

Date: October 2002

EXHIBIT B

GOVERNMENT PROVISIONS

APPLICABLE TO

PRIME CONTRACT PA6101

(for CLIN 4000)

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 listed below or cited elsewhere in the contract shall be those in effect in June 1997.

<u>FAR/DFARS REFERENCE</u>	<u>TITLE</u>	
52.204-2	Security Requirements (Applies only if the contract requires access to classified information, "Government" means Buyer or the Government.)	
52.211-5	New Material ("Contracting Officer" means Buyer.)	
52.211-7	Other Than New Material, Residual Inventory and Former Government Surplus Property ("Contracting Officer" means Buyer.)	
52.211-15	Defense Priority and Allocation Requirements	
52.215-26	Integrity of Unit Prices (Excluding paragraph (c))	
52.215-27	Termination of Defined Benefit Pension Plans ("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.)	
52.215-40	Notification of Ownership Changes	
52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns	
52.222-1	Notice of Labor Disputes ("Contracting Officer" means Buyer.)	
52.222-26	Equal Opportunity	A/Rev. K
52.223-3	Hazardous Material Identification and Material Safety Data (Applies only if hazardous material will be delivered.)	

52.223-7	Notice of Radioactive Materials (In paragraph (1) insert "sixty (60)" A/Rev. K before "days".)	
52.223-11	Ozone-Depleting Substances	A/Rev. K
52.225-10	Duty-Free Entry	
52.225-11	Restrictions on Certain Foreign Purchases ("Contracting Officer" means Buyer.)	
52.227-1, Alt. I	Authorization and Consent	
52.227-10	Filing of Patent Applications - Classified Subject Matter (Applies only if contract will involve access to classified information)	
52.227-11	Patent Rights - Retention by Contractor (Short Form). (Applies only if Special Provision F.1 is included and Seller is a small business or non-profit organization.)	
52.227-12	Patent Rights - Retention by Contractor (Long Form) (Applies only if Special Provision F.1 is included and Seller is <u>not</u> a small business or non-profit organization.)	
52.234-1	Industrial Resources Developed Under Defense Production Act Title III	
52.237-2	Protection of Government Buildings, Equipment and Vegetation. (Applies only if work will be performed on a government installation. "Contracting Officer" means Buyer.)	
52.242-15	Stop Work Order	
52.244-5	Competition in Subcontracting	
52.244-6	Subcontracts for Commercial Items and Commercial Components	A/Rev. K
52.247-63	Preference for U.S.-Flag Air Carriers	
252.215-7000	Pricing Adjustments	
252.223-7001	Hazard Warning Labels	
252.223-7002	Safety Precautions for Ammunition and Explosives. (Applies only if contract involves ammunition or explosives.)	
252.223-7003	Change in Place of Performance -- Ammunition and Explosives (Applies only if DFARS 252.223-7002 applies.)	
252.225-7002	Qualifying Country Sources	
252.225-7009	Duty-Free Entry-Qualifying Country End Products	

252.225-7010	Duty-Free Entry--Additional Provisions	
252.225-7012	Preference for Certain Domestic Commodities	
252.225-7014	Preference for Domestic Specialty Metals, Alt. I	
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings	
252.225-7022	Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber	
252.225-7025	Restriction on Acquisition of Forgings. (Applicable only if delivered items contain forging items.)	
252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate	
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles and Space Launch Vehicles	
252.231-7000	Supplemental Cost Principles	
252.235-7003	Frequency Authorization (Applies only if contract involves developing, producing, testing or operating a device requiring radio frequency authorization.)	
252.239-7000	Protection Against Compromising Emanations. (Applies only if classified information will be processed.)	
252.239-7016	Telecommunications Security Equipment, Devices, Techniques and Services. (Applies only if contract involves use of secure telecommunications.)	
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)	
252.245-7001	Reports of Government Property (MAY 94). Seller will provide information Buyer may require to complete Buyer's annual report.	A/Rev. K

The following clause also applies if the contract price exceeds \$2,500:

52.222-36 Affirmative Action for Handicapped Workers

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

52.222-20 Walsh-Healy Public Contracts Act

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans

52.222-37 Employment Report on Special Disabled Veterans and Veterans of the Vietnam Era.

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

52.203-6	Restrictions on Subcontractor Sales to the Government	
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Seller's signed proposal provided the required certification.)	
52.203-12	Limitation on Payments to Influence Certain Federal Transactions. (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 (Applies only if contract is other than Firm-Fixed-Price, if cost or pricing data was required or if cost, funding or performance reports will be furnished.)	
52.223-2	(DELETED)	D/Rev. M
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement. ("Contracting Officer" means Buyer.)	
52.246-24	Limitation of Liability -- High-Value Items	A/Rev. K
252.203-7001	Special Prohibition on Employment	
252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate - Range Nuclear Forces (INT) Treaty	
252.225-7026	Reporting of Contract Performance Outside the United States (not applicable if only commercial products are involved.)	
252.247-7023	Transportation of Supplies by Sea	
252.249-7002	Notification of Proposed Program Termination or Reduction	

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

52.215-39	Reversion or Adjustment of Plans for Post-Retirement Benefits other than Pensions. (Applicable only if certified cost or pricing data is provided.)
52.219-9	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan. (Applies only if Seller is <u>not</u> a small business. "Contracting Officer" in paragraphs (b) and (c) means Buyer.)

252.219-7003

Small, Small Disadvantaged and Women-Owned Business Small Business Subcontracting Plan (DoD Contracts) (APR 96) A/Rev. M

The following clause also applies if the contract price exceeds \$500,000:

52.215-24 Subcontractor Cost or Pricing Data (OCT 95)A/Rev. K

52.230-2 Cost Accounting Standards A/Rev. K

The following clause also applies if the contract price exceeds \$1,000,000:

252.211-7000Acquisition Streamlining

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

252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation A/Rev. K

252.227-7016 Rights in Bid or Proposal Information (JUN 95) A/Rev. K

252.227-7019 Validation of Asserted Restrictions - Computer Software

252.227-7026 Deferred Delivery of Technical Data

252.227-7027 Deferred Ordering of Technical Data or Computer Software

252.227-7030 Technical Data - Withholding of Payment ("Contracting Officer" and "Government" means Buyer.)

252.227-7036 Declaration of Technical Data Conformity

252.227-7037 Validation of Restrictive Markings on Technical Data

The following Air Force FAR Supplement clauses are applicable as indicated:

5352.204-9000 Notification of Government Security Activity (Applies only if work will be performed on a Government installation.)

5352.223-9001 Safety and Accident Prevention (Applies only if work will be performed on a Government installation.)

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. [A/Rev. K]

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. [A/Rev. K]

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/Rev. K]

TRUTH IN NEGOTIATIONS ACT. (Applicable if certified cost or pricing data was provided.) Seller shall comply with the provisions of FAR 52.215-24 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/Rev. K]

TRUTH IN NEGOTIATIONS ACT - Modifications. (Applies if certified cost or pricing data was not provided.) Seller shall comply with the provisions of FAR 52.215-42 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/Rev. K]

A = ADDED

D = DELETED

R = REVISED