
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended August 2, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-33261

AEROVIRONMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

95-2705790

(I.R.S. Employer Identification No.)

**181 W. Huntington Drive, Suite 202
Monrovia, California**

(Address of principal executive offices)

91016

(Zip Code)

(626) 357-9983

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 29, 2008, the number of shares outstanding of the registrant's common stock, \$0.0001 par value, was 20,947,477.

AeroVironment, Inc.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AeroVironment, Inc.
Consolidated Balance Sheets
(In thousands except share data)

	<u>August 2, 2008</u>	<u>April 30, 2008</u>
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 104,831	\$ 105,064
Short-term investments	8,525	13,375
Accounts receivable, net of allowance for doubtful accounts of \$244 at August 2, 2008 and \$220 at April 30, 2008	29,355	29,788
Unbilled receivables and retentions	21,530	20,590
Inventories, net	20,687	15,923
Deferred income taxes	2,875	2,810
Prepaid expenses and other current assets	1,948	2,014
Total current assets	189,751	189,564
Property and equipment, net	11,579	10,308
Deferred income taxes	2,785	2,785
Other assets	115	122
Total assets	<u>\$ 204,230</u>	<u>\$ 202,779</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 11,651	\$ 14,080
Wages and related accruals	5,747	10,428
Income taxes payable	274	3,804
Other current liabilities	4,158	3,786
Total current liabilities	21,830	32,098
Deferred rent	878	941
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value:		
Authorized shares — 10,000,000		
None issued or outstanding	—	—
Common stock, \$0.0001 par value:		
Authorized shares — 100,000,000		
Issued and outstanding shares — 20,924,256 at August 2, 2008 and 20,614,044 at April 30, 2008	2	2
Additional paid-in capital	103,096	96,123
Retained earnings	78,424	73,615
Total stockholders' equity	181,522	169,740
Total liabilities and stockholders' equity	<u>\$ 204,230</u>	<u>\$ 202,779</u>

See accompanying notes to consolidated financial statements (unaudited).

AeroVironment, Inc.
Consolidated Statements of Income (Unaudited)
(In thousands except share and per share data)

	Three Months Ended	
	August 2, 2008	July 28, 2007
Revenue:		
Product sales	\$ 25,327	\$ 29,684
Contract services	<u>28,286</u>	<u>19,520</u>
	53,613	49,204
Cost of sales:		
Product sales	14,358	18,291
Contract services	<u>18,672</u>	<u>14,076</u>
	33,030	32,367
Gross margin	20,583	16,837
Selling, general and administrative	8,095	7,726
Research and development	<u>5,260</u>	<u>4,300</u>
Income from operations	7,228	4,811
Other income:		
Interest income	541	979
Income before income taxes	7,769	5,790
Provision for income taxes	2,960	1,946
Net income	<u>\$ 4,809</u>	<u>\$ 3,844</u>
Earnings per share data:		
Basic	\$ 0.23	\$ 0.20
Diluted	\$ 0.22	\$ 0.18
Weighted average shares outstanding:		
Basic	20,711,656	18,897,711
Diluted	21,651,032	21,077,055

See accompanying notes to consolidated financial statements (unaudited).

AeroVironment, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Three Months Ended	
	August 2, 2008	July 28, 2007
Operating activities		
Net income	\$ 4,809	\$ 3,844
Adjustments to reconcile net income to net cash and cash equivalents used in operating activities:		
Depreciation and amortization	1,070	805
Provision for doubtful accounts	(24)	35
Deferred income taxes	(65)	(8)
Stock-based compensation	161	68
Tax benefit from exercise of stock options	6,555	3,252
Changes in operating assets and liabilities:		
Accounts receivable	457	(16,199)
Unbilled receivables and retentions	(940)	11,705
Inventories	(4,764)	(2,400)
Other assets	73	149
Accounts payable	(2,429)	(4,507)
Other liabilities	(7,902)	(3,037)
Net cash and cash equivalents used in operating activities	(2,999)	(6,293)
Investing activities		
Acquisitions of property and equipment	(2,341)	(2,170)
Purchase of short-term investments	(278,972)	(242,360)
Sale of short-term investments	283,822	259,285
Net cash and cash equivalents provided by investing activities	2,509	14,755
Financing activities		
Transfers to restricted cash	—	(17)
Exercise of stock options	257	257
Net cash and cash equivalents provided by financing activities	257	240
Net (decrease) increase in cash and cash equivalents	(233)	8,702
Cash and cash equivalents at beginning of period	105,064	20,920
Cash and cash equivalents at end of period	<u>\$ 104,831</u>	<u>\$ 29,622</u>

See accompanying notes to consolidated financial statements (unaudited).

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies

Organization

AeroVironment, Inc., a Delaware corporation (the “Company”), is engaged in the design, development and production of unmanned aircraft systems and efficient energy systems for various industries and governmental agencies.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation with respect to the interim financial statements have been included. The results of operations for the three months ended August 2, 2008 are not necessarily indicative of the results for the full year ending April 30, 2009. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended April 30, 2008, included in AeroVironment, Inc.’s Annual Report on Form 10-K.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions, including estimates of anticipated contract costs and revenue utilized in the revenue recognition process, that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year presentation.

The Company’s consolidated financial statements include the assets, liabilities and operating results of wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Segments

The Company’s products are sold and divided among two reportable segments, as defined by Statement of Financial Accounting Standards (“SFAS”) No. 131, *Disclosures about Segments of an Enterprise and Related Information* (“SFAS No. 131”), to reflect the Company’s strategic goals. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker (“CODM”) in deciding how to allocate resources and in assessing performance. The Company’s CODM is the Chief Executive Officer, who reviews the revenue and gross margin results for each of these segments in order to make resource allocation decisions, including the focus of research and development, or R&D, activities, and assessing performance. The Company’s reportable segments are business units that offer different products and services and are managed separately.

Effective May 1, 2008, the Company consolidated the operations of two of its business segments to reflect the change in the management and organizational structure that occurred on May 1, 2008. The change in the management and organizational structure was made to take advantage of operational synergies and optimize management time by focusing on two as opposed to three business segments. PosiCharge Systems and Energy Technology Center were consolidated into one segment named Efficient Energy Systems. As required by SFAS No. 131, the Company has restated its historical segment information for the three months ended July 28, 2007, to be consistent with the current reportable segment structure. The consolidation of the two segments had no effect on the Company’s financial position, results of operations or cash flows for the periods presented.

Government Contracts

Payments to the Company on government cost reimbursable contracts are based on provisional, or estimated indirect rates, which are subject to an annual audit by the Defense Contract Audit Agency (“DCAA”). The cost audits result in the negotiation and determination of the final indirect cost rates that the Company may use for the period(s) audited. The final rates, if different from the provisional rates, may create an additional receivable or liability for the Company.

For example, during the course of its audits, the DCAA may question the Company’s incurred project costs, and if the DCAA believes the Company has accounted for such costs in a manner inconsistent with the requirements under Federal Acquisition Regulations, the DCAA auditor may recommend to the Company’s administrative contracting officer to disallow such costs. The Company can provide no assurance that the DCAA or other government audits will not result in material disallowances for incurred costs in the future.

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

Earnings Per Share

Basic earnings per share is computed using the weighted-average number of common shares outstanding. The dilutive effect of potential common shares outstanding is included in diluted earnings per share and excludes any anti-dilutive effects of options.

The reconciliation of diluted to basic shares is as follows:

	Three Months Ended	
	August 2, 2008	July 28, 2007
Denominator for basic earnings per share:		
Weighted average common shares outstanding	20,711,656	18,897,711
Dilutive effect of employee stock options and restricted stock	939,376	2,179,344
Denominator for diluted earnings per share	<u>21,651,032</u>	<u>21,077,055</u>

During the three months ended August 2, 2008 and July 28, 2007 certain options were not included in the computation of diluted earnings per share because their inclusion would have been anti-dilutive. The number of options which met this anti-dilutive criterion was approximately 31,000 and 108,000 for the three months ended August 2, 2008 and July 28, 2007, respectively.

Recently Issued Accounting Standards

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which is the year beginning May 1, 2008 for the Company. In February 2008, the FASB issued FASB Staff Position Financial Accounting Standard 157-2, *Effective Date of FASB Statement No. 157* ("FSP FAS 157-2"), which permits a one-year deferral of the application of SFAS No. 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The Company adopted SFAS No. 157 for financial assets and liabilities effective May 1, 2008. The adoption of SFAS No. 157 did not have a material effect on the Company's financial position, results of operations or cash flows. The Company will apply the principles of SFAS No. 157 for non-financial assets and non-financial liabilities on May 1, 2009 and does not expect the provisions to have a material effect on its financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115* ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected will be recognized in earnings at each subsequent reporting date. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which is the year beginning May 1, 2008 for the Company. The adoption of SFAS No. 159 did not have a material impact on the Company's financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141R (revised 2007), *Business Combinations* ("SFAS No. 141R"), which is a revision of SFAS No. 141, *Business Combinations*. In accordance with the new standard, upon initially obtaining control, the acquiring entity in a business combination must recognize 100% of the fair values of the acquired assets, including goodwill, and assumed liabilities, with only limited exceptions even if the acquirer has not acquired 100% of its target. As a consequence, the current step acquisition model will be eliminated. Also, contingent consideration arrangements will be fair valued at the acquisition date and included on that basis in the purchase price consideration. In addition, all transaction costs will be expensed as incurred. SFAS No. 141R is effective as of the beginning of an entity's first fiscal year beginning after December 15, 2008 which is the year beginning May 1, 2009 for the Company. Adoption is prospective and early adoption is not permitted. The Company is currently evaluating the impact that the adoption of SFAS No. 141R will have on its financial statements and notes thereto.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—An Amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes new accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008, which is the year beginning May 1, 2009 for the Company. The adoption of SFAS No. 160 is not expected to have a material impact on the Company's financial position, results of operations, or cash flows.

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

2. Short-term Investments

The Company's short-term investments are accounted for under SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities* as available-for-sale and reported at fair value, which approximates cost.

As of August 2, 2008, the Company's short-term investments consisted entirely of investment grade auction rate municipal notes and bonds with maturities that could range from 10 to 27 years. These investments have characteristics similar to short-term investments, because at pre-determined intervals, generally ranging from 30 to 35 days, there is a new auction process at which the interest rates for these securities are reset to current interest rates. At the end of such period, the Company chooses to roll-over its holdings or redeem the investments for cash. A market maker facilitates the redemption of the securities and the underlying issuers are not required to redeem the investment within 365 days.

Due to the frequent nature of the reset feature, the investment's market price approximates its fair value; there are no realized or unrealized gains or losses associated with these investments. Interest earned from short-term investments is recorded in interest income.

Management determines the appropriate classification of securities at the time of purchase and re-evaluates such designation as of each balance sheet date.

During the fourth quarter of the fiscal year ended April 30, 2008, the Company began experiencing failed auctions on some of its auction rate securities. A failed auction occurs when a buyer for the securities cannot be obtained and the market maker does not buy the security for its own account. The Company continues to earn interest on the investments that failed to settle at auction, at the maximum contractual rate until the next auction occurs. In the event the Company needs to access funds invested in these auction rate securities, the Company may not be able to liquidate these securities at the fair value recorded on August 2, 2008 until a future auction of these securities is successful or a buyer is found outside of the auction process.

As a result of the failed auctions, the fair values of these securities are estimated utilizing a discounted cash flow analysis or other types of valuation models as of August 2, 2008. These analyses consider, among other items, the collateralization underlying the security investments, the creditworthiness of the counterparty, the timing of expected future cash flows, and the expectation of the next time the security is expected to have a successful auction. The fair value calculated by the Company approximated the recorded value of the securities, therefore there was no impairment of the securities as of August 2, 2008.

Based on the Company's ability to access its cash and cash equivalents, expected operating cash flows, and other sources of cash, the Company does not anticipate the current lack of liquidity on these investments will affect its ability to operate the business in the ordinary course. The Company believes the current lack of liquidity of these investments is temporary and expects that the securities will be redeemed or refinanced within the next twelve months and therefore has classified the auction rate securities as current assets as of August 2, 2008. The Company will continue to monitor the value of its auction rate securities at each reporting period for a possible impairment if a decline in fair value occurs.

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

3. Fair Value Measurements

As discussed in Note 1, the Company adopted SFAS No. 157, subject to the deferral provisions of FSP FAS 157-2, on May 1, 2008. This standard defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy prescribed by SFAS No. 157 contains three levels as follows:

- Level 1 – Inputs to the valuation based upon quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible as of the measurement date.
- Level 2 – Inputs to the valuation include quoted prices in either markets that are not active, or in active markets for similar assets or liabilities, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data.
- Level 3 – Inputs to the valuation that are unobservable inputs for the asset or liability.

The Company's financial assets measured at fair value on a recurring basis subject to the disclosure requirements of SFAS No. 157 at August 2, 2008, were as follows (in thousands):

Description	Fair Value Measurement Using			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Cash and cash equivalents	\$ 104,831	\$ —	\$ —	\$ 104,831
Auction rate securities	—	—	8,525	8,525
Total	\$ 104,831	\$ —	\$ 8,525	\$ 113,356

Due to the auction failures of the Company's auction rate securities that began in mid-February of 2008, there are still no quoted prices in active markets for identical assets as of August 2, 2008. Therefore, the Company has classified its auction rate securities as level 3 financial assets. The following table provides a reconciliation between the beginning and ending balances of items measured at fair value on a recurring basis in the table above that used significant unobservable inputs (Level 3) (in thousands):

Description	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Auction Rate Securities
Balance at May 1, 2008	\$ 13,375
Transfers to Level 3	—
Total gains or (losses) (realized or unrealized)	—
Included in earnings	—
Included in other comprehensive income	—
Purchases, issuances and settlements (net)	(4,850)
Balance at August 2, 2008	\$ 8,525
The amount of total gains or (losses) for the period included in earnings (or change in net assets) attributable to the change in unrealized gains or losses relating to assets still held at August 2, 2008	\$ —

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

4. Inventories, net

Inventories consist of the following (in thousands):

	August 2, 2008	April 30, 2008
Raw materials	\$ 9,490	\$ 6,855
Work in process	6,699	4,958
Finished goods	6,021	5,651
Inventories, gross	22,210	17,464
Reserve for inventory obsolescence	(1,523)	(1,541)
Inventories, net	<u>\$ 20,687</u>	<u>\$ 15,923</u>

5. Warranty Reserves

The warranty reserve is included in other current liabilities. The related expense is included in cost of sales. Warranty reserve activity is summarized as follows for the three months ended August 2, 2008 and July 28, 2007 (in thousands):

	Three Months Ended	
	August 2, 2008	July 28, 2007
Beginning balance	\$ 344	\$ 263
Warranty expense	186	208
Warranty costs incurred	(247)	(228)
Ending balance	<u>\$ 283</u>	<u>\$ 243</u>

6. Bank Borrowings

As of April 30, 2008, the Company had a working capital line of credit with a bank with a borrowing limit of \$25,000,000. Borrowings bore interest at the bank's prime commercial lending rate minus 0.25%, which was 5.00% as of April 30, 2008. The line of credit was secured by substantially all of the Company's assets. Interest on amounts outstanding under the line of credit was due monthly. All principal plus accrued but unpaid interest on the line of credit would have been due August 31, 2009. The Company had no outstanding balance on the line of credit as of April 30, 2008. Effective June 23, 2008, the Company cancelled the line of credit with the bank to avoid unused commitment fees.

7. Stock-Based Compensation

For the three months ended August 2, 2008 and July 28, 2007, the Company recorded stock-based compensation of approximately \$161,000 and \$68,000, respectively.

The fair value of stock options granted was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions for the three months ended August 2, 2008 and July 28, 2007:

	Three Months Ended	
	August 2, 2008	July 28, 2007
Expected term (in years)	6.5	6.5
Expected volatility	18.43%	19.49%
Risk-free interest rate	3.58%	5.12%
Expected dividend	—	—
Weighted average fair value at grant date	\$ 9.33	\$ 7.93

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

The expected term of stock options represents the weighted average period the Company expects the stock options to remain outstanding, using a midpoint model based on the Company's historical exercise and post-vesting cancellation experience and the remaining contractual life of its outstanding options.

The expected volatility is based on peer group volatility in the absence of historical market data for the Company's stock, as permitted under SFAS No. 123(R), *Share Based Payment*. The peer group volatility was derived based on historical volatility of a comparable peer group index consisting of companies operating in a similar industry.

The risk free interest rate is based on the implied yield on a U.S. Treasury zero-coupon bond with a remaining term that approximates the expected term of the option.

The expected dividend yield of zero reflects that the Company has not paid any cash dividends since inception and does not anticipate paying cash dividends in the foreseeable future.

Information related to the Company's stock option plans at August 2, 2008 and for the three months then ended is as follows:

	<u>2006 Plan</u>		<u>2002 Plan</u>		<u>1992 Plan</u>	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at April 30, 2008	379,310	\$ 21.86	1,077,477	\$ 2.20	626,895	\$ 0.49
Options granted	55,000	32.19	—	—	—	—
Options exercised	(3,000)	20.75	(214,796)	0.79	(48,416)	0.52
Options canceled	(10,000)	24.09	(11,965)	6.20	—	—
Outstanding at August 2, 2008	<u>421,310</u>	<u>\$ 23.17</u>	<u>850,716</u>	<u>\$ 2.50</u>	<u>578,479</u>	<u>\$ 0.49</u>
Options exercisable at August 2, 2008	<u>45,662</u>	<u>\$ 21.52</u>	<u>488,972</u>	<u>\$ 1.38</u>	<u>578,479</u>	<u>\$ 0.49</u>

Information related to the Company's restricted stock awards at August 2, 2008 and for the three months then ended is as follows:

	<u>2006 Plan</u>	
	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Unvested stock at April 30, 2008	—	\$ —
Stock granted	44,000	32.52
Stock vested	—	—
Stock canceled	—	—
Unvested stock at August 2, 2008	<u>44,000</u>	<u>\$ 32.52</u>

8. Customer Funded Research & Development

Customer-funded R&D costs are incurred pursuant to contracts (revenue arrangements) to perform R&D activities according to customer specifications. These costs are direct contract costs and are expensed to cost of sales when the corresponding revenue is recognized, which is generally as the R&D services are performed. Revenue from customer-funded R&D was approximately \$13,023,000 and \$4,286,000 for the three months ended August 2, 2008 and July 28, 2007, respectively.

AeroVironment, Inc.
Notes to Consolidated Financial Statements (Unaudited)

9. Segment Data

The Company's product segments are as follows:

- Unmanned Aircraft Systems ("UAS") — The UAS segment consists primarily of the design, development and manufacture of unmanned aircraft systems solutions.
- Efficient Energy Systems ("EES") — The EES segment consists primarily of the design, development and manufacture of system solutions for the clean transportation and clean energy markets.

As discussed in Note 1, effective May 1, 2008, the Company consolidated the operations of two of its business segments to reflect the current management and organizational structure that occurred on May 1, 2008. The change in the management and organizational structure was made to take advantage of operational synergies and optimize management time by focusing on two as opposed to three business segments. PosiCharge Systems and Energy Technology Center were consolidated into one segment named Efficient Energy Systems. As required by SFAS No. 131, the Company has restated its historical segment information for the three months ended July 28, 2007, to be consistent with the current reportable segment structure. The consolidation of the two segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented.

The accounting policies of the segments are the same as those described in Note 1, "Organization and Significant Accounting Policies." The operating segments do not make sales to each other. Depreciation and amortization related to the manufacturing of goods is included in gross margin for the segments. The Company does not discretely allocate assets to its operating segments, nor does the CODM evaluate operating segments using discrete asset information. Consequently, the Company operates its financial systems as a single segment for accounting and control purposes, maintains a single indirect rate structure across all segments, has no inter-segment sales or corporate elimination transactions, and maintains only limited financial statement information by segment.

The segment results are as follows (in thousands):

	Three Months Ended	
	August 2, 2008	July 28, 2007 (Restated)
Revenue:		
UAS	\$ 46,076	\$ 41,873
EES	7,537	7,331
Total	<u>53,613</u>	<u>49,204</u>
Gross margin:		
UAS	16,643	14,091
EES	3,940	2,746
Total	<u>20,583</u>	<u>16,837</u>
Selling, general and administrative	8,095	7,726
Research and development	5,260	4,300
Income from operations	7,228	4,811
Interest income	541	979
Income before income taxes	<u>\$ 7,769</u>	<u>\$ 5,790</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements that involve risks and uncertainties. In some cases, forward-looking statements can be identified by words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions. Such forward-looking statements are based on current expectations, estimates and projections about our industry, our management's beliefs and assumptions made by our management. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part II, Item 1A, "Risk Factors."

Unless required by law, we expressly disclaim any obligation to update publicly any forward-looking statements, whether as result of new information, future events or otherwise.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. When we prepare these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of our accounting policies require that we make subjective judgments, including estimates that involve matters that are inherently uncertain. Our most critical estimates include those related to revenue recognition, inventories and reserves for excess and obsolescence, self-insured liabilities, accounting for stock-based awards, and income taxes. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes made to the critical accounting estimates during the periods presented in the consolidated financial statements from those disclosed in the Form 10-K for the fiscal year ended April 30, 2008.

Fiscal Periods

Due to our fixed year end date of April 30, our first and fourth quarters each consist of approximately 13 weeks. The second and third quarters each consist of exactly 13 weeks. Our first three quarters end on a Saturday. Our 2009 fiscal year ends on April 30, 2009 and our fiscal quarters end on August 2, 2008, November 1, 2008 and January 31, 2009.

[Table of Contents](#)**Results of Operations**

Our operating segments are Unmanned Aircraft Systems, or UAS and Efficient Energy Systems, or EES. The accounting policies for each of these segments are the same. In addition, a significant portion of our research and development, or R&D, selling, general and administrative, or SG&A, and general overhead resources are shared across our segments.

The following table sets forth our revenue and gross margin generated by each operating segment for the periods indicated (in thousands):

Three Months Ended August 2, 2008 Compared to Three Months Ended July 28, 2007

	Three Months Ended	
	August 2, 2008	July 28, 2007 (Restated)
Revenue:		
UAS	\$ 46,076	\$ 41,873
EES	7,537	7,331
Total	53,613	49,204
Gross margin:		
UAS	16,643	14,091
EES	3,940	2,746
Total	20,583	16,837
Selling, general and administrative	8,095	7,726
Research and development	5,260	4,300
Income from operations	7,228	4,811
Interest income	541	979
Income before income taxes	\$ 7,769	\$ 5,790

Revenue. Revenue for the three months ended August 2, 2008 was \$53.6 million, as compared to \$49.2 million for the three months ended July 28, 2007, representing an increase of \$4.4 million, or 9%. UAS revenue increased \$4.2 million, or 10%, to \$46.1 million for the three months ended August 2, 2008, primarily due to higher UAS customer-funded research and development work partially offset by lower product deliveries. The increase in UAS customer-funded research and development revenue was primarily due to the Global Observer program. EES revenue increased by \$0.2 million, or 3%, to \$7.5 million for the three months ended August 2, 2008.

Cost of Sales. Cost of sales for the three months ended August 2, 2008 was \$33.0 million, as compared to \$32.4 million for the three months ended July 28, 2007, representing an increase of \$0.6 million, or 2%. The increase in cost of sales was caused primarily by higher UAS cost of sales of \$1.6 million partially offset by lower EES cost of sales of \$1.0 million.

Gross Margin. Gross margin for the three months ended August 2, 2008 was \$20.6 million, as compared to \$16.8 million for the three months ended July 28, 2007, representing an increase of \$3.8 million, or 22%. UAS gross margin increased \$2.5 million, or 18%, to \$16.7 million for the three months ended August 2, 2008. As a percentage of revenue, gross margin for UAS increased from 34% to 36%. The increase in UAS gross margin percent was primarily due to lower program costs. EES gross margin increased \$1.3 million to \$3.9 million for the three months ended August 2, 2008. As a percentage of revenue, EES gross margin increased from 37% to 52%, primarily due to operating improvements and product mix.

Selling, General and Administrative. SG&A expense for the three months ended August 2, 2008 was \$8.1 million, or 15% of revenue, compared to SG&A expense of \$7.7 million, or 16% of revenue, for the three months ended July 28, 2007. SG&A expense increased \$0.4 million primarily due to increased selling and marketing infrastructure costs.

Research and Development. R&D expense for the three months ended August 2, 2008 was \$5.3 million, or 10% of revenue, which was higher than R&D expense of \$4.3 million, or 9% of revenue for the three months ended July 28, 2007. R&D expense increased \$1.0 million largely due to increased investment in various development initiatives for UAS.

Income Tax Expense. Our effective income tax rate was 38.1% for the three months ended August 2, 2008, as compared to 33.6% for the three months ended July 28, 2007. This increase was caused by the expiration of the federal research and development tax credit, which expired in December 2007 and lower tax-exempt interest income from auction rate securities.

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Backlog. We define funded backlog as unfilled firm orders for products and services for which funding currently is appropriated to us under the contract by the customer. As of August 2, 2008 and April 30, 2008, our funded backlog was approximately \$108.9 million and \$82.0 million, respectively.

In addition to our funded backlog, we also had unfunded backlog of \$598.0 million and \$384.3 million as of August 2, 2008 and April 30, 2008, respectively. We define unfunded backlog as the total remaining potential order amounts under cost reimbursable and fixed price contracts with multiple one-year options, or indefinite delivery indefinite quantity, or IDIQ contracts. Unfunded backlog does not obligate the U.S. government to purchase goods or services. There can be no assurance that unfunded backlog will result in any orders in any particular period, if at all. Unfunded backlog does not include the value of options to purchase additional aircraft included in our Global Observer contract. Management believes that unfunded backlog does not provide a reliable measure of future estimated revenue under our contracts.

Because of possible future changes in delivery schedules and/or cancellations of orders, backlog at any particular date is not necessarily representative of actual sales to be expected for any succeeding period, and actual sales for the year may not meet or exceed the backlog represented. Our backlog is typically subject to large variations from quarter to quarter as existing contracts expire, or are renewed, or new contracts are awarded. A majority of our contracts, specifically our IDIQ contracts, do not currently obligate the U.S. government to purchase any goods or services. Additionally, all U.S. government contracts included in backlog, whether or not funded, may be terminated at the convenience of the U.S. government.

Liquidity and Capital Resources

We currently have no material cash commitments, except for normal recurring trade payables, accrued expenses and ongoing research and development costs, all of which we anticipate funding through our existing working capital and funds provided by operating activities. The majority of our purchase obligations are pursuant to funded contractual arrangements with our customers. In addition, we do not currently anticipate significant investment in property, plant and equipment, and we believe that our existing cash, cash equivalents, cash provided by operating activities and other financing sources will be sufficient to meet our anticipated working capital, capital expenditure and debt service requirements, if any, during the next twelve months. There can be no assurance, however, that our business will continue to generate cash flow at current levels. If we are unable to generate sufficient cash flow from operations, then we may be required to sell assets, reduce capital expenditures or obtain additional financing.

Our primary liquidity needs are for financing working capital, investing in capital expenditures, supporting product development efforts, introducing new products and enhancing existing products, and marketing acceptance and adoption of our products and services. Our future capital requirements, to a certain extent, are also subject to general conditions in or affecting the defense industry and are subject to general economic, political, financial, competitive, legislative and regulatory factors that are beyond our control. Moreover, to the extent that existing cash, cash equivalents, cash from operations, and cash from short-term borrowing are insufficient to fund our future activities, we may need to raise additional funds through public or private equity or debt financing. Although we are currently not a party to any agreement or letter of intent with respect to potential investment in, or acquisitions of, businesses, services or technologies, we may enter into these types of arrangements in the future, which could also require us to seek additional equity or debt financing.

Our working capital requirements vary by contract type. On cost-plus-fee programs, we typically bill our incurred costs and fees monthly as work progresses, and therefore working capital investment is minimal. On fixed-price contracts, we typically are paid as we deliver products, and working capital is needed to fund labor and expenses incurred during the lead time from contract award until contract deliveries begin.

Cash Flows

The following table provides our cash flow data for the three months ended August 2, 2008 and July 28, 2007 (in thousands):

	Three Months Ended	
	August 2, 2008	July 28, 2007
	(Unaudited)	
Net cash used in operating activities	\$ (2,999)	\$ (6,293)
Net cash provided by investing activities	\$ 2,509	\$ 14,755
Net cash provided by financing activities	\$ 257	\$ 240

Cash Used in Operating Activities. Net cash used in operating activities for the three months ended August 2, 2008 decreased by \$3.3 million to \$3.0 million, compared to net cash used in operating activities of \$6.3 million for the three months ended July 28, 2007. This decrease in net cash used in operating activities was primarily due to higher income of \$1.0 million and increase in tax benefits from stock option exercises of \$3.3 million, partially offset by higher working capital of \$1.2 million.

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Cash Provided by Investing Activities. Net cash provided by investing activities decreased by \$12.3 million to \$2.5 million for the three months ended August 2, 2008, compared to net cash provided by investing activities of \$14.8 million for the three months ended July 28, 2007. The decrease in net cash provided by investing activities was primarily due to lower net redemption of tax exempt municipal auction rate securities of \$12.1 million and higher capital expenditures of \$0.2 million.

Cash Provided by Financing Activities. Net cash provided by financing activities increased by \$0.1 million to \$0.3 million for the three months ended August 2, 2008, compared to \$0.2 million for the three months ended July 28, 2007. During the three months ended August 2, 2008, we received proceeds from stock option exercises of \$0.3 million.

Line of Credit and Term Loan Facilities

We had a revolving line of credit with a bank, under which we were able to borrow up to \$25.0 million. Borrowings bore interest at the bank's prime commercial lending rate, which was 5.00% as of April 30, 2008. The line of credit was secured by substantially all of our assets. All principal plus accrued but unpaid interest on the line of credit would have been due August 31, 2009. We had no outstanding balance on the line of credit as of April 30, 2008.

Effective June 23, 2008, we cancelled the line of credit with the bank to avoid unused commitment fees.

Off-Balance Sheet Arrangements

During the first quarter, there were no material changes in our off balance sheet arrangements or contractual obligations and commercial commitments from those disclosed in the Form 10-K for the fiscal year ended April 30, 2008.

Inflation

Our operations have not been, and we do not expect them to be, materially affected by inflation. Historically, we have been successful in adjusting prices to our customers to reflect changes in our material and labor costs.

New Accounting Standards

See Note 1 to our unaudited consolidated financial statements included elsewhere in this quarterly report for disclosure on new accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, we are exposed to various market risk factors, including fluctuations in interest rates, changes in general economic conditions, domestic and foreign competition, and foreign currency exchange rates. Please refer to Item 7A — Quantitative and Qualitative Disclosures About Market Risk, contained in our Annual Report on Form 10-K for the fiscal year ended April 30, 2008, for further discussion on quantitative and qualitative disclosures about market risk.

Interest Rate Risk

It is our policy not to enter into interest rate derivative financial instruments. We do not currently have any significant interest rate exposure.

Foreign Currency Exchange Rate Risk

Since a significant part of our sales and expenses are denominated in U.S. dollars, we have not experienced significant foreign exchange gains or losses to date, and do not expect to incur significant foreign exchange gains or losses in the future. We occasionally engage in forward contracts in foreign currencies to limit our exposure on non-U.S. dollar transactions.

ITEM 4. CONTROLS AND PROCEDURES

Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures.

Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting or in other factors identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the quarter ended August 2, 2008, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently a party to any material legal proceedings. We are, however, subject to lawsuits from time to time in the ordinary course of business.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended April 30, 2008, other than with respect to the following risk factor, which has been revised to reflect our current holdings of auction rate securities. Please refer to that section for disclosures regarding the risks and uncertainties related to our business.

Our short-term investment portfolio includes investments in auction rate securities. Failures in the auctions for these securities affect our liquidity, while deterioration in credit ratings of issuers of such securities and/or third parties insuring such investments may require us to adjust the carrying value of our investment through an impairment of earnings.

As of August 2, 2008, our \$8.5 million of short-term investments consisted entirely of auction rate municipal bonds with maturities that range from approximately 10 to 27 years. These investments have characteristics similar to short-term investments, because at pre-determined intervals, generally ranging from 30 to 35 days, there is a new auction process at which the interest rates for these securities are reset to current interest rates. At the end of such period, we choose to roll-over our holdings or redeem the investments for cash. A market maker facilitates the redemption of the securities and the underlying issuers are not required to redeem the investment within 365 days.

In 2008 we experienced several failed auctions of our auction rate securities and there is no assurance that auctions on the remaining auction rate securities in our investment portfolio will succeed in the future. As a result, our ability to liquidate our investments in the near term may be limited, and our ability to recover the carrying value of our investments may be limited. An auction failure means that the parties wishing to sell securities were not able to do so. As of August 29, 2008, including the securities involved in failed auctions, we held approximately \$8.5 million of these auction rate securities, all of which carry investment grade ratings. If the issuers of these securities are unable to successfully close future auctions or their credit ratings deteriorate, we may in the future be required to record an impairment charge on these investments. We currently believe these securities are not significantly impaired, primarily due to the government backing of the underlying securities. However, it could take until the final maturity of the underlying notes (up to 27 years) to realize our investments' recorded value. Based on our ability to access our cash and cash equivalents, expected operating cash flows, and our other sources of cash, we do not anticipate that the current lack of liquidity on these investments will affect our ability to continue to operate our business in the ordinary course, however we can provide no assurance as to when these investments will again become liquid or as to whether we may ultimately have to recognize an impairment charge with respect to these investments.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	Award/Contract, dated June 30, 2008, between AeroVironment, Inc. and United States Special Operations Command, as amended.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 10, 2008

AEROVIRONMENT, INC.

By: /s/ Timothy E. Conver
Timothy E. Conver
Chairman, Chief Executive Officer and President
(Principal Executive Officer)

/s/ Stephen C. Wright
Stephen C. Wright
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTAIN MATERIAL (INDICATED BY AN ASTERISK [*]) HAS BEEN OMITTED FROM THIS DOCUMENT PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING DO-A1	PAGE OF PAGES 1 72		
2. CONTRACT (Proc. Inst. Ident.) NO. H92222- 08-D-0048		3. EFFECTIVE DATE 30 Jun 2008		4. REQUISITION/PURCHASE REQUEST/PROJECT NO.			
5. ISSUED BY HQ USSOCOM SOAL-K ATTN [*] 7701 TAMPA POINT BLVD MACDILL AFB FL 33621-5323		CODE H92222	6. ADMINISTERED BY (If other than Item 5) DCMA LOS ANGELES 16111 PLUMMER ST. BLDG. 10, 2ND FLOOR SEPULVEDA CA 91343		CODE S0512A SCD: B		
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, state and zip code) AEROVIRONMENT, INC. DAVID RINDELS 181 W HUNTINGTON DR STE 202 MONROVIA CA 91016-3456			8. DELIVERY [] FOB ORIGIN [] [X] OTHER (See below)		9. DISCOUNT FOR PROMPT PAYMENT Net 30 Days		
CODE 60107			FACILITY CODE				
11. SHIP TO/MARK FOR See Schedule		CODE	12. PAYMENT WILL BE MADE BY DFAS COLUMBUS CENTER WEST ENTITLEMENT OPERATIONS P.O. BOX 182381 COLUMBUS OH 43218-2381		CODE HQ0339		
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [] 10 U.S.C. 2304(c) () [] 41 U.S.C. 253(c) ()			14. ACCOUNTING AND APPROPRIATION DATA				
15A. ITEM NO.	15B. SUPPLIES/ SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
	SEE SCHEDULE						
15G. TOTAL AMOUNT OF CONTRACT \$68,337,959.00							
16. TABLE OF CONTENTS							
(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I-THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/ CONTRACT FORM	1	X	I	CONTRACT CLAUSES	47 - 61
X	B	SUPPLIES OR SERVICES AND PRICES/ COSTS	2 - 39	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
X	C	DESCRIPTION/ SPECS./ WORK STATEMENT	40	X	J	LIST OF ATTACHMENTS	62 - 72
X	D	PACKAGING AND MARKING	41	PART IV- REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	42		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X	F	DELIVERIES OR PERFORMANCE	43		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	44 - 45		M	EVALUATION FACTORS AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	46	CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE			
17. [] CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return copies to issue office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. [] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number H92222-08-R-0019 including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF SIGNER (Type or print)				20A. NAME OF CONTRACTING OFFICER [*] TEL: [*] EMAIL: [*]			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED	20B. UNITED STATES OF AMERICA		20C. DATE SIGNED		

BY _____

(Signature of person authorized to sign)

BY _____

[*]

(Signature of Contracting Officer)

30-Jun-2008

NSN 7540-01-152-8069

26-107

STANDARD FORM 26 (REV. 12/2002)

Previous edition is usable

GPO 1985 O - 469-794

Prescribed by GSA
FAR (48 CFR) 53.214(a)

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Section B - Supplies or Services and Prices

INSTRUCTIONS

B.1 This is an indefinite delivery, indefinite quantity (IDIQ) contract with firm fixed price, cost plus fixed fee , and cost-no fee line items. The contract minimum is \$5,000,000, and the contract maximum is \$200,000,000 over the life of the contract.

B.2 Shipping shall not be included under the production CLINs for the complete AECV SUAS system or subsystems; and shall be charged against the shipping CLIN under each contract period.

B.3 For Administrative Purposes because of the Government Contract Writing, the MAX QTY and MAX LINE ITEM COST are just fillers under CLINS 0001, 1001, 2001, 3001, 4001 and 0006, 1006, 2006, 3006, 4006 and shown herein based on dollars not quantities. The correct pricing is under Exhibits A and B of Section J.

B.4 Reference SF 26, Block 15G. The TOTAL AMOUNT OF THE CONTRACT is \$0 as no monies are put on the basic contract. This amount is an estimate based on the estimates in the pricing/costs outlined under Section B.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0001	COMPLETE SYSTEMS AND PARTS FFP All Environment Capable Variant Small Unmanned Aircraft System (AECV SUAS) IAW Section J, Attachments 1-3. ISP shall be procured and priced under separate ISP CLIN. FOB: Origin	[*]	Each	\$1.00	\$[*]
				MAX NET AMT	\$[*]

See Exhibit A

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0002	ISP INVENTORY CONTROL POINT SYSTEM FFP IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0003	ISP INVENTORY CONTROL POINT SYSTEM FFP WITH GFE IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0004	ISP DEPOT MAINTENANCE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/ [*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0005	ISP DEPOT MAINTENANCE WITH GFE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance [*] systems for [*] months/ [*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0006	TRAINING FFP IAW Section J, Attachments 1-3. Travel costs excluded; charged against separate TRAVEL CLIN. FOB: Destination	[*]	Lot	\$1.00	\$[*]
				MAX NET AMT	\$[*]

See Exhibit B

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0007	Contractor Logistics Support (CLS) CPFF Depot Maintenance Unplanned. Overhead: [*]%; Fee: [*]%; FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0008	CLS Depot Maintenance Planned FFP IAW Section J, Attachments 1-3. PER SYSTEM. FOB: Destination	[*]	Each	\$[*]	\$[*]

MAX NET AMT \$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0009	CLS - Repair Parts FFP IAW Section J, Attachments 1-3. FOB: Destination	[*]	Lot	\$[*]	\$[*]

MAX NET AMT \$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0010	CLS - Transportation COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]

MAX COST \$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0011	CLS - Logistics Support FFP IAW Section J, Attachments 1-3. FOB: Destination	[*]	Lot	\$[*]	\$[*]

MAX NET AMT	\$[*]
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0012	ENGINEERING SUPPORT CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]

MAX COST	\$[*]
FIXED FEE	\$[*]
TOTAL MAX COST + FEE	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0013	SPIRAL EVOLUTION CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0014	TRAVEL - COST - NO FEE COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0015	SHIPPING - COST- NO FEE COST AECV SUAS Systems and Subsystems (CLINs 0001-0019) IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0016	Data FFP IAW Section J, Attachment 1 and Exhibit A. FOB: Destination	1	Lot		NSP

MAX
NET AMT

See Exhibit C

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
0017	Warranty FFP One-year warranty for each AECV SUAS System or Subsystem IAW Section K, Attachment J. FOB: Destination	1	Years	UNDEFINED	\$0.00 NC

MAX
NET AMT

\$0.00

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1003 OPTION	ISP INVENTORY CONTROL POINT SYSTEM FFP WITH GFE IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]

MAX
NET AMT \$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1004 OPTION	ISP DEPOT MAINTENANCE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]

MAX
NET AMT \$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1005 OPTION	ISP DEPOT MAINTENANCE WITH GFE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/ [*] hours.. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1006 OPTION	TRAINING FFP IAW Section J, Attachments 1-3. Travel costs excluded; charged against separate TRAVEL CLIN. FOB: Destination	[*]	Lot	\$1.00	\$[*]
					MAX NET AMT
					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1007 OPTION	Contractor Logistics Support (CLS) CPFF Depot Maintenance Unplanned. Overhead: [*]%; Fee: [*]%; FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1008 OPTION	CLS Depot Maintenance Planned FFP IAW Section J, Attachments 1-3. Per System. FOB: Destination	[*]	Each	\$[*]	\$[*]
				MAX NET AMT	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1009 OPTION	CLS - Repair Parts FFP IAW Section J, Attachments 1-3. FOB: Destination	[*]	Lot	\$[*]	\$[*]
MAX NET AMT					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1010 OPTION	CLS - Transportation COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
MAX COST					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1011 OPTION	CLS - Logistics Support FFP IAW Section J, Attachments 1-3. FOB: Destination	[*]	Lot	\$[*]	\$[*]
MAX NET AMT					\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1012 OPTION	ENGINEERING SUPPORT CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1013 OPTION	SPIRAL EVOLUTION CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1014 OPTION	TRAVEL - COST - NO FEE COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1015 OPTION	SHIPPING - COST- NO FEE COST AECV SUAS Systems and Subsystems (CLINs 0001-0019) IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1016 OPTION	Data FFP IAW Section J, Attachment 1 and Exhibit C. FOB: Destination	1	Lot		NSP

MAX
NET AMT

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
1017 OPTION	WARRANTY FFP One-year warranty for each AECV SUAS System or Subsystem IAW Section J, Attachment 1. FOB: Destination	1	Years	UNDEFINED	\$0.00 NC

MAX
NET AMT \$0.00

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2001 OPTION	COMPLETE SYSTEMS AND PARTS FFP All Environment Capable Variant Small Unmanned Aircraft System (AECV SUAS) IAW Section J, Attachments 1-3. ISP shall be procured and priced under separate ISP CLIN. FOB: Origin	[*]	Each	\$1.00	\$[*]

MAX
NET AMT \$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2004 OPTION	ISP DEPOT MAINTENANCE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2005 OPTION	ISP DEPOT MAINTENANCE WITH GFE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2006 OPTION	TRAINING FFP IAW Section J, Attachments 1-3. Travel costs excluded; charged against separate TRAVEL CLIN. FOB: Destination	[*]	Lot	\$1.00	\$[*]

MAX NET AMT	\$[*]
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2007 OPTION	CONTRACTOR LOGISTICS SUPPORT (CLS) CPFF Depot Maintenance Unplanned IAW Section J, Attachments 1-3. Overhead: [*] %; Fee: [*] % FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]

MAX COST	\$[*]
FIXED FEE	\$[*]
TOTAL MAX COST + FEE	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT	
2008 OPTION	CLS Depot Maintenance Planned FFP IAW Section J, Attachments 1-3. Per System. FOB: Destination	[*]	Each	\$[*]	\$[*]	
					MAX NET AMT	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT	
2009 OPTION	CLS - Repair Parts FFP IAW Section J, Attachments 1-3. FOB: Destination	1	Lot	\$[*]	\$[*]	
					MAX NET AMT	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT	
2010 OPTION	CLS - Transportation COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]	
					MAX COST	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2011 OPTION	CLS - Logistics Support FFP IAW Section J, Attachments 1-3. FOB: Destination	1	Lot	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2012 OPTION	ENGINEERING SUPPORT CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
					MAX COST
					\$[*]
					FIXED FEE
					\$[*]
					TOTAL MAX COST + FEE
					\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2013 OPTION	SPIRAL EVOLUTION CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2014 OPTION	TRAVEL - COST - NO FEE COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2015 OPTION	SHIPPING - COST- NO FEE COST AECV SUAS Systems and Subsystems (CLINs 0001-0019) IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2016 OPTION	Data FFP IAW Section J, Attachment 1 and Exhibit C. FOB: Destination	1	Lot		NSP

MAX
NET AMT

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
2017 OPTION	WARRANTY FFP One-year warranty for each AECV SUAS System or Subsystem IAW Section J, Attachment 1. FOB: Destination	1	Years	UNDEFINED	\$0.00 NC

MAX
NET AMT

\$0.00

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3001 OPTION	COMPLETE SYSTEMS AND PARTS FFP All Environment Capable Variant Small Unmanned Aircraft System (AECV SUAS) IAW Section J, Attachments 1-3. ISP shall be procured and priced under separate ISP CLIN. FOB: Origin	[*]	Each	\$1.00	\$[*]
MAX NET AMT					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3002 OPTION	ISP INVENTORY CONTROL POINT SYSTEM FFP IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months / [*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3003 OPTION	ISP INVENTORY CONTROL POINT SYSTEM FFP WITH GFE IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3004 OPTION	ISP DEPOT MAINTENANCE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3005 OPTION	ISP DEPOT MAINTENANCE WITH GFE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
					MAX NET AMT
					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3006 OPTION	TRAINING FFP IAW Section J, Attachments 1-3. Travel costs excluded; charged against separate TRAVEL CLIN. FOB: Destination	[*]	Lot	\$1.00	\$[*]
					MAX NET AMT
					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3007 OPTION	CONTRACTOR LOGISTICS SUPPORT (CLS) CPFF Depot Maintenance Unplanned IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%; FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3008 OPTION	CLS Depot Maintenance Planned FFP IAW Section J, Attachments 1-3. Per System. FOB: Destination	1	Lot	\$[*]	\$[*]
				MAX NET AMT	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3009 OPTION	CLS - Repair Parts FFP IAW Section J, Attachments 1-3. FOB: Destination	1	Lot	\$[*]	\$[*]
MAX NET AMT					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3010 OPTION	CLS - Transportation COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
MAX COST					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3011 OPTION	CLS - Logistics Support FFP IAW Section J, Attachments 1-3. FOB: Destination	1	Lot	\$[*]	\$[*]
MAX NET AMT					\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3012 OPTION	ENGINEERING SUPPORT CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3013 OPTION	SPIRAL EVOLUTION CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3014 OPTION	TRAVEL - COST - NO FEE COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3015 OPTION	SHIPPING - COST- NO FEE COST AECV SUAS Systems and Subsystems (CLINs 0001-0019) IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]

MAX COST \$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3016 OPTION	Data FFP IAW Section J, Attachment J and Exhibit C. FOB: Destination	1	Lot		NSP

MAX
NET AMT

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
3017 OPTION	WARRANTY FFP One-year warranty for each AECV SUAS System or Subsystem IAW Section J, Attachment 1. FOB: Destination	1	Years	UNDEFINED	\$0.00 NC
MAX NET AMT					\$0.00

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4001 OPTION	COMPLETE SYSTEMS AND PARTS FFP All Environment Capable Variant Small Unmanned Aircraft System (AECV SUAS) IAW Section J, Attachments 1-3. ISP shall be procured and priced under separate ISP CLIN. FOB: Origin	[*]	Each	\$1.00	[\$*]
MAX NET AMT					[\$*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4002 OPTION	ISP INVENTORY CONTROL POINT SYSTEM FFP IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4003 OPTION	ISP INVENTORY CONTROL POINT SYSTEM FFP WITH GFE IAW Section J, Attachments 1-3. Defined as those end items and LRUs estimated as required to provide maintenance float for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4004 OPTION	ISP DEPOT MAINTENANCE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4005 OPTION	ISP DEPOT MAINTENANCE WITH GFE FFP IAW Section J, Attachments 1-3. Defined as those long lead depot level spare parts estimated as necessary to provide planned and unplanned depot maintenance for [*] systems for [*] months/[*] hours. FOB: Origin	[*]	Each	\$[*]	\$[*]
MAX NET AMT					\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4006 OPTION	TRAINING FFP IAW Section J, Attachments 1-3. Travel costs excluded; charged against separate TRAVEL CLIN. FOB: Destination	[*]	Lot	\$1.00	\$[*]

MAX NET AMT	\$[*]
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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4007 OPTION	CONTRACTOR LOGISTICS SUPPORT (CLS) CPFF Depot Maintenance Unplanned IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%; FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]

MAX COST	\$[*]
FIXED FEE	\$[*]
TOTAL MAX COST + FEE	\$[*]

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ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT	
4008 OPTION	CLS Depot Maintenance Planned FFP IAW Section J, Attachments 1-3. Per System. FOB: Destination	[*]	Each	\$[*]	\$[*]	
					MAX NET AMT	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT	
4009 OPTION	CLS - Repair Parts FFP IAW Section J, Attachments 1-3. FOB: Destination	[*]	Lot	\$[*]	\$[*]	
					MAX NET AMT	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT	
4010 OPTION	CLS - Transportation COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]	
					MAX COST	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4012 OPTION	ENGINEERING SUPPORT CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4013 OPTION	SPIRAL EVOLUTION CPFF IAW Section J, Attachments 1-3. Overhead: [*]%; Fee: [*]%. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]
				FIXED FEE	\$[*]
				TOTAL MAX COST + FEE	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4014 OPTION	TRAVEL - COST - NO FEE COST IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4015 OPTION	SHIPPING - COST- NO FEE COST AECV SUAS Systems and Subsystems (CLINs 0001-0019) IAW Section J, Attachments 1-3. FOB: Destination	UNDEFINED	Lot	UNDEFINED	\$[*]
				MAX COST	\$[*]

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4016 OPTION	Data FFP IAW Section J, Attachment 1 and Exhibit C. FOB: Destination	1	Lot		NSP
				MAX NET AMT	

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ITEM NO	SUPPLIES/SERVICES	MAX QUANTITY	UNIT	UNIT PRICE	MAX AMOUNT
4017 OPTION	WARRANTY FFP One-year warranty for each AECV SUAS System or Subsystem IAW Section J, Attachment 1. FOB: Destination	1	Years	UNDEFINED	\$0.00 NC
<hr/> MAX NET AMT					\$0.00

Section C - Descriptions and Specifications

STATEMENT OF WORK

The contractor shall provide all labor, equipment, tools, supervision and other items or services as needed IAW the Statement of Work under Section J, Attachment 1. All work called for by the contract line items specified in Section B shall be performed in accordance with Section J attachments and exhibits or as cited on applicable delivery orders.

Section D - Packaging and Marking

CLAUSES INCORPORATED BY FULL TEXT

5652.246-9000 Marking of Warranted Items (1998)

Each item covered by a warranty shall be stamped or marked with the contract number, item description, and ship to address. Items shall also include markings that state (i) the existence and substance of the warranty, (ii) the warranty duration, and (iii) who to notify if supplies are found to be defective. Where this is impractical, written notice shall be attached to or furnished with the warranted item.

(end of clause)

CLAUSES INCORPORATED BY FULL TEXT

5652.247-9000 Packaging & Marking - F.O.B. Destination (1998)

The shipping, address, contract number, device number, and any other "MARK FOR" information shall be clearly marked on the outside of all packages shipped under this contract. Information shall be easily identified without opening the package. This information shall also be included on the inside of all packages.

(end of clause)

Section E - Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Inspection is at source and acceptance is at destination.

CLAUSES INCORPORATED BY REFERENCE

52.246-2	Inspection Of Supplies--Fixed Price	AUG 1996
52.246-4	Inspection Of Services--Fixed Price	AUG 1996
52.246-5	Inspection Of Services Cost-Reimbursement	APR 1984
252.246-7000	Material Inspection And Receiving Report	MAR 2003

Section F - Deliveries or Performance

DELIVERY INFORMATION

Delivery schedule will be specified under individual delivery orders.

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-15 Alt I	Stop-Work Order (Aug 1989) - Alternate I	APR 1984
52.242-17	Government Delay Of Work	APR 1984
52.247-34	F.O.B. Destination	NOV 1991
52.247-48	F.O.B. Destination--Evidence Of Shipment	FEB 1999

Section G - Contract Administration Data

Accounting Data to be specified under individual delivery orders.

CLAUSES INCORPORATED BY REFERENCE

5652.232-9003 Instructions to Paying Office (2005) MAY 2005

CLAUSES INCORPORATED BY FULL TEXT

252.204-7006 BILLING INSTRUCTIONS (OCT 2005)

When submitting a request for payment, the Contractor shall--

- (a) Identify the contract line item(s) on the payment request that reasonably reflect contract work performance; and
- (b) Separately identify a payment amount for each contract line item included in the payment request.

(End of clause)

CLAUSES INCORPORATED BY FULL TEXT

5652.216-9000 Fixed Fee Information (2003)

Subject to the requirements of FAR 52.216-8 and all other withholding requirements of this contract, the fixed fee stated in Section B shall be paid to the contractor at the same percentage rate as the percentage of incurred and allowable costs proportionate to the total estimated cost.

(end of clause)

CLAUSES INCORPORATED BY FULL TEXT

TYPE OF DOCUMENT:

Vendor/Contractor CAGE CODE:

ISSUING OFFICE DODAAC:

CONTRACT ADMIN DODAAC:

INSPECTION DODAAC/BPN:

PLUS SIX EXT:

ACCEPTOR / SHIP TO
DODAAC/BPN:

PLUS SIX EXT:

LOCAL PROCESSING OFFICE:

PLUS SIX EXT:

PAY/DISBURSING OFFICE
DODAAC:

E-MAIL POINT OF CONTACT LISTING (*maximize use of group e-mail accounts*):

INSPECTOR:

ACCEPTOR:

CONTRACT ADMINISTRATOR:

CONTRACTING OFFICER:

ADDITIONAL CONTACT:

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Section H - Special Contract Requirements

CLAUSES INCORPORATED BY FULL TEXT

5652.209-9003 Use of Contractor Support/Advisory Personnel as Contract Specialists (2005)

The contractor's attention is directed to the fact that contractor personnel may assist the Government in a contract administrator role for administration of this contract. Execution of this contract constitutes approval to release the contract and contractor's proposal to Government Support Contractors who have signed Non-Disclosure and Rules of Conduct/Conflict of Interest Statements.

(end of clause)

IDENTIFICATION AND ASSERTION

As certified under Section K, Provision 252.227-7017, the contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical /software data should be restricted:

Technical Data to be Furnished With Restrictions	Basis for Assertion	Asserted Rights Category	Name of Person Asserting Restrictions
Puma AE Interface Control Document (ICD) "Over the Air" Datalink	[*]	[*]	AeroVironment, Inc.
Puma AE Interface Control Document (ICD) Payload Hardware/Software	[*]	[*]	AeroVironment, Inc.
Puma AE Interface Control Document (ICD) SUAS Simulator	[*]	[*]	AeroVironment, Inc.
Puma AE Interface Control Document (ICD) Ground Control Station	[*]	[*]	AeroVironment, Inc.
Puma AE System Software Designs described below:	[*]	[*]	
a. AVI FalconView Toolbar Plug-In	[*]	[*]	AeroVironment, Inc.
b. SUAS Simulator Application	[*]	[*]	AeroVironment, Inc.
c. AV Tracker/DVR Application	[*]	[*]	AeroVironment, Inc.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	SEP 2007
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.204-7	Central Contractor Registration	JUL 2006
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	SEP 2006
52.211-5	Material Requirements	AUG 2000
52.211-15	Defense Priority And Allocation Requirements	SEP 1990
52.215-2	Audit and Records--Negotiation	JUN 1999
52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
52.215-11	Price Reduction for Defective Cost or Pricing Data--Modifications	OCT 1997
52.215-13	Subcontractor Cost or Pricing Data--Modifications	OCT 1997
52.215-14	Integrity of Unit Prices	OCT 1997
52.215-15	Pension Adjustments and Asset Reversions	OCT 2004
52.215-17	Waiver of Facilities Capital Cost of Money	OCT 1997
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	JUL 2005
52.215-19	Notification of Ownership Changes	OCT 1997
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications	OCT 1997
52.216-7	Allowable Cost And Payment	DEC 2002
52.216-8	Fixed Fee	MAR 1997
52.219-8	Utilization of Small Business Concerns	MAY 2004
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.222-3	Convict Labor	JUN 2003
52.222-20	Walsh-Healey Public Contracts Act	DEC 1996
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Equal Opportunity For Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	SEP 2006
52.222-36	Affirmative Action For Workers With Disabilities	JUN 1998
52.222-37	Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, and Other Eligible Veterans	SEP 2006
52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees	DEC 2004
52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees	DEC 2004
52.223-6	Drug-Free Workplace	MAY 2001
52.225-8	Duty-Free Entry	FEB 2000

52.225-13	Restrictions on Certain Foreign Purchases	FEB 2006
52.226-1	Utilization Of Indian Organizations And Indian-Owned Economic Enterprises	JUN 2000
52.227-1 Alt I	Authorization And Consent (Dec 2007) - Alternate I	APR 1984
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	DEC 2007
52.227-11	Patent Rights--Retention By The Contractor	DEC 2007
52.228-7	Insurance--Liability To Third Persons	MAR 1996
52.229-3	Federal, State And Local Taxes	APR 2003
52.232-1	Payments	APR 1984
52.232-8	Discounts For Prompt Payment	FEB 2002
52.232-9	Limitation On Withholding Of Payments	APR 1984
52.232-20	Limitation Of Cost	APR 1984
52.232-25	Prompt Payment	OCT 2003
52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	OCT 2003
52.233-1	Disputes	JUL 2002
52.233-3	Protest After Award	AUG 1996
52.233-4	Applicable Law for Breach of Contract Claim	OCT 2004
52.242-1	Notice of Intent to Disallow Costs	APR 1984
52.242-3	Penalties for Unallowable Costs	MAY 2001
52.242-4	Certification of Final Indirect Costs	JAN 1997
52.242-13	Bankruptcy	JUL 1995
52.243-2 Alt I	Changes--Cost-Reimbursement (Aug 1987) - Alternate I	APR 1984
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	MAR 2007
52.245-1	Government Property	JUN 2007
52.246-23	Limitation Of Liability	FEB 1997
52.246-25	Limitation Of Liability--Services	FEB 1997
52.249-6	Termination (Cost Reimbursement)	MAY 2004
52.249-14	Excusable Delays	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2004
252.204-7002	Payment For Subline Items Not Separately Priced	DEC 1991
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	Central Contractor Registration (52.204-7) Alternate A	SEP 2007
252.204-7005	Oral Attestation of Security Responsibilities	NOV 2001
252.204-7006	Billing Instructions	OCT 2005
252.205-7000	Provision Of Information To Cooperative Agreement Holders	DEC 1991
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	DEC 2006
252.215-7000	Pricing Adjustments	DEC 1991
252.215-7002	Cost Estimating System Requirements	DEC 2006
252.223-7004	Drug Free Work Force	SEP 1988
252.225-7001	Buy American Act And Balance Of Payments Program	JUN 2005
252.225-7002	Qualifying Country Sources As Subcontractors	APR 2003
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	SEP 2006
252.225-7012	Preference For Certain Domestic Commodities	JAN 2007
252.225-7014	Preference For Domestic Specialty Metals	JUN 2005
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999

252.231-7000	Supplemental Cost Principles	DEC 1991
252.232-7003	Electronic Submission of Payment Requests	MAR 2007
252.243-7001	Pricing Of Contract Modifications	DEC 1991
252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	JAN 2007
252.247-7023	Transportation of Supplies by Sea	MAY 2002

CLAUSES INCORPORATED BY FULL TEXT

52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (JUNE 2007)

(a) Definitions. As used in this clause--

Long-term contract means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

Small business concern means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (c) of this clause.

(b) If the Contractor represented that it was a small business concern prior to award of this contract, the Contractor shall rerepresent its size status according to paragraph (c) of this clause or, if applicable, paragraph (g) of this clause, upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts--

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the exercise date specified in the contract for any option thereafter.

(c) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code assigned to this contract. The small business size standard corresponding to this NAICS code can be found at <http://www.sba.gov/services/contractingopportunities/sizestandardstopics/>.

(d) The small business size standard for a Contractor providing a product which it does not manufacture itself, for a contract other than a construction or service contract, is 500 employees.

(e) Except as provided in paragraph (g) of this clause, the Contractor shall make the rerepresentation required by paragraph (b) of this clause by validating or updating all its representations in the Online Representations and Certifications Application and its data in the Central Contractor Registration, as necessary, to ensure they reflect current status. The Contractor shall notify the contracting office by e-mail, or otherwise in writing, that the data have been validated or updated, and provide the date of the validation or update.

(f) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (e) or (g) of this clause.

(g) If the Contractor does not have representations and certifications in ORCA, or does not have a representation in ORCA for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

The Contractor represents that it (X) is, () is not a small business concern under NAICS Code 336411 - assigned to contract number H92222-08-D-0048.

(Contractor's signature, date, and authorized signer's name and title is on file with the Contracting Officer.)

(End of clause)

52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed \$0 or the overtime premium is paid for work --

(1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

(4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall--

(1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;

(2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;

(3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and

(4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

* Insert either "zero" or the dollar amount agreed to during negotiations. The inserted figure does not apply to the exceptions in paragraph (a)(1) through (a)(4) of the clause.

(End of clause)

52.244-2 SUBCONTRACTS (JUN 2007)

(a) Definitions. As used in this clause--

Approved purchasing system means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

Consent to subcontract means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (c) or (d) of this clause.

(c) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that—

(1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

(2) Is fixed-price and exceeds—

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(d) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

None.

(e)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (b), (c), or (d) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

- (vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.
- (vii) A negotiation memorandum reflecting—
- (A) The principal elements of the subcontract price negotiations;
 - (B) The most significant considerations controlling establishment of initial or revised prices;
 - (C) The reason cost or pricing data were or were not required;
 - (D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
 - (E) The extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;
 - (F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and
 - (G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.
- (2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) of this clause.
- (f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination—
- (1) Of the acceptability of any subcontract terms or conditions;
 - (2) Of the allowability of any cost under this contract; or
 - (3) To relieve the Contractor of any responsibility for performing this contract.
- (g) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).
- (h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.
- (i) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.
- (j) Paragraphs (c) and (e) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:
- None.
- (End of clause)

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://farsite.hill.af.mil/farsite.html>

(End of clause)

252.211-7003 ITEM IDENTIFICATION AND VALUATION (JUN 2005)

(a) Definitions. As used in this clause'

Automatic identification device means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.

Concatenated unique item identifier means--

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or

(2) For items that are serialized within the original part, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code; enterprise identifier; original part, lot, or batch number; and serial number within the original part, lot, or batch number.

Data qualifier means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.

DoD recognized unique identification equivalent means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at <http://www.acq.osd.mil/dpap/UID/equivalents.html>.

DoD unique item identification means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.

Enterprise means the entity (e.g., a manufacturer or vendor) responsible for assigning unique item identifiers to items.

Enterprise identifier means a code that is uniquely assigned to an enterprise by an issuing agency.

Government's unit acquisition cost means--

- (1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery;
- (2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery; and
- (3) For items produced under a time-and-materials contract, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery.

Issuing agency means an organization responsible for assigning a non-repeatable identifier to an enterprise (i.e., Dun & Bradstreet's Data Universal Numbering System (DUNS) Number, Uniform Code Council (UCC)/EAN International (EAN) Company Prefix, or Defense Logistics Information System (DLIS) Commercial and Government Entity (CAGE) Code).

Issuing agency code means a code that designates the registration (or controlling) authority for the enterprise identifier.

Item means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.

Lot or batch number means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.

Machine-readable means an automatic identification technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.

Original part number means a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface.

Parent item means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.

Serial number within the enterprise identifier means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.

Serial number within the part, lot, or batch number means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part, lot, or batch number assignment.

Serialization within the enterprise identifier means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.

Serialization within the part, lot, or batch number means each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment. The enterprise is responsible for ensuring unique serialization within the part, lot, or batch number within the enterprise identifier.

Unique item identifier means a set of data elements marked on items that is globally unique and unambiguous.

Unique item identifier type means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at <http://www.acq.osd.mil/dpap/UID/uid--types.html>.

- (b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) DoD unique item identification or DoD recognized unique identification equivalents.

(1) The Contractor shall provide DoD unique item identification, or a DoD recognized unique identification equivalent, for--

(i) All delivered items for which the Government's unit acquisition cost is \$5,000 or more; and

(ii) The following items for which the Government's unit acquisition cost is less than \$5,000:

Contract line, subline, or exhibit line

item No.	Item description:
----------	-------------------

None.

(iii) Subassemblies, components, and parts embedded within delivered items as specified in Attachment Number -----.

(2) The concatenated unique item identifier and the component data elements of the DoD unique item identification or DoD recognized unique identification equivalent shall not change over the life of the item.

(3) Data syntax and semantics of DoD unique item identification and DoD recognized unique identification equivalents. The Contractor shall ensure that--

(i) The encoded data elements (except issuing agency code) of the unique item identifier are marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Data Identifiers (DIs) (Format 06) in accordance with ISO/IEC International Standard 15418, Information Technology ``EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(B) Application Identifiers (AIs) (Format 05), in accordance with ISO/IEC International Standard 15418, Information Technology ``EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(C) Text Element Identifiers (TEIs), in accordance with the DoD collaborative solution ``DD`` format for use until the solution is approved by ISO/IEC JTC1 SC 31. The ``DD`` format is described in Appendix D of the DoD Guide to Uniquely Identifying Items, available at <http://www.acq.osd.mil/dpap/UID/guides.htm>; and

(ii) The encoded data elements of the unique item identifier conform to ISO/IEC International Standard 15434, Information Technology--Syntax for High Capacity Automatic Data Capture Media.

(4) DoD unique item identification and DoD recognized unique identification equivalents.

(i) The Contractor shall--

(A) Determine whether to serialize within the enterprise identifier or serialize within the part, lot, or batch number; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; and for serialization within the part, lot, or batch number only; original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in the version of MIL-STD-130, Identification Marking of U.S. Military Property, cited in the contract Schedule.

(ii) The issuing agency code--

(a) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires unique item identification under paragraph (c)(1)(i) or (ii) of this clause, in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report, the following information:

(1) Concatenated unique item identifier; or DoD recognized unique identification equivalent.

(2) Unique item identifier type.

(3) Issuing agency code (if concatenated unique item identifier is used).

(4) Enterprise identifier (if concatenated unique item identifier is used).

(5) Original part number.

(6) Lot or batch number.

(7) Current part number (if not the same as the original part number).

(8) Current part number effective date.

(9) Serial number.

(10) Government's unit acquisition cost.

(e) For embedded DoD serially managed subassemblies, components, and parts that require unique item identification under paragraph (c)(1)(iii) of this clause, the Contractor shall report at the time of delivery, either as part of, or associated with the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

(1) Concatenated unique item identifier or DoD recognized unique identification equivalent of the parent item delivered under a contract line, subline, or exhibit line item that contains the embedded subassembly, component, or part.

(2) Concatenated unique item identifier or DoD recognized unique identification equivalent of the embedded subassembly, component, or part.

(3) Unique item identifier type.**

(4) Issuing agency code (if concatenated unique item identifier is used).**

(5) Enterprise identifier (if concatenated unique item identifier is used).**

(6) Original part number.**

(7) Lot or batch number.**

(8) Current part number (if not the same as the original part number).**

(9) Current part number effective date.**

(10) Serial number.**

(11) Unit of measure.

(12) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause in accordance with the data submission procedures at <http://www.acq.osd.mil/dpap/UID/DataSubmission.htm>.

(g) Subcontracts. If paragraph (c)(1) of this clause applies, the Contractor shall include this clause, including this paragraph (g), in all subcontracts issued under this contract.

(End of clause)

5652.201-9002 Authorized Changes Only by Contracting Officer (2005)

The Contractor shall not comply with any order, direction or request of Government personnel unless it is issued in writing and signed by the Contracting Officer, or is pursuant to specific authority otherwise included as part of this contract. Except as specified herein, no order, statement, or conduct of Government personnel who visit the contractor's facilities or in any other manner communicates with Contractor personnel during the performance of this contract shall constitute a change under the Changes clause in Section I. In the event the Contractor effects any change at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in cost incurred as a result thereof. The address and telephone number of the Contracting Officer is [*], USSOCOM/SOAL-KW, 7701 Tampa Point Blvd., MacDill AFB 33621. [*]. [*]

(end of clause)

5652.204-9002 Instructions for the Use of Electronic Contracts (2000)

In accordance with DoD policy, this solicitation and the resulting contract will be executed and documented through electronic means. As a result, the use of the terms "documented," "copy," "printed," "in writing," or "written" within this document shall refer to all electronically transmitted documents that will become part of the electronic contract file and an official government record. Any reference to official signatures and signed documents shall refer to electronic signatures. Whenever an electronic signature is used it shall have to full force and effect as a handwritten signature.

(end of clause)

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

5652.204-9003 Disclosure of Unclassified Information (2007)

a. On September 21, 2001, the Department of Defense designated Headquarters US Special Operations Command (USSOCOM) a sensitive unit, as defined by Title 10 United States Code (USC) Section 130b (10 USC 130b). In keeping with this designation, unclassified information related to USSOCOM military technology acquisitions managed by USSOCOM or any of its component commands, will be designated Controlled Unclassified Information (CUI). As such, the contractor hereby unequivocally agrees that it shall not release to anyone outside the Contractor's organization any unclassified information, regardless of medium (e.g., film, tape, document, contractor's external website, newspaper, magazine, journal, corporate annual report, etc.), pertaining to any part of this contract or any program related to this contract, unless the Contracting Officer has given prior written approval. Furthermore, any release of information which associates USSOCOM, Special Operation Forces (SOF), or any component command with an acquisition program, contractor, or this contract is prohibited unless specifically authorized by USSOCOM.

b. Request for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. The contractor shall submit the request to the Contracting Officer at least 45 days before the propose date for release for approval. No release of any restricted information shall be made without specific written authorization by the Contracting Office.

c. The Contractor shall include a similar requirement in each subcontract under this contract. Subcontractors shall submit request for authorization to release through the prime contractor to the Contracting Officer.

d. The Contractor further understands that Title 18 USC Section 701 specifically prohibits the use of the USSOCOM emblem or logo in any medium (e.g., corporate website, marketing brochure, news paper, magazine, etc.) unless authorized in writing by USSOCOM. Forward any request to use the USSOCOM emblem or logo through the Contracting Officer.

(end of clause)

5652.216-9000 Fixed Fee Information (2003)

Subject to the requirements of FAR 52.216-8 and all other withholding requirements of this contract, the fixed fee stated in Section B shall be paid to the contractor at the same percentage rate as the percentage of incurred and allowable costs proportionate to the total estimated cost.

(end of clause)

5652.216-9002 Withholding of Fixed Fee or Incentive Fee (2005)

Pursuant to FAR 52-216-8 "Fixed Fee" or FAR 52.216-10 "Incentive Fee", the withheld amount of the fixed or incentive fee shall not exceed 10% percent of the total fee or \$100,000, whichever is less.

(end of clause)

5652.216-9005 Government Down Time for Various Reasons (2005)

From time to time Government installations may be closed in response to an unforeseen emergency or similar occurrence, or by order of the President, Secretary of Defense, or installation commander. Designated emergencies include, but are not limited to, adverse weather such as snow or flood, an act of God such as a tornado or earthquake, acts of war or terrorism, computer failures, or a base disaster such as a natural gas leak or fire.

(a) Under such designated emergencies or other ordered base closures, contractor personnel will not be allowed on the Government installation unless specifically approved by the Contracting Officer in accordance with installation policies and procedures. If an emergency requiring installation closure occurs while contractor personnel are on the installation, contractor personnel shall promptly secure all government furnished property appropriately and evacuate in an expedient but safe manner unless otherwise directed by the Contracting Officer.

(b) If the installation closure causes a delay in the work required by the contract, the Government may:

(i) grant a time extension in each task order delayed by the closure equal to the time of the closure, subject to the availability of funds.

(ii) terminate the work or a portion of the work.

(iii) reschedule the work on any day satisfactory to both parties.

(iv) permit the contractor to perform at an off-site location during the period of installation closure if meaningful work can be accomplished.

Contractor shall certify to the government by letter within 5 business days of returning to work the nature and scope of the work completed off-site.

There shall be no adjustment to the contract labor rates for work performed off the installation.

(v) require that the Contractor continue on-site performance during the installation closure period in accordance with installation procedures.

(end of clause)

5652.231-9001 Allowable Travel Costs (2005)

(a) Pursuant to Public Law 99-234, reasonable and allowable Contractor costs for transportation associated with the performance of this contract may be reimbursed upon mileage, rates, actual costs, or a combination thereof, lodging, meals and incidental expenses may be based upon per diem, actual expense, or a combination thereof, provided that the method used results in a reasonable charge. The cost above shall be determined reasonable and allowable to the extent that they do not exceed, on a daily basis, the maximum per diem rate in effect at the time of travel as set forth in:

(1) Federal Travel Regulations, Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense, for travel in Alaska, Hawaii, the Commonwealth of Puerto Rico, and the territories and possessions of the United States, available on a subscription basis from the Superintendent of Documents, U.S. Government Printing Office, Washington DC 20402, Stock No. 906-010-000000-1; or at http://www.gsa.gov/Portal/gsa/ep/contentView.do?P=MTT&contentId=13265&contentType=GSA_BASIC in electronic format.

(2) Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowance for Foreign Areas," prescribed by the Department of State, for travel in areas not covered in (a)(1) of this clause, available on a subscription basis from the Superintendent of Documents, U.S. Government Printing Office, Washington DC 20402, Stock No. 744-008-000000-0; or at <http://www.state.gov/m/a/als/prdm/2002/9892.htm> in electronic format

(b) Cited Federal Regulations are not incorporated in their entirety. Only sections defining lodging, meals and incidental expenses and those sections dealing with special or unusual situations and setting forth maximum per diem rates are incorporated herein.

(end of clause)

5652.237-9000 Contractor Personnel Changes (1998)

(a) The contractor shall have the right to remove his personnel assigned to perform the tasks hereunder and to substitute other qualified personnel provided that the Contracting Officer is notified of such removal and replacement. The contractor shall notify the Contracting Officer prior to such change, giving the new employee's name, security clearance and technical qualifications.

(b) Any removals or replacements for the convenience of the contractor shall be at no additional cost to the Government. Cost to be borne by the contractor include but are not limited to time of travel, travel and training costs for replacement personnel.

(c) Removals or replacements of contractor personnel shall be considered for the convenience of the contractor except when such removal is for:

- (1) employees removed as a result of cancellation or completion of the contract,
- (2) employees replaced due to death or incapacitating illness or injury,
- (3) or employees removed or replaced at the Government's request.

(d) If any employee removes him/herself from the employ of the contractor, such removal will be at no additional cost to the Government.

(end of clause)

5652.239-9000 Privacy or Security Safeguards. (2000)

(a) The details of any privacy or security safeguards that may be revealed to the contractor by the Government in the course of performance under this contract shall not be published or disclosed in any manner without the Contracting Officer's express written consent.

(b) The Government shall be afforded full, free, and uninhibited access to all facilities, installations, technical capabilities, operations, documentation, records, and data bases for the purpose of carrying out a program of inspection to ensure continued efficacy and efficiency of safeguards against threats and hazards to data security, integrity, and confidentiality.

(c) If either the Government or the contractor discovers new or unanticipated threats or hazards, or if existing safeguards have ceased to function, then a mutual agreement shall then be reached on the changes or corrections to existing safeguards or institution of new safeguards, with final determination of appropriateness to be determined by the Government. The Government's liability is limited to an equitable adjustment of cost for such changes or corrections, unless the ineffectiveness of existing safeguards is due to the fault of the contractor in which case the Government is not liable for any equitable adjustment.

(d) The Government shall not be liable for claims of loss of business, damage to reputation, or damages of any other kind arising from the discovery of new or unanticipated threats or hazards, or any public or private disclosure thereof.

(e) The contractor agrees to incorporate this clause in all subcontracts at all tiers.

(end of clause)

5652.252-9000 Notice of Incorporation of Section K (1998)

Section K, Certifications and Representations, of the solicitation will not be distributed with the contract; however, Section K is hereby incorporated by reference.

(end of clause)

Section J - List of Documents, Exhibits and Other Attachments

ATTACHMENTS

Attachments No.	Title	Pages	Date
1	Statement of Work	28	13 Jun 08
2	System Specification, Rev 4	63	24 Jun 08
3	Integrated Master Schedule **Provided Under Separate Cover**	8	No Date
4	Government Furnished Property Listing	1	30 Jun 08
5	Contract Labor Categories and Loaded Rates	1	30 Jun 08
6	DD Form 254, Security Classification Guide 2008-02-20 w/Attachment X Protecting FOUO Info (2 pgs)	3	30 Jun 08

Exhibit/Attachment Table of Contents

DOCUMENT TYPE	DESCRIPTION	PAGES	DATE
Exhibit A	CLIN 0001 Exhibit(s)	2	30 Jun 08
Exhibit B	CLIN 0006 Exhibit(s)	2	30 Jun 08
Exhibit C	CLIN 0016 Exhibit(s)	14	29 Feb 08 & 30 Jun 08

EXHIBIT A TO SECTION B – STEP LADDER PRICING – CLINs 0001, 1001, 2001, 3001, 4001**BASIC CONTRACT PERIOD: FROM CONTRACT AWARD FOR ONE YEAR, CLIN 0001**

CLIN	Supplies/Services	Max Qty	Unit	Unit Price				
				1-5	6-25	26-50	51-75	76+
A001	Complete System Without ISP ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A002	Complete System With GFE Without ISP. ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A003	Air Vehicle	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A004	Air Vehicle with GFE	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A005	Payload EO & IR	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A006	Ground Control Station (GCS)	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A007	Field Repair Kit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A008	Ancillary Equipment	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A009	System Software	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A010	Battery Charger AC/DC	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A011	Simulator	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A012	Documentation	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A013	Initial Spares, Package Unit Defined as those spares needed at the rear operating base to sustain one.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

OPTION YEAR ONE: FROM END OF BASIC CONTRACT PERIOD FOR ONE YEAR CLIN 1001

A014	Complete System Without ISP ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A015	Complete System with GFE Without ISP. ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A016	Air Vehicle	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A017	Air Vehicle with GFE	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A018	Payload EO & IR	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A019	Ground Control Station (GCS)	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A020	Field Repair Kit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A021	Ancillary Equipment	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A022	System Software	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A023	Battery Charger AC/DC	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A024	Simulator	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

A025	Documentation	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A026	Initial Spares, Package Unit Defined as those spares needed at the rear operating base to sustain one.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

OPTION YEAR TWO: FROM END OF OPTION YEAR ONE FOR ONE YEAR, CLIN 2001

CLIN	Supplies/Services	Max	Unit	Unit Price				
				1-5	6-25	26-50	51-75	76+
A027	Complete System Without ISP ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A028	Complete System with GFE Without ISP. ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A029	Air Vehicle	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A030	Air Vehicle with GFE	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A031	Payload EO & IR	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A032	Ground Control Station (GCS)	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A033	Field Repair Kit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A034	Ancillary Equipment	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A035	System Software	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A036	Battery Charger AC/DC	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A037	Simulator	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A038	Documentation	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A039	Initial Spares, Package Unit Defined as those spares needed at the rear operating base to sustain one.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

OPTION YEAR THREE: FROM END OF OPTION YEAR TWO FOR ONE YEAR, CLIN 3001

A040	Complete System Without ISP ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A041	Complete System with GFE Without ISP. ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A042	Air Vehicle	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A043	Air Vehicle with GFE	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A044	Payload EO & IR	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A045	Ground Control Station (GCS)	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

A046	Field Repair Kit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A047	Ancillary Equipment	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A048	System Software	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A049	Battery Charger AC/DC	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A050	Simulator	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A051	Documentation	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A052	Initial Spares, Package Unit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

Defined as those spares needed at the rear operating base to sustain one.

OPTION YEAR FOUR: FROM END OF OPTION YEAR THREE FOR ONE YEAR, CLIN 4001

CLIN	Supplies/Services	Max	Unit	Unit Price				
				1-5	6-25	26-50	51-75	76+
A053	Complete System Without ISP ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A054	Complete System with GFE Without ISP. ISP shall be procured and priced under separate ISP CLIN.	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A055	Air Vehicle	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A056	Air Vehicle with GFE	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A057	Payload EO & IR	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A058	Ground Control Station (GCS)	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A059	Field Repair Kit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A060	Ancillary Equipment	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A061	System Software	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A062	Battery Charger AC/DC	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A063	Simulator	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A064	Documentation	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A065	Initial Spares, Package Unit	[*]	Each	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions

EXHIBIT B TO SECTION B – STEP LADDER PRICING – CLIN 0006, 1006, 2006, 3006, 4006EFFECTIVE: 30 JUN 08**BASIC CONTRACT PERIOD: FROM CONTRACT AWARD FOR ONE YEAR, CLIN 0006**

CLIN	Supplies/Services	Max Qty	Unit	Unit Price			
				1-4	5-8	9-12	13-16
B001	Training IKPTwith GFE Instructor and Key Personnel Training (IKPT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B002	Training IKPTwith GFE Instructor and Key Personnel Training (IKPT) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B003	Training NET CONUS New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B004	Training NET CONUS New Equipment Training (NET) at Contractor Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B005	Training NET CONUS w/ GFE New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B006	Training NET CONUS w/ GFE New Equipment Training (NET) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B007	Training Operator CONUS Operator Training (OT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B008	Training Operator CONUS Operator Training (OT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B009	Training OT CONUS with GFE Operator Training (OT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B010	Training OT CONUS with GFE Operator Training (OT) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B011	Training Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

	DELTA at Government Facility.						
B012	Training, Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Contractor Facility						
				Unit Price			
CLIN	Supplies/Services	Max Qty	Unit	1-4	5-8	9-12	13-16
B013	Training with GFE, Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Government Facility						
B014	Training with GFE, Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Contractor Facility						

OPTION YEAR ONE: FROM END OF BASIC CONTRACT PERIOD FOR ONE YEAR, CLIN 1006

B015	Training IKPT with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Instructor and Key Personnel Training (IKPT) at Government Facility.						
B016	Training IKPT with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Instructor and Key Personnel Training (IKPT) at Contractor Facility.						
B017	Training NET CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.						
B018	Training NET CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Contractor Facility. Travel costs excluded; charged against separate TRAVEL CLIN.						
B019	Training NET CONUS w/ GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.						
B020	Training NET CONUS w/ GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Contractor Facility.						
B021	Training Operator CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Operator Training (OT) at Government Facility.						
B022	Training Operator CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Operator Training (OT) at Government Facility.						
B023	Training OT CONUS with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

	Operator Training (OT) at Government Facility.						
B024	Training OT CONUS with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Operator Training (OT) at Contractor Facility.						

CLIN	Supplies/Services	Max Qty	Unit	Unit Price			
				1-4	5-8	9-12	13-16
B025	Training Delta DELTA at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B026	Training, Delta DELTA at Contractor Facility	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B027	Training with GFE, Delta DELTA at Government Facility	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B028	Training with GFE, Delta DELTA at Contractor Facility	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

OPTION YEAR TWO: FROM END OF OPTION YEAR ONE FOR ONE YEAR, CLIN 2006

B029	Training IKPT with GFE Instructor and Key Personnel Training (IKPT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B030	Training IKPT with GFE Instructor and Key Personnel Training (IKPT) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B031	Training NET CONUS New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B032	Training NET CONUS New Equipment Training (NET) at Contractor Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B033	Training NET CONUS w/ GFE New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B034	Training NET CONUS w/ GFE New Equipment Training (NET) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B035	Training Operator CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

	Operator Training (OT) at Government Facility.						
B036	Training Operator CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Operator Training (OT) at Government Facility.						
B037	Training OT CONUS with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Operator Training (OT) at Government Facility.						

CLIN	Supplies/Services	Max Qty	Unit	Unit Price			
				1-4	5-8	9-12	13-16
B038	Training OT CONUS with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Operator Training (OT) at Contractor Facility.						
B039	Training Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Government Facility.						
B040	Training, Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Contractor Facility						
B041	Training with GFE, Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Government Facility						
B042	Training with GFE, Delta	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	DELTA at Contractor Facility						

OPTION YEAR THREE: FROM END OF OPTION YEAR TWO FOR ONE YEAR, 3006
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B043	Training IKPT with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Instructor and Key Personnel Training (IKPT) at Government Facility.						
B044	Training IKPT with GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	Instructor and Key Personnel Training (IKPT) at Contractor Facility.						
B045	Training NET CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.						
B046	Training NET CONUS	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Contractor Facility. Travel costs excluded; charged against separate TRAVEL CLIN.						
B047	Training NET CONUS w/ GFE	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
	New Equipment Training (NET) at Government Facility. Travel costs						

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

	excluded; charged against separate TRAVEL CLIN.						
B048	Training NET CONUS w/ GFE New Equipment Training (NET) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B049	Training Operator CONUS Operator Training (OT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B050	Training Operator CONUS Operator Training (OT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

CLIN	Supplies/Services	Max Qty	Unit	Unit Price			
				1-4	5-8	9-12	13-16
B051	Training OT CONUS with GFE Operator Training (OT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B052	Training OT CONUS with GFE Operator Training (OT) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B053	Training Delta DELTA at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B063	Training, Delta DELTA at Contractor Facility	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B054	Training with GFE, Delta DELTA at Government Facility	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B055	Training with GFE, Delta DELTA at Contractor Facility	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

OPTION YEAR FOUR: FROM END OF OPTION YEAR THREE FOR ONE YEAR, CLIN 4006
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B056	Training IKPT with GFE Instructor and Key Personnel Training (IKPT) at Government Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B057	Training IKPT with GFE Instructor and Key Personnel Training (IKPT) at Contractor Facility.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B058	Training NET CONUS New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]
B059	Training NET CONUS New Equipment Training (NET) at	[*]	Students	\$[*]	\$[*]	\$[*]	\$[*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CLIN	Supplies/Services	Max Qty	Unit	Unit Price	1-4	5-8	9-12	13-16
B060	Contractor Facility. Travel costs excluded; charged against separate TRAVEL CLIN. Training NET CONUS w/ GFE New Equipment Training (NET) at Government Facility. Travel costs excluded; charged against separate TRAVEL CLIN.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B061	Training NET CONUS w/ GFE New Equipment Training (NET) at Contractor Facility.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B062	Training Operator CONUS Operator Training (OT) at Government Facility.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B063	Training Operator CONUS Operator Training (OT) at Government Facility.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B064	Training OT CONUS with GFE Operator Training (OT) at Government Facility.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B065	Training OT CONUS with GFE Operator Training (OT) at Contractor Facility.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B066	Training Delta DELTA at Government Facility.	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B067	Training, Delta DELTA at Contractor Facility	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B068	Training with GFE, Delta DELTA at Government Facility	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]
B069	Training with GFE, Delta DELTA at Contractor Facility	[*]	Students	[\$*]	[\$*]	[\$*]	[\$*]	[\$*]

ATTACHMENT 4
Government Furnished Equipment
Listing as of 30 June 2008

ITEM DESCRIPTION	P/N or NSN	MFG	COND	QTY	DELIVERY
GB-GRAM SAASM Receiver Module	987-1856-023	Rockwell	New	45	8/18/2008

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BB-2590/U Li-Ion Battery Pack	6140-01-490-4316	NSN	New	20	10/31/2008
BB-2557/U Li-Ion Battery Pack	6140-01-490-5387	NSN	New	20	10/31/2008
Mission Planning Laptop to Include:		GD-Itronix	New	25	10/31/200
GoBook XR-1, Intel Core Duo 1.83 GHz, Dynavue XGA Display	IX270-01B				
3GB RAM Total	IX270-02G				
120 GB Hard Drive W/Heater	IX270-03C				
Bluetooth & GPS	IX270-04C				
802.11 Wireless LAN	IX270-05A				
Express Card Reader and TypeII PCMCIA	IX270-10A				
9-Cell Main Battery (incl)	IX270-13A				
Backlit Keyboard	IX270-14AB				
Windows XP	IX270-16A				
Front Handle	IX270-17A				
3800 mAH Media Bay Battery	84+710000+WOR				
Protective Keyboard and Display Overlays	62-0513-002				
Spare Laptop Main Battery	23+050390-00R				

ATTACHMENT 5

Contract Labor Categories and Loaded Rates								
L/C	Description	FY09	FY10	FY11	FY12	FY13	FY14	
M1	Mech Assy	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
M2	Test	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
M4	Quality Engineer	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
M5	Stockroom	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
M6	Sr Materials Mgr	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
M7	Materials Mgr	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E0	Sr Principal Scientist	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E1	Principal Engineer	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E2	Senior Engineer	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E3	Engineer	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E4	Associate Engineer	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E6	Sr Eng/Comp Tech	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E7	Eng/Comp Tech	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	
E8	Training Instructor	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	

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A2	Program Manager Sr		\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A3	Program/Product Manager		\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A4	Contracts Management		\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A5	Sr Prog Admin		\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]
A6	Prog Admin		\$[*]	\$[*]	\$[*]	\$[*]	\$[*]	\$[*]

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1 SCOPE

This Statement of Work (SOW) describes the effort required for the design, engineering development, fabrication, test and upgrade of the All Environment Capable Variant (AECV) Small Unmanned Aircraft System (SUAS). This SOW also describes the effort required for training, maintenance and logistics support of the AECV SUAS.

1.1 Background

Special Operations Forces (SOF) units operate in environments requiring organic, tactical, and portable Intelligence, Surveillance, and Reconnaissance (ISR), often in maritime environments. Man-portable, dedicated SUAS systems provide the following capabilities to the small unit: penetration of denied areas, increased operational tempo by providing day/night imagery of open, rolling, complex, and urban environments, reconnaissance and surveillance of enlarged battle space with longer reaction times, improved force protection, increased situational awareness, increased target acquisition capability, reduced high risk Exposure of SOF operators while still providing real-time intelligence on target areas, and battle damage assessment. These capabilities contribute to small unit success by facilitating maneuvers to points of positional advantage with speed and precision in order to conduct decisive operations.

The 2004 RPUAS ORD documented the requirement for a man-portable SUAS to provide dedicated ISR at the squadron/platoon level. The AECV CDD Annex to the RPUAS ORD has defined additional performance parameters required to employ RPUAS systems in a broader spectrum of environmental conditions to support the missions of Naval Special Warfare (NSW) and other SOF units. The AECV SUAS is a variant of the SUAS program. The intention of the AECV SUAS is for the system to function in the same environments where the SOF warfighter operates. The desired operational environment includes rivers, streams, lakes, ponds, marshes, swamps, snow, and the open ocean, which are characterized by high moisture, high humidity, temperature extremes, and salt fog conditions.

2 APPLICABLE DOCUMENTS

Applicable documents are cited in the Document Summary List (DSL) (Appendix B) by number, title, date, and as otherwise specified in this contract.

3 REQUIREMENTS

3.1 General Requirements and Objectives

The contractor shall be responsible for total system performance, development, integration, test, evaluation, manufacturing, logistics, repair and support of SUAV Systems as defined in this SOW and the AECV System Requirements Document through Government performance testing. This SOW describes the contractor's responsibilities and tasks that shall be performed in the procurement, delivery and support of the systems. The contractor shall provide all labor and materials in the performance of this SOW. The contractor shall furnish all labor and all required materials except those specified to be Government-furnished. The contractor shall perform all tasks specified under this contract over the period of performance specified by the contract.

3.2 Objectives and Goals

The overall goals of this effort are to manufacture AECV SUAS, to provide logistics support for AECV SUAS, and to perform evolutionary development while maintaining an effective systems engineering approach for AECV technology insertion and reliability/maintainability improvements.

Two cross reference matrices have been provided for convenience. The first matrix cross-references the SOO to the SOW (organized by SOO section). In addition, SRD-to-SOW references are included where appropriate. The second cross-reference is organized by the SOW and provides a cross-walk of the SOW / CDRL / DSL / WBS and CLINs. The cross-walk can be found in Appendix E.

3.3 Specific Requirements

Program Management

The contractor shall establish and support maintenance of this SOW by direction and with coordination of the Procuring Contracting Officer (PCO). The contractor shall establish and maintain an AECV SUAS Integrated Management Plan to support cost, schedule and performance aspects of the effort required by this contract. The contractor shall perform all the program management functions including contract, business, technical and logistics management functions that are necessary to execute the total effort required by this contract. The contractor shall provide all the planning, organizing, controlling, and staffing and direction functions to meet SOW requirements.

3.3.1.1 Management Structure

The contractor shall have a dedicated management team with defined roles and responsibilities. The management team shall execute the activities of this SOW and shall track an objective means to measure program success. The team shall enable direct involvement by Government personnel at the working level through the use of Integrated Product Teams. IPTs shall be used to resolve issues and conflicts and shall identify risk areas and develop solutions to mitigate these risks. Each IPT shall have joint Government/contractor team leads, and all contractor and Government representatives on the IPTs shall be identified by name. The AECV SUAS IPT structure shall be composed of an overarching management IPT, a Supportability IPT; and a System Engineering IPT. all IPTs shall be empowered to form ad hoc IPTs and Process Action Teams as required to address detailed issues.

3.3.1.2 Program Meetings and Reviews

The contractor shall conduct a kick-off meeting within 30 days after contract award. The contractor shall conduct a Program Management Review (PMR) at least once per year. The contractor shall conduct additional PMRs in association with significant contract or program changes. The contractor shall participate in Technical Interchange Meetings held by USSOCOM.

The contractor shall conduct a Production Readiness Review (PRR) prior to Full Rate Production (FRP) phases of the program.

IPTs shall initially meet once every two weeks by teleconference. IPT meeting frequency shall be adjusted on an ad-hoc basis as required and shall be established by each IPT.

The contractor shall conduct Preliminary Design Reviews (PDRs), Critical Design Reviews (CDRs) and Technical Readiness Reviews (TRRs) for engineering development and changes for AECV SUAS.

3.3.1.3 Contract Work Breakdown Structure

The contractor shall prepare, maintain and update as required, a Contract Work Breakdown Structure (CWBS) and WBS Dictionary IAW DI-MGMT-81334 using MIL-HDBK-881 as a guide. The CWBS shall be the basis for planning, monitoring, reporting, and controlling cost, schedule, and technical performance.

3.3.1.4 Program Schedule

The contractor shall maintain an Integrated Master Schedule (IMS) IAW DI-MGMT-81650 that reflects the efforts identified in this SOW. The schedule shall include reviews, tests, training, components, sub-assemblies, assemblies and completed system and the tracking of delivered and repair items.

3.3.1.5 Cost and Performance Reporting

The contractor shall prepare Status Reports IAW DI-MGMT-80368 covering the program progress and status on technical, cost and schedule performance, tradeoffs and risk reduction activity.

The contractor shall establish a budget baseline by Contract Line Item Number for CPFF line items upon award of each LRIP and FRP contract. The contractor shall prepare Performance and Cost Reports IAW DI-FNCL-80912. The contractor shall prepare Contract Funds Status Reports (CFSRs) IAW DI-MGMT-81468 over the period of performance of the contract. The budget baseline shall serve as the basis for the performance and cost reports. If during the performance of this contract, the contractor determines that the man-hours or funds are insufficient to complete the task, the Performance and Cost reports shall include an analysis of the reason(s) for the insufficiencies and corrective actions taken or required.

3.3.1.6 Risk Management

The contractor shall establish, implement, and maintain a proactive, on-going Risk Management Process that identifies, assesses, mitigates and appropriately reports technical, cost, and schedule risk on this contract. The contractor and Government will use program reviews, reports and IPT meetings to track risks and mitigation progress across the entire program.

3.3.1.7 Security

The contractor shall be required to maintain a SECRET facility clearance and provide adequate number of personnel cleared at the SECRET level to perform classified tasks. The contractor shall have access to classified hardware and software systems and subsystems necessary to perform technical engineering support. The contractor shall be required to receive and generate classified material IAW AECV SUAS Security Classification Guide.

The contractor shall provide security management support. Efforts will include, but are not limited to, performing classified document control functions, classified materials inventories, program access requests, preparing and monitoring personnel indoctrination and debriefing agreements, and maintaining and using security-related databases.

The contractor shall comply with all required security measures necessitated to the required use of Selective Availability Anti-Spoofing Module (SAASM) GPS devices by the system. The contractor shall possess or be able to possess the appropriate facility and personnel security clearances to perform this work.

3.3.1.8 Safety

The contractor's established safety guidelines and procedures shall be followed during the execution of this SOW. The guidelines and procedures are documented and controlled in the contractor's Quality Management System documents and Injury and Illness Prevention Program.

3.3.1.8.1 Environmental Safety and Occupational Health (ESOH)

The contractor shall establish an Environment, Safety and Occupational Health (ESOH) Program to minimize risk throughout the AECV system life cycle.

The contractor shall perform ESOH analyses and provide data to support evaluation of environmental impacts in accordance with the National Environmental Policy Act (NEPA)(PL 91-190). The program shall address environmental compliance, system safety and health, hazardous materials, pollution prevention, and explosive safety. The ESOH analyses shall be used to integrate environmental considerations into the systems engineering process. Resolution, reporting, and

tracking of environmental issues shall be accomplished through the systems engineering process.

3.3.1.8.2 Hazardous Materials Management Program

All contractor and subcontractor activities shall be in compliance with applicable federal, state, and local environmental laws and regulations. The contractor shall ensure that design, maintenance, operation, manufacturing, programmatic decisions, and trade-off studies strive to eliminate or reduce hazardous materials and wastes. The contractor shall prepare a Hazardous Materials Management Program (HMMP) Plan IAW DI-MGMT-81398 and National Aerospace Standard (NAS) 411. The contractor shall not use substances listed in Emergency Planning and Community Right-to-Know Act (EPCRA) Section 313 toxic chemicals and EPCRA Section 302, extremely hazardous substances, or products containing such substances, without Government approval. The contractor shall request approval to use substances identified in EPA-745-R-99-004, the Environmental Protection Agency (EPA) 17 - list only if there is no other viable material. The contractor shall not use any Class I Ozone Depleting Chemical/Ozone Depleting Substance (ODC/ODS) in the manufacture of items required by this SOW, unless a waiver is obtained from the Government. The contractor shall provide, through the IPT process, immediate notification of any proposed hazardous material mitigation/elimination efforts that may adversely impact schedules and/or cost, or performance. The contractor shall prepare HMMP Reports IAW DI-MISC-81397.

3.3.1.9 Government Furnished Information (GFI) and Government Furnished Equipment (GFE)

The contractor shall provide all the planning, organizing, controlling, staffing and database functions for handling and tracking Government Furnished Property (GFP) for the efforts defined by the SOW. The contractor shall prepare inventory and utilization data reports IAW DI-MISC-81107 for GFP associated with the efforts defined by this SOW. The Government will provide GFE/GFI as identified in the contract.

3.3.1.10 Warranty

The contractor's warranty shall be incorporated into the contract.

Manufacture of AECV SUAS and Spares

The contractor shall provide all labor and material (with the exception of Government Furnished Equipment (GFE) to produce AECV SUAS and Spares for LRIP and FRP. The contractor shall provide all labor and material to produce initial spares and depot stock to support these systems. The initial spares shall be produced concurrently with the AECV SUAS. The contractor shall work jointly with the Government IPTs to identify and effect changes in the content and quantities of the AECV SUAS and Spares based on field usage and spiral development.

Systems and support components shall be compliant with the AECV SUAS System Performance Specification and conform to the configuration defined in the Baseline Description Document.

3.3.1.11 AECV SUAS

The contractor shall produce and deliver complete AECV SUAS IAW the contract delivery schedule. The AECV SUAS basic system configuration definition includes three (3) air vehicles, three (3) payloads with day/night passive imagery, one (1) Ground Control Station (GCS), one (1) Remote Video Terminal, launch/recovery peculiar equipment (if required), Field Repair Kit, ancillary equipment and special tools (battery charger(s), software, simulator, test sets), documentation. The contractor shall produce and deliver ISPs as defined by the contract. The contractor shall produce and deliver the AECV SUAS with or without GFE as defined by the contract. The system configuration at time of production shall be consistent with the system description detailed in the system specification and baseline description document.

3.3.1.12 Initial Spares Packages (ISPs)

The contractor shall produce and deliver AECV SUAS ISPs IAW the contract delivery schedule. Unit-level, Inventory-Control-Point and Depot-Maintenance ISPs shall be delivered. The ISP configurations are defined in the system specification and baseline description document. ISP contents have been established prior to contract award. The contractor shall estimate and recommend adjustments to the ISP contents based on availability and reliability analysis. The contractor shall produce and deliver the AECV SUAS with or without GFE as defined by the contract.

3.3.1.13 System Level Components

The contractor shall produce and deliver AECV SUAS System-level components IAW the contract delivery schedule. System-level components includes the following items which are detailed in the system specification and baseline description document.

- 1) Air Vehicles with or without GFE as defined by the contract
- 2) EO & IR Payloads
- 3) Ground Control Stations with or without GFE as defined by the contract
- 4) Remote Video Terminals with or without GFE as defined by the contract
- 5) Field Repair Kits
- 6) Ancillary equipment
- 7) System Software Installer
- 8) Battery Chargers
- 9) Simulator Hardware
- 10) System Documentation
- 11) Air Vehicle Batteries
- 12) GCS Batteries

3.3.1.14 Repair Parts

The contractor shall produce and deliver AECV SUAS SRU and consumable repair parts in support of the Contract Logistics Support activity for the contract.

3.3.1.15 Manufacturing and Planning Control

The contractor shall maintain internal manufacturing planning and control documents and make them available for review by the Government IPT members.

3.3.1.16 Quality Program

The contractor shall establish and maintain a quality program conforming to the requirements of International Standard Organization (ISO) 9001 or a Government-approved equivalent standard. The contractor shall maintain a Quality Management System Plan (QMSP) that satisfies the requirements of ISO 9001 and addresses their operations at the production and flight acceptance sites. The Quality Program Plan (QPP) shall include policies and procedures for the flow down of the necessary quality requirements to its suppliers in order to ensure delivered product meets their intended requirements. The QPP shall be available for Government review.

3.3.1.17 Variability Reduction and Process Control

The contractor shall document that the manufacturing processes for production are under statistical control and are capable of producing the AECV SUAS System and components to meet the performance specifications within the bounds of overall system cost constraints. The contractor shall maintain a variability reduction program as an integral part of its Quality Assurance system.

3.3.1.18 Inspection and Acceptance

The contractor shall prepare and update Acceptance Test Plans IAW DI-QCIC-80553 and conduct acceptance testing of the Air Vehicles, EO/IR Payloads, GCS/RVT and Battery Chargers. The contractor shall maintain a database of acceptance test results. Final inspection and acceptance testing shall be performed at a contractor provided test facility.

3.3.1.19 Electronic Fabrication Procedures

The contractor shall maintain electronic fabrication procedures. These procedures shall describe the materials, methods, and verification criteria for producing quality electrical interconnections and assemblies and shall utilize process control methodologies for the planning, implementation, and evaluation of the manufacturing processes. The Government shall be provided access to the electronic fabrication procedures.

3.3.1.20 Parts Obsolescence

The contractor shall assume full responsibility for Parts Obsolescence problems, resolutions, and implementation for the term of the contract. Through the period of performance of the contract, the contractor shall: (1) identify alternate sources, replacement parts, or optional part numbers for parts and materials that become obsolete or damaged and need repair, and (2) revise applicable engineering drawings, schematics, and specifications to incorporate the new information. The parts obsolescence program and procedures shall be made available for review by Government IPT members.

3.3.1.21 Reliability

The contractor shall establish and implement a reliability program to the lowest level of assembly. Reliability models, allocations, and predictions (using physics of failure predictions where feasible) shall support the reliability requirements. Modifications to AECV system shall not degrade the reliability below existing specification requirements.

3.3.1.22 Failure Modes, Effects, and Criticality Analysis (FMECA)

The contractor shall maintain an FMECA database IAW best commercial practices, representing the baseline Air Vehicle and GCS. The contractor shall update the FMECA to reflect the effects and criticality of hardware and software failures, safety hazards, the impact of engineering design changes, results of corrective actions, and approved design changes. The contractor shall make the FMECA available to the Government engineering IPT. The contractor shall prepare and submit an FMECA Report IAW DI-ILSS-81495.

3.3.1.23 Failure Reporting and Corrective Action System (FRACAS)

The contractor shall implement a closed-loop FRACAS to ensure all failures are analyzed and corrective actions are developed and implemented. All failures experienced during contractor or Government testing and fielding shall be classified and tracked as part of the FRACAS. The contractor shall prepare a Failure Summary and Analysis Report. The contractor shall coordinate with the Government to ensure that each Government-generated Incident Report is traceable to a FRACAS Report. The contractor shall establish a Failure Review Board, with Government participation, for review, disposition and closure of AECV SUAS failures.

3.3.1.24 UID

Items produced and delivered as part of this contract shall be marked IAW MIL-STD-130L according to the criteria in DFARS clause 252.211-7003 and the USSOCOM UID Implementation Plan. The PCO may designate additional items that shall be included for UID marking. The Baseline Description document delivered as part of this effort shall include identification of items designated for UID marking, all items designated for UID marking including embedded items shall be reported IAW DI-MGMT-80177C upon completion of contract delivery.

3.3.1.25 Flight Operations

The contractor shall support production flights and acceptance test flights. The contractor shall coordinate procedures and scheduling with appropriate Government and local area personnel to ensure flight procedures comply with local and area requirements and appropriate flight regulations. The contractor shall support documentation required for Government request of FAA COA or other

flight range requirements as described in the engineering data efforts of this SOW.

Training Program

The contractor shall develop a training program which encompasses a total training system concept that satisfies the requirements for qualifying and sustaining trainers, operators, maintainers and support personnel for the product life-cycle at all levels and locations.

The training program shall meet the requirements of SOF Directive 350-9 dated 30 Oct 2007. The contractor shall support training program certification by USSOCOM SOKF-J7T. The training program shall make maximum use of the AECV GCS embedded simulator capability for training and certification activity.

3.3.1.26 Training Courses

The contractor shall develop training courses for each type of training described in this section including the data requirements described herein. The contractor shall provide specific personnel performance requirements data necessary to support the design of a training program IAW DI-SESS-81518. The contractor shall provide information regarding acquisition of resources and management for conduct of training IAW DI-SESS-81521. The contractor shall provide definition and direction for instructors and trainees for the conduct of formal training IAW DI-SESS-81523. Training materials shall be updated and provided a minimum of 30 days prior to each increment of AECV capability.

3.3.1.26.1 Train-the-Trainer and Instructor and Key Personnel Training (IKPT)

The contractor shall develop a type-1 contractor train-the-trainer course for the AECV SUAS program.

3.3.1.26.2 New Equipment Training (NET)

The contractor shall develop a New Equipment Training course to instruct and qualify system operators prior to system fielding.

3.3.1.26.3 Operator Training

The contractor shall develop an operator training course to instruct and qualify operators after system fielding.

3.3.1.26.4 Delta Training

The contractor shall develop a delta training course to instruct and qualify operators that already hold certificates for RQ-11B Raven SUAS or Wasp BATMAV operation.

3.3.1.27 General Training Program Requirements

The contractor shall provide overall management expertise to plan, execute and control the training identified in this SOW and in accordance with the AECV SUAS Training Support Packages (TSP). The contractor shall work with the supportability IPT to meet the overall objectives and capabilities for this training. Training may be required to be conducted on weekends and federal holidays and shall be continuous, if so scheduled by the Government.

3.3.1.27.1 Training Curriculum

The training shall consist of a combination of classroom and flight training using system hardware consistent with the contract deliverable hardware. The training program curriculum shall include system operation, operator level maintenance, and airspace management, troubleshooting proficiencies, simulator operation, tactics, techniques and procedures. The contractor shall provide and deliver to the government a Training Reference Manual (TRM) that describes all operator manipulation of all graphical user interface (GUI) parameters of the software and hardware associated with the system as defined by this document.

3.3.1.27.2 Training Expertise and Personnel

Contractor personnel shall be fully capable of supporting the training and have the knowledge required to meet the requirements specified in this SOW. The contractor shall assign supporting personnel to perform the services and functions required to execute training requirements outlined in this document. Personnel assigned to this task shall be capable of conducting training IAW this document utilizing the training support package in an austere environment. The Training Package will consist of a student instructor ratio of [*], with a maximum class size of [*] students. Each class shall have a training cadre with [*] Chief Instructor, [*] Site Instructors and one (1) Logistics Field Service Technician. The Government will provide a single point of contact (POC) to ensure logistic and training issues are resolved. This POC will be available during all training times and should be capable of resolving any issues that arise during the course.

3.3.1.27.3 Assessment

The contractor shall provide the specific data necessary for the examination of an individual's skills, knowledge, attitudes and achievement of learning objectives IAW DI-SESS-81525. Students shall be assessed by the contractor on the Flight profiles identified in the Training Support Package on criteria of Go/No-Go. The contractor shall administer and evaluate these tasks by performance during the Practical Exercise portion of training events. The contractor shall track and record individual student task proficiency prior to the conclusion of the student's training program, and provide a recommendation on completion assessment (Go/No-Go). The contractor shall provide a detailed after action report including students, rank, unit, contact information and student surveys. The contractor shall make recommendations to the Government for dismissal of any student who has shown an inability to understand and comprehend the course material or is a behavioral issue.

3.3.1.27.4 Course Material

The contractor shall be responsible for providing all course materials. Students shall receive the operator and maintenance manual and training briefings on a CD ROM, one (1) per student. The contractor shall provide the training package to conduct training operations.

3.3.1.27.5 Schedule

Training locations and schedule shall be established by USSOCOM Project Office and directed by the PCO. The PCO will establish the course requirement by notifying the contractor of a training location not less than 90 days (minimum) prior to training start of training. The PCO will notify the contractor of any class cancellations 10 days prior to the training start date. The following is information for AECV Training Locations and Schedules to aid in balancing the reality of time sensitive requirement variability and scheduling challenges:

- (1) 60 days in advance of each training event, the contractor will be provided a forecast of locations and numbers of students. This will define the number of instructors and allocate resources for the training event.
- (2) 45 days in advance of each training event, the contractor will be provided firm requirements (type of training, training locations, and maximum students will not increase). Changes in requirements after this point may not necessarily be accommodated.
- (3) 30 days in advance of each training event, the contractor shall prepare and submit a Training Letter of Instruction (LOI) for each scheduled training event.

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(4) 14 days prior to actual start date, under the terms of the contract, the government can change the training location.

3.3.1.27.6 Training Maintenance

The contractor shall provide onsite maintenance personnel to keep the required training systems operational.

3.3.1.27.7 Contractor Training Location

The contractor shall conduct training at a central CONUS location as defined by the contract schedule. Training shall be at a Government-approved location. The contractor shall provide resources and materials for a mobile training capability on the ground. The Contractor will provide climate controlled classroom and range facilities. The Contractor will provide a climate controlled storage area for storage of training assets and support equipment. The Contractor will be responsible for all range scheduling and frequency coordination/deconfliction. The Government will provide water vessels suitable to the maritime training environment.

3.3.1.27.8 Government Training Location

The contractor shall conduct training at CONUS and OCONUS locations as defined by the contract schedule. Training shall be at a Government-approved location. The Government will provide climate controlled classroom and range facilities. The Government will provide a climate controlled storage area for storage of training assets and support equipment. The Government will provide all necessary electronic and paper maps required for the range allocated for training. The Government will be responsible for all range scheduling and frequency coordination/deconfliction. The Government will provide water vessels suitable to the maritime training environment. If required, the contractor will be available to assist with coordination on a cost reimbursable basis.

3.3.1.28 Training Conduct with and without Government Furnished Equipment (GFE)

The contractor shall conduct training as defined in the following sections using AECV SUAS components, materials and support equipment provided by the Government. The contractor shall conduct training as defined in the following sections using contractor supplied AECV SUAS components, materials and support equipment. Training activity shall be conducted with or without GFE as defined by the contract delivery schedule.

3.3.1.28.1 Train-the-Trainer and Instructor and Key Personnel Training (IKPT)

The contractor shall conduct type-1 contractor train-the-trainer course for the number of students defined by the contract schedule. The Program Office will identify the cadre of military/Government personnel for IKPT training. IKPT course duration shall not exceed [*] days and shall have a minimum of a [*] hour program of instruction (POI). The IKPT training shall be conducted IAW with contractually defined TSP developed as part of this effort.

3.3.1.28.2 New Equipment Training (NET)

The contractor shall conduct New Equipment Training for the number of students defined by the contract schedule. NET course duration shall not exceed [*] days and shall have a minimum of a [*]-hour POI.

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3.3.1.28.3 Operator Training

The contractor shall conduct Operator Training for the number of students defined by the contract schedule. Operator Training course duration shall not exceed [*] days and shall have a minimum of a [*]-hour POI.

3.3.1.28.4 Delta Training

The contractor shall conduct Delta Training for the number of students defined by the contract schedule. Delta Training course duration shall not exceed [*] days and shall have a minimum of a [*]-hour POI.

Contractor Logistics Support

The contractor shall establish, implement and maintain an ILS program to manage, integrate and execute ILS requirement for the AECV program. A Joint Government/contractor Supportability IPT chaired by the Government will monitor the implementation and status of the ILS program. The LCSM, the SOF Support Activity at [*], will support the day-to-day support of the AECV system. The contractor shall support the LCSM in a two-level maintenance concept consisting of field operator-level repair and contractor provided depot-level maintenance and repair.

3.3.1.29 Supportability Analysis

The contractor shall conduct analysis to define optimal support concept planning by defining all tasks required to operate, maintain and support the AECV systems, training and associated support equipment. The contractor shall support the AECV LCSM in development of logistics support planning and execution.

3.3.1.30 Technical Support

The contractor shall provide worldwide technical support to AECV SOF units in the CONUS and OCONUS locations to include designated combat zones. The contract shall provide on-site support for technical and logistics expertise, system upgrades and maintenance.

3.3.1.31 Logistics Demonstration

The contractor shall support a Logistics Demonstration of the SUAV System during the LRIP test and evaluation and as required for incorporation of spiral development improvements.

3.3.1.32 Validation and Verification

The contractor shall support verification and validation of the AECV System Technical Manuals and Training Support Package.

3.3.1.33 Operational Availability

As a Threshold, the AECV System shall achieve an Operational Availability (Ao) rate of 90%. This requirement is based on a Fully Mission Capable materiel condition. As an Objective, the AECV System will achieve an Ao Rate of [*]%. This requirement is based on a Fully Mission Capable materiel condition.

3.3.1.34 Maintenance

The contractor shall provide all maintenance and repair actions above the field level required to support the AECV System equipment delivered in the scope of this SOW. Maintenance shall be performed by qualified maintainers using contractor-approved procedures. The contractor shall provide all tools and test equipment required to accomplish maintenance actions. The Government will provide all shipping costs for systems/components, spares and consumables that

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require retrograde to Depot Main and material sustainment of the AECV Systems and spares. The contractor shall provide all depot level maintenance required to support the SUAV System equipment at an Ao rate of [*] percent. The Ao rate shall be tracked by the contractor with data derived from contractor and Government databases and shall be coordinated with the supportability IPT.

The contractor shall develop and update a depot maintenance procedure including step-by-step instructions for inspection and repairs of the AECV system, LRUs and components.

3.3.1.34.1 Unplanned Maintenance

The contractor shall perform unplanned depot-level maintenance for AECV systems, LRUs and components.

3.3.1.34.2 Planned Maintenance

The contractor shall perform planned depot-level inspection, repair and maintenance for AECV systems, LRUs and components. This activity shall include inspections and service items necessary to maximize the life cycle of system components. Planned maintenance activity shall include downloading automated flight logs and usage information from the GCS and Air Vehicle hardware into a managed database.

3.3.1.35 Supply

The contractor shall provide depot repair supply stocks and management for the AECV System worldwide deployments in coordination with LCSMP. The Unit, Inventory Control Point (ICP), and Depot level initial spares packages shall be supplied in accordance with the contract schedule. This shall include spares required to support integration and test activities for this effort. The contractor shall process unserviceable returns into the maintenance cycle and return to the ICP. All repairable/retrograde LRUs determined to be either Beyond Economical Repair or un-repairable shall be submitted to the Government for disposal. The contractor shall provide suitable storage for non-fielded system equipment and parts.

3.3.1.36 Transportation

The contractor shall prepare transportability clearance diagrams IAW DI-PACK-80880 for all system equipment.

The contractor shall provide suitable transportation of system equipment and parts to Continental United States (CONUS) and Outside Continental United States (OCONUS) locations. System and spares deliveries will be primarily made to [*].

The contractor shall prepare, coordinate and acquire all shipping documentation to include shipments made by Government Bill of Lading (GBL). The contractor shall prepare, coordinate and acquire all shipping documentation to include shipments made by the LCSM. The contractor shall provide labor, materials, and complete the packaging, packing, and shipment of systems and support equipment required for CONOS and OCONUS locations. The contractor shall provide customs and International Traffic in Arms Regulation (ITAR) documentation in support of international shipping.

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The contractor shall provide labor and equipment to receive and unpack equipment for maintenance and repair actions.

Systems Engineering

3.3.1.37 Engineering Management

The contractor shall prepare, maintain and update a System Engineering Management Plan (SEMP). The contractor shall implement and maintain a Systems Engineering Program in accordance with the SEMP for the period of performance of the contract. The contractor shall establish and maintain System Engineering Processes following best commercial practices in accordance with the SEMP for the tasks defined by this SOW. The SEMP shall establish and track the spiral development path for the AECV system by prioritizing the tradespace requirements and implementation as to provide the best value to the Government. The contractor shall work with the Government IPT to plan and support spiral development and technology insertion.

3.3.1.38 Engineering Services

The contractor shall provide engineering services to support the AECV program as specified by the contract. Engineering service tasks will be initiated by the Government.

3.3.1.39 Configuration Management (CM)

The contractor shall establish and update the AECV SUAS product baseline IAW DI-CMAN-81121. The baseline shall be updated as changes and spiral developments are incorporated into the system configuration. The contractor shall perform CM tasks pertaining to the AECV SUAS and hardware and software components in this SOW IAW the contractor's CM plan for production business practices. The contractor shall be responsible for maintaining established baselines and the entire CM through the program life cycle for the AECV SUAS. The contractor shall prepare Class I Engineering Change Proposals (ECPs) IAW DI-CMAN-80639 and section H of the contract for any configuration change that impacts form, fit or function to the contractor's production baseline alter function from the System Performance Specification or result in the necessity for changes to the system Technical Manuals. All ECPs shall be processed through the Joint Configuration Control Board (JCCB). The JCCB shall consist of Government and contractor(s) personnel. Class I changes shall not be incorporated unless approved by the Government. The implementation plan for Class I changes shall be incorporated into the IMS.

3.3.1.40 Configuration Status Accounting

The contractor shall establish and maintain a Configuration Status Accounting (CSA) program IAW the contractor's standard operating procedures. The contractor shall maintain current and historical records for the baseline technical data, changes, critical nonconformance actions, and new and updated documentation, including identification of all as-built configurations and incorporation status. The status accounting system shall provide for generating indented parts lists, where-used lists, drawing tree, and other data necessary to provide the complete and accurate configuration history and status. CSA reporting shall be IAW DI-CMAN-81253.

3.3.1.41 Configuration Change Control

All hardware and software changes shall be processed IAW the contractor's CM plan for production programs. Any changes to the system baseline shall be coordinated with the USSOCOM AECV project office. The contractor shall in a System Engineering Integrated Product Team, with Government participation, to provide insight and resolution of configuration and design matters.

3.3.1.42 Physical Software Control

For all software changes, the contractor shall ensure that the physical software baselines are controlled and tested at the computer software configuration item level. The contractor shall ensure each software baseline is identified, tracked within the contractor's CM Plan guidelines and has the necessary number of backup copies. Any changes to the system baseline shall be coordinated with the UAVS PO.

3.3.1.43 System Safety

The contractor shall establish and update a System Safety Program Plan (SSPP) IAW DI-SAFT-81626 for the baseline system and for the life cycle of the system. The contractor shall prepare a System Safety Assessment Report (SAR) IAW DI-SAFT-80102 and MIL-STD-882. System safety shall be reviewed and SAR updated as changes and technology improvements are incorporated into the system.

3.3.1.44 Human Factors

The AECV SUAS shall be developed and designed with the human considered at the forefront. Human factors consideration shall apply to operators, maintainers, sustainers, trainers, and other support personnel. The AECV SUAS shall provide all necessary indicators, visual displays, auditory indicators, and other aids to maximize situational awareness and overall performance while not interfering with peripheral vision, movement or effectiveness. The AECV SUAS shall be designed such that the controls, displays, and system software usability or operability enhance a person's ability to effectively operate the system. All data shall be received, displayed and presented in a usable format that shall be understandable to the recipient of the information in a real-time and realistic manner. This data shall be in a format which shall allow easy processing and follow-through to the next level of operation. The applicable seven HSI domains (i.e., manpower, personnel, training, environment, safety, and occupational health (ESOH), human factors engineering, and personnel survivability) shall be optimized to produce total system performance that will result in reduced life-cycle costs. Human factors engineering shall be in accordance with MIL-STD-1472F.

3.3.1.45 Corrosion Control Plan

The Contractor shall prepare a Corrosion Control Plan IAW DI-MFFP-81403. The plan shall include preventive and corrective procedures utilized during design/development, testing, modification, manufacturing, materials handling, packaging and shipping. The plan shall be updated over the period of performance to include data collected through design studies, failure analysis reports, and aircraft system inspections.

3.3.1.46 Technical and Engineering Support Data

3.3.1.46.1 AECV SUAS Specification

The contractor shall prepare and update an AECV SUAS System Performance Specification IAW DI-MGMT-81431 and in coordination with the Government over the period of performance of the contract. Changes to the performance specification shall be made as ECPs and spiral developments are incorporated into the system configuration.

3.3.1.46.2 Interface Control Documents

The contractor shall publish and revise a GCS Interface Control Document (ICD) IAW DI-CMAN-81248. The contractor shall publish and revise a Modular Payload Interface (MPI) ICD IAW DI-CMAN-81248 to facilitate future payload development by the AECV contractor and other DoD contractors selected by the Government.

The contractor shall publish and revise an ICD IAW DI-CMAN-81248 for AECV SUAS over-the-air Data Link Interface (DLI) software protocol to facilitate interoperability and incorporation of AECV interface capability in other USSOCOM systems.
The contractor shall publish and revise an ICD IAW DI-SMAN-81248 for AECV SUAS Simulator Interface software protocol to facilitate interoperability and incorporation of AECV simulation capability in other USSOCOM systems.

3.3.1.46.3 Survivability Analysis

The contractor shall conduct environmental effects and survivability analyses.

3.3.1.46.4 Spectrum Support

The contractor shall prepare DD Form 1494 in support of spectrum certification activities for the AECV SUAS datalink. This shall include documentation of datalink characteristics and test reports as required. The contractor shall provide DD Form 1494 data to the AECV program office in support of spectrum supportability requests in foreign host nations. DD Forms 1494 supporting spectrum certification activities shall be IAW DI-MISC-81174. The contractor shall support spectrum certification activities for spiral developments.

3.3.1.46.5 Technical Data Supporting Data Link Waivers

The contractor shall provide supporting data to the AECV program office in support of preparation of waiver for the Joint Tactical Radio System (JTRS) Soldier Radio Waveform requirement.

The contractor shall provide supporting data to the AECV program office in support of preparation of waiver for the Tactical Common Data Link (TCDL) requirement.

3.3.1.46.6 Technical Manual

The contractor shall prepare a commercial AECV System Operator's and Maintenance manual DI-TMSS-80527. The content of the manual shall include operator-level operation and maintenance of the system, checklists, emergency procedures and logistics procedures consistent with the LSCM concept. The manual shall have step-by-step instructions for replacement of LRUs, operator-level inspections and repairs. The manual shall include emergency maintenance procedures which provide general guidance beyond O-level to be accomplished when no other maintenance alternatives are available. The contractor shall prepare updates to the manual as required for upgrades and changes to the system as well as in response to user feedback.

3.3.1.46.7 Airworthiness Data Support

The contractor shall provide data in support of Government application for Federal Aviation Administration (FAA) — Certificate of Authorization (COA) for operation of AECV SUAS in designated areas of the National Airspace System (NAS). The contractor shall provide data in support of Government range safety approval process for Government test ranges.

3.3.1.47 Qualification Testing

The contractor shall develop and conduct the qualification test effort IAW MIL-STD-810, MIL-STD-461E and product conformance methodology. The contractor shall use the System Engineering IPT to complete test planning. The contractor shall participate in the development of the Government TEMP through the IPT process. Test plans shall be prepared and submitted IAW DI-MGMT-80937. Test reports shall be prepared and submitted IAW DI-NDTI-80809.

Testing shall include radiated emissions of the AV, GCS and RVT IAW MIL-STD-461 method RE102. Testing shall include radiated susceptibility of the AV, GCS and RVT IAW MIL-STD-461E method RS103.

3.3.1.47.1 Aeronautical Design Standards Verification and Analysis

The contractor shall conduct a Hazards of Electromagnetic Radiation to Personnel (HERP) verification IAW paragraph 3.6.3 of Aeronautical Design Standard (ADS-

37A-PRF).

The contractor shall conduct a Hazards of Electromagnetic Radiation to Ordinance (HERO) verification IAW paragraph 3.6.1 of Aeronautical Design Standard (ADS-37A-PRF).

The contractor shall conduct a Hazards of Electromagnetic Radiation to Fuel (HERF) verification IAW paragraph 3.6.2 of Aeronautical Design Standard (ADS-37A-PRF).

3.3.1.48 Spiral Evolutionary Development Program

The contractor shall develop and update a spiral evolutionary development program. The contractor shall incorporate technology developments focused on the following items:

- 1) Reduced acoustic, visible and electronic signatures.
- 2) Increases Range and endurance.
- 3) Incorporation of digital data links.
- 4) Improved payload capability.
- 5) Improved system reliability and maintainability.
- 6) Ground control station enhancements.
- 7) Embedded Simulator enhancements.

Payload improvements shall utilize an open architecture approach while increasing the required standoff range from the target.

Travel

The contractor shall travel as required to execute the performance of each of the sections of this Statement of Work.

APPENDIX A CDRL LIST

Draft Form 1423 for each CDRL item can be found in Volume 4, section 5, CDRL List.

CDRL No.	Title/Document Number
A001	System/Subsystem Specification (DI-MGMT-81431)
A002	Integrated Master Schedule (DI-MGMT-81650)
A003	Monthly Status Report (MSR)(DI-MGMT-80368)
A004	Unique Item Identification Report (DI-MGMT-80177B) (Bar Code Identification Report)
A005	Contract Work Breakdown Structure (DI-MGMT-81334)
A006	Performance and Cost Report (DI-FNCL-80912)
A007	Contract Funds Status Report (DI-MGMT-81468)
A008	Hazardous Material Management Program (DI-MGMT-81398)
A009	Hazardous Material Management Program Report (DI-MISC-81397)
A010	Acceptance Test Plan (DI-QCIC-80553)
A011	Failure Mode Effects, and Criticality Analysis Report (DI-ILSS-81495)
A012	Instructional Performance Requirements Document (DI-SESS-81518)
A013	Training Program Structure Document (DI-SESS-81521)
A014	Training Conduct Support Document (DI-SESS-81523)
A015	Test Package (DI-SESS-81525B)
A016	Transportability Report (DI-PACK-80880C)
A017	Baseline Description Document (DI-CMAN-81121)
A018	Engineering Change Proposal (DI-CMAN-80639)
A019	Configuration Status Accounting Information (DI-CMAN-81253)
A020	System Safety Program Plan (SSPP) (DI-SAFT-81626)
A021	Safety Assessment Report (SAR) (DI-SAFT-80102)
A022	Corrosion Prevention and Control Plan (DI-MFFP-81403)
A023	Interface Control Document (ICD) (DI-CMAN-81248)
A024	Frequency Allocation Data (DI-MISC-81174)
A025	Commercial Off-The-Shelf (COTS) Manual and Associated Supplemental Data (DI-TMSS-80527B)
A026	Coordinated Test Plan (DI-MGMT-80937)
A027	Test/Inspection Report (DI-NDTI-80809)
A028	Inventory and Utilization Report (DI-MISC-81107)

APPENDIX B DOCUMENT SUMMARY LIST (DSL)

DOCUMENT SUMMARY LIST (DSL) FOR THE All Environment Capable Variant (AECV) PROGRAM			
DOCUMENT Number/CDRL Number	TITLE		DATE/ CATEGORY
1	DI-MGMT-81431 (DI # A001)	System/Subsystem Specification	10-JAN-2000 Cat. 1
2	DI-MGMT-81650 (DI # A002)	Integrated Master Schedule	30-MAR-2005 Cat. 1
3	DI-MGMT-80368 (DI # A003)	Monthly Status Report (MSR)	30-OCT-2006 Cat. 1
4	DI-MGMT-80177B (DI # A004)	Unique Item Identification Report (Bar Code Identification Report)	30-OCT-2006 Cat. 1
5	DI-MGMT-81334 (DI # A005)	Contract Work Breakdown Structure	20-APR-2007 Cat. 1
6	DI-FNCL-80912 (DI # A006)	Performance and Cost Report	06-OCT-1989 Cat. 1
7	DI-MGMT-81468 (DI # A007)	Contract Funds Status Report	19-OCT-1995 Cat. 1
8	DI-MGMT-81398 (DI # A008)	Hazardous Material Management Program	21-SEP-2007 Cat. 1
9	DI-MISC-81397 (DI # A009)	Hazardous Material Management Program Report	21-SEP-2007 Cat. 1
10	DI-QCIC-80553 (DI # A010)	Acceptance Test Plan	14-NOV-2006 Cat. 1
11	DI-ILSS-81495 (DI # A011)	Failure Mode Effects, and Criticality Analysis Report	30-OCT-1995 Cat. 1
12	DI-SESS-81518 (DI # A012)	Instructional Performance Requirements Document	8-JUN-2006 Cat. 1
13	DI-SESS-81521 (DI # A013)	Training Program Structure Document	8-JUN-2006 Cat. 1
14	DI-SESS-81523 (DI # A014)	Training Conduct Support Document	8-JUN-2006 Cat. 1
15	DI-SESS-81525B (DI # A015)	Test Package	8-JUN-2006 Cat. 1
16	DI-PACK-80880C (DI # A016)	Transportability Report	1-NOV-2003 Cat. 1
17	DI-CMAN-81121 (DI # A017)	Baseline Description Document	1-FEB-1991 Cat. 1
18	DI-CMAN-80639 (DI # A018)	Engineering Change Proposal	30-SEP-2000 Cat. 1
19	DI-CMAN-81253 (DI # A019)	Configuration Status Accounting Information	30-SEP-2000 Cat. 1
20	DI-SAFT-81626 (DI # A020)	System Safety Program Plan (SSPP)	01-AUG-2001 Cat. 1

DOCUMENT SUMMARY LIST (DSL) FOR THE All Environment Capable Variant (AECV) PROGRAM		
DOCUMENT Number/CDRL Number	TITLE	DATE/ CATEGORY
21	DI-SAFT-80102 (DI # A021)	Safety Assessment Report (SAR) 31-JUL-1995 Cat. 1
22	DI-MFFP-81403 (DI # A022)	Corrosion Prevention and Control Plan 06-JUN-1994 Cat. 1
23	DI-CMAN-81248 (DI # A023)	Interface Control Document (ICD) 30-SEP-2000 Cat. 1
24	DI-MISC-81174 (DI # A024)	Frequency Allocation Data 28-MAR-1991 Cat. 1
25	DI-TMSS-80527B (DI # A025)	Commercial Off-The-Shelf (COTS) Manual and Associated Supplemental Data 17-OCT-2006 Cat. 1
26	DI-MGMT-80937 (DI # A026)	Coordinated Test Plan 06-FEB-1990 Cat. 1
27	DI-NDTI-80809 (DI # A027)	Test/Inspection Report 24-JAN-1997 Cat. 1
28	DI-MISC-81107 (DI # A028)	Inventory and Utilization Report 02-MAR-1992 Cat. 1
29	MIL-HDBK-881	Work Breakdown Structures for Defense Materiel Items 30-JUL-2005 Cat. 1
30	NEPA PL 91-190	National Environmental Policy Act Cat. 1
31	NAS 411	Materials Hazardous Management Program 11-MAR-1994 Cat. 1
32	EPCRA Section 313	The Emergency Planning and Community Right-to-Know Act, Section 313 01-FEB-01 Cat. 1
33	EPA-745-R-99-004	EPA List – 17 01-MAR-99 Cat. 1
35	MIL-STD-130L	Identification Marking of U.S. Military Property 17-DEC-2007 Cat. 1
36	SOCOM UID Implementation Plan	SOCOM UID Implementation Plan Cat. 0
37	SOF Directive 350-9	Training 30 Oct 2007 Cat. 1
38	MIL-STD-882	System Safety 10-FEB-2000 Cat. 1
39	MIL-STD-1472F	Human Engineering 05-DEC-2003 Cat. 1
40	DD Form 1494	Application for Equipment Frequency Allocation AUG 1996 Cat. 0
41	MIL-STD-810	Environmental Engineering Considerations and Laboratory Tests 01-JAN-2000 Cat. 1
42	MIL-STD-461F	Requirements for the Control of Electromagnetic Interference Characteristics of Subsystems and Equipment 10-DEC-2007 Cat. 1

DOCUMENT SUMMARY LIST (DSL) FOR THE All Environment Capable Variant (AECV) PROGRAM			
DOCUMENT Number/CDRL Number		TITLE	DATE/ CATEGORY
43	ADS-37A-PRF	US Army Aviation and Troop Command Aeronautical Design Standard, Electromagnetic Environmental Effects Performance and Verification Requirements	28-MAY-1996 Cat. 1
43	TBD	AECV SUAS Security Classification Guide	

APPENDIX C WBS AND WBS DICTIONARY

CONTRACTOR WORK BREAKDOWN STRUCTURE (CWBS)

1.0 CWBS Chart

The following CWBS table has been generated for the management plan. The CWBS numbering follows the outline of subsections within Section 3.3 of the SOW. The WBS dictionary for the program is presented in Section 2.0 of this Appendix.

1	AECV WBS	
1.1	Program Management	
	1.1.1	Management
	1.1.2	Business
1.2	Production Systems and Spares	
	1.2.1	Systems
	1.2.2	Initial Spares Package
	1.2.3	Spares
1.3	Training	
	1.3.1	Training Support
	1.3.2	Training Conduct
1.4	Contract Logistics Support	
	1.4.1	Logistics and Operations Support
	1.4.2	Maintenance
	1.4.2.1	Un-Planned Maintenance
	1.4.2.2	Planned Maintenance
	1.4.3	Supply
	1.4.4	Transportation
1.5	System Engineering	
	1.5.1	Engineering Management
	1.5.2	Sustaining Engineering
	1.5.3	Test Program
	1.5.4	Spiral Development
	1.5.5	Engineering Services
	1.5.6	Technical Data Support

2.0 WBS Dictionary

WBS 1.1 Program Management

This includes the overall management, control and operation of the production program. This includes efforts associated with execution and completion of CDRL data associated with the AECV system production.

WBS 1.1.1 Program Management

The program planning, organizing, directing, coordinating, controlling and approval actions necessary to accomplish the overall program objectives that are not associated with the specific systems and facilities and are not included under Engineering or Logistics Management. This element also includes production and maintenance of the WBS, metrics, status reporting and meetings.

WBS 1.1.2 Business Management

The management, administration and coordination of the contract to include reporting, subcontract management, property management and control. This includes elements of reporting associated with contract status and performance. The financial management of the program to include establishing and maintaining a financial management system and managing and reporting program financial information. This element is also to include the hardware and software necessary to host the financial management system. This includes elements of reporting associated with program budget and cost.

WBS 1.2 Production Systems and Spares

This includes the overall tasks associated with producing the AECV system hardware, initial spares package and ongoing spares.

WBS 1.2.1 Systems Production

This element includes the labor, materials and tasks associated with producing the AECV system hardware.

WBS 1.2.2 Initial Spares Package Production

This element includes the labor, materials and tasks associated with producing the AECV Initial Spares Package (ISP) hardware.

WBS 1.2.3 Spares Production

This element includes the labor, materials and tasks associated with producing the AECV spares hardware.

WBS 1.3 Training

This includes the overall tasks associated with developing and conducting training services and support for the AECV system.

WBS 1.3.1 Training Support

This element includes the labor, materials and tasks associated with producing the AECV training support package. This includes all effort associated with producing training guides, aids, and special accessories used to facilitate instruction.

WBS 1.3.2 Training Conduct

This element includes the labor, travel and other direct cost associated with conducting training services. This includes providing a detailed Letter of Instruction (LOI) for each scheduled training event and a detailed after-action report at completion of each course.

WBS 1.4 Contractor Logistics Support

This includes all logistics and supportability efforts for the program.

WBS 1.4.1 Logistics and Operations Support

This includes the management efforts for AECV life-cycle sustainment. This includes developing the system maintainability and supportability models and optimizing the system for effective maintainability and limited forward footprint. This includes planning, organizing, directing, coordinating, controlling and approval actions necessary to support the AECV through out its life-cycle.

WBS 1.4.2 Maintenance

This element includes material and labor to support the 2-level maintenance for the AECV system.

WBS 1.4.2.1 Un-Planned Maintenance

This element includes material and labor to perform un-planned maintenance on systems and components.

WBS 1.4.2.2 Planned Maintenance

This element includes material and labor to perform regularly scheduled maintenance on systems and components.

WBS 1.4.3 Supply

This element includes all labor and materials to support the acquisition, storage, inventory control, and supply point operations for all AECV spares/repair parts.

WBS 1.4.4 Transportation

This element includes all labor, materials, and shipping cost necessary to package, and ship all AECV spares/repair parts.

WBS 1.5 System Engineering

The planning, organizing, directing, coordinating, controlling, approval actions and integration necessary to accomplish the overall program system engineering and technical objectives.

WBS 1.5.1 Engineering Management

This element includes the technical and management efforts of directing and controlling a totally integrated engineering effort of the program.

WBS 1.5.2 Sustaining Engineering

This element includes all effort of technical activities associated with the production and manufacturing of the system. This includes analysis of design and production operations, application of manufacturing methods and tooling in support of producing the system.

WBS 1.5.3 Test Program

This element includes all activities related to test and evaluation of prototype to production level assets for acceptance for their intended use. This includes the labor and materials required to conduct PPT&E of the AECV system and also includes support for the government run DT&E and OT&E.

WBS 1.5.4 Spiral Development

This element includes all effort of technical activities associated with the design, development, and integration of evolving technologies into the AECV system. This also includes analysis of design and production operations, application of manufacturing methods, analysis and balance of reliability, maintainability, reducibility, safety, human health and interface, environmental protection, and survivability of the system.

WBS 1.5.5 Engineering Services

This includes labor in support of engineering services on a task order basis.

WBS 1.5.6 Technical Data Support

This element includes all effort of technical activities associated with the preparation of engineering and technical support data deliverables required by the technical data descriptions section of the SOW.

APPENDIX D CROSS-REFERENCE, SOO/SOW AND SRD/SOW

SOO		SOW or Note
3	Management Objectives	3.3.1
3.1	<i>Contractor flexibility to produce AECV</i>	3.3.1
3.2	<i>Government visibility into program</i>	3.3.1
4	Develop and Manufacture of AECV SUAS	3.3.2
4.1	<i>Manufacture, assemble, deliver, recommend savings/GFE</i>	3.3.2 – Savings/GFE Recommended in Proposal
4.2	<i>Flexible plan for SOCOM to acquire additional AECV SUAS</i>	3.3.2 – Quantity breaks provided in proposal
4.3	<i>Embedded simulator capability</i>	3.3.2, 3.3.3, 3.3.5.10.2
4.4	<i>Recommended specialized test equipment</i>	3.3.5.12
4.5	<i>System documentation</i>	3.3.5.10
4.6	<i>Flexible ISP plan</i>	3.3.2.2 – Plan and quantity breaks in proposal
4.7	<i>BOM</i>	Will provide appropriate data after contract award
4.8	<i>Quality Control Plan</i>	3.3.2
5	Training	3.3.3
5.1	<i>Training general</i>	3.3.3
5.2	<i>Instructor and Key Personnel Training (IKPT)</i>	3.3.3.1.1, 3.3.3.3.1
5.3	<i>New Equipment Training (NET)</i>	3.3.3.1.2, 3.3.3.3.2
5.4	<i>Operator training and qualification</i>	3.3.3.1.3, 3.3.3.3.3
5.5	<i>Maintain training packages</i>	3.3.3.1
6	Contractor Logistics Support (CLS)	3.3.4
6.1	<i>General</i>	3.3.4
6.2	<i>Develop maintenance concept</i>	3.3.4
6.3	<i>Depot level maintenance, unplanned</i>	3.3.4.6.1
6.4	<i>Depot level maintenance, planned</i>	3.3.4.6.2
6.5	<i>Technical and maintenance manuals</i>	3.3.5.10.6
6.6	<i>Spare part support</i>	3.3.4.8
6.7	<i>Worldwide transportation</i>	3.3.4.8
6.8	<i>Worldwide technical support</i>	3.3.4.2
6.9	<i>System/subsystem reliability analyses</i>	3.3.2.11
6.10	<i>Environmental effects and survivability analyses</i>	3.3.5.10.3
6.11	<i>Maintainability/supportability</i>	3.3.4.1
6.12	<i>Life cycle and trade space analysis</i>	3.3.5.1
6.13	<i>Corrosion control plan</i>	3.3.5.9
7	Systems Engineering	3.3.5
7.1	<i>System Specification</i>	3.3.5.10.1
7.2	<i>Configuration Management Plan</i>	3.3.5.3
8	Spiral Evolutionary Development Program	3.3.5.12
8.1	<i>Evolutionary Spiral Development program</i>	3.3.5.12
8.2	<i>Spiral Focus</i>	3.3.5.12
8.3	<i>Payload Improvements</i>	3.3.5.12
8.4	<i>Ground Control Station</i>	3.3.5.12
8.5	<i>Engineering Change Proposal (ECP)</i>	3.3.5.3
9	Travel	3.3.6
9.1	<i>Meeting support</i>	3.3.6
9.2	<i>Training support</i>	3.3.6
9.3	<i>Technical support</i>	3.3.6

SOO		SOW or Note
10	Security	3.3.1.7
10.1	<i>IAW DD254</i>	3.3.1.7
10.2	<i>Safeguarding classified materials</i>	3.3.1.7
10.3	<i>Security management support</i>	3.3.1.7

SRD		SOW
4.2.1	<i>Security Classification Guide</i>	3.3.1.7
4.2.2	<i>SAASM Security</i>	3.3.1.7
4.2.3	<i>Additional Security Measures</i>	3.3.1.7
5.4.4.1	Modularity	3.3.5.10.2
6.1	General	3.3.5.8
7.1.1.1	<i>Total Training System Concept</i>	3.3.3
7.1.1.2	<i>Operator or Maintenance Training</i>	3.3.3.2.3
7.1.1.3	<i>Delivery of Training Materials</i>	3.3.3.1
7.1.1.4	<i>Training Reference Manual</i>	3.3.3.2.1
7.1.1.5	<i>Type 1 Train-the-Trainer Course</i>	3.3.3.1.1, 3.3.3.3.1
7.1.1.6	<i>Training Prior to Test and Deployment</i>	3.3.3.2.5
8.1.1.1	<i>Ao of 90%</i>	3.3.4
8.2.1.1	<i>Two-level Maintenance Concept</i>	3.3.4
8.2.1.2	<i>OEM Repair</i>	3.3.4.6
8.2.1.3	<i>Spares</i>	3.3.4.7
9.2	Safety Design Order of Precedence	3.3.5.7
9.3	Environment, Safety and Occupational Health (ESOH)	3.3.1.8.1

APPENDIX E – SOW/WBS/CDRL/DSL

SOW	Description	WBS	CDRL, DSL
3.3.1	Program Management	1.1	
3.3.1.1	Management Structure	1.1.1, 1.1.3	
3.3.1.2	Program Meetings and Reviews	1.1.1, 1.1.2, 1.1.3	
3.3.1.3	CWBS	1.1.1, 1.1.2, 1.1.3	A005, DSL 29
3.3.1.4	Program Schedule	1.1.1	A002
3.3.1.5	Cost and Performance Reporting	1.1.2	A003, A006, A007
3.3.1.6	Risk Management	1.1.1	
3.3.1.7	Security	1.1.1	
3.3.1.8	Safety	1.1.1	
3.3.1.8.1	ESOH	1.1.1	DSL 30
3.3.1.8.2	Hazardous Materials Mgmt Program	1.1.1	A008, A009, DSL 31, 32, 33
3.3.1.9	Government-Furnished Information (GFI) and Government-Furnished Equipment (GFE)	1.1.1	A028
3.3.2	Manufacture AECV SUAS and Spares	1.2	
3.3.2.1	AECV SUAS	1.2.1	
3.3.2.2	Initial Spares Packages (ISPs)	1.2.2	
3.3.2.3	System Level Components	1.2.3	
3.3.2.4	Repair Parts	1.4.3	
3.3.2.5	Manufacturing and Planning Control	1.2	
3.3.2.6	Quality Program	1.2	
3.3.2.7	Variability Reduction and Process Control	1.2	
3.3.2.8	Inspection and Acceptance	1.2	A010
3.3.2.9	Electronic Fabrication Procedures	1.2	
3.3.2.10	Parts Obsolescence	1.2	
3.3.2.11	Reliability	1.2	
3.3.2.12	FMECA	1.2	A011
3.3.2.13	Failure Reporting and Corrective Action System (FRACAS)	1.2	
3.3.2.14	UID	1.2	A004, DSL 34, 35
3.3.2.15	Flight Operations	1.2	
3.3.3	Training Program	1.3	DSL 36
3.3.3.1	Training Courses	1.3.1	A012, A013, A014
3.3.3.1.1	Train-the-Trainer and Instructor and Key Personnel Training (IKPT)	1.3.1	
3.3.3.1.2	New Equipment Training (NET)	1.3.1	

SOW	Description	WBS	CDRL, DSL
3.3.3.1.3	Operator Training	1.3.1	
3.3.3.1.4	Delta Training	1.3.1	
3.3.3.2	General Training Program Requirements	1.3.1	
3.3.3.2.1	Training Curriculum	1.3.1	
3.3.3.2.2	Training Expertise and Personnel	1.3.1	
3.3.3.2.3	Training Skills (Assessment)	1.3.1	A015
3.3.3.2.4	Course Material	1.3.1	
3.3.3.2.5	Schedule	1.3.1	
3.3.3.2.6	Training Maintenance	1.3.1	
3.3.3.2.7	Contractor Training Location	1.3.1	
3.3.3.2.8	Government Training Location	1.3.1	
3.3.3.3	Training Conduct	1.3.2	
3.3.3.3.1	Conduct Type 1 Train-the-Trainer	1.3.2	
3.3.3.3.2	New Equipment Training (NET)	1.3.2	
3.3.3.3.3	Operator Training	1.3.2	
3.3.3.3.4	Delta Training	1.3.2	
3.3.4	CLS	1.4	
3.3.4.1	Supportability Analysis	1.4.1	
3.3.4.2	Technical Support	1.4.1	
3.3.4.3	Logistics Demonstration	1.5.3	
3.3.4.4	Validation and Verification	1.5.3	
3.3.4.5	Operational Availability	1.4.1	
3.3.4.6	Maintenance	1.4.2	
3.3.4.6.1	Unplanned Maintenance	1.4.2.1	
3.3.4.6.2	Planned Maintenance	1.4.2.2	
3.3.4.7	Supply	1.4.3	
3.3.4.8	Transportation	1.4.4	A016
3.3.5	System Engineering	1.5	
3.3.5.1	Engineering Management	1.5.1	
3.3.5.2	Engineering Services	1.5.5	
3.3.5.3	Configuration Management (CM)	1.5.1	A017, A018
3.3.5.4	Configuration Status Accounting	1.5.1	A019
3.3.5.5	Configuration Change Control	1.5.1	
3.3.5.6	Physical Software Control	1.5.1	
3.3.5.7	System Safety	1.5.1	A020, A021, DSL 38
3.3.5.8	HIS (Human Factors)	1.5.1	DSL 39, A024
3.3.5.9	Corrosion Control Plan	1.5.1	A022
3.3.5.10	Tech Data, Maint Manuals	1.5.6	
3.3.5.10.1	AECV SUAS Specification	1.5.6	A001
3.3.5.10.2	Interface Control Documents	1.5.6	A023
3.3.5.10.3	Survivability Analysis	1.5.6	
3.3.5.10.4	Spectrum Support	1.5.6	DSL 39, A024

SOW	Description	WBS	CDRL, DSL
3.3.5.10.5	Technical Data Supporting Data Link Waivers	1.5.6	
3.3.5.10.6	Technical Manual	1.5.6	A025
3.3.5.10.7	Airworthiness Data Support	1.5.6	
3.3.5.11	Qualification Testing	1.5.3	A026, A027, DSL, 40, 41
3.3.5.11.1	Aeronautical Design Standards Verification and Analysis	1.5.3	DSL 42
3.3.5.12	Spiral Development	1.5.4	
3.3.6	Travel	All	

APPENDIX F – AVI STANDARD WARRANTY

MATERIALS AND WORKMANSHIP WARRANTY

The Contractor warrants that, at the time of acceptance, hardware items delivered under this contract shall be free from defects in workmanship and materials. The Contractor is liable under this warranty to correct, replace or repair such defects for a period of twelve (12) months after initial acceptance.

All claimed defects shall be subject to inspection and test by the Contractor, at the Contractor's facility, within 30 days of receipt of USSOCOM's notification of defect. If the Contractor determines that the item is defective, the Contractor shall repair/replace the item(s), provide the packing, inspection and labor involved in the return of the item(s) to the USSOCOM and pay transportation costs to the customer-specified CONUS location at no increase in contract price.

If the Contractor determines that the item is not defective, the Contractor shall notify USSOCOM, within 10 working days, of the details which governed the determination. If USSOCOM agrees with the Contractor's determination, USSOCOM will take action required to remedy the problem and assume responsibility for all costs associated with the return, disassembly, reassembly, analysis, testing, etc., of the item improperly returned under this warranty.

This warranty shall be in lieu of all other warranties, expressed or implied, including but not limited to, fitness for a particular use, merchantability, reliability, durability, and maintainability.

System Specification Document

for
**All Environment Capable Variant (AECV)
Small Unmanned Aircraft System (SUAS)**

Prepared for:
**U.S Special Operations Command/SOAL-KW
7701 Tampa Point Blvd.
MacDill AFB FL 33621-5323**

**Contract Number: H9222-08-D-0048
CDRL A001 - 24 June 2008**

Prepared by:
**AeroVironment Inc.
900 Enchanted Way
Simi Valley, CA 93065**

Cage Code: [*]

[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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DEPARTMENT OF DEFENSE CONTRACT SECURITY CLASSIFICATION SPECIFICATION <i>(The requirements of the DoD Industrial Security Manual apply to all security aspects of this effort.)</i>				1. CLEARANCE AND SAFEGUARDING	
				a. FACILITY CLEARANCE REQUIRED Secret	
				b. LEVEL OF SAFEGUARDING REQUIRED Secret	
2. THIS SPECIFICATION IS FOR: <i>(X and complete as applicable)</i>			3. THIS SPECIFICATION IS: <i>(X and complete as applicable)</i>		
<input checked="" type="checkbox"/> a. PRIME CONTRACT NUMBER H92222-08-D-0048		<input checked="" type="checkbox"/> a. ORIGINAL <i>(Complete date in all cases)</i>		Date (YYMMDD) 2008-06-30	
<input type="checkbox"/> b. SUBCONTRACT NUMBER		<input type="checkbox"/> b. REVISED <i>(Supersedes all previous specs)</i>		Revision No. NA	Date (YYMMDD)
<input type="checkbox"/> c. SOLICITATION OR OTHER NUMBER		DUE DATE (YYYYMMDD)	<input type="checkbox"/> c. FINAL <i>(Complete Item 5 in all cases)</i>		Date (YYMMDD)
4. IS THIS A FOLLOW-ON CONTRACT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If YES, complete the following					
3.3.1.49 Classified material received or generated under (Preceding Contract Number) is transferred to this follow-on contract					
5. IS THIS A FINAL DD FORM 254? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If YES, complete the following:					
In response to the contractor's request dated _____, retention of the classified material is authorized for the period of _____					
6. CONTRACTOR <i>(Include Commercial and Government Entity (CAGE) Code)</i>					
a. NAME, ADDRESS, AND ZIP CODE AeroVironment, Inc. 181 W. Huntington Dr. Suite 202 Monrovia, CA 91016-3456		b. CAGE CODE 60107	c. COGNIZANT SECURITY OFFICE <i>(Name, Address, and Zip Code)</i> Defense Security Service (S41PA) 3452 E. Foothill Boulevard Suite 524 Pasadena, CA 91107-3142		
7. SUBCONTRACTOR					
a. NAME, ADDRESS, AND ZIP CODE		b. CAGE CODE	c. COGNIZANT SECURITY OFFICE <i>(Name, Address, and Zip Code)</i>		
8. ACTUAL PERFORMANCE					
a. LOCATION AeroVironment, Inc. 900 Enchanted Way Simi Valley, CA 93065-0906		b. CAGE CODE 60107	c. COGNIZANT SECURITY OFFICE <i>(Name, Address, and Zip Code)</i> Denfense Security Service (S41PA) 3452 E. Foothill Boulevard Suite 524 Pasadena, CA 91107-3142		
9. GENERAL IDENTIFICATION OF THIS PROCUREMENT Procure an All Environment Capable Variant (AECV) Small unmanned Aircraft System (SUAS) that provides the best overall value to meet the NSW small unit requirement for real time reconnaissance, surveillance, and target acquisition (RSTA) in maritime, saltwater environments. The system shall have the flexibility to be modified through a block upgrade design approach.					
10. THIS CONTRACT WILL REQUIRE ACCESS TO:		YES	NO	11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		<input checked="" type="checkbox"/>	<input type="checkbox"/>	a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY	
b. RESTRICTED DATA		<input type="checkbox"/>	<input checked="" type="checkbox"/>	b. RECEIVE CLASSIFIED DOCUMENTS ONLY	
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		<input type="checkbox"/>	<input checked="" type="checkbox"/>	c. RECEIVE AND GENERATE CLASSIFIED MATERIAL	
				3.3	3.3

d. FORMERLY RESTRICTED DATA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
e. INTELLIGENCE INFORMATION	<input type="checkbox"/>	<input type="checkbox"/>	e. PERFORM SERVICES ONLY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(1) Sensitive Compartmented Information (SCI)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2) Non-SCI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. SPECIAL ACCESS INFORMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	h. REQUIRE A COMSEC ACCOUNT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. NATO INFORMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	i. HAVE TEMPEST REQUIREMENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. FOREIGN GOVERNMENT INFORMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. LIMITED DISSEMINATION INFORMATION	<input type="checkbox"/>	<input type="checkbox"/>	k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. FOR OFFICIAL USE ONLY INFORMATION WILL BE HANDLED IAW DOD 5400.7-R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	l. OTHER (Specify) Access to all USSOCOM facilities requires contractors to possess a minimum of a secret clearance.	<input checked="" type="checkbox"/>	
k. OTHER (Specify)	<input type="checkbox"/>	<input checked="" type="checkbox"/>			

DD Form 254, DEC 1999

PREVIOUS EDITION IS OBSOLETE

12. PUBLIC RELEASE. Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release. Direct X Through (Specify)

Requests must be forwarded through the certifying official (block 16), USSOCOM Office of Public Affairs (SOCS-PA), and the Contracting Officer

To the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs)* for review.

* In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency

13. SECURITY GUIDANCE. The security classification guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance, or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes. The contractor may also challenge guidance or the classification assigned to any information or material furnished or generated under this contract; and may submit questions for interpretation of the guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach, or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.)

While performing duties within HQ USSOCOM, JSOC, AFSOC, NSWC, NSWG2, MARSOC, or USASOC owned and operated facilities, the contractor must also adhere to all service/component command/local security directives, regulations, and standard operating procedures at different contract performance locations. The Program Manager listed in block 16 will provide a copy of all applicable security directives for this contract. Appropriate local service/component command security directives, regulations, and standard operating procedures will be provided by the requiring agency (normally through the Performance Monitor or component command COR). Upon completion or termination of the classified contract, or sooner when the purpose of the release has been served, the contractor will return all classified information (furnished or generated to the source from which received unless retention or other disposition instructions are authorized in writing by the USSOCOM Government Contracting Agency/Activity. Furthermore, the contractor will account for and return to the appropriate issuing office, all identification badges and/or entry passes/vehicle decals issued to contractor personnel upon completion or termination of the classified contract, termination of employment, or suspension of classified clearance or access of any contractor employee.

Ref 10a COMSEC security requirements apply. Contractor must forward requests for COMSEC material/information to the appropriate COMSEC officer through the program office. The Contractor is governed by DoD 5220.22-M, NISPOM. Access to COMSEC material by personnel is restricted to U.S. citizens holding final U.S. Government clearances. Such information is not releasable to personnel holding only reciprocal clearances. The government Program/Project Manager shall designate the number of personnel requiring cryptographic access. The number will be limited to the minimum necessary and will be on a strict need-to-know basis. Additional COMSEC requirements may be required at non USSOCOM locations/facilities (based on service/command requirements). The Performance Monitor or component command COR at these locations will provide specific information.

Ref. 10j: FOUO information provided under this contract shall be safeguarded as specified in attachment, Protecting For Official Use Only (FOUO) information.

Ref. 11b: Contractor will receive classified documents for reference only; however, if any classified information is generated in performance of this contract, it shall be derivatively classified and marked consistent with the source material.

Ref. 11d: Contractor must provide adequate storage at their facility for classified hardware to the level of SECRET.

Training Requirement: Contractors performing on this contract at military installations are required to conduct command and unit specific security training (OPSEC, EMSEC, At/FP, Etc.). This training will be provided by the responsible military organization.

IA requirements: Specific Information Assurance requirements may be mandated and are authorized by the responsible command/unit where primary performance location is identified.

Release of classified information is not approved until a potential company's facility clearance is verified through the Security Management Office.

This Solicitation DD Form 254 is approved. Upon company selection but prior to award and prior to any classified release, this DD Form 254 with all pertinent information inserted in appropriate sections will be submitted to SMO for final review and approval.

[*] _____

Reviewed/Approved

[*]
 USSOCOM Industrial Security
 21 Feb 08

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. YES NO
(If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement, which identifies the additional requirements. Provide a copy of the requirements to the Cognizant Security Office. Use Item 13 if additional space is needed.)

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the Cognizant Security Office. YES NO
(If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.)

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.

a. TYPED NAME OF CERTIFYING OFFICIAL [*]	b. TITLE [*]	c. TELEPHONE (Include Area Code) [*]
d. ADDRESS (Include Zip Code) SOAL FW UAS Attn: [*] 7701 Tampa Point Blvd MacDill AFB, FL 33621-5323	17. REQUIRED DISTRIBUTION	
	<input checked="" type="checkbox"/>	a. CONTRACTOR
	<input type="checkbox"/>	b. SUBCONTRACTOR
	<input checked="" type="checkbox"/>	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
	<input type="checkbox"/>	D. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY
	<input type="checkbox"/>	ADMINISTRATION
e. SIGNATURE Original Signed	<input checked="" type="checkbox"/>	E. ADMINISTRATIVE CONTRACTING OFFICER
	<input type="checkbox"/>	F. OTHERS AS NECESSARY SOAL FW UAS

DD FORM 254 (BACK), DEC 1999

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CDRL LIST

H92222-08-D-0048

In accordance with contract document control, reporting, and management requirements of a resulting contract, AVI's contracts, finance, and designated SUAV program management will maintain accurate documentation of relevant key aspects of contract performance. The following list is submitted for the Government's review and comment and will be updated after final Government approval of all submitted plans and procedures, which will become part of a resulting contract.

CDRL No.	Title/Document Number
A001	System/Subsystem Specification (DI-MGMT-81431)
A002	Integrated Master Schedule (DI-MGMT-81650)
A003	Monthly Status Report (MSR) (DI-MGMT-80368)
A004	Unique Item Identification Report (DI-MGMT-80177B) (Bar Code Identification Report)
A005	Contract Work Breakdown Structure (DI-MGMT-81334)
A006	Performance and Cost Report (DI-FNCL-80912)
A007	Contract Funds Status Report (DI-MGMT-81468)
A008	Hazardous Material Management Program (DI-MGMT-81398)
A009	Hazardous Material Management Program Report (DI-MISC-81397)
A010	Acceptance Test Plan (DI-QCIC-80553)
A011	Failure Mode Effects, and Criticality Analysis Report (DI-ILSS-81495)
A012	Instructional Performance Requirements Document (DI-SESS-81518)
A013	Training Program Structure Document (DI-SESS-81521)
A014	Training Conduct Support Document (DI-SESS-81523)
A015	Test Package (DI-SESS-81525B)
A016	Transportability Report (DI-PACK-80880C)
A017	Baseline Description Document (DI-CMAN-81121)
A018	Engineering Change Proposal (DI-CMAN-80639)
A019	Configuration Status Accounting Information (DI-CMAN-81253)
A020	System Safety Program Plan (SSPP) (DI-SAFT-81626)
A021	Safety Assessment Report (SAR) (DI-SAFT-80102)
A022	Corrosion Prevention and Control Plan (DI-MFFP-81403)
A023	Interface Control Document (ICD) (DI-CMAN-81248)
A024	Frequency Allocation Data (DI-MISC-81174)
A025	Commercial Off-The-Shelf (COTS) Manual and Associated Supplemental Data (DI-TMSS-80527B)
A026	Coordinated Test Plan (DI-MGMT-80937)
A027	Test/Inspection Report (DI-NDTI-80809)
A028	Inventory and Utilization Report (DI-MISC-81107)

CONTRACT DATA REQUIREMENTS LIST (2 Data Items)						Form Approved OMB No. 0704-0188			
Public reporting burden for this collection of information is estimated to average 220 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for information Operation and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503. Please DO NOT RETURN your form to either of these addresses. Send completed form to the Government Issuing Contracting Officer for the Contract/PR No. listed in Block E.									
A. CONTRACT LINE ITEM NO. 0001-0005		B. EXHIBIT A		C. CATEGORY: TDP <u>X</u> TM <u> </u> OTHER <u> </u>					
D. SYSTEM / ITEM AECV SUAS System			E. CONTRACT / PR NO. H92222-08-D-0048		F. CONTRACTOR AeroVironment Inc.				
1. DATA ITEM NO. A003	2. TITLE OF DATA ITEM Status Report			3. SUBTITLE AECV SUAS Monthly Status Report					
4. AUTHORITY (Data Acquisition Document No.) DI-MGMT-81334C			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS				
7. DD 250 REQ DD	9. DIST STATEMENT REQUIRED C	10. FREQUENCY MONTHLY		12. DATE OF FIRST SUBMISSION IMAC		14. DISTRIBUTION			
8. APP CODE A	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE		b. COPIES		
16. REMARKS Block 4: Contractor's format acceptable. Block 8: Content approval. Block 12 One month after contract award Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.						Draft	Final		
							Reg	Repro	
						USSOCOM FW UAS	1	1	
						SOAL KW (PCO)			
						15. TOTAL	1	1	
1. DATA ITEM NO. A004	2. TITLE OF DATA ITEM Unique Item Identification Report			3. SUBTITLE See Blk 16					
4. AUTHORITY (Data Acquisition Document No.) DI-MGMT-80177A			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM PM-UAS				
7. DD 250 REQ No	9. DIST STATEMENT REQUIRED D	10. FREQUENCY QTRLY		12. DATE OF FIRST SUBMISSION See BLK 16		14. DISTRIBUTION			
8. APP CODE A	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION See BLK 16		a. ADDRESSEE		b. COPIES		
16. REMARKS Block 4: Contractor's format acceptable. Block 10, 12 and 13: Submission of the First UID Report will be required NLT 90 days after delivery of the first AECV system, then quarterly thereafter. Block 14: Electronic Transmission of data is required as much as practical. The first address in Block 14 is for electronic delivery of unclassified data. The detailed list is for delivery of paper copies where necessary, i.e., classified documents.						Draft	Final		
							Reg	Repro	
						SOAL FW UAS	1	1	
						SOAL KW (PCO)		1	
						DCMA		1	
						15. TOTAL	1	3	
G. PREPARED BY		H. DATE		I. APPROVED BY [*]		J. DATE 29 Feb 08			

17. PRICE GROUP
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CONTRACT DATA REQUIREMENTS LIST <i>(2 Data Items)</i>						<i>Form Approved</i> <i>OMB No. 0704-0188</i>							
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A. CONTRACT LINE ITEM NO. 0001-0005		B. EXHIBIT B		C. CATEGORY: TDP <u>X</u> TM <u> </u> OTHER <u>X</u>									
D. SYSTEM / ITEM AECV SUAS System			E. CONTRACT / PR NO. H92222-08-D-0048		F. CONTRACTOR AeroVironment Inc.								
1. DATA ITEM NO. A007	2. TITLE OF DATA ITEM Contract Funds Status Report				3. SUBTITLE								
4. AUTHORITY (Data Acquisition Document No.) DI-MGMT-81468			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS								
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY MTHLY		12. DATE OF FIRST SUBMISSION 30DAC		14. DISTRIBUTION							
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)			a. ADDRESSEE	b. COPIES						
							Draft	Final					
							Reg	Repro					
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: Government has 30 days to review. Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.						USSOCOM APEO-FW UAS	1	1					
15. TOTAL						1	1						
1. DATA ITEM NO. A008	2. TITLE OF DATA ITEM Hazardous Materials Management Program				3. SUBTITLE								
4. AUTHORITY (Data Acquisition Document No.) DI-MGMT-81398			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE SOAL FW-UAS								
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R		12. DATE OF FIRST SUBMISSION 2MAC		14. DISTRIBUTION							
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)			a. ADDRESSEE	b. COPIES						
							Draft	Final					
							Reg	Repro					
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: Government has 30 days to review. Further revisions within 10 working days of Government direction. Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.						USSOCOM FW UAS	1	1					
15. TOTAL						1	1						
G. PREPARED BY [*]		H. DATE 4 Apr 2008		I. APPROVED BY [*]		J. DATE 30 Jun 08							

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A. CONTRACT LINE ITEM NO. 0006		B. EXHIBIT F		C. CATEGORY: TDP <u>X</u> TM _____ OTHER _____							
D. SYSTEM / ITEM AECV SUAS System			E. CONTRACT / PR NO. H9222-08-D-0048		F. CONTRACTOR AeroVironment Inc.						
1. DATA ITEM NO. A013	2. TITLE OF DATA ITEM Training Program Structure Document				3. SUBTITLE						
4. AUTHORITY (Data Acquisition Document No.) DI-SESS-81521			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS						
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R	12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION						
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES					
						Draft	Final				
						Reg	Repro				
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: First submission 30 days prior to start of training or verification event. Revisions 30 days prior to start of training event requiring new document. Block 14: Letter only. Send only notification of completion to PCO.					USSOCOM APEO-FW UAS	1	1				
15. TOTAL					1	1					
1. DATA ITEM NO. A014	2. TITLE OF DATA ITEM Training Conduct Support Document				3. SUBTITLE						
4. AUTHORITY (Data Acquisition Document No.) DI-SESS-81523			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE SOAL FW-UAS						
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R	12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION						
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES					
						Draft	Final				
						Reg	Repro				
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: First submission 30 days prior to start of training or verification event. Revisions 30 days prior to start of training event requiring new document. Block 14: Letter only. Send only notification of completion to PCO.					USSOCOM FW UAS	1	1				
15. TOTAL					1	1					
G. PREPARED BY [*]		H. DATE 4 Apr 2008		I. APPROVED BY [*]		J. DATE 30 Jun 08					

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A. CONTRACT LINE ITEM NO. 0010 & 0012		B. EXHIBIT F		C. CATEGORY: TDP <u>X</u> TM <u> </u> OTHER <u> </u>						
D. SYSTEM / ITEM AECV SUAS System			E. CONTRACT / PR NO. H9222-08-D-0048		F. CONTRACTOR AeroVironment Inc.					
1. DATA ITEM NO. A015	2. TITLE OF DATA ITEM Test Package			3. SUBTITLE						
4. AUTHORITY (Data Acquisition Document No.) DI-SESS-81525B			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS					
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R	12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION					
8. APP CODE	11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES					
					Draft	Final				
					Reg	Repro				
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: First submission 30 days prior to start of training or verification event. Revisions 30 days prior to start of training event requiring new document. Block 14: Letter only. Send only notification of completion to PCO.				USSOCOM APEO-FW UAS	1	1				
15. TOTAL					1	1				
1. DATA ITEM NO. A016	2. TITLE OF DATA ITEM Transportability Report			3. SUBTITLE						
4. AUTHORITY (Data Acquisition Document No.) DI-PACK-80880C			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE SOAL FW-UAS					
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R	12. DATE OF FIRST SUBMISSION 90DAC		14. DISTRIBUTION					
8. APP CODE	11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES					
					Draft	Final				
					Reg	Repro				
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: Government has 30 days to review. Block 14: Letter only. Send only notification of completion to PCO.				USSOCOM FW UAS	1	1				
15. TOTAL					1	1				
G. PREPARED BY [*]		H. DATE 4 Apr 2008		I. APPROVED BY [*]		J. DATE 30 Jun 08				

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A. CONTRACT LINE ITEM NO. 0001-0005		B. EXHIBIT A		C. CATEGORY: TDP <u> X </u> TM <u> </u> OTHER <u> </u>							
D. SYSTEM / ITEM AECV SUAS System			E. CONTRACT / PR NO. H92222-08-D-0048		F. CONTRACTOR AeroVironment Inc.						
1. DATA ITEM NO. A017	2. TITLE OF DATA ITEM Baseline Description Document			3. SUBTITLE							
4. AUTHORITY (Data Acquisition Document No.) DLCMAN-81121			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS						
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R		12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION					
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES					
						Draft	Final				
						Reg	Repro				
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: Government has 30 days to review. First submission 15 Days after FRP approval Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.					USSOCOM APEO-FW UAS	1	1				
15. TOTAL						1	1				
1. DATA ITEM NO. A018	2. TITLE OF DATA ITEM Engineering Change Proposal			3. SUBTITLE							
4. AUTHORITY (Data Acquisition Document No.) DLCMAN-80639			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE SOAL FW-UAS						
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ASREQ		12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION					
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES					
						Draft	Final				
						Reg	Repro				
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: Formal submittal 1 week prior to JCCB review of ECP Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.					USSOCOM FW UAS	1	1				
15. TOTAL						1	1				
G. PREPARED BY [*]		H. DATE 4 Apr 2008		I. APPROVED BY [*]		J. DATE 30 Jun 08					

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(2 Data Items)

Form Approved
OMB No. 0704-0188

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A. CONTRACT LINE ITEM NO. 0001-0005		B. EXHIBIT A		C. CATEGORY: TDP <u>X</u> TM _____ OTHER _____		
D. SYSTEM / ITEM AECV SUAS System		E. CONTRACT / PR NO. H9222-08-D-0048		F. CONTRACTOR AeroVironment Inc.		
1. DATA ITEM NO. A021	2. TITLE OF DATA ITEM Safety Assessment Report (SAR)			3. SUBTITLE		
4. AUTHORITY (Data Acquisition Document No.) DI-SAFT-80102		5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS		
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R	12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION	
8. APP CODE	11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES	
					Draft	Final
					Reg	Repro
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: First submission 30 days prior to test event or fielding. Government has 30 days to review. Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.				USSOCOM APEO-FW UAS	1	1
15. TOTAL				1	1	

1. DATA ITEM NO. A022	2. TITLE OF DATA ITEM Corrosion Prevention and Control Plan			3. SUBTITLE		
4. AUTHORITY (Data Acquisition Document No.) DI-MFFP-81403		5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE SOAL FW-UAS		
7. DD 250 REQ	9. DIST STATEMENT REQUIRED D	10. FREQUENCY ONE/R	12. DATE OF FIRST SUBMISSION 4MAC		14. DISTRIBUTION	
8. APP CODE	11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION (See 16)		a. ADDRESSEE	b. COPIES	
					Draft	Final
					Reg	Repro
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: Government has 30 days to review. Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.				USSOCOM FW UAS	1	1
15. TOTAL				1	1	

G. PREPARED BY [*]		H. DATE 4 Apr 2008		I. APPROVED BY [*]		J. DATE 30 Jun 08	
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A. CONTRACT LINE ITEM NO. 0001-0005		B. EXHIBIT A		C. CATEGORY: TDP <u>X</u> TM _____ OTHER _____									
D. SYSTEM / ITEM AECV SUAS System			E. CONTRACT / PR NO. H9222-08-D-0048		F. CONTRACTOR AeroVironment Inc.								
1. DATA ITEM NO. A023	2. TITLE OF DATA ITEM Interface Control Document			3. SUBTITLE AECV Payload, Datalink, GCS, Simulator Interface Control Documents									
4. AUTHORITY (Data Acquisition Document No.) DI-CMAN-81248			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE USSOCOM APEO FW UAS								
7. DD 250 REQ	9. DIST STATEMENT REQUIRED C	10. FREQUENCY ONE/R		12. DATE OF FIRST SUBMISSION See 16		14. DISTRIBUTION							
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)			a. ADDRESSEE	b. COPIES						
							Draft	Final					
							Reg	Repro					
16. REMARKS Block 4: Contractor's format acceptable. Blocks 12 & 13: First submission 30 days after FRP approval. Government has 30 days to review. Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.						USSOCOM APEO-FW UAS	1	1					
15. TOTAL						1	1						
1. DATA ITEM NO. A024	2. TITLE OF DATA ITEM Frequency Allocation Data			3. SUBTITLE									
4. AUTHORITY (Data Acquisition Document No.) DI-MISC-81174			5. CONTRACT REFERENCE SOW Para		6. REQUIRING OFFICE SOAL FW-UAS								
7. DD 250 REQ	9. DIST STATEMENT REQUIRED C	10. FREQUENCY ASREQ		12. DATE OF FIRST SUBMISSION 60DAC		14. DISTRIBUTION							
8. APP CODE	11. AS OF DATE		13. DATE OF SUBSEQUENT SUBMISSION (See 16)			a. ADDRESSEE	b. COPIES						
							Draft	Final					
							Reg	Repro					
16. REMARKS Block 4: Format on form DD 1494 Blocks 12 & 13: Government has 30 days to review. Block 14: Electronic Transmission of data is required as much as practical. Letter only. Send only notification of completion to PCO.						USSOCOM FW UAS	1	1					
15. TOTAL						1	1						
G. PREPARED BY [*]		H. DATE 4 Apr 2008		I. APPROVED BY [*]		J. DATE 30 Jun 08							

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[*] Certain information on this page has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Certification of Principal Executive Officer
Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934

I, Timothy E. Conver, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AeroVironment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2008

/s/ Timothy E. Conver

Timothy E. Conver

Chairman, Chief Executive Officer and Director

Certification of Principal Financial Officer
Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934

I, Stephen C. Wright, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AeroVironment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2008

/s/ Stephen C. Wright
Stephen C. Wright
Chief Financial Officer

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) (the "Act"), each of the undersigned officers of AeroVironment, Inc., a Delaware corporation (the "Company"), does hereby certify, to each such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended August 2, 2008 (the "Periodic Report") of the Company fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)) and information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Timothy E. Conver

Timothy E. Conver
Chairman, Chief Executive Officer and President

/s/ Stephen C. Wright

Stephen C. Wright
Chief Financial Officer

Dated: September 10, 2008

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
