

THE BOEING COMPANY

GENERAL PROVISIONS

(TIME AND MATERIAL CONTRACT)

DF 4400-917 (Rev. 2/97)

1. ACCEPTANCE. This Contract is Buyer's offer to Seller, and acceptance is strictly limited to its terms. Buyer shall not be bound by and specifically objects to any term or condition whatsoever which is different from or in addition to the provisions of this Contract, whether or not such term or condition will materially alter this Contract. Seller commencement of performance or acceptance of this Contract in any manner shall conclusively evidence agreement to this Contract as written.

2. DEFINITIONS. Whenever used in this Contract, (a) "Customer" means any customer of Buyer, any subsequent owner, operator or user of the Goods and any other individual, partnership, corporation or person or entity which has or acquires any interest in the Goods from, through or under Buyer; (b) "FAR" means the Federal Acquisition Regulation; (c) "DFARS" means the Department of Defense FAR Supplement; (d) "NFS" means NASA FAR Supplement; (e) "Goods" means all of the goods, services, data, software and other items furnished or to be furnished to Buyer under this Contract; and (f) "Contract" means this purchase contract including the provisions on its face, these General Provisions, and all of the specifications, technical descriptions, statements of work, drawings, designs, documents, and other requirements and provisions attached to, incorporated into or otherwise made a part of this purchase contract by Buyer. [Unless otherwise specified in this contract, FAR/DFARS and NFS references cited herein are those in effect on the date of this contract.]

3. SHIPMENT/DELIVERY. Shipments or deliveries, as specified in this Contract, shall be strictly in accordance with: the specified quantities, without shortage or excess; the specified schedules, neither ahead nor behind schedule; and the other requirements of this Contract. Seller shall promptly notify Buyer in writing of any anticipated or actual delay, the reasons therefor, and the actions being taken by Seller to overcome or minimize the delay. If requested by Buyer, Seller shall, at Seller's expense, ship via air or other fast transportation to avoid or minimize the delay to the maximum extent possible.

4. PACKING AND SHIPPING. Seller shall prepare and pack the Goods to prevent damage and deterioration, and comply with carrier tariffs. Charges for preparation, packing, crating and cartage, if goods are sold f.o.b. destination, are included in the price unless separately specified in this Contract. Goods sold f.o.b. place of shipment shall be forwarded collect. Seller shall make no declaration concerning value of Goods shipped, except on Goods where tariff rating is dependent upon released or declared value, in which event Seller shall release or declare such value at maximum value within the lowest rating. The Seller shall reimburse Buyer for all damage or deterioration of the Goods which would have been prevented by proper packing and packaging.

5. PAYMENTS. Seller shall be paid as follows upon the submission of invoices approved by Buyer.

(a) HOURLY RATE

(1) The amounts computed by multiplying the appropriate hourly rate, or rates, set forth in this contract by the number of direct labor hours performed, which rates shall include wages, overhead, general and administrative expense, profit and other costs and expenses of Seller incident to this contract, except for any travel, per diem or other allowances to the extent specifically provided for in this contract. Fractional parts of an hour shall be payable on a prorated basis. The Seller will substantiate invoices by evidence of actual payment and by individual daily job timecards, or such other

substantiation approved by Buyer.

(2) Unless provisions of this contract otherwise specify, the hourly rate or rates set forth in this contract shall not be varied by virtue of Seller having performed work on an overtime basis. If no overtime rates are provided in this contract and overtime work is approved in advance by Buyer, overtime rates will be negotiated. If this contract provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by Buyer.

(b) MATERIALS AND SUBCONTRACTS

(1) Allowable costs of direct materials shall be determined by the Buyer in accordance with FAR, Subpart 31.2. Reasonable and allocable material handling costs may be included in the charge for material to the extent they are clearly excluded from the hourly rate and approved by Buyer. Material handling costs are comprised of indirect costs, including, when appropriate G&A expense, allocated to direct materials in accordance with the Seller's usual accounting practices consistent with FAR Part 31. Seller shall be reimbursed for items and services purchased directly for this contract only when cash, checks, or other forms of actual payment has been made for such purchased items or services. Direct materials, as referenced by this clause, are defined as those materials which enter directly into the goods to be delivered hereunder, or which are used or consumed directly in connection with the furnishing of such goods or in performing services hereunder.

(2) The cost of subcontracts which are authorized pursuant to the "Subcontracts" clause hereof shall be reimbursable costs hereunder, provided such costs are consistent with subparagraph (3) below. Reimbursable cost in connection with subcontracts shall be limited to the amounts paid by Seller to the subcontractor in the same manner as for items and services purchased directly for this contract under subparagraph (1) above. The requirement of payment for reimbursement shall not apply if the Seller is a small business concern. Reimbursable costs shall not include any costs arising from the letting, administration, or supervision of performance of the subcontract, which costs are included in the hourly rate or rates payable under (a)(1) above.

(3) Seller shall, to the extent of his ability, procure materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials, and take all cash and trade discounts, rebates, allowances, credits, salvage, commissions and other benefits. When unable to take advantage of such benefits, it shall promptly notify Buyer to that effect, and give the reason therefor. Credit shall be given to Buyer for cash and trade discounts, rebates, allowances, credits, salvage, the value of resulting scrap when the amount of such scrap is appreciable, commissions, and other amounts which have been accrued to the benefit of Seller, or would have so accrued except for the fault of neglect of the Seller. Such benefits lost through no fault or neglect on the part of the Seller, or lost through fault of Buyer shall not be deducted from gross costs.

(c) SUM ALLOTTED

It is estimated that the total cost to Buyer for the performance of this contract will not exceed the sum allotted set forth in this contract and Seller agrees to use his best efforts to perform the work specified in this contract and all obligations under this contract within such sum allotted. If at any time the Seller has reason to believe that the hourly rate payments and material costs which will accrue in the performance of this contract in the next succeeding thirty (30) days, when added to all other payments and costs previously accrued, will exceed eighty five percent (85%) of the sum allotted then

set forth in this contract, Seller shall immediately notify the Buyer to that effect giving his revised estimate of the total price to Buyer for the performance of this contract, together with supporting reasons and documentation. If at any time during the performance of this contract, Seller has reason to believe that the total price to Buyer for the performance of this contract will be substantially greater or less than the then stated sum allotted, Seller shall so notify Buyer, giving his revised estimate of the total price for the performance of this contract, together with the supporting reasons and documentation. If at any time during the performance of this contract, Buyer has reason to believe that the work to be required in the performance of this contract will be substantially greater or less than the stated sum allotted, Buyer will so advise Seller, giving the then revised estimate of the total amount of effort to be required under this contract.

(d) LIMITATION OF OBLIGATION

Buyer shall not be obligated to pay Seller for any amount in excess of the sum allotted then set forth in this contract, and Seller shall not be obligated to continue performance if to do so would exceed the sum allotted then set forth in this contract, unless and until the Buyer shall have notified the Seller in writing that such sum allotted has been increased and shall have specified in such notice a revised sum allotted which shall thereupon constitute the sum allotted for performance under this contract. When and to the extent that the sum allotted set forth in this contract has been increased, any hours expended and material costs incurred by Seller in excess of the sum allotted prior to the increase shall be allowable to the same extent as if such hours expended and material costs had been incurred after such increase in sum allotted.

(e) INVOICES AND PAYMENTS

Once each month Seller may submit to Buyer, in such form and with such evidence in support thereof as Buyer may reasonably require, an invoice for hourly rate payments and cost of materials incurred during the period covered by the invoice. At any time or times prior to final payment under this contract Buyer may cause to be made such audit of the invoices and substantiating material as shall be deemed necessary. Each payment theretofore made shall be subject to reduction to the extent of amounts which are found by Buyer not to have been properly payable, and shall also be subject to reduction for overpayments, or to increase for underpayments, on preceding invoices or vouchers. Upon receipt and approval of the invoice designated by Seller as the "completion invoice" and substantiating material, and upon compliance by Seller with all provisions of this contract (including, without limitation, provisions relating to patents and the provisions of (f) and (g) below), Buyer shall as promptly as may be practicable pay any balance due and owing Seller. The completion invoice, and substantiating material, shall be submitted by Seller as promptly as may be practicable following completion of the work under this contract, but in no event later than six (6) months (or such longer period as Buyer may, in his discretion, approve in writing) from the date of such completion.

(f) RELEASE

Seller and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging Buyer and, if this contract was issued under a prime contract with the Government, the Government, their officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(i) specified claims in stated amounts, or in estimated amounts where the amounts are not susceptible of exact statement by Seller;

(ii) claims, together with reasonable expenses incidental thereto, based upon the liabilities of Seller to third parties arising out of the performance of this contract, which are not known to Seller on the date of the execution of the release, and of which Seller

gives notice in writing to Buyer not more than six (6) years after the date of the release or the date of any notice to the Seller that Buyer is prepared to make final payment, whichever is earlier; and

(iii) claims for reimbursement of costs (other than expenses of Seller by reason of its indemnification of Buyer or Government against patent liability), including reasonable expenses incidental thereto, incurred by Seller under the provisions of this contract relating to patents.

(g) ASSIGNMENT

Seller agrees that any refunds, rebates, or credits (including any interest thereon) accruing to or received by Seller or any assignee, which arise under the materials portion of this contract and for which Seller has received reimbursement, shall be paid by the Seller to Buyer. Seller and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, an assignment to Buyer of such refunds, rebates, or credits (including any interest thereon) in form and substance satisfactory to Buyer.

6. INVOICE PAYMENT REQUIREMENTS

A. Payments. Payments are made from "Original" invoices only. Fax copies, statements or invoice copies will not be accepted. "Duplicate Original" invoices must not be sent without prior authorization from either the Buyer or Accounts Payable. "Duplicate Original" invoices must be signed and dated with the full signature of Seller's appropriate manager. Initials will not be accepted. Third Party Billing is not allowed.

B. Terms. Payment terms BEGIN UPON RECEIPT of an acceptable invoice by Buyer's Accounts Payable organization. Payments are not scheduled based upon the date of your invoice. Agreed upon terms must be correctly indicated on your invoice and should agree with the purchase contract. Example: 2% 10 Net 30.

C. Mailing Information.

Invoices are to be mailed to:

Boeing Defense & Space Group Accounts Payable

Mail Stop 80-FW

P.O. Box 34113

Seattle, WA 98124-1113

Express Overnight mail should be sent to:

Boeing Defense & Space Group Accounts Payable

18-01 Building, 2nd Floor, Mail Stop 80-FW

20403 68th Avenue South

Kent, WA 98032

D. Prepaid Freight Charges. When prepaid freight charges are authorized by Buyer, include a copy of the "prepaid freight bill" with the invoice for charges over \$100.00. Freight charges will be deducted from the payment if this documentation is not included.

E. Invoice Information. All invoices must contain the following information:

1. Buyer's Purchase Contract Number (Example: AA1111 or AAA111)

Note: Only one Purchase Contract Number per Invoice.

2. Payment Terms (Example: 2% 10 Net 30)

3. Invoice Number

4. Invoice Date

5. Boeing Purchase Contract Order Line Item Number (Example: 05)

6. Quantity Invoiced (Note: quantity invoiced must equal quantity shipped

and cannot exceed quantity ordered)

7. Boeing Part Number

8. Unit Price

9. Total Price

10. Total Tax

11. Freight Charges

The Purchase Contract is the sole basis for your payment. Incorrect invoices will be returned unpaid. Accounts Payable cannot authorize or negotiate any changes to the Purchase Contract. Contact the Buyer directly to resolve invoice discrepancies.

F. Payment Inquiries. Boeing Defense & Space Group checks are generated once a week. Checks are prepared and mailed each Friday. Inquiries on past due invoices (aged over 45 days) or payment problems may be faxed directly to Accounts Payable, fax number (206) 773-7999. A copy of the invoice in question should be annotated with the specific problem. For example:

1. Not Paid

2. Under/Over Paid (show the amount under or over paid)

7. INSPECTION. (a) Buyer acceptance of Goods shall be subject to Buyer's final inspection within a reasonable time after receipt at destination, notwithstanding any payment or prior test or inspection. No inspection, test, delay or failure to inspect or test, or delay or failure to discover any defect or other non-compliance, shall relieve Seller of any of its obligations under this

Contract or impair any rights or remedies of Buyer or Customers. Acceptance shall be final, except for latent defects, fraud or gross mistakes amounting to fraud. (b) The Seller is responsible for performing or having performed all inspections and tests necessary to substantiate that the supplies or services furnished under this contract conform to

contract requirements, including any applicable technical requirements for specified manufacturers' parts. Authorized representatives of the Buyer or its government customer shall, upon request, be afforded the opportunity to inspect and/or witness testing of supplies/services, or be permitted on-site review of evidence of contractor performance of such inspections/tests.

8. REJECTION. In the regular course of its business, Buyer may reject, refuse acceptance or revoke acceptance ("rejection" herein) of any or all of the Goods or any tender thereof which are not strictly in conformance with all of the requirements of this Contract; and by notice, rejection tag or other communication, notify Seller of such rejection. At Seller's risk and expense, all such Goods will be returned to Seller for immediate Seller repair, replacement and other correction and redelivery to Buyer; provided, however, that with respect to any or all such Goods and at Buyer's election and at Seller's risk and expense, Buyer may: (a) hold, retain or return such Goods, without permitting any repair, replacement or other correction by Seller; (b) hold or retain such Goods for repair by Seller or, at Buyer's election, for repair by Buyer with such assistance from Seller as Buyer may require; (c) return such Goods with instructions to Seller as to whether the Goods shall be repaired or replaced and as to the manner of redelivery. All repair, replacement and other correction and redelivery shall be completed within such time as Buyer may require. All costs and expenses and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Seller by equitable price reduction, set-off or credit against any amounts which may be owed to Seller under this Contract or otherwise.

9. WARRANTIES. Seller warrants and guarantees that all goods delivered under this contract will conform to all specifications, descriptions, drawings and other requirements of this contract, will be free from defects in materials and workmanship, will be fit and suitable for the intended purposes, and, to the extent not manufactured pursuant to detailed designs furnished by Buyer, will be free from defects in design. These warranties and guarantees shall extend for a period after completion of Buyer's final acceptance as set forth elsewhere in this contract; provided, that they shall begin anew as to those goods corrected by Seller pursuant to this clause. Approval or acceptance of Seller's designs, and inspection or acceptance of the goods shall not prejudice Buyer's rights under this clause. Such rights shall be enforceable also by Buyer's customers, and shall be assignable to them. Such rights are not exclusive and Buyer reserves any and all other rights provided in this contract or by law.

10. CHANGES. Buyer's Materiel Representative may from time to time in writing direct changes within the general scope of this Contract in any one or more of the following: (a) technical requirements and descriptions, specifications, statement of work, drawings or designs; (b) shipment or packing methods, (c) place of delivery, inspection or acceptance; (d) reasonable adjustments in quantities or delivery schedules or both; and (e) amount of Buyer-furnished property. Seller shall comply immediately with such direction, and avoid unnecessary costs related thereto. If any such change causes an increase or decrease in the cost of or the time required for performance of this Contract, an equitable adjustment in the prices and schedules of this Contract shall be made to reflect such increase or decrease and this Contract shall be modified in writing accordingly. Unless otherwise agreed in writing, any Seller claim for adjustment must be asserted to Buyer in writing within 25 days with a firm proposal delivered to the Buyer within 60 days after Seller receipt of such direction. Failure of Buyer and Seller to agree upon any adjustment shall not excuse Seller from performing in accordance with such

direction. If Seller considers that Buyer conduct has constituted a change hereunder, Seller shall notify Buyer immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Materiel Representative, Seller shall take no action to implement any such change.

11. ASSIGNMENT. No assignment of any rights, including rights to moneys due or to become due hereunder, and no delegation of any duties arising under this contract shall be binding upon Buyer until its written consent thereto is obtained.

12. SUBCONTRACTS. No subcontract shall be made by Seller for the furnishing of any portion of the work under this contract without the prior written approval of Buyer. For the purpose of this clause, purchase of raw materials or commercial stock items shall not be considered work. Where such approval is given, the rates for such work shall not exceed the rates regularly agreed upon between Seller and its subcontractor for similar work or the rates set forth in this contract, unless specific written approval of higher rates is given by Buyer. Seller shall derive no profit from subcontracted work and, therefore, the amount invoiced for such work shall not exceed the amount charged therefore by the Seller's subcontractor. Seller agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

13. NOTICE OF ACTUAL OR ANTICIPATED DELAYS OR DEFICIENCIES. Whenever Seller has knowledge of any actual or anticipated deficiency or delay in performance for any reason, including an actual or potential labor dispute, Seller shall immediately notify and submit all relevant information to Buyer. If requested by Buyer, Seller shall use additional effort, including premium effort, to correct any deficiency or avoid or minimize delay to the maximum extent possible. All of the cost associated with this additional effort shall be borne by Seller. The rights and remedies of Buyer under this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or elsewhere under this contract.

14. RECORDS AND AUDIT. Seller shall maintain complete and accurate books, records, documents and other evidence pertaining to the time worked, costs, expenses and allowances pertaining to this contract (hereinafter collectively called "records") to the extent and in such detail as will properly reflect all net costs (direct and indirect) of labor, materials, equipment, supplies and services and other costs and expenses of whatever nature for which compensation or reimbursement is claimed under the provisions of this contract. Such records shall be made available to Buyer for examination, reproduction and audit upon request at all reasonable times from the date of contracting until one (1) year after final payment hereunder.

15. TERMINATION/CANCELLATION.

(a) The performance of work under this contract may be terminated in whole or in part, by Buyer in accordance with FAR 52.249-6, "Termination (Cost Reimbursement)" and Alternate IV thereof, incorporated herein by reference. "Government" and "Contracting Officer" shall mean Buyer and the phrase "1 year" is deleted each place it occurs and "180 days" is substituted. If this contract supports a prime contract with the U.S. Government, settlements and payments under this clause are subject to approval by the Contracting Officer and Settlement Review Board.

(b) By written notice Buyer may cancel the whole or any part of this contract in the event of Seller default of any or all of the requirements of this contract, or in the event of suspension of Seller's business, insolvency of Seller, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller's property or business or any assignment, reorganization or arrangement by Seller for the benefit of creditors.

16. PUBLICITY. Seller shall not, and shall require that its subcontractors and suppliers of any tier shall not, cause or permit to be released any publicity, advertisement, news release, public announcement, or denial or confirmation of same, in whatever form, regarding any aspect of this Contract or the Goods or program to which they pertain without Buyer's prior written approval. The above restrictions shall not apply to information provided in response to Government requests.

17. RESPONSIBILITY FOR BUYER-OWNED PROPERTY. Unless otherwise specified, upon delivery to Seller or manufacture or acquisition by Seller of any materials, parts, tooling, data or other property, title to which is in Buyer, Seller assumes the risk of and shall be responsible for any loss thereof or damage thereto. In accordance with the provisions of this Contract, but in any event upon completion thereof, Seller shall return such property to Buyer in the condition in which it was received except for reasonable wear and tear and except for such property as has been reasonably consumed in the performance of this Contract.

18. CONFIDENTIAL OR PROPRIETARY INFORMATION AND PROPERTY. Seller shall keep confidential and otherwise protect from disclosure all information and property obtained from Buyer in connection with this Contract and identified as confidential or proprietary. Unless otherwise expressly authorized herein or by Buyer, Seller shall use such information and property, and the features thereof, only in the performance and for the purpose of this Contract; provided, however, that if the U.S. Government has the right to authorize the use of such information or property, Seller may, to the extent of such right, use such information or property as authorized by the U.S. Government; provided, further, that Seller give Buyer notice of such authorization prior to use and shall indemnify and hold harmless Buyer from all claims, demands, damages or causes of action caused by or in any way arising out of products manufactured by Seller using such information and property and sold by Seller to parties other than Buyer. Upon Buyer's request, and in any event upon the completion, termination or cancellation of this Contract, Seller shall return all such information and property to Buyer or make such other disposition thereof as is directed by Buyer. Seller shall not sell or dispose of as scrap or otherwise any completed or partially completed or defective proprietary property before receiving written authorization from Buyer and before rendering such property unsuitable

for use. In all subcontracts and purchase orders issued by Seller for performance of work related to this Contract, Seller shall provide to Buyer the same rights and protection as contained in this clause.

19. COMPLIANCE WITH LAWS. Seller shall be responsible for complying with all laws, including, but not limited to, any statute, rule, regulation, judgment, decree, order or permit applicable to its performance under this Contract. Seller further agrees (1) to notify Buyer of any obligation under this Contract which is prohibited under any applicable environmental law, at the earliest opportunity but in all events sufficiently in advance of Seller's performance of such obligation so as to enable the identification of alternative methods of performance, and (2) to notify Buyer at the earliest possible opportunity of any aspect of its performance which becomes subject to additional environmental regulation or which Seller reasonably believes will become subject to additional environmental regulation during performance of this Contract.

20. MATERIAL SAFETY DATA SHEETS. Seller will comply with the Hazard Communication Standard, 29 CFR 1910.1200. Seller shall ensure that the name of the Product as identified on the MSDS is identical to the name which appears on the label of the Product shipped to Buyer. Seller shall provide a copy of the Material Safety Data Sheet with each shipment of the product.

21. NOTIFICATION OF TOXIC CHEMICALS. Seller will comply with Section 313 of the Emergency Planning and Community Right to Know Act of 1986 (EPCRA) and 40 CFR Part 372, if applicable. As part of such compliance, Seller shall furnish to the Buyer's Material Representative the following information with the initial shipment of each Product to Buyer:

a. A statement that the Product contains chemicals which are subject to Section 313 of Title III of the Superfund Amendments and Reauthorization Act of 1986 and 40 CFR 372.45;

b. The name and the associated Chemical Abstract Service Registry number of each chemical which has been incorporated in the Product and which is listed in the specific Toxic Chemical Listings contained in 40 CFR 372.65; and

c. The percent by weight of each toxic chemical component of the product shipped.

If the Seller is required to submit a Material Safety Data Sheet (MSDS), this notification must be attached to or otherwise incorporated into such MSDS.

22. LEAD. It is the policy of Buyer to prohibit the use of paints containing lead in any form. Seller hereby affirms that the Product provided in compliance with this Contract contains no lead. Further Buyer prohibits the use of lead hammers and lead "slappers." Seller hereby affirms that individuals under its control are informed of this policy.

23. SHIPPING HAZARDOUS MATERIALS.

(a) Shipment of hazardous materials shall be by common carrier authorized to handle the material, and in accordance with 49 CFR Parts 100-199 and the IATA "Dangerous Goods Regulations" or "The International Maritime Dangerous Goods Code" (if applicable). This includes but is not limited to:

(1) Shipping papers must include the emergency contact number.

(2) Shipping papers and packages for hazardous materials or wastes identified as "N.O.S." (not otherwise specified) must show the technical name(s) listed in parenthesis, the association to the basic description, and in the case of mixtures, list the major hazardous components by percentage contributing to the hazard.

(b) Seller shall indicate on the shipping papers whether the material presents Poisonous by Inhalation (PIH) hazard.

(c) At Buyer's request Seller will provide test reports indicating Performance Oriented Packaging (POPs) compliance to facilitate Buyer's reshipment of Seller's Product.

(d) Seller shall mark on all interior packages and shipping containers the closed cup flash point of flammable and combustible materials and/or percentage concentration of corrosive liquids.

24. ASBESTOS FREE DUNNAGE. Each package and/or container shipped to Buyer is to be free of any asbestos-containing vermiculite and/or any asbestos-containing material as dunnage. Seller hereby warrants to Buyer that the vermiculite and any other dunnage is asbestos-free.

25. PRODUCTS MANUFACTURED WITH OZONE DEPLETING SUBSTANCES. The item(s) to be delivered under this contract may be manufactured using Class I ozone depleting substances and the following warning statement shall apply to such item(s):

WARNING: Manufactured with CFC-11, 12, 13, 111, 112, 113, 114, 115, 211, 212, 213, 214, 215, 216, 217, Halons 1211, 1301, 2402, Carbon Tetrachloride or Methyl Chloroform, substances which harm public health and environment by destroying ozone in the upper atmosphere.

26. PRODUCTS CONTAINING OZONE DEPLETING SUBSTANCES. The item(s) to be delivered under this contract may contain a Class I ozone depleting substance and the following warning statement shall apply to such item(s):

WARNING: Contains CFC-11, 12, 13, 111, 112, 113, 114, 115, 211, 212, 213, 214, 215, 216, 217, Halons 1211, 1301, 2402, Carbon Tetrachloride or Methyl Chloroform, substances which harm public health and environment by destroying ozone in the upper atmosphere.

27. LABELING REQUIREMENTS. It is agreed that the statements in Articles 25 and 26 above satisfy the requirements of the Clean Air Act Amendments of 1990 (Section 611), Title 40 CFR Part 82. Accordingly, no method of marking or tagging items shall be used unless the item is a chemical or chemical compound.

28. SELLER NOTICE OF DISCREPANCIES. Seller will notify Buyer in writing when discrepancies in the Seller's process or product are discovered or suspected which may affect parts or assemblies Seller has delivered or will deliver under this contract.

29. NON-WAIVER AND PARTIAL INVALIDITY. Any and all failures, delays or forbearances of either party in insisting upon or enforcing at any time or times any of the provisions of this Contract, or to exercise any rights or remedies under this Contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies in those or any other instances; rather, the same shall be and remain in full force and effect. Further, if any provision of this Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

30. GOVERNMENT REQUIREMENTS. Within Seller's invoice or other form satisfactory to Buyer, Seller shall certify that goods covered by this Contract were produced in compliance with Sections 6, 7 and 12, Fair Labor Standards Act, as amended, and the regulations and orders of the U.S. Department of Labor issued thereunder. The Equal Opportunity clause set forth in FAR 52.222-26 is incorporated herein by reference, except "Contractor" means Seller.

31. GOVERNING LAW. This Contract and the performance thereof shall be governed by the laws of the State of Washington, U.S.A.

32. DISPUTES. (a) Any dispute or claim which cannot be settled through mutual negotiation of the parties may be presented before any court of competent jurisdiction. Except, that in regard to any claim or dispute that directly relates to or arises out of a Contracting Officer's decision concerning Seller's compliance with the Truth in Negotiations Act or Cost Accounting Standards, the Seller may request, in writing, to the Buyer that such disputes or claim be appealed to the Contracting Officer, Board of Contract Appeals, Federal Court or Appellate Court as may be appropriate. If the Buyer elects not to appeal such decision, the Seller shall have the right to invoke the remedies

reserved to the Buyer under the prime contract and under the Contract Disputes Act of 1978 to prosecute an appeal in the name of the Buyer. (b) If prosecution of an appeal by the Seller requires the Buyer to provide a certification in compliance with 41 U.S.C. §605(c)(1), the parties agree that the Buyer may withhold such certification if it has a reasonable basis to believe that the Seller's claim is not made in good faith and is frivolous or constitutes a sham. (c) By filing an appeal, the Seller agrees to indemnify and hold harmless the Buyer from

any all claims arising out of or directly related to the appeal including, but not limited to, liability under 41 U.S.C. §604. (d) The Buyer shall notify Seller in writing within ten (10) working days after receipt of any written decision rendered by the Contracting Officer if such decision affects the contract. Thereafter, within thirty (30) days the Buyer shall forward to Seller a copy of the Contracting Officer's decision and shall notify Seller in writing, concerning Buyer's election to appeal the Contracting Officer's decision. (e) All reasonable costs and expenses incurred by Buyer and Seller in prosecuting any appeal initiated by Buyer solely at Seller's request shall be paid by Seller; otherwise each party shall bear its proportionate share of the expenses based upon its respective share of the amount in controversy or such other allocation as the parties may agree is equitable. (f) Pending any decision upon appeal, the Seller shall proceed diligently with performance of this contract.

33. PRICING OF ADJUSTMENTS. (Applies only if a Government contract is identified in the contract.) When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provision of this contract, or when the allowability of costs under this contract are to be determined, determination of such costs shall be in accordance with FAR Part 31.

34. DEFENSE PRIORITY RATING. (Applies only if a Government contract is identified in the contract.) If a defense priority rating is identified on the face of this contract, this is a rated order certified for national defense use and the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700). Including accepting or rejecting this contract in writing within ten working days after receipt of DO rated or five days after receipt if DX rated. If rejected, the reason(s) for such rejection shall be included in the notice to the Buyer.

35. ANTI-KICKBACK PROCEDURES. (Applies only if a Government contract is identified in the contract.) Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7, "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller. In addition to reporting possible violations of the Anti-Kickback Act to the Government pursuant to 41 U.S.C. §57(c), Seller shall report such possible violations, if related to Buyer, to the Director of Materiel and/or the Division Counsel of the Boeing division or subsidiary issuing this contract. Seller agrees to hold Buyer harmless from, defend Buyer against, and indemnify Buyer for all costs, expenses, and offsets Buyer may incur as a consequence of violations of this clause by Seller or by Seller's subcontractors or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.

36. TRUTH IN NEGOTIATIONS ACT. (Applies only if a Government contract is identified in the contract.) Seller shall comply with the provisions of FAR 52.215-22 and 52.215-24 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

37. ENTIRE AGREEMENT. This Contract sets forth the entire agreement, and supersedes any and all other agreements, understandings and communications, between Buyer and Seller and related to the subject matter of this Contract. No amendment or modification of this Contract shall be binding upon Buyer unless set forth in a written instrument signed by Buyer's Materiel Representative and an authorized representative of the Seller. The rights and remedies afforded to Buyer or Customers pursuant to any provision of this Contract are in addition to any other rights and remedies afforded by any other provisions of this Contract, by law, or otherwise.