

# Litton

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## Laser Systems

P.O. Box 547300  
Orlando, Florida  
32854-7300

407 285-4010

October 16, 2000

Refer To: JAF-2000-006

ACALA  
AMSTA-LC-CAC-A  
Rock Island, IL 61299-7630

Attention: Janet Hall, Contract Specialist

Subject: FMS Sale for M1A2 ELRF-Egypt

Reference: (a) ACALA letter dated October 5, 2000  
(b) ACALA's Janet Hall email dated 10/05/00  
(c) ACALA's Janet Hall email dated 10/16/00: Deletion of First Article Requirement  
(d) LSD Letter KCA-00-203, dated September 14, 2000:

Enclosure: (1) LSD Proposal 200-2C03-00-00  
(2) Subcontracting Plan for M12A Egyptian Order  
(3) Specification Cross-Reference Matrix dated January 19, 2000.

Dear Ms. Hall:

Litton Systems Inc., Laser Systems Division (LSD) is pleased to confirm that we will accept a FFP order at the option pricing delineated in contract DAAE20-00-D-0024/0001. The unit price for the basic quantity of one hundred (100) New ELRF's will be \$29,542. Delivery shall be at a rate of 4 per month commencing in August 2001. This schedule is based upon contract award no later than December 30, 2000. Early deliveries will be accepted at no additional cost.

The option price for an additional 100 each New ELRF's shall be \$29,789. Delivery shall commence at the conclusion of delivery of the basic quantity (no break in production). Early delivery will be accepted at no additional cost. The option period shall be exercised not later than December 30, 2001.

Acceptance of this order is contingent upon Government authorization for LSD to acquire additional test equipment to support greater capacity throughput of M1A2 ELRF's, estimated at 50 per month. Pricing for this additional test equipment was provided under reference (d). Lead-time to acquire test equipment is 6 months ARO, and the increase in capacity output will be effective immediately after receipt of test equipment. The normal 10 months lead-time for material and 6 months for GFE YAG laser applies.

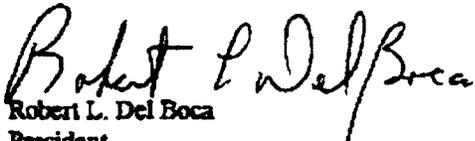
LSD's quality system is certified to conform to Quality Standard ISO 9001, 1994. To the extent any contract resulting from this proposal shall reference quality system or quality program requirements, ISO 9001 shall be so stipulated. LSD further requires, that the contract incorporate LSD's current common process specifications as set forth in the "TO" column of the Specification Cross-Reference Matrix (*Enclosure 3*). This shall be, in lieu of the previous "FROM" specifications (which have been cancelled by the DOD or otherwise superseded by LSD as part of our common process initiative), but only to the extent that any such specification(s) are otherwise required for inclusion within the contract.

Export of these commodities is subject to the requirements of the International Traffic in Arms Regulations (ITAR). They may not be transferred, transshipped on a non-continuous voyage, or otherwise be disposed of in any other country, either in their original form, or after being incorporated into other end items, without the prior written approval of the US Department of State. It is understood that the resultant contract will be awarded pursuant to Foreign Military Sales (FMS) guidelines. Therefore, LSD will deliver direct to the U. S. Government, who in turn shall be responsible for ultimate delivery to the end user (Egypt).

Delivery point (General Dynamics Corp Facility-Anniston, Alabama), payment terms and inspection and acceptance requirements shall be the same as the DAAE20-00-0024/001 basic contract. Customary progress payments shall be included at a 75% liquidation rate. First Article Inspection is deleted as confirmed in reference (c) email. SDRL's shall be as defined in the DAAE20-00-002/001 basic contract. This proposal will remain firm until 31 December 2000. Should you have any questions regarding the information provided herein please contact James A. Furner at 407-297-4761, Fax 407-297-4417, or Email [jfurner@littonlaser.com](mailto:jfurner@littonlaser.com)

Sincerely,

LITTON SYSTEMS, INC.  
Laser Systems Division

  
Robert L. Del Boca  
President