ST. LOUIS CONSUMPTION BASED ORDERING (CBO) CONTRACTS

1. STATEMENT OF WORK. Any line item quantities in this contract are for Buyer's internal purposes and do not represent actual deliverable quantities. Instead, Seller shall access the records in Buyer's Consumption Based Ordering System (CBO) electronically via Seller's ACCESSTO Account to determine Buyer need. Buyer will update such records periodically. Such records indicate minimum level ("MIN" column), maximum level ("MAX" column) Stock ("TOTAL STOCK AVAILABLE" Block) and quantity information ("DEMAND QTY" column) for each part number. Seller shall maintain Buyer's inventory level at or above the MIN, and at or below the lesser of (A) the MAX or (B) unallocated forecast. Unallocated forecast is defined as the total "DEMAND QTY" (forecast) for the Period of Performance minus "TOTAL STOCK AVAILABLE."

2. EXPENDITURE LIMITATION. The maximum amount Buyer shall pay Seller under this contract is the total price of this contract. This amount includes planned part deliveries plus a provision for unplanned demand. Buyer shall not be obligated to pay Seller any amount in excess of this maximum amount, nor shall Seller be obligated to deliver parts that, if paid for, would cause this maximum amount to be exceeded.

3. TERMINATION LIABILITY.
   (A) Buyer's liability for the termination of all or any portion of this contract will not exceed the lesser of: (1) Actual expenses incurred by Seller for work in process + (finished goods inventory at the Seller times Unit Price) for the terminated part numbers; OR (2) Unit Price times (Buyer's MAX Inventory Level minus Buyer's TOTAL STOCK AVAILABLE) for the terminated part numbers at the time the termination is issued.

   (B) Seller shall assume total liability for effort beyond that set forth in Paragraph (A) above.

   (C) For purposes of this clause, work in process is those goods which are in work to support Buyer's forecast requirements, and are at or within order lead time as set forth in this contract or in another document referenced by this contract.