

SHIPPING AUTHORITY

EXTRON Lycoming

SERIAL 542066

SHIPPING ORDER NO. C106820
 INVOICE NO.
 INVOICE DATE
 SHEET OF

BUYER ORDER NO.
 BUYER'S P.O. NO.

TO James H. Morgan, Esquire
 500 Main Street
 Suite 10005
 Fort Worth, TX 76102

DATE TO BE SHIPPED July 2, 1990
 SHIPPED FROM Textron Lycoming, Stratford, CT
 ROUTE
 DATE SHIPPED 7/2/90
 PREPAID OR COLLECT PREPAID
 SHIP VIA FEDERAL EXPRESS
 BIL NO 1866960036

BOX NUMBER	CONTAINER	INCHES			POUNDS	
		LENGTH	WIDTH	HEIGHT	GROSS	NET
24687	1EPM	16	13	1		1

FR CHECKER TYPE
 V. NO. PART NO. DESCRIPTION OF MATERIAL

TOTALS		BOXES	CTNS.	PKGS.	
UNIT MEAS	QUANTITY SHIPPED	QUANTITY RECEIVED	UNIT PRICE	TOTAL COST	

ORIGINAL Waiver and Release Agreement (AVCD-Realtor)

P.O. NO.
 L. # CHG. ORDERS
 DR. OR REQ. NO.
 UNIT NO.
 WING REPORT NO.
 INVENTORY CONTROL NO.
 IS TO ORIGINATOR
 IN TO

RETURNED FOR CREDIT
 RETURNED FOR CREDIT & REPLACEMENT
 REPAIR OR REMOVAL AT VENDOR'S RISK
 REPAIR OR REMOVAL AT CUSTOMER'S RISK
 IS RETURNED
 UNSPECIFIED

919
 3758
 7/6/90

ORIGINATOR: Dept 5C Ext 3675
 BY: DiPrunio

APPROVING AUTHORITY: [Signature]
 SHIPPING DEPT APPROVAL: [Signature]
 DATE: 7/6/90

NOTE: THIS FORM WILL NOT BE INTERLUDED BY THE SHIPPING DEPARTMENT UNLESS THE ABOVE REQUIRED SIGNATURES

LAW OFFICES
MCKENNA, CONNER & CUNEO

LOS ANGELES
404 SOUTH FLORISSA STREET
LOS ANGELES, CALIFORNIA 90007
(213) 527-8400

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STEWART STREET TOWER
ONE MARKET PLACE
SAN FRANCISCO, CALIFORNIA 94104
(415) 348-0000

1678 EYE STREET, N.W.
WASHINGTON, D. C. 20003
(202) 788-7800

CABLE ADDRESS: MCKENCONY WASHDC
FAX: (202) 788-8848
FALLS CHURCH: 780-7800

SPRING COUNTY
875 ANTON BOULEVARD
WOOD BRIDGE, CALIFORNIA 92694
(714) 438-8833

FLORISSA
SUITE 800
302 EAST SEVENTEENTH AVENUE
DENVER, COLORADO 80202
(303) 532-0700

June 29, 1990

T. MARK FLANAGAN, JR.
DIRECT DIAL (202) 788-3400

James H. Morgan, Esquire
500 Main Street
Suite 10005
Fort Worth, TX 76102

BY FEDERAL EXPRESS

Re: AVCO-Relator Release

Dear Mr. Morgan:

Enclosed are the three originals of the AVCO-Relator release, all of which already have been executed by both the Department of Justice and AVCO Corporation. Based on my conversation with Robert Vogel, the Justice Department attorney having responsibility for this matter, I understand that you are expecting these documents. Further, I understand that you have been informed of the procedures set forth below.

Please arrange for the Relator, Robert C. Ballew, to personally sign all three originals. Also, please be certain that he signs the date as "6/29/90," to ensure uniformity and to reflect the actual date upon which an agreement was reached. After executing the originals, please keep one original and return the other two originals to me at the above address. Also, it is important that I receive the executed originals no later than Friday, July 6, 1990.

Please call if you have any questions. Thank you for your assistance.

Sincerely,


T. Mark Flanagan, Jr.

TMF/ea
Enclosures

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ORIGINAL

WAIVER AND RELEASE AGREEMENT (AVCO-RELATOR)

This Waiver and Release Agreement is made and entered into on this 29th day of June, 1990, by and among the United States of America acting by and through the Civil Division of the Department of Justice ("DOJ"); AVCO Corporation, Textron Lycoming Division ("AVCO"); and Robert C. Ballew ("Relator") (collectively referred to as the "Parties").

Recitals

1. The Parties agree to the following recital of facts:

a. On June 14, 1979, Aerospatiale Helicopter Corporation ("AHC") and the United States Coast Guard ("USCG") entered into Contract No. DCT CG 80511A for the production and delivery of 90 Short Range Recovery ("SRR") helicopters. On April 1, 1980, AHC and AVCO, in turn, entered into Subcontract No. CG 80-B-1 for the production and delivery of 180 LTS 101-750 A-1 engines for inclusion into the SRR helicopters.

b. On October 1, 1985, AHC and AVCO entered into Letter Agreement No. A85C366G1005 for the conversion of certain LTS 101-750 A-1 engines, produced pursuant to Subcontract No. CG 80-B-1, to LTS 101-750 B-2 engines.

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c. The USCG and AVCO also entered into contracts and purchase orders for the supply of spare LTS 101 engines and spare parts for such engines.

d. On various dates, some or all of the contracts, subcontracts, and purchase orders referred to above were modified.

e. An action initiated by the Relator in the name of the United States concerning these contracts and subcontracts was filed under seal in the United States District Court for the Northern District of Texas, Case No. CA-4-88-287-K (the "Relator Lawsuit"). The Relator Lawsuit alleges, among other things, that, in connection with these contracts and subcontracts, AHC and AVCO acted in violation of the civil False Claims Act, 31 U.S.C. §§ 3729-33 (1988).

f. DOJ has conducted an investigation of each of AVCO's and AHC's performance of these contracts, subcontracts, and purchase orders, which included investigation of the allegations against AVCO and AHC set forth in the Relator Lawsuit.

g. AVCO denies wrongdoing of any kind whatsoever and specifically, with respect to the above contracts, subcontracts,

c. The USCG and AVCO also entered into contracts and purchase orders for the supply of spare LTS 101 engines and spare parts for such engines.

d. On various dates, some or all of the contracts, subcontracts, and purchase orders referred to above were modified.

e. An action initiated by the Relator in the name of the United States concerning these contracts and subcontracts was filed under seal in the United States District Court for the Northern District of Texas, Case No. CA-4-88-287-K (the "Relator Lawsuit"). The Relator Lawsuit alleges, among other things, that, in connection with these contracts and subcontracts, AHC and AVCO acted in violation of the civil False Claims Act, 31 U.S.C. §§ 3729-33 (1988).

f. DOJ has conducted an investigation of each of AVCO's and AHC's performance of these contracts, subcontracts, and purchase orders, which included investigation of the allegations against AVCO and AHC set forth in the Relator Lawsuit.

g. AVCO denies wrongdoing of any kind whatsoever and specifically, with respect to the above contracts, subcontracts,

USCG, agrees to pay seventeen million dollars (U.S. \$17,000,000.00) to the United States Treasury. This amount will accrue simple interest until paid from November 2, 1989, payable to the United States at the rate of 7.81 percent per year as established by the United States Treasury 52-week bill auction rate in effect on November 2, 1989.

3. DOJ, upon receipt of the payment referred to in Paragraph 2 above, acknowledges that, within fourteen calendar days, it will pay the Relator fifteen percent (15%) of this payment pursuant to section 3730(d)(1) of the civil False Claim Act.

4. The Relator, in consideration of the payment referred to in Paragraph 3 above, which constitutes a complete payment in full satisfaction of all amounts, including any expenses, fees, and costs, that may be due the Relator pursuant to section 3730(d)(1) of the civil False Claims Act or in connection with the Relator Lawsuit against AVCO, agrees:

a. to interpose no objection to the entry of a final order (conditioned only upon the payment to the United States of the monies identified above in Paragraph 2) dismissing with prejudice the Relator Lawsuit against AVCO, as well as dismissing

with prejudice all claims alleged in the Relator Lawsuit against AHC with the sole exception of the Relator's claim against AHC under 31 U.S.C. § 3730(h).

b. that any and all civil or administrative claims that have been or could have been brought by the Relator against AVCO, including its parent corporation and the present and former officers, directors, employees, agents, subsidiaries, affiliates, successors and assigns of AVCO or its parent corporation, relating to either the Relator's or AVCO's involvement in the SRR program or any of the conduct that was the subject of the investigation identified in subparagraph 1(f) above, as well as any and all civil or administrative claims based on conduct occurring after the date of the Settlement Agreement to be entered into among AVCO, DOJ, and the USCG, provided that the same type of conduct was ongoing (i.e., other than on an isolated basis) during and was the subject of the investigation identified in subparagraph 1(f), are waived and released.

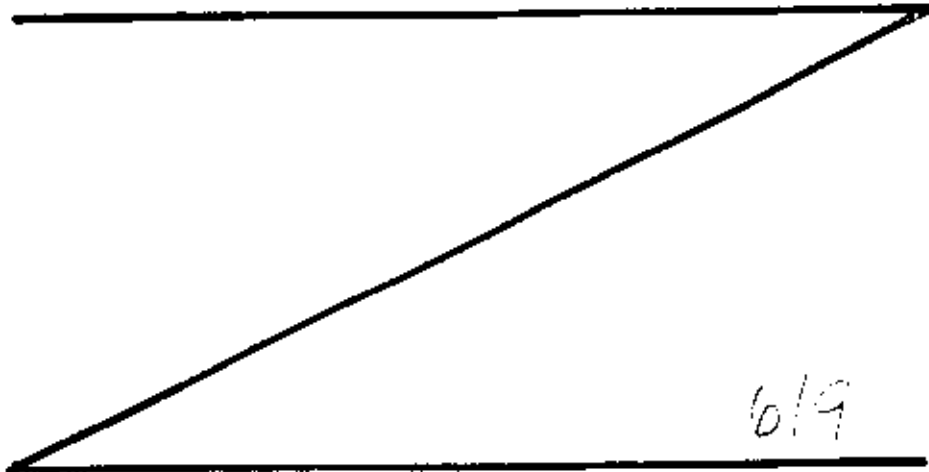
5. AVCO agrees that any and all claims that could have been brought by AVCO against the Relator, relating to either the Relator's or AVCO's involvement in the SRR program or any of the conduct that was the subject of the investigation identified in subparagraph 1(f) above, as well as any and all claims based on

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conduct occurring after the date of the Settlement Agreement to be entered into among AVCO, DOJ, and the USCG, provided that the same type of conduct was ongoing (i.e., other than on an isolated basis) during and was the subject of the investigation identified in subparagraph 1(f), are waived and released.

6. Nothing in this Waiver and Release Agreement constitutes an admission on the part of AVCO, DOJ, or the Relator.

7. The Parties agree that this Waiver and Release Agreement automatically will become effective at the same time that the Settlement Agreement among AVCO, DOJ, and the USCG becomes effective. Further, if that Settlement Agreement never becomes effective and instead becomes null and void, this Waiver and Release Agreement also becomes null and void at the same time.



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8. The Parties agree that this Waiver and Release Agreement may not be altered, amended, modified or otherwise changed except by a writing duly executed by AVCO, DOJ, and the Relator.

ACCEPTED AND AGREED.

The United States of America:

Date: 6/29/90

By: Robert L. Vogel
Robert L. Vogel
Trial Attorney, Civil Division
United States Department of Justice

Relator:

Date: 6/29/90

Robert C. Ballew
Robert C. Ballew
Qui Tam Relator

AVCO Corporation, Textron Lycoming Division:

Date: 6/29/90

By: Paul F. Barchio
Paul F. Barchio
Vice President & Group Counsel
AVCO Corporation,
Textron Lycoming Division

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