

FLYSHEET T-6 PURCHASE ORDER TERMS AND CONDITIONS
(PROPERTY CONTROL)

Where the order under which this flysheet is incorporated is related to a U.S. Government prime contract subject to the Federal Acquisition Regulation, the provisions of FAR 52.245-18 (Special Test Equipment) and 52.245-19 (As-Is-Property) apply. FAR 52.245-17 (Special Tooling) applies when this order is Fixed-Price and Special Tooling is required but not specified and full cost of the tooling will be charged to this order.

A. DEFINITIONS.

1. BUYER means Boeing North American, Inc.
2. CUSTOMER means for purposes of these terms, a Boeing North American, Inc. customer.
3. SELLER means the party with whom Buyer is contracting and includes any reference to "Subcontractor," "Contractor," "Supplier" or "Vendor."
4. PROPERTY means all property, both real and personal, and includes property as defined in these terms and conditions.
5. BUYER PROPERTY means all property owned by or leased to Buyer or Buyer's Prime Customer, or acquired by Buyer or Buyer's Prime Customer under the terms of this order including Seller acquired property or Buyer furnished property.
6. BUYER-FURNISHED PROPERTY means property in the possession of or directly acquired by Buyer or Buyer's Prime Customer, and subsequently made available to Seller for use in the performance of this order.
7. SELLER-ACQUIRED PROPERTY means property acquired or otherwise provided by Seller for the performance of this order and to which Buyer or Buyer's Prime Customer has title.
8. FACILITIES means property used for production, maintenance, research, development or testing. It includes plant equipment and real property. It does not include material, special test equipment, special tooling, or agency-peculiar property. When used in a facilities contract, the term includes all property provided under that contract.
9. PLANT EQUIPMENT means personal property of a capital nature (including equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items) for use in manufacturing supplies, in performing services, or for any administrative or general plant purpose. It does not include special tooling or special test equipment.
10. SPECIAL TOOLING (ST) means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items. Special tooling, for the purpose of these terms and conditions, does not include any item acquired by Seller before the effective date of this order, or replacement of such items, whether or not altered or adapted for use in performing this order, or items specifically excluded elsewhere in this order.
11. SPECIAL TEST EQUIPMENT (STE) means either single or multipurpose integrated test units engineered, designed, fabricated or modified to accomplish special purpose testing in the performance of this order. It consists of items or assemblies of equipment, including standard or general purpose items or components, that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment) and plant equipment items used for general plant testing purposes.

12. AGENCY-PECULIAR PROPERTY means United States Government owned personal property that is peculiar to the mission of one agency (e.g. military or space property). It excludes Government material, special test equipment, special tooling, and facilities.
13. MATERIAL means property that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. It includes assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract.
14. SCRAP means personal property that has no value except for its basic material content.
15. ORDER means this purchase order.

B. SELLER PROPERTY CONTROL SYSTEM.

Seller shall establish written procedures and an implemented Property Control System which are fully compliant with Federal Acquisition Regulation (FAR) Part 45 and all provisions herein. Seller's property control system shall contain an adequate locator system or technique to permit the location of any item of Buyer property within a reasonable period of time after request therefor. Buyer reserves the right to conduct periodic surveillance or otherwise review Seller's Property Control System to assure compliance with the requirements of these Terms.

1. Buyer will evaluate Seller's Property Control System, identify any necessary changes thereto, and notify Seller of Buyer's assessment in writing. Problems identified will be promptly addressed by Seller in writing within thirty (30) days. Buyer will evaluate Seller's corrective action and notify Seller in writing of acceptance of corrective actions taken.
2. If Seller has a "U.S. Government Approved" Property Control System, Buyer may, with appropriate U.S. Government concurrence, accept such approval in lieu of conducting a duplicative survey of Seller's implemented system.
3. One copy of each of the following must be submitted to Buyer:
 - a. Seller's current Property Control & Inventory Procedures.
 - b. Document granting approval of Seller's Property Control System if "U.S. Government Approved."

C. RELOCATION/NAME/OWNERSHIP CHANGE/DISCONTINUANCE.

1. Seller is required to notify Buyer in writing of relocation, name change, ownership change or discontinuance of business as soon as such conditions are known. Seller's name change, ownership change, relocation, or discontinuance of business may subject Seller to immediate return of Buyer-furnished property as Buyer may direct by written amendment or change notice to this order.
2. Seller must obtain Buyer's prior written authorization to transfer Buyer property to Seller's new location.

D. USAGE LIMITATION FOR BUYER PROPERTY.

Buyer may deliver to Seller, for use in connection with this Order, property described as Buyer-furnished property; or Seller may manufacture or acquire such property for Buyer or Buyer's Prime Customer for use on this order. The property shall be used only for the performance of this order unless otherwise provided herein or approved by Buyer in writing. Seller shall immediately notify buyer in writing, of any additional property required and any property listed on this order which is not being used.

NOTE: The requirements of these terms shall apply to all Buyer property in Seller's possession, from receipt of such property by Seller, through and following completion or termination of

this order, until Buyer releases Seller from accountability for such property by written amendment or change notice to this order.

E. BUYER-FURNISHED PROPERTY. If Buyer furnishes, or causes to be furnished any property to Seller the following additional provisions shall apply:

1. DELIVERY.

To the extent Buyer is to furnish items to Seller such items will be delivered, suitable for use, to Seller in a timely manner. In the event that Buyer-furnished items are not delivered to Seller in time to support the delivery or performance dates, Buyer shall, upon written request made by Seller, determine the delay to Seller and equitably adjust the delivery or performance dates or the price, or both and any other provision of this order affected by such delay, in accordance with the procedures set forth in the purchase order clause entitled "Changes"; provided Seller makes such written request to Buyer within 30 days after the date scheduled for delivery by Buyer. In the event Buyer-furnished items are received by Seller in a condition not suitable for the intended use Seller shall, upon receipt, notify Buyer of such fact and, as directed by Buyer, either (1) return such items at Buyer's expense or otherwise dispose or (2) effect repairs or modifications. Upon the completion of (1) or (2) above, Buyer upon written request of Seller, shall equitably adjust the delivery or performance dates or the 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 purchase order clause entitled "Changes"; provided Seller makes such written request to Buyer within 30 days of receipt of said items. The foregoing provisions for adjustment are exclusive and Buyer shall not be in default nor liable to suit for breach of contract by reason of any delay in delivery of Buyer-furnished items or delivery thereof in a condition not suitable for their intended use.

2. CHANGES IN QUANTITY.

By notice in writing Buyer may decrease the items furnished or to be furnished by Buyer under this order. In any such case, upon the written request of Seller, Buyer shall equitably adjust the delivery or performance dates or the price, or both and any other provisions of this order affected by the decrease, in accordance with the procedures set forth in the purchase order clause entitled "Changes"; provided Seller makes such written request to Buyer within 30 days of receipt of said notice from Buyer.

3. DISCREPANCIES INCIDENT TO SHIPMENT.

If overages, shortages, or damages are discovered upon receipt of Buyer-furnished property, Seller shall provide a statement of the condition and apparent causes to Buyer. Only that quantity of property actually received will be recorded on the official records.

4. CARRIER LIABILITY. When the shipment is moved by Bill of Lading and carrier liability is indicated, Seller shall report any discrepancies to Buyer.

F. ACQUISITION.

1. Seller can acquire Special Test Equipment and components, the exact nature of which are not known as of the date of this order. Seller shall not acquire any items of Special test Equipment or components unless such acquisitions shall have been authorized pursuant to Paragraphs a. and b. below.

a. Notice of Intent to Acquire Special Test Equipment.

Before acquiring any items of Special Test Equipment or components, Seller shall give Buyer forty-five (45) days notice of its intent to do so. (See Attachment A for form to be used) Buyer may elect to furnish, or cause to be furnished by the Buyer's Prime customer, the Special Test Equipment or any components to Seller by giving written notice of its election to Seller within such period. In the event Seller has not received such written notice within the period prescribed, Seller may proceed to acquire such equipment or components.

- b. Notifications required by this order for Special Test Equipment or components shall, as a minimum, include an estimated aggregate cost of all items and components of the equipment the individual cost of which is less than \$5,000 [\$1,000 if contract is with NASA] and the following information on each item or component of equipment costing \$5,000 [\$1,000 if NASA] or more:
 - 1) The end use application and function of each proposed special test unit identifying special characteristics and the justification for classifying the test unit as STE.
 - 2) A complete description identifying the items to be acquired and the items to be fabricated by Seller. Include Manufacturer's Name, Federal Supply Code and Model Number.
 - 3) The estimated cost of the item of STE or component.
 - 4) A statement that screening of Seller STE and components has been accomplished and that none are available for use in performing this order.
2. Seller's invoices for items of Special Tooling and/or Special Test Equipment will not be rendered until such items have been proved. Evidence of satisfactory items will be indicated by Buyer's acceptance of a satisfactory part produced and/or tested by such Special Tools and/or Special Test Equipment except as specifically agreed to elsewhere in this order. When requested by Buyer, Seller shall provide Buyer with one scaled photograph (Polaroid type acceptable) for each item of special tooling or special test equipment listed on this order. The reverse side of the photograph shall show the tool number, nomenclature, part number of the part or parts the item produces or tests, operations performed and the operational sequence use of the tooling or test equipment. When authorized by Buyer, a certification in a form approved by Buyer may be substituted in lieu of photographs.
3. General Purpose Plant Equipment will be provided by Seller and not charged to this order unless procurement is authorized, in writing, by Buyer.

G. IDENTIFICATION.

1. Seller shall identify, mark, and record all property promptly upon receipt or fabrication and shall record assigned numbers on all applicable documents pertaining to the property control system.
2. Unless otherwise directed by Buyer, Seller will make use of Buyer's numbering system for all items of special tooling and equipment acquired hereunder. Each item of tooling and equipment shall be permanently marked with Buyer's identification number or have Buyer's property identification tag affixed. Plant equipment type components of STE which are incorporated in a manner that makes removal and reutilization feasible and economical will be physically identified if the acquisition cost is \$5,000 [\$1,000 if contract is for NASA] or more.

[Use of Seller's numbering system must be approved in writing by Buyer and records must indicate a cross reference to Buyer's number.]
3. The identification process will ensure legibility, permanency, conspicuousness; e.g., affixing metal or plastic tags, labels, or plates directly to the property; marking the item with indelible ink, acid or electric etch, or steel dies.

Identification shall consist of:

- a. Unique Part number or identification number.

- b. Ownership designation such as "Boeing" "U.S. Government," or other customers name as advised by Buyer.

Note: Material will be physically identified at bin level.

- 4. For Buyer furnished property, Seller must advise Buyer if upon receipt, property identification is different from the applicable transmittal/record documents.

H. RECORDS AND DATA.

Seller shall develop property records for use during performance of this order and retain records for a minimum of four (4) years after purchase order closeout. Seller's property records shall provide for positive traceability to applicable shipping and receiving documents. As a minimum, such records shall provide information for each item of Buyer property as follows:

- 1. ST, STE and Agency-Peculiar Property:
 - a. Ownership.
 - b. Acquisition authority; Purchase Order No./Contract No. or equivalent code.
 - c. Name, Description, and Identification Number include serial number and model number when available.
 - d. Quantity.
 - e. Unit Price.
 - f. Location.
 - g. Inventory date.
 - h. Disposition authority document.
 - i. Posting reference and date of transaction.
 - j. Identification of any easily removable general purpose test equipment over \$5,000 [\$1,000 if contract is for NASA] incorporated as a component of STE.
 - k. Identification number (part number) of item on which used (ST/STE only).
 - l. Retention category (ST/STE only when required by contract).
 - m. Classification of Property (i.e., Special Tooling, Special Test Equipment, etc.).

- 2. MATERIAL:
 - a. Purchase Order number/Contract No. or equivalent code.
 - b. Name/description.
 - c. Unit Price & Unit of Measure.
 - d. Quantities received.
 - e. Quantities issued.
 - f. Quantities on hand.
 - g. National Stock Number and/or part number (as applicable).
 - h. Location.
 - i. Disposition (if applicable)
 - j. Posting reference and date of transaction.
 - k. Inventory date.

3. PLANT EQUIPMENT:

In addition to data elements shown in H.1. above, records for U.S. Government Owned Plant Equipment shall include data elements listed in FAR 45.505-5.

I. REPORTS.

1. ACCOUNTABLE PROPERTY REPORT.

a. Seller shall furnish Buyer an initial list of all Special Tooling, Special Test Equipment and other property (excluding Material) acquired or manufactured by Seller to perform this order within 45 days after receipt or completion of fabrication of the property unless otherwise requested by Buyer.

b. This Accountable Property List will include the same information as listed under Paragraph H. "Records and Data" above.

After initial submittal of the Accountable Property List has been accepted by Buyer, Seller shall submit changes only (new additions, deletions, cost adjustments, etc.) with an explanation in lieu of an entire listing, to Buyer semi-annually. However, if there are no changes from the last submittal Seller shall so state in writing to Buyer.

c. Seller shall furnish Buyer the total quantity and dollar value of material on an annual basis (See 2.f. below) This will apply to the following:

- 1) Cost Reimbursable Purchase Orders.
- 2) Customer furnished material.
- 3) As contractually required.

This report will include:

- 1) Purchase order number.
- 2) Total dollar value and quantity of material accountable to each order.
- 3) Whether material was contractor acquired or U.S. Government furnished.

2. U.S. GOVERNMENT PROPERTY REPORTS. Seller shall provide Buyer annually the total acquisition cost of U.S. Government property for which Seller is accountable under each contract with each agency, including U.S. Government property at subcontractor (second-tier) plants and alternate locations, in the following classifications:

- a. Land and rights therein.
- b. Other real property, including utility distribution systems, buildings, structures, and improvements thereto.
- c. Plant equipment.
- d. Special Tooling.
- e. Special Test Equipment.
- f. Material.
- g. Agency-Peculiar Property.

These property reports will be submitted to Buyer on the appropriate accountable U.S. Agency form (i.e., For NASA Contracts, Form 1018, For DOD Contracts, DD Form 1662, For DOE Contracts, Form F4300.3, etc.) If requested by Buyer, Seller shall provide inventory lists which are representative of the dollar amounts for end of period totals on the U.S. Agency Form.

Reports will be provided Buyer 20 days after close of reporting period to meet report submittal dates required in the appropriate Agency FAR Supplement.

J. CHANGES IN DESIGN.

1. In the event of any changes in design or specifications which affect interchangeability of parts, Seller shall, unless otherwise agreed to by Buyer, give Buyer notice of any part which is not interchangeable with the new or superseding part and the Special Tooling for each part covered in such notice shall be retained by Seller until buyer provides disposition instructions.
2. If an engineering change requires either the acquisition or fabrication of new, or substantial modification to existing STE, Seller shall comply with Paragraph F.1. above.

K. SELLER'S LIABILITY (RISK OF LOSS).

Unless otherwise approved in writing by Buyer or included elsewhere in this order Seller assumes the risk of, and shall be responsible for any loss or destruction of or any damage to Buyer's property in Seller's possession. Seller agrees to return said property in as good condition as when received, except for reasonable wear and tear due to the utilization of the property in accordance with the provisions of this order. Seller may also be liable when the use or consumption of Buyer property unreasonably exceeds the allowances provided for by this order, the Bill of Material, or other appropriate criteria.

L. REPORTING LOSS, DAMAGE AND DESTRUCTION.

Seller shall report all cases of loss, damage or destruction of Buyer property in his possession or control or property located at Seller's second-tier suppliers to Buyer as soon as such facts become known utilizing form shown at Attachment B [or equivalent]. The lost, damaged or destroyed property report shall include:

1. Name of Seller.
2. Location (Address) of incident.
3. Date and Time of incident.
4. Name and Description of item lost, damaged or destroyed. (Include NSN or applicable Part Number if available or Identification number if item is tooling or equipment).
5. Accountable Contract Number/ Purchase Order Number.
6. Item's Acquisition Cost.
7. Description of incident including cause.
8. Estimated cost of repair or replacement.
9. Corrective action taken to prevent recurrence.
10. Statement as to whether item was covered by insurance and if so were costs charged to this order.

M. PHYSICAL INVENTORY

1. Physical inventory, as used herein, consists of sighting, describing, recording and reporting the property concerned and reconciling the property recorded and reported with the property records.
2. Physical inventories will be conducted, at a minimum, biennially for all Special Tooling, Special Test Equipment, Plant Equipment and Agency-Peculiar Property unless otherwise directed by Buyer or otherwise authorized under a U. S. Government approved Property Control system.

3. Physical inventories for Material accountable to this order will be conducted annually in accordance with a schedule approved by Buyer.
4. Physical inventories will be conducted upon completion or termination of purchase orders as directed by Buyer.
5. Seller shall report the results of the inventory to Buyer, in a format acceptable to Buyer, within 60 days after completion of the inventory. Overages and shortages shall be clearly identified and described in the report.
6. Seller shall provide to Buyer a signed statement that physical inventory was completed on a given date and the property records were found to be in agreement with the physical inventory except for discrepancies reported.
7. Property which previously was reported lost and then located during a physical inventory will be reestablished on the accountability records and reported.
8. Records of such inventory shall be retained by Seller until completion of this order and made available to Buyer upon request.
9. Personnel who perform the physical inventories shall not be the same individuals who maintain the property records or have custody of the property unless the size of Seller's operation is so small as to make it impracticable for others to do so.

N. STORAGE.

Storage areas will be maintained in accordance with sound business practices and property will be protected from loss, damage, theft, destruction, and the elements while in storage.

O. MODIFICATION.

1. Modification is a process in which the property configuration is changed and requires a part number change. Modification will not be accomplished without the prior approval of Buyer.
2. Upon completion of modification for special tooling, special test equipment, plant equipment and agency peculiar property, Seller will:
 - a. Update applicable drawings
 - b. Provide an updated property list to Buyer, including:
 - 1) New part number
 - 2) Original part number before change occurred
 - 3) Dollar value of modification

P. REPLACEMENT

Replacement of Buyer property will occur when an item becomes worn or damaged beyond repair. Replacement will not be accomplished without prior approval by Buyer.

Q. MAINTENANCE

1. Seller shall be responsible for the proper care, maintenance, and use of all Buyer property in its possession or control from the time of receipt until properly relieved of responsibility in accordance with sound industrial practice. The removal of property to storage, or its contemplated transfer, does not relieve Seller of these responsibilities.

2. Seller's maintenance program shall provide for -
 - a. Disclosure of need for and the performance of preventative maintenance.
 - b. Recording of work accomplished under the program.
3. Seller shall keep records of maintenance actions performed and any deficiencies in the property discovered as a result of inspections. These records will be made available to Buyer upon request.
4. Seller agrees that between the date any usable items of property are no longer needed by Seller, within the meaning of this order and the date of final disposition of such items under this order, it will take all reasonable steps necessary to maintain the identity and existing operating conditions of such items unless Buyer has directed that such items be disposed of as scrap or has given notice that Buyer and/or Buyer's Prime Customer has no further interest therein and waives its rights therein.

R. SHIPPING/RELOCATION OF PROPERTY.

Property may be shipped from Seller's facility to another location of Seller, or any sub-tier source and returned, at Seller's cost, with applicable move/transfer documents established and maintained to fully control and provide for accurate traceability and return of such moved/transferred property except for 2. below. If property is shipped or transferred to Seller's sub-tier source, Seller shall maintain files sufficiently documented to reflect Seller's review and approval of applicable sub-tier sources Property Control System. Property to be returned to Buyer shall, in addition to being documented on Seller's shipping documents, be authorized by Buyer.

1. Shipping documentation will include as a minimum:
 - a. "Shipment from" address.
 - b. "Shipment to" address. (Include "Mark For" name)
 - c. Purchase order under which property is currently accountable.
 - d. Authorization for shipment.
 - e. Part number, I.D. number, or serial number if available.
 - f. Nomenclature/description.
 - g. Acquisition value.
 - h. Date of shipment.
 - i. Name of Buyer's Personnel authorizing shipment. (If applicable).
2. Relocation of U. S. Government-Owned property accountable to this order outside of the United States of America is not authorized unless approved in writing by Buyer's U.S. Government Contracting Officer. Seller shall request permission from Buyer to relocate U.S. Government Property outside of the U.S.A. 45 days prior to shipment.

S. DISPOSITION.

1. Seller shall report to Buyer all Buyer property in excess of the amounts needed to complete full performance under this order immediately after determination that the property is excess to further requirements unless a later date is authorized by Buyer. Seller shall also report to Buyer at the completion of this order or at time of termination all Buyer property not consumed in performance of this order or not already delivered by Seller.
2. Reporting will be accomplished as follows:
 - a. If this order is a Cost-Reimbursable Purchase Order or the property to be disposed is due to a termination, Seller shall report property to Buyer on Inventory Schedules in accordance with FAR Subpart 45.6 as appropriate.

Note:

- 1) Condition codes must be identified on the applicable Inventory Schedule.
 - 2) National Stock Numbers and/or National Stock Class must be provided if available.
 - 3) A complete item description must be furnished to allow proper reutilization screening.
- b. If this order is a Fixed-Price Purchase Order, Seller shall report to Buyer all Buyer-Furnished Property and STE on Inventory Schedules the same as 2.a. above. If Special Tooling was acquired pursuant to the FAR 52.245-17, Special Tooling Clause, upon completion or termination of all or a substantial part of the work under this order, Seller shall furnish Buyer a final list of Special Tooling acquired under this order for determination of disposition action. This list shall specify the nomenclature, tool number, related product part number (or service performed) and unit or group cost of the Special Tooling. Special Tooling which has become obsolete as a result of changes in design or specifications need not be reported, if previously reported as provided for in Paragraph J above.
3. At the time Seller furnishes Inventory Schedules or listings under 2. a. or b. above, Seller may designate those items of Special Tooling, Special Test Equipment or other property which Seller desires to retain, together with a written offer. Written offer should ordinarily be for an amount not less than the fair market value of such items. Fair market value takes into account the value of such items to Seller for use in further work by Seller.
 4. If Buyer, with Buyer's Prime Customer concurrence, accepts an offer of Seller to retain any items of Special Tooling, Special Test Equipment, or other property or if, upon Buyer's approval, any such items are sold to third parties or disposed of as scrap, the net proceeds shall: (1) be deducted from the mounts due to Seller under this order and the order amended accordingly; or (2) be otherwise paid as Buyer may direct.
 5. After receipt of any Inventory Schedules or List under Paragraphs 2.a. or b. above, Buyer, after Buyer's prime customer review, shall furnish to Seller appropriate disposition instructions. Seller shall promptly comply with any request by Buyer to: (1) immediately prepare such items for shipment by proper packaging, packing, and marking, in accordance with any instructions which may be issued by Buyer, and shall promptly deliver such items to Buyer or Buyer's Prime Customer f.o.b. origin, as directed by Buyer; or (2) if a storage agreement is entered into, prepare such items for storage as directed by Buyer. (3) Any items so delivered or stored shall be accompanied by such operation sheets or other appropriate data as are necessary to show the manufacturing operations or processes for which such items were used or designed. (4) Any items of Special Tooling which are not disposed by transfer of title and delivery to Buyer or Buyer's Prime Customer or by acceptance of an offer by Seller shall be disposed of in accordance with Buyer and/or Buyer's customer instructions.

T. RESTORATION OF SELLER'S PREMISES AND ABANDONMENT

Unless otherwise provided herein, Buyer:

1. May abandon, with written advice to Seller, any Buyer property in place, and thereupon all obligations of Buyer regarding such abandoned property shall cease.
2. Has no obligation to Seller with regard to restoration or rehabilitation costs.

U. SELLER'S SUBCONTRACTOR/SUPPLIER CONTROL.

The same basic controls for Buyer property which are required of Seller and covered by this document will be required of Seller's subcontractors (second-tier suppliers). These controls will

ensure that second-tier suppliers utilize property only as authorized by this order. Seller shall maintain accountability records relating to Buyer's Purchase Order for property at their second-tier suppliers.

V. SELLER'S SPECIAL TOOLING PROVISIONS FOR SUBCONTRACTS.

Seller agrees that in placing any subcontracts or purchase orders under this order which involve the acquisition of Special Tooling, the full cost of which is charged to such subcontract or purchase order, Seller will include therein appropriate provisions to obtain rights comparable to those granted to Buyer by these terms and conditions and agrees that it will exercise such rights for the benefit of the Buyer, as Buyer may direct.

W. SELLER'S SPECIAL TEST EQUIPMENT PROVISIONS FOR SUBCONTRACTS.

If special test equipment or components thereof are to be acquired for Buyer's Prime Customer by Seller's subcontractor under this order, Buyer's rights to receive advance notice thereof from Seller, as prescribed in Paragraph F.1. above, and to furnish such items to Seller as Buyer-Furnished Property and to obtain an equitable adjustment of the purchase order therefor, shall be preserved.

Seller shall, with respect to any subcontract hereunder, which provides that STE or components are to be acquired or fabricated for Buyer, insert provisions in the subcontract which conform substantially to the language of Paragraph F.1. hereof entitled Acquisition.

Flysheet T-6 Attachment "B"
BOEING NORTH AMERICAN, INC.
REPORT OF LOST, DAMAGED OR DESTROYED PROPERTY

- A. Subcontractor/Supplier Name & Location of Incident:
Address:
City & State:
Zip Code:
- B. Boeing North American Purchase Order No.:
- C. Prime Contract Number:
- D. Description of Lost, Damaged or Destroyed Property (Should include NSN or applicable part number or I.D. Number):
- E. Serial Number (If applicable):
- F. Acquisition Cost of Item/s: \$
- G. Date & Time of Incident: Date: _____ Time: _____
- H. Was incident reported to Boeing as soon as it became known?
Yes _____ No _____ If No, please explain: _____
- I. Describe Loss Damage or Destruction including particulars of what caused the incident (attach separate sheet if necessary) :
- J. Corrective Action Taken to Prevent Recurrence:
- K. Estimated cost to repair or replace (as applicable): \$
- L. Known interests in commingled property of which Government property is a part:
- M. Item/s reported above were covered by insurance? Yes _____ No _____
Insurance costs were charged to this order? Yes _____ No _____
- N. Current status of Property Control System: _____ Approved _____ Disapproved
- O. Signature: _____
Typed Name: _____
Phone Number: _____ FAX No.: _____
Date: _____