

b. The three purchase orders to Texlon Corporation for 72 inch release ply F to be remarked release ply G and not scoured or heat set were requested by the military customers, LTV in Texas and later the program transferred to Vought in Milledgeville, GA. You informed the military customers that 72 inch material could not be scoured or heat set, as that shrinks the material. Vought Milledgeville, informed you that "they needed exactly what was supplied to Texas and that it was not important if the material was heat set and scoured since it was not going to be used as a peel ply, but as a tool side breather, (non contact material), the same way Texas bought the material and used it." Reference, your FAX dated November 7, 2006, Exhibit B-1 and your letter dated November 14, 2006, Exhibits B-2, B-3, B-4, B-5.

c. It is alleged that Airtech switched from the original supplier of Release Ply F/G, Fabricote in Los Angeles to Texlon Corporation in Torrance and did not notify your aerospace customers. Your records for the last 10 years indicate that Texlon Corporation has been your supplier of Release Ply F/G. Fabricote in Los Angeles is your current supplier of Bleeder Lease A, C, E. You Certify to the material manufactures data sheet and not to aerospace manufactures specifications. Reference your certification/packing slip fourth paragraph on the reverse side. (See Below)

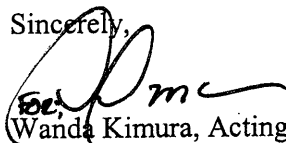
"If any model or sample was shown to Buyer, such model was used merely to illustrate the general type and quality of the goods and not to warrant that the goods would be of that type of nature. No agent, employee, or representative of Seller has any authority to bind Seller to any representation, affirmation, or warranty concerning the goods and any such representation, affirmation or warranty shall not be deemed to have become a part of the basis of the sales contract and shall be unenforceable."

d. Airtech has sold WL5200 made with ETFE resin as an "alternative" to the more costly A4000 made with FEP resin. Airtech states that blown processed ETFE has never been misrepresented as a Lip Dye Cast FEP product. Boeing Specification BAC 5317, Rev. F, page 11, calls for item 1, FEP Film source as "open" and item 8, ETFE Film source as "open". This shows that Boeing will accept either FEP or ETFE films from any source of manufacture. Also see, Boeing Specifications BAC 5514 and BAC 5578.

In reference to Release Ply F/G with Corona Treatment vs non Corona Treatment, you state that the process was a short term poorly constructed sales effort, before clearing R & D. After investing in a Corona Treater, you discovered, not only did it not work, but it actually caused additional problems in that made the peel ply more difficult to remove. Note: During my background investigation, I verified this must have been a short term effort. I only found one person that was familiar with the term Corona Treatment.

On October 20, 2006, you were advised that the Federal Aviation Administration was investigating an allegation that your company was producing and selling unapproved parts. This letter is to inform you that our investigation has not established a violation of Title 14 of the Code of Federal Regulations and you may consider this matter closed.

Sincerely,

  
Wanda Kimura, Acting Manager  
Los Angeles Manufacturing  
Inspection District Office