

THE BOEING COMPANY
CONSTRUCTION CONTRACT

No.

THIS CONTRACT entered into as of the ____ day of _____ 20__, by and between The Boeing Company, (herein called "Boeing") and _____, (herein called "Builder").

WITNESSETH that the parties hereto do mutually agree as follows:

1. STATEMENT OF WORK

- A. Builder shall perform the following, which shall collectively hereafter be referred to as the "Work":

- B. The Work shall be completed on or before _____. Time is of the essence in the performance of this contract.

- C. Boeing shall pay to Builder for the performance of the Work and all of Builder's obligations hereunder a fixed price of \$_____, which price shall constitute total compensation to be paid to Builder for all of its undertakings hereunder including, without limitation, procurement of bonds and insurance (to the extent required hereunder).

- D. Unless otherwise provided herein, all Federal, State and local taxes are included in the price stated in Paragraph C above.

2. CHANGES

- A. Builder and Boeing may at any time, without notice to or consent of any sureties, by written change agreement hereto, make changes in the Work or otherwise amend this contract.

- B. Notwithstanding the foregoing, Boeing may at any time, by written change notice to Builder, and without notice to or consent of any sureties, make changes in or additions to the specifications, require additional work or services or direct the omission of work or services covered by this contract. If any such change or requirement causes any increase or decrease in the Builder's cost of, or the time required for, performance of this contract, an equitable adjustment shall be made in the contract price or performance schedule, or both, and this contract shall be modified in writing accordingly. No claim by Builder for adjustment under this Paragraph 2B shall be valid unless asserted in writing by the Builder within thirty (30) days from the date of receipt by Builder of the written contract; provided, however, that Boeing may, in its discretion, receive and act upon any such claim so made at any time prior to final payment under this contract. Nothing in this contract shall excuse Builder from proceeding with the

contract as changed. Builder shall make no additions, changes, alterations or omissions except upon the written order of Boeing given, as provided herein, before the work in which such addition, change, alteration or omission is involved is done or any services are rendered.

- C. No change agreement or change notice to this contract shall be binding on either Builder or Boeing unless in writing signed by an authorized Boeing Procurement representative.

3. PAYMENTS

- A. Upon application of Builder accompanied by written invoices, Boeing shall make monthly payments as the Work progresses based upon the percentage of the completion of the Work as determined from estimates submitted and certified to by Builder and approved by Boeing, provided, however, that any monthly payment shall not exceed _____% of the contract price provided for in Paragraph 1C multiplied by the percentage of completion of the Work as of the date of the invoice, less the aggregate of all payments previously made.
- B. Within thirty-five (35) days after completion of the Work and its final acceptance by Boeing, Boeing shall pay the unpaid balance of the contract price, less any sum that may be necessary to settle any claims which Boeing may have against Builder, or that may be necessary to settle any outstanding obligations of Builder or of its subcontractors arising out of or incident to the performance of this contract. Prior to final payment and as a condition thereto, Builder shall furnish Boeing with (i) a certified statement of Builder that all bills and claims have been satisfied, except as stated therein, and (ii) a release of all claims against Boeing, arising under and by virtue of the contract, other than such claims as may be specifically excepted by Builder with the approval of Boeing from the operation of the release in stated amounts to be set forth therein.

4. WARRANTY

Unless otherwise agreed to in writing by the parties, Builder warrants that the Work shall be performed: in the best and most workmanlike manner by qualified, careful and efficient workers, in strict conformity with the best standard practices; shall be free from defect in workmanship and material; and shall conform with all provisions of this contract, including, but not limited to, all specifications and drawings. The provisions of this warranty, together with any applicable warranties and guarantees of Builder's subcontractors and suppliers, shall survive inspection, test and acceptance of and payment for the work performed hereunder and shall run to Boeing, its successors, assigns and customers. Except for latent defects, fraud or such gross mistakes of Builder as amount to fraud, notice of any defect or nonconformity may be given by Boeing to Builder at any time prior to the expiration of one (1) year after final acceptance by Boeing of such work. Builder shall promptly perform all work required to correct such defects or nonconformities by replacement or repair, as Boeing may direct, all at Builder's sole cost and expense. All defective or nonconforming materials which Boeing requires to be replaced shall be removed promptly from the site of the work by Builder and at its sole expense. If Builder fails promptly to correct any nonconformity or defect, as directed by Boeing, Boeing may

correct such defect or nonconformity, by replacement or repair, and charge the cost thereof to Builder. Work required to be corrected or replaced shall be subject to the provisions of this Paragraph and the Paragraph hereof entitled "Inspection" in the same manner and to the same extent as when such work was initially presented for final acceptance. Boeing's right to require Builder to repair or replace any defective or nonconforming Work shall be in addition to any other rights Boeing may have for Builder's breach of warranty and shall not be considered as an exclusive remedy.

5. INSPECTION

The Work shall be subject to inspection and test by Boeing and its authorized representatives during manufacture and construction and at all other times and places, including without limitation the plants of Builder and any of its subcontractors and suppliers. Builder shall provide all reasonable facilities and assistance for the safety and convenience of Boeing's inspectors. All inspections and tests shall be performed in such manner as to not unduly delay the Work. The Work shall be subject to final inspection and acceptance notwithstanding any payments or other prior inspections. Such final inspection shall be made within a reasonable time after completion of the Work.

6. REPRESENTATIVES AND EMPLOYEES

Boeing will designate a responsible Field Representative at the site of the Work. Builder shall keep a competent superintendent continuously on the Work to whom the Field Representative may give directions with regard to the Work from time to time. All of the employees of Builder engaged in the Work shall be subject to the rules and regulations at any time promulgated by Boeing for the safe, orderly, and efficient conduct of all operations upon the site where the Work is to be performed; but this sentence shall not relieve Builder of his obligations to maintain a safe work site and comply with all applicable laws, rules and regulations related to safety. Boeing shall have the right to require the removal from the Work of any employee of Builder or any of its subcontractors, who, in Boeing's opinion, is not qualified to perform the assigned work or who is guilty of improper conduct or for any other reasons.

7. WORKMANSHIP AND MATERIALS

- A. Builder represents that it has carefully examined all drawings and specifications for the Work, its surroundings, and the local conditions.
- B. Unless otherwise specifically provided for in the specifications, all workmanship, equipment, materials and articles incorporated in the Work covered by this contract are to be new and of the most suitable grade of their respective kinds for the purpose intended. Where equipment, materials or articles are referred to in the specifications as "equal to" any particular standard, Boeing shall decide the question of equality. In the manner, and to the extent required by the specifications, Builder shall furnish Boeing for approval full information concerning the equipment, materials or articles which it contemplates incorporating in the Work. Samples of material shall be submitted for approval when required by the specification.

- C. In addition to any requirement of the specifications, and prior to commencing the Work covered by this contract, Builder shall furnish Boeing for approval a complete list of the subcontractors and the equipment, materials or articles Builder proposes to use in the performance of this contract. Builder shall use in the performance of this contract only those subcontractors and equipment, materials or articles which have been approved by Boeing. This approval by Boeing will not relieve Builder of its responsibility for the performance of any of such subcontractors or for any of the equipment, materials or articles incorporated or used in the Work.

8. INSURANCE AND INDEMNITY

- A. Builder shall indemnify and hold Boeing, its directors, agents, and employees harmless from all claims, actions, damages, liabilities, and expenses, including counsel fees, for injury to or death of any persons and for loss of or damage to property of any person caused in whole or in part by the acts or omissions of Builder, Builder's subcontractors, or anyone directly or indirectly employed by them arising out of or in any way connected with the performance of the Work under this contract.
- B. Without limiting the indemnification of 8.A above, Builder shall assume all risk of loss of or damage to all improvements being constructed hereunder and all material, supplies and equipment used or to be used in the construction of such improvements arising from any cause whatsoever, including the acts of Boeing, its officers, directors, agents, and employees until all such improvements are finally accepted by Boeing.
- C. Builder shall at all times maintain and shall cause its subcontractors at all times to maintain the following listed minimum insurance coverages, limits and amounts:
 - (1) Worker's Compensation Insurance for statutory requirements in the states of operation and Employers' Liability Insurance, with limits of \$500,000 for injuries to or death of any one or more persons resulting from any one accident or occupational disease. The coverage must include "All States" endorsement.
 - (2) Comprehensive General Liability Insurance with combined single limit bodily injury and property damage of not less than \$1 million per occurrence; including:
 - (i) Completed operations. (ii) Contractual liability-assumed under this contract.
 - (iii) Owner's protective. (iv) Severability of interest clause.
 - (3) Comprehensive Automobile Liability Insurance, covering owned, non-owned, and hired motor vehicles, with combined single limit bodily injury and property damage of not less than \$1 million per occurrence.
 - (4) All risk installation floater or equivalent in amounts equal to the replacement cost of the Work, covering loss or damage to Work in the course of construction, including all machinery, materials, and supplies on the premises or in transit thereto, and intended to become a part of the finished Work, until final acceptance by Boeing.
 - (5) Builder shall, and require its subcontractors to have all insurance policies covering the Work performed under this contract endorsed as follows: (i) Include

Boeing, its directors, officers, agents, and employees as additional insureds. (ii) Waive the right of recovery or subrogation against Boeing, its directors, officers, agents, and employees. In addition to coverages listed herein, this waiver must be added by endorsement to all floaters or policies covering Builder's property used to perform Work under this contract with Boeing. (iii) No cancellation or material change in the policies shall become effective except on thirty (30) days' notice thereof to Boeing.

- (6) All insurance coverages required herein set forth shall be at the sole cost and expense of Builder and all deductibles shall be assumed by, for the account of, and at the Builder's sole risk.
- (7) Builder shall furnish evidence of such insurance satisfactory to Boeing, Builder shall not commence the Work under this contract until all of the insurance required herein shall have been obtained by Builder.

9. SPECIFICATIONS AND DRAWINGS

A. Ownership

The specifications and the accompanying drawings are the property of, and shall be returned to Boeing at the completion of the Work, and before the Work is accepted or, if Builder does not complete the Work, shall be returned to Boeing prior to Builder withdrawing from the site.

B. Conflicts, Omissions, Misdescriptions, Misinformation

Builder shall keep on the work a copy of the drawings and specifications and Boeing shall at all times have access thereto. Anything mentioned in the specifications and not shown in the drawings or shown in the drawings and not mentioned in the specifications, shall be of like effect as if shown and mentioned in both. In case of difference between the drawings and the specifications, the specifications shall govern. Omissions from the drawings or specifications or the misdescription of details of work which are either necessary to carry out the intent of the drawings and specifications, or which are customarily performed, shall not relieve Builder from performing such omissions or misdescribed details of the work, but they shall be performed as if fully and correctly set forth and described in the drawings and specifications.

C. Checking of Drawings and Dimensions

Builder shall check all furnished drawings immediately upon their receipt and shall promptly notify Boeing of any discrepancies. Figures marked on drawings shall in general be followed in preference to scale measurements. Except as Boeing may otherwise determine, in the case of any ambiguity or inconsistency between large scale drawings and small scale drawings, the former shall govern and in the case of any ambiguity or inconsistency between the general provisions of this contract and the specifications, the former shall govern.

D. Deviations

Deviations from specifications and the drawings and the dimensions therein given, whether or not error is believed to exist, shall be made only after authority is obtained from Boeing.

E. Interpretations

All questions regarding the figures, drawings, plans and specifications and the interpretation thereof and the resolving of conflicts or inconsistencies contained therein shall be determined by Boeing.

F. Shop Drawings

Builder shall submit to Boeing for approval all shop drawings as called for under the various headings of the specifications or as otherwise required by Boeing and in any event twenty (20) days prior to scheduled commencement of work therein described. Submission for preliminary check shall consist of two copies. Submission for final approval shall consist of eight (8) copies. These drawings shall be complete and shall contain all required detailed information. All shop drawings shall be properly noted to indicate clearly the position and placement of the items detailed in relation to Boeing's drawings. Builder shall verify all dimensions at the project and note any discrepancies on the shop drawings. All shop drawings shall be submitted through Builder; none will be accepted from any other source. If approved by Boeing, each copy of the drawings will be identified as having such approval by being so stamped and dated. Builder shall make any corrections required by Boeing except any correction which constitutes a change in the work shall not be made by Builder unless directed by Boeing as provided in the Paragraph hereof entitled "Changes." Five (5) sets of all shop drawings will be retained by Boeing and three (3) sets will be returned to Builder. The number of copies and the submittal dates of the above drawings shall be subject to any contrary or additional provisions set forth in this specification.

G. Special Drawings

Whenever required by the specifications, Builder shall make special or detailed drawings in amplification of the drawings referred to in this contract or in furtherance of the specifications before proceeding with the work, which drawings shall be subject to the approval of Boeing. When a drawing has been approved, Builder shall furnish Boeing with additional blueprint copies or with the tracing or an equivalent. If a tracing is submitted, Boeing will make such prints as required and will return the tracing to Builder. Upon completion of the work, Builder shall furnish Boeing with one complete set of all approved drawings which shall become the property of Boeing.

H. Maintenance Drawings

- (1) During the performance of work under this contract, Builder shall record and delineate accurately on one set of black and white prints of contract drawings, which will be furnished by Boeing, all changes in such work, which constitute departures from the original contract drawings. The set of drawings thus

corrected and changed shall show the work as actually constructed. Such maintenance drawings shall be delivered to Boeing at the earliest practicable date prior to completion of all work under the contract, in any event not later than the date of acceptance of the completed work by Boeing.

- (2) Builder shall review said maintenance drawings on the job site with the Boeing Field Representative at weekly intervals to verify that data is properly recorded and shall include such revised drawings as may be furnished by Boeing as the job progresses.
- (3) Maintenance drawings shall show sufficient detail to convey the following information:
 - (i) Physical dimensions and relation to existing conditions; plan elevation and sectional dimensions, both above and below grade; special care to be used in horizontal and vertical location of all underground or hidden installations; all pipe and wire sizes.
 - (ii) Description of materials and processes sufficient to determine financial value: State grades, thicknesses and types of materials, especially concealed parts.
 - (iii) Tests performed and results obtained: Show results of all on-job tests and check outs.
 - (iv) Operation and maintenance information: Submit schematic diagrams, control diagrams, maintenance charts, and all other similar necessary diagrams and charts where applicable.

I. The approval by Boeing of any drawings shall not relieve Builder of any of its obligations hereunder nor excuse nor constitute a waiver of any errors, discrepancies or omissions contained therein.

10. REGULATIONS

- A. Movement of personnel, equipment, and tools on and off Boeing property and while on the site shall be in accordance with Boeing's plant security regulations. Information as to such regulations will be made available to Builder by Boeing.
- B. It shall be Builder's responsibility to conform to good housekeeping rules by keeping all working areas, as well as the designated area which will be assigned Builder for storage of material and equipment to be used in the performance of the Work, in a clean, neat, and orderly condition.
- C. All materials removed from the stock area to the working area shall be moved in such a manner as not to interfere with Boeing's operations.
- D. All material and equipment removed in the performance of this contract and which are to be returned to Boeing shall be removed from the working area and disposed of as

directed by Boeing. All non-salvageable material and debris shall be immediately removed from the site and from Boeing's premises and disposed of by Builder.

- E. Builder shall be required to exercise extreme precautions in preventing dust, chips, droppings, water and other foreign objects from infiltrating into adjacent areas.
- F. Builder shall fully cooperate with Boeing and any other contractors doing work not covered by this contract and perform the Work hereunder so as to minimize any conflicts with such other contractors as may be directed by Boeing. Builder shall not commit or permit any act which will unreasonably interfere with the performance of work by other contractors or with the operations of Boeing.
- G. Builder shall also comply with any other regulations that Boeing may issue regarding performance of the Work.

11. SAFETY AND HOUSEKEEPING

A. Accident Prevention

- (1) The Work shall be performed with due regard to safety, and in strict compliance with all applicable State and local laws and ordinances, and with the rules and regulations of Boeing copies of which will be furnished upon request. All areas and equipment shall be maintained in such condition as will permit the same to be safely used and operated.
- (2) Builder shall conform to the current safety engineering practices as set forth in the "Manual of Accident Prevention in Construction" published by the Associated General Contractors of America, and in the publications of the National Safety Council, to the extent that such practices are not contrary to the requirements of subparagraph (1) above.
- (3) The safety measures taken by the Builder shall be such as the nature of the work and the conditions under which it is to be performed may demand, and shall include the following:
 - (i) Adequate first-aid facilities and equipment.
 - (ii) Adequate artificial illumination during all hours that, and at all places where, natural illumination is inadequate for the work being performed.
 - (iii) Instructions in accident prevention to reach all employees, and the posting of bulletins relating thereto.
 - (iv) Such machinery guards, safe scaffolds, runways, ladders, railings, and gangplanks, including without limitation such other safety devices, equipment, and apparel as are necessary to prevent accidents or injuries.

- (v) Keeping all passageways and paths normally used by workmen free from lumber, wire, debris, and other obstacles, and keeping the job as a whole in an orderly and safe condition.
- (vi) Providing adequate protection and warnings around all open pits and excavations throughout progress of the work.

B. Fire Prevention

All operations under the contract shall be so performed that no fire hazards will be needlessly created or permitted to exist. To this end, all necessary precautions shall be taken with particular reference to the following:

- (1) Clearance of the site in the vicinity of structures and combustible materials, including temporary construction, trees, shrubs, vegetable growths, and other-matter that might communicate fire to such structures or materials.
- (2) Storage and handling of explosives, gasoline, oil, and other fuels, lubricants, chemicals, and all similar materials of an inflammable nature.
- (3) Segregation and spacing of temporary structures and storage piles of lumber and other combustible construction materials.
- (4) Disposition of waste materials resulting from the operations, the accumulation of which, by the nature of the materials and their location and quantity, might create or increase a fire hazard.
- (5) Immediately following the initial delivery and storage of combustible materials at the site of the work, and throughout the construction period thereafter, Builder shall supply and maintain suitable means of improvised fire protection equipment, unless adequate means of such protection are then existent or made available for uninterrupted service.

C. Material Storage

Builder shall store all materials in such areas as are designated by Boeing.

D. Dust Palliation

At all times, Builder shall effectively dust-palliate the working area, roads used in the operations, and involved portions of the site. Such palliation shall consist of intermittent watering and sprinkling of such frequency as will satisfactorily allay the dust during all hours.

12. PERMITS AND LICENSES

Builder shall procure all necessary permits, licenses, and acceptances of the state, and all political subdivisions there, wherein the work is done, and of any other duly constituted

public authority, and furnish such evidence of compliance therewith as Boeing may request.

13. EXCUSABLE DELAYS

Neither party shall be liable in damages by reason of any delay in completion of the work hereunder due to causes beyond its reasonable control and without its fault or negligence, including without limitation, acts of God or of the public enemy, acts of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather and (unless Boeing finds the materials or supplies to be furnished under a subcontract are obtainable from other sources) delays of a subcontractor due to such causes.

14. TERMINATION

- A. If Builder should fail to comply with any of the provisions hereof, or in the event Builder should become the subject of a proceeding under state or federal law for relief of debtors, or if Builder makes an assignment for the benefit of creditors, Boeing shall have the right, notwithstanding the provisions of the Paragraph hereof entitled "Excusable Delays", to hold Builder in default and cancel this contract in whole or in part.
- B. Without limiting any rights which Boeing may have by reason of any default by Builder hereunder, Boeing reserves the right to terminate this contract in whole or in part at its convenience. In such event Boeing shall compensate Builder, subject to deduction for previous payments (i) by reimbursing Builder for all actual expenditures and costs approved by Boeing as having been made or incurred in performing under this contract, (ii) by reimbursing Builder for all expenditures made and costs incurred with Boeing's prior written approval in settling or discharging outstanding commitments entered into by Builder in performing under this contract and (iii) by paying Builder as a profit, insofar as a profit is realized hereunder, an amount equal to the profit on the entire contract estimated at the time of termination, multiplied by the percentage of completion of the work. In no event, however, will the compensation to Builder exceed the total contract price less payments previously made and less the contract price of work not terminated. Upon receipt of any notice of termination, Builder shall, unless the notice otherwise directs, (i) immediately discontinue the work and the placing of all orders and subcontracts in connection with this contract, (ii) immediately cancel all existing contracts and subcontracts made hereunder and (iii) immediately transfer to Boeing all materials, supplies, work-in-process, appliances, facilities, equipment, machinery and tools acquired by Builder in connection with the performance of this contract and all plans, drawings, specifications, and other information for use in connection therewith. Notice of termination shall be given by telegraph or other writing.

15. FAILURE TO PERFORM

Should Builder, at any time during the progress of the work, refuse or neglect to supply sufficient material or labor, or fail in compliance with any provision of this contract, Boeing shall have the right, without prejudice to any other right or remedy it may have, to provide

such materials and labor, or make good such deficiencies as Boeing may deem expedient after three (3) days' notice in writing, delivered or mailed to Builder at its last address on file with Boeing, and Builder shall be liable for the cost and expense thereof which may be deducted by Boeing from any money that may be due Builder.

16. PATENTS

A. Patent Indemnity

Builder hereby indemnifies Boeing, its directors, officers, agents, employees, successors, and assigns against loss, damage or liability, including costs, expenses and attorney fees, which may be incurred on account of any suit, claim, judgment or demand involving infringement or alleged infringement upon any copyrights, trademarks or Letters Patent arising out of the performance of this contract or out of the use or disposal by or for the account of Boeing of supplies furnished or construction work performed hereunder; provided Boeing shall notify Builder of any suit instituted against it and, to the full extent of its ability to do so, shall permit Builder to defend the same or make settlement in respect thereof.

B. Notice and Assistance

- (1) Builder shall report to Boeing, promptly and in reasonable written detail, each claim of patent infringement based on the performance of this contract and asserted against it, or against any of its subcontractors or suppliers if it has notice thereof.
- (2) In the event of litigation against Boeing on account of any claim of infringement arising out of the performance of this contract or out of the use of any supplies furnished or construction work performed hereunder, Builder shall furnish to Boeing, upon request, all evidence and information in its possession pertaining to the defense of such litigation.

17. LIENS AND BONDS

- A. Builder shall indemnify and hold harmless Boeing, its directors, officers, agents and employees, from all claims, demands, liabilities, costs, expenses, causes of action or suits of whatever nature arising out of the labor and materials furnished by Builder or its subcontractors under this contract. The term subcontractor as used in this paragraph shall mean a subcontractor of any tier.
- B. Builder shall provide a performance and payment bond with good and sufficient sureties and in an amount not less than the contract price, as the same may be revised from time to time, which bond must be satisfactory to Boeing.
- C. The bonds required above shall be provided prior to the commencement of the Work, unless otherwise specified by Boeing in writing.

18. COMPLIANCE WITH LAWS

To the extent applicable hereto, Builder shall in the performance of this contract comply with: the Fair Labor Standards Act of 1938 (29 U.S.C. 201-219); the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45); the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333); laws prohibiting the use of convict labor; all other federal, state, and local laws; all regulations and orders issued under any applicable law. Builder warrants that the work to be performed hereunder complies with the Occupational Safety and Health Act of 1970 (29 U.S.C. 651-678) and the Radiation Control for Health and Safety Act of 1968 (42- U.S.C. 263 b-n) and all applicable regulations and standards promulgated thereunder. Also Builder shall, while on the premises on which the Work is to be performed, comply with all applicable rules and regulations of the Occupational Safety and Health Administration and Builder shall indemnify and hold Boeing, its directors, officers, agents and employees harmless from and against any and all claims, damages, or causes of action resulting from Builder's failure to comply with said rules and regulations.

19. SECURITY REQUIREMENTS

To the extent that this contract involves access to security information or classified areas, Builder shall comply with all applicable requirements and regulations of Boeing and the Government.

20. SUBCONTRACTING AND-ASSIGNMENT

Performance of the work may not be subcontracted, in whole or substantially in whole, by Builder, and Builder may not assign any of its rights or obligations hereunder, without in each case, prior written consent of Boeing.

21. EFFECT OF INVALIDITY

The invalidity in whole or in part of any provisions hereof shall not affect the validity of any other provision.

22. REMEDIES

The remedies provided Boeing herein shall be cumulative, and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach.

23. UTILIZATION OF SMALL BUSINESS, SMALL DISADVANTAGED BUSINESS, WOMEN-OWNED BUSINESS AND LABOR SURPLUS AREA CONCERNS

To support Government policy as declared by the Congress, and as consistent with the efficient performance of this contract, Builder agrees to accomplish a maximum amount of subcontracting to small business, small disadvantaged and women-owned business concerns; and to use its best efforts to place subcontracts hereunder with subcontractors who will perform such subcontracts substantially in areas of persistent or substantial labor surplus when it can be done at prices no higher than are obtainable elsewhere observing exemptions and preferential order established by applicable Government regulations.

24. BOOKS AND RECORDS

Builder's books, records and its plants or such part thereof as may be engaged in the performance of this contract, shall at all reasonable times be subject to inspection and audit by any authorized representative of Boeing.

25. GRATUITIES

Builder warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Boeing's employees, agents or representatives with a view toward securing this contract or securing favorable treatment with respect thereto.

26. RELEASE OF NEWS-INFORMATION AND ADVERTISING

Builder shall not, without the prior written consent of Boeing (i) make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this contract, or any phase of any program hereunder; or (ii) in any manner advertise or publish the fact that Boeing has placed this contract.

27. NOTICE TO BOEING OF LABOR DISPUTES

- A. Whenever Builder has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, Builder shall immediately give notice thereof, including all relevant information with respect thereto, to Boeing.
- B. Builder shall insert the substance of this clause, including this subparagraph B, in any subcontract hereunder as to which a labor dispute may delay the timely performance of this contract, except that each such subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify Builder of all relevant information with respect to such dispute.

28. BOEING-FURNISHED ITEMS

The provisions of this paragraph shall apply if Boeing-furnished items are to be used in the course of this contract. The delivery or performance dates for the supplies or services to be furnished by Builder under this contract are based upon the expectation that, to the extent Boeing is to furnish items to Builder, such items will be delivered, suitable for use, to Builder at the times stated in this contract or, in the event such times are not stated, in a timely manner. In the event that Boeing-furnished items are not delivered to Builder by such time or times, Boeing shall, upon written request made by Builder, determine the delay occasioned Builder thereby, and equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by such delay in accordance with the procedures set forth in the Paragraph of this contract entitled "Changes"; provided Builder makes such written request to Boeing within thirty (30) days after the date scheduled for Boeing delivery. In the event Boeing-furnished items are received by Builder in a condition not suitable for the intended use Builder shall, upon receipt thereof, notify Boeing of such fact and, as directed by Boeing, either (i) return such items at Boeing's expense or otherwise dispose thereof, or (ii) effect repairs or modifications. Upon completion of (i) and (ii) above, Boeing, upon written request of

Builder, shall equitably adjust the delivery or performance dates or the contract price, or both, and any other contractual provision affected by the rejection or disposition, or the repair or modification, in accordance with the procedures set forth in the Paragraph of this contract entitled "Changes"; provided Builder makes such written request to Boeing within thirty (30) days after receipt of said items. The foregoing provisions for adjustment are Builder's exclusive remedy for such delay or condition and Boeing shall not be in default nor liable to suit for breach of contract by reason of any delay in delivery of Boeing-furnished items or delivery thereof in a condition not suitable for their intended use.

29. DISPUTES

Any dispute arising under this contract which is not settled by agreement of the parties may be settled by appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this contract, Builder shall proceed diligently with the performance of this contract in accordance with the decision of Boeing.

30. NON-INTERFERENCE

Builder shall fully cooperate with Boeing and all other contractors doing work on or about the construction site covered by this contract and shall perform the Work so as to minimize conflicts with said other contractors. In the event Builder unreasonably obstructs or interferes with work being performed by said other contractors, Builder shall, at its own expense, take such steps or measures deemed necessary by Boeing to eliminate such obstruction or interference. In any event, Builder shall take such steps or measures as Boeing may direct in writing to avoid potential obstructions or interferences or to eliminate existing obstructions or interferences.

31. EVIDENCE OF CITIZENSHIP OR IMMIGRANT STATUS

In compliance with its obligations under contracts with the United States government, Boeing may be required to obtain information concerning citizenship or immigrant status of subcontractor personnel entering the premises of Boeing. Builder agrees to furnish this information before commencement of work and at any time thereafter before substituting or adding new personnel to work on Boeing's premises. Information submitted by Builder shall be certified by an authorized representative of Builder as being true and correct.

32. NOTICES

Any notice or order provided for in this contract shall be considered as having been given (i) to Boeing, if mailed by certified mail, postage prepaid to The Boeing Company, Attention Purchasing Department at 6633 Canoga Avenue, P.O. Box 7922, Canoga Park, CA 91309-7922 (use 9001 Lurline Avenue, Chatsworth, CA 91311 for Federal Express) or (ii) to Builder if delivered personally to its superintendent at the site of the work, or if mailed by certified mail, postage prepaid to .

33. JURISDICTION

This contract and all performance hereunder shall be governed and interpreted by the laws of the State where the work will be performed.

34. ALTERATIONS IN CONTRACT

The following additional terms and conditions are attached hereto and made a part hereof:

Contractor Performance and Payment Bonds be required for this Work.

IN WITNESS WHEREOF, the parties have executed this contract as of the day and year first above written.

THE BOEING COMPANY

By: _____
Print Name

Signature

Title:

BUILDER

License Number: _____

By: _____
Print Name

Signature

(FOR BOEING ACCOUNTING DEPARTMENT INTERNAL USE ONLY):