

ATTACHMENT HBC1020

Revised 8/2007

MANAGEMENT OF GOVERNMENT PROPERTY IN THE POSSESSION OF SUBCONTRACTORS (REF: FAR 45.5)

The Subcontractor is directly responsible and accountable for all Government Property furnished by Hawker Beechcraft Corporation to accomplish the terms and conditions of the attached purchase order/subcontract. The original acquisition of all Government Owned Material furnished in connection with performance of this order will be accomplished and controlled by Hawker Beechcraft. Except for the repair/modification of such material, and some special circumstances; the Subcontractor is required to establish the control to adequately care for, maintain and assure proper utilization. Any required written system shall be approved by Hawker Beechcraft Corporation and their cognizant Government Property Administrator.

1. The following actions by the Subcontractor are required as a minimum control effort:
 - (a) Upon receipt, the material shall be visually inspected, and any damages or discrepancies shall be reported immediately.
 - (b) Accountability shall be established on an accountable record and contain the following information; and the record must indicate the date when the information is posted on the record.
 - (1) Part number
 - (2) Part name
 - (3) Government contract number
 - (4) Location of stock
 - (5) Receiving document number/identification
 - (6) Quantity received
 - (7) Quantity on hand
 - (8) Condition of material (Serviceable, repairable, scrap)
 - (9) Date received
 - (c) Any movement and/or disposition of such material from the Subcontractor's facilities requires notification to, and/or concurrence by Hawker Beechcraft and all movements or usage must be posted to the accountability record for each affected item.
 - (d) The adequate care and maintenance of such property performed by the subcontractor includes the following - but not necessarily limited to the following tasks:
 - (1) Protection and/or precautions to prevent exposure by contamination, corrosion or other deteriorating agents.
 - (2) Periodic inspection to assure the proper protection and preservation is maintained.
 - (e) Government furnished material shall not be used on any other contract, subcontract or purchase order other than specified on the attached document, unless properly authorized in writing by Hawker Beechcraft.
 - (f) The Subcontractor is required to report to Hawker Beechcraft all instances of loss, damage or destruction of such Government Property within - thirty (30) days after the Subcontractor becomes aware of any discrepancy.
 - (g) Physical inventories of Government Owned Material will be taken at least annually and/or verify inventory lists furnished by Hawker Beechcraft, with a letter of certification furnished to Hawker Beechcraft of the results of the inventory.
 - (h) Pursuant to the terms of a contract or subcontract the Government may acquire a lien or title to property upon the making of advance, progress, or partial payments to the Contractor. Property to which the Government has acquired a lien or title solely as a result of advance, progress or partial payments shall not be subject to the provisions to this attachment.
2. At the completion of the purchase order or subcontract, the subcontractor will request disposition instructions from the buyer on any Government Property remaining in his possession on referenced purchase order/subcontract.
3. All reports required will be sent to the cognizant Buyer for subsequent forwarding to the Hawker Beechcraft Government Furnished Property Custodian, as necessary.