

**BDS Terms and Conditions Guide**

**Clause Number: F402**  
**Effective: 04/07/2015**  
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MILESTONE BILLING AND PAYMENT TERMS AND CONDITIONS (Variable)

1. The intent of this Milestone Billing and Payment provision is to permit interim payments prior to completion of the total effort required by this Contract. Upon satisfactory completion of each milestone event set forth in the Milestone Billing Schedule in Paragraph 6 below and verification of completion by Buyer, Seller may bill for the amount set forth in Paragraph 6 below for that milestone event.

2. In addition to the provisions the General Terms and Conditions entitled "Invoice and Payment," Seller shall mail a duplicate invoice to:

The Boeing Company

\_\_\_\_\_

Attn: \_\_\_\_\_

Mail Code: \_\_\_\_\_

3. Buyer shall have the right to reduce or withhold milestone payments in the event Seller fails to complete such milestone by the required dates noted in the Purchase Contract. Notwithstanding any payments made by Buyer to Seller under this clause, it is understood and agreed that if this contract is terminated for default pursuant to the Cancellation for Default provision of the General Terms and Conditions, Seller shall, upon demand, repay to Buyer all such sums theretofore paid by Buyer to Seller hereunder.

4. Upon the payment by Buyer of any milestone payment due hereunder and prior to the completion, delivery and acceptance by Buyer of the work set forth in this contract, title to all property including, but not limited to, drawings, work in progress, design reviews, etc., fabricated, purchased or acquired by the Seller, the cost of which the Seller is to be reimbursed by Buyer under this milestone payment provision, shall pass to and vest in Buyer upon the fabrication, purchase or acquisition by the Seller of said items. Seller hereby grants Buyer a limited power of attorney to execute a Form UCC-1 on behalf of the Seller for those items that title vests in Buyer pursuant to this milestone payment provision.

5. Payment or vesting of title pursuant to this milestone payment provision shall neither excuse the Seller from performance of its obligations under this contract nor constitute a waiver of any of the rights and remedies of the parties under this contract.

6. See Milestone Billing Schedule (including the milestone event, completion date and billing amounts) as set forth in this contract.