

EXHIBIT A: GENERAL CONDITIONS

GC-1 DEFINITIONS

The following terms shall have the meanings as defined below:

- A. "Contractor" means the SES group of companies entity shown on the cover page.
- B. "Subcontractor" means the Party listed on the cover page.
- C. The term "Parties" as used herein means Contractor and Subcontractor.
- D. The terms "Subcontract" and "Agreement" mean this Subcontract Form of Agreement and all documents contained herein, including any amendments or modifications as executed by the Parties.
- E. The term "Client", "Customer", "Government", and/or "Owner" means the organization with whom Contractor has entered into a Prime Contract and for whose benefit the work under this Subcontract is performed.
- F. The term "approval(s)" shall in all cases mean written approval.
- G. The term "days" shall denote calendar days unless otherwise specified.
- H. The term "FAR" as used herein means the Federal Acquisition Regulations as printed in Chapter 1 of Title 48 of the Code of Federal Regulations.
- I. The term "Employee" includes any employee of Subcontractor, and any employee of any lower- tier subcontractor, who will perform any Work under this Subcontract. Unless otherwise qualified, the term includes all employees, regardless of the position held, including partners and individuals doing business as a firm.
- J. The term "Contractor's Contractual Representative" means employee(s) of Contractor who have authority to act for and on behalf of Contractor.
- K. "Government" means the United States of America.
- L. The terms "Jobsite," "Site," "Place of Performance" and "Work Area" as used herein mean the location(s) where the Work related activities and operations will be performed under this Subcontract.
- M. "Subcontract Change" shall mean any change in the Subcontract Work including a change in the period of performance, contract value, drawings, specifications, or technical requirements of the Subcontract and/or a change in the Schedule of Work affecting the performance of the Subcontract
- N. "Change Order" shall mean a written instrument prepared by the Contractor and signed by the Subcontractor stating their agreement upon the change in the scope of the Subcontract Work, adjustment in the Subcontract price, and/or Subcontract time;
- O. "Claim" shall mean a written demand or assertion made in writing by the Subcontractor seeking an adjustment in the Subcontract price and/or Subcontract time, an adjustment or interpretation of the Subcontract terms, or other relief arising under or relating to this Subcontract, including the resolution of any matters in dispute between the Contractor and Subcontractor in connection with this Subcontract
- P. The term "lower-tier subcontracts" as used herein means any contractual agreement entered into by Subcontractor, the purpose of which is to provide goods or services that are required to fulfill the obligations under this Subcontract.
- Q. The terms "Work" and "Services" mean all duties and responsibilities to be performed by Subcontractor as specified, stated, indicated, or implied by this Subcontract, including the furnishing and supervision of all technical personnel and labor and the supply of equipment, materials, and supplies necessary to perform this Subcontract.

GC-2 ENTIRE AGREEMENT

This Subcontract is solely for the benefit of the signatories hereto. This Subcontract embodies the entire agreement between the Parties. The Subcontractor, by signing this Subcontract, delivering the supplies, or performing the Work specified herein agrees to comply with all the terms and conditions and all specifications and other documents that this Subcontract incorporates by reference or attachment. The Parties shall not be bound by or liable for any statement, representation, promise, or understanding not set forth herein. Nothing contained in proposals, correspondence, discussions, or negotiations prior to the date of this agreement has any effect on this agreement unless specifically incorporated herein. No changes, amendments, or modifications of any of the terms and conditions hereof shall be valid unless reduced to writing and signed by the Contractual Representatives listed at GC-7..

GC-3 ORDER OF PRECEDENCE

All Subcontract documents and subsequently issued Change Notices/Orders and Modifications are essential parts of this Subcontract, and a requirement occurring in one is binding as though occurring in all. Any inconsistency or ambiguity in the interpretation and performance of this Subcontract shall be resolved by giving precedence in the following order:

1. Subcontract Form of Agreement (including, but not limited to, Change Notices/Orders and modifications)
2. Special Conditions
3. General Conditions
4. Scope of Work
5. Subcontract Attachments (including, but not limited to, the Prime Contract Flowdown requirements at Attachment 1).

GC-4 HEADINGS

The captions in this Subcontract are for convenience only and shall not define or limit any of the terms herein.

GC-5 SEVERABILITY AND INTERPRETATION

In the event that any provision of this Agreement shall be held to be invalid or unenforceable, the remainder of the Agreement shall not be affected and the Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Should inconsistencies or omissions appear in the Subcontract Documents, it shall be the duty of the Subcontractor to so notify the Contractor in writing within three (3) working days of the Subcontractor's discovery thereof. Upon receipt of said notice, the Contractor shall instruct the Subcontractor as to the measures to be taken and the Subcontractor shall comply with the Contractor's instructions. If the Subcontractor performs work knowing it to be contrary to any applicable laws, statutes, ordinances, building codes, rules, or regulations without notice to the Contractor and advance approval by appropriate authorities, including the Contractor, then the Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees, and expenses necessarily incurred to remedy the violation.

Each party acknowledges that it has had a fair and reasonable opportunity to review this Subcontract, which shall be construed as though drafted by both Parties.

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GC-6 WAIVER

The failure of either Party to insist upon strict performance of any of the terms and conditions herein, or to exercise any rights or remedies, shall not constitute a waiver of its rights hereunder.

GC-7 CONTRACTUAL REPRESENTATIVES/WRITTEN NOTICE

The following personnel are authorized representatives of Contractor and Subcontractor and their addresses given below shall be the addresses for all notices and correspondence in all matters dealing with this Subcontract. Except as otherwise expressly provided herein, all written notices required to be delivered by the Parties pursuant hereto shall be deemed so delivered at the time delivered by hand, by a nationally recognized overnight courier service, transmission by facsimile with proof of valid transmittal, by electronic system and read receipt proof of delivery, three (3) business days after placement in the U.S. Mail, or by registered or certified mail, return receipt requested

(Contractor)

SES group of companies entity

Attn: Valerie Widgren

1006 Floyd Culler Court

Oak Ridge, TN 37830

E-mail: vwidgren@specproenv.com

(Subcontractor)

E-mail: _____

GC-8 INDEPENDENT CONTRACTOR

Subcontractor is an independent contractor and shall be wholly responsible for the methods of its performance. Subcontractor has complete and sole responsibility for its employees, agents, lower-tier consultants, vendors, or any other persons or entities that Subcontractor hires or retains to perform or assist in performing the Services. Subcontractor is solely responsible for (A) payment of wages, benefits, and other compensation to or for its employees, (B) payment of applicable payroll, unemployment, withholding of applicable social security (FTCA) and income taxes with respect to its employees, and other taxes associated with the rendering of the Services, and (C) compliance with applicable Workers' Compensation laws with respect to maintenance of Workers' Compensation and Employer's Liability Insurance coverages. Subcontractor is fully responsible for satisfactory completion of any and all subcontracted Services.

GC-9 ASSIGNMENT AND SUBCONTRACTING

Subcontractor shall not assign, transfer, or subcontract all or any portion of this Subcontract or any of its obligations hereunder without Contractor's express, prior written permission, which shall not be unreasonably withheld. Any assignment, transfer or subcontract without such written consent shall be void. If Contractor grants permission to assign, this Subcontract shall be binding upon all respective successors and assigns.

Subcontractor may assign rights to be paid amounts due to a financing institution if Contractor is promptly furnished a written notice and a signed copy of such assignment. Payments to assignee shall be subject to set off or recoupment for any present or future claims of Contractor against Subcontractor. Subcontractor shall perform all services hereunder with its own personnel and shall not enter into a subcontract or purchase order for any portion of the work without the prior written consent of the Contractor. If assigned, all covenants, stipulations and promises of this Subcontract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

GC-10 OWNERSHIP OF DOCUMENTS AND DATA

Upon final payment to Subcontractor, unless otherwise specifically stated herein, Contractor and their Client own the property rights, except for copyrights, of all documents, electronic data, drawings, specifications, and information prepared, provided, or procured by Subcontractor and distributed to Contractor as part of Subcontractor's Services under this Agreement. Contractor and their Client shall have the right to use, reproduce, and make derivative works of these documents. If this Agreement is terminated prior to completion of the Work, Contractor and their Client own the property rights of all such documents and data supplied and paid for prior to termination.

GC-11 INVENTIONS, TRADEMARKS, PATENT APPLICATIONS, COPYRIGHT REGISTRATION

Unless otherwise provided, any and all works-in-progress and completed deliverables ("Intellectual Property") used, developed, or modified in the performance of Work under this Subcontract shall remain the sole property of Contractor and Client.

Works-in-progress include all partially-completed deliverables, associated work papers, narrative descriptions, reports, data, and any other materials of a similar nature which are necessary or desirable for the completion of the Work.

Upon request, Subcontractor shall execute and deliver all instruments and documents, and take other necessary actions to document the assignment, transfer and conveyance of such Intellectual Property as set forth above, to enable Contractor and their Client to obtain and enforce such patent, trademark, copyright or other similar protection for such Intellectual Property.

Notwithstanding the above, any pre-existing materials incorporated into the Work and Work Product shall be and will remain the property of Subcontractor. Subcontractor agrees and hereby grants to Contractor and their Client a perpetual, irrevocable, royalty-free, nonexclusive, worldwide license, with the rights to sublicense, use, reproduce, display, transmit, market, sell, modify, enhance and create derivative works of such materials for the purposes covered by this Subcontract. The term "pre-existing materials" shall mean all tangle items and materials conceived, developed and reduced to practice prior to or wholly independent of Subcontractor's performance of any Work hereunder.

GC-12 TIME FOR PERFORMANCE

Subcontractor agrees to use its best efforts to complete the Work within the time period prescribed herein. If Subcontractor has knowledge of any actual or potential conditions that are delaying or could possibly delay its timely performance, Subcontractor shall notify Contractor in writing within three (3) business days of such delay and the reasons therefore. The Parties will attempt, when possible, to negotiate a revised completion date.

Time is of the essence for the Work hereunder. If Subcontractor fails to comply with the delivery or performance schedule for reasons that do not justify a revision to the completion date and Subcontractor falls behind schedule, as determined by Contractor in its sole discretion, Subcontractor at its sole expense and without additional compensation, shall work extra hours, weekends, or add additional labor to catch up and maintain the schedule established by Contractor.

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Notwithstanding the fact that this Subcontract is executed as of a specific date set forth, the Parties recognize that a portion of the Subcontractor's Work may have been performed prior to such date. If this occurs, all of Subcontractor's Work shall be governed by the Terms and Conditions of the Subcontract

GC-13 COOPERATION WITH OTHERS

Subcontractor shall fully cooperate with Contractor and others engaged in the work on the project, and shall not interfere with the performance of such work, and shall coordinate its work with the work of Contractor, other subcontractors, Owner and its agents or inspectors, and utility companies or others that may be working in the area, so that the work of the entire project may be performed with the utmost speed consistent with good practice. Contractor reserves the right to require Subcontractor to schedule the order of performance of the Work in such a manner as will minimize interference with work of any of the parties involved.

GC-14 FORCE MAJEURE

Neither Party will be liable nor be able to terminate this Subcontract for any failure to perform hereunder where such failure is proximately caused by a Force Majeure Event. A "Force Majeure Event" shall mean an event beyond the reasonable control and without the fault or negligence of the Party affected and which by exercise or reasonable diligence the said Party is unable to prevent or provide against. Any Party asserting Force Majeure as an excuse to performance shall have the burden of proving proximate cause and that reasonable steps were taken to minimize the delay and damages caused by events when known. The Party claiming Force Majeure must promptly notify the other party that the event has occurred.

GC-15 INSPECTION OF WORK AND RECORDS

Subcontractor shall maintain accounting records relating to its performance of the Work hereunder and shall make such records available to Contractor at all reasonable times during the period of performance and five (5) years after the completion of the work, or until Contractor closes out the contract with the Client, whichever is later.

Contractor and Contractor's Client have the right to inspect and test all services and supplies called for by this Subcontract at all places and times, including the period of manufacture or performance, and in any event before acceptance. If Contractor specifies an inspection system elsewhere in this Subcontract, Subcontractor shall provide and maintain such inspection system covering services and supplies under this Subcontract and shall provide only services and supplies that have been found to conform to the requirements of this Subcontract. Complete records of all inspections shall be maintained and made available to Contractor during performance and for as long as this Subcontract requires. Contractor shall perform inspections and tests in a manner that will not unduly delay the Work. Contractor assumes no contractual obligation to perform any inspection or test for the Subcontractor's benefit unless specifically set forth elsewhere in this Subcontract. Contractor's failure to inspect the service or supplies shall not relieve the Subcontractor from responsibility, nor impose liability on Contractor, for nonconformity. If Contractor performs inspection or test on the premises of Subcontractor or a lower-tier subcontractor, Subcontractor shall cause to be furnished, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties.

Contractor may reject or require the correction of any nonconformity. If Subcontractor is not ready for inspection at the time specified by Subcontractor, or if prior rejection makes inspection or retest necessary, Contractor may charge Subcontractor the additional cost of inspection or test. Subcontractor shall not tender for acceptance corrected or rejected services or supplies without disclosing the former rejection or requirement for correction, and shall disclose the corrective action taken.

Contractor, in addition to any other rights or remedies provided by law or under other provisions of this Subcontract, may require Subcontractor, at no increase in Subcontract price, to (1) re-perform the nonconforming services and correct or replace the nonconforming supplies or (2) reduce the Subcontract price to reflect the reduced value of Subcontractor's performance. When supplies are returned, Subcontractor shall bear the transportation cost. If within 10 days of Contractor's written notice, Subcontractor fails to re-perform or replace, as required, Contractor has the right by contract or otherwise to perform the services, replace or correct such supplies, and charge the Subcontractor the cost occasioned Contractor thereby and/or terminate this Subcontract for default under the General Condition entitled "TERMINATION."

GC-16 CONSIDERATION AND COMPENSATION

In full consideration of Subcontractor's satisfactory performance of the Work, Contractor agrees to pay Subcontractor in accordance with the terms established in the Compensation section at the beginning of this Agreement, subject to any limitations or conditions contained herein.

Unless amended in writing and signed by the Parties, Contractor is not obligated to pay any amount in excess of the stated Compensation.

Unless expressly stated, the Compensation agreed upon herein includes all sales and use taxes, franchise, excise, and other taxes and governmental impositions of all kinds, and is not subject to an addition for any such taxes or impositions assessed.

When applicable, Subcontractor shall notify Contractor in writing when the cost incurred under Cost Reimbursement or Time and Materials tasks have reached 75% of the total Compensation, or earlier if Subcontractor has reason to believe that the costs it has incurred and expects to incur will exceed the amount authorized.

GC-17 INVOICING

a) Itemized costs – If expenses are allowed as provided in this Agreement, Subcontractor must also separately itemize these costs and provide copies of actual receipts in order to be reimbursable.

b) Invoice submittal - Subcontractor shall submit invoices on a monthly basis for all work performed and costs incurred during the previous month. The Subcontract number shown on the first page of this Subcontract MUST APPEAR ON ALL INVOICES. Invoices shall be submitted by the 28th of each month unless otherwise instructed by Contractor. Any invoice not received by the 28th day of the month may not be processed until the following month. Subcontractor acknowledges that late submission of any invoice causes damage to Contractor. Subcontractor also acknowledges that late submittal will result in delayed billing which may delay payment to Subcontractor. Any invoice received after 60 days from completion and acceptance of work will not be paid.

c) Lien Waiver and Release – (See clause GC-20) All required lien waiver/release forms (interim and/or final) must accompany the invoice. Payments will be withheld if properly executed lien waivers/release forms are not received with the invoice.

The invoice shall reference the specific month covered by the billing the specific task number, if any. If multiple tasks are being billed on the same invoice, each task order number must be specifically identified with the amount of that task order set out individually and a grand total established at the end of the invoice. All invoices must be billed in accordance with the method established by the Subcontract. Invoices shall be signed and dated by the Subcontractor, certifying that the costs included are correct and that each of

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the personnel, sub-tier subcontractors, consultants, and suppliers provided by the Subcontractor, if any, are invoiced pursuant to their applicable labor categories and rates, when applicable.

Invoices with all backup documentation shall be submitted to Contractor electronically via e-mail to:

AP@specproenv.com

Please include your company name and Subcontract number in the Subject Line.

GC-18 TAXES

Subcontractor shall, unless otherwise stated in this Subcontract or any Task Order issued hereunder, pay all taxes, levies, duties, and assessments of every nature due in connection with the Work under this Subcontract and shall make any and all payroll deductions and withholdings required by law and hereby indemnifies and holds harmless Contractor and the Owner from any liability on account of any and all such taxes, levies, duties, assessments, and deductions.

Unless otherwise provided herein, the price of the supplies/services includes all taxes. The Parties will cooperate to provide information and certificates necessary for any tax exemption, when applicable.

GC-19 PAYMENT

Payment to the Subcontractor of an acceptable invoice shall be mailed to the Subcontractor's address stated in the Subcontract within seven (7) working days of receipt of payment by Client.

In no event will Contractor be liable for finance or interest charges. Contractor shall retain the percentage shown on the cover page of this subcontract from the amount of payment due to Subcontractor. Final payment of the Subcontract and associated task order sums, if any, will be withheld until the Subcontractor, when requested by Contractor, executes and delivers to the Contractor a Final release discharging Contractor and Contractor's Client, their officers, agents, employees and assigns from all liability, obligation, and claims arising out of or under this Subcontract.

Contractor may also withhold payment due for, but not limited to, the following reasons:

(a) Delays in the work and Contractor's reasonable belief that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay or faulty work not corrected promptly;

(b) Claims or liens filed against Subcontractor or evidence that a claim or lien will be filed. If such claims or liens are deemed to affect Contractor, Contractor's Client, or the Project, then Contractor is authorized to use whatever means deemed appropriate to cause such claims or liens to be removed or dismissed and the cost thereof, together with attorney's fees, shall be immediately due and payable by Subcontractor to Contractor;

(c) Evidence that lower-tier subcontractors, suppliers or employees have not received payment. Contractor may, by direct check or otherwise, pay all lower-tier subcontractors, suppliers or employees who have not been paid the monies due them in connection with this Agreement, whether or not a bond, lien, or other claim has been filed, and Subcontractor will, to the extent that Contractor has not recovered such amounts, reimburse Contractor upon demand. Upon receipt of nonpayment information, Contractor will notify Subcontractor and Subcontractor shall have three (3) business days after receipt of notice to contradict such information, pay the balance due, or provide a satisfactory solution for payment. If one of these actions isn't taken within such time, Contractor may make payment and deduct the payment amount from Subcontractor's total compensation due under the Agreement. A unilateral modification will be issued reflecting the reduction.

(d) Subcontractor's failure to provide Contractor with proof of insurance as required herein. Contractor is required by its insurance carrier to obtain certificates of insurance from every subcontractor utilized. If Contractor fails to do so, its carrier charges it for the cost to obtain the required insurance. If Subcontractor fails to provide an insurance certificate reflecting the required coverages, or in the alternative, a waiver stating that it is not required to carry insurance by the law in the state that the Work is being performed, Contractor will obtain a quote from its own carrier as to the cost to obtain the necessary coverage and deduct that cost from the withheld payment. A copy of the quote will be included with the check. The deducted amount will only be paid to the Subcontractor if sufficient insurance is obtained prior to the completion of the project for which Subcontractor was performing work;

(e) Failure to turn in badges obtained for the project, including any badges obtained for a sub-subcontractor or union worker;

(f) Failure to submit certified payrolls when required and/or requested;

(g) Failure to submit Interim and/or Final Lien Release and Waiver when required, and

(h) Failure to submit other required Subcontract Documents, including, but not limited to As-Built Plans, warranties, guaranties, instruction manuals, spare parts, extra material, and other required documents. The listing of specific documents herein is not all-inclusive or limiting to any other documents not referenced.

Progress payments or other payments, if any, do not constitute specific acceptance of work. The only acceptance shall be a final acceptance of all work, including completion of all warranty periods. A condition precedent to Contractor's acceptance of Subcontractor's work is the Client's acceptance of the same work. Irrespective of any payments made, Contractor has the right to require a refund for defective work or defective invoicing, and no payment will be deemed to be a waiver of any rights and remedies Contractor is entitled to by operation of contract or law.

Payment may be withheld on this Subcontract and/or other active subcontracts between the Parties.

A completed W-9 form must be submitted before any payments hereunder can be made.

GC-20 LIEN WAIVER AND RELEASE

As a prerequisite for payment, Subcontractor shall submit a "Lien Waiver and Release" attached to hereto for the amount previously received by the Subcontractor and its lower tier subcontractors, vendors or suppliers, if any, utilized for the Work and must be signed by a duly authorized company representative. If the Subcontract is for Construction, an interim release is required for each invoice for progress payments and a final release is required with the invoice for final payment. Payment shall not be made until the required lien waivers have been properly executed by the Subcontractor and all of its lower tier subcontractors (if any). Subcontractor's failure to obtain the Lien Waiver and Release from all lower tier subcontractors, vendors, and suppliers will constitute a waiver of any kind against Contractor and its sureties resulting from nonpayment to any lower tier subcontractor, vendor, or supplier not disclosed to Contractor. Release and lien waivers must be submitted using the forms attached hereto. No other forms will be accepted. Facsimile or other electronic transmittals of the forms are acceptable, however, the sender is responsible for ensuring receipt and only legible copies will be accepted. All Lien Waiver and Release Forms must be submitted with Subcontractor's invoices. If Subcontractor will be using union labor in the performance of the Work, a Lien Waiver and Release is required from the fund manager for all payrolls invoiced.

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GC-21 INSURANCE

(a) The Subcontractor shall procure and maintain insurance coverages as required by the Owner and/or Contractor at Subcontractor's sole expense and with insurance companies mutually agreeable to the Contractor and Subcontractor. Prior to moving on the site or starting the Subcontract Work, whichever is earlier, Subcontractor must submit a certificate of insurance naming Contractor as the certificate holder, reflecting its general liability, umbrella, workers' compensation, automobile, equipment, and professional coverages required on the Project. Subcontractor shall maintain such coverage throughout the period of performance of this Subcontract and all warranty periods applicable to the Work being performed by Subcontractor. In the event the Subcontractor fails to obtain insurance coverage required under this Subcontract, the Contractor may terminate this Subcontract for default.

(b) **ADDITIONAL INSURED.** Subcontractor shall, in addition to and without limitation of the requirements established herein, cause the insurance policies described herein to include Contractor, its parent, subsidiaries and affiliated companies or of any named working interest owners or joint ventures and all of their officers, directors and employees as additional insureds except for Workers' Compensation and Professional Liability coverages. The Subcontractor's insurance shall include contractual liability insurance covering the Subcontractor's obligations under this Subcontract and shall provide specific policy coverage to Subcontractor, Contractor and Owner for the generally insurable elements of the indemnity and hold harmless agreement contained in Article entitled Indemnification. All policies shall provide coverage on a primary basis.

(c) **REQUIRED LIMITS OF LIABILITY.** The general liability, umbrella, workers' compensation, automobile, equipment, and professional coverages, required, shall be written with limits of liability not less than provided below at (j).

(d) **NUMBER OF POLICIES.** Comprehensive or Commercial General Liability Insurance and other liability insurance may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability Policy.

(e) **WAIVER OF RIGHTS.** Subcontractor's insurance will be primary, and Contractor's and Owner's insurances will be secondary and non-contributing at all times. Subcontractor shall require all lower-tier subcontractors to maintain the required insurance for the duration of the Subcontract and to produce evidence of such insurance as may be reasonably requested by Contractor. Subcontractor agrees to waive any and all rights of subrogation which it or its insurers have or may have against Contractor or Owner and their agents, representatives, employees, officers, directors, sureties, and insurers for any loss, expense or damage to the extent covered by Subcontractor's insurance or any other property or equipment insurance, except such rights as they may have to the proceeds of such insurance; provided, however, that such waiver shall not extend to the acts or omissions of the Subcontractor's subcontractors, consultants, and the agents or employees of any of them.

(f) **LOWER TIERS.** Subcontractor shall be responsible for any liability arising directly or indirectly out of the work performed by each of its lower tier subcontractors that is not otherwise covered by such Subcontractor's insurance.

(g) **NOTICE.** Subcontractor must notify Contractor immediately in the event any insurance coverage required by this Subcontract has or will become ineffective for any reason. The notice shall provide the date(s) and identify the specific coverage(s) that has or will become ineffective and a certificate of replacement or continued insurance showing evidence of coverage as required by this Subcontract or a request for Contractor to obtain replacement insurance coverage at Subcontractor's expense or terminate this Subcontract for default. If Subcontractor's insurance coverage becomes ineffective and the Subcontractor has failed to provide the above-required notice, the Subcontractor shall indemnify Contractor against any claim resulting from Subcontractor's liability arising out of Subcontractor's operations, completed or otherwise, under this Subcontract that is not covered by Subcontractor's insurance. Subcontractor's failure to provide insurance, as required by this Subcontract, may result in withholding of payment in accordance with General Condition GC-19 PAYMENT.

(h) **OPERATIONS LIABILITY.** The Subcontractor shall maintain completed operations liability insurance for one year after acceptance of the Subcontract Work, substantial completion of the project, or to the time required by the Subcontract Documents, whichever is longer. The Subcontractor shall furnish the Contractor evidence of such insurance at the time of completion of the Subcontract Work.

(i) **ENDORSEMENT** If the policies of insurance referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

(j) **INSURANCE LIMITS:** In accordance with the Article entitled Insurance of the Subcontract, Subcontractor shall provide and maintain coverage with limits of liability not less than the following:

1. Commercial General Liability Insurance including products-completed operations with a limit of \$1,000,000 Each Occurrence, \$1,000,000 General Aggregate
2. Automobile Liability Insurance with a combined single limit of not less than \$1,000,000 Each Accident
3. Workers' Compensation and Employer's Liability Insurance with statutory limit for Workers' Compensation and Employer's Liability limits as follows:
 - 3.1. Bodily Injury by Accident: \$1,000,000 each accident
 - 3.2. Bodily Injury by Disease: \$1,000,000 each employee
 - 3.3. Bodily Injury by Disease: \$1,000,000 policy limit
 - 3.4. For monopolistic states (WA, WY, OH, ND) Workers' Compensation, and when applicable, Employer's Liability, must meet the referenced limits and be provided by the applicable state- administered program.

4.0 If checked, PROFESSIONAL LIABILITY INSURANCE is required for this Subcontract. When required, Subcontractor and all lower-tier subcontractors shall obtain professional liability insurance for claims arising from the negligent performance of

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professional services under this Subcontract, written for not less than \$1,000,000 per claim and in the aggregate. Professional Liability Insurance shall contain coverage sufficient to cover all services performed by the Subcontractor.

- 5.0 If checked, CONTRACTOR'S POLLUTION LIABILITY INSURANCE is required for this Subcontract. When required, Subcontractor and all lower-tier subcontractors shall obtain pollution liability insurance for claims arising from the negligent performance of services involving demolition of pre-existing structures, excavation, moving or removal of any hazardous or contaminated materials, or handling of any hazardous or contaminated materials (to include asbestos and lead) written for not less than \$1,000,000 per claim and in the aggregate.

These requirements shall be continued in effect for three (3) year(s) after the Date of Substantial Completion. The deductible shall be paid by the Subcontractor.

GC-22 CHANGES

Except as provided in the clause entitled "Payment", this Subcontract may not be and shall not be deemed or construed to have been modified, amended, rescinded, canceled or waived in whole or part, except by written instruments signed by the Contractual Representatives.

Subcontractor expressly agrees that this requirement cannot be waived. If at any time, Contractor either verbally or in writing requests services or directs Subcontractor to act in a manner that Subcontractor considers outside the Scope of Work, Subcontractors shall, within seven (7) business days and prior to pursuing such instruction, notify Contractor in writing. Contractor shall evaluate, and if appropriate, negotiate a Change Order to the Contract. Unless so notified by the Subcontractor, Contractor shall assume such instructions have not changed any provision of the Contract Documents and Subcontractor shall be required to complete work or furnish materials as directed by Contractor. No additional payments shall be made to Subcontractor without such notice and written Change Order signed by Contractor's Contractual Representative issued IN ADVANCE of work being performed.

Contractor may direct Subcontractor to perform incidental changes in the Subcontract Work which do not involve adjustments in the Subcontract Price or Subcontract Time. Incidental changes shall be consistent with the scope and intent of the Subcontract Documents. The Contractor shall initiate an incidental change in the Subcontract Work by issuing a written order to the Subcontractor. Such written orders shall be carried out promptly and are binding on the Parties.

Contractor may, at any time, without nullifying this Subcontract, issue a written Subcontract Change Order to make adjustments in the Subcontract Price or Subcontract Time in any one or more of the following: (i) description of services to be performed; (ii) time of performance; (iii) place of performance; (iv) place of delivery; and/or (v) to incorporate changes imposed by the Client.

Contractor's authorized representative(s) may, at any time, by written notice, and without notice to sureties and assigns, if any, make changes within the general scope of the Subcontract in any one or more of the following: (i) description of services to be performed; (ii) time of performance; (iii) place of performance; (iv) place of delivery; and/or (v) to incorporate changes imposed by the Client.

When, in the Subcontractor's opinion, any such change from Contractor or Contractor's Client, constitutes an increase or decrease in the Subcontract price or the time required for the performance of the Work, or otherwise affects any other terms or conditions of this Subcontract, Subcontractor shall notify Contractor's Authorized Representative immediately in writing within twenty (20) business days from the date of receipt of notice of the change, unless the Parties agree in writing to a longer period of time. Upon request from Contractor, Subcontractor may be required at a later date to submit a formal written request including all necessary supporting documentation to justify the modification. A Change Order/Modification constitutes complete agreement between the Parties for the changes. Only Contractor's authorized representatives as set forth herein have authority to modify this Agreement.

Failure to agree to any adjustment shall be resolved in accordance with the clause entitled "Resolution of Disputes" contained herein. However, nothing contained in this Changes clause shall excuse Subcontractor from proceeding without delay in the performance of this Subcontract.

GC-23 COMPLIANCE WITH LAWS

Subcontractor hereby agrees that it and its lower-tier subcontractors possess and will maintain throughout the term of this Subcontract all required permits, licenses, certifications, and other approvals required to perform the Work and its obligations hereunder. Additionally, Subcontractor agrees to comply with all federal, state, and local laws, statutes, ordinances, executive orders, rules, and regulations applicable to the Work and Subcontractor's performance hereunder. Subcontractor shall require its lower-tier subcontractors, if any, to certify and represent their compliance with applicable laws. Subcontractor will indemnify Contractor for any liability incurred by Contractor as a result of breach of any such obligation. Upon request, Subcontractor shall submit all documentation necessary to evidence its compliance.

GC-24 INDEMNITY

Each party shall hold the other, the Owner, together with their agents, servants, employees, representatives, officers, directors, sureties and attorneys, harmless from and against and shall indemnify the other for all claims, bodily injury, death or damage to real or tangible property, taxes, liability, loss, costs, expenses, or damages to the extent of its negligent acts or omissions in performing under this Agreement. Subcontractor warrants that it carries adequate insurance to cover its indemnification obligations hereunder, as specified in the Insurance provisions set forth in this Subcontract Agreement. The obligations of this clause (i) shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this clause and (ii) shall not be limited to claims, damages, losses and expenses arising from third party claims.

To the extent of its negligence and/or gross or willful misconduct, the indemnifying party shall reimburse the other for said action at its own expense and shall pay and discharge any judgment that may be rendered in any such action. In the event of any indemnified claim against Contractor by any third person, Contractor reserves the right to choose legal counsel and direct the defense of such claim at Subcontractor's sole cost and expense. Such undertaking of defense shall not be deemed an admission of liability, an agreement to assume liability, or a waiver of any right or remedy which the Contractor may have. This right may only be exercised if the Subcontractor is notified of the claim, the claim is the result of Subcontractor's performance of the Work, and the Subcontractor either fails or neglects to defend the claim.

Subcontractor's indemnity obligations shall remain in full force and effect regardless of whether the claim relates to a claim under Subcontractor's Worker's Compensation Policy.

EXHIBIT A: GENERAL CONDITIONS

Each party shall protect, indemnify, and hold harmless the other party hereto from and against any and all damages and expenses arising out of a claim of actual or alleged infringement of patent, copyright, trademark or trade name asserted in connection with the use of equipment, tools, or methods of operation furnished pursuant to this Subcontract. Notwithstanding the foregoing, Contractor shall NOT be responsible for any loss of profits, business interruption, or for any type of consequential or indirect damages suffered by Subcontractor under this Subcontract.

GC-25 RESOLUTION OF DISPUTES

Subcontractor will provide Contractor with formal written notice of all claims and disputes as soon as possible but no later than ten (10) calendar days of a known claim or dispute. For all matters, including payment, the Contractor and Subcontractor agree to attempt to resolve any issue/dispute by taking the following successive steps: 1) contractual personnel (as named in GC-7) for each party attempt to resolve the issue/dispute, 2) executive management of each party attempt to resolve the issue/dispute, 3) parties seek resolution through arbitration. Each party agrees to negotiate in good faith. The following rules shall apply:

The Prime Contract associated with this Subcontract may include a disputes clause. All disputes relating to questions of law or fact related to the Prime Contract will be governed by the Prime Contract disputes clause including any and all procedures required pursuant to that clause. If a decision relating to the Prime Contract is rendered by the Client and the decision relates to this Subcontract, said decision, if binding upon the Contractor, shall also be binding upon the Subcontractor with respect to the matter. If Contractor appeals the Client's decision, any decision on appeal, including but not limited to findings of fact and law, determinations, and awards, if binding upon the Contractor, shall be binding upon the Subcontractor as it relates to the Subcontract. If any dispute or claim of Subcontractor is prosecuted or defended by Contractor, and Subcontractor is not directly a party, Subcontractor agrees to cooperate fully with Contractor and to furnish all documents, statements, witnesses, and other information required by Contractor for such purpose and Subcontractor shall assist Contractor as necessary to diligently pursue all claims. Subcontractor shall pay or reimburse Contractor for all expenses and costs, including reasonable attorneys' fees incurred in connection therewith, to the extent of Subcontractor's interest in such claim or dispute. Subcontractor consents to joinder in any proceedings between Contractor and Client upon the request of Contractor.

Pending the final disposition of any disputes, Subcontractor shall proceed as required by the Subcontract documents and as directed by Contractor during any pending claims and/or appeals. Subcontractor agrees that it will not take, or will suspend, any other action or actions (including but not limited to any arbitration(s) or action(s) commenced pursuant to the Federal Miller Act, state Miller Act, state lien statutes, Bond or Retainage Act(s)) with respect to any such claims and will pursue no independent litigation with respect thereto, pending final determination of any dispute resolution procedure between Client and Contractor.

The Parties agree that this Subcontract, and the performance or breach thereof, shall be governed and construed in accordance with the substantive and procedural laws of the State of Tennessee, United States of America.

Unless otherwise prohibited, any dispute, controversy, claim or difference arising out of or relating to, or resulting from this Subcontract, its application or interpretation, or a breach thereof, which cannot be settled amicably by the Parties per the above successive steps, shall be resolved definitively and exclusively by arbitration under the Rules of Procedure of the American Arbitration Association (the "Rules") then prevailing, which arbitration shall be held in Knoxville, Tennessee, United States of America. Arbitration shall be by a single arbitrator in accordance with the Rules. It is agreed that all documentary submissions, presentations and proceedings shall be in the English language. The decision of the arbitrator shall be final and binding on the parties, and judgment upon any award rendered may be entered in any court having jurisdiction thereof. If arbitration is prohibited the dispute will be resolved in the applicable court in the state of Tennessee. Subcontractor specifically agrees that the foregoing sentence applies to Federal Miller Act claims, both against the Contractor and Contractor's Surety, and agrees to suspend filing any action against Contractor and/o Contractor's Surety pending a final determination in arbitration proceedings.

Any time which elapses in attempting to resolve the Dispute through either or both negotiation or arbitration shall extend day-for-day any applicable statute(s) of repose or limitation of actions.

The Parties agree that this Arbitration obligation shall survive the termination of this Subcontract, whether by default or convenience. Notwithstanding anything to the contrary, (a) Contractor reserves the right to pursue and obtain injunctive or equitable relief from a court of law; (b) if a lawsuit or arbitration is brought against Contractor in a court of law and such claims involve, directly or indirectly, Subcontractor's Work, Contractor reserves the right to join Subcontractor in such arbitration or lawsuit, and (c) if any claims by Subcontractor involve, directly or indirectly, the work or obligations of other persons, Contractor reserves the right to join such other persons to its arbitration or litigation with Subcontractor.

The prevailing party shall be entitled to recover its reasonable costs and attorneys' fees from the non-prevailing party in connection with the dispute. As used herein, the term prevailing party means the party who, in light of the claims, causes, or action, and defenses asserted, is afforded greater relief.

GC-26 REMEDIES

If the Subcontractor defaults or neglects to carry out the Work in accordance with the Subcontract Documents, Contractor shall give written Notice to Cure to Subcontractor. If Subcontractor subsequently fails within a three (3) business day period after receipt of written Notice to Cure to commence and continue correction of such a default or neglect with diligence and promptness, Contractor may, without prejudice to other remedies the Contractor may have, correct such deficiencies or in accordance with the clause entitled "Termination", terminate this Agreement. Regardless of whether the Contractor seeks to correct the deficiencies or not, Contractor may issue an appropriate Subcontract Modification deducting from payments then or thereafter due the cost of Actual Damages caused by Subcontractor's default, neglect or delay. "Actual Damages" may include, but are not limited to, Contractor's reacquisition costs, project management costs, administrative costs, and overhead. Such action by the Contractor and amounts charged to the Subcontractor shall be reasonable and necessary. If payments then or thereafter due the Subcontractor are not sufficient to cover such amounts, the Subcontractor shall pay the difference to the Contractor.

GC-27 SUSPENSION

In the event Owner, for any cause, suspends work under the Prime Contract, Contractor may order Subcontractor to suspend Work under the Subcontract. Subcontractor shall not be entitled to any additional compensation or damage for such suspension, except and only to the extent Contractor receives additional compensation from Owner for work covered by this Subcontract. Subcontractor shall not be entitled to profit on its costs attributable to any such suspension.

The Contractor may direct the Subcontractor in writing to suspend, delay or interrupt all or any part of the Subcontract Work for such period of time as may be determined to be appropriate for the convenience of the Contractor. If any such suspension significantly delays progress, the compensation to the Subcontractor shall be adjusted by a formal modification to the Subcontract and the time

EXHIBIT A: GENERAL CONDITIONS

of performance shall be extended by the actual duration of the suspension only. Any claim by the Subcontractor for compensation of a schedule extension must be supported by appropriate documentation asserted within ten days from the date an order is given to the Subcontractor to resume the performance of the Subcontract.

Short, incidental, reasonable stoppages of work shall not be deemed to be a suspension, delay, or interruption of work.

GC-28 TERMINATION

This Subcontract may terminate in whole, or in part, at any time and for any reason upon the occurrence of one of the following events:

(a) Receipt of final payment, resolution of any warranty obligations, and formal project completion;
(b) The rejection by Client/Owner of Subcontractor as an acceptable candidate to perform the Work as set forth herein;
(c) By mutual written consent of the Parties;
(d) The default by either Party of any terms set forth within this Subcontract. Notwithstanding any other provisions of this Subcontract, Subcontractor shall be considered in default of its contractual obligations under this Subcontract if it:

- Performs Work which fails to conform to the requirements of this Subcontract;
- Fails to make progress so as to endanger performance of this Subcontract;
- Abandons or refuses to proceed with any of the Work, including modifications directed pursuant to the General Condition entitled "Changes";
- Fails to fulfill or comply with any of the terms of this Subcontract;
- Fails to notify Contractor of a revoked, suspended, or otherwise discontinued license;
- Engages in behavior that is dishonest, fraudulent or constitutes a conflict of interest with Subcontractor's obligations under this Subcontract;
- Becomes insolvent or makes a general assignment for the benefit of creditors or reasonable grounds for insecurity arise with respect to Subcontractor's performance;
- Violates any applicable law or regulation.

The party seeking to terminate for default must provide formal written notice to the defaulting party's Contractual Representative that they are considered to be in default before this clause may be activated. If Subcontractor is in default and does not cure such failure within three (3) business days, Contractor may terminate the Subcontract and acquire, under the terms and in the manner Contractor deems appropriate, supplies and/or Services similar to those terminated and the Subcontractor will be liable for Actual Damages incurred in acquiring those supplies and/or Services.

Upon termination of this Subcontract, the Subcontractor shall have no right to perform further work under this Subcontract or to receive any compensation for services or material provided after the date of termination. Upon receipt of notice of termination, the Subcontractor shall immediately remove its equipment and personnel from the project site, if applicable. Subcontractor expressly understands that this includes any such failures as may be caused by labor disturbances, strikes, slow downs, pickets, or other labor issues, without regard to fault, and that labor disturbances are expressly excluded from the General Condition entitled "Force Majeure".

Following termination of this Subcontract or any Task Order for any reason, Subcontractor shall deliver to Contractor all deliverables and work in progress prepared hereunder through the date of termination; or

(e) The Contractor's election to terminate the Subcontract, in whole or in part, for convenience. The Subcontract may be terminated at any time, upon reasonable notice, with or without cause. Notwithstanding anything contrary to the foregoing, Subcontractor's warranty obligations shall survive and shall not be affected or modified by any default or termination of this Subcontract, for cause or for convenience.

In the event that any part of this Subcontract is terminated for convenience, the Contractor shall notify the Subcontractor by written notice. Such notice shall specify the extent to which the performance of the Work is terminated and the effective date of such termination. Upon receipt of such notice Subcontractor shall:

- Immediately discontinue the Work on the date and to the extent specified in the notice and place no further purchase orders or order for materials, services, or facilities, other than as may be required for completion of such portion of the Work that is not terminated;
- Obtain assignment or cancellation upon terms satisfactory to Contractor of all purchase orders, subcontracts, rentals or any other agreements existing for the performance of the terminated Work or assign those agreements as directed by Contractor;
- Assist Contractor in the maintenance, protection, and disposition of Work in progress, plant, tools, equipment, property, and materials acquired by Subcontractor or furnished by Contractor under this Subcontract; and complete performance of such portion of the Work that is not terminated.

In the event of termination for convenience, Subcontractor shall, subject to the terms of this Subcontract, be entitled to receive payment for the Work executed prior to the notice of termination. Subcontractor may be entitled to receive reasonable charges for costs incurred by reason of such termination, including overhead and profit for the Work executed as applicable to the type of subcontract designated herein. No profit will be allowed if the Subcontractor would have sustained a loss on the entire Subcontract had it been completed.

Subcontractor shall not be paid for any Work performed or costs incurred that reasonably could have been avoided. All termination settlement proposals must be submitted to Contractor within three (3) months of the issuance of the termination. The Parties may agree on the amount to be paid because of the termination; however, the agreed amount shall not exceed the Subcontract price.

Except as expressly provided to the contrary herein, Contractor and Subcontractor shall retain all rights and remedies available to them by law, in equity, or otherwise in the event of any termination of this Subcontract or any Task Order. All other obligations provided in this Agreement shall survive the termination, cancellation or expiration of this Agreement.

EXHIBIT A: GENERAL CONDITIONS

GC-29 WARRANTIES

In addition, and without prejudice to all warranties expressed or implied by law, Subcontractor warrants that all supplies/services covered by this Subcontract will, unless otherwise specified herein, be new, conform to the drawings, technical requirements, or other description and will be of good material and workmanship and free of defects. Subcontractor shall immediately repair, replace, or re-perform any defective work at no additional cost to Contractor, or at Contractor's election, will refund to Contractor that portion of the amounts received by Subcontractor attributable to the nonconforming services or goods.

Subcontractor warrants that its employees shall, in performing the Work hereunder, exercise that degree of skill, care and diligence ordinarily exercised by members of the same profession currently practicing under similar circumstances. Subcontractor will promptly make good by replacement or correction at its sole expense any defective work, including the restoration of any work of Contractor or other subcontractors that has been affected thereby. Subcontractor warrants that it has obtained all required licenses necessary to perform the work under this Subcontract, and that it is, and shall remain, in compliance with all licensing terms of the clause entitled Compliance with Laws.

Upon written request from Contractor, Subcontractor shall immediately remove any personnel deemed by Contractor to be unsatisfactory or incompetent to perform the work. Contractor shall not unreasonably request such removal.

If this Subcontract is for Construction, all labor, material, and equipment furnished under this Subcontract is warranted and guaranteed by Subcontractor: (a) to satisfy all requirements of the Subcontract; (b) to be sufficient for the purposes intended; (c) to be merchantable; (d) to be new; and (e) to be installed in a good and workmanlike manner free from defects. The foregoing warranties shall extend for the time period required by the Subcontract, but in no event less than one (1) year from the date of substantial completion of all Work under the Subcontract.

Subcontractor warrants that the Work to be supplied hereunder, and Contractor's use thereof, will not infringe, misappropriate, or violate any patent, copyright, trademark, trade secret or other intellectual property or proprietary rights of any third party.

The above warranties also constitute conditions of sale and shall survive inspection, acceptance and payment hereunder. All warranties shall inure to the benefit of Contractor and Contractor's customers.

GC-30 PROPRIETARY AND CONFIDENTIAL INFORMATION

Confidential Information includes all information in any form whatsoever specifically identified in writing as confidential at the time of disclosure by the disclosing Party. Confidential Information may also be identified as such orally at the time of disclosure but must be further identified as such in writing specifically describing such material within five (5) calendar days after such disclosure. Neither Party shall identify information as Confidential Information which is not reasonably classified as such. This Subcontract, its entire contents, including but not limited to the Scope of Work, and the nature of the business relationship between the Parties is hereby classified by the Contractor as proprietary Confidential Information and the existence of which shall not be disclosed without prior written approval by both Parties hereto.

The Parties agree that they will not disclose Confidential Information received for any reason other than the purpose set forth in this Subcontract without the prior written consent of the Disclosing Party, and they will use at least the same degree of care to prevent disclosure to any third party of misuse of the proprietary information as it employs with respect to its own proprietary information of like importance and use, but in no event with less than a reasonable standard of care. Confidential Information will be disclosed only to the receiving Party's employees who have a specific need to know for accomplishing the purpose set forth in this Subcontract. Such receiving employees must be bound by the same requirements established herein.

Neither Party shall be obligated to treat as Confidential Information any information which: (a) was in the receiving Party's possession from a third party having the right to disclose such information; (b) was known to the receiving Party prior to its receipt from the disclosing Party; (c) is or becomes public knowledge through no act of the receiving Party; (d) is furnished by the disclosing Party to others without similar restriction; (e) is independently developed by the receiving Party; (f) is used or disclosed with the prior written approval of the disclosing Party; or (g) is disclosed as required by law. If such a requirement or request is presented, the receiving Party will immediately notify the disclosing Party and will give the disclosing Party a reasonable opportunity to contest or dispute such disclosure if they deem necessary.

Each Party agrees not to make more copies than necessary for internal use of the Confidential Information. All tangible forms and copies of the Confidential Information delivered by either Party to the other pursuant to this Subcontract shall be and remain the property of the disclosing Party, and all such tangible information shall be properly returned to said Party or destroyed upon written request. Any work papers, memoranda or other writings prepared by the receiving Party incorporating any or all of the information shall also be subject to the provisions of this Subcontract.

The obligations stated under this clause shall survive the expiration or termination of this Subcontract and any extension thereof for a period of two (2) years.

This Subcontract, its entire contents, including but not limited to the Scope of Work, and the nature of the business relationship between the parties are company private, trade secret, confidential, and proprietary, and the existence of which shall not be disclosed without prior written approval by both parties hereto.

GC-31 SECURITY

If work is to be performed on a military or Government installation, or any other site in which the Client has implemented a security program that must be observed by all agencies and individuals, Subcontractor, its personnel and other sub-subcontractors or vendors acting on its behalf must comply with the existing security regulations currently in force while engaged in work at the site. If badges are required for the Work, they will be issued by Contractor. Any badge issued on behalf of Subcontractor its sub-subcontractors, employees, vendors, or any others acting on Subcontractor's behalf must be returned before final payment can be made. If any badges are not returned, any fines, penalties, or other assessments made by the Client for the failure to return will be assessed to Subcontractor and may be taken out of the final payment due. If the fine, penalty or assessment exceeds the amount due to Subcontractor, Subcontractor will pay the difference within ten (10) days of receipt of written notice. Failure to comply with these provisions constitutes a default and all rights and remedies available under contract and by law are applicable. In addition to any site badging requirements, Subcontractor and those acting on its behalf will observe and strictly adhere to any Client site rules, policies, and procedures, and standards of conduct.

GC-32 HEALTH, SAFETY, AND ENVIRONMENTAL REQUIREMENTS

(a) As used in this clause, the term "HSE program" shall encompass the safety of employees, protection of the environment, and the protection of property.

EXHIBIT A: GENERAL CONDITIONS

(b) In performing work under this Subcontract, the Subcontractor shall perform work safely, in a manner that ensures adequate protection of the public, employees, property, and the environment. The Subcontractor's HSE program shall be operated as an integral and visible part of how the organization conducts its business, including the management of both routine and emergency operations. The Subcontractor shall exercise due care commensurate with the associated hazards of the work. The Subcontractor shall ensure that management of HSE functions and activities becomes an integral and visible part of Subcontractor's work planning and execution processes. The Subcontractor shall, in the performance of work, ensure that:

- (1) All personnel shall take every reasonable measure to ensure safe operations and conditions in accomplishing the work, including the protection of the public, property, and the environment.
- (2) Employees possess the experience, knowledge, skills, and abilities that are necessary to discharge their responsibilities safely.
- (3) Resources are effectively allocated to perform work safely.
- (4) Lower tier subcontractor safety is properly managed.
- (5) Hazard Assessments are performed routinely with each critical task that address engineered, administrative, and personal protective equipment to mitigate risks.

(c) The Subcontractor shall, when required, submit its HSE Plan to Contractor for review and comment before work commences. The Subcontractor shall review and update its HSE program on an annual basis and submit documentation to validate that review.

(d) The Subcontractor shall comply with HSE requirements of all applicable laws and regulations and Government policies. The Subcontractor shall cooperate with Contractor, Federal and non-Federal agencies having jurisdiction over HSE matters under this Subcontract.

(e) Contractor may issue an order to stop work in whole or in part for reasons of human safety or environmental protection without prejudice to any other legal or contractual rights of Contractor. In the event that Contractor issues a stop work order, an order authorizing the resumption of work may be issued at the discretion of the Contractor. The Subcontractor shall not be entitled to additional compensation or damages by reason of, or in connection with any work stoppage ordered with the warranted exercise of this paragraph of this clause.

(f) The Subcontractor shall flow down HSE requirements applicable to this Subcontract to all its lower tier subcontractors to the extent necessary to ensure Subcontractor's compliance with the requirements. The Subcontractor shall include a clause substantially the same as this clause, including this paragraph (f), in all lower tier subcontracts.

(g) This project is designated as a drug free workplace. Any employee working on the Site is prohibited from transporting to or bringing on Site drugs or alcohol.

GC-33 COMMUNICATIONS

Contractor shall be responsible for all liaison and communications with the Contractor's customer as well as Contractor's other subcontractors for the term of this Subcontract. Subcontractor shall not communicate with the Contractor's customer regarding this Subcontract except with the prior consent of Contractor.

GC-34 USE OF PREMISES

Subcontractor shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the project site or other areas identified by Contractor, or Client for such use, and shall not unreasonably encumber the premises with construction equipment or other materials or equipment.

During the progress of the Work, Subcontractor shall keep the premises free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work, Subcontractor shall remove all waste materials, rubbish and debris from and about the premises as well as all tools, appliances, construction equipment and machinery, and surplus materials, and shall leave the site clean and ready for occupancy by Client. Subcontractor shall restore to original condition all property except those areas which are altered or modified as part of the requirements under this Subcontract.

EXHIBIT B: SPECIAL CONDITIONS

- SC-1 JOB SITE INSPECTION** *(This clause applies if the work is to be physically performed at the job site)*
Subcontractor warrants that it and its Employees are familiar with the job site, the Work as it relates to the job site, and physical and other conditions, including hazardous substances, materials, agents, both surface and subsurface, which may exist at the job site and that Subcontractor has made allowance for any and all such conditions and contingencies in its proposal and related pricing.
- SC-2 SUPERINTENDENCE BY THE SUBCONTRACTOR** *(This clause applies if the work is to be physically performed at the job site)*
At all times during performance of on-site Work under this Subcontract and until the on-site Work is completed and accepted, the Subcontractor shall directly superintend the Work or assign and have on the worksite a competent superintendent who is satisfactory to the Contractor and has authority to act for the Subcontractor.
- SC-3 SUBTIER SUBCONTRACTORS**
- A. Subcontractor shall submit to Contractor the list of all subtier (at all tiers) subcontractors and their function, together with a point of contact address and telephone number for each such subcontractor. Whenever, for any reason, Subcontractor needs to substitute for, add to, or remove one or more of the aforementioned subtier subcontractors from Work under this Subcontract, Subcontractor shall do so only with the prior approval of Contractor.
- B. Contractor may not approve any proposed additional/substitute subtier subcontractor if Contractor has actual knowledge of the proposed additional/substitute subtier subcontractor's poor environmental compliance or safety performance under existing subcontracts with Contractor or any work performed for others.
- C. Subcontractor's request for Contractor approval of additional/substitute subtier subcontractor(s) must include the following information for each proposed additional/substitute subtier subcontractor:
- A brief explanation of the need to alter the list of subtier subcontractors
 - Name, address, contact, and phone number of proposed subtier subcontractor
 - Summary list of tasks to be performed under this Subcontract by the proposed subtier subcontractor
- SC-4 UTILITIES AND FACILITIES**
Availability of utilities and facilities to be furnished by Contractor, others, and/or Contractor's Client, if any, is specified elsewhere in this Subcontract.
- SC-5 CONTRACTOR FURNISHED MATERIALS AND EQUIPMENT**
Contractor may furnish to Subcontractor, at Contractor's warehouse or Jobsite storage area, certain items to be incorporated into or used in performance of the Work under this Subcontract. Such items will be furnished, without cost to Subcontractor, provided that Subcontractor shall, at its expense, accept delivery thereof and load, unload, transport to points of use, and care for such items until final disposition thereof. At time of acceptance of any such item from Contractor, Subcontractor shall sign a receipt therefor. Signing of such receipt without reservation therein shall preclude any subsequent claim by Subcontractor that any such items were received from Contractor in a damaged condition and with shortages. If at any time after acceptance of any such item from Contractor any such item is damaged, lost, stolen, or destroyed, such item shall be repaired or replaced at the expense of Subcontractor. Contractor may at its option, furnish items required to be replaced. Upon completion of all the Work under this Subcontract, Subcontractor shall, at its expense, return all surplus and unused items to Contractor's warehouse or Jobsite storage area.
Contractor will exert every reasonable effort to make delivery of such materials and equipment so as to avoid delay in the progress of the Work. However, should Contractor, for any reason, fail to make delivery of any such item and delay results, the provisions of the General Condition entitled "CHANGES" apply. Subcontractor shall take all appropriate action to mitigate the consequences of such delay.
A list of Contractor furnished materials/equipment, if any, is provided in the scope of work.
- SC-6 FINES AND PENALTIES**
If a state or federal agency takes an enforcement action with associated fines and penalties against Contractor or Client for regulatory and/or permit noncompliance that resulted from a failure of Subcontractor to perform in accordance with this Subcontract (e.g., failure to meet regulatory reporting milestones, making false statements in reports, etc.), Subcontractor shall reimburse Contractor or the Client for the amount of any resultant fine and/or the cost of additional Work required as a result of the enforcement action. Contractor may withhold such amounts from any payments due Subcontractor.
- SC-7 UNDERGROUND UTILITIES** *(This clause applies if the work is to be physically performed at the job site)*
Any information and data given to Subcontractor or shown or indicated on the plans with respect to existing underground facilities at or contiguous to the site is based on information and data furnished Contractor by the owners of such underground facilities or by others. Contractor shall not be responsible for the accuracy or completeness of any such information or data. Subcontractor shall have full responsibility for reviewing and checking all such information and data, for locating all underground facilities shown or indicated, for coordination of the Work with the owners of such underground facilities, for the safety and protection thereof and repairing any damage thereto resulting from the Work.
If an underground facility is uncovered or revealed at, or contiguous to, the site which was not reasonably foreseeable to Subcontractor, promptly after becoming aware of such facility, and before performing any Work affected thereby (except in an emergency), Subcontractor shall identify the owner of the facility and give prompt written notice thereof to the owner and Contractor.
- SC-8 EXCUSABLE DELAYS**
If Subcontractor's performance of this Subcontract is prevented or delayed by any unforeseeable cause, existing or future, which is beyond the reasonable control of the Parties and without the fault or negligence of Subcontractor, Subcontractor shall, within twenty-four (24) hours of the commencement of any such delay, give to Contractor written notice thereof and within seven (7) days of commencement of the delay, a written description of the anticipated impact of the delay on performance of the Work. Delays attributable to and within the control of Subcontractor's suppliers or subcontractors of any tier shall be deemed delays within the control of Subcontractor. Within seven (7) days after the termination of any excusable delay, Subcontractor shall file a written notice with Contractor specifying the actual duration of the delay. Failure to give any of the above notices shall be sufficient ground for denial of an extension of time. If Contractor determines that the delay was unforeseeable, beyond the control and without the fault or negligence of Subcontractor, Contractor will determine the

EXHIBIT B: SPECIAL CONDITIONS

duration of the delay and will extend the time of performance of this Subcontract by written modification. Such extension shall be the sole remedy for the delay.

SC-9 PERFORMANCE AND PAYMENT BONDS *(if required, as stated on the cover page of this subcontract)*

(a) Definitions. As used in this clause—

"Original Subcontract price" means the award price of the Subcontract. Original Subcontract price does not include the price of any options, except those options exercised at the time of Subcontract award.

(b) Amount of required bonds. The Subcontractor shall furnish performance and payment bonds to the Contractor as follows:

(1) Performance bonds (The penal amount of performance bonds at the time of Subcontract award shall be 100 percent of the original Subcontract price.

(2) Payment Bonds (The penal amount of payment bonds at the time of Subcontract award shall be 100 percent of the original Subcontract price.

(3) Additional bond protection.

(i) The Contractor may require additional performance and payment bond protection if the Subcontract price is increased. The increase in protection generally will equal 100 percent of the increase in Subcontract price.

(ii) The Contractor may secure the additional protection by directing the Subcontractor to increase the penal amount of the existing bond or to obtain an additional bond.

(c) Furnishing executed bonds. The Subcontractor shall furnish all executed bonds, including any necessary reinsurance agreements, to the Contractor, within 10 days from award of this Subcontract.

(d) Surety or other security for bonds. The bonds shall be in the form of firm commitment, supported by corporate sureties acceptable to the Contractor, individual sureties, or by other acceptable security such as postal money order, certified check, cashier's check, irrevocable letter of credit.

SC-10 DIFFERING SITE CONDITIONS *(This clause applies if the work is to be physically performed at the job site)*

The Subcontractor shall promptly, and before the conditions are disturbed, give a written notice to the Contractor of (1) Subsurface or latent physical conditions at the site which differ materially from those indicated in this Subcontract; or (2) Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in this Subcontract.

The Contractor shall investigate the site conditions promptly after receiving the Subcontractor's written notice. If the conditions do materially so differ and cause an increase or decrease in the Subcontractor's cost of, or the time required for, performing any part of the work under this Subcontract, whether or not changed as a result of the conditions, to the extent that the Contractor is reimbursed by the Client an equitable adjustment shall be made under this clause and the Subcontract modified in writing accordingly.

No request by the Subcontractor for an equitable adjustment to the Subcontract under this clause shall be allowed, unless the Subcontractor has given the written notice required.

No request by the Subcontractor for an equitable adjustment to the Subcontract for differing site conditions shall be allowed if such request is made after final payment under this Subcontract.

SC-11 CLEAN UP *(This clause applies if the work is to be physically performed at the job site)*

Subcontractor shall, at all times, keep its Work areas in a neat, clean, and safe condition. Upon completion of any portion of the Work, Subcontractor shall promptly remove from the Work area all its equipment, construction plant, temporary structures, and surplus materials not to be used at or near the same location during later stages of the Work.

Upon completion of the Work and prior to final payment, Subcontractor shall at its expense satisfactorily dispose of all rubbish; remove all plant, buildings, equipment, and materials belonging to Subcontractor, and as applicable return to Contractor's warehouse or Jobsite storage area all salvageable Contractor supplied materials or equipment. Subcontractor shall leave the premises in a neat, clean, and safe condition.

In the event of Subcontractor's failure to comply with the foregoing requirements, Contractor may accomplish it at Subcontractor's expense.

SC-12 LIQUIDATED DAMAGES *(if required, as stated on the cover page of this subcontract)*

If Subcontractor fails to meet the designated schedule in accordance with the Subcontractor's scope of work, or otherwise causes delays in the overall project schedule, Subcontractor agrees that damages are difficult to ascertain, and agrees to pay by way of liquidated damages the sum of \$_____ per day for each working day that the work is not satisfactorily completed as liquidated damages and not as a penalty. Subcontractor shall not be assessed liquidated damages for delays not within the Subcontractor's reasonable control.

SC-13 EXPENDITURE NOTIFICATION

For work performed on a unit rate or cost reimbursement basis, Subcontractor shall notify the Contractor in writing when Subcontractor expects that in the next sixty days' billable charges, when added to all previously billed charges will exceed seventy-five percent of the estimated Subcontract value. Upon expending seventy-five percent of the estimated Subcontract value, Subcontractor shall provide weekly written summaries of billable charges, inclusive of previously billed charges.

The Contractor is not obligated to reimburse the Subcontractor for billable charges in excess of the estimated Subcontract value as modified. The Subcontractor is not obligated to continue performance under this Subcontract once billable charges reach one hundred per cent of the estimated Subcontract value as modified.

SC-14 LIST OF ATTACHMENTS

ATTACHMENT 1 Prime Contract Flowdown Requirements

ATTACHMENT 2 Not Used

ATTACHMENT 3 Waiver and Release Upon Final Payment