

**AMPEX DATA SYSTEMS CORPORATION
TERMS AND CONDITIONS OF SALE**

1. TERMS; PAYMENT

(a) Terms of payment are NET 30 days from date of invoice for Product unless otherwise stated herein, and Buyer will pay to Ampex an additional charge with respect to all overdue accounts of the lesser of 1.5% per month or the highest rate allowed by law. All sales are subject to prior approval of Ampex's Credit Department. Buyer agrees to submit its most current financial information, including interim or audited financial statements, together with bank and trade references.

(b) All sales, use, excise, or similar taxes applicable to sales pursuant to this Agreement shall be paid by Buyer, unless Buyer provides Ampex with a tax exemption certificate acceptable to the taxing authorities.

(c) Ampex may at any time when in its opinion the financial condition of Buyer so warrants, or if Buyer fails to make payments when due, or otherwise defaults hereunder, either alter terms of payment, including requiring full or partial payment in advance of delivery, suspend credit and delay of shipment, or pursue any remedies available at law or under this Agreement, in which event Ampex shall be entitled to reimbursement of its reasonable expenses, including attorney's fees.

2. SHIPMENT AND DELIVERY TERMS

(a) Ampex shall use reasonable commercial efforts to comply with mutually agreed delivery schedules, BUT SHALL NOT BE LIABLE FOR DAMAGES FOR DELAY, nor shall Buyer be relieved of its performance hereunder because of Ampex's inability to meet such delivery dates.

(b) All sales are F.O.B. Ampex's facility. Title to and risk of loss of Product shall pass to Buyer upon delivery to the carrier, and Buyer is responsible for payment of all freight charges.

(c) In the absence of specific instructions, Ampex will ship by what it deems to be the most appropriate method. When special or export packaging is requested, or in the opinion of Ampex is required, the cost of packaging will be an additional charge.

3. SECURITY INTEREST GRANTED

Buyer hereby grants Ampex a purchase money security interest in Product until the purchase price has been paid in full. Buyer shall execute and deliver, at Ampex's request, customary financing statements to perfect Ampex's security interest. Alternatively, Buyer appoints Ampex its attorney-in-fact to do all acts necessary to perfect and maintain Ampex's security interest, including executing and filing financing statements in Buyer's name and on Buyer's behalf.

4. WARRANTY; LIMITATION OF LIABILITY

Ampex warrants that, at the time of delivery, Product of its manufacture is free from defects in material and workmanship. Ampex agrees to repair or replace at its election without charge to Buyer all Product which is so defective, with respect to which Ampex is notified by Buyer in writing of such defect within one year from the date of shipment by Ampex to Buyer, provided:

1) Product has not had its serial number or any part thereof altered, defaced, or removed.

2) Product has not been altered, subjected to misuse, improper maintenance, negligence, or accident, or damaged by excessive current, or used with parts not compatible with Product supplied hereunder.

Ampex reserves the right to inspect or repair Product at its factory or on Buyer's premises. Product shall not be returned to Ampex's factory or service center for inspection, replacement, or repair without specific written authorization from Ampex.

Replaced or repaired parts or Product will carry only the unexpired portion of the original warranty.

Inspection or repair at any location other than Ampex or Buyer's factory or service center shall be at Ampex's current published repair service labor rate plus reimbursement of travel costs.

Ampex shall have the right of final determination as to the existence and cause of a defect.

THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY WARRANTY OTHERWISE ARISING OUT OF ANY PROPOSAL, SPECIFICATION OR SAMPLE. AMPEX'S SOLE LIABILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY UNDER ANY WARRANTY SHALL BE AS SPECIFIED ABOVE. AMPEX NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER OBLIGATION.

5. EXCLUSION OF DAMAGES

IN NO EVENT SHALL AMPEX BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR SPECIAL DAMAGES, WHETHER IN CONTRACT OR IN TORT IN CONNECTION WITH THIS AGREEMENT, OR ANY PRODUCT OR SERVICES FURNISHED HEREUNDER.

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6. FORCE MAJEURE

Ampex shall not be liable for any failure of performance hereunder due to any cause beyond its control, including, but not limited to, acts of God or government, labor disputes or inability to secure materials, labor or transportation. In the event of such delay, the time for performance shall be extended for a period equal to the duration of such delay.

7. TECHNICAL SERVICES AND TRAINING

If requested by Buyer, Ampex shall, subject to prior commitments, and provide post-installation checkout services and a training course at Ampex's facilities. Except as provided herein, all such services shall be provided at Ampex's then current rates, and in accordance with Ampex's then current terms and conditions (including payment terms). Except as provided herein, Buyer shall have complete responsibility for installation and operation of Product and obtaining any permits, licenses, and/or certificates, which may be required by any regulatory agency for the installation, use, or operation of Product.

8. PATENT INDEMNITY

Ampex will defend at its expense any action brought against Buyer to the extent based upon a claim that Product or any part thereof as furnished hereunder infringes a United States patent. Ampex will pay costs and damages finally awarded against Buyer directly attributable to any such claim, but only on condition that: (i) Ampex is promptly notified in writing of any such claim; (ii) Ampex shall have sole control of the defense and settlement negotiations; (iii) Buyer shall have made all payments due hereunder; and (iv) Buyer gives Ampex information and assistance for such defense. Should Product become the subject of such a claim of infringement, Buyer shall permit Ampex, at its option and expense, either to procure for Buyer the right to continue using Product, to replace or modify Product so that it becomes non-infringing, or to require return of Product in exchange for a reasonable credit for Product as depreciated. Ampex shall have no liability to Buyer with respect to any claim of patent infringement:

(a) In which otherwise non-infringing Product is rendered infringing by Buyer's combination of Product with equipment, devices or software

acquired by Buyer from a source other than Ampex,
(b) Resulting from Ampex's compliance with Buyer's requirements as to specific design, or
(c) In which otherwise non-infringing Product is rendered infringing by Buyer's use of such Product.

The foregoing states the entire liability of Ampex concerning infringement with respect to Product.

9. SOFTWARE LICENSE

Ampex grants Buyer a non-exclusive license to use software furnished by Ampex with Product ("Software"), only in conjunction with Product, and only so long as Buyer owns Product.

Software is composed of confidential and proprietary information, and Buyer agrees: (i) not to copy, decompile or disassemble Software, or any part thereof, and (ii) not to cause or permit Software, or any part thereof, to be disclosed to any person other than its employees.

Ampex retains title to Software. This license may be transferred only to a subsequent buyer of Product. Software may be subject to other Ampex and/or third party software license agreements which Buyer agrees to execute upon Ampex's request.

10. PRODUCT REFINEMENTS

Ampex reserves the right to modify or change Product to include electrical, mechanical, or electronic refinements it deems appropriate. If Ampex modifies some Product, Ampex shall have no obligation to modify or change any other Product previously delivered or to supply new Product without such modifications.

11. GENERAL

This Agreement is not assignable by Buyer without Ampex's prior written consent. All sales of Product are made on the terms, conditions and warranties contained herein. In event of any conflict, these terms and conditions take precedence over any on Buyer's order form. No agreement modifying the terms of this Agreement shall be valid unless in writing duly signed by the parties. Any returns agreed to by Ampex are subject to a 15% restocking/remarketing charge.