January 7, 1991

Mr. Raymond Curtis
General Manager
The Stardyne Division
Supercomputing Solutions, Inc.
Suite 1620
222 Sepulveda Boulevard
El Segundo, CA 90245

Reference License Agreement Dated 2/28/80

**BOEING**

Dear Mr. Curtis:

Due to changing market requirements for commercial timeshare services, Boeing Computer Services (Boeing) is closing out its MAINSTREAM EKS/VSP computing services as of December 31, 1990. Accordingly, we will no longer have reason to utilize the software licensed under the above referenced Agreement. In accordance with that contract, this letter serves as notice that we are terminating the license Agreement. We appreciate having had the opportunity to provide your product to our customers for use.

Boeing will cease to permit use of the licensed program(s) by December 31, 1990. As per ¶ VIIC. of the Agreement, upon termination, Boeing will return all proprietary materials, and erase all copies from Boeing computers.

As indicated in the Amendment to the referenced Agreement, your software was offered to Boeing commercial timeshare customers for use in the design and testing of nuclear facilities. As such, you are considered a supplier of a "basic component" to the nuclear industry[1], and are subject to an ongoing federal regulatory responsibility for the life of the nuclear facility to evaluate or report deviations in your software. This duty is found in portions of 10 C.F.R. Part 21 et seq.; 10 C.F.R. Part 50 Appendix B; ANSI standards N45.2 and N45.2.9. This reporting obligation exists under federal law. It survives and is separate from any contract between your company and Boeing. Failure to follow its requirements could result in enforcement action by the N.R.C.

Boeing does not intend to create unnecessary alarm or concern; we simply wish to remind you of this continuing regulatory obligation and to satisfy Boeing's own obligations under federal law.

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[1] The NRC considers computer software used in reactor design and analysis to be a "basic component." See, U.S. Nuclear Regulatory Commission, NUREG-0302, part I, p. 24 (1977).

You are required to report to the NRC any defects in the nuclear-related component you provided to Boeing. A "defect" is a deviation which, on the basis of an evaluation, could create a substantial safety hazard. A "deviation" is a departure from the technical requirements included in the procurement documents between your company and Boeing. A "procurement document" is any contract which identified the requirements your software was required to meet to be acceptable to Boeing.

If you are unable to evaluate the possible safety impacts of a deviation upon an NRC licensed facility or activity, you are required to inform Boeing that a deviation exists. You are also required to implement procedures for ensuring (1) that a responsible officer of your company is informed of the existence of a deviation, and (2) that Boeing is informed of any deviations that are discovered.

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Since Boeing is unable to evaluate whether a deviation has substantial safety impacts, it will also, in compliance with federal law, pass along deviation reports to its former commercial timeshare customers for their evaluation.

In addition to the aforementioned obligation, in the Amedment to the Agreement between you and Boeing, entitled "Nuclear-Related Quality Assurance Provisions", there are contractual requirements which survive for 40 years after termination. These are obligations which have been passed down, by contract, by the Licensee of the nuclear facility:

1.    Error Reporting

In paragraph G., you contracted to provide error reporting. The intent of this provision is explicitly stated to have been to ensure satisfying the requirement for defect reporting obligation discussed above. Again, defect reporting is required for the life of the nuclear facility, or not less than 40 years.

For those versions of your software which were made available to Boeing for use by the nuclear industry (listed in Appendix A), you must report to Boeing all "computational errors" discovered in the program code or supporting documentation. A "computational error" is defined as a defect in a program that produces execution results that are in error but could be interpreted as valid. Within 48 working hours of verification, you shall transmit a full and complete report of such errors to Boeing, by phone when possible, and by certified mail (return receipt requested) to the Quality Assurance Coordinator listed below.

These reports will likewise be passed on by Boeing, so that they can ultimately be evaluated by an appropriate entity, to determine whether the deviation is related to the creation of a substantial safety hazard.

All notices, including Deviations Reports, are to be sent to the person named below:

Robert C. Lundquist
Boeing Computer Services
P.O. Box 24346
M/S 7L-23
Seattle, Washington 98124-0346

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2.    Historical File.

With respect to each version of your software listed in Appendix A, in paragraph C., you agreed to maintain historical files containing, as a minimum: (1) program and subroutine source code listings; (2) user manuals; (3) theory manuals; and (4) program load summaries. These historical files shall be maintained such that computer runs can be recreated in the future, and/or the program's logic and mathematical formulations can be reviewed.

3.    Record Retention Systems

With respect to each version of your software listed in Appendix A, in paragraph F., you agreed to retain, or provide for retention of, for a period not less than 40 years, each item which is the subject of the historical filing referred to in previous paragraph. You must keep Boeing notified of the location of the storage facilities. You must also provide access for a minimum period of 40 years, upon reasonable notice, to Boeing and any of its former MAINSTREAM customers who have a requirement to reconstruct the logic and mathematical formulation used in the program(s), as they were applied to a design analysis.

4.    Audit Privileges

In paragraph E., you agreed, upon reasonable notice, to allow the authorized Quality Assurance representatives of Boeing and/or the authorized Quality Assurance representatives of BCS' former MAINSTREAM EKS/VSP customers, controlled access to your offices and storage facilities for the purpose of auditing your continuing Quality Assurance Program. Such audits could include examination of documentary evidence of historical filing and continuing error and deviation reporting, and may be carried out on a periodic basis to verify the compliance and effectiveness of all aspects of the Quality Assurance Program.

At present, failure to comply with these contractual duties is not a violation of federal law, and their breach is only subject to private enforcement in court. However, you should be aware that the NRC has recently announced its intention to seek amendments to its regulations which would enable it to bring enforcement actions against non-licensed vendors, contractors and consultants. This would obviously include former suppliers of components.
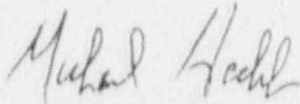
Such a change would allow action against unlicensed parties (1) for willfully causing a licensee to violate any of the NRC's regulations; (2) for any other willful misconduct arising out of regulated activities which place in question the NRC's reasonable assurance that licensed activities will be carried out in a manner that provides adequate protection to the public health and safety.[2]

If you have any questions concerning the information contained in this letter, please contact Martin Buff at (206) 865-1156. Boeing thanks you in advance for your compliance with these obligations and wishes you the very best in the future.

**BOEING**

Sincerely Yours,

Michael P. Heckler
Software Group Manager
Boeing Computer Services

cc: Mr. Alan R. Hardt
Acting Branch Chief, Vendor Inspection Branch
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission

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[2] See 55 Fed. Reg. 12374 (April 3, 1990).

# APPENDIX A

## LIST OF NUCLEAR APPLICATION VERSIONS AND DATES
## FOR PRODUCTS ACTUALLY OFFERED TO
## BCS MAINSTREAM CUSTOMERS

| APPLICATION | BCS VER | VENDOR VER | RELEASED | REMOVED |
|---|---|---|---|---|
| STARDYNE | 01.01.04 | APR0182 | 04/01/1982 | 10/24/1983 |
| | 01.01.05 | DEC01/82A | 10/24/1983 | 10/11/1985 |
| | 01.02.00 | OCT01/85H | 10/11/1985 | 05/18/1989 |
| | 01.03. CYB | MAY01/88H | 05/18/1989 | 11/13/1989 |