

EaglePicher Technologies, LLC
Defense and Space Power Division
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October 19, 2007

In reply refer to: EPP-1007-7372/JP

MBARI
7700 Sandholdt Road
Moss Landing, CA 95039

Phone: 831-775-1700
Fax: 831-775-1630
Email: hthomas@mbari.org

Attention: Hans Thomas

Subject: Repair of MAR-9495 S/N01 (Prototype)

Re: RA 50

Dear Hans,

EaglePicher Technologies, LLC (EPT) is pleased to provide a firm fixed price quote for:

Description	Quantity	Unit Price	Extended Price	Period of Performance
MAR-9495 sn01(repair)	1	\$5,496.00	\$5,496.00	8 weeks ARO

EPT offers the following provisions, based upon the pricing listed above:

1. The first delivery on an order for each of the requested quantities is projected to be 8 weeks ARO, f.o.b. origin. Delivery time may vary due to availability and delivery of supplies.
2. This quote includes the replacement of 27 Lithium cells (EP #25-90-162-0) with battery pack cycle testing afterwards. Any issues found during battery cycle testing will be addressed in a future quote.
3. Pricing is based upon production and delivery at EPT's most economical rate within the period of performance quoted. EPT reserves the right to update the proposed price should any resulting order require delivery at a schedule that deviates from this rate.
4. Unless specified to the contrary by EaglePicher Technologies (EPT), in an EPT proposal response or a contract, EPT will utilize its existing AS 9100-B and ISO 9001:2000 certified Quality System as the basis for complying with all proposed or contracted quality requirements.

The information contained within this proposal is competition sensitive and shall not be conveyed to a third party without the express written consent of EaglePicher Technologies, LLC.

5. Any customer or program audits/surveillance/or reviews are subject to a T.B.D. cost impact based upon a clearly defined scope of work and the corresponding level of effort required of EaglePicher support personnel.
6. A payment equal to fifty percent (50%) of the total Contract Purchase Order value will be due from the Customer upon placement of the order. EPT will not proceed with any work until this payment is received.
7. Payment terms for any resulting order shall be Net 20 days from each invoice submitted for established customers. Payment terms for new customers will be Cash in Advance pending credit approval.
8. EPT is considered a large business as defined by the Small Business Administration.
9. The quoted pricing is being submitted per the previously negotiated terms and conditions currently in effect for MBARI. EPT reserves the right to review any additional terms and conditions supplied by the customer.
10. The information contained within this proposal is competition sensitive and shall not be conveyed to a third party without the express written consent of EPT.
11. A portion of the cost associated with this proposal is allocated to test the batteries for conformance to the revised UN standards for shipment. Should the test results show that the battery is not in conformance with the standards; EPT will be unable to ship the batteries to the Customer. The Customer will be obligated to pay for the batteries regardless of the test results.

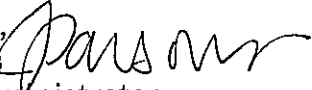
This offer is valid for 90 days but may be extended by mutual agreement.

EPT's products may require a license for export from the United States, and for re-export or transshipment from one foreign destination to another. Diversion of products subject to U.S. export control laws to a third country or party without authorization is prohibited by U.S. law. Violations of these laws or regulations may subject participants to administrative, civil or criminal liability.

It is the policy of EPT to comply strictly with the export control laws of the United States. Unless otherwise informed by its customers, EPT assumes that sales to customers within the United States are domestic sales not intended for export. Where a customer informs us of its intent to export an EPT product, we will be pleased to provide information necessary to determine what, if any, export controls may apply. Absent a written agreement between the two parties to the contrary, EPT assumes that the customer will obtain any U.S. government authorization required to export this product.

If for any reason the customer does not agree to these terms or has a different understanding of U.S. export control requirements, the customer should contact the EPT sales representative prior to exporting this product.

Thank you for providing this opportunity to EPT. If you have any questions or require additional information, please contact the undersigned.

Kind Regards,
Jada Parsons 
Contracts Administrator
Tel: (417) 623-8000 Ext. 669
Fax: (417) 623-0850
Email: jada.parsons@eaglepicher.com

Approved by: 
Brian Hutson, Contracts Manager