

Date: October 2000

EXHIBIT A

**GOVERNMENT PROVISIONS
APPLICABLE TO
PRIME CONTRACT DAAH01-00-C-0102**

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 August 21, 2000.

**FAR/DFARS_
Reference**

Title

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)
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data (OCT 97). [Contracting Officer shall mean Buyer in subparagraph (a).]
52.219-8	Utilization of Small Business Concerns (OCT 99)
52.222-1	Notice to the Government of Labor Disputes (FEB 97) ("Contracting Officer" means Buyer.)
52.222-21	Prohibition of Segregated Facilities (FEB 99) (Certification required. The clause is to be included in every subcontract or purchase order subject to the equal opportunity clause.)
52.222-26	Equal Opportunity (FEB 99) [Subparagraphs (b)(1) through (11)]
52.225-11	Restrictions on Certain Foreign Purchases (AUG 98) ("Contracting Officer" means Buyer.)
52.227-1	Authorization and Consent (JUL 95)
52.242-15	Stop Work Order (AUG 89) ("Contracting Officer" means Buyer)
52.244-2	Subcontracts, Alt. I (AUG 98)
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.)

252.215-7000	Pricing Adjustments (DEC 91)
252.225-7002	Qualifying Country Sources as Subcontractors (DEC 91)
252.225-7012	Preference for Certain Domestic Commodities (MAY 99)
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (AUG 98) (Applies only if contract item contains ball or roller bearings.)
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)
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)
252.248-7000	Preparation of Value Engineering Changes Proposals (MAY 94)

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 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	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (APR 91) (Seller's signed proposal provided the required certification.)
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 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.)
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 95)

- 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.)
- 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)
- 252.249-7002 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 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.)
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices (APR 98) [excluding paragraph (b)]. This clause applies only if Seller is subject to Cost Accounting Standards (CAS) and if this contract exceeds \$500,000. In paragraph (c), "Government" shall mean Government.
- 52.230-6 Administration of Cost Accounting Standards (NOV 99) (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.)
- 252.225-7026 Reporting of Contract Performance Outside the United States" (JUN 00) (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 clause also applies if the contract price exceeds \$1,000,000:

- 252.225-7032 Waiver of United Kingdom Levies (OCT 92)

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

- 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.)

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.

SPECIAL CONTRACT REQUIREMENTS**52.239-4700 Year 2000 Warranty - Commercial Supply Items (NOV 98)**

The contractor warrants that each hardware, software, and firmware product delivered or developed under this contract shall be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the product documentation provided by the contractor, to the extent that all delivered or developed products (e.g. hardware, software, firmware) used in combination with such delivered or developed products properly exchanges date/time data with it. If the contract requires that specific delivered or developed products must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those delivered or developed products as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be as defined in, and subject to, the terms and limitations of the contractor's standard commercial warranty or warranties contained in this contract, provided that notwithstanding any provision to the contrary, in such commercial warranty or warranties, the remedies available to the Government under this warranty shall include repair or replacement of

any delivered product whose non-compliance is discovered and made known to the contractor in writing within ninety (90) days after 29 February 2000 or 90 days after acceptance, whichever occurs last. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance.

52.239-4701 Year 2000 Warranty - Non-Commercial Supply Items (NOV 98)

The contractor warrants that each non-commercial item of hardware, software, and firmware product delivered or developed under this contract shall be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the product documentation provided by the contractor, to the extent that all delivered or developed products (e.g. hardware, software, firmware) used in combination with such delivered or developed products properly exchanges date/time data with it. If the contract requires that specific delivered or developed products must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those delivered or developed items as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be defined in, and subject to, the terms and limitations of the contractor's warranty or warranties contained in this contract, provided that notwithstanding any provision to the contrary, in such commercial warranty or warranties, the remedies available to the Government under this warranty shall include repair or replacement of any delivered item whose non-compliance is discovered and made known to the contractor in writing within ninety (90) days after 29 February 2000 or 90 days after acceptance, whichever occurs last. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance.

52.239-4702 Requirement for Information Technology to be Year 2000 Compliant (NOV 98)

a. Definitions. As used in this clause --

1. "Information technology" means any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.

(a) For purposes of this definition, equipment is used by an agency if the equipment is used by the agency directly or is used by a contractor under a contract with the agency which -

(1) Requires the use of such equipment; or requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product.

(b) The term "information technology" includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(c) The term "information technology" does not include --

(1) Any equipment that is acquired by a contractor incidental to a contract; or

(2) Any equipment that contains imbedded information technology that is used as an integral part of the product, but the principal function of which is not the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For example, HVAC (heating, ventilation, and air conditioning) equipment such as thermostats or temperature control devices, and medical equipment where information technology is integral to its operation, are not information technology.

2. "Year 2000 Compliant" means information technology which accurately processes date/time data (such as calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculation, to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges accurate date/time data with it.

b. All information technology must be Year 2000 compliant.

The Contractor guarantees that the hardware, software, and firmware which is acquired by this contract, shall include design and/or performance specifications to ensure that the Government shall not experience performance abnormalities associated with such calculations. The design to ensure year 2000 compliancy shall include date/century recognition, calculations that accommodate same century and multi-century formulas and date values, and date data interface values that reflect an accurate and correct day, month, year and century. In the manipulation of external data, the contractor is responsible for ensuring that the system works accurately based on correct data input. When a total system is contracted for, the contractor is responsible for ensuring that calculations are accurate and successful in computations involving any year. In addition, the Contractor guarantees that leap year calculations will be accommodated and will not result in hardware,

firmware, and/or software failures. The prime contractor is responsible for their subcontractor's products and services provided under this contract.

A = ADDED

D = DELETED

R = REVISED