

SPECIAL BUSINESS PROVISIONS ATTACHMENT
RELATING TO
MRAS And Boeing's PRODUCTS, dated March 03, 2008.

1.0 DEFINITIONS

The definitions used herein are the same as those used in the GTA. In addition, the following terms are defined as follows:

- A. "MRAS and Boeing Lifetime Serial Number" has the meaning set forth in Document D33200-1, "Boeing Sellers' Tooling Document"
- B. "Contractor-Use Tooling" (also known as "Seller-Use Tooling") means all Tooling needed to manufacture Products.
- C. "Dataset" means any compilation of data or information (including, without limitation, numerical data, geometric definitions, program instructions or coded information) which may be used directly in, integrated with or applied to, a computer program for further processing. A Dataset may be a composite of two or more other Datasets or an extract of a larger Dataset.
- D. "Drawing" means an automated or manual depiction of graphics or technical information representing a Product or any part thereof and which includes the parts list and specifications relating thereto.
- E. "Manufacturing Work Package" or "Work Package" means manufacturing effort that Seller will provide under this SBP.
- F. "Rate Tooling" means Tooling required to produce more than seven (7) Shipsets per month without regard to the production of Spare Parts or Products other than Production Articles
- G. "Spare Parts" or "Spares" means Production Articles or components thereof, and materials, assemblies and items of equipment relating thereto, which are intended for MRAS, or Boeing's use or sale as spare parts or production replacements. The term "Spare Parts" includes, but is not limited to, MRAS and Boeing Proprietary Spare Parts.

2 Nonrecurring Work

2.1 Tooling General

All Tooling produced in performance of this SBP must conform to the provisions of MRAS requirements and Boeing Document D953W001, "General Operations Requirements Document for Sellers External/Internal Sellers/Program Partners," and D33200-1," Boeing Sellers' Tooling Document.

2.1.2 Common - Use Tooling

Seller shall design, manufacture or procure, and test all Common-Use Tooling including, without limitation, strongback handling fixtures, rotatable shipping fixtures and handling fittings. The requirements for such items are identified herein.

2.2 Use of Casting, Forging and Extrusion Tools

MRAS or its designees shall retain the primary right to use all Tools for the production of castings, forgings and extrusions produced at Seller's direction for use under this SBP and such Tools shall be used only in the performance of this SBP or any other SBP that MRAS or Boeing may designate in writing. Such Tools shall be retained for use in production of castings, forgings and extrusions for MRAS and Boeing or as MRAS directs until MRAS gives written notice to Seller that a requirement for the use of such Tools no longer exists. MRAS and Boeing agree to grant to Seller the right to use any Tool for the production of castings, forgings or extrusions that will become part of any Product, in which MRAS or Boeing has a right of use, ownership or other proprietary interest.

2.3 Initial Planning

Seller will perform initial Tool and production planning activities. Seller shall also prepare, and MRAS and Boeing shall have the right to review, initial Tool and production planning documentation as necessary to produce Production Articles and Spare Parts.

3.0 Recurring

3.1 Tool Maintenance

Seller shall provide control, accountability, care, storage, maintenance and replacements of all Contractor-Use Tooling and Common-Use Tooling in accordance with Boeing Document D953W001, "General Operations Requirements Document for Sellers," as required to support the manufacture and delivery of Products, as applicable.

3.2 Maintenance of Production Planning

Seller will revise and maintain the Tool and production planning as required to support the production of Production Articles and Spare Parts, as applicable.

3.3 Spares and Miscellaneous Work

3.3.1 Spare Parts Ordering

Seller will manufacture and sell such Spare Parts as MRAS may order from time to time. Seller shall accept any Order for Spare Parts during the term of this Agreement.

3.3.2 Planning for Fabrication of Spare Parts

To ensure the availability of sufficient quantities of parts for the production of Spare Parts, Seller shall fabricate parts for Products in quantities that exceed by twenty percent 20 % the quantities of parts that would otherwise be required for the production of the first lot of Production Articles. Notwithstanding the foregoing, Seller shall remain obligated to fabricate and deliver in accordance with the schedules contained in Spare Parts Orders all Spare Parts ordered by MRAS.

3.3.3 Sale of Spare Parts

SPARE PARTS (MAJOR SPARES or MINOR SPARES) purchased by MRAS from Seller shall be purchased by MRAS on a MRAS Purchase Order and will be priced at Seller's then current production price for these parts. Seller shall sell all PRODUCTS and SPARE PARTS covered by this Agreement exclusively to MRAS and no aftermarket rights/PMA will be granted by MRAS to Seller unless and until otherwise agreed as provided herein. Further, SELLER is prohibited from granting aftermarket rights/PMA to Seller's vendors without the prior written approval of MRAS. In the event Seller provides documentation which is acceptable to MRAS confirming that a third party is independently, and in compliance with FAA regulatory requirements, manufacturing and selling to third parties equivalent SPARE PARTS, MRAS will work with Seller, on a reasonable efforts basis, to identify and implement a mutually agreed upon appropriate course of action to resolve this issue.

4.0 WARRANTY

Seller warrants to Purchaser, Boeing and Boeing's Customer that each Product will conform to the requirements of the Order, including but not limited to the applicable descriptions, the applicable Specification Control Document(s) and drawing(s); be free from defects in material and workmanship, including selection of materials and process of manufacture; and be fit for the intended purpose. Seller's warranty, as defined in this Agreement, will be enforceable by Boeing and Boeing's Customer. Any Customer who has title to a Product will have the same enforceability of any unexpired warranty term of this Agreement as the original Purchaser.

The applicable warranty period for a Product manufactured for installation on aircraft models 777-200, -300 or 737-600, -700, -800,-900, 747 Advanced or new aircraft model designed and manufactured with similar or new technology, is forty-eight (48) months from Delivery of such Aircraft to Boeing's Customer. The applicable warranty period for a Product manufactured for installation on any other Boeing aircraft model is thirty-six (36) months from Delivery of such Aircraft to Boeing's Customer. In any instance where either the forty-eight (48) month warranty or the thirty-six (36) month warranty may be applied to a Product, the forty-eight (48) month warranty will apply in every instance.

Purchaser, Boeing or Boeing's Customer may choose to make Corrections and submit a claim for reimbursement or associated costs to Seller or Seller will promptly make Correction if requested by Purchaser, Boeing or Boeing's Customer. If the Product cannot be repaired, Seller shall provide a replacement. Seller shall also reimburse Purchaser, Boeing or Boeing's Customer for the cost of Direct Labor to perform inspections of Products to determine the occurrence of a condition Seller has identified as a covered defect.

As to a defect in material or workmanship or Conformance to the Order, a Correction will be free of such defects for the remainder of the initial warranty period set forth above or for a period of twelve (12) months from the date of return shipment of the Corrected Product by Seller to Boeing or Boeing's Customer, whichever ends later.

If a claim is approved, Seller will pay outbound freight charges and reimburse reasonable, inbound freight charges for Corrected Products to Purchaser, Boeing or Boeing's Customer.

Claims for defects will be valid if received no later than 90 days after expiration of the applicable warranty period.

Seller's Turnaround Time (TAT) for Corrections begins on the date that Seller receives the Product, including sufficient claim information and repair authorization at Seller's repair facility, and ends on the date the Corrected Product is available for shipment. Seller's TAT will be fourteen (14) days or less for electronic Products and twenty-eight (28) calendar days or less for other Products.

5.0 SCHEDULE ACCELERATION/DECELERATION

MRAS may revise the delivery schedule and/or firing order without additional cost or change to the unit price stated in the applicable Order if (a) the delivery date of the Product under such Order is on or before the last date of contract, if applicable, and (b) MRAS provides Seller with written notice of such changes.

Upon receipt of written notice of the change, Seller shall make its best effort to implement the change as soon as possible, but in no event shall the change be implemented later than *three (3) months after notification of a schedule acceleration or deceleration*.

Seller shall be entitled to payment for schedule changes made with less than three (3) months' notice noted above; provided, however, that such payment shall not be made with respect to any Shipset delivered three (3) months or more after such notice is given. Any such payment shall be an amount equal to four-tenths of one percent (.4%) of the Recurring Shipset Price multiplied by the number of Shipsets accelerated or decelerated during such three (3) month period. The resulting payment amount shall be made in full net **ninety (90)** days after receipt of a correct and valid invoice.

6.0 Planning Schedule

Any planning schedule, forecast, or any such quantity estimate provided by MRAS shall be used solely for production planning. MRAS may purchase Products in different quantities and specify different delivery dates as necessary to meet MRAS' requirements. Any such estimate shall be subject to adjustment from time to time, and such adjustment shall not constitute a change.

7.0 MRAS Generated Technical and Cost Improvement

At any time during the Seller's performance under this SBP, MRAS may offer specific recommendations to Seller for the incorporation of any new technologies and process improvements intended to reduce Seller's costs or improve Product performance. These recommendations may include, but are not limited to, MRAS or Boeing proprietary information and MRAS or Boeing owned patents. Notwithstanding any other provision(s) elsewhere in this SBP, where a savings is identified and documented, the Parties agree to reduce the price accordingly. Such recommendations by MRAS shall not relieve Seller of its obligation to perform under this Agreement.

8.0 Tooling

8.1 MRAS and Boeing Furnished Tooling

In the event MRAS or Boeing furnishes Tooling to Seller, Seller shall comply with the applicable Terms and Conditions as set forth in Section 2.2. No repair, replacement, maintenance or rework of such Tooling shall be performed without MRAS prior written consent. MRAS shall notify Seller of any action required for discrepant Tooling.

8.1.2 Additional Tooling Requirement

12.1.2.1 Title to Tooling

Seller shall retain, and shall cause each of its subcontractors to retain, legal title to all Contractor-Use Tooling, Common-Use Tooling and Boeing-Use Tooling manufactured or procured by Seller or any of its subcontractors, as the case may be, until Seller shall have received full payment of the Nonrecurring Price. Notwithstanding the foregoing, Seller shall retain, and shall cause each of its subcontractors to retain, title to such Tooling following receipt of such payment until such time as MRAS shall request the transfer of such title to Boeing.

8.1.2.2 Use and Disposition of Tooling

Seller shall use any and all Tooling only for the purpose of performing its obligations under this Agreement, and shall not sell, lease or otherwise dispose of any Tooling. Seller shall obtain and maintain in effect insurance in respect of all Contractor-Use Tooling and Common-Use Tooling (other than such Tooling, which is in the actual possession of MRAS or Boeing. Seller shall not create or allow to exist in respect of any Tooling any lien, claim or right of any person or entity other than the rights of MRAS and Boeing under this Agreement.

8.1.2.3 Accountability for Tooling

Seller shall control and account for all Tooling in accordance with the provisions of Document D33200, "Boeing' Tooling Document," and Document D953W001, "General Operations Requirements Document for Sellers External/Internal Sellers/Program Partners." This requirement shall apply to all customer-Use Tooling until delivery thereof to MRAS and Boeing, and to Contractor-Use Tooling and Common-Use Tooling at all times prior to the removal thereof by MRAS and Boeing or delivery to MRAS and Boeing or MRAS and Boeing's designee. Seller shall identify all new, reworked and re-identified Tooling with an identification tag containing the MRAS and Boeing Lifetime Serial Number of each Tool. MRAS and Boeing Lifetime Serial Numbers shall be provided to Seller by MRAS.

8.1.2.4 Certified Tool Lists

Seller shall prepare a list or lists ("Certified Tool List") containing the Tool number, the MRAS and Boeing Lifetime Serial Number for each Tool and such other information as MRAS and Boeing shall request. Seller shall prepare a separate Certified Tool List for (i) Contractor-Use Tools, (ii) Common-Use Tools, (iii) MRAS and Boeing-Use Tools, and (iv) Casting/Extrusion Tools. Seller shall promptly submit each initial Certified Tool List to MRAS. Seller shall subsequently submit from time to time as specified by MRAS new Certified Tool Lists to supplement the information contained in the initial Certified Tool Lists.

9.0 STATUS REPORTS/REVIEWS

9.1 General Reports / Reviews

When requested by MRAS, Seller shall update and submit, as a minimum, monthly status reports and data and in the format specified MRAS. MRAS has the right to impose more frequent reporting on Seller to achieve program objectives.

When requested by MRAS, Seller shall provide to MRAS a manufacturing milestone chart identifying the major purchasing, planning and manufacturing operations for the applicable Product(s).

Program reviews will be held at Seller's facility or MRAS' as requested by MRAS. The topics of these reviews may include raw material and component part status, manufacturing status, production status, Seller's current and future capacity assessments, MRAS supplied components, inventory, MRAS requirements, changes, forecasts and other issues pertinent to Seller's performance under this SBP. Reviews will allow formal presentations and discussion of status reports as set forth above.

Formal management reviews shall be held periodically by MRAS and Seller to evaluate total cost performance (including overhead, man-hours (production and support)). During these reviews, Seller shall present and provide actual cost performance data with respect to this Agreement.

9.2 Problem Reports

Seller shall provide a detailed report, notifying MRAS of program problems/issues that could impact Seller's ability to deliver Products on time and otherwise in conformance with the terms of this Agreement. The report shall contain a detailed description of the problem, impact on the program or affected tasks, and corrective/remedial action, with a recovery schedule. Submittal of a report in no way relieves Seller of any obligations under the Agreement nor does it constitute a waiver of any rights and remedies MRAS may have with respect to any default.

Problem reports shall be submitted to MRAS within twenty-four (24) hours of known problem to Seller. Where problems arise prior to a normal status reporting date, Seller shall report said events immediately or within 24 hours. Status reports shall include, but are not limited to, the following topics:

- A. Delivery schedule updates, schedule impact issues and corrective action;

- B. Technical/manufacturing progress since the previous report period, including significant accomplishments, breakthroughs, problems and solutions;
- C. Identification of changes to key manpower or staffing levels;
- D. Identification of the critical events/activities expected within the next month and a discussion of potential risk factors;
- E. Progress on open Action Items, including closure dates;
- F. Purchased components and raw material status;
- G. Identification of Quality issues and resolutions;
- H. Manufacturing and Quality inspection progress of First Article products;
- I. Status on tool design and fabrication, as applicable, until completion;
- J. Inventory status of castings and forgings procured by Seller (if applicable).

10. Offset Assistance

Seller shall use its best reasonable efforts to cooperate with MRAS in the fulfillment of any non-United States offset program obligation that MRAS may have accepted as a condition of the sale of a MRAS product. In the event that Seller is either directed by MRAS, or on its own solicits bids and/or proposals for, or procures or offers to procure any goods or services relating to the work covered by this Agreement from any source outside of the United States, MRAS shall be entitled, to the exclusion of all others, to all industrial benefits and other "offset" credits which may result from such solicitations, procurements or offers to procure. Seller shall take any actions that may be required on its part to assure that MRAS and Boeing receive such credits. Seller shall document all offers to contract and executed contracts with such subcontractors or suppliers including the dollars contracted. If Seller is directed by MRAS and Boeing to subcontract any part of its Product(s) to a country in which MRAS has an offset obligation, an equitable price adjustment, increase or decrease, for Seller's costs and expenses will be considered by MRAS and Boeing.

11. OWNERSHIP OF INTELLECTUAL PROPERTY

11.1 Technical Work Product

All technical work product, including, but not limited to, ideas, information, data, documents, drawings, software, software documentation, software tools, designs, specifications, and processes produced by or for Seller, either alone or with others, in the course of or as a result of any work performed by or for Seller which is covered by this Agreement will be the exclusive property of MRAS' customer, The Boeing Company, and be delivered to Boeing promptly upon request.

11.2 Inventions and Patents

All inventions conceived, developed, or first reduced to practice by or for Seller, either alone or with others, in the course of or as a result of any work performed by or for Seller, which is covered by this Agreement, and any patents based upon such inventions (both domestic and foreign), will be the exclusive property of Boeing. Seller will (i) promptly disclose all such inventions to Boeing in written detail and (ii) execute all papers, cooperate with Boeing, and perform all acts necessary or appropriate in connection with the filing, prosecution, maintenance, or assignment of related patents or patent applications on behalf of Boeing.

11.3 Works of Authorship and Copyrights

All works of authorship (including, but not limited to, documents, drawings, software, software documentation, software tools, photographs, video tapes, sound recordings and images) created by or for Seller, either alone or with others, in the course of or as a result of any work performed by or for Seller which is covered by this Agreement, together with all copyrights subsisting therein, will be the sole property of Boeing. To the extent permitted under United States copyright law, all such works will be works made for hire, with the copyrights therein vesting in Boeing. The copyrights in all other such works, including all of the exclusive rights therein, will be promptly transferred and formally assigned free of charge to Boeing.

11.4 Pre-Existing Inventions and Works of Authorship

Seller grants to MRAS and Boeing, and to MRAS' and Boeing's subcontractors, suppliers, and customers in connection with Products or work being performed for Boeing, an irrevocably, nonexclusive, paid-up, worldwide license under any patents, copyrights, industrial designs and mask works (whether domestic or foreign) owned or controlled by Seller at any time and existing prior to or during the term of this Agreement, but only to the extent that such patents or copyrights would otherwise interfere with Boeing's or Boeing's subcontractors', suppliers', or

customers' use or enjoyment of Products or the work product, inventions, or works of authorship belonging to Boeing under this SBP.

12.0 CHANGE PROVISIONS

12.1 Computation of Equitable Adjustment

The Rates and Factors set forth in SBP Attachment 3, which by this reference is incorporated herein, shall be used to determine the equitable adjustment, if any, (including equitable adjustments, if any, in the prices of Products to be incorporated in Derivative Aircraft), to be paid by MRAS pursuant to GTA Section 10.0 and SBP Section 36.0 for each individual change.

Adjustments to prices shall be established in accordance with SBP 11.4 and recorded in SBP Attachment 16.

12.1.1 Changes Not Subject to Price Adjustment

No adjustment to the Prices hereunder shall be made with respect to the following changes:

- A. All Production Article delivery schedule changes, including firing order and rate changes, except as provided in Section 7.0 above, if applicable.
- B. Any other change that is not subject to Price adjustment in accordance with clause 11.4 below.

12.2 Proposals for Price Adjustment

12.2.1 Timeframe

Seller must assert any claim to MRAS procurement Representative in writing within twenty-five (25) days and a fully supported proposal to MRAS procurement Representative within thirty (30) calendar days after receipt of such direction.

If MRAS does not receive any proposal within the thirty (30) day time period, no such adjustment shall be made to Nonrecurring and Recurring Shipset Prices.

12.2.2 Content

Seller shall provide a detailed description of each change, the technical impact on the Product's form, fit, and/or function, and any significant impact on manufacturing processes. Seller shall include with each proposal a complete estimate of the Change's impact on the Seller's cost per Product, including, but not limited to, the impact on labor hours, labor rates, processing costs, sub-tier

supplier costs and raw material costs. MRAS must be able to substantiate and verify Seller's submittal.

12.2.3 Review of Price Adjustment Proposal

MRAS will review the Seller's provided submittal and MRAS may request from Seller additional data to allow MRAS to thoroughly review each submittal. Seller will provide MRAS additional data within fifteen (15) days of MRAS' request for such additional data. MRAS will review any additional data submitted and inform Seller of any further requirements.

If MRAS and Seller mutually determine that a change meets the change pricing criteria, MRAS and Seller negotiate an equitable adjustment in the price to reflect the increase or decrease. MRAS shall adjust the then-current Nonrecurring and Recurring Shipset Prices in accordance with SBP Section 11.4.

12.4 Change Pricing Criteria

12.4.2 Changes Subsequent to 100% Engineering Release

For Changes received by Seller after 100% Engineering Release, the then current Nonrecurring and/or Recurring Shipset Prices shall be adjusted if:

12.4.2.1 Nonrecurring Shipset Price Adjustment Subsequent to 100% Engineering Release

For Nonrecurring Work, the price impact, up or down, of change on the Total Nonrecurring Work Package Price is greater than plus or minus two percent (+ or - 2%) of the sum of the then-current values for the following three Nonrecurring Items: (1) Seller Use Tooling (including Rate Tooling), (2) Common-Use Tooling, and (3) Casting/Forging/Extrusion Dies.

12.4.2.2 Recurring Price Adjustment Subsequent to 100% Engineering Release

For Recurring Work, the price impact, up or down, of each change on the then-current Recurring Shipset Price is greater than plus or minus two percent (+ or - 2%) of the then-current Recurring Shipset Price.

12.5 Apportionment and Payment of Price Adjustments

12.5.1 Nonrecurring Work

12.5.1.1 Price Adjustment

The amount of the Total Nonrecurring Work Package Price adjustment shall be equal to the total value of the change, to include the respective threshold in

11.4.2.1, subject to SBP Section 11.0 and shall be documented in SBP Attachment 1 and Attachment 16.

12.5.1.2 Apportionment and Payment

Any adjustment to the Shipset Nonrecurring Price shall be paid within the term discount period or sixty (60) calendar days (whichever is later) after receipt by MRAS of both acceptable Products and a correct invoice and where required, a completed certified tool list (CTL).

12.5.2 Recurring Work

12.5.2.1

The then-current Recurring Shipset Price shall be adjusted to reflect the change beginning with the first Shipset, which incorporates such change. See SBP Attachment 16 for an example.

12.6 Obsolescence

Seller shall be entitled to payment for any obsolescence estimated to exceed two percent (2%) of the Recurring Shipset Price. Each change shall, for purposes of determining obsolescence costs, be considered separately. Changes, for purposes of determining obsolescence costs, may not be combined for the purpose of exceeding the percentage limit. In accordance with Document "Supplier Change Management," Seller may not defer implementation of changes so as to avoid obsolescence unless the priority of such change permits such implementation.

12.7 MRAS Generated Technical and Cost Improvement

At any time during the Seller's performance under this SBP, MRAS may offer specific recommendations to Seller for the incorporation of any new technologies and process improvements intended to reduce Seller's costs or improve Product performance. These recommendations may include, but are not limited to, MRAS or Boeing proprietary information and MRAS or Boeing owned patents. Notwithstanding any other provision(s) elsewhere in this SBP, where a savings is identified and documented, the Parties agree to reduce the price accordingly. Such recommendations by MRAS shall not relieve Seller of its obligation to perform under this Agreement.

13.0 INFRINGEMENT

Seller will indemnify, defend, and hold harmless MRAS, Boeing and its Customers from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages, and/or including attorneys' fees and/or

costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of Products by either MRAS and Boeing or its Customers. MRAS, Boeing and/or its Customers will duly notify Seller of any such claim, suit or action; and Seller will, at its own expense, fully defend such claim, suit or action on behalf of MRAS, Boeing and/or its Customers. Seller shall have no obligation under this Agreement with regard to any infringement arising from: (i) Seller's compliance with formal specifications issued by MRAS or Boeing where infringement could not be avoided in complying with such specifications or (ii) use or sale of Products for other than their intended application. For purposes of this Agreement only, the term Customer shall not include the United States Government; and the term MRAS shall include MRAS' customer and all their parent, subsidiaries and all officers, agents, and employees of MRAS and Boeing.

14.0 ON-SITE SUPPORT Start Here!

14.1 Indemnification Negligence of Seller or subcontractor

Seller shall indemnify and hold harmless MRAS and Boeing including their parent company and their subsidiaries, and their directors, officers, employees, and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards, and damages, of any kind and nature whatsoever for property damage, personal injury, or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to the Contract, the performance thereof by Seller or any subcontractor thereof or other third parties, including without limitation the provision of services, personnel, facilities, equipment, support, supervision, or review. The foregoing indemnity shall apply only to the extent of the negligence of Seller, any subcontractor thereof, or their respective employees. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by the Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or source, to the extent of the indemnity set forth in this paragraph.

14.2 Commercial General Liability

If Seller or any subcontractor thereof will be performing work on MRAS and Boeing premises, Seller shall carry and maintain, and ensure that all subcontractors or suppliers thereof carry and maintain, throughout the period when work is performed and until final acceptance by MRAS and Boeing,

Commercial General Liability insurance with available limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage combined.

14.3 Automobile Liability

If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by MRAS and Boeing, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed, or otherwise, with available limits of not less than One Million Dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

14.4 Workers' Compensation

Throughout the period when work is performed and until final acceptance by MRAS, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation with respect to all of their respective employees working on or about MRAS and Boeing premises. If MRAS and Boeing are required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse MRAS and Boeing for such payment.

14.5 Certificates of Insurance

Prior to commencement of the work Seller shall provide for MRAS and Boeing review and approval Certificates of Insurance reflecting full compliance with the requirements set forth in SBP Section 20.2 "Commercial General Liability", SBP Section 20.3 "Automobile Liability" and, SBP Section 20.4 "Workers' Compensation". Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by MRAS and Boeing, and shall provide for thirty (30) days advance written notice to MRAS in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish Certificates of Insurance, or to procure and maintain the insurance required herein or failure of MRAS to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of the respective Seller's or subcontractor's obligations hereunder.

14.6 Self-Assumption

Any self-insured retention, deductibles, and exclusions in coverage in the policies required under this Section 20.0 shall be assumed by, for the account of, and at the sole risk of Seller or the subcontractor, which provides the insurance, and to the extent applicable shall be paid by such Seller or subcontractor. In no event

shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.

140.7 Protection of Property

Seller assumes, and shall ensure that all subcontractors or suppliers thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed, or otherwise. Seller waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against MRAS, its parent, and subsidiaries, and Boeing, its subsidiaries, and their respective directors, officers, employees, and agents for any such loss or destruction of or damage to any property of Seller, any subcontractor, or their respective employees.

At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to MRAS and Boeing property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to MRAS, promptly and equitably reimburse MRAS for such damage, or repair or otherwise make good such property to MRAS satisfaction. If Seller fails to do so, MRAS may do so and recover from Seller the cost thereof.

14.8 Compliance with MRAS and Boeing Site Requirements

While working on property owned, operated, leased or controlled by MRAS or Boeing, Seller or Seller's Subcontractor(s) will comply with applicable site rules, regulations, policies and procedures, including but not limited to security, safety, health and environmental requirements.

15.0 MRAS And Boeing TECHNICAL / MANUFACTURING ASSISTANCE REGARDING SELLER'S NONPERFORMANCE

Seller shall reimburse MRAS and Boeing for all MRAS and Boeing resources expended in providing Seller and/or Seller's subcontractors or supplier's technical or manufacturing assistance in resolving Seller nonperformance issues at the established MRAS and Boeing internal wage rate, which shall include fringe benefits, multiplied by the estimated hours recorded by MRAS and Boeing, plus the estimated Material costs associated with providing such assistance. In addition, Seller shall, at MRAS request, pay for normal and customary expenses relating to salaries, living expenses, travel and any other reasonable expenses related to the provision of technical services. Such reimbursement may be offset against any pending Seller invoice, regardless of MRAS model or program. MRAS rights under this clause are in addition to those available to MRAS and Boeing for Seller's nonperformance issues, including those where a demand for an Adequate Assurance of Performance may be made under GTA Section 17.0.

16.0 Notice of Delay - Premium Effort

Seller shall notify the MRAS Subcontract Manager identified in SBP by e-mail, telephone or facsimile immediately of any circumstances, including, but not limited to, labor disputes, that may cause a delay in delivery by Seller or any of its subcontractors. Such notification shall state the estimated period of such delay and the actions being taken by Seller to prevent or recover from such delay. Seller also shall require each of its subcontractors under this SBP to provide such notification to Seller concerning any such delay in the delivery of any subcontracted goods or services to Seller. Seller shall, at no additional cost to MRAS, use additional effort, including premium effort, and shall ship via air or other expedited routing in order to avoid or minimize delay to the maximum extent possible. All additional costs resulting from such premium effort and/or premium transportation shall be paid by Seller. Additional costs include, but are not limited to all costs and expenses incurred by MRAS and Boeing as a result of production line disruption attributable to Seller's delayed delivery. MRAS rights under this SBP Section 24.4 are not exclusive, and any other rights provided in this SBP or by law are reserved. Disruption costs and expenses shall be an amount equal to the portion of resultant planned installation time allocated for out-of-sequence work multiplied by MRAS and Boeing's then-current rate for labor. These provisions shall also apply to incomplete work shipped to MRAS and Boeing for completion (traveled work)

17.0 ON-SITE REVIEW AND RESIDENT REPRESENTATIVES

17.1 Review

Seller hereby grants, and shall cause any of its subcontractors or suppliers to grant, to MRAS or Boeing the right to visit the facility of Seller or any of its subcontractors or suppliers during operating hours to review progress and performance with respect to production, schedule, cost, quality and protection of MRAS and Boeing's proprietary rights under any Order. Any MRAS or Boeing representative shall be allowed access to all areas used for the performance of the Agreement. Such access shall be subject to the regulations of any governmental agency regarding admissibility and movement of personnel on the premises of Seller or any of its subcontractors or suppliers.

MRAS shall notify Seller prior to any visit. Such notice shall contain the names, citizenship and positions of the visiting personnel and the duration and purpose of such visit.

17.2 Resident Representatives

MRAS may, in its sole discretion, and for such period, as it deems necessary, locate resident personnel ("Resident Team") at Seller's facility to assist or

support Seller. The Resident Team shall function under the direction of a resident MRAS manager, if appropriate, or a manager located at MRAS who will supervise Resident Team activities.

The Resident Team shall be allowed access to or to review, as the case may be, all work areas, program status reports and management reviews used for or relating to Seller's performance of the Agreement.

Seller shall supply the Resident Team with office space, desks, facsimile machines, telephones, high-speed access to internet services (if available from local providers), stationery supplies, filing cabinets, communication facilities, secretarial services and any other items reasonably requested by MRAS. A reasonable portion of the Resident Team's working area shall be dedicated to space for private telephone calls, meetings and similar MRAS activities. All costs and expenses for such facilities and services, if required, shall be paid by Seller.

Notwithstanding such access and review, Seller remains solely responsible for performing in accordance with each Order.

18.0 Rights of MRAS' Customers and Regulators to Perform Inspections, Surveillance, and Testing

MRAS' rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety, and configuration control shall extend to the Customers of MRAS that are departments, agencies or instrumentalities of the United States Government and to the FAA and any successor agency or instrumentality of the United States Government. MRAS may also, at MRAS' option, by prior written notice from MRAS' Procurement Representative, extend such rights to other Customers of Boeing and to agencies or instrumentalities of other governments equivalent in purpose to the FAA. Seller shall cooperate with any such United States Government or MRAS directed inspection, surveillance, test or review without additional charge to MRAS. Nothing in any Order shall be interpreted to limit United States Government access to Seller's facilities pursuant to law or regulation.

Where Seller is located in or subcontracts with a supplier or subcontractor located in a country which does not have a bilateral airworthiness agreement with the United States, Seller will obtain and maintain on file and require its affected supplier(s) or subcontractor(s) to obtain and maintain on file, subject to review by MRAS and its Customers, a letter from the applicable government where the Product or subcontracted element is to be manufactured stating that MRAS and its Customers and the FAA will be granted access to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety, and configuration control.

19.0 Retention of Records

For Orders supporting MRAS, Seller shall maintain, on file at the seller's facility, Quality records traceable to the conformance of product/part numbers delivered to MRAS. Seller shall make such records available to regulatory authorities and MRAS' authorized representatives. Seller shall retain such records for a period of not less than (8) eight years from the date of shipment under each applicable order for all product/part numbers unless otherwise specified on the order. Seller shall maintain all records related to the current first article inspection (FAI). Seller shall not destroy, or destruct, or lose any record.

At the expiration of such period, MRAS reserves the right to request delivery of such records. In the event MRAS chooses to exercise this right, Seller shall promptly deliver such records to MRAS at no additional cost on media agreed to by both parties.

20.0 Inspection

At no additional cost to MRAS, Products may be subject to inspection, surveillance and test at reasonable times and places, including Seller's subcontractors' or suppliers' locations. MRAS will perform inspections; surveillance and tests so as not to unduly delay the work. Seller shall maintain an inspection system acceptable to MRAS for the Products purchased under any Order.

If MRAS performs an inspection or test on the premises of Seller or its subcontractors or suppliers, Seller shall furnish and require its subcontractors or suppliers to furnish, without additional charge, reasonable facilities and assistance for the safe and convenient performance of these duties.

Seller's documentation accompanying the shipment must reflect evidence of this inspection.

21.0 Regulatory Approvals

For aircraft regulated by the FAA or non-U.S. equivalent agency, regulatory approval may be required for Seller to make direct sales (does not include "direct ship" sale through MRAS) of modification or replacement parts to owners/operators of type-certificated aircraft. Regulatory approval, such as Parts Manufacturer Approval (PMA), is granted by the FAA or appropriate non-U.S. equivalent regulatory agency. Seller agrees not to engage in any such direct sales of Products under this Agreement without regulatory approval and MRAS approval. Any breach of this provision will be deemed a material breach of this Agreement. For Seller proprietary parts, Seller agrees to notify MRAS of application for PMA or other applicable regulatory approval and subsequent

approval or denial of same. Upon receipt of proof of PMA or other applicable regulatory approval, MRAS may list Seller in the Illustrated Parts Catalog as seller of that part.

22.0 Import/Export

- A. In performing the obligations of this Agreement, both Parties will comply with United States export control and sanctions laws, regulations, and orders, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data (“Items”) or services, including without limitation the Export Administration Regulations (“EAR”), International Traffic in Arms Regulations (“ITAR”), and regulations and orders administered by the Treasury Department’s Office of Foreign Assets Control (collectively, “Export Control Laws”).
- B. The Party conducting the export shall be responsible for obtaining the required authorizations. The Party conducting the re-export shall be responsible for obtaining the required authorizations. Each Party shall reasonably cooperate and exercise reasonable efforts to support the other Party in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement.
- C. The Party providing any Items under this Agreement shall, upon request, notify the other Party of the Items’ Export Control Classification Numbers (“ECCNs”) as well as the ECCNs of any components or parts thereof if they are different from the ECCN of the Item at issue.
- D. Each Party represents that (i) the Items, and the parts and components thereof, it is providing under this Agreement are not “defense articles” as that term is defined in 22 C.F.R. § 120.6 of the ITAR. and (ii) the services it is providing under this Agreement are not “defense services” as that term is defined in 22 C.F.R. § 120.9 of the ITAR. The Parties acknowledge that this representation means that an official capable of binding the Party providing such Items knows or has otherwise determined that such Items, and the parts and components thereof, are not on the ITAR’s Munitions List at 22 C.F.R. §121.1. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation.

To the extent that such Items, or any parts or components thereof, were specifically designed or modified for a military end use or end user, the Party providing such Items shall notify the other Party of this fact and shall also provide the other Party with written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR.

23.0 ASSURANCE OF PERFORMANCE

A. Seller to Provide Assurance

If MRAS determines, at any time or from time to time, that it is not sufficiently assured of Seller's full, timely and continuing performance hereunder, or if for any other reason MRAS has reasonable grounds for insecurity, MRAS may request, by notice to Seller, written assurance (hereafter an "Assurance of Performance") with respect to any specific matters affecting Seller's performance hereunder, that Seller is able to perform all of its respective obligations under any Order when and as specified herein. Each Assurance of Performance shall be delivered by Seller to MRAS as promptly as possible, but in any event no later than ten (10) calendar days following MRAS' request therefore and each Assurance of Performance shall be accompanied by any information, reports or other materials, prepared by Seller, as MRAS may reasonably request. Except as to payment for accepted goods, MRAS may suspend all or any part of MRAS' performance hereunder until MRAS receives an Assurance of Performance from Seller satisfactory in form and substance to MRAS.

B. Meetings and Information

MRAS may request one or more meetings with senior management or other employees of Seller for the purpose of discussing any request by MRAS for Assurance of Performance or any Assurance of Performance provided by Seller. Seller shall make such persons available to meet with representatives of MRAS as soon as may be practicable following a request for any such meeting by MRAS and Seller shall make available to MRAS any additional information, reports or other materials in connection therewith as MRAS may reasonably request.

24.0 RESPONSIBILITY FOR PROPERTY

Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of MRAS' property and all property to which MRAS has acquired an interest. Seller assumes all risk of loss, destruction or damage of such property while in Seller's or its subcontractors' or suppliers' possession, custody or control. Upon request, Seller shall provide MRAS with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of an Order without prior written consent from Boeing. Seller shall notify MRAS' Procurement Representative if MRAS' property is lost, damaged or destroyed. As directed by MRAS, upon completion, termination or cancellation of the agreement or any Order, Seller shall deliver such property, to the extent not incorporated in delivered end products, to MRAS in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this GTA Section 18.0 limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

25.0 LIMITATION OF SELLER'S RIGHT TO ENCUMBER ASSETS

Seller warrants to MRAS that it has good title to all inventory, work-in-process, tooling and materials to be supplied by Seller in the performance of its obligations under any Order. Pursuant to the provisions of such Order, Seller will transfer to MRAS title to such inventory, work-in-process, tooling and materials whether transferred separately or as part of any Product delivered under the Order, free of any liens, charges, encumbrances or rights of others.

26.0 PROPRIETARY INFORMATION AND ITEMS

MRAS and Seller shall each keep confidential and protect from disclosure all (a) confidential, proprietary, and/or trade secret information; (b) tangible items containing, conveying, or embodying such information; and (c) tooling obtained from and/or belonging to the other in connection with this Agreement or any Order (collectively referred to as "Proprietary Information and Materials"). MRAS and Seller shall each use Proprietary Information and Materials of the other only in the performance of and for the purpose of this Agreement and/or any Order. Provided, however, that despite any other obligations or restrictions imposed by this GTA Section 20.0, MRAS and its Customer shall have the right to use, disclose and copy Seller's Proprietary Information and Materials for the purposes of testing, certification, use, sale, or support of any item delivered under this Agreement, an Order, or any airplane including such an item; and any such disclosure by MRAS or its Customer shall, whenever appropriate, include a restrictive legend suitable to the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials by Seller shall apply to all materials derived by Seller or others from MRAS ' or MRAS' Customer's Proprietary Information and Materials.

Upon MRAS 's request at any time, and in any event upon the completion, termination or cancellation of this Agreement, Seller shall return all of MRAS ' or MRAS' Customer's Proprietary Information and Materials, and all materials derived from MRAS ' or MRAS' Customer's Proprietary Information and Materials to MRAS unless specifically directed otherwise in writing by MRAS. Seller shall not, without the prior written authorization of MRAS, sell or otherwise dispose of (as scrap or otherwise) any parts or other materials containing, conveying, embodying, or made in accordance with or by reference to any Proprietary Information and Materials of MRAS or MRAS' Customer. Prior to disposing of such parts or materials as scrap, Seller shall render them unusable. MRAS shall have the right to audit Seller's compliance with this GTA Section 20.0. Seller may disclose Proprietary Information and Materials of MRAS and MRAS' Customer to its subcontractors or suppliers as required for the performance of an Order, provided that each such subcontractor first assumes, by written agreement, the same obligations imposed upon Seller under this GTA Section 20.0 relating to Proprietary Information and Materials; and Seller shall be liable to MRAS for any breach of such obligation by such subcontractor. The provisions of this GTA Section 20.0 are effective in lieu of, and will apply notwithstanding the absence of, any restrictive legends or notices applied to Proprietary Information and Materials; and the provisions of this GTA Section 20.0 shall survive the performance, completion, termination or cancellation of this Agreement or any Order. This GTA Section 20.0 supersedes and replaces any and all other prior agreements or understandings between the parties to the extent that such agreements or understandings relate to MRAS ' obligations relative to confidential, proprietary, and/or trade secret information, or tangible items containing, conveying, or embodying such information, obtained from Seller and related to any Product, regardless of whether disclosed to the receiving party before or after the effective date of this Agreement.

27.0 COMPLIANCE

27.1 Compliance with Laws

Seller shall be responsible for complying with all legal requirements, including, but not limited to the provisions of any statute, ordinance, rule, regulation, judgment, decree, order, permit, approval, license or registration applicable to its performance under this Agreement. Seller shall notify MRAS of any aspect of Seller's performance that is prohibited under any legal requirements, at the earliest opportunity, but in all events sufficiently in advance of Seller performance of such obligation, so as to identify and implement alternative methods of performance. Seller shall notify MRAS in writing at the earliest possible opportunity of any aspect of its performance, which becomes subject to any additional legal requirement after the date of execution of this Agreement or which Seller reasonably believes will become subject to additional regulation during the term of this Agreement. Seller agrees to indemnify and to hold harmless MRAS from any failure by Seller to comply with any legal requirement.

27.2 Government Requirements

If any of the work to be performed under this Agreement is performed in the United States, Seller shall, via invoice or other form satisfactory to MRAS, certify that the Products covered by the Order were produced in compliance with Sections 6, 7, and 12 of the Fair Labor Standards Act (29 U.S.C. 201-291), as amended, and the regulations and orders of the U.S. Department of Labor issued there under. In addition, the following Federal Acquisition Regulations are incorporated herein by this reference except "Contractor" shall mean "Seller": Other Government clauses, if any, are incorporated herein either by attachment to this document or by some other means of reference.

FAR 52.222-26	"Equal Opportunity"
FAR 52.222-35	"Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era"
FAR 52.222-36	"Affirmative Action for Workers with Disabilities"
FAR 52.247-64	"Preference for Privately Owned U.S.-Flagged Commercial Vessels"

27.3 Ethic Requirements/Code of Conduct

MRAS is committed to conducting its business fairly, impartially, and in an ethical and proper manner. MRAS expectation is that Seller will also conduct its business fairly, impartially and in an ethical and proper manner. MRAS further expects that Seller will have (or will develop) and adhere to a code of ethical standards. If Seller has cause to believe that MRAS or any employee or agent of MRAS has behaved improperly or unethically under this contract, Seller shall report such conduct to MRAS. Although MRAS will not use the failure to report improper or unethical behavior as a basis for claiming breach of contract by Seller, Seller is encouraged to exert reasonable efforts to report such behavior when warranted.

28.0 UTILIZATION OF SMALL BUSINESS CONCERNS

Seller agrees to actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, historically underutilized business zone small business concerns and U.S. veteran and service-disabled veteran owned small business concerns to participate in the subcontracts Seller awards to the fullest extent consistent with the efficient performance of this contract.

29.0 MRAS' RIGHTS IN SELLER'S PATENTS, COPYRIGHTS, TRADE SECRETS, AND TOOLING

Seller hereby grants to MRAS and its Customers an irrevocable, nonexclusive, paid-up worldwide license to practice and/or use, and license others to practice and/or use on MRAS or its Customers behalf, all of Seller's patents, copyrights, trade secrets (including, without limitation, designs, processes, drawings, technical data and tooling), industrial designs, semiconductor mask works, and tooling (collectively hereinafter referred to as "Licensed Property") related to the development, production, maintenance or repair of Products. MRAS and its Customers hereafter retains all of the aforementioned license rights in Licensed Property, but MRAS and its Customers hereby covenants not to exercise such rights except in connection with the making, having made, using and selling of Products or products of the same kind provided that such Product cannot, in MRAS' sole determination, be reasonably obtained in the required time frame at a reasonable price from commercially available sources (including MRAS) without the use of Seller's Licensed Property and if one or more of the following situations occur:

- A. Seller discontinues or suspends business operations or the production of any or all of the Products;
- B. Seller is acquired by or transfers any or all of its rights to manufacture any Product to any third party, whether or not related, without MRAS' prior written concurrence;
- C. MRAS cancels this Agreement or any Order for;
- D. In MRAS 's judgment it becomes necessary, in order for Seller to comply with the terms of this Agreement or any Order, for MRAS to provide support to Seller (in the form of design, manufacturing, or on-site personnel assistance) substantially in excess of that which Boeing normally provides to its suppliers;
- E. Seller's trustee in bankruptcy (or Seller as debtor in possession) fails to assume this Agreement and all Orders by formal entry of an order in the bankruptcy court within sixty (60) days after entry of an order for relief in a bankruptcy case of the Seller, or MRAS elects to retain its rights to Licensed Property under the bankruptcy laws;
- F. Seller is at any time insolvent (whether measured under a balance sheet test or by the failure to pay debts as they come due) or the subject of any insolvency or debt assignment proceeding under state or non-bankruptcy law; or

G. Seller voluntarily becomes a debtor in any case under bankruptcy law or, in the event an involuntary bankruptcy petition is filed against Seller, such petition is not dismissed within thirty (30) days.

As a part of the license granted under this Article, Seller shall, at the written request of MRAS and at no additional cost to MRAS, promptly deliver to MRAS any and all Licensed Property considered by MRAS to be necessary to satisfy MRAS ' requirements for Products and their substitutes.

30.0 PUBLICITY

Without MRAS' prior written approval, Seller shall not, and shall require that its subcontractors or suppliers shall not, release any publicity, advertisement, news release or denial or confirmation of the same, regarding any Order or Products, or the program to which they may pertain. Seller shall be liable to MRAS for any breach of such obligation by any subcontractor or supplier.

31.0 PROPERTY INSURANCE

31.1 Insurance

Seller shall obtain and maintain continuously in effect a property insurance policy covering loss or destruction of or damage to all property in which MRAS does or could have an insurable interest pursuant to this Agreement, including but not limited to Tooling, MRAS -furnished property, raw materials, parts, work-in-process, incomplete or completed assemblies and all other products or parts thereof, and all drawings, specifications, data and other materials relating to any of the foregoing in each case to the extent in the possession or under the effective care, custody or control of Seller or any agent, employee, affiliate, subcontractor or supplier of Seller, in the amount of full replacement value thereof providing protection against all perils normally covered in an "all risk" property insurance policy (including without limitation fire, windstorm, explosion, riot, civil commotion, aircraft, earthquake, flood or other acts of God). Any such policy shall be with insurers reasonably acceptable to MRAS and shall (i) provide for payment of loss there under to MRAS, as loss payee, as its interests may appear and (ii) contain a waiver of any rights of subrogation against MRAS, its subsidiaries, and their respective directors, officers, employees and agents

31.2 Certificate of Insurance

Upon written request from MRAS, Seller shall provide to MRAS ' Procurement Representative certificates of insurance reflecting full compliance with the requirements set forth in GTA Section 27.1. Such certificates shall be kept current and in compliance throughout the period of this Agreement and shall provide for thirty (30) days advanced written notice to MRAS 's Procurement Representative in the event of cancellation, non-renewal or material change adversely affecting the interests of MRAS.

31.3 Notice of Damage or Loss

Seller shall give prompt written notice to MRAS 's Procurement Representative of the occurrence of any damage or loss to any property required to be insured herein. If any such property shall be damaged or destroyed, in whole or in part, by an insured peril or otherwise, and if no Event of Default shall have occurred and be continuing, then Seller may, upon written notice to MRAS, settle, adjust, or compromise any and all such loss or damage not in excess of Two Hundred Fifty Thousand Dollars (\$250,000) in any one occurrence and Five Hundred Thousand Dollars (\$500,000) in the aggregate. Seller may settle, adjust or compromise any other claim by Seller only after MRAS has given written approval, which approval shall not be unreasonably withheld.

32.0 RESPONSIBILITY FOR PERFORMANCE

Seller shall be responsible for performance of its obligations under this Agreement. Seller shall bear all risks of providing adequate facilities and equipment to perform each Order in accordance with the terms thereof. If any use of any facilities or equipment contemplated by Seller for use in performing Orders will not be available for any reason, Seller shall be responsible for arranging for similar facilities and equipment at no cost to MRAS, and any failure to do so shall not relieve Seller from its obligations.

Seller shall notify and obtain written approval from MRAS prior to moving work to be performed under this Agreement between Seller's various facilities. Seller shall include as part of its subcontracts those elements of the Agreement that protect MRAS 's rights including but not limited to right of entry provisions, proprietary information and rights provisions and quality control provisions. In addition, Seller shall provide to its subcontractor's sufficient information to document clearly that the work being performed by Seller's subcontractor is to facilitate performance under this *Agreement* or any Order. Sufficient information may include but is not limited to Order number.

32.1 Subcontracting

Seller shall maintain complete and accurate records regarding all subcontracted items and/or processes. Seller's use of subcontractors or suppliers shall comply with Seller's quality assurance system approval for said subcontractors or suppliers. Unless MRAS' prior written authorization or approval is obtained, Seller may not purchase completed or substantially completed Products. For purposes of this GTA Section and this GTA Section only, completed or substantially completed Products shall not include components of assemblies or subassemblies. No subcontracting by Seller shall relieve Seller of its obligation under the applicable Order. Utilization of a MRAS or Boeing-approved source does not constitute a waiver of Seller's responsibility to meet all specification requirements.

32.2 Reliance

Entering into this Agreement is in part based upon MRAS ' reliance on Seller's ability, expertise and awareness of the intended use of the Products. Seller agrees that MRAS and MRAS ' Customers may rely on Seller as an expert, and Seller will not deny any responsibility or obligation hereunder to MRAS or MRAS 's Customers on the grounds that MRAS or MRAS 's Customers provided recommendations or assistance in any phase of the work involved in producing or supporting the Products, including but not limited to Boeing's acceptance of specifications, test data or the Products.

32.3 Assignment

Seller shall not assign any of its rights or interest in this Agreement or any Order, or subcontract all or substantially all of its performance of this Agreement or any Order, without MRAS' prior written consent. Seller shall not delegate any of its duties or obligations under this Agreement. Seller may assign its right to monies due or to become due. No assignment, delegation or subcontracting by Seller, with or without MRAS' consent, shall relieve Seller of any of its obligations under this Agreement or prejudice any rights of MRAS against Seller whether arising before or after the date of any assignment. This article does not limit Seller's ability to purchase standard commercial supplies or raw material.

This prohibition includes, without limitation (and the following shall be deemed to be "assignments"): (i) a consolidation or merger of Seller; (ii) a change in the ownership or voting rights of more than fifty percent (50%) of the issued and outstanding stock of any corporate Seller; (iii) any assignment or transfer which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other significant change in corporate or proprietary structure; (iv) the sale, assignment or transfer of all or substantially all of the assets of Seller; and (v) where Seller is a partnership, a change in control in such partnership.

33.0 ELECTRONIC COMMUNICATIONS

Any electronic communications and data exchange via telecommunications between the parties shall be pursuant to the Administrative Agreement. Provided, that any amendments to the SBP, change authorizations and any other matter requiring written authorization shall be communicated in writing and not solely by electronic communication.

Any electronic access to MRAS and Boeing by Seller shall be pursuant to an electronic access or similar agreement.