

A.S.C. PURCHASE ORDER TERMS AND CONDITIONS

1. ACCEPTANCE AND CONFLICTING TERMS: The Contract between Seller and Buyer is embodied in the terms and conditions of this Purchase Order (hereinafter "Order") and such Order will be deemed accepted and binding upon both parties when Seller has begun performance of this Order in accordance with its terms.

ANY TERMS AND CONDITIONS (ORAL OR WRITTEN) DIFFERING FROM, OR IN ADDITION TO THE TERMS AND CONDITIONS SET FORTH HEREIN, WHETHER OR NOT SUCH DIFFERENT TERMS AND CONDITIONS MATERIALLY ALTER THE TERMS AND CONDITIONS OF THIS ORDER ARE HEREBY OBJECTED TO BY BUYER AND WAIVED BY SELLER.

In the event Seller objects in writing to any terms and conditions of this Order, Seller agrees that the terms and conditions of this Order will apply and bind each party until an overriding agreement, with respect to any terms and conditions objected to by Seller, is negotiated in good faith and consummated between the parties. Terms and conditions not objected to by Seller will be binding upon Seller.

2. DELIVERY: Time is the essence of this Order. If no delivery time is specified, then delivery will be required in reasonable time. Unless expressly specified, delivery may not be made in installments. Deliveries will be made in quantities and at the time(s) specified herein. If Seller's deliveries fail to meet schedule, Buyer may, without limiting its other rights or remedies, direct expedited production scheduling and routing and Seller will pay any additional costs incurred. Alternatively, Buyer may exercise its right to terminate pursuant to Paragraph 11 herein, any part of or the entire Order in the event, (i) Seller fails to make schedule delivery of any or all of the products ordered, including without limitation, raw material, components, intermediate assemblies and other like supplies (hereinafter "Goods") or (ii) Seller fails to perform the services described herein or (iii) Seller's performance, in Buyer's opinion, substantially endangers completion of this Order. Buyer will not be liable for Seller's commitments or production arrangements, which are entered into in advance of issuance of this Order or which are in excess of the amount or in advance of the time necessary to meet Buyer's schedule(s). If Seller delivers Goods in advance of Buyer's schedule(s), Buyer may withhold payment therefore until the date upon which Goods were actually scheduled for delivery or store the Goods at Seller's expense until such scheduled delivery date.

3. INSPECTION AND ACCEPTANCE OF GOODS: All Goods ordered will be subject to inspection and test by Buyer at times and places deemed necessary by Buyer including inspection during the period of manufacture at Seller's facility. Seller will permit access to its facilities at reasonable times for inspection of Goods by Buyer's representatives and will provide all tools, facilities and assistance reasonably necessary for such inspection at no cost to Buyer. Such Goods will be subject to inspection and acceptance by Buyer after delivery to Buyer. Inspections and payments made by Buyer prior to delivery will not constitute acceptance.

If Goods do not meet the specifications or otherwise do not conform with the requirements of this Order, Buyer will have the right to reject such Goods. Goods rejected after delivery may, at Buyer's option, be returned to Seller for reimbursement, credit, replacement or correction at Seller's expense or Buyer may correct or replace such goods at the Seller's expense. Any Goods rejected and returned to Seller will not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed to Buyer. Packaging, handling and transportation costs relating to return and re-delivery of rejected Goods will be paid for by Seller.

Seller will maintain inspection and quality control systems acceptable to Buyer. The system of quality control including drawings, specifications and other data, will conform to the quality control requirements specified by Buyer or, if unspecified, will meet the highest standards in the industry. Seller shall maintain adequate inspection and test reports, affidavits, certifications and other documents which relate to work performed under this Order. Such documents will be available upon request to Buyer for a period of three (3) years after completion of this Order.

4. CHANGES: Buyer may, at any time, by a written order, make changes in any of the following: (a) tooling drawings, designs or specifications, where the Goods to be furnished are to be specially manufactured for Buyer in accordance therewith; (b) method of shipment of packing; and (c) place of delivery and delivery schedule, and Seller will promptly comply with such change(s).

If any such change(s) cause an increase or decrease in the cost of, or the time required for the performance of any work under this Order, an equitable adjustment will be made in the price or delivery schedule, or both, and this Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this paragraph must be asserted within fifteen (15) days from the date of receipt of notice of change by Seller unless Buyer expressly waives such requirements in writing. Where the cost of property made obsolete or excess as a result of any change requested by Buyer is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. Failure to agree on any claim for an equitable adjustment under this paragraph will be a dispute and either party may thereupon pursue any remedy which it may have in any court of competent jurisdiction or under ASPR, if applicable. Pending the resolution of any such dispute, Seller will diligently pursue the performance of this Order as changed.

5. DRAWINGS AND SPECIFICATIONS REVIEW: In the event Buyer reviews drawings, specifications, or other data developed by Seller in connection with the Order and makes suggestions or comments or improves such documents and data, such action is merely an expression of opinion by Buyer and will not serve to relieve Seller of any responsibility for such drawings, specifications or other data or for performance of this Order.

6. BUYER'S CONFIDENTIAL INFORMATION: Seller will keep confidential all information, drawings, specifications or data furnished by Buyer and shall not divulge or use such information, drawings, specifications or data for the benefit of any third person or entity. Except as required for the performance of this Order, Seller will not make copies or permit copies thereof to be made without the prior written consent of Buyer. Seller will, upon completion of this Order, return such data to Buyer and make no further use, either directly or indirectly, of any such data or of any information hereof or hereafter furnished or disclosed to Buyer by ten consent.

7. USE OF SELLER'S INFORMATION: Seller agrees that all information heretofore or hereafter furnished or disclosed to Buyer by Seller, in connection with the placing or filling of this Order, is furnished or disclosed as a part of the consideration for this Order. Such information is not, unless otherwise agreed to by Buyer in writing, to be treated as confidential or proprietary. Seller will assert no claims (other than for patent infringement) by reason of the use or disclosure of information so furnished or disclosed unless such agreement is made in writing and signed by a Division General Manager.

8. DISCLOSURE OF CONTRACT: Seller shall not in any manner advertise or publish that it has furnished or contracted to furnish Buyer, the Goods or services herein purchased without prior written consent of Buyer.

9. TOOLING: Unless otherwise specified in this Order, all tooling, jigs, dies, and other like articles required for performance, will be furnished by Seller and shall be maintained in good condition and replaced when necessary at Seller's expense. Seller will pay all applicable taxes, including personal property taxes, assessed upon such tooling, jigs or other like articles. If Buyer agrees to pay Seller for special tooling, jigs and other articles, either separately or as a stated part of the unit prices of Goods purchased herein, Buyer may, at its option, upon making payment therefore, take title and possession of such special tooling, jigs and articles, including any dies, tools, gauges fixtures and patterns.

10. PRICES: The prices of the Goods purchased hereunder are those stated on the face of this Order and will remain firm for the quantities listed notwithstanding any delays in delivery or acceptance, provided that, in the event Buyer requests and Seller agrees that deliveries be delayed for more than twelve (12) months after the last scheduled date of delivery set forth on the face of this Order, an equitable adjustment in price based upon actual cost increases experienced by Seller as a consequence of such delay will be made. In the event that parties are unable to agree upon such price adjustment, the undelivered balance of this Order may be cancelled.

11. TERMINATION FOR DEFAULT: Buyer may, by written notice of default, terminate this Order or any part thereof, without liability to Buyer, in the event of the occurrence of any of the following: (i) insolvency of Seller, the filing of a voluntary or involuntary petition in bankruptcy by or regarding Seller, appointment of a Receiver or Trustee for Seller, or an assignment by Seller for the benefit of creditors, or (ii) a material uncured breach of any of the terms or conditions hereof. After default (and at Buyer's option after allowing Seller a reasonable time to remedy such default), Buyer may, (i) terminate this Order in whole or in part, and/or (ii) obtain the Goods, or services ordered herein from another source and charge Seller for any excess cost resulting from such procurement. Buyer may, at its option, require delivery of any Goods ready for delivery. Seller will assure that such Goods are capable of delivery free and clear of all liens and other encumbrances. If after notice of termination of this Order has been given, it is determined by Buyer that the Seller's failure to perform this Order is due to any cause beyond Seller's control, such notice of default shall be deemed to have been issued pursuant to Paragraph 12 and the rights and obligations of the parties shall in such event be governed by such Paragraph, provided Seller notified Buyer promptly of such cause.

12. TERMINATION AT BUYER'S OPTION; LIABILITY UPON TERMINATION: Buyer may terminate this Order in whole or in part by written notice of termination whereupon Seller will stop work on the date and to the extent specified in the notice and terminate all vendor orders and related subcontracts. Seller will promptly advise Buyer of the quantities of work and material on hand or purchased prior to termination and the most favorable disposition that Seller can make thereof. Seller will comply with Buyer's instructions regarding transfer and disposition of title and possession of such work and material within thirty (30) days after receipt of such notice of termination, or in event Seller gives no instruction, Seller will take prudent steps to mitigate its damages. Buyer will have the right to audit such claims at any reasonable time(s) by inspecting and auditing the records, facilities, work or materials of Seller and/or its vendors and subcontractors relating to this Order. Buyer will pay Seller, without duplication, the Order price for finished work accepted by Buyer and the cost to Seller of work in process and raw material allocable to the terminated work, based on any audit Buyer may conduct and generally accepted accounting principles, less, (i) the reasonable value or cost, whichever is higher of any items used or sold by Seller in violation of this Agreement; (ii) the agreed value of any items used or sold by Seller; and (iii) the cost of any defective, damaged or destroyed work or material. Buyer will make no payments for finished work, work in process or raw material fabrication or materials procured by Seller in excess or advance of any amounts released by Buyer. Notwithstanding the above, payments made under this clause shall not exceed the aggregate price specified in this Order less payments otherwise made or to be made, and adjustments will be made reducing the payments hereunder for costs of work in process and raw material to reflect on a pro rata basis any indicated loss on the entire Order had it been completed. PAYMENT MADE UNDER THIS CLAUSE WILL CONSTITUTE BUYER'S ONLY LIABILITY IN THE EVENT THIS ORDER IS TERMINATED HEREUNDER.

13. EXCUSABLE DELAYS: Neither party shall be liable for damages for delay in delivery arising out of causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather. If the delay is caused by the delay of Seller's subcontractor(s) (any tier) or vendor(s) and if such delay arises out of causes beyond the control of both Seller or said subcontractor(s) or vendor(s) and without the fault or negligence of any of them, Seller shall not be liable to Buyer in damages unless the materials or services to be furnished by the said subcontractor(s) or vendor(s) were obtainable from other sources in sufficient time to permit the Seller to meet the required delivery schedule. Seller will notify Buyer in writing within forty-eight (48) hours after the beginning of any such cause. Nothing herein shall relieve Seller from making deliveries at the earliest possible time. In the event such delay materially interferes with the performance of Buyer's requirement, Buyer may cancel this Order.

14. INDEMNIFICATION: To the extent that Seller's agents, employees or subcontractor(s) or vendor(s) enter upon premises occupied by or under the control of Buyer, or any of its customers or suppliers in performing this Order, Seller shall take steps to prevent the occurrence of any injury (including death) to any persons, or of any damage to any property, arising out of acts or omissions of such agents, employees or subcontractor(s) or vendor(s) and except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, shall indemnify, defend and hold Buyer, its officers, employees and agents, harmless from any and all costs, losses, expenses, damages, claims, suits or any liability whatsoever, including attorney's fees, arising out of any act or omission of Seller, its agents, employees or subcontractors. Seller shall maintain and require its subcontractor(s) and vendor(s) to maintain, (a) public liability and property damage insurance including contractual liability (both general and vehicle) in amounts sufficient to cover the obligations set forth above, and (b) workmen's compensation and employer's liability insurance covering all employees engaged in performing this Order against claims arising under applicable Workmen's Compensation and Occupational Disease Acts. Seller shall furnish, upon Buyer's request, certificates evidencing such insurance. Seller warrants that no expiration, termination or modification of such insurance will take place without thirty (30) days written notice to Buyer.

15. BUYER'S PROPERTY: Title to all Buyer furnished property shall remain in Buyer. Seller shall not alter or use such property for any purpose, other than that specified by Buyer without the prior written consent of Buyer. Seller shall, at its expense, keep adequate records (which shall be made available to Buyer upon request) and store, protect, preserve, repair and maintain such property in accordance with sound industrial practices.

In the event that such property becomes lost, or damaged to any extent, prior to return to Buyer, Seller agrees to indemnify Buyer for any damages or loss or replace such property, at Seller's expense and at Buyer's request. Upon the completion or termination of an Order, Seller shall request disposition instructions for all such property, or the remainder thereof, whether in its original form or in semiprocessed form and shall make the disposition directed by Buyer, including preparation, packaging and shipping as directed. Expenses for preparation for shipment will be paid by Seller and shipment shall be made F.O.B. Seller's plant.

16. COMPLIANCE WITH LAWS: Seller shall, in the performance of work or services under this Order, fully comply with all applicable Federal, State, National Provincial and local laws, rules, regulations, and ordinances, of the United States and/or foreign countries or jurisdictions, where applicable, and shall hold Buyer harmless from any liability resulting from its failure to comply.

17. TAXES: Seller's price shall be exclusive of any Federal, State or local sales, use or excise taxes levied upon, or measured by, the sale, the sales price or use of Goods and any like taxes of foreign countries or jurisdictions (including customs duties, forwarding fees, port entry fees and other like impositions, where applicable) in the performance of this Order. Seller shall list separately on its invoice any such tax applicable to any such Goods, payable by Buyer, with respect to which Buyer does not

furnish to seller evidence of exemption. Seller's prices shall not include any taxes on property owned by the U.S. Government, unless authorized in writing by Buyer. Seller agrees to comply with any reasonable request by Buyer regarding payments under protest and regarding any refunds, claims, litigation or proceedings with respect to any such taxes and to make appropriate adjustments to afford Buyer the benefit of any refund or reduction in such taxes.

18. DISPUTES — REMEDIES: With respect to any dispute arising hereunder, which is not disposed of by agreement, either party may pursue any remedy which it may have in any court of competent jurisdiction. Pending the resolution of any such dispute, Seller shall diligently pursue the performance of this contract. Anything herein to the contrary notwithstanding, if any Government official having cognizance of Buyer's or its customer's contract issues a final decision relating directly or indirectly to this Order or to the items to be delivered hereunder, such decision, if binding upon Buyer, will in turn be binding upon Seller, and Seller will not be entitled to additional compensation or reimbursement for compliance therewith.

The remedies provided Buyer herein will be cumulative and in addition to any other remedies provided by law or equity. Any failure by Buyer to enforce its rights hereunder, or a waiver of a breach of any provision hereof, will not be deemed a waiver of such rights or a waiver of any other breach.

19. ASSIGNMENT AND SUBCONTRACTING: THIS ORDER, OR ANY INTEREST THEREIN, INCLUDING ANY CLAIMS FOR MONIES DUE OR TO BECOME DUE WITH RESPECT THERETO, MAY ONLY BE ASSIGNED OR SUBCONTRACTED UPON THE PRIOR WRITTEN CONSENT OF BUYER. ANY PAYMENT TO ANY ASSIGNEE OF ANY CLAIM UNDER THIS ORDER, IN CONSEQUENCE OF SUCH CONSENT, SHALL BE SUBJECT TO SET-OFF, RECOURSE OR OTHER REDUCTION FOR ANY CLAIM WHICH BUYER MAY HAVE AGAINST SELLER, NOTHING HEREIN SHALL LIMIT SELLER'S RIGHT TO PURCHASE STANDARD COMMERCIAL SUPPLIES OR RAW MATERIALS.

20. NOTICE OF LABOR DISPUTES: Whenever Seller has knowledge that any actual or potential labor dispute which delays or threatens to delay the timely performance of this Order, Seller shall immediately give written notice thereof, including all relevant information with respect thereto to Buyer. Seller agrees to insert the substance of this clause, including this sentence, in any subcontract hereunder or vendor order issued.

21. WARRANTY: Seller warrants that all Goods furnished hereunder will be free of defects in material and workmanship, will conform to applicable written drawings, specifications and other data and if not of Buyer's specified design, will be free of design defects and fit and sufficient for the purpose intended. All warranties shall survive acceptance and payment, and shall run to Buyer and its customers.

22. PATENT INDEMNIFICATION: Seller shall indemnify and save harmless Buyer, its successors, assigns, customers and users of its products, from and against all loss, liability and damage, including attorney's fees, costs and expenses, resulting from any claim that the manufacture, use, lease, sale or resale of any Goods supplied under this Order infringe any patents or patent rights, trademarks, tradenames or copyrights and Seller will, when notified, defend any action or claim of such infringement at its own expense. Indemnification shall not apply to Goods manufactured in accordance with Buyer's specified design or any infringement based solely upon the use of Goods supplied hereunder in combination with other goods not furnished by Seller, unless such combination is in accordance with recommendations or specifications furnished by Seller. In the event the manufacture, sale, lease or use of such Goods is enjoined, Seller shall, at its own expense at Buyer's option, either procure for Buyer the right to continue using such Goods, or replace same with equivalent non-infringing goods or modify such Goods so they become non-infringing or remove the same and refund the purchase price, including transportation, installation, removal and other charges incidental thereto.

23. FAIR LABOR STANDARDS ACT: Seller will comply with all applicable requirements of the Fair Labor Standards Act, as amended and with all applicable regulations and orders issued thereunder. Seller will certify on its invoice that Goods produced in performance of this Order comply.

24. OSHA AND CPSA COMPLIANCE: Seller warrants that the Goods sold or the services rendered to Buyer shall conform to the standards and regulations promulgated under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651) and the Consumer Product Safety Act of 1972 (Title 5 U.S.C. 5314, 5315; 15 U.S.C. 2051-2081). In the event Goods sold do not conform to OSHA or CPSA standards and regulations, the Buyer may return the product for correction or replacement or at Buyer's option, exercise its rights under Paragraph 11. Seller should indemnify Buyer for any and all Claims, losses or expenses by third parties including governmental agencies resulting from Seller's failure to comply.

25. GOVERNMENT PROPERTY: In the event any tooling, test equipment articles or materials of any type designated or acquired hereunder at Government property or as Government owned is furnished to Seller in connection herewith, Seller assumes complete liability therefore except for reasonable wear and tear except to the extent that such property is consumed in the performance of this Order, unless otherwise provided on the face of this Purchase Order. Seller shall comply with Appendix B of the ASPR.

26. GOVERNMENT CONTRACTS: If a U.S. Government contract number appears on the face of this Order, Seller will comply with the provisions of the Anti-Kickback Statute, (Public Law 86-698, 74 Stat. 740, 41 U.S.C. 51-54) and shall hold Buyer harmless from any liability resulting from failure of such compliance. Contract clauses required by the provisions of Armed Services Procurement Regulations listed below (unless Buyer, in writing, designates other governmental regulations as applicable are incorporated herein by reference, except that the terms "Government" and "Contracting Officer" and equivalent phrases (unless the context clearly indicates otherwise) shall mean "Buyer" and the terms "Contractor" or "Subcontractor" shall mean "Seller".

7-103.5	(Contracts)
7-103.13	Renegotiation
7-103.16	Contract Work Hours Standards Act
7-103.17	Walsh-Healey Public Contracts Act
7-103.18	Equal Opportunity (Seller must comply with 12-815 when it is applicable.)
7-103.23	Notice and Assistance Regarding Patent Infringement
7-104.3	Buy American Act
7-104.4	Notice to Government of Labor Disputes
7-104.6	Filing of Patent Applications
7-104.11	Excess Profit
7-104.12	Military Security Requirements
7-104.14(a)	Utilization of Small Business Concerns
7-104.15	Examination of Records
7-104.18	Priorities, Allocations and Allotments
7-104.20(a)	Utilization of Labor Surplus Area Concerns
7-104.29	Price Reduction for Defective Cost or Pricing Data
7-105.3(c)	Stop Work Orders
9-203	Rights in Technical Data
9-207.2(a)	Technical Data-Withholding of Payment

27. EQUAL EMPLOYMENT OPPORTUNITY: The Equal Employment Opportunity Clause in Section 202 of Paragraph 1 through 7, as amended, relative to equal employment opportunity and the implementing rules and regulations of the Office of Federal Contract Compliance are incorporated herein by specific reference.