

Date: October 31, 2003

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT DAAH01-03-C-0180 LC**

The clauses contained in the following Government regulations are incorporated by reference. Where necessary or appropriate to derive proper meaning in a subcontract situation, "Contractor" shall mean Seller. Government clauses cited elsewhere in the contract shall be those in effect in _____.

FAR/DFARS

<u>Reference</u>	<u>Title</u>
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 97)
52.211-5	Material Requirements (AUG 00) ("Contracting Officer" means Buyer.)
52.211-15	Defense Priority and Allocation Requirements (SEP 90)
52.215-19	Notification of Ownership Changes (OCT 97)
52.219-8	Utilization of Small Business Concerns (OCT 00)
52.222-21	Prohibition of Segregated Facilities (FEB 99)
52.222-26	Equal Opportunity (APR 02) [Subparagraphs (b)(1) through (11)]
52.225-13	Restrictions on Certain Foreign Purchases (JUN 03) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (MAR 99)
252.225-7001	Buy American Act and Balance of Payments Program (APR 03)
252.225-7002	Qualifying Country Sources As Subcontractors (APR 03)
252.225-7012	Preference For Certain Domestic Commodities (FEB 03)
252.225-7013	Duty Free Entry (APR 03)
252.225-7014	Preference for Domestic Specialty Metals, Alt. I (APR 03) (Applies only if contract item contains specialty metals.)
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (APR 03) (Applies only if contract item contains ball or roller bearings.)
252.225-7025	Restriction on Acquisition of Forgings (APR 03) (Applies only if delivered items could contain forging items)
252.231-7000	Supplemental Cost Principles (DEC 91)

The following clauses also apply if the contract price exceeds \$10,000:

52.222-20	Walsh-Healey Public Contracts Act (DEC 96)
52.222-36	Affirmative Action for Workers with Disabilities (JUN 98)

The following clause also applies if the contract price exceeds \$25,000:

52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 01)
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52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 01)

The following clauses also apply if the contract price exceeds \$100,000:

- 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 95)
- 52.203-7 Anti-Kickback Procedures (JUL 95)
- 52.203-10 Price or Fee Adjustment For Illegal or Improper Activity (JAN 97)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 03) (The disclosures of Seller and its lower tier subcontractors required shall be submitted to Buyer's Material Representative.)
- 52.215-2 Audit and Records-Negotiation (JUN 99) (Applies if the contract is cost reimbursement, incentive, time-and-materials, labor hour, or price redeterminable type or any combination of these; if cost or pricing data was required; or if cost funding or performance reports will be furnished.)
- 52.215-14 Integrity of Unit Prices (OCT 97) ALT 1 (Excluding paragraph (b)). (Not applicable if only services will be provided.)
- 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (SEP 00)
- 52.223-14 Toxic Chemical Release Reporting (JUN 03) (Paragraph (e) is deleted and "Contracting Officer" in paragraph (d) means Buyer.)
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 96). (A copy of each notice sent to the Government will be sent to Buyer.) ("Contracting Officer" means Buyer.)
- 52.248-1 Value Engineering (FEB 00) [excluding subparagraph (f)]. ("Contracting Officer" shall mean Buyer. If a Value Engineering Change Proposal is accepted by the Government, Seller's share will be 50% of the instant concurrent and future contract net acquisition savings and collateral savings that Buyer receives from the Government. Seller's negotiated share of net acquisition savings or collateral savings shall not reduce the Government's share of concurrent or future savings or collateral savings. Buyer's payments to Seller under this clause are conditioned upon Buyer's receipt of authorization for such payments from the Government.)
- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies (MAR 99) (This clause 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.)
- 252.209-7000 Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate - Range Nuclear Forces (INT) Treaty (NOV 95)

Additional Provisions:

DEFENSE PRIORITY RATING. If a defense priority rating is identified on the face of this contract, this is a rated order certified for national defense use and the Seller shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15 CFR Part 700), including accepting or rejecting this contract in writing within fifteen (15) working days after receipt of DO rated or ten (10) days after receipt if DX rated. If rejected, the reason(s) for such rejection shall be included in the notice to the Buyer.

ANTI-KICKBACK PROCEDURES. Seller agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7, "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to Seller, and further that in subparagraphs (c)(2), (c)(3), and (c)(5), the term "Contractor" shall mean Seller, and in subparagraph (c)(4) the term "Prime Contractor" shall mean Buyer and the term "Subcontractor" shall mean Seller. In addition to reporting possible violations of the Anti-Kickback Act to the Government pursuant to 41 U.S.C. §57(c), Seller shall report such possible violations, if related to Buyer, to the Director of Materiel and/or the Division Counsel of the Boeing division or subsidiary issuing this contract. Seller agrees to hold Buyer harmless from, defend Buyer against, and indemnify Buyer for all costs, expenses, and offsets Buyer may incur as a consequence of violations of this clause by Seller or by Seller's subcontractors or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.

A = ADDED

D = DELETED

R = REVISED