

- A. As it has done in the past, OIG shall negotiate a rate based upon the cost principles contained in the Office of Management and Budget Circular A-87 and on ASMB C-10, adopted April 8, 1997, the "Implementation Guide for Office of Management and Budget Circular A-87."
- B. By agreeing to negotiate this rate, neither the Class, the Defendants, nor the individual class members shall be deemed to waive any rights or defenses regarding the negotiated rate or payment of contract support costs thereunder. By agreeing to negotiate this rate, neither the Class, the Defendants, nor the individual class members shall be deemed to admit or agree that this rate is in compliance or not in compliance with applicable law. The Office of Inspector General may correct any internal inconsistencies as regards OIG interpretations of OMB Cir. A-87 or ASMB C-10 as described at pp. 48-49 of the GAO Report as identified in the GAO Report of June 1999 in calculating the indirect cost rate under this paragraph, provided that nothing in this order shall be construed to prohibit class members affected thereby from challenging the legality or propriety of any such corrections.
2. The parties each reserve and do not waive their rights, claims, defenses, and demands in this action for FY 1992 forward. Until further order of the Court, the Defendants shall be permitted to reimburse contract support costs based on the individual indirect cost rates negotiated pursuant to subpart 1(A) above. Such payments shall not, however, in any way waive or diminish the Class' rights to further payments or damages in the event the Court rules in the Class' favor on the remaining damage claims in this case or those permitted to be added by Court Order. By

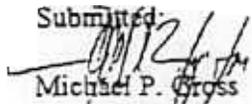
agreeing to reimburse contract support costs on the basis of the rate set forth in 1(A) above, neither the Class, the Defendants, nor the individual class members shall be deemed to admit or agree that this rate is in compliance or not in compliance with applicable law.

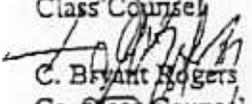
3. This order rescinds and replaces all previous orders of the Court respecting the method by which the Defendants calculate and reimburse contract support costs under the ISDA and shall be in effect only until January 31, 2001, or until superceding order of the Court, whichever occurs earlier, except that the duty specified in the previous order dated September 21, 1999 (Docket No. 336) to deliver demonstrative rates for FY 2000 to be calculated by OIG to Plaintiffs' counsel shall continue in effect.

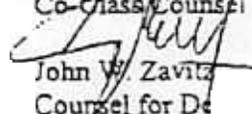
C. LEROY HANSEN

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U. S. DISTRICT COURT

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