

CUSTOMER CONTRACT REQUIREMENTS
Blue Lake
CUSTOMER CONTRACT 2003*K095920*000

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

1. The following contract clauses are incorporated by reference from the Federal Acquisition Regulation and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller.

52.203-7 Anti-Kickback Procedures (excluding subparagraph (c) (1)) (JUL 1995). Buyer may withhold sums owed Seller the amount of any kickback paid by Seller or its subcontractors at any tier if (a) the Contracting Officer so directs, or (b) the Contracting Officer has offset the amount of such kickback against money owed Buyer under the prime contract. This clause applies only if this contract exceeds \$100,000.

52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997). This clause applies to this contract if the Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for this contract. The Seller shall indemnify Buyer for any and all losses suffered by the Buyer due to violations of the Act (as set forth in this clause) by Seller or its subcontractors at any tier.

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (JAN 1997). This clause applies only if this contract exceeds \$100,000. If the Government reduces Buyer's price or fee for violations of the Act by Seller or its subcontractors at any tier, Buyer may withhold from sums owed Seller the amount of the reduction. In paragraph (d), the term "Government" shall mean Buyer.

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (SEP 2005). By signing and returning its solicitation response, Seller is executing the certification included in this clause. The certification required by this clause applies only if this contract exceeds \$100,000.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions (SEP 2005). This clause applies only if this Contract exceeds \$100,000. Paragraph (c) (4) is modified to read as follows: "(c) (4) Seller will promptly submit any disclosure required (with written notice to Boeing) directly to the PCO for the prime contract. Boeing will identify the cognizant Government PCO at Seller's request. Each subcontractor certification will be retained in the subcontract file of the awarding contractor.

52.204-2 Security Requirements (AUG 1996). "Changes clause" means the changes clause of this contract. This clause applies only if access to classified material is required.

52.215-2 Audit and Records - Negotiation (FEB 2002). This clause applies only if this contract exceeds \$100,000 and (i) is cost-reimbursement, incentive, time-and-materials, labor-hour, or price-redeterminable type or any combination of these types: (ii) Seller was required to provide cost or pricing data, or (iii) Seller is required to furnish reports as discussed in paragraph (e) of the referenced clause.

52.215-10 Price Reduction For Defective Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds \$550,000 and is not otherwise exempt. In subparagraph (3) of paragraph (a), insert "of this contract" after "price or cost." In Paragraph (c), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Paragraphs (c) (1), (c) (1) (ii), and (c) (2) (i), "Contracting Officer" shall mean "Contracting Officer or Buyer." In Subparagraph (c) (2) (i) (A), delete "to the Contracting Officer." In Subparagraph (c) (2) (ii) (B), "Government" shall mean "Government or Buyer." In Paragraph (d), "United States" shall mean "United States or Buyer."

52.215-12 Subcontractor Cost or Pricing Data (OCT 1997). This clause applies only if this contract exceeds \$550,000 and is not otherwise exempt. The certificate required by paragraph (b) of the referenced clause shall be modified as follows: delete "to the Contracting Officer or the Contracting Officer's representative" and substitute in lieu thereof "The Boeing Company or any of its wholly owned subsidiaries."

52.215-14 Integrity of Unit Prices (excluding subparagraph (b)) (OCT 1997). This clause applies except for contracts at or below \$100,000; construction or architect-engineer services under FAR Part 36; utility services under FAR Part 41; services where supplies are not required; commercial items; and petroleum products.

52.215-19 Notification of Ownership Changes (OCT 1997). This Clause applies to this contract if it meets the requirements of FAR 15.408(k).

52.215-20 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 1997). The term "Contracting Officer" shall mean Buyer.

52.219-8 Utilization of Small Business Concerns (OCT 2000).

52.222-1 Notice to Government of Labor Disputes (FEB 1997). "Contracting Officer" shall mean Buyer.

52.222-4 Contract Work Hours and Safety Standards Act — Overtime Compensation (DEC 2003). This clause applies only if this contract exceeds \$100,000. Buyer may withhold or recover from Seller the amount of any sums the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.

52.222-20 Walsh-Healy Public Contracts Act (DEC 1996). This clause applies only if this contract exceeds \$10,000.

52.222-21 Prohibition of Segregated Facilities (FEB 1999).

52.222-26 Equal Opportunity (subparagraph (b) (1) through (11)) (APR 2002).

52.222-35 Equal Opportunity for Special Disabled, Veterans of the Vietnam Era, and Other Eligible Veterans (APR 1998). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998). This clause applies only if this contract exceeds \$ 10,000.

52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). This clause applies only if this contract exceeds \$25,000.

52.223-13 Certification of Toxic Chemical Release Reporting (OCT 2000. Except for commercial items as defined in FAR Part 2, this clause applies to competitive procurements expected to exceed \$100,000 (including all options). If Seller is not subject to the Form R filing and reporting requirements, Seller shall inform Buyer which exemption or exemptions in subparagraph (b)(2) of this clause apply.

52.223-14 Toxic Chemical Release Reporting (excluding subparagraph (e)) (OCT 2000). This clause applies only if this contract is not for commercial items as defined in FAR Part 2, was competitively awarded, and exceeds \$100,000 (including all options).

52.224-2 Privacy Act (APR 1984). This clause applies only if Seller is required to design, develop, or operate a system of records contemplated by this clause.

52.225-13 Restrictions on Certain Foreign Purchases (JUL 2000).

52.227-14 Rights in Data — General (JUN 1987). This clause applies only if data will be produced, furnished or acquired under this contract.

52.230-6 Administration of Cost Accounting Standards (NOV 1999). Add "Buyer and the" before "Contracting Officer in paragraph (f). This provision applies if Clause H001, H002 or H004 is included in Buyer's contract.

52.244-6 Subcontracts for Commercial Items (MAY 2002)

3. If goods or services being procured under this contract are commercial items and Clause H203 is set forth in the purchase order, the foregoing Government clauses in Sections 1 and 2 above are deleted and the following FAR/DFARS clauses are inserted in lieu thereof:

52.219-8 Utilization of Small Business Concerns (OCT 2000). Include in all subcontracts that offer further subcontracting opportunities. If a subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), Seller and any lower tier subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

52.222-26 Equal Opportunity (subparagraph (b) (1) through (11)) (APR 2002).

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1998). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Handicapped Workers (JUN 1998). This clause applies only if this contract exceeds \$10,000.

52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (JUN 2000). This clause only applies if this contract is (i) a contract or agreement for ocean transportation services; or a construction contract; or (ii) the supplies being transported are (a) Items the Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to the items when it subcontracts items for f.o.b. destination shipment); or (b) shipped in direct support of U.S. military (1) contingency operations; (2) exercises; or (3) forces deployed in connection with United Nations or North Atlantic Treaty Organization humanitarian or peacekeeping operations.

4. Cost Accounting Standards

(1) (Applicable if this contract incorporates clause H001). The version of FAR 52.230-2, Cost Accounting Standards, incorporated by clause H001 is the version dated April 1998.

(2) (Applicable if this contract incorporates clause H002). The version of FAR 52.230-3, Disclosure and Consistency of Cost Accounting Practices, incorporated by clause H002 is the version dated April 1998.

5. The following prime contract special provisions apply to this purchase order:

A. FOREIGN MILITARY SALES

The Seller certifies that the price of this Contract does not include any direct or indirect costs of sales commissions or fees for Seller's sales representatives involved in Foreign Military Sales.

B. FOREIGN OBJECT DAMAGE/CONTROL

Seller shall establish and maintain systems and procedures necessary to provide a program of foreign object damage/control.

C. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

Seller shall provide immediate notice to Buyer in the event of being debarred suspended, or proposed for debarment by any Federal Agency during the performance of this Contract.

D. FOREIGN NATIONALS - FOREIGN SOURCES

(1) For the purposes of this clause,

(A) Foreign nationals are those persons not citizens of, not nationals of, or resident/immigrant aliens to, the United States;

(B) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation, or person; and

(C) Foreign sources are those sources (vendors, subcontractors, and suppliers) not owned and controlled by citizens or immigrant aliens of the United States.

(2) Nothing in this clause is intended to waive any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export-controlled data and information.

(3) Seller acknowledges that equipment and technical data generated or delivered in the performance of this contract is controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128, and require an export license before assigning any foreign national to perform work under this contract or before granting access to foreign nationals to any equipment and technical data generated or delivered in performance of this contract (see 22 CFR Section 125). Seller agrees to notify and obtain the written approval of Buyer prior to assigning or granting access to any work, equipment, or technical data generated or delivered in the performance of this contract to foreign nationals or their representatives. This notification will include the name and country of origin of the foreign national or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign national is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

E. EXPORT CONTROLLED DATA RESTRICTIONS

(1) For the purpose of this clause,

(A) Foreign person is any person who is not a citizen of the U.S. or lawfully admitted to the U.S. for permanent residence under the Immigration and Nationality Act, and includes foreign corporations, foreign organizations, and foreign governments;

(B) Foreign representative is anyone, regardless of nationality or citizenship, acting as an agent, representative, official, or employee of a foreign government, a foreign-owned or influenced firm, corporation, or person; and

(C) Foreign sources are those sources (vendors, subcontractors, and suppliers) owned and controlled by a foreign person.

(2) Seller shall place a clause in subcontracts containing appropriate export control restrictions, set forth in this clause.

(3) Nothing in this clause waives any requirement imposed by any other U.S. Government agency with respect to employment of foreign nationals or export-controlled data and information.

(4) Equipment and technical data generated or delivered in the performance of this contract are controlled by the International Traffic in Arms Regulation (ITAR), 22 CFR Sections 121 through 128. An export license is required before assigning any foreign source to perform work under this contract or before granting access to foreign persons to any equipment and technical data generated or delivered during performance (see 22 CFR Section 125). Seller shall notify Buyer and obtain the written approval of Buyer prior to assigning or granting access to any work, equipment, or technical data generated or delivered in the

performance of this contract to foreign persons or their representatives. This notification shall include the name and country of origin of the foreign person or representative, the specific work, equipment, or data to which the person will have access, and whether the foreign person is cleared to have access to technical data (DoD 5220.22-M, National Industrial Security Program Operating Manual (NISPOM)).

F. ORGANIZATIONAL CONFLICT OF INTEREST

(“Offeror” or “Contractor” refers to Seller; “Contracting Officer” or “Government” refers to Buyer and/or its customer.)

(a) The offeror warrants, to the best of its knowledge and belief, that (1) there are no relevant facts that could give rise to organizational conflicts of interest, as defined in FAR 9.501; or (2) the offeror has disclosed all relevant information regarding any actual or potential organizational conflicts of interest. Offerors are encouraged to inform the Contracting Officer of any potential conflicts of interest, including those involving contracts with other Government organizations, before preparing their proposal to determine whether the Government will require mitigation of those conflicts. If the successful offeror was aware, or should have been aware, of an organizational conflict of interest before award of this contract and did not fully disclose that conflict to the Contracting Officer, the Government may terminate the contract for default.

(b) If during contract performance the contractor discovers an organizational conflict of interest involving this contract, the contractor agrees to make an immediate and full disclosure in writing to the Contracting Officer. Such notification will include a description of the action the contractor and/or subcontractor has taken or proposes to take to avoid, neutralize, or mitigate the conflict. The contractor will continue contract performance until notified by the Contracting Officer of any contrary actions to be taken. The Government may terminate this contract for its convenience if it deems such termination to be in the best interest of the Government.

(c) The contractor must inform the Contracting Officer of any activities, efforts, or actions planned, entered into, or on-going by the contractor, or any other corporate entity of the contractor, at the prime or sub-contract level, involving the review of information or providing any advice, assistance, or support to Government agencies, entities which may result in a perceived or actual organizational conflict of interest with any known Governmental activity. The contractor must provide detailed information to the Contracting Officer as to the specifics of the situation immediately upon its recognition. Based on the severity of the conflict, the Contracting Officer may direct the contractor to take certain actions, revise current work effort, or restrict the contractor's future participation in Government contracts as may be necessary to appropriately neutralize, mitigate, or avoid the organizational conflict of interest.

(d) If necessary to mitigate organizational conflict of interest concerns, or when directed to do so by the Contracting Officer, the contractor shall submit an organizational conflict of interest mitigation plan for approval. The plan must describe how the contractor will mitigate, neutralize, or avoid potential and/or actual conflicts of interest or unfair competitive advantages. After approval of the mitigation plan, the contractor must conduct a yearly self-assessment and submit an annual certification of compliance with the terms of the plan signed by a corporate official at the level of Vice President or above. The contractor agrees to submit a revised mitigation plan for approval whenever corporate, contractual, or personnel changes create or appear to create new organizational conflict of interest concerns, or when directed to do so by the Contracting Officer.

(e) The contractor must insert a clause containing all the requirements of this clause in all subcontracts for work similar to the services provided by the prime contractor.

(f) Before this contract is modified to add new work or to significantly increase the period of performance, the contractor agrees to submit an organizational conflict of interest disclosure or representation if requested by the Government.

(g) The contractor further agrees that the Government may periodically review the contractor's compliance with these provisions or require such self-assessments or additional certifications as the Government deems appropriate.

G. SPECIAL NOTIFICATION AND APPROVAL REQUIREMENTS

(a) It is a material condition of this contract that the contractor notifies and seeks approvals as required in the following situations:

(1) Litigation or Requests for Information Relating to this Contract.

(i) The Seller hereby agrees to immediately give notice to the Buyer of any anticipated or current litigation or request for information from a third party (including individuals, organizations, and federal, state, or local governmental entities) involving or in any way relating to this contract, pertinent subcontracts, or the Buyer's relationship with the Seller or Seller's subcontractor(s). Said notice shall include all relevant information with respect thereto.

(ii) Buyer or its customer shall have access to and the right to examine any pertinent books, documents, papers, and records of the prime contractor or subcontractor(s) related to any contract litigation.

(2) Utilization of Government Relationship for Publicity, Advertising, or Public Relations Purposes.

(i) The Seller agrees not to use or allow to be used any aspect of this contract for publicity, advertisement, or any other public relations purpose. This prohibition extends to announcements of contract award and of modifications adding value or time to the contract. It is further understood that this obligation shall not expire upon completion or termination of this contract, but will continue until rescinded by Buyer.

(ii) The Seller may request a waiver or release from Buyer.

(b) The Seller agrees to insert this clause in any subcontract under this contract. In the event of litigation, the Seller's subcontractor shall immediately notify the Seller or its next tier subcontractor, as appropriate, of all relevant information with respect to such litigation.

H. PERSONAL CONDUCT

(a) The Seller, its employees, and its subcontractors shall comply with the conduct requirements in effect at the Government's work site. Buyer reserves the right to exclude or remove from the work site any employee of the contractor or of a subcontractor whom the Buyer or its customer deems careless, uncooperative, or whose continued employment on the work site is deemed by the Buyer or its customer to be contrary to the public interest.

(b) The Seller shall inform its employees that Buyer has a zero tolerance policy for harassing behavior. Any Seller or Seller's subcontractor employee determined by the Buyer or its customer to have engaged in harassing behavior shall be immediately escorted from the premises and denied further access to the worksite. The Seller shall emphasize this requirement to its employees.

(c) Exclusion from the worksite under the circumstances described in this clause shall not relieve the Seller from full performance of the contract, nor will it provide the basis for an excusable delay or any claims against the Buyer or its customer.

I. CONTRACTOR COMPLIANCE WITH ENVIRONMENTAL, OCCUPATIONAL SAFETY AND HEALTH, AND SYSTEM SAFETY REQUIREMENTS

(a) In performing work under this contract, the Seller shall comply with-

(1) All applicable Federal, State, and local environmental, occupational safety and health, and system safety laws, regulations, policies and procedures in effect as of the date the contract is executed;

(2) Any regulations, policies and procedures in effect at any Government facility where work will be performed;

(3) Any contract specific requirements; and

(4) Buyer or its customer direction.

(b) Conflicting Requirements. The Seller shall provide written notification to Buyer of any conflicts in requirements. The notification will describe the conflicting requirements and their source; provide an estimate of

any impact to the contract's cost, schedule, and any other terms and conditions; and provide a recommended solution. The notification will also identify any external organizations that Buyer or the Seller may have to coordinate with in order to implement the solution. Buyer will review the notification and provide written direction. Until Buyer issues that direction, the Seller will continue performance of the contract, to the extent practicable, giving precedence in the following order to requirements that originate from:

- (1) Federal, state, and local laws, regulations, policies and procedures;
- (2) Government facility regulations, policies and procedures; and
- (3) Contract specific direction.

(c) Material Condition of Contract. Environmental, occupational safety and health, and system safety requirements are a material condition of this contract. Failure of the contractor to maintain and administer an environmental and safety program that is compliant with the requirements of this contract shall constitute grounds for termination for default.

(d) The Seller shall include this clause in all subcontracts.

J. NOTIFICATION OF ISSUANCE OF CLASSIFIED SUBCONTRACTS

(a) The Seller shall provide to Buyer written notice of all subcontracts issued hereunder wherein any aspect of the subcontract is classified using the "Subcontractor Notification Form." The shall include (1) the name and address of the subcontractor(s), (2) a description of the supplies or services that are being acquired pursuant to the subcontract, and (3) a SF328 and KMPL on the subcontractor's parent organization as required by clause 152.204-705 ("Foreign Ownership, Control, or Influence (SEP 2002)," which is incorporated herein). Such notice shall be provided Buyer within 14 days of entering into such contract.

(b) For the purpose of this clause, subcontract means a contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or service for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(c) The Seller's obligations under this clause are in addition to any other provisions of this contract, if any, relating to subcontracting. The Seller is responsible for ensuring that all subcontractors having access to classified information must have the necessary Agency clearances.

(d) The Seller shall include a similar requirement in each subcontract issued under this contract wherein any aspect of the subcontract is classified. Seller's subcontractors shall submit notices to the Buyer as described in paragraph (a) above.

K. ACCIDENT REPORTING

- (a) The Seller shall provide oral notification to the Buyer when an accident occurs on Federal property in connection with performance of this contract. Notification must be given not later than twenty-four (24) hours after the accident occurs.
- (b) When requested by the Buyer (or its authorized representative) the Seller shall conduct an investigation of the accident and shall prepare a report that identifies all pertinent facts related to the accident. The report shall include, but not be limited to, the underlying cause(s) of the accident and the actions the Seller shall take to prevent the recurrence of similar accidents. The Seller shall submit the report to the Buyer (or its authorized representative) not later than fourteen (14) calendar days from the date the accident occurs.
- (c) The Buyer or its customer may elect to conduct an investigation of the accident with the assistance of the Seller.
- (d) Compliance with the provisions of this clause shall not entitle the Seller to an equitable adjustment in contract price or to an extension of performance schedule.

- (e) The Seller shall incorporate this clause, including this subparagraph (e), in all subcontracts, with the appropriate changes in the designation of the parties.