

The terms and conditions herein are applicable to individual orders and contracts when construction is required and are in addition to Aerojet Rocketdyne General Provisions. Except as noted in the General Provisions, these terms and conditions shall be controlling over any conflicting terms and conditions in such General Provisions.

1. DEFINITIONS

- a. "Aerojet Rocketdyne Premises" means Work as defined herein conducted at facilities owned by, rented to, or controlled in whole or in part by Aerojet Rocketdyne, as well as when Seller is performing work on Aerojet Rocketdyne's behalf at a third party's facility (e.g., another supplier, customer or the government's).
- b. Authority Having Jurisdiction (AHJ) includes the Fire Marshal, Building Inspector or any other local, state, or federal inspector.
- c. The terms "or equal," "Similar and equal," and "Equivalent to" shall mean that a material or method equal or better in quality and/or performance may be used, subject to the approval of Aerojet Rocketdyne.
- d. The terms "shown" and "as shown" shall mean as shown on the drawings and the terms "indicated" shall mean as indicated on the drawings.
- e. "Verify dimensions" shall mean: (i) check carefully the dimensions shown to see that they tally; (ii) check existing and/or adjoining work, if any, to see if existing dimensions are correct; (iii) report any and all discrepancies in the drawings or existing work to Buyer's Field Engineer.
- f. The term "work" includes both labor and material.
- g. The term "provide" means furnish and install.
- h. The term "includes" or "including" means includes but not limited to or including but not limited to.
- i. Wherever in the specifications or upon the drawings the words "directed," "required," "ordered," "designated," or words of like import are used, it shall be understood that the direction, requirement, permission, order, or designation of Aerojet Rocketdyne is intended. Similarly, the words, "approved," "acceptable," "satisfactory," or words of like import shall mean approved by, or acceptable to, or satisfactory to Aerojet Rocketdyne, unless otherwise expressly stated. UNDER NO CONDITIONS SHALL SUCH TERMS BE CONSTRUED AS A WAIVER OR RELINQUISHMENT OF ANY KIND OF THE RIGHT OF AEROJET ROCKETDYNE TO ASSERT OR RELY UPON ANY SUCH TERMS TO MEAN AEROJET ROCKETDYNE ACCEPTANCE OR APPROVAL OF ANY WORK NOT ACCEPTABLE UNDER THE CONDITIONS OF THIS CONTRACT, OR APPLICABLE CODES, LAWS, AND ORDINANCES.

2. PERMITS, CERTIFICATIONS AND INSPECTION

- a. Aerojet Rocketdyne will furnish the building permit through the Authority Having Jurisdiction (AHJ) or *otherwise specified* in the statement of work/specifications. Unless otherwise provided in the Special Conditions, all other permits required shall be obtained and paid for by the Seller. Seller shall procure all required certificates covering inspection and acceptance of the work and shall give all required notices to proper authorities relative to work covered by the specifications. Copies shall be furnished to Aerojet Rocketdyne.
- b. In addition, cognizant inspectors from local governmental agencies or the Authority Having Jurisdiction (AHJ) may inspect the work for code compliance. Inspection may be required on a continuing basis; however, work is not to be delayed pending arrival of building inspectors at the job site. Presence or absence of inspectors shall not relieve the Seller from responsibility for compliance with applicable codes. Seller shall comply with requests for corrections in the work as may be required by inspectors. Changes required by inspectors shall not reduce the quality of work below that is shown or specified.

3. CONTRACTS AND BONDS

If required within ten (10) calendar days after receipt of the Purchase Order or such longer period as may be agreed upon by the Aerojet Rocketdyne Buyer, Seller shall furnish a performance bond and a payment bond to the Aerojet Rocketdyne Buyer as follows:

- a. Payment Bond - Seller shall furnish a payment bond with good and sufficient surety or sureties and in a form acceptable to Aerojet Rocketdyne for the protection of persons furnishing material or labor in connection with the performance of the work under this Contract. The penal sum of such payment bond shall be 100 percent of the contract price.
- b. Performance Bond - Seller shall furnish a performance bond with good and sufficient surety or sureties and in a form acceptable to Aerojet Rocketdyne in connection with the performance of the work under the Contract. The penal sum of the performance bond shall be 100 percent of the contract price.
- c. Additional Bond Security - If any surety upon any bond furnished in connection with this Contract, becomes unacceptable to Aerojet Rocketdyne, or if any such surety fails to furnish reports as to its financial condition from time to time as requested by the Aerojet Rocketdyne Buyer, Seller shall promptly furnish such additional surety as may be required from time to time to protect the interests of Aerojet Rocketdyne and of persons supplying labor or materials in the prosecution of work required by this Contract.
- d. Date and Delivery of Bonds - Bonds shall be dated the same date as the Contract, and shall be delivered to the Aerojet Rocketdyne Buyer within ten (10) calendar days from the effective date of the Contract, or prior to commencement of work, whichever shall occur first. In the event that bond execution and delivery prior to this time is not practical, Seller shall furnish evidence, satisfactory to Aerojet Rocketdyne, from the surety that the bonds are in process and the date by which the bonds will be delivered to Aerojet Rocketdyne.
- e. Acceptable Bonds - The bond of any surety company holding a certificate of authority from the Secretary of the Treasury as an acceptable surety on federal bonds will be accepted. Individual sureties will not be accepted unless such surety deposits with Aerojet Rocketdyne cash, bonds, or notes of the United States, or certified check drawn to the order of Aerojet Rocketdyne for the required amount of the guaranty, under an agreement that the collateral so deposited shall remain in the possession and control of Aerojet Rocketdyne for at least one year after the completion of the Contract.

4. SITE INVESTIGATION

The Seller acknowledges that it has investigated and satisfied itself as to the conditions affecting the work, including but not restricted to those bearing upon transportation, disposal, handling and storage of materials, availability of labor, water, electric power, roads and uncertainties of weather, river stages, tides or similar physical conditions at the site, the conformation and conditions at the site, the conformation and conditions of the ground, the character of equipment and facilities needed preliminary to and during prosecution of the work. The Seller further acknowledges that it has satisfied itself as to the character, quality and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Aerojet Rocketdyne, as well as from information presented by the drawings, and specifications made a part of this Contract. Any failure by the Seller to acquaint itself with the available information will not relieve Seller from responsibility for estimating properly the difficulty or cost of successfully performing the work. Aerojet Rocketdyne assumes no responsibility for any conclusions or interpretations made by the Seller on the basis of the information made available by Aerojet Rocketdyne.

5. INTERRUPTION OF EXISTING SERVICES

Where connections or modifications to existing utilities are required, work shall be performed at such times and for such durations as are approved by the Aerojet Rocketdyne Buyer and may be required to be made outside of normal working hours, at Seller's expense.

6. LIABILITY FOR DAMAGES

In case of damage by the Seller to the work of others engaged on the project, the parties involved, to avoid any delay in completion of the project, shall agree promptly regarding the making of necessary repairs and assumption of repair cost. Such repairs shall be made in a manner satisfactory to Aerojet Rocketdyne. Aerojet Rocketdyne may require, in order to assure proper workmanship, or to prevent delays or in cases where responsibility is in dispute or cannot be determined, that repairs be made by the party whose work has been damaged. Such party shall comply at its own expense, and shall obtain compensation, by such proper means as may be available, from only the party or parties at fault. Seller shall take all precautions necessary, special or otherwise, and shall be responsible for the safety of the work hereunder and shall maintain all protection necessary for its work and its equipment.

7. CHANGES - CHANGED CONDITIONS

This provision supersedes the Changes clause of the Aerojet Rocketdyne General Provisions.

- a. Procedure - Buyer may at any time, by written order and without notice to the sureties, make changes in the drawings or specifications or both, of this order if within its general scope. Buyer may make such changes by issuance of written memoranda, which may be designated as a Construction Change Request (CCR) or otherwise, from the Buyer's designated representative. If any such change causes an increase or decrease in the Seller's cost of, or the time required for, the performance of this order, an equitable adjustment will be made and the order modified in writing accordingly. Except as otherwise provided in this Contract, no charges for extra work will be allowed. Any claim for adjustment must be asserted within 15 calendar days from the date the change is ordered, provided however, that Aerojet Rocketdyne, if it determines that the facts justify such action, may receive, consider, and adjust any such claim asserted at any time prior to the date of final settlement of the Contract. The provisions of this article shall not excuse the Seller from proceeding with the prosecution of the work so changed.
- b. Written Orders Mandatory - No notice, order, direction, determination, requirement, consent, approval, or ratification under the order shall be of any effect unless authorized in writing by the Aerojet Rocketdyne Buyer. No oral statement of any person whomever shall in any manner or degree modify or otherwise affect the terms of the Contract. No charge may be made for extra work unless ordered in writing by Aerojet Rocketdyne.
- c. The Seller shall promptly, and upon discovery before such conditions are further disturbed, notify the Aerojet Rocketdyne in writing of: (1) subsurface or latent physical conditions at the site differing materially from those indicated in this Contract, or (2) unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Contract. Aerojet Rocketdyne shall promptly investigate the conditions, and if it is found that such conditions do so materially differ and cause an increase or decrease in the Seller's cost of, or the time required for, performance of this Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly. Any claim of the Seller for adjustment hereunder shall not be allowed unless he has given notice as above required; or unless the Aerojet Rocketdyne Buyer grants a further period of time before the date of final payment under the Contract. If the parties fail to agree upon the adjustment to be made, the dispute shall be determined as provided in the "Disputes" clause of the Aerojet Rocketdyne General Provisions.

8. SELLER'S RESPONSIBILITY

- a. In addition to its obligations under this order, Seller is responsible for: (1) acts or omissions of persons directly employed by him; (2) maintaining cooperation between its subcontractors as affects the contract work; (3) maintaining strict control over its subcontractors to assure completion of the work or any special part thereof at times and in a manner which avoids delays; (4) maintaining at all times, at the site of the work, a representative satisfactory to Aerojet Rocketdyne, authorized to act in all matters pertaining to the work. No responsibility is assumed by Aerojet Rocketdyne for any statement or representation concerning general or specific work site condition unless expressly stated in the Contract.

- b. Seller shall familiarize itself with all work being performed by other parties for the project, and shall (1) not permit or commit any act which will interfere with the performance of work by Aerojet Rocketdyne personnel or other parties, whether at the work site or otherwise, (2) exchange information and data with other parties who may be working in the vicinity of the work site, and (3) cooperate in all respects with Aerojet Rocketdyne and other parties wherever and whenever necessary for the timely and efficient prosecution of the work. The exchange of data, information, and the agreements thereto as set forth in b.(2) above, shall be documented and copies submitted to the Aerojet Rocketdyne Buyer.
- c. Temporary Access Structures - In the event that work under this Contract involves opening of trenches and pits or otherwise isolating buildings and areas to which access is necessary for prosecution of work by others, Seller shall arrange its work in such a manner as to minimize the period of time that access to such buildings and areas is obstructed.

9. RECORDS

If this Contract is placed pursuant to a Government prime or subcontract as indicated on the face of the Purchase Order, the following provision applies: The Comptroller General of the United States or any of its duly authorized representatives shall, until expiration of three years after final payment under this Contract or of the time periods specified in the Federal Acquisition Regulation (FAR) section 4.705, whichever expires earlier, have access to and the right to examine any books, documents, papers, and records of the Seller that directly pertain to, and involve transactions relating to this Contract.

10. SUBCONTRACTORS

- a. Prior to the start of any work under this Contract or any subcontract at any tier, the Seller shall deliver to the Aerojet Rocketdyne Buyer a statement setting forth the name and address of the subcontractor and a summary description of the work subcontracted. Nothing contained in this Contract shall create any contractual relation between the subcontractor and Aerojet Rocketdyne.
- b. Upon request, the Seller shall submit to the Aerojet Rocketdyne Buyer a summary description of purchased items and a list of names and addresses of major material and equipment suppliers who will make deliveries to Aerojet Rocketdyne Premises.

11. POSSESSION PRIOR TO COMPLETION

Aerojet Rocketdyne shall have the right to take possession of or use any completed or partially completed part of the work. Such possession or use shall not be deemed an acceptance of any work not completed in strict accordance with the Contract. If such prior possession or use, unless such prior possession or use is provided for elsewhere in the Contract, delays the progress of the work or causes additional expense to the Seller, an equitable adjustment in price or time for completion will be made and the Contract shall be modified in writing accordingly; provided however, that if the Seller fails to complete the work within the time specified in this Contract, or as such time for completion may be extended pursuant to this Contract, Aerojet Rocketdyne shall have the right to take possession of, or use all or any part of the work without payment of additional compensation to the Seller, and without extending time for completion.

12. RIGHTS AND LIMITS

- a. Seller will be allowed reasonable space at the work site including the area to be used for work preparation and staging and access thereto. Seller shall confine its operations, employees and those of its subcontractors to these specific work areas, and roads assigned by Aerojet Rocketdyne for ingress and egress to the work site. Only Aerojet Rocketdyne designated safety and smoking areas shall be utilized.
- b. Insofar as practicable, all parties on the work which may be in progress have equal rights to use of roads and ground at the site, but in no case will the Seller be permitted to use any of the facilities, such as roads, utilities, and buildings erected or constructed by another party at the site without prior consent of the party involved and the approval of Aerojet Rocketdyne.

- c. Crossing facilities provided by Aerojet Rocketdyne, insofar as practical, may be used by any and all parties working the building or area involved. However, in no case will such crossing be installed and maintained for the exclusive use of the party responsible for the isolation or obstruction.
- d. Seller shall be responsible for the security of tools, equipment and materials left at the job site during the performance of the Contract.

13. LABOR RELATIONS

- a. Responsibility - It shall be Seller's responsibility to maintain satisfactory labor relations with its employees, and this obligation shall be transmitted to Seller's subcontractors. Aerojet Rocketdyne reserves the right to request Seller to remove such employees as may be deemed objectionable from all connection with the work.
- b. Assignment of Work - Seller shall assume full responsibility for procurement, fabrication, and installation of the work involved so that there will be no jurisdictional labor disputes and resultant delay in completion of the work. Prior to assignment of work by Seller or its principle subcontractors, a pre-job conference shall be held with the crafts affected so that appropriate assignments of work will be assured.
- c. Disputed Work Assignment - In the event an assignment of work is disputed by other craft(s), Seller shall make the site available for inspection by the business representatives concerned so that the affected business representatives may agree upon appropriate assignment. In the event the trade assigned agrees to a reassignment of work to another union, Seller shall immediately provide for such reassignment.
- d. Referral of Disputes - In the event that the resolution of the dispute is not achieved by above, Seller shall advise the National Joint Board for Settlement of Jurisdictional Disputes and request that prompt action be taken to clarify the assignment.
- e. Disallowance of Claims - No claims will be entertained by Aerojet Rocketdyne for any costs occasioned by disputes or reassignment of work, and no extensions of time will be granted for delays thus occasioned.
- f. Whenever an actual or potential labor dispute delays or threatens to delay the performance of this Contract, Seller shall immediately give notice thereof. Such notice shall be confirmed in writing and shall contain all information relevant to the dispute. Seller agrees to include this paragraph in all subcontracts issued under this Contract.

14. CONSTRUCTION SCHEDULE, PROGRESS CHARTS, AND COST BREAKDOWN

- a. Within 5 days after award of this Contract, or within such further time as Aerojet Rocketdyne may allow, Seller shall prepare and submit to Aerojet Rocketdyne for approval, a practicable construction schedule showing the dates on which Seller proposes to start and complete the various portion of the work. Such schedule shall be in a form acceptable to Aerojet Rocketdyne and shall be capable of use at any time as a progress chart to indicate appropriately the percentage of work scheduled for completion. At the end of each week, or as requested by Aerojet Rocketdyne, the Seller shall enter the actual progress of the work on a master of the approved construction schedule.
- b. Upon Aerojet Rocketdyne request, Seller shall furnish evidence satisfactory to Aerojet Rocketdyne that all necessary equipment and other materials have been ordered and scheduled for delivery so as to ensure their arrival at the site in time for construction schedule requirements. In the event scheduled delivery is not compatible with the approved construction schedule, Seller shall take such steps as may be required to expedite delivery of any equipment or material required in performance of this Contract, whether ordered by Seller or its subcontractor(s). Expediting shall include premium transportation to reduce time in transit, purchase or warehouse materials rather than mill or factory shipments, overtime by manufacturers or fabricators at the factory or at the site, or other appropriate efforts as may be required to expedite delivery and installation of the equipment or material.

- c. Seller shall submit to Aerojet Rocketdyne, a progress payment schedule of values that corresponds to planned schedule. The progress payment schedule shall be completed and submitted as part of the construction schedule as specified in paragraph a. above.

15. PROSECUTION OF THE WORK

- a. Equipment, Forces, Hours of Work - Seller shall furnish sufficient forces, construction plant, and shall work such hours, including night shifts and overtime operations, as may be necessary to ensure the prosecution of the work in accordance with the approved construction schedule. If, in Aerojet Rocketdyne's opinion Seller falls behind in the construction schedule, such steps shall be taken by Seller as may be necessary to improve progress including an increase in the number of shifts, overtime operations, days of work or the amount of construction plant, all without additional cost to Aerojet Rocketdyne.
- b. Overtime charges must be pre-approved in writing by Aerojet Rocketdyne's designated project coordinator. Failure to comply with the requirement will result in barring employees from entering the work areas for overtime work. This will not be considered an excusable reason for delay or added costs.
- c. Supervision - Seller shall give constant and efficient supervision to the work, using its best skill, attention, and personnel. Seller shall keep on the job during all working hours, and until final acceptance, a competent superintendent and necessary assistant supervisory personnel, all satisfactory to Aerojet Rocketdyne. The superintendent shall not be changed during the course of this Contract except by prior approval of, or by written notice from Aerojet Rocketdyne requesting his or her removal, unless the superintendent proves unsatisfactory to the Seller and ceases to be in its employ. The superintendent shall represent the Seller in its absence and all direction given to the superintendent shall be as binding as if given to the Seller. No oral order or request by either the superintendent or Aerojet Rocketdyne's representative at job site shall be effective unless immediately confirmed in writing. Prior to starting work, Seller shall furnish Aerojet Rocketdyne with the names and telephone number of its authorized supervisors who will be available to furnish supervision or personnel, at any time of the day or night, on any occasion where an emergency or special condition requires Seller's presence or services.
- d. Transportation of Equipment and Materials - It shall be the responsibility of the Seller to transport all equipment and materials to be furnished by Seller to the site at its own expense. Also, Seller shall furnish transportation from designated warehouses or storage points at the site of the work of all Aerojet Rocketdyne-furnished materials and equipment, including loading and unloading.

16. REPORTING DELAYS

All delays for a duration of 8 hours or more shall be reported in writing to Aerojet Rocketdyne. The report shall state the cause of the delay and the extent and corrective action being taken.

17. STANDBY TIME

- a. General - Periodically during construction operations, test firings and other potentially harmful operations may be conducted in the vicinity of the job site. For maximum security and for the safety of all concerned, all construction operations may be suspended during these tests when so directed. At such times, construction personnel shall report to a Standby Station, which will be as designated, generally 500 yards of the construction area. Prior to a test firing or other hazardous conditions, a warning announcement will be made. Immediately, all equipment in the construction areas shall be shut down, except as otherwise directed, and all construction personnel shall report to the Standby Station. At the conclusion of the tests or hazard condition period, an all-clear announcement will be made, after which construction personnel shall return to their work and equipment may again be placed in operation.
- b. Basis for Time Determination - Seller will be paid for standby time, provided that within four (4) working hours after conclusion of each standby period, the Seller shall submit to the Aerojet Rocketdyne Buyer for approval, a report on the forms provided, listing the names of the men and the items of equipment

affected and the length of the standby period. This list shall be final and complete, and will be the basis for payment for time lost on labor and equipment. Standby time will be calculated on the basis of 1/2 hour of standby time for each standby period of 20 minutes or less; for each standby period exceeding 20 minutes, standby time will be calculated on the basis of the actual standby period plus an allowance of 10 minutes for returning to work station.

- c. Equipment Standby Time - Seller will be compensated for equipment standby time on the following basis:
 - (1) Only major items of equipment which require a full time operator will be compensated for. A list and proposed rates for any operated equipment required for the performance shall be submitted to the Aerojet Rocketdyne Buyer upon request.
 - (2) Aerojet Rocketdyne will not compensate for equipment, such as welding machines, pipe benders, pickup trucks, drill presses, and small tools.
- d. Claims Not Allowed - Claims for supervision, salaried employees, loss of efficiency, move-on and move-off charges, or any other charge except as provided for above, will not be allowed under this clause.

18. CONSTRUCTION FACILITIES

Seller shall furnish necessary construction facilities including toilets, telephone, and protection for materials and equipment. Unless otherwise notified by Aerojet Rocketdyne, Seller will furnish electrical power and water at no cost to Seller, at the nearest available point; however, Seller shall be required to make all temporary connections to existing utilities and to remove such temporary connections at completion of the work. All temporary structures and installations shall be satisfactory to and subject to approval by Aerojet Rocketdyne.

19. LAYOUT

Aerojet Rocketdyne will establish the initial lines and grades to provide vertical and horizontal control in reasonable proximity to the site. Seller shall perform necessary surveying and layout including placement of all additional stakes, templates, and bench marks necessary for making and maintaining points, lines, and elevations required for the work. Seller shall be responsible for the agreement of the finished work with the lines and grades established by Aerojet Rocketdyne. Aerojet Rocketdyne reserves the right to check the accuracy of Seller's layout from time to time. In the event of mislocation of any part of the work, Seller shall, at the request of Aerojet Rocketdyne, relocate work-in-place to the correct location at no additional expense to Aerojet Rocketdyne.

20. BUILDING LAWS AND CODE REQUIREMENTS

Work and materials shall comply with applicable building laws and codes, ordinances and statutes, and rules and regulations of all legally constituted authorities having jurisdiction according to the most recent editions or rulings of these authorities. All work shall be fabricated, installed, constructed, and tested in accordance with all applicable codes and safety requirements.

21. DRAWINGS AND SPECIFICATIONS

- a. Checking of Drawings and Dimensions - The Seller shall carefully check all drawings furnished to it upon receipt and shall promptly notify the Aerojet Rocketdyne Buyer of all discrepancies. Figures marked on drawings shall be followed. Drawings may not be scaled. Seller shall compare all drawings and verify the figures before laying out the work and shall be responsible for any error which might have been avoided thereby. When measurements are governed by conditions already established, Seller shall take measurements notwithstanding the giving of scales or figure dimensions on the drawings.
- b. Conflicts, Omissions, and Misdescriptions - Seller shall keep on the site of the work a copy of the drawings and specifications. Aerojet Rocketdyne shall have access thereto at all times. Anything shown in the drawings and not mentioned in the specifications, or mentioned in the specifications but not shown on the drawings shall be of like effect as if shown and mentioned in both. Inconsistencies between the

drawings and specifications, or misdescription of details of work that are customarily performed, shall not relieve Seller of the duty of performing such omitted or misdescribed details of the work but they shall be performed as if fully and correctly set forth and described in the drawings and specifications.

- c. Conformity - Where conformity of a material or method to American Society of Testing and Materials (ASTM) specification, Federal Specification, or other recognized standard is specified, such conformity shall be to the latest issue of such standard specification including addenda or amendments thereto, unless otherwise stipulated. Where specifications indicate that a material, process or test shall conform to a Government specification or standard the Seller when requested by Aerojet Rocketdyne, shall obtain and deliver to the Aerojet Rocketdyne Buyer, a certification signed by the manufacturer, supplier, service or testing organization, which certifies that the material, process or test conforms to the specification or standard involved.
- d. Deviations - Deviations from the drawings and the dimensions therein given, whether or not error is believed to exist, shall be made only after written authority is obtained from Aerojet Rocketdyne.
- e. Interpretations - All questions regarding the figures, drawings, plans and specifications and the interpretation thereof and the resolving of conflicts or inconsistencies therein shall be resolved by Aerojet Rocketdyne.

22. MATERIALS, EQUIPMENT, METHODS AND PROCESSES

- a. Materials - Materials and equipment shall be new, except where stated otherwise. All materials shall be delivered in such timely manner as will ensure uninterrupted progress of the work, and shall be so stored as to afford ample protection and ensure that no portion of any structure is overloaded. Seller shall be responsible for all damage or loss, by weather, or any other cause, to the materials stored or in place at the work site, including Aerojet Rocketdyne-furnished materials which have been brought on the site.
- b. Substitutions - Substitutions of material, equipment, methods or processes other than those specifically named in the Contract will be approved by Aerojet Rocketdyne.
- c. Standards - When required by this Contract, or upon Aerojet Rocketdyne request, Seller shall furnish for Aerojet Rocketdyne approval full information concerning the material or articles which he contemplates incorporating in this work. When so directed, samples shall be submitted for approval at Seller's expense with all shipping charges prepaid. Machinery, equipment, material, and other articles installed or used without prior approval shall be at the risk of subsequent rejection. Seller, when requested, shall furnish Aerojet Rocketdyne an affidavit or certificate signed by the manufacturer or supplier certifying that the material or equipment conforms to the specifications or standards mentioned herein.
- d. Removal of Unfit Materials - The Seller shall remove from the premises, without delay, all materials, worked or unworked, which are rejected by Aerojet Rocketdyne for failure to conform to drawings, specifications, or governing codes and shall dismantle all completed or partially completed work similarly condemned. Materials and work so rejected shall be replaced without delay in accordance with plans and specifications and the cost, together with cost of making good other work damaged by removal of condemned portions, shall be borne by Seller. No extension of time will be allowed for such correcting of faulty materials or work.

23. CLEANING UP AND DISPOSAL OF MATERIALS

- a. Seller shall at all times and not less than daily, keep the construction area, including storage areas used by it, free from accumulation of waste material or rubbish. Wasting and burning of trash or debris on Aerojet Rocketdyne owned or controlled property is prohibited. Upon completion of the work, Seller shall remove from the premises any remaining rubbish, all tools, scaffolding, equipment, temporary construction and surplus materials which are the property of the Seller or scrap. Should Seller fail to take prompt action to this end, Aerojet Rocketdyne (at its option and without waiver of such other rights as it may have) may on 30 days' notice treat such materials as abandoned property. Costs for disposal of such abandoned property shall be borne by Seller. Seller shall also sweep all floors broom clean, clean all exterior brickwork and window lights, and wash all plumbing and lighting fixtures, clean overhead

areas and remove all debris regardless of whether the debris was generated by Seller. The entire work and premises shall be left in a neat and clean condition satisfactory to Aerojet Rocketdyne's representative at the job site.

- b. Broken concrete and other material suitable for fill shall be stockpiled at the job site. Any question as to the suitability of for fill will be resolved by Aerojet Rocketdyne's representative at the job site.
- c. Aerojet Rocketdyne may require equipment (e.g., computers, office equipment, refrigerators, microwave ovens, etc.) being removed from Aerojet Rocketdyne premises to be accompanied by an approved property pass. Property passes may be obtained from the Aerojet Rocketdyne representative at the work area.

24. AS-BUILT DRAWINGS

- a. Seller shall keep an up-to-date set of as-built drawings on blue line prints showing all changes in red and, at its convenience, shall incorporate these changes on a second set. When all work has been completed and prior to acceptance of the work by Aerojet Rocketdyne and final payment, one set shall be delivered in a format acceptable to Aerojet Rocketdyne.
- b. Seller shall mark on applicable construction plans the location and elevation of all underground utility lines installed under this Contract or encountered by Seller in performing work under this Contract, to an accuracy of 0.1 foot horizontal and vertical.
- c. Upon completion of the physical work, the Seller's representative shall review the "as-built" drawing with Aerojet Rocketdyne's representative to assure that all changes, deletions or additions have been included.

25. PAYMENT OF INCURRED COSTS

- a. Unless otherwise provided, Construction progress payments shall be made to Seller as work progresses in amounts approved by Aerojet Rocketdyne in accordance with the following:
 - (1) Progress payments will be made at the end of each calendar month, or as soon thereafter as practicable, or at more frequent intervals as determined by Aerojet Rocketdyne based on estimates submitted by Seller. In preparing estimates, the material delivered to the site, and preparatory work done, may be taken into consideration.
 - (2) In making such progress payments, 10 percent of the estimated amount shall be retained until final completion and acceptance of all work covered by the Contract; provided, however, that Aerojet Rocketdyne, at any time after 50 percent of the work has been completed, upon finding that satisfactory progress is being made, may make any of the remaining progress payments in full; and, provided further, that on completion and acceptance of each separate building, site development, or other division of the work, on which the price is stated separately in the Contract, payment may be made in full, including retained percentage thereon, less authorized deductions.
 - (3) All material and work covered by progress payments made shall thereupon become the property of Aerojet Rocketdyne, but this provision shall not be construed as relieving the Seller from responsibility for all materials and work upon which payments have been made, or from the restoration of any damaged work, or as a waiver of the right of Aerojet Rocketdyne to require the fulfillment of all of the terms of the Contract.
 - (4) Seller shall be responsible for promptly paying its subcontractors and materials suppliers.
 - (5) In the event that there is a dispute between the Seller and its subcontractor(s), and the Seller wishes to withhold payment, Aerojet Rocketdyne shall be so notified in writing and any amounts to be withheld shall not be included in Seller's request for progress payment.
 - (6) In addition to the 10 percent retention in the progress payment, Aerojet Rocketdyne may withhold a sufficient amount of payment otherwise due to the Seller to cover payments that may be earned or due for just claims for labor or materials furnished in or about the performance of the work under this

Contract; for defective work not remedied or for failure of Seller to make proper payments to its subcontractors. Aerojet Rocketdyne shall disburse and shall have the right to act as agent for the Seller in distributing such funds as have been withheld pursuant to this paragraph, to the party or parties who are entitled to payment therefrom, and will render to the Seller a proper accounting of all such funds disbursed on behalf of Seller. If Aerojet Rocketdyne makes such payments on behalf of Seller, Aerojet Rocketdyne shall deduct it from any amounts owed to Seller.

- (7) Where the work falls behind the approved work schedule, Aerojet Rocketdyne may withhold progress payments until such time as the progress of the work conforms to the schedule.

b. Liens, Encumbrances and Claims

- (1) No mechanics liens or claims shall be filed by Seller against the building, structure, facilities, or equipment; materials or site for, or on account of any work done or materials furnished by Seller pursuant to this Contract, and Seller expressly waives and relinquishes the right to have, file or maintain any mechanics liens or claims against the work, or any building, structure, or facility, and this agreement shall be an independent covenant and shall operate and be effective with respect to labor provided or materials furnished pursuant to this Contract. Seller shall include an identical clause in all subcontracts issued by him for work, services, materials, or equipment to be rendered, performed, or furnished pursuant to this Contract.
- (2) Seller shall protect and defend the land upon which the work is to be performed and all improvements, structures, equipment, machinery, and other property now or hereafter placed thereon, and Aerojet Rocketdyne from any liens, charges, encumbrances, or claims, including but not limited to mechanics' and material mens' liens, arising out of, or in connection with the performance by Seller and its subcontractors of any work performed, or materials or equipment furnished. If Seller fails to protect and defend the land, owner may remove any liens at Sellers expense. Seller shall hold Aerojet Rocketdyne free and harmless from, and hereby indemnifies Aerojet Rocketdyne against any and all loss, cost, damage, or expense including reasonable attorneys' fees, arising out of, or in connection with any such lien, charge, encumbrance, claim, or demand.
- (3) Aerojet Rocketdyne may, as a condition precedent to payment, require Seller to furnish complete waivers or releases of any all liens, charges, encumbrances, and claims. Waivers or releases must be furnished by Seller covering all liens, encumbrances, and claims as a condition to final payment, in a format acceptable to Aerojet Rocketdyne.

26. PROVISIONS TO BE INCLUDED IN SUBCONTRACTS

Seller agrees to include the substance of Article 4, Site Investigation, Article 11, Possession Prior to Completion, and Article 25.b, Liens, Encumbrances and Claims, in all subcontracts issued hereunder.