

Date: November 1999**EXHIBIT A**

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT F34601-99-C-0096**

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 October 18, 1999. [R/Rev. B]

<u>FAR/DFARS Reference</u>	<u>Title</u>	
52.211-5	Material Requirements (OCT 97) ("Contracting Officer" means Buyer.)	
52.211-15	Defense Priority and Allocation Requirements (SEP 90)	
52.215-15	Pension Adjustments and Asset Reversions (DEC 98) ("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, Small Disadvantaged and Women-Owned Small Business Concerns (JAN 99)	
52.222-1	Notice of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.)	
52.222-21	Prohibition of Segregated Facilities (Deviation) (APR 84)	A/Rev. B
52.222-26	Equal Opportunity (APR 84) [Subparagraphs (b)(1) through (11)]	A/Rev. B
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)	

52.242-15	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 (OCT 98)	
52.246-23	Limitation of Liability (FEB 97) (This clause can be used only at the request of the supplier and with the advance written consent of the Contracting Officer.)	A/Rev. B
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.)	A/Rev. B
252.223-7003	Change in Place of Performance -- Ammunition and Explosives (DEC 91) (Applies only if DFARS 252.223-7002 applies.)	A/Rev. B
252.223-7006, Alt. I	Prohibition on Storage and Disposition of Toxic and Hazardous Materials (APR 93)	A/Rev. B
252.225-7002	Qualifying Country Sources as Subcontractors (DEC 91)	
252.225-7009	Duty-Free Entry--Qualifying Country Supplies (End Products and Components) (MAR 98)	
252.225-7010	Duty-Free Entry--Additional Provisions (MAR 98)	
252.225-7012	Preference for Certain Domestic Commodities (JAN 99)	
252.225-7014	Preference for Domestic Specialty Metals, Alt. I (MAR 98) (Applies only if contract item contains specialty metals.)	A/Rev. B
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (AUG 98) (Applies only if contract item contains ball or roller bearings.)	R/Rev. B
252.225-7025	Restriction on Acquisition of Forgings (JUN 97) (Applies only if delivered items could contain forging items)	
252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States (JUN 98)	A/Rev. B
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (JUN 95)	A/Rev. B
252.231-7000	Supplemental Cost Principles (DEC 91)	

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

52.222-20	Walsh-Healy Public Contracts Act (DEC 96)
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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)	A/Rev. A
52.222-37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 99)	

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

52.246-25	Limitation of Liability - Services (FEB 97)	A/Rev. B
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The following clauses also apply if the contract price exceeds \$100,000:

52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 95)	
52.203-11	DELETED.	D/Rev. B
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 (AUG 96) (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.)	
52.215-14	Integrity of Unit Prices (OCT 97) (Excluding paragraph (b)). (Not applicable if only services will be provided.)	
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.)	A/Rev. B

252.203-7001	Special Prohibition on Employment (JUN 97) (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)	
252.225-7026	Reporting of Contract Performance Outside the United States (not applicable if only commercial products are involved.) (MAR 98) (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.)	A/Rev. A
252.247-7023	Transportation of Supplies by Sea (NOV 95) (In paragraph (c) "45 days" is changed to 60 days.)	

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

52.215-39	DELETED.	D/Rev. A
52.219-9	DELETED.	D/Rev. B
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.)	A/Rev. B
52.230-6	Administration of Cost Accounting Standards (APR 96) (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.)	A/Rev. B
252.225-7026	DELETED.	D/Rev. A

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)	A/Rev. B
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.)	R/Rev. B

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

5352.204-9000 Notification of Government Security Activity (MAY 96) (Applies only if work will be performed on a Government installation.)

5352.211-9017 100 PERCENT END ITEM INSPECTION (AFMC) (JUL 97) A/Rev. B

A 100 percent end item inspection is required for (insert contract line item(s)).

5352.223-9001 Health and Safety on Government Installations (JUN 97) (Applies only if work will be performed on a Government installation.)

5352.237-9001 Contractor Identification (JUL 1997) A/Rev. B

(a) Contractor personnel and their subcontractors must identify themselves as Contractors or subcontractors during meetings, telephone conversations, in electronic messages, or correspondence related to this contract.

(b) Contractor-occupied facilities (on AFMC or other Government installations) such as offices, separate rooms, or cubicles must be clearly identified with Contractor supplied signs, name plates or other identification, showing that these are work areas for Contractor or subcontractor personnel.

5352.246-9000 Material Inspection and Receiving Report (OMB No. 0704-0248). A/Rev. B

As prescribed in 5346.370(90), insert language, substantially as written, in Section E. Addresses for paragraphs (1), (2), and (3) shall be included in individual orders if needed. When there are no additional distribution requirements for paragraph (3), "not applicable" is to be inserted in the fill-in-space.

MATERIAL INSPECTION AND RECEIVING REPORT

(OMB NO. 0704-0248) (AFMC) (JUL 1997)

(a) As specified by DFARS, Appendix F, Table 2, a copy of DD Forms 250 shall be forwarded to the following address:

(1) Forward the purchasing office copy to: (insert organization/address).

(2) For shipments involving Military Assistance Program (MAP), Grant Aid (GA), or Foreign Military Sales (FMS) requirements, an additional copy shall be sent to: (insert address).

(3) Additional distribution of DD Forms 250 is to be made to the following address(es): (insert address(es) or not applicable).

(b) These special instructions shall be included in any subcontract hereunder where the items purchased from the subcontractor are to be shipped directly to the U.S. Government or to a foreign destination.

(c) If delivery of MAP, GA, or FMS items to foreign destinations is

required, the copies of DD Forms 250 required by DFARS, Appendix F, Table 2, Material Inspection and Receiving Report, Special Distribution, shall be forwarded to the "ship to" address designated in the contract.

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. [A/Rev. B]

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. B]

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/Rev. B]

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/Rev. B]

Special Contract Requirements:

H-910 Over and Above Work Procedures for Defective GFP Missiles (OC-ALC/99-035)

(a) If the subcontractor discovers defects in the GFP missiles during the missile tear down and inspection process, and the correction of those defects is outside the scope of the Statement of Work, the subcontractor shall submit Work Requests to the Buyer that describe the defects and recommended fixes in sufficient detail, and include estimates of the man-hours and material and/or travel costs necessary to correct those missile defects. The subcontractor is not authorized to proceed with the proposed repairs until receipt of Buyer approval to proceed. The subcontractor may submit one Work Request for each missile that covers all deficiencies for that missile.

(b) If Buyer authorizes the repair of the defects, the repairs shall be performed on a Time and Material basis. Within a reasonable time after completion of all repairs for a missile, the subcontractor shall submit to the Buyer its total actual man-hours and material/travel costs expended to complete the repairs for that missile.

(c) At any time during contract performance, when sufficient data become available on a repetitive task being performed, either the subcontractor or Boeing may request a negotiation to establish a firm-fixed price for that repair for the remaining life of the contract. [A/Rev. B]

H-911 Equitable Adjustment for Missiles Beyond Economical Repair (OC-ALC/99-036)

(a) If the subcontractor discovers corrosion in a missile's fuel tank that is beyond serviceability, or discover other substantial defects in the GFP missiles, the subcontractor shall submit a discrepancy report for that missile to the Buyer. The subcontractor is authorized to suspend operations on the missile until receipt of Buyer disposition instructions. Boeing may elect to authorize the subcontractor to proceed with repairs under a separately funded Work Request pursuant to CLIN 0006 and Special Provision H-910, or terminate conversion of that missile.

(b) For each missile conversion termination due to GFP beyond serviceability or economical repair, the subcontractor shall submit to Boeing a proposal for an equitable adjustment to the firm fixed price for that missile. A new subCLIN to CLIN 0009 will be established for each such missile. [A/Rev. B]

A = ADDED

D = DELETED

R = REVISED