

Date: February 2001

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT DAAB07-00-D-K260**

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 June 26, 2000.

<u>FAR/DFARS Reference</u>	<u>Title</u>
52.204-2	Security Requirements (AUG 96) (Applies only if the contract requires access to classified information, "Government" means Buyer or the Government.)
52.211-15	Defense Priority and Allocation Requirements (SEP 90)
52.215-15	Termination of Defined Benefit Pension Plans (OCT 97)
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 99)
52.222-26	Equal Opportunity (APR 84) [Subparagraphs (b)(1) through (11)]
52.222-29	Notification of Visa Denial (FEB 99)
52.223-11	Ozone-Depleting Substance (JUN 96)
52.225-10	Duty-Free Entry (APR 84)
52.225-11	Restrictions on Certain Foreign Purchases (AUG 98) ("Contracting Officer" means Buyer.)
52.227-1, Alt. I	Authorization and Consent (JUL 95, APR 84)
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	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.]
52.242-15	Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
52.244-5	Competition in Subcontracting (DEC 96)

52.246-25	Limitation of Liability -- Services (FEB 97) (This clause can be used only at the request of the supplier and with the advance written consent of the Contracting Officer.)
52.247-63	Preference for U.S.-Flag Air Carriers (JAN 97)
252.204-7000	Disclosure of Information (DEC 91) (Seller will submit requests for authorization through Buyer.)
252.215-7000	Pricing Adjustments (DEC 91)
252.225-7009	Duty-Free Entry--Qualifying Country Supplies (End Products and Components) (MAR 98)
252.225-7012	Preference for Certain Domestic Commodities (SEP 97)
252.225-7025	Restriction on Acquisition of Forgings (JUN 97) (Applies only if delivered items could contain forging items)
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 (MAR 00)
252.245-7001	Reports of Government Property (MAY 94). Seller will provide information Buyer may require to complete Buyer's annual report.
252.246-7000	Material Inspection and Receiving Report (DEC 91)
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	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 98)
52.222-36	Affirmative Action for Workers with Disabilities (JUN 98)
52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 99)

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

52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 95)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JUN 97) (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.)

- 52.223-2 Clean Air and Water (APR 84) (Also applicable if Seller's facility has been the subject of a conviction under the Clean Air Act or Federal Water Pollution Control Act.)
- 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 (MAR 89) [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)

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

- 52.219-9 Small Business Subcontracting Plan (OCT 99) (Applies only if Seller is not a small business. "Contracting Officer" in paragraph (c) means Buyer.)
- 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.)
- 252.225-7026 Reporting of Contract Performance Outside the United States" (MAR 98) (not applicable if only commercial products are involved.) (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.)

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

- 252.227-7013 Rights in Technical Data--Noncommercial Items (NOV 95)

252.227-7016	Rights in Bid or Proposal Information (JUN 95)
252.227-7027	Deferred Ordering of Technical Data or Computer Software (APR 88)
252.227-7030	Technical Data - Withholding of Payment (OCT 88) (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 (NOV 95)
252.246-7001	Warranty of Data (DEC 91) ("Contracting Officer" means Buyer.)

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 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.

TRUTH IN NEGOTIATIONS ACT - Modifications. (Applies if certified cost or pricing data was not provided.) Seller shall comply with the provisions of FAR 52.215-11 and 52.215-13 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

Exhibit DAAB07-00-D-K260

R = REVISED