

THIS AGREEMENT, made as of the 1st day of May, 1944,
by and between SOLAR AIRCRAFT COMPANY, hereinafter called "Solar,"
and EDMUND T. PRICE, hereinafter called "Price."

W I T N E S S E T H :

WHEREAS, Price has for many years been in the employ of
Solar as general manager and administrative head of all of the
operations of Solar; and

WHEREAS, Solar is desirous of assuring the continuance of
said employment for the period hereinafter set forth, and Price is
willing to continue such employment upon the terms and conditions
herein contained; and

WHEREAS, prior to May 1, 1943, Price was receiving a salary
of \$25,000 per annum and on April 22, 1943, the Board of Directors by
resolution fixed the salary of Price at the rate of \$40,000 per annum,
commencing May 1, 1943, subject to approval by the Salary Stabilization
Unit of the Bureau of Internal Revenue of the Treasury Department of
the United States; and

WHEREAS, the approval of said salary of \$40,000 per annum
was not obtained, but said Stabilization Unit approved a salary at
the rate of \$32,500 per annum and further ordered that said salary
be reduced to \$25,000 per annum in the event Price should cease to
perform the duties of manager of the Des Moines plant of Solar in
addition to the general managership duties all of the operations of
Solar;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, IT IS AGREED:

1. Solar hereby employs Price to perform the duties and render the services hereinafter set forth, and Price hereby accepts said employment and agrees faithfully and diligently to perform said duties and render said services for the period hereinafter fixed.

2. The duties to be performed and the services to be rendered by Price under this agreement are as follows: Price shall act as general manager and administrative head of the affairs and business of the Company and in such capacity shall have full charge and supervision over all of the business and factory operations of the Company at all of its plants subject, however, to the direction and control of the Board of Directors of the Company.

3. Price agrees that during the period of his employment with Solar he will devote his entire time and attention and his best efforts to the performance of his said duties and the rendering of said services, and that he will not directly or indirectly engage in any other business as an officer, employee, or otherwise, it being understood that Solar shall be entitled to, and Price agrees to give to Solar, his sole and exclusive services; provided, however, with the express approval and authorization of the Board of Directors, Price may serve as an officer or member of the Board of Directors of other corporations when, in the opinion of the Board, to do so would be consistent with

the best interests of Solar. Price may hold the positions of President and Director of Solar, but shall not be entitled to receive any additional compensation over and above the salary herein fixed on account of holding such offices, unless such additional compensation is expressly authorized by the Board of Directors. Nothing herein shall be deemed to give Price any right to hold or continue to hold these offices or either of them, it being understood that the right of electing directors rests solely with the stockholders and the right of electing the officers of the corporation with the Board of Directors.

4. It is understood that the compensation of Price to the extent that it exceeds \$25,000 per annum is subject to the approval of the Salary Stabilization Unit of the Bureau of Internal Revenue, and that said Unit has approved this salary from May 1, 1943, at the rate of \$32,500 per annum subject to certain conditions set forth in the ruling of the Salary Stabilization Unit above referred to. It is agreed, therefore, that the salary of Price hereunder as of the date of this contract and during the life of this contract, or until otherwise changed as hereinafter set forth, shall remain at the sum of \$32,500 per annum, subject to the ruling of the Salary Stabilization Unit referred to. In the event Price ceases to perform the duties of Manager of the Des Moines Plant in addition to his other duties as General Manager and Administrative Head of all of the operations of Solar, and by reason thereof Solar is required to reduce said salary to the rate of \$25,000 per annum, then during such time as said order is in force the agreed salary hereunder shall be \$25,000 per annum.

On April 22, 1943, the Board of Directors of Solar, by resolution, fixed the salary of Price at \$40,000 commencing May 1, 1943, subject to the approval of the Salary Stabilization Unit of the Bureau of Internal Revenue of the Treasury Department to which reference has been made herein above, and accordingly it is agreed that at all times during the life of this contract, whenever Solar may lawfully do so, it will pay to Price a salary at the rate of \$40,000 per annum.

Notwithstanding the foregoing, it is further understood and agreed in any event and at any time the Board of Directors, in its own discretion, may reduce the salary paid to Price to an amount of not less than \$25,000 per annum if it believes that the financial or economic conditions of the Company make it advisable to make such reduction.

Salaries paid to Price shall be paid monthly or semi-monthly at the option of the Company.

5. In case Price shall be unable or fail to fulfill his part of this contract through illness, mental or physical disability, or for any other reason, and such inability or failure shall exist for an aggregate of one quarter of the working days during any one year that this contract is in effect, Solar shall have the option to terminate this contract at any time that such inability or failure continues to exist by giving written notice of termination to Price, in which event Solar shall have no obligation to Price other than to pay the salary accrued hereunder to the date of such termination.

Price shall be entitled, without being deemed in violation hereof, to a vacation of twenty (20) days each year during the life of this contract, such vacation to be in addition to Sundays, holidays and

other days when the executive offices of the Company are normally closed. There shall be no deduction from salary on account of such periods of vacation.

6. The term of this contract shall be for the period of five years, commencing May 1, 1944, and terminating April 30, 1949, provided, however, in no event shall this contract continue in force for a longer period than three years after the termination of hostilities between the United States of America and Germany and Japan. The termination of hostilities shall be such date as may be fixed by executive order of the President of the United States or the date of such termination as otherwise fixed by law.

7. Solar shall have the option to cancel this contract without cause at any time, such cancellation to be effective as of any date fixed by Solar, upon at least sixty days' prior notice to Price. In consideration of said option, Solar agrees to pay to Price, in addition to the salary compensation herein agreed upon to the date of such cancellation, an amount to be determined as follows:

(a) If the effective date of such cancellation shall occur during the first three years of the term of this contract, then the amount of such additional compensation shall be one-half of the amount due for the unexpired term of the contract.

(b) If the effective date of such cancellation shall occur during the fourth year of the term of this contract, then the amount of such additional compensation shall be an amount equal to one full year's salary.

(c) If the effective date of such cancellation shall occur during the fifth year of the term of this contract, then the amount of such additional compensation shall be the amount due for the unexpired term of the contract.

The amount payable to Price hereunder, in addition to salary compensation, shall be computed on the basis of the amount of salary which Price is receiving on the effective date of the cancellation of the contract, but in no event shall said computation be made on the basis of a salary lower than \$32,500 per annum. For the purpose of computing said additional compensation, the terms of this contract shall be deemed to be five years.

8. All notices under this contract required to be given by either party must be in writing. Notices to Solar shall be by registered mail, addressed to the Secretary of the Company at its head office. Notices to Price shall be by registered mail, addressed to Price at 3200 - Second Ave., San Diego, California, or such other address as Price may subsequently designate in writing and file with the Secretary of the Company.

9. All obligations of Solar to make any payments hereunder to Price shall be subject to such governmental regulation or prior approval of governmental bodies as may be applicable and necessary at the time such payment is due. The failure of Solar to make any payment called for hereunder shall not be deemed to be a violation of this contract by Solar if such failure is caused by Solar's inability to obtain necessary approval of governmental bodies or in the event such payment shall be prohibited by law, but such payment if found to be in violation of governmental regulations at the time shall become a continuing claim against the Company until such restrictions ^{shall} have been removed, unless the provision for continuance of such claim would itself be in violation of applicable law.

IN WITNESS WHEREOF, the parties have hereunto set their hand and the Company has affixed its seal.

SOLAR AIRCRAFT COMPANY

(SGD) HERBERT F. STURDY (SEAL)
Vice-President.

(SGD) GEO. H. STONE
Assistant-Secretary

(SGD) EDMUND T. PRICE