

Date: December 2000**EXHIBIT A****GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT F49620-99-2-0332**

This purchase contract will be administered in accordance with, and the Seller will comply with the applicable requirements of DoD 3210.6-R, the DoD Grant and Agreement Regulations (DoDGARs) (13 Apr 98).

The clauses contained in the following Government regulations are incorporated by reference. Where necessary or appropriate to derive proper meaning in a subcontract situation, "recipient" shall mean Seller. Government clauses cited elsewhere in the contract shall be those in effect September 7, 2000.

DoDGARs ***Title****Reference**

Appendix B to Part 25	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions
Appendix C to Part 25	Certification Regarding Drug-Free Workplace Requirements
Appendix A to Part 28	Certification Regarding Lobbying
34.17	Allowable Costs
34.21	Real Property and Equipment
34.22	Federally Owned Property
34.23	Property Management System
34.24	Supplies
34.31	Requirements
34.42	Retention and Access Requirements for Records
Appendix A to Part 34	Contract Provisions

* 32 CFR Parts 21-34

Special Contract Requirements:

If the purchase contract will involve experimental, developmental or research work, the following additional provisions apply:

Patent Infringement (from Article 21 of prime contract)

The Seller agrees not to hold Boeing responsible for any and all patent infringement cases that may arise out of or relating to its performance under this Agreement. In addition, the Seller shall indemnify Boeing against all claims and proceedings for actual or alleged direct or contributory infringement of, or inducement to infringe, any U.S. or foreign patent, trademark, or copyright that may arise out of or relating to its performance under this Subcontract, and the Seller shall hold Boeing harmless from any resulting liabilities and losses provided the Seller is reasonably notified of such claims and proceedings. Seller shall defend, at its own expense, any suit or claim that may be instituted against Boeing under this article, and shall have control of the defense of any such claim, including appeals from any judgment resulting therefrom and any negotiations for the settlement or compromise thereof, with full authority to enter into a binding settlement or compromise.

Inventions (from Article 22 of prime contract)

A. The clause entitled "Patent Rights (Small Business Firms and Nonprofit Organizations)" (37 CFR 401.14(a)) is hereby incorporated by reference and the clauses in paragraph 401.14 are modified as follows: replace the word "contractor" with "Seller"; replace the words "agency", "Federal Agency" and "funding Federal Agency" with "Government"; replace the word "contract" with "purchase contract"; delete paragraphs (g)(2), (g)(3) and the words "to be performed by a small business firm or domestic nonprofit organization" from paragraph (g)(1). Paragraph (1), Communications, point of contact on matters relating to this clause will be the Boeing Buyer.

B. The Seller shall file Invention (Patent) Reports as of the close of the performance year and at the end of the term for this purchase contract. Annual reports are due ninety (90) days after the end of each year of performance and final reports are due ninety (90) days after the expiration of the final performance period. The Seller shall use DD Form 882, Report of Inventions and Subcontracts, to file an invention report. Negative reports are also required. The Seller shall submit the original and one copy to the Boeing Buyer.

C. Final payment cannot be made nor can the agreement be closed out until the Seller delivers to Boeing all disclosures of subject inventions required by this purchase contract.

Data Rights (from Article 23 of prime contract)

A. Ownership rights to data and technical data, as defined in 48 CFR 27.401, generated under this purchase contract shall vest in Seller.

B. With respect to data delivered, the Seller hereby grants to the U.S. Government a non-exclusive, non-transferable, royalty-free, fully paid-up license to use, duplicate, or disclose the data for governmental purposes.

C. The Seller reserves the right to protect by copyright original works developed under this purchase contract. All such copyrights will be in the name of the Seller. The Seller hereby grants the U.S. Government a non-exclusive, non-transferable, royalty-free, fully paid-up license to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, for governmental purposes, any copyrighted materials developed under this purchase contract, and to authorize others to do so. The Seller also grants non-exclusive, non-transferable, royalty-free, fully paid-up licenses to the U.S. Government to use any copyrighted material developed under this purchase contract for research purposes as necessary to fulfill the requirements of this purchase contract.

D. The Seller agrees to retain and maintain in good condition until five (5) years after completion or termination of this agreement, all data necessary to achieve practical application of the technology developed hereunder. In the event of exercise of the Government's March-In Rights as set forth in the Article entitled "*Inventions*", or if the Government determines the Seller or assignee has not taken effective steps, consistent with the intent of the purchase contract, to achieve practical application of the technology developed during the performance of this purchase contract, the Seller agrees, upon written request from the Government, to deliver at no additional cost to the Government, all data necessary to achieve practical application within sixty (60) calendar days from the date of the written request. The Government shall have unlimited rights to this delivered data.

E. Pursuant to paragraph B. above, any data delivered under this purchase contract shall be marked with the following legend:

"Distribution authorized to U.S. Government agencies only (Proprietary Information) (Date of determination).
Other requests for this document shall be referred to Air Force Research Laboratory, Air Force Office of
Scientific Research (AFRL/AFOSR)."

The Seller is responsible for affixing appropriate markings indicating rights on all data and technical data delivered under the agreement.

F. The Seller shall include this article, suitably modified to identify the parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental or research work.

Foreign Access to Technology (from Article 24 of prime contract)

This article shall remain in effect during the term of this purchase contract and for five (5) years thereafter.

A. Definitions.

"Foreign firm or institution" means a firm or institution organized or existing under the laws of a country other than the United States, its territories, or possessions. The term includes, for purposes of this purchase contract, any agency or instrumentality of a foreign government; and firms, institutions or business organizations that are owned or substantially controlled by foreign governments, firms, institutions, or individuals.

"Know-how" means all information including, but not limited to discoveries, formulas, materials, inventions, processes, ideas, approaches, concepts, techniques, methods, software, programs, documentation, procedures, firmware, hardware, technical data, specifications, devices, apparatus and machines.

"Technology" means discoveries, innovations, know-how and inventions, whether patentable or not, including computer software, recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, mask works, and copyrights developed under this purchase contract.

B. General. The parties agree that research findings and technology developments in single crystal piezoelectric fiber materials technology may constitute a significant enhancement to the national defense, and to the economic vitality of the United States. Accordingly, access to important technology developments under this purchase contract by foreign firms or institutions must be carefully controlled. The controls contemplated in this article are in addition to, and are not intended to change or supersede, the provisions of the International Traffic in Arms Regulation (22 CFR pt. 121 et seq.), the DOD Industrial Security Regulation (DOD 5220.22-R) and the Department of Commerce Export Regulation (15 CFR pt. 770 et seq.).

C. Restrictions on Sale or Transfer of Technology to Foreign Firms or Institutions.

1. In order to promote the national security interests of the United States and to effectuate the policies that underlie the regulations cited above, the procedures stated in subparagraphs C.2, C.3, and C.4 below shall apply to any transfer of technology. For purposes of this paragraph, a transfer includes a sale of the company, and sales of licensing of technology. Transfers do not include:

- a. sales of products or components, or
- b. licenses of software or documentation related to sales of products or components, or
- c. transfer to foreign subsidiaries of the Seller for purposes related to this purchase contract, or
- d. transfer which provides access to technology to a foreign firm or institution which is an approved source of supply or source for the conduct of research under this purchase contract provided that such transfer shall be limited to that necessary to allow the firm or institution to perform its approved role under this purchase contract.

2. The Seller shall provide timely notice to the Government of any proposed transfer from the Seller of technology developed with Government funding under this purchase contract to foreign firms or institutions. If the Government determine that the transfer may have adverse consequences to the national security interests of the United States, the Seller, its vendors, and the Government shall jointly endeavor to find alternatives to the proposed transfer which obviate or mitigate potential adverse consequences of the transfer but which provide substantially equivalent benefits to the Seller.

3. In any event, the Seller shall provide written notice to the Government program manager of any proposed transfer to a foreign firm or institution at least sixty (60) calendar days prior to the proposed date of transfer. Such notice shall cite this article and shall state specifically what is to be transferred and the general terms of the transfer. Within thirty (30) calendar days of receipt of the recipient's written notification, the Government program manager shall advise the Seller whether it consents to the proposed transfer. In cases where the Government does not concur or sixty (60) calendar days after receipt and the Government provides no decision, the Seller may utilize the procedures under the article entitled "*Claims, Disputes, and Appeals*". No transfer shall take place until a decision is rendered.

4. Except as provided in subparagraph C.1 above and in the event the transfer of technology to foreign firms or institutions is approved by the Government, the Seller shall (a) refund to the Government the funds paid for the development of the technology and (b) negotiate a license with the Government to the technology under terms that are reasonable under the circumstances.

D. Lower Tier Agreements. The Seller shall include this article, suitable modified, to identify the parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

A = ADDED

D = DELETED

R = REVISED