

August 24, 1990

APPENDIX 'O'
GENERAL PROVISIONS FIXED PRICE PURCHASE ORDER

1. It is expressly understood and agreed that the printed terms and conditions on the reverse side of the title page are applicable to this Purchase Order except as they may be altered by or are inconsistent with the following provisions (including attachments), and in the event of inconsistency, said following provisions shall be superior and controlling. Any and all attachments set forth or referenced herein are hereby incorporated and made a part of this Purchase Order.

2. SUPERSEDING STATEMENT

This Purchase Order supersedes any and all prior agreement of the parties, whether oral or written, concerning the subject matter hereof. This Purchase Order shall not be varied in its terms by any oral agreement or representations, or otherwise than by an instrument, in writing, or the same or subsequent date hereto, executed by both the Buyer and the Seller.

3. MANUFACTURING INSTRUCTIONS

Seller shall manufacture in accordance with blueprint, specifications and Outside Production Operation Sheet incorporated herein by this reference.

4. BUYER FURNISHED MATERIAL

(A) Buyer shall furnish Seller with production material as called out on blueprint, to be used exclusively in the production of parts ordered herein. Scrap material generated as a result of manufacturing error shall be replaced at Seller's expense. Seller's Purchase Order for replacement material must be forwarded to the Buyer within three (3) days after generation of scrap.

(B) The delivery or performance dates for the supplies to be furnished by the Seller under this Purchase Order are based upon the expectation that Buyer shall furnish material suitable for use in time to enable the Seller to meet such delivery dates. In the event the Buyer-furnished material is not delivered to the Seller by such time or times, the Buyer shall, upon timely written request made by the Seller, make a determination of the delay occasioned the Seller thereby, and shall equitably adjust the delivery or

performance dates, or the Purchase Order price, or both, and any other contractual provision affected by such delay, in accordance with the procedures provided for in the clause of this Purchase Order entitled "Changes". In the event the furnished material is received by the Seller in a condition not suitable for the intended use, or the material is received in a partially completed condition, the Seller shall, upon receipt thereof, notify the Buyer of such fact and shall follow Buyer's directions in disposition of such property. Upon completion of disposition of the property in accordance with Buyer's directions and upon request, Buyer shall equitably adjust the delivery or performance dates, or the Purchase Order price, or both, and any other contractual provision affected by the rejection, disposition, repair, modification, or use, in accordance with the procedures provided for in the clause of this Purchase Order entitled "Changes". The foregoing provisions for adjustment are exclusive and the Buyer shall not be liable for breach of contract by reason of any delay in delivery of furnished material or delivery of such material in a condition not suitable for intended use.

- (C) Title to all material or property furnished to the Seller shall remain in the Buyer. The Seller shall not incur any liens or encumbrances or permit same to attach to the material. Title to the material shall not be affected by the incorporation or attachment thereof to any property not owned by the Buyer nor shall such material, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty. The Seller shall maintain adequate property control records of the material.
- (D) The material, unless otherwise provided herein, shall be used only for the performance of this Purchase Order. The Buyer shall at all reasonable times have access to the premises where any of the material is located.
- (E) The Seller shall maintain and administer in accordance with sound industrial practice, a program for the maintenance, repair, protection and preservation of the material so as to assure its full availability and usefulness for the performance of this Purchase Order. The Seller shall comply with all directions or instructions which the Buyer may prescribe as reasonably necessary for the protection of the material.
- (F) The material shall remain in the possession of the Seller for such period of time as is required for the performance of this Purchase Order unless the Buyer determines that the interests of the Buyer require removal of such material. In such case, the Seller shall promptly take such action as the Buyer may direct with respect to the removal and shipping of the material. In such instance, this Purchase Order may be amended to accomplish an equitable adjustment in the terms and provisions hereof.

(G) Upon the completion of this Purchase Order, or at such earlier date as may be fixed by the Buyer, the Seller shall submit to the Buyer, in a form acceptable to Buyer, inventory schedules covering all items of the material not consumed in the performance of this Purchase Order or not therefore delivered to the Buyer and shall deliver or make such other disposition of the material as may be directed by the Buyer. The net proceeds of any disposal shall be credited to the price of the work covered by this Purchase Order or shall be paid in such manner as the Buyer may direct.

(H) Unless otherwise specifically stated in this Purchase Order, the Seller hereby assumes complete responsibility for all furnished material, including liability for loss or damage thereto and/or expenses incidental to such loss or damage.

5. SCRAP ALLOWANCE

The price specified in this Purchase Order includes an allowance for scrap and salvage (chips, cut-offs, etc.) which may normally be expected to be generated in the fulfillment of Purchase Orders having the same or similar requirements as this Purchase Order.

6. RECEIPT OF DOCUMENTS

The Seller expressly agrees and acknowledges that it has received the drawings, specifications, and documents referred to in this Purchase Order, either prior to or simultaneous with the execution of this Purchase Order.

7. TECHNICAL SURVEILLANCE

Representatives of the Buyer and representatives of any U.S. Government agency which has issued a prime contract under which this Purchase Order is issued shall have access to Seller's plant or plants engaged in the performance of work hereunder. No direct orders or instructions from any such representatives of any such U.S. Government agency are to be accepted by the Seller. The requirements of this clause shall be included in all subcontracts Seller issues under this Purchase Order.

8. CONTRACT ADMINISTRATION

All matters pertaining to the administration of this Purchase Order shall referred to and/or coordinated with a duly authorized representative of the Buyer.