

Calspan Systems Corporation
General Purchase Order Terms and Conditions

BUYER OFFERS TO PURCHASE THE GOODS AND SERVICES DESCRIBED HEREIN ONLY UPON THE TERMS AND CONDITIONS CONTAINED HEREIN. BUYER RESERVES THE RIGHT TO REVOKE THIS ORDER PRIOR TO ITS RECEIPT OF NOTICE OF SELLER'S TIMELY ACCEPTANCE, WITHOUT LIABILITY TO SELLER.

1. Acceptance. Seller may accept this offer to purchase only in one of the following ways: (A) by signing this Purchase Order in the place provided for Seller and returning a signed copy to Buyer, (B) by providing a written or oral acceptance or acknowledgment of this Purchase Order, (C) by commencement of performance of any effort necessary to complete the Order, or (D) by otherwise accepting this Order; Seller's acceptance is expressly limited to the terms and conditions of this Purchase Order including but not limited to the Calspan Systems Corporation General Purchase Order Terms and Conditions. By accepting this Order, Seller waives all terms and conditions contained in any quotation, proposal, bid, acknowledgment or acceptance form, or other document which differ from or are in addition to those contained herein, and Seller agrees all such different or additional terms and conditions are null and void and rejected unless specifically and expressly agreed upon in writing by Buyer's authorized purchasing representative. This Purchase Order is not an acceptance of any offer, quotation, bid or proposal Seller may have made to Buyer nor a confirmation or acknowledgment of any contract or agreement between Buyer and Seller; the Purchase Order is an offer (or counteroffer) to purchase from Seller solely on the terms and conditions contained herein, and this offer (or counteroffer) may be accepted only on the terms and conditions and in the manner set forth herein. All special terms and conditions or supplemental attachments which are attached hereto or referenced in this Order are made a part of the contract between Buyer and Seller as though fully set forth herein.

2. Delivery and Performance. Time is of the essence in the performance of this Order. If the rendition of the services or delivery of the goods is not completed by the time indicated hereon, Buyer reserves the right, without liability, in addition to any other rights and remedies hereunder, at law and/or at equity, to cancel this Order by notice, as to any services not rendered and any goods not shipped, to purchase substitute services and goods elsewhere, and to charge Seller with any loss or additional cost(s) incurred. Provisions for rendition of the services and/or delivery of the goods by installments shall not be construed as making the obligations of Seller severable. Seller shall make deliveries in quantities and at times specified by the Buyer. If at any time it appears that Seller will not make delivery on schedule, Seller shall promptly notify the Buyer of the reasons for and estimated duration of the delay. If Buyer agrees to accept deliveries after the date of delivery has passed, Seller shall make every effort at Seller's cost to minimize the delay to the maximum extent possible, including the expenditure of overtime, and Buyer shall have the right to direct the Seller to make shipment to the F.O.B. point set forth in this Order by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by the Seller. Acceptance of late deliveries shall not be deemed a waiver of Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make deliveries in accordance with the delivery schedule set forth in this Order. Buyer shall not be liable for payment of goods delivered to Buyer in excess of quantities specified by Buyer. Buyer may from time to time change delivery schedules or direct the temporary suspension of scheduled shipments.

3. Shipping. All goods supplied hereunder shall be suitably packed, marked and shipped in accordance with Buyer's instructions, or absent such instructions, in accordance with the best commercial practices to prevent damage or deterioration and the requirements of common carriers in a manner to secure lowest transportation costs, and no additional charge shall be made to the Buyer unless otherwise provided on the face of this Order. Shipments shall be made only by licensed carrier approved by Buyer. Unless otherwise specified, all shipments shall be FOB Buyer's plant. Seller shall promptly notify Buyer of each shipment. Packing slips shall accompany each shipment. All packing lists, shipping documents and packages shall show Buyer's Purchase Order number, and packing lists shall have a complete description of the goods shipped. Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded to Seller in accordance with Buyer's instructions. Seller shall describe goods on bill of lading or other shipping receipt and route shipments in accordance with Buyer's instructions.

4. Title and Risk of Loss. Title to all goods supplied hereunder shall remain in Seller until delivery and acceptance by Buyer at the FOB point designated herein. The risk of loss of, or damage to the goods shall be upon Seller until they are accepted by the Buyer. Risk of damage and loss to any item(s) to be serviced, repaired, refurbished, or otherwise worked on by Seller shall be with Seller from the time such item(s) are delivered to Seller until Seller delivers such item(s) FOB point designated herein. Risk of damage and loss to any of these goods shall be with Seller until the goods are delivered FOB point designated herein.

5. Invoicing and Payment. Buyer shall not be billed, invoiced, or charged prices higher than stated on this Order without the prior written consent of Buyer's authorized purchasing representative. Seller agrees any price reduction made in the services or goods subsequent to the placement of this Order and prior to delivery of all the services and/or goods will be applicable to all services and/or goods under this Order. Seller shall submit invoices for goods and/or services to the address and in accordance with the instructions set forth on the face of this Order. Cash discount period(s) will date from the later to occur of rendition of the services or receipt by Buyer of the goods or from the date of Seller's submission of a correct invoice. Individual invoices showing the number of this Order, part numbers, code numbers, serial numbers, number of units, unit prices, extended prices, discount terms, total invoice value, invoice number, date prepared, and Seller's packing list number shall be issued for each shipment, but shall not be issued before the date of shipment. No invoices shall be payable unless goods or services have been received by Buyer and proper paperwork has been received by Buyer. No interest, finance or services charges shall be payable on the goods/services supplied hereunder. Buyer shall be entitled to a full cash discount on invoices bearing discount terms. Rejections, delay in delivery or delivery in advance of delivery date shall be considered just cause for Buyer withholding payment without loss of cash discount privilege. Unless otherwise specified on the face of this document, the price of goods supplied under this Order shall include all charges for Seller's packing and crating and for transportation to FOB point designated herein. In the event Buyer has agreed to pay separate charges for freight, packing or crating, the amount of any such charges shall be shown separately on Seller's invoice. Payment shall not constitute acceptance of goods or services.

6. Taxes. Seller's price for the goods or services supplied hereunder includes all federal, state and local taxes. The amounts of any sales, use, excise or similar taxes shall be shown separately on Seller's invoice. To the extent goods covered by this Order are being purchased for resale by Buyer, Buyer will provide a resale exemption certificate to Seller upon request.

7. Warranty. Seller expressly agrees that all of the implied warranties contained in the Uniform Commercial Code are applicable to this Order. In addition to the warranties provided by law, Seller expressly warrants that (i) all goods supplied under this Order shall (a) conform to specifications, drawings, samples, data or other descriptions furnished by Seller or specified by Buyer; (b) be merchantable, of good material and workmanship, new, free from defects and free from all liens and encumbrances; (c) be free from defects in design for any goods or any portions thereof which are manufactured in whole or in part, in accordance with designs not furnished by Buyer; (d) shall be fit and sufficient for Buyer's purposes whether express or reasonably implied; and (e) free and clear of all liens or encumbrances of any nature; and (ii) the services to be performed hereunder shall be performed in accordance with the highest standard of the trade encompassing the services. If any goods fail to comply with the warranty in any respect set forth above, in addition to all other rights and remedies Buyer may have arising out of Seller's failure to deliver conforming goods or services, Buyer shall have the option, in its sole discretion, at Seller's expense, to (1) require Seller to make promptly all repairs, modifications, or replacements (the "Corrections") necessary to enable such goods to comply in all respects with said warranty; or (2) make, or have a third party make, all Corrections necessary to enable such goods to comply in all respects with said warranty. Seller agrees to maintain all paperwork regarding quality and/or traceability for a period not less than ten years upon complete fulfillment of the last requirement of this Order. Seller warrants further that the prices charged the Buyer hereunder are no higher than prices charged or placed by others for similar quantities under similar conditions, and if Seller breaches this warranty, the prices of the goods and services supplied hereunder shall be reduced accordingly. Buyer's approval of specifications, drawings, samples and/or other descriptions finished by Seller shall not relieve Seller of its obligations as described in this paragraph 2 or otherwise under this Order. These warranties shall survive any inspection, acceptance or payment by Buyer, and shall be for the benefit of Buyer, its successors, assigns, customers, and the ultimate users of the goods or services supplied hereunder.

8. Cancellation and Damages for Delivery of Defective Goods or Services. If, after notice of any defect or warranty claim, Seller shall fail to cause Corrections within five (5) calendar days of such notice, Buyer may cancel this Order as to all such services and goods by giving Seller notice of cancellation for default and, in addition to Buyer's other rights and remedies hereunder, at law and/or at equity, Buyer may, at its option, cancel the then remaining balance of this Order, in whole or in part, and as to all or any part of the services and goods, or either of them, purchase substitute services and/or goods elsewhere and charge Seller with any loss incurred. Seller acknowledges that in addition to the actual costs of any Correction, Seller may be responsible for, and Buyer shall be entitled to recover (1) all direct labor costs incurred in the actual removal and reinstallation of the defective goods or correction of the defective services; (2) all administrative costs incurred by Buyer in identifying, determining the disposition of, and processing required documentation for the nonconforming goods or services; (3) transportation and insurance costs for goods corrected pursuant to the provisions of this paragraph; and (4) all delay and disruption costs incurred by Buyer, including but not limited to those charged by its customer, provided Buyer's actual cost shall not exceed Buyer's reasonable estimate of the cost based on labor hours at a dollar rate which represents manufacturing expense directly attributable to lack of conforming goods from Seller. Buyer may also recover all damages or costs it incurs as a result of or relating to Seller's failure to safeguard any property of Buyer, failure to deliver goods and/or services per this Order, or the failure of Seller to correct defects in or replace nonconforming goods or services promptly, including but not limited to costs associated with the shipment, both to and from the original destination, of the defective goods or services. After notice to Seller of a defect or warranty claim, all such goods will be held at Seller's risk until the discrepancy is corrected or such goods are returned to Seller. Any payment for the defective goods and/or services prior to Buyer's cancellation notice shall be refunded by Seller promptly upon such cancellation. Seller agrees to process and reimburse Buyer for each claim by Buyer asserted hereunder within fifteen (15) days from receipt of Buyer's claim. In the event Seller disputes Buyer's claim, Seller shall provide a detailed explanation in writing of the reasons for such dispute. Resolution of such dispute shall be pursuant to paragraph 33 below. Seller's obligation to meet the delivery schedule established under this Order shall not be affected by any Corrections required hereunder.

9. Inspection. The services and goods, and work in process, are subject to inspection, testing, and approval both at Seller's plant and at Buyer's point of destination, or at either point, at the time and in the manner recognized by aerospace industry trade practice. Seller shall permit inspectors of the Buyer or Buyer's customers (including the United States government) to have access to the Seller's plant at all reasonable times for the purpose of inspecting any goods supplied hereunder or work in process for production of such goods, and to conduct preliminary tests on work in process. All goods, except goods inspected and accepted by the Government, shall be received subject to Buyer's right to inspect and accept or reject such goods at Buyer's plant or other places designated by Buyer notwithstanding prior inspections. Buyer reserves the right to reject and refuse acceptance, or revoke its acceptance, of services and/or goods that do not comply with all terms, conditions, and/or specifications of this Order. Acceptance, payment, use or resale of the services and/or goods, or any of them, by Buyer, shall not relieve Seller from any of its obligations, representations and/or warranties hereunder or pursuant hereto. Payment for any of the services and/or goods shall not be deemed an acceptance thereof. Title shall not be deemed transferred on any defective goods or goods otherwise not conforming or fulfilling Seller's warranties (express or implied) with respect to this Order (collectively "Defective Goods"), and hence no payment, including freight, shall be due with respect to the same. Defective Goods shall be held for Seller's inspection and at Seller's risk, and if Seller so directs, shall be returned at Seller's expense, and in addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking and reshipping Defective Goods. Nothing contained herein shall relieve Seller from its obligations of testing, inspection and quality control. Failure of Buyer to inspect and accept or reject goods shall not relieve the Seller from responsibility for compliance with Order requirements nor impose liability on Buyer.

10. Rejection Procedure. Seller agrees Buyer may reject or revoke acceptance ("Rejection") of any or all goods, including any tender thereof, which are not strictly in conformance with all of the requirements of any Order, and shall notify Seller of such Rejection by notice, rejection tag, or other communication. At Seller's risk and expense, all such goods will be returned to Seller for immediate Seller repair, replacement, or other correction and redelivery to Buyer, provided, however, that with respect to any or all such goods, at Buyer's election and at Seller's risk and expense, Buyer may (a) hold, retain or return such goods, without permitting any repair, replacement or other correction by Seller; (b) hold or retain such goods for repair by Seller or, at Buyer's election, for repair by Buyer or a third party engaged by Buyer

with such assistance from Seller as Buyer may require; (c) hold such goods until conforming replacements are obtained from a third party; or (d) return such goods with instructions to Seller as to whether the goods shall be repaired or replaced and as to the manner of redelivery. All repair, replacement and other correction and redelivery shall be completed within such time as Buyer may require. All costs and expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement, or other correction may be recovered from Seller, including, without limitation, by reimbursement from Seller of such cost, expense or loss of value, equitable price reduction, setoff, or credit against any amounts that may be owed to Seller.

11. Buyer's Materials. Unless otherwise agreed in writing, all drawings, specifications, tools, dies, molds, jigs, patterns, machinery, fixtures, equipment, goods for service, repair, refurbishment, and/or any other property, personal or real, furnished to the Seller by Buyer, or paid for by Buyer specifically, or as a necessary element of Seller's performance under, or for use in the performance of, this Order, shall be and remain the property of Buyer, subject to removal upon Buyer's instruction, used only in filling orders from Buyer, held at the Seller's risk, and kept insured by the Seller while in its custody, bailment, or control in an amount equal to the replacement cost thereof, with loss payable to Buyer. Seller shall keep all such items of property free and clear of all liens and encumbrances whatsoever and shall protect such property with sufficient controls to limit access to any confidential information to persons on a need to know basis and ensure disclosure to any third party is made only after notification to and agreement by such third party of their obligations of confidentiality and the proprietary nature of said confidential information. If Buyer shall deliver any Buyer property to Seller, Seller shall be liable for any damage to such property as a result of Seller's working on, possession, bailment, or custody thereof. Notice of loss or damage shall be provided by Seller to the Buyer within seven (7) calendar days of the occurrence of the loss or damage. Seller agrees, on notice, to return without retaining any copies thereof, as directed, all intellectual, personal, and/or real property, to Buyer without delay or interference or demand of payment. All such materials furnished by Buyer which are not consumed in the performance of this Order shall be returned to Buyer at Buyer's direction. Seller waives and releases Buyer from, and Seller shall defend, indemnify and hold harmless Buyer from and against, all claims of injury or damage to Seller, its employees and/or others, arising out of or in connection with the presence or use of such materials, whether such injury or damage is caused by defects in such materials, Buyer's negligence or that of its agents or employees, or otherwise.

12. Tooling. Except where furnished to Seller by Buyer or Buyer's customer or specifically paid for by Buyer or Buyer's customer, all tools, dies, molds, jigs, patterns, machinery, fixtures, and equipment needed by Seller for the performance of this Order shall be at Seller's expense. Unless otherwise stated herein, Seller at its own expense shall furnish, keep in good condition, insure and replace as needed all tooling and other materials necessary for the performance of this Order. If Seller supplies special tooling or other materials related principally to this Order, Buyer at any time may purchase and take possession of any such tooling or other materials by paying Seller the unamortized cost thereof

13. Drawings, Confidential Information and Inventions. All drawings, prints, samples, tests and reports, if and as required, shall be supplied by Seller without charge. Buyer shall have the right to use for any purpose any and all unpatented information supplied by Seller if such information is supplied without written restriction regarding the use or disclosure of the same. Seller shall not use or disclose any drawings, prints, samples, tests or reports or other confidential or proprietary information supplied by Buyer, whether or not designated as such, except as reasonably required to fulfill this Order. All inventions and ideas, whether or not patentable, made, conceived, developed or acquired by Seller incident to supplying goods or services under this Order shall vest in and inure to the Buyer's sole benefit, and Seller shall cause, at the request of Buyer, (a) applications for any patents covering such inventions to be executed by appropriate representatives of Seller and be assigned to Buyer, and (b) assignments for all other intellectual property covering such inventions to be executed by appropriate representatives of Seller for the benefit of Buyer.

14. Changes. Buyer shall have the right at all times to make changes to the Purchaser Order regarding the goods and services supplied hereunder, including but not limited to changes affecting (1) drawings, specifications, designs and/or other technical documents, (2) method of shipment, packaging or packing, (3) place of delivery, (4) quantity of units, (5) delivery schedule, and (6) place of inspection or acceptance. If the change causes an increase or decrease in the cost or time required to perform this Order, an equitable adjustment shall be made in the purchase price and/or delivery schedule and this Order shall be modified in writing accordingly. Seller unconditionally waives any claim to an increase in price or

adjustment in delivery schedule, unless such claims have been made in writing by the Seller to the Buyer within fifteen (15) days of the date of receipt by Seller of such change. In the absence of such notice, the Buyer shall not be obligated to consider Seller's claim for an equitable adjustment resulting from such change. If Seller claims the cost of any product, work in process or raw materials made obsolete or excess as a result of any change, such claim shall be required to be included with Seller's claim for equitable adjustment. Buyer shall have the right to prescribe the manner of disposition of all such goods and shall have the right to acquire all or any portion of such goods for the cost claimed. Buyer shall have the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim. Nothing in this paragraph 14 shall excuse Seller from proceeding with this Order as changed, including but not limited to failure of Buyer and Seller to agree upon any adjustment to be made under this paragraph 14. If Buyer and Seller fail to agree to an equitable adjustment, such matter shall be resolved in accordance with the dispute resolution provisions contained herein.

15. Facility or Record Examination and Audit. Without prejudice to Buyer's other rights at law or equity, herein, or otherwise, Buyer or Buyer's customer(s) (including the U.S. government) (collectively "Buyer" as used in this paragraph) may inspect and evaluate Seller's plant including, but not limited to, all facilities, systems, processes, procedures and records (without limitation, quality, manufacturing, finance, accounting, procurement, equipment testing, data and personnel, etc.), all work in-process, and completed goods manufactured for Buyer. Records and data, including but not limited to that specified herein, shall be capable of verification through audit and analysis by Buyer and shall be available to Buyer at Seller's facility for Buyer's examination and audit at all reasonable times from the date of the Order until ten (10) years after final payment under the Order. Seller shall provide assistance to interpret such data if required and requested by Buyer.

16. Termination. Buyer shall have the right, upon written notice to Seller, to terminate this Order in whole or in part where (a) Seller refuses or fails to comply with any of the provisions hereof which refusal or failure has not been cured within a period of ten (10) days after receipt of written notice of the same from Buyer; (b) Seller becomes insolvent, or makes a general assignment for the benefit of its creditors or files or has filed against it a petition in bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief of debtors, or in the event a receiver is appointed for Seller's property or business; or (c) Seller sells a substantial portion of its assets, including its rights under this Order, to any third party, or Seller enters into any merger, consolidation, division or other combination, or a majority of the equity interests in Seller are sold in one or a series of transactions over a period of less than thirteen (13) months; or (d) Seller ceases the active conduct of business or commences dissolution, liquidation or reorganization proceedings. Each of the above shall be deemed a default by Seller of its obligations hereunder. Upon such termination, at the option of Buyer, Seller shall be obligated to deliver and transfer title to Buyer (i) all completed goods, (ii) work in process, and (iii) materials produced or acquired in connection with such goods, which goods and materials conform to the requirements of this Order and do not exceed the quantity authorized by Buyer, and (iv) all tools, dies, jigs, plans, drawings and specifications specifically produced or acquired for this Order. Seller shall also protect and preserve all property related to performance under this Order. Buyer shall pay the contract price for conforming completed goods and an equitable amount for any partially completed goods, in each case, which are accepted by Buyer, subject to a right of setoff for any damages arising out of Seller's default.

This Order may be terminated by Buyer at any time at its option in whole or in part for its convenience without penalty to Buyer, by giving written notice to Seller. After receipt of such notice, unless otherwise directed by the Buyer, Seller shall immediately (a) terminate all work under this Order; (b) terminate all subcontracts and orders for materials or services to the extent they relate to the work terminated and place no further subcontracts or orders for such materials or services; (c) transfer title and deliver to Buyer all (i) completed goods, (ii) work in process, (iii) materials produced or acquired in connection with such goods, which goods and/or materials conform to the requirements of this Order, do not exceed the quantity authorized by Buyer, and cannot otherwise reasonably be used by Seller, and (iv) tools, dies, jigs, plans, drawings and specifications specifically produced or acquired for this Order; and (d) take all action necessary to protect goods and materials in Seller's possession in which Buyer has or may acquire an interest. Within forty-five (45) days after the effective date of termination, Seller shall submit to Buyer a complete and itemized list of all items in inventory and other property relating to the work terminated, a description of potential alternative uses or dispositions of such property and a final termination settlement proposal. Buyer shall pay the contract price for conforming completed goods delivery of which it accepts; for goods which it does not take delivery of, the contract price less the fair realizable value on

disposition by Seller and any other cost savings; and an equitable amount for other materials, services, tools, dies, jigs, plans, drawings and specifications delivered by Seller, but in no event more than Seller would have received for same had the Order not been cancelled. After reasonable inquiry, Buyer shall determine in good faith the amount, if any, due Seller with respect to such termination of this Order and such determination shall be final.

17. Patents, Trade Secrets and Confidential Information. Seller warrants the services and/or goods, or any part thereof, constituting deliverables furnished under this Order, as well as any device or process necessarily resulting from the use thereof, do not infringe or constitute an unauthorized use of any (i) United States or foreign letters patents, (ii) trade secrets, or (iii) confidential information or other intellectual property, and Seller agrees to defend, at Seller's sole expense, all claims, suits, actions, or proceedings, in law or equity, against Buyer, its successors, assigns, customers, or users of any of the services and/or goods, or any of them, for actual or alleged infringements or unauthorized use of any one or more of the items described in (i), (ii) and/or (iii) resulting from or arising out of the use or sale of the services and/or goods, or either of them, and Seller further agrees to pay and discharge any and all judgments, decrees, penalties, and settlements which may be rendered or reached, and any related costs and expenses (including attorneys' fees and costs), in any and all such claims, suits, actions, or proceedings against Buyer, its successors, assigns, customers, and such users or any of them. In case any use of said services, goods, process(es), or deliverable(s) is enjoined, Seller shall, at its own expense and at its option, either procure for Buyer the right to continue using the same or replace the same with a non-infringing equivalent and shall refund the purchase price and the transportation and installation costs associated therewith.

18. Fabrication and Material Commitments. Without the prior written consent of Buyer's authorized purchasing representative, Seller shall not make commitments for materials nor fabricate in advance of the time necessary to meet delivery dates specified herein.

19. Indemnification. Except where goods are to be provided from specifications, designs, or processes supplied by the Buyer, Seller shall defend, indemnify and hold harmless Buyer from any loss or damage sustained by, and from and against all claims asserted against, Buyer arising from any alleged or actual infringement of any trademark, patent, copyright or other proprietary right, by reason of the sale or use of goods and/or services supplied hereunder and if any of these goods or services or any part thereof is held to constitute infringement and its use is enjoined, Seller shall at its own expense either procure for Buyer the right to continue to use such goods or services or part thereof or replace them with non-infringing goods or services.

Seller shall also defend, indemnify and hold harmless Buyer from and against any claims asserted against it for injuries, including injuries to Seller's employees, or damage to property arising in whole or in part from any act or omission of Seller, its agents, servants, employees, representatives or subcontractors with respect to the goods or services supplied hereunder, including those claims arising in whole or in part out of the negligence of Buyer. Seller waives and releases Buyer from all rights of contribution or indemnity to which it may otherwise be entitled. As used in this paragraph 19, the term "Buyer" shall mean Buyer, its officers, directors, agents, employees, subcontractors, parent, subsidiaries, divisions and affiliates, successors, assigns, customers and the ultimate users of the goods and services supplied hereunder.

20. Compliance with Laws. In performance of its obligations under this Order, Seller shall comply with all applicable executive orders, federal, state, municipal and local laws, rules, orders, requirements and regulations. Seller warrants that all goods and services required by this Order have been or will be produced or provided in compliance with the Fair Labor Standards Act of 1938, as amended, the Williams-Steiger Occupational Safety and Health Act of 1970, as amended, and to the extent applicable to this Order, the Walsh-Healey Public Contracts Act, as amended, together with all standards and regulations issued or adopted pursuant thereto, and those relating to preservation and protection of the environment including, without limitation, those relating to "Clean Air," "Clean Water," and the transportation, use, handling, storage, disposal, recycling of hazardous and toxic chemicals, substances, or wastes. Seller agrees that this warranty may be considered as, and Seller's acceptance of this Order and supplying of the goods and services required hereunder shall constitute, the written assurance and certificate contemplated by the Fair Labor Standards Act. Any permits or licenses which may be required for performance by the Seller hereunder shall be obtained by Seller at its cost and expense. Seller shall furnish Buyer with certificates and other evidence of compliance upon Buyer's request.

Seller shall upon delivery of goods supplied hereunder provide Buyer with material safety data sheets (MSDS) or any essentially similar form satisfying applicable laws and approved by the Buyer setting forth the type and quantity of all hazardous substances, as defined in appropriate federal, state and local laws and regulations, contained in such goods. If the goods contain no such hazardous substances, the form shall so state. In addition any such hazardous substances shall be labeled by generic or basic chemical name only, and Seller shall provide Buyer with safe handling procedures for such substances including disposal procedures on the MSDS or other form provided.

21. Ethics and Compliance Program. Calspan Systems Corporation values relationships that are grounded in a shared commitment to performing in accordance with the highest standards of professional business conduct and encourages all suppliers to implement an effective ethics program, including adopting a written code of conduct appropriate for its business throughout the performance of this Contract. Buyer encourages Seller to model its program in accordance with the State and Federal guidelines, applicable guidance from enforcement authorities, and industry best practices. Seller shall notify its employees who are engaged in the performance of work under the Contract that they may report any concerns of misconduct by Buyer or any of its employees or agents directly to Calspan Systems Corporation. Seller shall flow down the requirements of this clause to its suppliers.

22. Insurance. Seller shall maintain insurance coverage, with insurers having a Best's rating of A, VIII or better, and furnish certificates of insurance evidencing the following within ten (10) days of the issuance of this Purchase Order:

1. Commercial General Liability, including contractual liability and products liability with a limit of at least \$1,000,000 per occurrence;
2. Automobile Liability, including hired and non-owned auto liability with a limit of at least \$1,000,000 combined single limit;
3. Workers Compensation - Statutory coverage with Employers Liability limit of at least \$500,000;
4. Aviation Products Liability, of at least \$5,000,000 in coverage; and
5. Such certificate shall name Buyer as an Additional Insured for items 1, 2 and 4 and shall waive subrogation for item 3. Certificate will provide for thirty (30) days written notice of cancellation or non-renewal to Buyer.

Notwithstanding the provisions of paragraph 16 hereof, if Buyer terminates this Order due to Seller's failure to provide it with certificates of insurance as required herein, Buyer may require Seller to arrange at its expense for the return of all goods supplied hereunder to Seller, and Buyer shall not be required to take title to or otherwise pay for any goods in process or materials produced or acquired in connection with such goods.

23. Force Majeure. Neither party shall be liable to the other for damages arising from delay in delivery or any other nonperformance under this contract 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 any government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

24. Government Contracts. In the event that this Order is placed in order to fulfill the requirements of a United States government contract or purchase order, the clauses set forth in the Federal Acquisition Regulation (FAR) or similar federal procurement regulations which are included in Buyer's contract or purchase order are hereby incorporated by reference and made a part of this Order; provided, however, that appropriate revisions of these clauses shall be deemed to have been made so that, for example, references to "Contracting Officer" or "Government" shall apply to the Buyer, and references to the "Contractor" shall apply to the Seller as appropriate to the intent of each clause used in the government contract; provided, however, the terms "Government" and "Contracting Officer" shall not change when (1) a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, or (2) title to property is held by or to be transferred directly to the Government. In addition, all time periods for action by Seller hereunder shall be equal to one-half of the time periods specified in the FAR or other regulations, and resolution of all disputes shall be pursuant to the Disputes provisions of paragraph 33 herein.

25. Limitation on Buyer's Liability; Statute of Limitations. IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED PROFITS OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR DAMAGES IN THE NATURE OF PENALTIES; BUYER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THIS CONTRACT OR THE PERFORMANCE OR BREACH HEREOF SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS OR SERVICES OR PART THEREOF THAT GIVES RISE TO THE CLAIM. ANY ACTION RESULTING FROM ANY BREACH ON THE PART OF BUYER AS TO THE GOODS OR SERVICES SUPPLIED HEREUNDER SHALL BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

26. Remedies. Seller expressly agrees that all remedies available under the Uniform Commercial Code to a buyer upon a breach by a seller are intended to be and shall be available to Buyer hereunder. No remedy herein provided shall be deemed exclusive of any other remedy allowed herein, by law, or in equity. All claims for money due or to become due from Buyer shall be subject to deduction or setoff by the Buyer by reason of any counterclaim arising out of this Order or any other transaction with the Seller.

27. Notice of Labor Disputes. Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall insert the substance of this paragraph in any contract with any subcontractors affecting the goods or services supplied hereunder except that each such subcontractor shall provide that in the event its timely performance is delayed by any actual or potential labor dispute, the subcontractors shall immediately notify Seller of all relevant information with respect to such dispute.

28. Quality Control. In accordance with the specific requirements of this Order, Seller shall maintain a quality control system acceptable to Buyer covering the goods and services supplied hereunder. Records of all certification and inspection work by Seller and its suppliers shall be kept complete and available to Buyer at Seller's facilities, including without limitation, all records, reports, data and other information necessary to insure compliance with applicable Federal Acquisition Regulations.

29. Notices. Notices supplied hereunder shall be deemed to have been duly given if delivered or mailed first class, certified or registered mail, postage prepaid, return receipt requested, or via any overnight courier, to the addresses set forth on the face of the Order or to such other address as is reasonably appropriate.

30. Setoff. All claims for money due or to become due from Buyer shall be subject to deduction or setoff by the Buyer by reason of any counterclaim arising out of this Order or any other transaction with the Seller.

31. Order of Precedence. Any inconsistency, ambiguity, discrepancy or conflict between any parts of this Order shall be resolved by giving precedence to terms in the following order:

1. Terms typed on the face of the Purchase Order form;
2. These Calspan Systems General Purchase Order Terms and Conditions;
3. Terms on any other attachment or referenced materials
5. Terms in any incorporated Statement of Work; and
6. Terms on any specification or drawing;

However, in the event of any inconsistency, ambiguity, discrepancy or conflict in any of the technical requirements or drawings or specifications, Seller shall promptly bring such matter to the attention of Buyer and seek a resolution eliminating such inconsistency, ambiguity, discrepancy or conflict.

32. Work on Buyer's or Buyer's Customer's Premises. If this Order requires Seller to perform work on Buyer's or Buyer's customer's premises, Seller shall take all necessary precautions to prevent any injury to persons or damage to property during the progress of such work. Except to the extent that any injury to persons or damage to property is due

solely and directly to Buyer's or its customer's fault or negligence, Seller agrees to indemnify Buyer and its customer against all loss or liability resulting from any act or omission of Seller, its employees, agents, or subcontractors.

33. Disputes. Any dispute that may arise under or in connection with this Order, or the breach, termination or validity hereof, with respect to the rights, duties or obligations of the parties, shall be resolved in accordance with the provisions of this paragraph 33 which shall be the sole and exclusive procedures for the resolution of disputes, except as otherwise provided herein.

A. Any dispute which is not resolved in the course of normal business discussions shall be reduced to writing and submitted for resolution to ascending levels of management of the respective parties. The parties agree to negotiate in good faith and use reasonable efforts to resolve the dispute.

B. In the event the parties are unable to resolve the dispute within sixty (60) calendar days after written notice of the claim and request for escalation to a higher level of management is first received, then the parties shall submit the dispute for mediation under the commercial mediation rules of the American Arbitration Association ("AAA") in Philadelphia, Pennsylvania. The parties shall select the mediator by mutual agreement; provided however, if the parties fail to agree upon a mediator within thirty (30) days of submission of the dispute for mediation, they shall proceed with selection of a mediator utilizing AAA's services and procedures for selection of a mediator. The mediator shall be neutral, disinterested, unbiased and independent of the parties and others having an interest in the outcome. Each party will bear its own cost of mediation; provided, however, the fees and costs of the mediator will be borne equally by Buyer and Seller. In the event that any party has substantial need for information in the possession of another party in order to prepare for the mediation, the parties shall attempt in good faith to agree on procedures for the expeditious exchange of information. The mediator shall resolve any disputes as to the extent of any information sharing among the parties. The parties hereby acknowledge and agree that such mediation shall be deemed to be in the nature of settlement discussions and that neither the fact that such discussions took place, nor any statement or conduct of any participant in such discussions shall be admissible into evidence in any subsequent litigation or other dispute resolution proceeding involving the parties, and they shall be treated as non-discoverable, confidential and privileged communications by the parties and the mediator. It is further understood and agreed that any disclosure in any form, including oral, by any person participating in such mediations shall not operate as a waiver of any privilege, including work product or attorney-client privilege, applicable to the subject matter thereof.

C. If the parties are unable to resolve such dispute among themselves or through mediation within one hundred twenty (120) days after commencement of the mediation, then either party may commence suit in federal or state court. Venue and jurisdiction for such legal proceedings shall lie exclusively within the state from which the Order was issued in the County where Buyer is located, and Seller expressly waives any right to challenge jurisdiction or venue for any reason. Any litigation under this Order if commenced by Seller shall be brought in the U.S. District Court for the judicial district in which Buyer is located or, if such court does not have jurisdiction, then the state court in the county in which Buyer is located.

D. Pending resolution of any dispute as provided herein, unless otherwise directed by Buyer in writing, Seller shall proceed diligently with performance of the Order.

E. Nothing contained in this paragraph 33 shall be deemed to prohibit either party from seeking injunctive or other equitable relief in order to prevent a breach of this Order, to enforce specifically the terms and provisions hereof, to maintain the status quo, or to protect proprietary or confidential information.

F. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BUYER AND SELLER HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER ON ANY MATTER WHATSOEVER ARISING UNDER, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS ORDER, THE RELATIONSHIP OF SELLER AND BUYER OR ANY CLAIM OF INJURY OR DAMAGE, OR THE

ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE OR REGULATION NOW OR HEREAFTER IN EFFECT.

34. Stop-Work Order. Buyer may, at any time, by written notice to Seller, stop all or any part of the work hereunder for up to ninety (90) days. Upon receiving a stop-work order, Seller shall immediately comply with its terms and take all reasonable steps to avoid incurring any additional cost allocable to such work. Within ninety (90) days after the effective date of the stop-work order, Buyer shall either cancel the stop-work order or terminate the work covered by the stop-work order. Buyer shall make an equitable adjustment in the Purchase Order delivery schedule and/or price if the stop-work order results in an increase in time or cost for performance. Seller unconditionally waives any claim for equitable adjustment unless such claim has been made in writing by Seller to Buyer within thirty (30) days after the end of the work stoppage. In the absence of such notice, the Buyer shall not be obligated to consider Seller's claim for an equitable adjustment resulting from such stop-work order and either the restart of such work or its termination.

35. Public Release of Information. No public release of information, news release, announcement, advertisement, denial or confirmation of this Order or the subject matter hereof, shall be made without Buyer's prior written approval.

36. Waiver of Rights. Failure of either party to insist on performance of any provision of this Order shall not be construed as a waiver of that provision or a waiver of Buyer's or Seller's right to require compliance with such provision in any later instance. If any provision of this Order is found to be illegal or unenforceable under law that provision shall be deleted; however, all other provisions of this Order shall not be affected thereby, and shall remain in full force and effect.

37. Notification of Facility Change. Seller shall not relocate any production, manufacturing and/or processing facilities during performance of the Order, without promptly notifying Buyer and affording Buyer an opportunity to examine such facilities for compliance with any applicable quality assurance requirements, including any necessary approvals.

38. Gratuities. Seller warrants that it has not offered, or given and will not offer or give to any employee, agent, or representative of Buyer, a payment, gratuity, or kickback for obtaining or rewarding favorable treatment by Buyer with respect to the terms, conditions, price, performance, or award of an Order. A breach of this warranty shall be considered a material breach of the Order and may result in Buyer's termination of the Order and/or notification to Buyer's customer of such breach.

39. Drug Testing Requirement. On or before acceptance of this Order, as applicable, and to the extent required by applicable law, Seller warrants and agrees it will establish and thereafter maintain a drug testing program for those personnel employed or used by Seller who perform sensitive safety related and security related functions as defined by the FAA's Anti-Drug Program for Personnel Engaged in Specific Aviation Activities. Seller agrees such program will comply with all related FAA requirements and further agrees to furnish evidence of compliance with such program upon Buyer's request.

40. Adequate Assurance of Performance. If at any time Buyer has reasonable grounds for insecurity as to whether Seller's performance will be full, timely, and continuing in accordance with all requirements of this Order, Buyer may request, by written notice to Seller, satisfactory assurances in writing that Seller is able and willing to perform all of its obligations under this Order. Seller shall provide with its assurances of performance any information, reports, or other materials, prepared by Seller as Buyer may reasonably request. Upon Buyer's request and as soon as practicable, Seller shall make available employees, including members of Seller's senior management, to meet with Buyer to discuss those assurances of performance. If Seller does not provide adequate written assurances within ten (10) days of Buyer's written notice and request, Buyer may, at its option, treat this Order as breached by Seller, or as canceled.

41. Notification of Status Changes. Seller shall provide prompt written notice to Buyer if, at any time during the performance of this Order, Seller is suspended, debarred or declared ineligible for contract award, or has received notice that any U.S. Government department or agency is considering suspension or debarment of the Seller. Seller shall

promptly notify Buyer in writing of any change in its status as a small, disadvantaged, women-owned, minority-owned or other preferred business concern under applicable federal law.

42. Proprietary Information. Seller agrees to keep confidential and not to disclose to any other person any Proprietary Information received from Buyer in connection with this Order. As used with respect to this Order, "Proprietary Information" shall mean any and all drawings, prints, documents, software, hardware, products, services, samples, processes, algorithms, user interfaces, know-how, trade secrets, techniques, methodologies, tests, test results, test data, reports, designs, inventions, concepts, technical know-how, technical data, business plans, sales or marketing materials, customer lists or customer requirements, and other tangible or intangible technical material or information created, owned, used or provided by Buyer in connection with the obligations and performance under this Order, and any modifications, improvements to, or derivative works of, any of the foregoing. Seller further agrees to use such Proprietary Information only for purposes necessary for performing this Order, without first obtaining Buyer's written authorization. Seller may disclose Proprietary Information to its subcontractors as required for the performance of this Order, provided that each such subcontractor first assumes by written agreement the same obligations imposed on Seller under this Order relating to such Proprietary Information. All documents and other tangible media (excluding products) containing or conveying Proprietary Information and transferred in connection with this Order, together with any copies thereof, are and remain the property of Buyer. Neither the existence of this Order nor the disclosure hereunder of Proprietary Information or any other information shall be construed as granting expressly by implication, by estoppel or otherwise, a license relating to any invention or patent now or hereafter owned or controlled by Buyer or Buyer's customer, except as specifically set forth herein. Seller's obligations with respect to Proprietary Information disclosed hereunder prior to the performance in full, termination or cancellation of this Order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.

43. Export and Import Compliance. In addition to and without limiting the "Proprietary Information" clause contained hereinabove, Seller shall comply with the laws and regulations of the United States relating to exports and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). In particular, Seller shall not disclose any technical data, nor deliver or export any goods manufactured by use of technical data, out of the United States, or to foreign entities within the United States, without proper prior written authorization from the United States Government. Further, if you manufacture or export "defense articles" or furnish "defense services" (ITAR Part 122.1) or are a broker involved in brokering activities regarding defense articles or defense services (ITAR Part 129.3), the ITAR (22 CFR 120-130) requires, with few exceptions, that you register with the U.S. State Department, Directorate of Defense Trade Controls (DDTC). Refer to the U.S. State Department, DDTC web site [Http://www.pmddtc.state.gov/registration.htm](http://www.pmddtc.state.gov/registration.htm) for further information.

44. Transmission Abroad of Naval Nuclear Propulsion Information. In addition to the requirements of the paragraph above, the Seller shall comply with all other requirements relative to Naval Nuclear Propulsion Information wherever located in this Purchase Order. Seller shall not disclose to foreign nationals Naval Nuclear Propulsion Information (NNPI) as defined in NAVSEAINST 5511.32C. Seller agrees to insert in all subcontracts issued under this Purchase Order, a contract provision substantially the same as this paragraph to include this sentence.

45. Assignment and Subcontracting. Seller may not assign any of its rights under this Order without Buyer's prior written consent, except as specifically permitted in this paragraph, and any such purported assignment shall be void and of no effect. Seller may not sell all or a substantial portion of its assets or enter into any merger, consolidation, division or other combination, nor may the owners of the Seller sell a majority of the equity interests in Seller in one or a series of transactions over a period of less than thirteen (13) months. Seller may grant a security interest in its rights under this Order to a bank or other financial institution providing working capital financing to Seller, provided any such security interest is subject to all of Buyer's rights hereunder. Buyer shall at all times have the right to make settlements or adjustments in price, or both, directly with Seller notwithstanding any such security interest. Seller shall not disclose any proprietary or confidential information to any secured party without the express prior written permission of Buyer.

Seller may not subcontract without the prior written consent of Buyer for the design or procurement of the whole or any component of any goods or services ordered hereunder. Any reference to subcontractors elsewhere in this Agreement

does not constitute a waiver of Seller's obligations to obtain the prior written consent of the Buyer as aforesaid. Upon consent, Seller hereby agrees to flow down all applicable clauses to its lower-tier subcontractors.

46. Mercury Exclusion. All goods delivered under this Purchase Order shall not contain or have come in contact with mercury, mercury compounds or with any mercury containing device employing a single boundary of containment. Mercury contamination will be cause for rejection of the goods.

47. Polychlorinated Biphenyls Prohibition. Seller shall not employ equipment or use material that is known or suspected of containing polychlorinated biphenyls.

48. Brass and Copper Black Oxide Coated Threaded Fasteners. Seller shall not use brass or copper black oxide coated threaded fasteners when installing or replacing threaded fasteners in the accomplishment of any work required by this Purchase Order.

49. Conflict Minerals. Calspan Systems Corporation is aware of the concerns with regards to "conflict minerals" that may originate from the Democratic Republic of Congo (DRC) and its neighboring countries, and understands the importance of this issue. Calspan Systems Corporation does not support the use of or the purchasing of these minerals from the DRC and its neighboring countries. We expect our suppliers to comply and only source materials from environmentally and socially responsible suppliers. We will work with our suppliers comply with these expectations and avoid procurement of materials from conflict regions. Please see our Conflict Minerals Policy and our Conflict Minerals Certification on our website.

50. Product Safety. The Seller shall ensure that all employees are aware of the importance and impact of their performance on overall product safety and conformance to requirements. Products are to be delivered in a state capable of performing the designed or intended purpose without causing unacceptable risk of harm to persons or damage to property. The Seller shall plan, implement, and control the processes needed to assure product safety throughout the product development lifecycle, as appropriate to the nature of the product. Seller shall analyze any occurring event which may have a negative impact on product safety and shall report to the Buyer. Seller shall flow down the requirements of this clause to its suppliers.

51. Miscellaneous. This contract constitutes the entire agreement between the parties relating to the goods and services supplied hereunder. This Order supersedes and cancels all prior understandings, proposals, communications, and agreements between the parties, whether written or oral, concerning the matters addressed in this Order. No course of prior dealings between the parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Order. No modification of this contract shall be binding upon Buyer unless made in a writing signed by Buyer's duly authorized representative. Captions used herein shall have no substantive significance, are for convenience of reference only and in no way define, limit or describe the scope or intent of this Order. The terms of this Order shall be governed by and construed in accordance with the laws of the state in which Buyer issued this Order, without regard to conflict of laws principles.