otherwise specified by Buyer; and

3.2.c In compliance with all laws, regulations, rules, or orders, and agency or association standards or other standards, applicable to the manufacture, pricing, labeling, transportation, warranty, use, licensing, approval, or certification of the Goods, whether foreign or domestic (collectively, "Applicable Laws").

3.3 Upon request, the Parties will cooperate in obtaining and furnishing to each other certificates, direct pay permits, or other evidences of inapplicability of, or exemption from, any sales, excise, or other taxes or duties to which any Party may be entitled. To the extent that Seller receives any such certificate, direct pay permit, or other evidence of inapplicability or exemption, Seller will not include any applicable taxes or duties in the price charged to Buyer.

3.4 Unless otherwise specified in a writing signed by Buyer, the payment terms for the Goods are net 30 days after Buyer's receipt of a properly issued and documented invoice. Buyer may, at its option, debit or credit Seller's invoices to correct quantity or price errors. Buyer may do so at its discretion, however, if the cause of the discrepancy is not clearly identifiable, Buyer will consult with Seller prior to initiating action to adjust Seller's invoice. Buyer's failure to so credit or debit shall not constitute an acceptance of Seller's invoice or its waiver of the right to question Seller's invoices at a later date.

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3.5 Any price quotations that have been accepted by Buyer shall be subject to increase upon not less than 60 days' prior written notice and Buyer's written consent. The notice shall contain adequate justification data, including reasons caused by persons other than Seller and not foreseen or foreseeable by Seller, for the proposed increase. Such price increases shall not affect any Orders that have been issued to and accepted by Seller.

3.6 In addition to any right of setoff or recoupment provided by law, Buyer and its affiliates (the "Buyer Group") may setoff against, or recoup from, any amounts owing to Seller or its affiliates (the "Seller Group") any amounts owing to any member of the Buyer Group by any member of the Seller Group, including, without limitation, damages (including reasonable attorney and professional fees and costs) resulting from breaches by Seller of its obligations to Buyer under any Order. Specifically, in the event of any member of the Seller Group's insolvency or financial distress, if the Buyer Group retains legal counsel or other professional counsel to provide services related to the Buyer Group's business relationship with the Seller Group, the Buyer Group shall have the right to recover reasonable fees and costs related to such legal or professional services, and specifically, to recoup and/or offset such fees and costs from amounts owing by the Buyer Group to the Seller Group.

#### Article 4. Delivery

4.1 Time, quality, and quantity are of the essence in each Order and Buyer may cancel the Order or reject the Goods and/or return at Seller's expense any delivery (in whole or in part) of Goods not in conformity with the time, quality, and/or quantity specified in the Order or Specifications.

4.2 Delivery times specified are times of delivery of the Goods at Buyer's designated place of delivery.

4.3 In the absence of specific instructions contained in the Order or Specifications, Seller shall pack, label, and ship all Goods in a commercially reasonable manner selected by Seller and approved by Buyer, which will ensure timely, safe, and conforming delivery and the lowest transportation cost. All shipments shall be F.O.B. Buyer's plant or other designated place of delivery specified by Buyer in the Order or otherwise in writing.

4.4 Seller will inform Buyer promptly of any circumstance that is expected to result in any delivery time, quality, and/or quantity not specified by Buyer and also of corrective measures that Seller is taking to minimize the effect of such circumstance.

4.5 In the event of tendered delivery not in compliance with the times, quality, and/or quantities specified by Buyer, unless Seller has received notice of rejection or cancellation from Buyer, then Seller will ship

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conforming Goods at the earliest possible moment and by the fastest practicable and available means, but without any increase in any costs to Buyer.

4.6 All Goods received are subject, at Buyer's option, to inspection by Buyer or Buyer's designee within a reasonable time after delivery to Buyer's plant or designated place of delivery. Notwithstanding the foregoing, Seller acknowledges that final inspection may not occur until the Goods are delivered to Buyer's plant. Payment by Buyer for any Goods does not constitute acceptance, and neither inspection nor payment shall relieve Seller of its responsibility to furnish conforming Goods.

4.7 Buyer may cancel any Order (in whole or in part) or reject any delivery (in whole or in part) upon Buyer's or Buyer's designee's determination that any of the Goods are defective or nonconforming or that delivery did not conform with the terms of the Order and, in the case of any such rejection, may instruct Seller as to the means and method(s) of cure or cover. If such instructions are given, Seller will deliver (at the earliest possible moment and by the fastest practicable and available means but without any increase in any costs to Buyer) conforming substitutes or replacements for each defective or nonconforming item or delivery of the Goods. All defective or nonconforming Goods, which have been rejected due to quality problems may, at Buyer's option, be disposed of by Buyer or Seller, as determined by Buyer, at Seller's expense. Any Goods rejected because of a failure to comply with specified time, delivery terms, and/or quantity will be returned pursuant to Seller's instruction at Seller's expense. If Seller fails to give such instructions within a reasonable time, Buyer may, in Buyer's sole discretion, dispose of such Goods at Seller's expense.

4.8 Either Party may suspend performance during an "Excusable Delay", which shall mean any delay not resulting from the fault or negligence of the delayed Party and resulting from acts of God, acts of war, restrictions, prohibitions, priorities, or allocations imposed by governmental authority, acts of the other Party hereto, embargoes, fires, floods, winds, earthquakes, epidemics, unusually severe weather, and delays of similar natural or governmental causes. Excusable Delay does not include any strike, lock-out, shortage of labor, lack of or inability to obtain raw materials, fuel, or supplies (unless caused solely by priorities, restrictions, or allocations imposed by governmental authority), or other industrial disturbance unless Seller is using its best efforts to cure the cause of such delay and Buyer has approved Seller's detailed plans for assurance of timely and conforming delivery(ies) in the event of such specific delay and Seller is diligently implementing such plans. Nothing contained in this Section 4.8 shall limit Buyer's rights under Section 13.3.

4.9 If Seller discovers any fact that could with the passage of time result in an Excusable Delay or affect its ability to perform its obligations

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under this Agreement or any Orders issued hereunder, Seller will immediately (a) advise Buyer of such fact and (b) use its best efforts to take all measures and precautions to reduce the effect of the Excusable Delay and/or non-performance upon Buyer's production. In addition, at any time at Buyer's request, Seller will furnish to Buyer (a) any such information as Buyer may request concerning matters the presence or absence of which could result in delays and/or non-performance, and (b) assurance or contingency plans, in such form as may be requested by Buyer, with respect to those matters.

4.10 Seller shall bear and pay all charges and expenses as may be required by Buyer, including those relating to production changes, additional labor, additional transportation charges, and cover, resulting from Seller's failure to make delivery in conformity with the times, quality, and/or quantities specified by Buyer.

#### Article 5. Seller's Warranties and Representations

Seller warrants and represents to Buyer as to all Goods, which warranties and representations will survive the acceptance, use, or subsequent sale thereof by Buyer and the termination of this Agreement and any Orders issued hereunder, that:

5.1 The Goods will conform to all Specifications and will be in compliance with all accepted models, samples, and all written affirmations of fact made by Seller, and will be subject to a system administered by Seller (and acceptable to Buyer) for the identification, segregation, and positive control of defective items of the Goods; and

5.2 The Goods will be in compliance with any and all Applicable Laws; and

5.3 The Goods will be merchantable and, if made to Specifications made or furnished by Seller and accepted by Buyer hereunder, will be fit for the particular purpose(s) for which required by Buyer; and

5.4 Regardless of where delivery occurs, the Goods will be free of defects (except to the extent defects result solely from the negligence of Buyer) in manufacture, shipping, handling, packaging, or processing prior to arrival at Buyer's plant; and

5.5 The Goods will be free of lawful claims of any party; and

5.6 If Seller makes or offers a written warranty to retail purchasers, which warranty is to be passed by or through Buyer, such warranty (a) will be in compliance with all Applicable Laws as to form and content and will be furnished in copies and manner sufficient to permit Buyer and subsequent

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retail sellers to comply with such Applicable Laws and (b) will not limit in any way any similar or other warranty or representation of Seller to Buyer; and

5.7 Seller has obtained, or will obtain, any required approval by any governmental authority with respect to the sale, shipping, handling, packaging, processing, or use of the Goods, as applicable from time to time, and Seller will furnish Buyer with copies or other satisfactory evidence of all such approvals; Buyer, at its sole option, may obtain, or assist Seller in obtaining, such approval; and

5.8 Seller's obligations under (a) Article 6 of this Agreement or (b) any other agreement between Buyer and Seller shall not limit Buyer's rights or remedies in the event that the Goods or any portion thereof do not conform to Seller's warranties and representations; and

5.9 The warranties and representations contained in Sections 5.1 through 5.8, inclusive, are specifically for the benefit of Buyer and any person claiming by or through Buyer. Furthermore, the parties agree that the above warranties and representations extend to the future performance of the Goods for a period of time equal to the period during which Buyer is reimbursing its parent company, affiliated companies and/or dealers for consumers' warranty claims, and for such longer period(s) that may be set forth in the Specifications. However, the expiration of a warranty on a particular consumer's product is not to be considered an absolute bar to future claims of Buyer to Seller resulting from, by way of example, individual extensions of warranty as a matter of policy or replacement of Goods in the event of recall or other safety-related concerns, where the same are attributable to the Goods not conforming to Seller's warranties set forth in this Article 5.

#### Article 6. Indemnity

6.1 Seller shall defend, indemnify, and hold Buyer and Buyer's affiliates, subsidiaries, and representatives and each of their respective officers, directors, employees, and agents free and harmless from and against any loss, cost, liability, claims, demands, or lawsuits, including attorney and other professional fees, arising from or relating to (a) the Goods (including costs and expenses related to any product liability claim or any recall ordered by any federal, provincial, state, local, or foreign government); (b) infringement of any trade names, trademarks, service marks, copyrights, patents, trade secrets, or any other intellectual property rights related to the Goods and/or Buyer's sale or use thereof; and/or (c) unfair competition by reason of sale or use of the Goods by Buyer. With respect to claims under 6.1(b) above, Seller shall further take any and all actions necessary to ensure that Buyer will be able to continue to purchase, use, and sell the Goods, including acquiring the necessary consents or licenses at Seller's sole cost and expense. In addition, Buyer may require

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Seller to modify the Specifications of the Goods or to source the Goods from another supplier to prevent any claims of infringement, which modification or re-sourcing shall be at the sole cost and expense of Seller.

6.2 Seller is responsible for the acts and omissions of Seller's employees, agents, or other representatives ("Seller's Agents") and, except to the extent prohibited by applicable law, shall defend, indemnify, and hold Buyer and Buyer's affiliates and subsidiaries and each of their respective officers, directors, employees, and agents free and harmless from and against any loss, cost, liability, claims, demands, or lawsuits, including attorney and other professional fees, arising from or relating to loss of property or injuries or death to persons, of any kind or nature, arising out of acts or omissions of Seller or Seller's Agents. For the sole purpose of furthering the foregoing obligation of indemnity, Seller hereby expressly waives any and all statutory and/or constitutional immunity to which, but for this waiver, it might be entitled (a) as an employer in compliance with the applicable state workers' compensation laws or (b) under any other employee benefit statutes or similar laws of any jurisdiction.

6.3 In the event of any claim or threatened claim which may be the subject of indemnification described in this Article 6, Buyer will give Seller prompt written notification thereof and provide Seller such reasonable assistance in the response and prosecution of any defense as Seller may reasonably request, at Seller's expense.

6.4 The provisions of this Article 6, and the indemnity obligations hereunder, shall survive this Agreement and any performance hereunder.

#### Article 7. Insurance

7.1 Type of Insurance. Seller, at its sole cost, and before commencement of work or service to be performed, shall procure and maintain from such insurers as are acceptable to AHM, throughout the term of this Agreement all forms of insurance that may be required by law for the services contemplated by this Agreement including the following coverages:

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Workers' Compensation in accordance with the provisions of applicable laws and regulations, and Employer's Liability insurance with a minimum limit of \$1,000,000. A waiver of subrogation in favor of AHM shall be provided by Seller's insurance carrier.

Commercial General Liability including products and completed operations (for 10 years after completion of work or service contemplated in this Agreement). All coverage shall be on an occurrence basis with minimum limits of \$5,000,000 per occurrence, \$10,000,000 aggregate. The policy shall cover all of Seller's operations.

Business Automobile Liability covering the use of all owned, non-owned and hired vehicles with a minimum combined single limit of liability of \$1,000,000 for bodily injury and property damage.

7.2 General Insurance Provisions. With the exception of Workers' Compensation, all insurance policies shall name AHM, its parent, subsidiaries and affiliates, and their respective officers, agents, representatives and employees as additional insureds.

Such insurance as is afforded by any policies contemplated by this Agreement for the benefit of AHM shall be primary insurance as respects any claims, losses or liability arising directly or indirectly from Seller's operations, and any other insurance or self-insurance maintained by AHM shall be excess and non-contributory with the insurance provided hereunder.

Seller shall provide AHM with a certificate of insurance, properly completed and signed by an authorized insurance company representative, before the commencement of work or service. Such certificates shall state should any of the above described policies be cancelled before the expiration date thereof, notices will be delivered in accordance with the policy provisions.

The furnishing of acceptable evidence of required insurance does not relieve Seller from any liability or obligation for which it is otherwise responsible to AHM. The limits of insurance or applicable deductibles shall not limit the liability of Seller nor relieve Seller of any liability or financial responsibility.

AHM reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving Seller 90 days advance written notice of such change.

Failure to procure or maintain required insurance during the entire term of this Agreement shall constitute a material breach of this Agreement under which AHM may immediately suspend or terminate the Agreement. Such

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breach does not constitute a waiver of the requirement of Seller to maintain insurance.

If coverage is written on a "claims-made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, Provider will make all commercially reasonable efforts to provide that:

The policy's retroactive date shall coincide with or precede Provider's commencement of the performance of Services (including subsequent policies purchased as renewals or replacements);

Similar insurance is maintained during the required extended period of coverage following expiration of the Agreement;

If insurance is terminated for any reason, Provider shall purchase a replacement claims-made policy with the same or an earlier retroactive date or shall purchase an extended reporting provision to report claims arising in connection with this Agreement for a minimum of two (2) years following termination or completion of the Services; and

All claims-made policies shall allow the reporting of circumstances or incidents that might give rise to future claims is permissible.

7.3 Except as otherwise agreed by Buyer, Seller will, or will instruct any carrier of the Goods engaged by Seller to, insure all shipments of Goods at full value. For purposes of this Section 7.3, and unless otherwise indicated by Buyer, "full value" shall mean quotation price plus freight cost.

#### Article 8. Buyer's Property, Patents, Trade Secrets, Know-How

8.1 Unless otherwise specified in a separate written agreement between Buyer and Seller, all tools, tooling, equipment, dies, jigs, returnable containers (including racks and modular containers), Specifications, and other material (except Supplies as defined in Section 10.1), and all intellectual property related thereto and/or embodied therein, of every description furnished to Seller or paid for or to be paid for by Buyer (all of the foregoing referred to hereinafter as "Buyer Materials"), shall be inspected by Seller (whether manufactured by Seller or by others) for condition, compliance with Specifications, descriptions, and count, shall remain the sole property of Buyer, shall be plainly marked and/or otherwise clearly identified by Seller as "Property of Honda", shall be stored on Seller's premises, shall be stored and used in compliance with any instructions of Buyer and so as to prevent disclosure inconsistent herewith, shall not be used except pursuant to any Order or other writing signed by Buyer, shall be subject to Buyer's inspection at any time during business hours, shall be available for immediate possession on demand, and, in any event, shall be returned to

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Buyer at the earlier of (a) simultaneously with termination under this Agreement; or (b) the time that Buyer may specify under any agreement covering the same. Such Buyer Materials shall be insured by Seller in amounts equal to its full insurable replacement value at Seller's cost with loss payable to Buyer and Seller and shall be subject to Buyer's immediate possession and total control. . Seller agrees that it shall not at any time permit any Buyer Materials to be subject to any Encumbrances (other than Buyer's ownership interest). As used in this Agreement, "Encumbrances" means any security interests, judgments, liens, pledges, adverse claims, charges, escrows, options, warrants, rights of first refusal, rights of first offer, mortgages, indentures, or other agreements, arrangements, encumbrances or defects of any kind or character. Excepting only reasonable wear and use, such Buyer Materials in the possession of Seller shall be kept at Seller's risk, and Seller shall be responsible for all maintenance thereof. With respect to returnable containers, the applicable packaging and transportation guidelines of Buyer, as in effect from time to time, shall apply.

8.2 Any unpatented knowledge or information concerning either Party's products, production, or other methods, processes, scheduling, sources of supply, customers, marketing, or otherwise that the Party may disclose to the other Party attendant or incident to this Agreement shall be deemed to have been disclosed as part of the consideration hereunder and shall not be given other use, shall be retained in confidence by the Party to which disclosed, and, to the extent represented by or in samples, writings, drawings, or other tangibles, shall be returned to the disclosing Party simultaneously with termination under this Agreement or at any time upon demand. To be protected under this Agreement, the information or knowledge of Seller, (a) in written form must be marked "confidential", and (b) in any other form must be indicated as confidential at the time of disclosure and summarized in writing indicating the confidential nature of the information or knowledge disclosed by Seller to Buyer within thirty (30) days of first disclosure. Any and all such information received from Seller may be shared by Buyer with affiliates of Buyer, provided that Buyer shall endeavor to ensure that such affiliates shall be bound by the same obligations of confidentiality as Buyer is obligated to Seller. The obligations of confidentiality under this Agreement shall not apply to any information or knowledge that (i) is publicly known at the time of disclosure to the receiving Party; (ii) becomes public knowledge without breach of this Agreement by the receiving Party; (iii) is known to the receiving Party at the time of the disclosure and not subject to any restrictions; (iv) is lawfully obtained without restriction (x) by Buyer from a third party, or (y) by Seller from a third party not affiliated with Buyer; or (z) is independently developed by the receiving party by employees of the receiving Party who have not had access to the confidential knowledge or information of the disclosing Party.

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8.3 Except as may otherwise be agreed in writing, all inventions, products, processes, apparatus, or designs, patentable or unpatentable, conceived, invented, or originated by either Party prior to the Effective Date shall remain the property of that Party.

8.4 Seller grants to Buyer, and to Buyer's affiliates, subsidiaries, and designees, nonexclusive, irrevocable licenses under any applicable patent, copyright, or other property right to use, modify, publish, or distribute the same or any right therein without the payment of any royalties or similar fees, provided, however, that such grant is only for the purpose of the manufacture, assembly, distribution, and sale of products and parts by Buyer, its affiliates, subsidiaries, and designees. Notwithstanding the foregoing, to the extent that Buyer determines that Seller is unable or unwilling to provide sufficient quantities of conforming Goods in a timely manner, the above license shall include the right of Buyer to make or have a designee make the Goods.

8.5 If any Goods to be supplied by Seller to Buyer are covered by patents, design patents, or other industrial or intellectual property rights of Seller or pending applications for such rights of Seller or are produced under a license from a third party, then Seller shall notify Buyer in writing of such patents, design patents, or other industrial or intellectual property rights, pending applications, or such license from a third party as soon as possible, but in no event later than thirty (30) days before first delivery of the Goods to Buyer. Buyer shall have no obligation to Seller for infringement of Seller's or a third party's industrial or intellectual property rights for which Seller has failed to provide its required notice under this Section, and Seller shall indemnify, defend, and hold Buyer harmless from any claims for such infringement pursuant to Section 6.1.

8.6 If, during the term of this Agreement, Buyer and Seller engage in joint research or development activities related to the Goods or otherwise, Buyer and Seller shall agree in writing on the ownership of patents, design patents, or other industrial or intellectual property rights to inventions, devices, or designs to be achieved or developed in such joint activities before commencing any or each such development activity. In the absence of such written agreement or any prior written agreement with respect to such joint development activity, ownership of patents, design patents, or other industrial or intellectual property shall belong to Buyer.

8.7 If Seller has received or receives any intellectual property infringement claim from a third party regarding Seller's ability to make, have made, use, or sell the Goods or any part of the Goods to Buyer or regarding any method or apparatus for producing the Goods or any part of the Goods for Buyer, Seller shall promptly upon receipt provide to Buyer a copy of the claim. Thereafter, Seller promptly shall keep Buyer apprised of the defense and disposition of such claim.

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8.8 Seller agrees that all trademarks, service marks, trade names, patents, copyrights, trade secrets, and other proprietary rights of Buyer (collectively, "Buyer's Intellectual Property") are the sole and exclusive property of Buyer. Nothing in this Agreement shall give Seller any right, title, or interest in Buyer's Intellectual Property or the goodwill connected therewith, except the right to use the same in strict accordance with the terms and conditions of this Agreement. Seller shall not contest the validity or ownership of any of Buyer's Intellectual Property or assist others in contesting the validity or ownership of such property. Seller shall promptly notify Buyer in writing of any infringement or potential infringement of Buyer's Intellectual Property of which Seller becomes aware.

#### Article 9. Service Parts

9.1 Seller will provide Buyer or Buyer's designee(s) with all service and replacement parts for the Goods, which are required by Buyer or Buyer's designee for a period of twenty (20) years, or such lesser period as Buyer or Buyer's designee agrees in writing, after Buyer terminates production of any item or line of the products, which production incorporates or uses the Goods.

9.2 During the effectiveness of this Agreement, the terms and conditions of this Agreement shall fully apply with respect to the service and replacement parts identified in Section 9.1 hereof.

#### Article 10. Supplies

10.1 With Seller's agreement, Buyer may provide Seller, directly or indirectly, with material, work in process, or component parts of the Goods ("Supplies"). Buyer and Seller shall agree on pricing with respect to the Supplies.

10.2 All Supplies will be inspected and processed in compliance with Buyer's instructions to Seller and the Specifications for the Goods. Seller will give Buyer prompt notice of failure of the Supplies to meet quality, quantity, and delivery requirements, which (a) has a high rate of occurrence, (b) impairs or may impair Seller's ability to meet its delivery schedules or comply with the Specifications, (c) affects product safety or (d) is otherwise serious in the opinion of Seller. Seller will follow Buyer's instructions concerning the Supplies.

10.3 Seller will not substitute any other property for the Supplies, will not sell, transfer, loan, use, or permit use of the Supplies for any purpose except to furnish Goods to Buyer and will not at any time permit any of the Supplies to be subject to any Encumbrances (other than Buyer's ownership interest).

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10.4 Seller will store, insure, inspect, process, and keep records of the Supplies as Buyer requests.

Article 11. Prohibition of Sale or Use, Advertising

11.1 Seller shall not sell, transfer, loan to any person except Buyer, or otherwise use or permit use of (a) Goods manufactured from Specifications and/or other information that has originated with or been furnished by Buyer; or (b) Goods, packages, or containers identified with the trade names, trademarks, or markings evidencing property rights of Buyer or any of its designees or affiliates.

11.2 Without Buyer's prior written consent, Seller shall not advertise or publish in any manner the existence of this Agreement or the business relationship between Buyer and Seller.

Article 12. Duty, Drawback and Other Customs Related Information

12.1 With respect to each Order, Seller transfers to Buyer all customs duty and/or drawback rights, if any, related to the Goods or Supplies or to component parts or materials of the Goods or Supplies, including all such customs duty and/or drawback rights related to substitution of other Goods or Supplies or parts or materials of the Goods or Supplies and all such customs duty and/or drawback rights that may be acquired from Seller's suppliers.

12.2 Seller shall inform Buyer of all such customs duty and/or drawback rights referred to in Section 12.1 and, upon request by Buyer, shall supply such documentation or other information that Buyer deems necessary or appropriate to permit Buyer to obtain the full and complete benefits of such drawback or other rights.

12.3 Seller agrees to provide Buyer at Seller's expense with such other documentation or information that Buyer deems necessary or appropriate to satisfy the requirements of any other customs benefits or procedures related to the Goods or Supplies, including documentation and information to satisfy the requirements of the North American Free Trade Agreement.

12.4 Seller agrees to provide Buyer at Seller's expense with such other documentation or information that Buyer deems necessary or appropriate to satisfy the requirements of any federal or state law on domestic and/or foreign content including documentation and information to satisfy the requirements of the American Automobile Labeling Act and the U.S. Environmental Protection Agency's regulations on Corporate Average Fuel Economy.

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Article 13. Cancellation; Termination; and Additional Remedies

13.1 In addition to any other rights under this Agreement, Buyer may cancel any Order, in whole or in part, if Seller defaults under this Agreement or any Order. Upon such cancellation, Buyer shall have no further liability or responsibility with respect to such Order(s) or the cancelled portion of such Order(s), as the case may be.

13.2 Either Party may terminate this Agreement if:

13.2.a The other Party defaults in any performance, warranty, or representation hereunder, and the default is not cured after thirty (30) days' written notice to the defaulting Party by the non-defaulting Party; or

13.2.b The other Party defaults under any two (2) consecutive Orders; or

13.2.c The other Party is subject to any administrative or governmental action that suspends or terminates its business or that portion of its business that relates to any outstanding Orders; or

13.2.d The other Party makes a general assignment for the benefit of creditors, suspends business, or commits any act amounting to business failure, or makes a voluntary assignment or transfer of all or substantially all of its property; or

13.2.e A voluntary petition under Title 11, U.S.C., as amended, or any successor statute (the "Bankruptcy Code") is filed by the other Party, or any involuntary petition to obtain an order for relief against the other Party is filed under the Bankruptcy Code that is not vacated within forty-five (45) days from the date of filing, or a receiver or custodian (as defined in the Bankruptcy Code) is appointed under the Bankruptcy Code for such other Party, which appointment is not vacated within forty-five (45) days from the date of the appointment; or

13.2.f An Excusable Delay or other event(s) enumerated in Section 4.8 (including industrial disturbances) suspends or substantially or materially impairs the performance hereunder of the other party for longer than four (4) months.

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13.3 For any reason or no reason Buyer may cancel, in Buyer's sole discretion, the Agreement and/or any Order (in whole or in part) by giving notice of cancellation of the Agreement and/or Order to Seller. In the event of such cancellation of any Order, Buyer and Seller agree as follows:

13.3.a Unless otherwise directed by Buyer, after notice of cancellation, Seller shall immediately terminate all work under the Order and shall (i) terminate all orders and subcontracts relating to the performance of the work terminated by the notice of cancellation; (ii) settle all claims arising out of such termination of orders and subcontracts; (iii) transfer title and deliver to Buyer (A) all completed work that conforms to the Order and does not exceed the amounts authorized by Buyer under the Order and (B) all reasonable quantities (not exceeding the amounts authorized by Buyer under the Order) of work in process and materials produced or acquired with respect to Goods that are the subject of the cancelled Orders, which are of a type and quality suitable for producing Goods and which cannot reasonably be used by Seller to produce goods or supplies for itself or its other customers; (iv) take all action necessary to protect property in Seller's possession in which Buyer has or may acquire an interest; (v) promptly (but not later than three (3) months from the effective date of cancellation) submit to Buyer its cancellation claim in accordance with Section 13.3.b of the Agreement, and if Seller fails to submit its cancellation claim within such period, Buyer may determine, notwithstanding the provisions of Section 13.3.b hereof, the amount (if any) due Seller with respect to the cancellation, which determination shall be final;

13.3.b After cancellation of any Order by Buyer under this Section 13.3, Buyer shall pay to Seller the following amounts without duplication: (i) the price applicable to such Order for all Goods that have been completed in accordance with the Order and not previously paid for and delivered under Section 13.3.a; (ii) the actual costs incurred by Seller in accordance with the Order (to the extent such costs are reasonable in amount and are properly allocable under generally accepted accounting principles to the cancelled portion of the Order) for the actual cost of work in process and materials delivered to Buyer in accordance with Section 13.3.a, and the actual cost of claims permitted under Section 13.3.a(ii); and (iii) the reasonable costs incurred by Seller to protect property in its possession in which Buyer has or may acquire an interest. Payments made under this Section 13.3.b (excluding payments under subdivision (iii) hereof) shall not exceed the aggregate price applicable to the canceled Order, less payments made for Goods accepted under the Order (if any);

13.3.c Buyer shall have access to Seller's premises and records, before and after payment, to verify charges supporting any cancellation claim; and

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13.3.d The provisions of this Section 13.3 shall not apply if any Order is canceled by Buyer, in whole or in part, as a result of causes set forth in Sections 13.1 and 13.2.

#### Article 14. Miscellaneous

14.1 All covenants and agreements contained in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Parties, except that Seller shall have no right to assign any interest herein without the prior written consent of Buyer. A merger or change in the entity structure of Seller (including a change in controlling ownership interest) shall constitute an assignment that shall require the prior written consent of Buyer. Seller further agrees that this Agreement may not be assumed or assigned pursuant to 11 U.S.C. Section 365 or any other similar federal, state, or local law without the prior express written consent of Buyer, and Seller hereby expressly waives any rights it may have under such laws to assume and assign this Agreement.

14.2 Unless otherwise agreed in writing, the obligations, liabilities, warranties, representations, rights, and remedies of each of the Parties accrued, made, or incurred prior to or at the time of any termination of this Agreement or Order shall survive such termination.

14.3 Except as otherwise provided in this Agreement (including, without limitation, in Section 1.2), no amendment, modification, termination, or waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the Parties. The failure or delay of either Party at any time to enforce any right or remedy available to it under this Agreement with respect to any breach or failure shall not be construed to be a waiver of such right or remedy with respect to any other breach or failure by the other Party.

14.4 The titles of the articles of this Agreement are solely for convenience and are not part of the Agreement for purposes of interpreting its provisions.

14.5 Terms used in this Agreement, unless otherwise defined, shall be deemed to have the meanings set forth in the Uniform Commercial Code as in effect from time to time in California.

14.6 Unless otherwise specified, the terms "herein", "hereunder", "hereto", "herewith", and the like refer to this entire Agreement; the singular includes the plural, and conversely. The word "including" shall be read to mean "including without limitation" where appropriate so that it is not in any way a limitation or exclusion of items not referenced.

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14.7 This Agreement and any other document delivered under this Agreement are being executed and delivered in and are intended to be performed under and governed by the laws of the State of California. If any provision hereof is or becomes invalid or unenforceable under any law, the Parties intend that such provision will be deemed severed and omitted from this Agreement and the remaining portions shall remain in full force and effect as written. Any provision hereof that becomes unenforceable by reason of the commencement of a case under the Bankruptcy Code shall again be valid and enforceable no later than the termination of said case. Furthermore, to the extent the Honda Company issuing the Order is located in a state other than California, or in a country other than the United States, it is the intention of the Parties that this Section 14.7 shall apply; provided, however, that in the event that the governing laws provision of this Section 14.7 is found to be unenforceable, the law of the state/country where the Honda Company's applicable receiving facility is located shall govern.

14.8 The United Nations Convention on Contracts for the International Sale of Goods shall have no application to this Agreement or actions hereunder or contemplated hereby.

14.9 The Parties agree that all notices, consents, approvals, records, and other communications required or permitted to be held or delivered under this Agreement, and all disputes to be resolved in connection with this Agreement, shall be held, delivered, and resolved in the English language.

14.10 The rights and remedies reserved to Buyer in this Agreement are cumulative with, and in addition to, all other or further remedies provided in law or equity. To the extent that this Agreement is for the supply of Goods for use as, or fabrication into, parts, components, systems, or vehicles, Seller acknowledges and agrees that money damages may not be a sufficient remedy for any actual, anticipatory, or threatened breach of this Agreement by Seller with respect to its delivery of Goods to Buyer and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach.

14.11 Notices required or permitted hereunder shall be delivered by any commercially reasonable manner to the address set forth in the Agreement for the Party to which applicable, or to such other address as may be provided by such Party by notice, and shall be effective upon receipt.

14.12 In addition to the other rights of Buyer under the Agreement, to the extent any affiliate of Buyer acquires all or any portion of the Goods from Buyer, all rights of ownership of the Goods, including all rights under warranties, all rights with respect to indemnity and insurance, and all rights to receive notices and/or grant consents under the Agreement shall fully

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inure to the benefit of and extend to such affiliate, and such affiliate shall be a third party beneficiary under the Agreement for such purposes.

14.13 To the extent applicable to Supplier, Supplier agrees to comply with Buyer's reasonable corporate policies, including but not limited to the Honda Corporate Policies attached hereto as Exhibit B.

#### Article 15. Supply Chain Security

15.1 Buyer is a strong supporter and certified member of the Customs-Trade Partnership Against Terrorism ("C-TPAT"). C-TPAT is a joint effort between U.S. Customs and Border Protection and the trade community to reduce the threat of terrorism by means of protecting the integrity of cargo imported into, further processed or warehoused in, and/or exported from, the United States. As a member of C-TPAT, Buyer is required to ensure that its business partners, such as Seller, develop security processes and procedures consistent with the C-TPAT security criteria (see [www.cbp.gov](http://www.cbp.gov) for more information on C-TPAT, including the C-TPAT program). Buyer strongly urges Seller to adopt the security standards found in the C-TPAT program, or the equivalent supply chain security program criteria administered by the customs administration in Seller's home country.

15.2 Seller agrees to take reasonable measures to ensure the physical security of all shipments to Buyer, or any other location designated by Buyer, against the unauthorized introduction of harmful or dangerous materials or unauthorized personnel in transportation conveyances or containers. The prior sentence extends not only to the adequacy of Seller's own security measures, but also to its selection of transportation, packing, or other business partners based in part on physical security considerations.

15.3 As a C-TPAT member, Buyer is required to conduct periodic assessments of its international supply chain. Seller agrees to take such reasonable measures as may be necessary when requested by Buyer to cooperate with Buyer's supply chain security assessments and to confirm that Seller and its business partners are taking reasonable measures to ensure the physical security of all shipments.

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#### Article 16. Audits

Seller shall permit Buyer's representatives to visit Seller's facilities upon reasonable notice, during normal business hours, for the purpose of determining whether Goods are being manufactured in conformity with the Agreement. Seller shall maintain records and data concerning the manufacturing of Goods hereunder in accordance with the specifications. Such records shall be available for review by Buyer's representatives upon request. Copies of said records will be provided to Buyer upon request, at cost.

#### Article 17. Security Interest

To the extent that any Goods, Buyer Materials or Supplies are at any time deemed not to be the property of Buyer, it shall be deemed to be Collateral (as defined in the "Security Agreement," the form of which is attached herein as "Exhibit A"). Seller hereby grants to Buyer a security interest in and to such Collateral in the form attached hereto as "Exhibit A." Seller shall cooperate with Buyer and shall execute and provide to Buyer UCC Financing Statements and such other instruments and documents necessary for Buyer to protect and perfect its security interest.

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## EXHIBIT A

### SECURITY AGREEMENT (Goods, Buyer Material and Supplies)

**THIS SECURITY AGREEMENT (GOODS, BUYER MATERIALS AND SUPPLIES)**, dated as of \_\_\_\_\_, 20\_\_, is made by \_\_\_\_\_, a corporation duly organized and existing under the laws of the State of \_\_\_\_\_, with principal offices at \_\_\_\_\_ (“*Grantor*”), in favor of **AMERICAN HONDA MOTOR CO., INC.**, a corporation duly organized and existing under the laws of the State of California, with principal offices at 1919 Torrance Boulevard, Torrance, California 90501-2746 (“*AHM*”).

#### RECITALS

**A.** Pursuant to an Agreement for the Purchase and Sale of Goods dated as of the date hereof (as the same may from time to time be amended, modified, supplemented or restated, the “*Purchase Agreement*”), between Grantor and AHM, AHM has agreed to appoint Grantor as a manufacturer for AHM of certain Honda and/or Acura parts (as described more fully in the Purchase Agreement) and has authorized Grantor to use certain AHM proprietary information, molds, tooling and trademarks in order carry out its obligations thereunder, for the purposes of and subject to the terms and conditions set forth in the Purchase Agreement.

**B.** AHM is willing to grant such rights to Grantor, but only upon the condition, among others, that Grantor shall have executed and delivered to AHM this Security Agreement to secure its obligations under the Purchase Agreement.

#### AGREEMENT

**NOW, THEREFORE**, in order to induce AHM to enter into the Purchase Agreement and for other good and valuable consideration, and intending to be legally bound, Grantor hereby represents, warrants, covenants and agrees as follows:

**SECTION 1. DEFINED TERMS.** Unless otherwise defined herein, (a) the capitalized terms defined in the Purchase Agreement are used herein as therein defined and (b) the following capitalized terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

“*Collateral*” shall have the meaning assigned to such term in Section 2 of this Security Agreement.

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“*Person*” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision.

“*Proceeds*” means any of the following property:

(a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of Collateral.

(b) Whatever is collected on, or distributed on account of, Collateral.

(c) Rights arising out of Collateral.

(d) To the extent of the value of Collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the Collateral.

(e) To the extent of the value of Collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the Collateral.

“*Secured Obligations*” means all of Grantor’s obligations, agreements, covenants, terms and conditions to be performed or observed by Grantor under the Purchase Agreement.

“*Security Agreement*” means this Security Agreement (Goods, Buyer’s Material and Supplies), as the same may from time to time be amended, modified, supplemented or restated.

“*UCC*” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of California; *provided, however, in the event that*, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of AHM’s security interest in any collateral is governed by the Uniform Commercial Code or analogous law as in effect in a jurisdiction other than the State of California, the term “UCC” shall mean the Uniform Commercial Code or analogous law as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

**SECTION 2. GRANT OF SECURITY INTEREST.** As security for the performance and observance of all the Secured Obligations and in order to induce AHM to enter into the Purchase Agreement, Grantor hereby assigns (for collateral purposes only), conveys, mortgages, pledges, hypothecates and transfers to AHM, and hereby grants to AHM, to the maximum extent permitted by applicable law, a first priority security interest in and to all of Grantor’s right, title and interest in and to the Goods, Buyer’s Material and Supplies

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(as defined in the Purchase Agreement) now or hereafter owned or held by Grantor (the “Collateral”) and the Proceeds thereof.

**SECTION 3. REPRESENTATIONS AND WARRANTIES.** Grantor hereby represents and warrants to AHM that:

(a) Except to the extent that Goods, Buyer’s Material and/or Supplies are owned by AHM, Grantor is the legal and equitable owner of each item of the Collateral in which it purports to grant a security interest hereunder, having good and marketable rights thereto free and clear of any and all liens.

(b) Performance of this Security Agreement does not conflict with or result in a breach of any agreement to which Grantor is a party or by which Grantor is bound.

(c) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by Grantor in favor of AHM pursuant to this Security Agreement.

**SECTION 4. COVENANTS.** Grantor covenants and agrees with AHM that from and after the date of this Security Agreement and until the Secured Obligations have been completely and indefeasibly performed in full:

**4.1 Further Assurances; Pledge of Collateral.** At any time and from time to time, upon the written request of AHM, and at the sole expense of AHM, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as AHM may reasonably deem desirable to obtain the full benefits of the Security Agreement and of the rights and powers herein granted, including, without limitation, filing any financing or continuation statements under the UCC with respect to the security interests granted hereby. Grantor also hereby authorizes AHM to file any such financing or continuation statement without the signature of Grantor.

**4.2 Notices.** Grantor shall advise AHM promptly, in reasonable detail, of any material lien attaching to or asserted against any of the Collateral.

**SECTION 5. AHM ‘S APPOINTMENT AS ATTORNEY-IN-FACT.**

(a) Grantor hereby irrevocably constitutes and appoints AHM, and any officer or agent thereof, with full power of substitution, as their true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time at AHM’s discretion, for the purpose of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute and deliver any and all documents and instruments

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which may be necessary or desirable to accomplish the purposes of this Security Agreement, including (i) to file, in its reasonable discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law and (ii) after the occurrence and during the continuance of an Event of Default, to transfer the Collateral into the name of AHM or a third party to the extent permitted under the UCC.

(b) If Grantor fails to perform or comply with any of its respective agreements contained herein and AHM, as provided for by the terms of this Security Agreement, shall perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses, including attorney costs, of AHM incurred in connection with such performance or compliance, shall be payable by Grantor to AHM and shall constitute Secured Obligations secured hereby.

**SECTION 6. EVENTS OF DEFAULT.** The occurrence of any of the following shall constitute an “*Event of Default*” under this Security Agreement:

(a) The Purchase Agreement terminates or expires for any reason and, with respect to the Goods, AHM fulfills its obligations, if any, pursuant to Section 13.4(c) of the Purchase Agreement, or

(b) Grantor breaches any warranty or agreement in any material respect made by Grantor in this Security Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within thirty (30) days of the occurrence of such breach if notice thereof has been given to Grantor.

**SECTION 7. RIGHTS AND REMEDIES UPON DEFAULT.**

(a) If any Event of Default shall occur and be continuing, AHM may exercise in addition to all other rights and remedies granted to it under this Security Agreement, the Purchase Agreement and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Grantor expressly agrees that in any such event AHM, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker’s board or at any of AHM’s offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. AHM shall have the right upon any such

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public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption Grantor hereby releases. Grantor further agrees, at AHM's request, to assemble the Collateral and make it available to AHM at places which AHM shall reasonably select, whether at Grantor's premises or elsewhere.

(b) Grantor also agrees to pay all reasonable fees, costs and expenses of AHM, including, without limitation, attorney costs, incurred in connection with the enforcement of any of its rights and remedies hereunder.

(c) Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

**SECTION 8. REINSTATEMENT.** This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

#### **SECTION 9. MISCELLANEOUS.**

**9.1 Notices.** Any notice or other communication hereunder to any party shall be addressed and delivered (and shall be deemed given) in accordance with the Purchase Agreement.

**9.2 Severability.** Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**9.3 Headings.** The various headings in this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this agreement or any provisions hereof.

**HONDA**

**9.4 No Waiver; Cumulative Remedies.**

(a) AHM shall not by any act, delay, omission or otherwise be deemed to have waived any of its respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

(b) The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

(c) None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by Grantor and AHM.

**9.5 Termination of this Security Agreement.** Subject to Section 8, above, this Security Agreement shall terminate upon the termination of all obligations under the Purchase Agreement.

**9.6 Successor and Assigns.** This Security Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor, and shall, together with the rights and remedies of AHM hereunder, inure to the benefit of AHM, and its respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the security interest created herein and granted to AHM hereunder.

**9.7 Governing Law.** In all respects, including all matters of construction, validity and performance, this Security Agreement and the Secured Obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of California applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws.

**9.8 Counterparts.** This Security Agreement may be executed in any number of counterparts, each of which when so delivered shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Each such agreement shall become effective upon the execution of a counterpart hereof or thereof by each of the parties hereto.

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Security Agreement to be executed and delivered by its duly authorized signatory on the date first set forth above.

**HONDA**

\_\_\_\_\_  
**SELLER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

*Accepted and acknowledged by:*

**AMERICAN HONDA MOTOR CO., INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

**HONDA**