

BAILMENT TERMS AND CONDITIONS

Purchase Order No: _____

This Bailment Purchase Order (PO) entered into as of the date of the Supplier's acceptance of the PO between the Supplier identified on the first page of the PO ("Bailor") and Company identified on the face of the PO ("Bailee"). Notwithstanding terms and conditions identified in the PO, including the Aerojet Rocketdyne (AR) General Provisions, form SCM-AS302-1, incorporated therein are deemed not applicable. AR reserves the right to incorporate the AR General Provisions in any Change Order if it is determined following negotiation that AR will purchase the "bailed property".

Bailor hereby loans to Bailee the property described below, hereinafter called "bailed property."

1. The bailed property consists of: _____
2. Bailee may use the bailed property for the following purposes: _____
3. The bailed property will be shipped F.O.B. _____ ** plant,

Address: _____

Dept. _____, Attention: _____

and returned to Bailor F.O.B. _____ **plant

on or before _____.

(**Insert "Bailor's" or "Bailee's", as appropriate)

4. Title to the bailed property shall remain with Bailor. Bailee shall not sell, mortgage, encumber, or otherwise subject the bailed property to any legal process without Bailor's consent. Except as provided in paragraph 11 below, this is a no-cost PO.
5. Bailor hereby grants a nonexclusive license to use any software and documentation provided in conjunction with the bailed property. This license includes the right to make archival and backup copies of the software in support of such use.
6. The bailed property shall be returned in its original condition, ordinary wear and tear excepted. Unless otherwise provided herein, Bailee may modify the bailed property, provided that it is restored substantially to its original condition, prior to its return to Bailor. Bailee shall, to the extent reasonably required, be responsible for normal maintenance of the bailed property, exclusive of replacement parts and calibration. NEITHER PARTY SHALL BE LIABLE FOR ANTICIPATORY OR LOST PROFITS OR REVENUES, OR SPECIAL (INCLUDING MULTIPLE OR PUNITIVE), INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER. BAILOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE BAILED ITEM, AND SPECIFICALLY DISCLAIMS ALL STATUTORY WARRANTIES, INCLUDING MERCHANTABILITY.

7. **SELECT APPLICABLE STATEMENT**

If Bailment is for mutual benefit: The Parties agree that Bailee shall be not be liable to Bailor for any damages to the bailed property arising out of Bailee's possession, operation or return of the bailed property in accordance with the terms of this PO, unless such damages are caused by Bailee's failure to meet the standard of ordinary, reasonable care.

If Bailment is primarily benefiting Bailee: The Parties agree that Bailee shall be not be liable to Bailor for any damages to the bailed property arising out of Bailee's possession, operation or return of the bailed

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property in accordance with the terms of this PO, unless such damages are caused by Bailee's negligence, or reckless or willful conduct.

If Bailment is primarily benefiting Bailor: The Parties agree that Bailee shall be not be liable to Bailor for any damages to the bailed property arising out of Bailee's possession, operation or return of the bailed property in accordance with the terms of this PO, unless such damages are caused by Bailee's gross negligence, or reckless or willful conduct.

8. Neither party, without the other party's prior written approval, shall release any publicity, advertisement, news release, or denial or confirmation of same, in whatever form, regarding any aspect of this PO or the program to which it pertains.
9. Bailee shall keep confidential and otherwise protect from disclosure all information and property obtained from Bailor in connection with this PO that is identified as Confidential or Proprietary. Unless otherwise expressly authorized herein or unless this PO is amended, Bailee shall use such information and property, and the features thereof, only in the performance and for the purpose of this PO. Upon Bailor's request, and in any event upon the completion, termination or cancellation of this PO, Bailee shall return all such information and property to Bailor or make such other disposition thereof as is directed by Bailor. In all lower-tier subcontracts issued by Bailee that involve a subcontractor's receipt of such information or property, Bailee shall acquire for Bailor the same rights and protection as contained in this paragraph.
10. Bailor shall be liable for all taxes assessed against the bailed property while in the possession of Bailee.
11. Neither this PO, nor any interest herein nor claim arising hereunder shall be transferred by Bailee to any Party or Parties without the prior written consent of Bailor, which shall not be unreasonably withheld.
12. The exclusive points of contact required by any of the provisions of this PO are as follows, and may be amended by either Party at any time by written notice to the other Party:

For Bailor:

Name:
Address:
Contact:
Phone:
Email:

For Bailee:

Name:
Address:
Contact:
Phone:
Email:

13. This PO constitutes the full and complete understanding between the Parties hereto with respect to the subject matter of this PO. This PO shall not be construed as an agreement between the parties to have any future business dealings.
14. This PO shall be governed by the laws of the State of California. This PO excludes the application of the United Nations Convention on Contracts for the International Sale of Goods.

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