

Date: March 9, 2004

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT N00019-04-C-0012**

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 February 9, 2004.

FAR/DFARS

<u>Reference</u>	<u>Title</u>
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 97)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (JAN 97)
52.204-2	Security Requirements (AUG 96) (Applies only if the contract requires access to classified information, "Government" means Buyer or the Government.)
52.211-5	Material Requirements (AUG 00) ("Contracting Officer" means Buyer.)
52.211-15	Defense Priority and Allocation Requirements (SEP 90)
52.215-15	Pension Adjustments and Asset Reversions (JAN 04) ("Contracting Officer" means Buyer and Seller's cognizant ACO.) (Applicable only if contract is other than firm-fixed-price or if certified cost or pricing data was provided.)
52.215-18	Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other than Pensions (OCT 97) (Applicable only if the contract is other than firm-fixed price or if certified cost or pricing data was provided.)
52.215-19	Notification of Ownership Changes (OCT 97)
52.219-8	Utilization of Small Business Concerns (OCT 00)
52.222-1	Notice to the Government of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.)
52.222-21	Prohibition of Segregated Facilities (FEB 99) (Certification required. The clause is to be included in every subcontract or purchase order subject to the equal opportunity clause.)
52.222-26	Equal Opportunity (APR 02) [Subparagraphs (b)(1) through (11)]
52.223-3	Hazardous Material Identification and Material Safety Data (JAN 97) (Applies only if hazardous material will be delivered)
52.223-11	Ozone-Depleting Substances (MAY 01)
52.223-7	Notice of Radioactive Materials (JAN 97) (In paragraph (1) insert "sixty (60)" before "days".)
52.225-8	Duty-Free Entry (FEB 00)
52.225-13	Restrictions on Certain Foreign Purchases (JAN 04) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)
52.227-10	Filing of Patent Applications - Classified Subject Matter (APR 84) (Applies only if contract will involve access to classified information)
52.227-12, Alt. I	Patent Rights - Retention by Contractor (Long Form) (JAN 97) [Applies only if Special Provision F.1 is included. If Seller is a small business or nonprofit organization, include FAR 52.227-11, Patent Rights - Retention by the Contractor (Short Form), in such subcontract or purchase order instead of this clause.]

- 52.234-1 Industrial Resources Developed Under Defense Production Act Title III (DEC 94)
- 52.242-15 Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
- 52.244-5 Competition in Subcontracting (DEC 96)
- 52.244-6 Subcontracts for Commercial Items and Commercial Components (APR 03)
- 52.247-67 Submission of Commercial Transportation Bills to the General Services Administration for Audit (JUN 97)
- 252.204-7000 Disclosure of Information (DEC 91) (Seller will submit requests for authorization through Buyer.)
- 252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (DEC 91)
- 252.211-7005 Substitutions for Military or Federal Specifications and Standards (FEB 03)
- 252.215-7000 Pricing Adjustments (DEC 91)
- 252.223-7002 Safety Precautions for Ammunition and Explosives (MAY 94)
(Applies only if contract involves ammunition or explosives.)
- 252.223-7003 Change in Place of Performance -- Ammunition and Explosives
(DEC 91) (Applies only if DFARS 252.223-7002 applies.)
- 252.225-7002 Qualifying Country Sources as Subcontractors (APR 03)
- 252.225-7012 Preference for Certain Domestic Commodities (AUG 00)
- 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.)
- 252.225-7022 Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber (APR 03) ("Contracting Officer" means Buyer. Applies only if a contract item contains such carbon fiber.)
- 252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 98)
- 252.227-7025 Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 95)
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles (DEC 91)
- 252.231-7000 Supplemental Cost Principles (DEC 91)
- 252.234-7001 Earned Value Management System (MAR 98) (This clause applies only if this contract states that the Earned Value Management System criteria applies to Seller)
- 252.235-7003 Frequency Authorization (DEC 91) (Applies only if contract involves developing, producing, testing or operating a device requiring radio frequency authorization.)
- 252.243-7001 Pricing of Contract Modifications (DEC 91)
- 252.243-7002 Requests for Equitable Adjustment (MAR 98)
- 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts) (MAR 00)
- 252.245-7001 Reports of Government Property (MAY 94). Seller will provide information Buyer may require to complete Buyer's annual report.
- 252.247-7024 Notification of Transportation of Supplies by Sea (MAR 00) ("Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" means Buyer.)

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

- 52.222-20 Walsh-Healy Public Contracts Act (DEC 96)

- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 01)
- 52.222-36 Affirmative Action for Workers with Disabilities (JUN 98)
- 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) (Excluding paragraph (c)(1))
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 91) (Seller's signed proposal provided the required certification.)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 03) (The disclosures of Seller and its lower tier subcontractors required by paragraph (c) 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) (Excluding paragraph (b)). (Not applicable if only services will be provided.)
- 52.223-14 Toxic Chemical Release Reporting (AUG 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) (This clause applies only if this contract exceeds the simplified acquisition threshold. 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)]. (This clause applies only if this contract is for \$100,000 or more. "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 applies only if this contract exceeds the FAR Part 13 simplified acquisition threshold 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.)
- 252.209-7000 Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate - Range Nuclear Forces (INT) Treaty (NOV 95)
- 252.247-7023 Transportation of Supplies by Sea (MAY 02) (In paragraph (d) "45 days" is changed to 60 days.)
- 252.247-7024 Notification of Transportation of Supplies by Sea (MAR 00) "Contracting Officer" and, in the first sentence of paragraph (a), "Contractor" shall mean Buyer.
- 252.249-7002 Notification of Anticipated Contract Termination or Reduction (DEC 96) In paragraph (e), "two weeks" is changed to 10 days.)

The following clauses also apply if the contract price exceeds \$500,000:

- 52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data – Modifications (OCT 97) (“Contracting Officer” shall mean Buyer in subparagraph (a))
- 52.230-2 Cost Accounting Standards (APR 98) (This clause applies only if Seller is subject to Cost Accounting Standards (CAS) and if this contract exceeds \$500,000. Per 52.230-6(e)(1), self-deleting clauses shall not be used.)
- 52.230-6 Administration of Cost Accounting Standards (NOV 99) (Add "Buyer and "before "Contracting Officer" in paragraph (e).) (This clause applies only if FAR 52.230-2 or -3 is contained in the prime contract.)

The following clauses also apply if the contract price exceeds \$1,000,000:

- 252.211-7000 Acquisition Streamlining (DEC 91)
- 252.225-7032 Waiver of United Kingdom Levies – Evaluation of Offers (APR 03)

The following clauses also apply if Technical Data or Computer Software will be Generated or Delivered:

- 52.227-14 Rights in Data - General (JUN 87)
- 252.227-7013 Rights in Technical Data--Noncommercial Items (NOV 95)
- 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 95)
- 252.227-7016 Rights in Bid or Proposal Information (JUN 95)
- 252.227-7019 Validation of Asserted Restrictions - Computer Software (JUN 95)
- 252.227-7026 Deferred Delivery of Technical Data (APR 88)
- 252.227-7027 Deferred Ordering of Technical Data or Computer Software (APR 88)
- 252.227-7030 Technical Data - Withholding of Payment (MAR 00) (This clause applies only if the delivery of data is required by this contract.) ("Contracting Officer" and "Government" means Buyer.)
- 252.227-7036 Declaration of Technical Data Conformity (JAN 97)
- 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 99)
- 252.246-7001 Warranty of Data (DEC 91) ("Contracting Officer" means Buyer.)

The following NAVAIR FAR Supplement Clauses apply to this purchase contract:

- 5252.227-9507 Notice Regarding the Dissemination of Export-Controlled Technical Data (NAVAIR) (JAN 92). (Paragraphs (a) through (c) only.)

Additional Provisions:

PRICING OF ADJUSTMENTS. When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provision of this contract, or when the allowability of costs under this contract are to be determined, determination of such costs shall be in accordance with FAR Part 31.

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 ten working days after receipt of DO rated or five 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.

TRUTH IN NEGOTIATIONS ACT. (Applicable if certified cost or pricing data was provided.) Seller shall comply with the provisions of FAR 52.215-10 and 52.215-12 which are incorporated herein by reference to the extent such clauses are or become applicable to this contract. In the absence of other instructions, Seller shall submit cost or pricing data for changes which exceed the established threshold consistent with the cost or pricing data instructions applicable to the proposal for this contract. Seller shall reimburse the Buyer any amount by which this contract is determined by the Government to have been overpriced because of Seller's or Seller's subcontractor's failure to comply with such provisions plus any interest, fines or other penalties imposed upon the Buyer as a result of the Seller's or the Seller's subcontractor's defective pricing.

A = ADDED
D = DELETED
R = REVISED