

Date: February 2000**EXHIBIT A****GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT N00019-99-C-1551**

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 December 29, 1999.

**FAR/DFARS
Reference****Title**

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 (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 (OCT 99)
52.222-1	Notice of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.)
52.222-26	Equal Opportunity (FEB 99) [Subparagraphs (b)(1) through (11)]
52.222-41	Service Contract Act of 1965, as amended (MAY 89) (If your supplier will be performing work covered by the Service Contract Act.)
52.225-10	Duty-Free Entry (APR 84). [Para (f)(3) fill-in: United States Government; para. (f)(3) fill-in: Item No(s)]
52.225-11	Restrictions on Certain Foreign Purchases (AUG 98) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)

52.237-2	Protection of Government Buildings, Equipment and Vegetation (APR 84) (Applies only if work will be performed on a government installation. "Contracting Officer" means Buyer.)	
52.242-15	Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)	
52.244-2	Subcontracts, Alt. I (AUG 98)	A/Rev. A
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.)	
252.204-7000	Disclosure of Information (DEC 91) (Seller will submit requests for authorization through Buyer.)	
252.215-7000	Pricing Adjustments (DEC 91)	
252.225-7002	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 (MAY 99)	
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)	
252.231-7000	Supplemental Cost Principles (DEC 91)	

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

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

52.246-25	Limitation of Liability - Services
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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)
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- 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.)
- 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 95)
- 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)
- 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.)
- 252.247-7023 Transportation of Supplies by Sea (NOV 95) (In paragraph (c) "45 days" is changed to 60 days.)
- 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:

- 52.219-9 Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (JAN 99) (Applies only if Seller is not a small business. "Contracting Officer" in paragraphs (b) and (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.)
- 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.)

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)
- 252.227-7030 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)
- 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services (DEC 91)

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.

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.

Special Contract Requirements (Section H)

H-2 5252.222-9500 Service Contract Act (SCA) Minimum Wages and Fringe Benefits (OCT 94)

A Service Contract Act (SCA) wage determination has been requested from the U.S. Department of Labor. Until receipt of a wage determination, Attachment **TBD** (the wage determination in CLS contract N00019-99-C-0016) will be applicable to this contract. If a new wage determination is received prior to contract award, it will be incorporated by amendment to this solicitation.

H-10 52.217-9 Option to Extend the Term of the Contract (MAR 89)

(a) The Government may extend the term of this contract by written notice to the Contractor of: 1) option exercise of CLINs 0101 through 0107 anytime within 30 days of the commencement of the period of performance under those CLINs; and 2) option exercise of CLINs 0201 through 0207 anytime within 30 days of the commencement of the period of performance under those CLINs; provided, that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option provision.

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 1 year and 3 months.

H-11 Transition Services (NAVAIR DEC. 1999)

The parties agree that the Contractor Logistic Support (CLS) services to be performed under this contract are essential to maintaining the continued operational viability of the E-6 program and that therefore it is imperative that such services be continued without interruption. Accordingly, the parties agree that upon contract expiration, and in the event Boeing is not the source selected for a follow-on CLS effort, the need will arise for Boeing to perform services to transition and disposition the work-in process accountable to this contract. Upon the Contracting Officer's written notice, Boeing therefore agrees to provide transition services for a minimum period of thirty (30) days and a maximum period of one-hundred eighty (180) days.

The transition services to be performed hereunder shall consist of an effort to phase-in a new Contractor (hereinafter "Successor") as well as an effort to phase-out work being performed by Boeing under this contract. In providing the transition services called for hereunder, Boeing shall employ reasonable efforts and good faith cooperation to effect an orderly, efficient and timely transition to the Successor. The transition services called for hereunder require Boeing to perform the following efforts:

a) Provide not more than ninety (90) days of phase-in training to the Successor to the CLS effort. The term "phase-in

training" is limited to disclosure of factual information including specifically the status of outstanding orders and efforts performed under this contract. Boeing shall disclose to the Government and the Successor sufficient factual information so that both parties are fully informed regarding the status of pending efforts under this contract.

b) Boeing shall recommend specific orders for termination, novation or other disposition. Any recommendation for termination shall be accompanied by supporting rationale explaining why termination is in the best interest of the Government. For those orders recommended for novation, Boeing shall work cooperatively and in good faith with the Successor and the Supplier/Subcontractor to facilitate novation of the orders in a timely and cost efficient manner.

c) Boeing shall work cooperatively and in good faith with the Government and the Successor to efficiently and expeditiously disposition the items disclosed under paragraph (a) above.

d) Boeing shall provide sufficient experienced personnel to support the transition effort to ensure that the services called for under this contract are maintained at an acceptable level of proficiency in accordance with a mutually written Statement of Work detailing the required Transition Services.

The parties contemplate that the detailed requirements for the transition services called for hereunder shall be further defined in a mutually agreed to Statement of Work. The parties envision completion of the negotiated agreed to Statement of Work no later than 31 March 2000.

Boeing shall be reimbursed for all fair and reasonable costs, and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this contract, which are incurred as a result of the requirements of this clause. However, the efforts to be performed hereunder are subject to the requirements of FAR 52.232-18 -- Availability of Funds (APR 84). If the funds are not available, upon the Contracting Officer's written notice as described above, the contractor is not required to perform the efforts stated in this clause.

A = ADDED

D = DELETED

R = REVISED