

**CUSTOMER CONTRACT REQUIREMENTS
(C-17 Multiyear I Production)
CUSTOMER CONTRACT F33657-96-C-2059**

CUSTOMER CONTRACT REQUIREMENTS

If Form GP1 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 29. If Form GP2 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 28. If Form GP3 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 41. If Form GP4 is applicable to this procurement, this Attachment constitutes the Government clauses contemplated by Article 31. If this contract is for the procurement of commercial items, 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.

52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995). This clause applies only if this contract exceeds \$100,000.

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.

52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (SEP 1990). 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.

52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 1991). This clause applies only if this contract exceeds \$100,000.

52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JAN 1990). 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 (APR 1984). "Changes clause" means the changes clause of this contract. This clause applies only if access to classified material is required.

52.211-5 New Material (MAY 1995). Any notice will be given to Buyer rather than the Contracting Officer.

52.211-7 Used or Reconditioned Material, Residual Inventory and Former Government Surplus Property (MAY 1995). The terms "Contracting Officer" and "Government" mean Buyer.

52.211-15 Defense Priority and Allocation Requirements (SEP 1990). This clause is applicable if a priority rating is noted in this contract.

52.215-2 Audit and Records - Negotiation (OCT 1995). 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. This clause does not apply to items delivered under lots 13 through 15.

52.215-22 Price Reduction For Defective Cost or Pricing Data (OCT 1995). 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." This clause does not apply to items delivered under lots 13 through 15.

52.215-24 Subcontractor Cost or Pricing Data (OCT 1995). 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." This clause does not apply to items delivered under lots 13 through 15.

52.215-26 Integrity of Unit Prices (excluding subparagraph (b)) (OCT 1995). 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. This clause does not apply to items delivered under lots 13 through 15.

52.215-27 Termination of Defined Benefit Pension Plans (SEP 1989). This Clause applies to this contract if it meets the requirements of FAR 15.804-8(e). This clause does not apply to items delivered under lots 13 through 15.

52.215-39 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB) (FEB 1995). This Clause applies to this contract if it meets the requirements of FAR 15.804-8(f). This clause does not apply to items delivered under lots 13 through 15.

52.215-40 Notification of Ownership Changes (FEB 1995). This Clause applies to this contract if it meets the requirements of FAR 15.804-8(g). This clause does not apply to items delivered under lots 13 through 15.

52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (OCT 1995).

52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan (FEB 1995). In paragraph (c), "Contracting Officer" shall mean Buyer. This clause applies only if this contract exceeds \$500,000. and Seller is not a small business concern.

52.222-1 Notice to Government of Labor Disputes (APR 1984). "Contracting Officer" shall mean Buyer.

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

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (APR 1984).

52.222-35 Equal Opportunity for Special Disabled, Veterans of the Vietnam Era, and Other Eligible Veterans (APR 1984). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Workers With Disabilities (APR 1984). 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 (JAN 1988). This clause applies only if this contract exceeds \$25,000.

52.223-2 Clean Air and Water (APR 1984). This clause applies only if this contract exceeds \$100,000.

52.223-3 Hazardous Material Identification and Material Safety Data (NOV 1991). This clause applies only if Seller delivers hazardous material under this contract.

52.223-7 Notice of Radioactive Materials (NOV 1991). This clause applies only if this contract involves (i) radioactive material requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended, as set forth in Title 10 of the Code of Federal Regulations, in effect on the date of this contract, or (ii) other radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries. "Contracting Officer" shall mean Buyer. In the blank in paragraph (a), insert "60 days."

52.223-11 Ozone Depleting Substances (MAY 1995).

52.225-10 Duty-free Entry (APR 1984). This clause applies only if this contract identifies supplies to be afforded duty-free entry or if foreign supplies in excess of \$10,000 may be imported into the customs territory of the United States. For the purposes of this clause, the blanks in paragraph (g)(3) are completed as follows: UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE, Duty-free entry is claimed pursuant Section XXII, Chapter 98, Subchapter VIII, Item No. 9808.00.30 of the Harmonized Tariff Schedule of the United States. Upon arrival of shipment at port of entry, the importer or authorized agent will notify Commander, Defense Contract Management Area Operations (DCMAO, New York, 201 Varick Street, New York, New York, 10014-4811, Attention DCRN-NCT) for execution of Customs Forms 7501, 7501-A, or 7506 and required duty free entry certificates.

52.225-11 Restriction on Certain Foreign Purchases (MAY 1992).

52.227-1 Authorization and Consent (JUL 1995).

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (APR 1984). A copy of each notice sent to the Government will be sent to Buyer. "Contracting Officer" shall mean "Buyer". This clause applies only if this contract exceeds \$100,000.

52.227-12 Patent Rights - Retention by the Contractor (Long Form) (JUN 1989). This clause only applies if this Contract is for experimental, developmental, or research work and Seller is other than a small business firm or nonprofit organization.

52.230-5 Administration of Cost Accounting Standards (FEB 1995). 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.

52.234-1 Industrial Resources Developed Under Defense Production Act Title III (DEC 1994).

52.242-15 Stop Work Order (AUG 1989). Change "90 days" and "30 days" to "100 days" and "20 days" respectively. The terms "Contracting Officer" and "Government" shall mean Buyer.

52.244-5 Competition in Subcontracting (JAN 1996). This clause does not apply to items delivered under lots 13 through 15.

52.244-6 Subcontracts for Commercial Items (OCT 1995)

52.245-2 Government Property (Fixed Price Contracts) (DEC 1989). This clause is not applicable if this contract incorporates Form GP4. "Government" shall mean Government throughout except the first time it appears in paragraph (f) when "Government" shall mean the Government or the Buyer.

52.245-17 Special Tooling (APR 1984). This clause applies only if tooling is acquired for or furnished by the Government and to be retained for use by the Seller.

52.245-18 Special Test Equipment (FEB 1993). Change "30 days" to "45 days" in paragraph (b) and (c). The notice of intent to procure special test equipment required by this clause shall be forwarded to the Buyer.

52.246.23 Limitation of Liability (APR 1984).

52.246-24 Limitation of Liability - High Value Items. (APR 1984) This Clause only applies to those high value items identified in this Contract as being subject to this clause.

2. DoD Contracts. If this Contract is placed under a Department of Defense Contract, the following contract clauses are incorporated by reference from the Department of Defense Federal Acquisition Regulation Supplement and apply to the extent indicated. In all of the following clauses, "Contractor" and "Offeror" mean Seller except as otherwise noted. Unless otherwise provided, the clauses are those in effect as of the date of this contract.

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (excluding paragraph (g)) (NOV 1995). This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components. "Contractor" and "contract" are not changed in paragraphs (a) and (b). In paragraph (e), "Government" shall mean Government or Buyer. In paragraph (f), "through the Buyer" is inserted after "Contracting Officer". Paragraph (g) is deleted and "Contracting Officer" shall mean Contracting Officer.

252.204-7000 Disclosure of Information (DEC 1991). Seller will submit requests for authorization to release through Buyer.

252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (Dec 1991). The term "Offeror" shall mean Seller. This clause applies only if this contract exceeds \$100,000 and if an item being purchased contains precious metal. In Paragraph (b) add the following list:

<u>Precious Metal</u>	<u>Quantity</u>	<u>Deliverable Item</u>
Silver	182.5 troy ozs. ship set	Flotation Equipment Deployment System (FEDS) Explosive Transfer Lines

252.209-7000 Acquisition From Subcontractors Subject to On-site Inspection Under the Intermediate-Range Nuclear Forces Treaty (NOV 1995). This clause applies only if this contract exceeds \$100,000 and does not apply to the purchase of commercial items or commercial components.

252.211-7000 Acquisition Streamlining (DEC 1991). This clause applies only if this contract exceeds \$1 million.

252.215-7000 Pricing Adjustments (DEC 1991). This clause applies only if this contract exceeds \$500,000. This clause does not apply to items delivered under lots 13 through 15.

252.223-7002 Safety Precautions for Ammunition and Explosives (MAY 1994). This clause applies only if this contract involves ammunition or explosives. "Government" means Government or Buyer in paragraph (b)(2), each time it appears in (e), (f)(1), (f)(2), the first time it appears in (g)(1)(i), and in (g)(3). "Government" means Buyer in paragraphs (c)(3), (c)(4), (c)(5), and the second time it appears in (g)(1)(i). "Contracting Officer" means Contracting Officer and Buyer in paragraph (g)(4). "Contracting Officer" means Buyer in paragraphs (c)(1), (c)(2), (c)(3), (c)(4), (c)(5), and each time it appears in (d).

252.223-7003 Change in Place of Performance – Ammunition and Explosives (DEC 1991). This clause applies only if DFARS 252.223-7002 is applicable to this contract. The term "Contracting Officer" means Buyer.

252.225-7001 Buy American Act and Balance of Payment Program. (JAN 1994)

252.225-7002 Qualifying Country Sources as Subcontractors (DEC 1991)

252.225-7009 Duty-free Entry — Qualifying Country Supplies (End Products and Components) (DEC 1991).

252.225-7010 Duty-free Entry — Additional Provisions (DEC 1991). This clause applies in addition to FAR 52.225-10.

ACO	Tim Nowicki
Activity Address	DCMC Boeing Long Beach P.O. Box 22608 Long Beach, CA 90801-4481
Activity Address Number	FA8614
Prime Contractor	The Boeing Company
Prime Contractor's Address	2401 E. Wardlow Rd. Long Beach, CA 90807-5309
Cage Code	88277
Prime Contract Number	F33657-96-C-2059
Prime Contract Dollar Value	\$14,209,367,578.00

252.225-7012 Preference for Certain Domestic Commodities (NOV 1995).

252.225-7014 Preference for Domestic Specialty Metals (NOV 1995), Alternate I (DEC 1991).

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (APR 1993). This clause does not apply to the purchase of commercial items other than ball or roller bearings or to items which contain no ball or roller bearings.

252.225-7025 Restriction on Acquisition of Forgings (NOV 1995). This clause applies only if this contract is for goods that contain restricted forging items per paragraphs (a) and (b) of the referenced clause.

252.225-7026 Reporting of Contract Performance Outside the United States (NOV 1995). This clause applies only if this contract exceeds \$500,000 and is not for commercial items, construction, ores, natural gases, utilities, petroleum products and crudes, timber (logs), or subsistence.

252.227-7013 Rights in Technical Data - Noncommercial Items (NOV 1995). This clause applies only if the delivery of data is required for noncommercial items under this contract.

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995). This clause applies only if the delivery of noncommercial computer software or noncommercial computer documentation may be originated, developed or delivered under this contract.

252.227-7015 Technical Data - Commercial Items (NOV 1995). This clause applies only if the delivery of data is required for commercial items under this contract.

252.227-7016 Rights in Bid or Proposal Information (JUN 1995).

252.227-7019 Validation of Asserted Restrictions - Computer Software (JUN 1995). This clause applies only if computer software may be originated, developed, or delivered under this contract.

252.227-7030 Technical Data - Withholding of Payment (OCT 1988). In this clause, "Government" and "Contracting Officer" shall mean Buyer. This clause applies only if the delivery of technical data is required under this contract.

252.227-7036 Declaration of Technical Data Conformity (MAY 1987). This clause applies only if the delivery of data is required by this contract.

252.227-7037 Validation of Restrictive Markings on Technical Data (NOV 1995). This clause applies only if the delivery of data is required by this contract.

252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (DEC 1991).

252.231-7000 Supplemental Cost Principles (DEC 1991). This clause does not apply to items delivered under lots 13 through 15.

252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services (DEC 1991). This clause applies only if this contract requires securing telecommunications.

252.245-7001 Reports of Government Property (MAY 1994). Seller will provide information that the Buyer may require to complete Buyer's annual report.

252.246-7001 Warranty of Data (DEC 1991). The warranty period in paragraph (b) is three years from the Government's acceptance of the final items of data under this contract. "Government" and "Contracting Officer" shall mean Buyer.

252.247-7023 Transportation of Supplies by Sea (NOV 1995). This clause applies only if the supplies are of a type described in paragraph (b)(2) of this clause. In paragraph (d), "45 days" is changed to "60 days." In paragraph (g) "Government" means Buyer. If this contract is at or below \$100,000, paragraphs (f) and (g) are excluded.

252.249-7002 Notification of Proposed Program Termination or Reduction (MAY 1995). This clause applies only if this contract is \$500,000 or more. Seller will comply with the notice and flowdown requirements of paragraph (d)(2) of the referenced clause.

3. If goods or services being procured under this contract are for 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:

52.222-26 Equal Opportunity (subparagraph (b)(1) through (11)) (APR 1984).

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984). This clause applies only if this contract exceeds \$25,000.

52.222-36 Affirmative Action for Handicapped Workers (APR 1984). This clause applies only if this contract exceeds \$10,000.

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 August 1992.

(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 1996.

(3) (Applicable if this contract incorporates clause H003). The version of FAR 52.230-4, Consistency in Cost Accounting Practices, incorporated by clause H003 is the version dated August 1992.

(4) (Applicable if this contract incorporates clause H004). The version of FAR 52.230-5, Cost Accounting Standards – Educational Institution, incorporated by clause H004 is the version dated April 1996.

5. The following special provisions are applicable to this contract:

A. NOTIFICATION OF DEBARMENT/SUSPENSION STATUS

Seller shall provide immediate notice to Buyer in the event of being suspended, debarred or declared ineligible by any Department or other Federal Agency, or upon receipt of a notice of proposed debarment from any DoD Agency, during the performance of this Contract.

B. GOVERNMENT PROPERTY

The Seller agrees that it will not directly or indirectly, through overhead charges or otherwise, include in the price of this contract, or seek reimbursement under this contract for, any rental charge paid by the Seller for use on other contracts of the facilities referred to herein. Any subcontract hereunder which authorizes the subcontractor to use Government facilities on a no-charge basis shall contain a provision to the same effect as this paragraph 5.B

C. GOVERNMENT VISITS

The Government Contracting Officer or the Contracting Officer's representative may, at their discretion, visit the Seller's facility(ies) to review progress pertaining to the requirements of this contract.

D. TRAINING SYSTEMS COOPERATIVE ENABLING AGREEMENT

(1) The Seller agrees to provide, at a minimum, the Government designated Training contractor(s) with:

(a) All necessary design, performance, operational and characteristic (including flight test data) technical data of the C-17 system. If the Training Systems contractor(s), with Government concurrence, determines that the data provided is not adequate for Training Systems design, the Seller agrees to create and provide said data to the Training Systems contractor(s), within the scope of this contract. Differences between the contractors on the need for additional data will be resolved by the Government.

(b) All technical data relating to the Producibility Enhancement/Performance Improvement (PE/PI) contract proposals, C-17 Engineering Change Proposals (ECP's), deviations, waivers or any other comparable documents that may change the Training Systems design. The Seller will release the technical data to the Training Systems contractor(s) as it is developed. The technical content of the proposals will be forwarded to the Training Systems contractor(s) as soon as practical, to enable Training System change proposals to be released concurrently with the aircraft proposals. Additionally, a copy of the final C-17 change proposal will be forwarded to the Training Systems contractor(s) concurrent with release to the Procuring Contracting Officer (PCO).

(c) All technical data, and computer software, specifically developed in the Seller's internal simulation activities for the C-17 that the Government determines may otherwise be useful to the Training Systems contractor(s).

(2) The Seller agrees to sell to the Training Systems contractor(s) any C-17 aircraft parts required for the development, manufacture, or support of the Training Systems concurrent with the C-17 production and/or retrofit buy and negotiate an agreement with the Training Systems contractor(s) for control and nondisclosure of technical data and computer software data required by the Training Systems contractor(s) which is considered by Seller to be proprietary, provided that such data has not been delivered nor is deliverable under this or any other Government contract with unlimited rights as defined in the clause entitled, "Rights in Technical Data and Computer Software" of this contract.

(3) The cooperative enabling agreement shall also establish the capability for the Training Systems contractor(s) to provide to Buyer the training impact data and budgetary cost estimates associated with implementing changes.

(4) Under this contract the Seller shall perform only that effort and charge only those costs associated with the Training Systems Cooperative Enabling Agreement which are applicable to the Production effort.

E. SELLER LIABILITY FOR BREAKOUT OF SUPPORT EQUIPMENT, SPARES, REPAIR OF REPARABLES, RETROFIT AND MODIFICATIONS

(1) The Seller warrants the accuracy and completeness of its and its subcontractors' newly developed and/or developmentally modified design disclosure drawing(s) for Government use and/or Government breakout to third parties skilled in the applicable art, in the manufacture, retrofit, repair or modification of C-17 items. With respect to the above engineering data, the Seller makes no warranties express or implied including but not limited to the warranty of merchantability or fitness for a particular purpose. The Seller shall in no event be liable for incidental or consequential damages resulting from the misuse of (deviation from) the requirements specified on the design disclosure drawings.

(2) Seller shall not be held liable for claims or incidental and consequential damages arising out of the Government's misuse of or the Government breakout of control drawings to third parties wherein:

(a) The items or components are manufactured to new third party or Government design; and/or

(b) The third parties or the Government substitute material specifications and/or manufacturing processes other than Seller's material and/or process specifications specified on the Seller's or its subcontractors' engineering data; and/or

(c) The third parties or the Government manufacture, repair, retrofit, or modify items or components to engineering data developed by third parties or the Government to form, fit, and function requirements depicted on C-17 control drawings.

F. SAFETY AND ACCIDENT PREVENTION

In performing work under this Contract on a Government installation, Seller shall (1) conform to the specific safety requirements contained in the Contract, and (2) for those related activities not directly addressed by this Contract, conform to the applicable safety rules prescribed by the Government installation, and (3) take such additional precautions as Buyer or the Contracting Officer under Buyer's Government contract may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected as directed by Buyer or the Contracting Officer, shall be grounds for termination of this Contract in accordance with the default provisions hereof. Buyer may, by written order, direct additional safety and accident standards as may be required under Buyer's Government contract and any adjustments resulting from such direction will be in accordance with the provisions of this Contract entitled "Changes."

G. FOREIGN OBJECT DAMAGE/CONTROL

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