

INDEX

<u>CLAUSE NUMBER</u>	<u>TITLE</u>	<u>PAGE</u>
1.	DEFINITIONS	1
2.	COMPOSITION OF THE ARCHITECT-ENGINEER	1
3.	INDEPENDENT CONTRACTOR	1
4.	RESPONSIBILITY OF THE ARCHITECT-ENGINEER	1
5.	SUBCONTRACTORS AND OUTSIDE ASSOCIATES AND CONSULTANTS	2
6.	REQUIREMENTS FOR REGISTRATION OF DESIGNERS	2
7.	CHANGES	2
8.	NOTICE AND APPROVAL OF RESTRICTED DESIGNS	3
9.	DRAWINGS AND OTHER DATA TO BECOME THE PROPERTY OF AEROJET	3
10.	RETENTION OF RIGHTS AND INTEREST	4
11.	REPRODUCTION RIGHTS	4
12.	ASSIGNMENT	4
13.	PAYMENTS	5
14.	TERMINATION	8
15.	SUSPENSION OF WORK	9
16.	INDEMNIFICATION	9
17.	ARCHITECT-ENGINEER'S LIABILITY INSURANCE	10
18.	COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAW	12
19.	SAFETY	12
20.	RELEASE OF INFORMATION	13
21.	EQUAL OPPORTUNITY	13
22.	AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	14
23.	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS	14
24.	CLEAN AIR AND WATER	14
25.	REMEDIES	14
26.	WAIVER	14
27.	GOVERNING LAW	15

1. DEFINITIONS

A. The term "Aerojet" as used herein means Aerojet General Corporation, a subsidiary of GenCorp, an Ohio corporation.

B. The term "Architect-Engineer" as used herein means the party with which Aerojet enters into the contract in which these Terms and conditions are incorporated.

C. The term "contract" as used herein means the contractual instrument in which these Terms and Conditions are incorporated.

D. The term "subcontractor" as used herein means any party furnishing materials or services to the Architect-Engineer pursuant to the requirements of the contract.

E. The term "work", "supplies", and "services" as used herein shall mean all materials, equipment, tools, facilities, transportation, and labor (including supervision) furnished pursuant to the requirements of the contracts.

F. The term "Aerojet Procurement Representatives" as used herein means the person or persons identified in the contract who are authorized by Aerojet to administer, alter, modify or change the provisions of the contract.

G. The term "site" as used herein means the geographical location set forth on the face of the contract.

2. COMPOSITION OF THE ARCHITECT-ENGINEER

If the Architect-Engineer hereunder is comprised of more than one legal entity, each such entity shall be jointly and severally liable hereunder.

3. INDEPENDENT CONTRACTOR

It is understood and agreed that the Architect-Engineer shall be deemed to be an independent contractor in all its operations and activities hereunder; and that the employees furnished by the Architect-Engineer to perform work hereunder shall be deemed to be the Architect-Engineer's employees exclusively without any relation whatever to Aerojet as employees or as independent contractors; that said employees shall be paid by the Architect-Engineer for all services in this connection; that the Architect-Engineer shall carry Workers' Compensation insurance and that the Architect-Engineer shall be responsible for all obligations and reports covering Social Security, Unemployment Insurance, Workers' Compensation, Income Tax, and other reports and deductions required by Local, State and Federal law.

4. RESPONSIBILITY OF THE ARCHITECT-ENGINEER

A. The Architect-Engineer shall be totally responsible for the professional quality, technical accuracy and the coordination of all designs, drawings, specifications, and other services furnished by the Architect-Engineer under this contract. The Architect-Engineer shall, without additional compensation, correct or revise any errors or deficiencies in its designs,

drawings, specifications, and other services which Aerojet determines to be necessary. If the Architect-Engineer disputes the necessity of such services, he will nonetheless proceed as instructed by Aerojet so as not to impede the progress of the work, as provided in Paragraph 7 .A.

B. Neither Aerojet's review, approval or acceptance of, nor payment for, any of the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the Architect-Engineer shall be and remain liable to Aerojet for all damages to Aerojet resulting from the Architect-Engineer's performance of any of the services furnished under this contract.

C. The rights and remedies of Aerojet provided for under this contract are in addition to any other rights and remedies provided by law.

5. SUBCONTRACTORS AND OUTSIDE ASSOCIATES AND CONSULTANTS

Any subcontractors and outside associates or consultants required by the Architect-Engineer in connection with the services covered by this contract will be limited to such individuals or firms as were specifically identified and agreed to in writing at the date of the contract. No substitution in such subcontractors, associates or consultants will be made without the prior written approval of Aerojet.

6. REQUIREMENTS FOR REGISTRATION OF DESIGNERS

The design of architectural, structural, mechanical, electrical, civil or other engineering features of the work shall be accomplished or reviewed and approved by architects or engineers registered to practice in the particular professional field involved in the State in which such services are performed hereunder.

7. CHANGES

A. Aerojet may, at any time, by written order, make changes within the general Scope of this contract in the time of performance or the services to be performed. If any such change causes an increase or decrease in the Architect-Engineer's cost of, or time required for, performance of any services under this contract, whether or not changed by any such order, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. In no event shall the compensation for such additional services exceed the sums provided for in the contract as modified. Any claim of the Architect-Engineer for adjustment under this clause must be asserted in writing, in a form acceptable to Aerojet, within thirty (30) days from the date of such change, unless Aerojet grants, in writing, a further period of time prior to the date of final payment under the contract. No claim for equitable adjustment, the Architect-Engineer agrees to continue diligent performance of this contract pending resolution of any such dispute. All claims for equitable adjustment must be submitted in accordance with the provisions of Paragraph 13.

B. The Architect-Engineer agrees that its failure to submit such claim or claims within the applicable time period shall constitute a waiver thereof unless the Architect-Engineer requests in writing prior to the expiration of the applicable time period that a time extension for filing its claim or claims be granted by Aerojet. Any such extensions, if approved, shall be effective only if authorized in writing by the Aerojet Procurement Representative. Prior to final settlement of any

timely filed claim or claims, the Architect-Engineer may submit revisions to such claim or claims for evaluation by Aerojet provided that such revisions do not introduce different areas of cost or claim elements.

C. Aerojet may request the Architect-Engineer to submit cost estimates for contemplated changes which may or may not result in a change to this contract. The Architect-Engineer agrees to submit cost proposals for such contemplated changes within ten (10) days of receipt of Aerojet's request or such further period as may be stated in such request. Such cost estimates shall be prepared at no charge to Aerojet.

D. Any clarification or assistance as may be provided by Aerojet personnel concerning the work to be performed pursuant to this contract shall not be construed as a change to this contract and no change order, express or implied, will be binding unless it is issued in writing by the Aerojet Procurement Representative. No services for which an additional cost or fee will be charged by the Architect-Engineer shall be furnished without the prior written authorization of the designated Aerojet Procurement Representative.

E. Nothing contained in this paragraph shall relieve the Architect-Engineer from proceeding without delay in the performance of this contract as changed.

8. NOTICE AND APPROVAL OF RESTRICTED DESIGNS

In the performance of this contract, the Architect-Engineer shall, to the extent practicable, make maximum use of structures, machines, products, materials, construction methods, and equipment which are readily available through competitive commercial channels, or through standard or proven production techniques, methods, and processes. Unless approved by Aerojet, the Architect-Engineer shall not, in the performance of the work called for by this contract, produce a design or specification such as to require in this construction work the use of structures, products, materials, construction equipment, or processes which are known by the Architect-Engineer to be available only from a sole source. As to any such design or specification the Architect-Engineer shall report to Aerojet giving the reason or reasons why it is considered necessary to so restrict the design or specification.

9. DRAWINGS AND OTHER DATA TO BECOME THE PROPERTY OF AEROJET

All designs, drawings, specifications, notes and other works developed in the performance of this contract shall become the sole property of Aerojet and may be used on any other design or construction without additional compensation to the Architect-Engineer. Aerojet shall be considered the "person for whom the work was prepared" for the purpose of authorship in any copyrightable work under Section 201(b) of Title 17, United States Code. With respect thereto, the Architect-Engineer agrees not to assert or authorize others to assert any rights nor establish any claim under the design patent or copyright laws. The Architect-Engineer for a period of three years after completion of the project agrees to furnish all retained works on the request of Aerojet. Unless otherwise provided in this contract, the Architect-Engineer shall have the right to retain copies of all works beyond such period.

10. RETENTION OF RIGHTS AND INTEREST

Aerojet hereby retains all of its rights, title and interest in and to all information, data, designs and inventions furnished by Aerojet to the Architect-Engineer for the purpose of assisting the Architect-Engineer (1) in the performance of the contract or (2) in the submission of a bid by the Architect-Engineer for such performance, whether furnished prior to, or after acceptance of, this contract. None of such information, data, designs and inventions shall be reproduced or used by the Architect-Engineer, except in the performance of this contract, or disclosed by the Architect-Engineer to others without the consent of Aerojet. Upon completion of performance hereunder, all such information, data, designs and inventions shall be promptly returned by the Architect-Engineer to Aerojet.

11. REPRODUCTION RIGHTS

Aerojet does not grant to the Architect-Engineer (i) any reproduction rights to any materials, designs, drawings, data or other information produced in the performance of this contract or (ii) any rights to use, in the manufacture or design of articles or materials for anyone other than Aerojet, any of the designs, drawings or other information belonging to or supplied by Aerojet.

12. ASSIGNMENT

A. Neither this contract nor any interest nor any sums becoming due to the Architect-Engineer hereunder shall be assigned by the Architect-Engineer without the prior written consent of Aerojet, except that claims for monies due or to become due the Architect-Engineer from Aerojet under this contract may be assigned to a bank, trust company or other financial institution, including any federal lending agency. Any such assignment of monies due or to come due shall cover all amounts payable under this contract and not already paid, and shall not be made to one party as agent or trustee for two (2) or more parties participating in such financing. Payment by Aerojet to an assignee of any claim under this contract shall be subject to set-off or recoupment for any present or future claim or claims arising in connection with this contract which Aerojet may have against the Architect-Engineer. Aerojet reserves the right to make direct settlements and/or adjustments in price with the Architect-Engineer under the terms of this contract notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to assignee(s). Architect-Engineer agrees that design services depend upon the personal expertise and track record of the principal design professionals, and therefore acknowledges that Aerojet may reasonably refuse to consent to any assignment which would remove control of the work from the design professionals originally identified as principals on the contract.

B. In the event of any such assignment of monies, the assignee shall forward to Aerojet two (2) copies of a written notice of assignment and two (2) copies of the instrument of assignment, all copies signed by the assignor and assignee.

C. Any claim under this contract which has been assigned pursuant to the foregoing provisions of this clause may be further assigned and reassigned only with the prior written consent of Aerojet to a bank, trust company or other financing institution, including any federal lending agency. In the event of such further assignment or reassignment the assignee shall be required to file one signed copy of a written notice of the further assignment or reassignment,

together with a true copy of the instrument of further assignment or reassignment with the Architect-Engineer, and shall file two (2) signed copies of such written notice, together with two (2) copies of such instrument with Aerojet.

D. No assignee shall divulge any information concerning this contract without the prior written consent of Aerojet. The assignment must include provisions by which the assignee agrees to the conditions set forth in this paragraph.

E. Indication of the assignment of claim and of any further assignment thereof and the name of the assignee shall be made on all vouchers or invoices certified by the Architect-Engineer.

13. PAYMENT

The Architect-Engineer shall be paid as follows, upon the submission of invoices approved by Aerojet.

A. Hourly Rate:

- (1) The amounts computed by multiplying the appropriate hourly rate, or rates, set forth in the contract, by the number of direct labor hours performed, which rates shall include wages, overhead, general and administrative expenses and profit. Fractional parts of an hour shall be payable on a prorated basis. Invoices may be submitted once each month (or at more frequent intervals if approved by Aerojet), to Aerojet or its designee. The Architect-Engineer will substantiate invoices by evidence of actual payment and by individual daily job time cards, or such other substantiation approved by Aerojet. Promptly after receipt of all substantiated invoices, Aerojet shall, except as otherwise provided in this contract, and subject to the provisions of E. below, make payment thereon as approved by Aerojet.
- (2) Unless otherwise specified, the hourly rate or rates set forth in the contract shall not be varied by virtue of the Architect-Engineer having performed work on an overtime basis. If no overtime rates are provided in the contract and overtime work is approved in advance by Aerojet, overtime rates will be negotiated. If the contract provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by Aerojet.

B. Materials and Subcontracts:

- (1) Allowable costs of direct materials shall be determined by Aerojet in accordance with Part 31 of the Federal Acquisition Regulations in effect on the date of this contract. Reasonable and allocable material handling costs may be included in the charge for material to the extent they are clearly excluded from the hourly rate. (Material handling costs are comprised of indirect costs, including, when appropriate, General and Administrative expense, allocated to direct materials in accordance with the Architect-

Engineer's usual accounting practices consistent with Part 31 of the Federal Acquisition Regulations.) The Architect-Engineer shall support all material costs claimed by submitting paid invoices or storeroom requisitions, or by other substantiation acceptable to Aerojet. Direct materials, as referenced by this clause, are defined as those materials which enter directly into the end product, or which are used or consumed directly in connection with the furnishing of such product.

- (2) The cost of subcontracts which are authorized pursuant to the "Subcontracts" clause hereof shall be reimbursable costs hereunder, provided such costs are consistent with subparagraph (3) below. Reimbursable cost in connection with subcontracts shall be limited to the amounts actually required to be paid by the Architect-Engineer to the subcontractor and shall not include any costs arising from the letting, administration or supervision of performance of the subcontract, which costs are included in the hourly rate or rates payable under A. (1) above.
- (3) The Architect-Engineer shall, to the extent of his ability, procure materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials, and take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of such benefits, it shall promptly notify Aerojet to that effect, and give the reason therefor. Credit shall be given to Aerojet for cash and trade discounts, rebates, allowances, credits, salvage, the value of resulting scrap when the amount of such scrap is appreciable, commissions, and other amounts which have been accrued to the benefit of the Architect-Engineer, or would have so accrued except for the fault or neglect of the Architect-Engineer. Such benefits lost through no fault or neglect on the part of the Architect-Engineer, or lost through fault of Aerojet, shall not be deducted from gross costs.

C. It is estimated that the total cost to Aerojet for the performance of this contract will not exceed the ceiling price set forth on the face of the contract, and the Architect-Engineer agrees to use his best efforts to perform the work specified in the purchase order and all obligations under this contract within such ceiling price. If at any time the Architect-Engineer has reason to believe that the hourly rate payments and material costs which will accrue in the performance of this contract in the next succeeding thirty (30) days, when added to all other payments and costs previously accrued, will exceed eighty-five percent (85%) of the ceiling price then set forth in the purchase order, the Architect-Engineer shall notify Aerojet to that effect giving his revised estimate of the total price to Aerojet for the performance of this contract, together with supporting reasons and documentation. If at any time during the performance of this contract, the Architect-Engineer has reason to believe that the total price to Aerojet for the performance of this contract will be substantially greater or less than the then stated ceiling price, the Architect-Engineer shall so notify Aerojet, giving his revised estimate of the total price for the performance of this contract, together with supporting reasons and documentation. If at any time during the performance of this contract, Aerojet has reason to believe that the work to be required in the performance of this contract will be substantially greater or less than the stated ceiling price,

Aerojet will so advise the Architect-Engineer, giving the then revised estimate of the total amount of effort to be required under the contract.

D. Aerojet shall not be obligated to pay the Architect-Engineer any amount in excess of the ceiling price set forth in the purchase order, and the Architect-Engineer shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the purchase order, unless and until Aerojet shall have notified the Architect-Engineer in writing that such ceiling price has been increased and shall have specified in such notice a revised ceiling which shall thereupon constitute the ceiling price for performance under this contract. When and to the extent that the ceiling price set forth in the purchase order has been increased, any hours expended and material costs incurred by the Architect-Engineer in excess of the ceiling price prior to the increase shall be allowable to the same extent as if such hours expended and material costs had been incurred after such increase in the ceiling price.

E. At any time or times prior to final payment under this contract, Aerojet may cause to be made such audit of the invoices and substantiating material as shall be deemed necessary. Each payment theretofore made shall be subject to reduction to the extent of amounts which are found by Aerojet not to have been properly payable, and shall also be subject to reduction for overpayments, or to increase for underpayments, on preceding invoices. Upon receipt and approval of the invoice designated by the Architect-Engineer as the "completion invoice", and substantiating material, and upon compliance by the Architect-Engineer with all provisions of this contract, (including, without limitation, provisions relating to patents and the provisions of (F) and (G) below), Aerojet shall as promptly as may be practicable pay any balance due and owing the Architect-Engineer. The completion invoice and substantiating material shall be submitted by the Architect-Engineer as promptly as may be practicable following completion of the work under this contract, but in no event later than six (6) months (or such longer period as Aerojet may, in its discretion, approve in writing) from the date of such completion

F. The Architect-Engineer and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging Aerojet, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

- (1) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Architect-Engineer.
- (2) Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Architect-Engineer to third parties arising out of the performance of this contract, which are not known to the Architect-Engineer on the date of the execution of the release, and of which the Architect-Engineer gives notice in writing to Aerojet not more than six (6) years after the date of the release or the date of any notice to the Architect-Engineer that Aerojet is prepared to make final payment, whichever is earlier; and
- (3) Claims for reimbursement of costs (other than expenses of the Architect-Engineer by reason of its indemnification of Aerojet against patent liability),

including reasonable expenses incidental thereto, incurred by the Architect-Engineer under the provisions of this contract relating to patents.

G. The Architect-Engineer agrees that any refunds, rebates, or credits, (including any interest thereon) accruing to or received by the Architect-Engineer or any assignee, which arise under the materials portion of this contract and for which the Architect-Engineer has received reimbursement, shall be paid by the Architect-Engineer to Aerojet. The Architect-Engineer and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract an assignment to Aerojet of such refunds, rebates, or credits (including any interest thereon) in form and substance satisfactory to Aerojet.

H. **Records and Audit.** Seller shall maintain adequate books and records relating to this order showing all direct costs incurred such as labor, products, burden rates and subcontracts. Such records shall be made available to Aerojet for examination and audit at reasonable times at the Architect-Engineer's facility for up to one year after final payment hereunder. The purpose of such examination shall be (1) for Aerojet to obtain complete information concerning the time worked, costs, expenses and allowances pertaining to this Order (hereinafter collectively called "records") to the extent and in such detail as will properly reflect all net costs (direct and indirect) of labor, material, equipment, supplies and services and other costs and expenses of whatever nature for which compensation or reimbursement is claimed under the provisions of this Order, (2) for use by Aerojet in future price negotiations on this or other Orders, and (3) for adjustments and settlements under the Changes and Termination/Cancellation clauses. All information so obtained shall be treated as proprietary. Payment of the Architect-Engineer's invoices shall be subject to adjustment and/or refunds to Aerojet for any amounts subsequently found upon audit or otherwise to have been improperly invoiced.

I. The Architect-Engineer waives all liens of every kind and character, statutory and otherwise, to which it may be entitled against the site and any improvements thereon and against the plans, drawings, specifications, designs and other data prepared and developed under or in connection with this contract. The Architect-Engineer agrees that it will not file any notice or action or otherwise assert or attempt to assert any such liens or claims and that its remedies and recourse hereunder are limited to the right to seek the payments provided for herein, without any liens or other security therefor.

14. TERMINATION

A. Aerojet may, by written notice to the Architect-Engineer, terminate this contract in whole or in part at any time, either for Aerojet's convenience or because of the failure of the Architect-Engineer to fulfill its contract obligations. Upon receipt of such notice, the Architect-Engineer shall (i) immediately discontinue all services affected (unless the notice directs otherwise), and (ii) deliver to Aerojet all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Architect-Engineer in performing this contract, whether completed or in process.

B. If the termination is for the convenience of Aerojet, the Architect-Engineer shall be compensated for allowable cost of all services performed to the termination date, together with

properly reimbursable expenses then due plus expenses directly attributable to termination for which the Architect-Engineer is not otherwise compensated. No amount shall be allowed for anticipated profit on unperformed services.

C. If the termination is due to the failure of the Architect-Engineer to fulfill its contract obligations, Aerojet may take over the work and prosecute the same to completion by contract or otherwise. In such case, the Architect-Engineer shall be liable to Aerojet for any additional cost occasioned to Aerojet thereby.

D. If, after notice of termination for failure to fulfill contract obligations, it is determined that the Architect-Engineer has not so failed, the termination shall be deemed to have been effected for the convenience of Aerojet. In such event, payment shall be made as provided in subparagraph B. Of this paragraph 14.

E. The rights and remedies of Aerojet provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

15. SUSPENSION OF WORK

A. Aerojet may order the Architect-Engineer in writing to suspend all or any part of the work for such period of time as it may determine to be appropriate for the convenience of Aerojet.

B. If the performance of all or any part of the work is, for an unreasonable period of time, suspended or delayed by an act of Aerojet in the administration of this contract, or by its failure to act within the time specified in this contract (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this contract (excluding profit) necessarily caused by such unreasonable suspension or delay, and the contract modified in writing accordingly. However, no adjustment shall be made under this paragraph for any suspension or delay to the extent (i) the performance would have been suspended or delayed by any other cause, including the fault or negligence of the Architect-Engineer or (ii) for which an equitable adjustment is provided for or excluded under any other provision of this contract.

C. No claim under this paragraph shall be allowed (i) for any costs incurred more than twenty (20) days before the Architect-Engineer shall have notified Aerojet in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order), and (ii) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension or delay, but not later than the date of final payment. No part of any claim based on the provisions of this paragraph shall be allowed if not supported by adequate evidence showing that the cost would not have been incurred but for a delay within the provisions of this paragraph.

16. INDEMNIFICATION

A. The Architect-Engineer shall indemnify and save harmless Aerojet and its agents, representatives, shareholders, partners, and employees, and each of them, against and from:

- (1) Any and all claims, demands, causes of action, damages, costs, expenses, losses and liabilities, in law or in equity, of every kind or nature whatsoever,

including, but not limited to, injury to or death of any person or persons and damage to or destruction of any property brought or instituted, as a result of the Architect-Engineer's negligence in connection with the Architect-Engineer's obligations hereunder, regardless of when such negligence may have been discovered or determined.

- (2) Any and all penalties threatened, sought or imposed on account of the violation of any law or regulation, compliance with which is assigned by law, or by this Agreement to the Architect-Engineer.

B. The Architect-Engineer shall, except to the extent Aerojet shall be covered and compensated by insurance carried by the Architect-Engineer:

- (1) At the Architect-Engineer's own cost, expense and risk, defend all suits, actions or other legal or administrative proceedings, that may be brought or instituted against Aerojet, or Aerojet's agents, shareholders, representatives, partners or employees, or any of them, on account of any matter arising under or within Subsections (1) or (2) above.
- (2) Pay and/or satisfy any judgment or decree that may be rendered against Aerojet or Aerojet's agents, representatives, partners or employees, or any of them, in any such action or other legal or administrative proceeding, as a result of the Architect-Engineer's negligence in connection with the Architect-Engineer's obligations hereunder, regardless of when such negligence may have been discovered or determined for the cost of, or for any payment made by any of them with respect to, any repairs, alterations, corrections or other modifications to any of the work undertaken as a result of any demands, causes of action, lawsuits, other proceedings, or any other claims threatened, made or brought by Aerojet or any other person arising out of Architect-Engineer's obligations under this Agreement and resulting from the Architect-Engineer's negligence in performing those obligations, regardless of when such negligence may have been discovered or determined; and
- (3) Reimburse Aerojet and Aerojet's shareholders, partners, agents, employees, representatives, and any of them for any and all expenses, including but not limited to all legal expenses arising under or within the above acts or in connection with enforcing the indemnity granted in this paragraph 16.

17. ARCHITECT-ENGINEER'S LIABILITY INSURANCE

A. The Architect-Engineer shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the site is located such insurance as will protect the Architect-Engineer from claims set forth below which may arise out of or result from the Architect-Engineer's operations under the contract and for which the Architect-Engineer may be legally liable, whether such operations be by the Architect-Engineer or by a

Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (1) claims under workers' or workmen's compensation, disability benefit and other similar employee benefit acts which are applicable to the work to be performed;
- (2) claims for damages because of bodily injury, occupational sickness or disease, or death of the Architect-Engineer's employees;
- (3) claims for damages because of bodily injury, sickness or disease, or death of any person other than the Architect-Engineer's employees;
- (4) claims for damages insured by usual personal injury liability coverage which are sustained (a) by a person as a result of an offense directly or indirectly related to employment of such person by the Architect-Engineer, or (b) by another person;
- (5) claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- (6) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of motor vehicle; and
- (7) claims involving contractual liability insurance applicable to the Architect-Engineer's obligations under this contract.

B. The insurance required by Subparagraph A. Shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims made basis, shall be maintained without interruption from date of commencement of the Work until date of final payment and termination of any coverage required to be maintained after final payment. The insurance shall meet the requirements of all applicable labor codes, acts, laws or statutes, Federal and State, in which the Architect-Engineer operates.

C. Certificates of Insurance acceptable to Aerojet shall be filed with Aerojet prior to commencement of the Work. These Certificates and the insurance policies required by this paragraph 17.C shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to Aerojet. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage shall be furnished by the Contractor with reasonable promptness in accordance with the Contractor's information and belief.

D. The Architect-Engineer shall similarly maintain a policy of professional liability insurance with limits no less than \$5,000,000, including coverage for contractual liability unless a lesser amount is specifically set forth on the face of this contract.

E. Insurance required hereunder shall include, by endorsement to the policy (ies) Aerojet as an additional insured insofar as work performed by the Architect-Engineer for Aerojet is concerned, contain a severability of interest clause, provide that Aerojet shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance, and provide a thirty (30) day written notice to Aerojet prior to cancellation, termination, alteration or material change of such insurance.

F. Evidence of coverage required hereunder shall state that coverage provided is primary and is not excess or contributing with any insurance or self-insurance maintained by Aerojet.

G. Upon request, the Architect-Engineer shall provide to Aerojet a copy of the original policy (ies) of insurance.

H. The Architect-Engineer shall furnish the required certificates and endorsements to Aerojet prior to commencing performance hereof.

I. All insurance certificates, endorsements, cancellations, terminations, alterations and material changes of such insurance shall be issued and submitted to the designated Aerojet Procurement Representative.

J. Aerojet shall have the right to require the Architect-Engineer to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

Upon request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.

18. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAW

In the performance of this contract, the Architect-Engineer agrees to comply with all applicable Local, State and Federal laws and executive orders and regulations issued pursuant thereto and agrees to indemnify Aerojet against any loss, cost, damage, or liability by reason of the Architect-Engineer's violation of this clause.

19. SAFETY

A. In performing work under this contract on the site or on Aerojet-owned or Aerojet-controlled premises, the Architect-Engineer shall, and shall require its subcontractors to (i) conform to the safety and health laws, rules and regulations as in effect on the date of this contract and (ii) take such additional precautions for accident prevention and safety purposes as may be reasonably recommended by relevant federal, state, or local authorities or insurers of Aerojet. The Architect-Engineer agrees to take all reasonable steps and precautions to prevent accidents and preserve the life and health of personnel performing or in any way affected by performance under this contract on such premises.

B. All designs, drawings, materials, and other items produced or furnished by the Architect-Engineer pursuant to this contract shall be in accordance with, incorporate, and comply with the Occupational Safety and Health Act (OSHA) and all regulations issued pursuant thereto. The Architect-Engineer agrees to redesign, revise, repair, modify or replace at its sole cost and expense, any such items furnished or produced pursuant to this contract, which do not comply with OSHA.

C. The Architect-Engineer agrees to defend, hold harmless, and indemnify Aerojet from and against any claim, loss, cost damage, or liability (including attorneys' fees) by reason of property damage or personal injury (including death) to anyone including the Architect-Engineer's employees) occasioned in whole or in part by the Architect-Engineer's failure to comply with the provisions of this paragraph or by a violation (by the Architect-Engineer or any item produced or furnished hereunder) of OSHA standards.

D. In the event the Architect-Engineer encounters on the site material reasonably believed to be asbestos or polychlorinated biphenyl (PCB) which has not been rendered harmless, the Architect-Engineer shall immediately stop Work in the area affected and report the condition to Aerojet in writing. The Work in the affected area shall not thereafter be resumed except by written order of Aerojet if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has not been rendered harmless. The Work in the affected area shall be resumed in the absence of asbestos or polychlorinated biphenyl (PCB), or when it has been rendered harmless, by written order of Aerojet.

20. RELEASE OF INFORMATION

A. The Architect-Engineer shall not, without the prior written consent of Aerojet, disclose any information of any nature whatsoever relative to this contract except as may be required to ensure performance or as is required by law.

B. The Architect-Engineer shall insert like provisions of this paragraph, including this Subparagraph B., in any subcontract issued hereunder.

21. EQUAL OPPORTUNITY

The Equal Employment Opportunity clause in Section 202 of Executive Order (E.O.) 11246, as amended, and the implementing rules and regulations (41 CFR Part 60) are incorporated herein by reference, unless this contract is exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of E.O. 11246 or provisions of any superseding E.O. Unless this contract is so exempted, the applicable Equal Employment Opportunity Compliance Certificate previously submitted by the Architect-Engineer to Aerojet is by reference also incorporated herein.

22. AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

The Affirmative Action clause of Title 41, Code of Federal Regulations, Part 60, Subsection 250.4 and the implementing rules and regulations of the Department of Labor associated therewith are incorporated herein by reference, unless this contract is under \$10,000.

23 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS

The Affirmative Action Clause in Title 41, Code of Federal Regulations, Part 60, Subsection 741-4 and the implementing rules and regulations of the Department of Labor associated therewith are incorporated herein by reference, unless this contract is under \$2,500.

24. CLEAN AIR AND WATER

Unless this contract is for \$100,000 or less or is otherwise exempt, the Architect Engineer agrees as follows:

A. to comply with all the requirements of Section 114 of the clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Public Law 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251, as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract;

B. that no portion of the work required by this contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing;

C. to use its best efforts to comply with clean air standards and clean water standards at the facilities in which the contract is being performed; and

D. to insert the substance of the provisions of this clause in any nonexempt subcontract, including this Subparagraph D.

25. REMEDIES

The rights and remedies of Aerojet provided herein shall be cumulative and in addition to any other rights and remedies provided by law or equity.

26. WAIVER

The failure of Aerojet in any one or more instances to insist on performance of any of the provisions of this contract shall in no way be construed to be a waiver of such provisions in the future.

27. GOVERNING LAW

Any dispute concerning any question of fact or law arising hereunder which is not settled by agreement between Architect-Engineer and Aerojet shall be decided by a court of competent jurisdiction of the State of California.