

**SUBCONTRACT AGREEMENT**

JOB NO:	SUBCONTRACT NO.
Contractor: Nova Group, Inc. Business Address: 185 Devlin Road Napa, CA 94558 Contact Person: Telephone Number: E-Mail	Subcontractor: Business Address: Contact Person: Telephone Number: E-Mail

EXHIBIT SB TO THIS SUBCONTRACT AGREEMENT IS A CERTIFICATION OF THE SUBCONTRACTOR'S SIZE AND STATUS IN ACCORDANCE WITH THE SMALL BUSINESS ACT AND 13 C.F.R. PARTS 121-127. THIS CERTIFICATION MUST BE COMPLETED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE SUBCONTRACTOR AND RETURNED TO THE CONTRACTOR. FAILURE TO COMPLETE, SIGN, AND RETURN THIS DOCUMENT WILL PRECLUDE PROCESSING SUBCONTRACTOR'S REQUEST FOR PAYMENTS.

EXHIBIT SF TO THIS SUBCONTRACT AGREEMENT IS A CERTIFICATION OF THE SUBCONTRACTOR'S SAFETY STATISTICS. THIS CERTIFICATION MUST BE COMPLETED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE SUBCONTRACTOR AND RETURNED TO THE CONTRACTOR. FAILURE TO COMPLETE, SIGN, AND RETURN THIS DOCUMENT WILL PRECLUDE ACCESS TO THE SITE.

EXHIBIT SC TO THIS SUBCONTRACT AGREEMENT INCLUDES FEDERAL ACQUISITION REGULATIONS (FAR) RELATING TO IMMIGRATION, E-VERIFY REQUIREMENTS, BUSINESS ETHICS & COMPLIANCE, CERTIFICATIONS AND CLAIMS OR PROPOSALS, PAYMENT TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS, AND CLEAN AIR AND WATER. SUBCONTRACTOR, BY SIGNING THIS AGREEMENT, HEREBY CERTIFIES PER THE INCLUDED PROVISIONS.

EXHIBIT SI TO THIS SUBCONTRACT AGREEMENT INCLUDES SUBCONTRACTOR INSURANCE REQUIREMENTS. BEFORE COMMENCING THE SUBCONTRACT WORK, AND AS A CONDITION OF PAYMENT, SUBCONTRACTOR SHALL PURCHASE AND MAINTAIN INSURANCE AS LISTED IN EXHIBIT SI.

EXHIBIT FED TO THIS SUBCONTRACT AGREEMENT INCLUDES THE PROVISIONS OF THE FEDERAL ACQUISITION REGULATIONS (FAR) OR CODE OF FEDERAL REGULATIONS (CFR) WHICH ARE APPLICABLE TO THIS SUBCONTRACT IN ACCORDANCE WITH THE CONTRACT. THE SUBCONTRACTOR SHALL INCLUDE THESE CLAUSES IN ALL COVERED LOWER TIER SUBCONTRACTS AND PURCHASE ORDERS.

SECTION 1 ENTIRE CONTRACT

THIS AGREEMENT ("Subcontract" or "Agreement") is made _____.

Nova Group, Inc. ("Contractor") entered into Contract No. _____ ("Contract" or "Prime Contract") with _____, ("Owner" or "Government"). That Contract and all plans, specifications, amendments, general, special and supplemental conditions, addenda and change orders thereto are incorporated by reference in this Subcontract. That Contract, including all amendments and subsequent Contract modifications can be accessed at _____. Specifications which are incorporated by reference into the Contract are so incorporated by reference into this Subcontract.

_____ ("Subcontractor") desires to perform a part of the work specified in the Contract, and Contractor is willing to subcontract that work to Subcontractor for the consideration and upon the terms and conditions set forth herein.

Subcontractor certifies that it is fully familiar with the terms and conditions of the Contract, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is not relying on any opinions or representations of Contractor.

Subcontractor is bound to the Contractor to the same extent that Contractor is bound to Owner under the Contract. Where, in the Contract, reference is made to Contractor and the work or specifications therein pertain to Subcontractor's trade, craft, or type of work, such work or specifications shall be interpreted to apply to Subcontractor instead of Contractor.

Contractor and Subcontractor therefore agree as follows:

SECTION 2 SUBCONTRACT SCOPE

The Subcontractor shall perform the following work ("Work") and shall furnish all supervision, labor, materials, layout, tools, equipment, supplies, temporary utilities, shop drawings and all other things necessary (as defined herein) for the construction and completion of the Work and work incidental thereto in strict accordance and full compliance with the Contract as follows:

2.1 Scope.

2.2 Submittals: The Subcontractor shall prepare and submit to Contractor in form and content acceptable to Contractor and Owner all shop drawings, product samples, test data, manufacturers' literature, operating and maintenance instructions manuals, as-builts, and similar submittals as described in the Contract that are directly and indirectly applicable to the Subcontractor's Work. The Subcontractor is responsible for ensuring that all necessary submittals required by the Contract are identified and will be provided.

- (a) Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the Schedule and in such time and sequence so as not to delay Contractor or Owner in the performance of the Contract.
- (b) In addition to the number of submittals identified in the Contract, provide an additional copy and one (1) electronic of all submittals.
- (c) Contractor/Owner shall have up to forty-five (45) calendar days for review and approval of the submittals.
- (d) The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of this Subcontract unless express written approval is obtained from Contractor/Owner authorizing such deviation, substitution or change.
- (e) Subcontractor shall not manufacture, release, ship, or start work until Contractor provides release.
- (f) The Subcontractor shall include a Certificate of Conformance with the submittal data.
- (g) Approved submittals from Subcontractor is an express condition precedent to Contractor's obligation to pay Subcontractor.

2.2.1 Additional Submittal Requirements:

SECTION 3 SUBCONTRACT PRICE

3.1 Price Schedule

Contractor agrees to pay the Subcontractor the sum of _____, subject to the provisions hereof and to make payments in accordance with this Subcontract. Unless stated otherwise, the prices in this Subcontract are in United States dollars.

Item Description	Quantity	UM	NTE	Unit Price	Extended Price
					\$0.00

NOTES:

- (1) If the actual bond costs have not been determined, the bond price is based on an estimate of 2% of the Subcontract value.
- (2) If this Subcontract includes Not-to-Exceed (NTE) amount(s), Subcontractor shall perform Work on a reimbursable basis within the NTE the price identified. Subcontractor shall notify the Contractor when 75% of the

NTE amount has been expended or is expected to be expended. Subcontractor shall not exceed the NTE amount without approval by the Contractor and issuance of a revised Subcontract.

(3) If this Subcontract includes unit price(s), Subcontractor acknowledges that the unit price(s) stated shall represent full payment for all such Work, including direct and indirect costs and profit.

SECTION 4 PAYMENT

4.1 Invoices.

(1) A Pay Application, detailing the breakdown of the Price Schedule for invoicing and payment purposes will be issued with the executed Subcontract. A revised Pay Application will be issued with each change order.

(2) The Subcontractor's invoices shall be submitted on the Pay Application form provided by the Contractor.

(3) Prior to submission of an invoice, the Subcontractor will provide a draft Pay Application identifying the proposed invoice amounts and meet with the Contractor to agree to the work completed (including percentage of work for progress payment) that will be approved for payment. The Contractor will approve/sign the Pay Application prior to invoice submission.

(4) The Subcontractor shall submit monthly invoices no later than the 25th calendar day of the month for Work performed up to and including the last day of the month

(5) Subcontractor's invoices will be the basis for determining amounts earned by the Subcontractor.

(6) A complete and approved Pay Application, a current certificate of insurance and current Davis Bacon Act Payrolls (up to the week ending before date of invoice), including all lower tier subcontractors is an express condition precedent to the Contractor's obligation to pay Subcontractor.

(7) Contractor reserves the right to return to the Subcontractor for correction any and all invoices containing error and/or not in agreement with this Subcontract.

4.2 Payment Schedule.

Notwithstanding anything to the contrary in this Subcontract, the amount(s) specified above shall be paid by Contractor as follows:

(1) Partial payments will be made to Subcontractor each month in an amount equal to the value of the Work in place (and stored at the site, if payment therefor is provided for in the Contract), as determined by Owner payable within seven (7) business days after Contractor receives payment therefor from Owner. Partial payments shall not be construed as an acceptance of Work performed or waiver of any of Contractor's rights.

(2) When the Work has been completed and accepted in writing by Owner, Contractor will pay the balance of the amount due to Subcontractor within seven (7) business days after Contractor receives full payment therefor from Owner. Acceptance of final payment shall constitute a release by Subcontractor in favor of Owner and of Contractor and its surety of all claims with respect to this Subcontract, other than claims excepted by the written consent of Contractor.

(3) Receipt by Contractor of payment from Owner for the Work is a condition precedent to the obligation of Contractor to make any payment to Subcontractor, unless nonpayment by Owner is due to a default by Contractor.

(4) If payment is not made in accordance with the above, Contractor shall pay Subcontractor interest for the period beginning on the day after the required payment date and ending on the date on which payment is made, computed at the rate of interest established by the Secretary of the Treasury and published in the Federal Register for interest payments under Section 12 of the Contract Disputes Act of 1978 at the time Contractor accrues the obligation to pay an interest penalty.

(5) If requested by Contractor, Subcontractor shall also provide payroll affidavits, receipts, vouchers, releases of claims for labor and material, and written partial or final waivers of lien, stop notice and bond rights to Contractor, and receipt of such information also is a condition precedent to the obligation of Contractor to make any payment to Subcontractor.

(6) Subcontractor agrees to provide Contractor with a list of its suppliers with aggregate purchase orders or other contracts of \$5,000 or more; said list to include the name of the supplier, the address and telephone number of the supplier, and the nature of that purchased. Providing said list to Contractor is an express condition precedent to Contractor's obligation to pay Subcontractor.

(7) Contractor has the right to set-off amounts due from Subcontractor pursuant to this Subcontract or any other transaction against amounts payable to Subcontractor under this Subcontract. Contractor, at its option, shall

have the right to make payment to Subcontractor and any actual or potential mechanic's lien, stop notice or bond right claimant by joint check. If any such claimant records a mechanic's lien, files a stop notice or commences an action on Contractor's bond, Contractor shall have the right to retain from payment due or to become due to Subcontractor an amount sufficient to indemnify (hereinafter defined) Contractor in connection therewith. All payments received by Subcontractor from Contractor shall be held in trust by Subcontractor and shall be applied to Subcontractor's obligations under this Subcontract until Subcontractor has been paid in full. Subcontractor shall furnish proof of the foregoing to Contractor on demand.

4.3 Overpayments. If the Subcontractor becomes aware of a duplicate Subcontract payment or that the Contractor has otherwise overpaid on a Subcontract payment, the Subcontractor shall immediately notify the Contractor and request instructions for disposition of the overpayment.

4.4 Electronic Certified Payrolls. To the extent Subcontract is performing work covered by the Davis Bacon Act, Subcontractor, and its lower tier subcontractors performing work covered by the Davis Bacon Act (including owner/operator), shall provide certified payrolls in electronic format using LCPTracker, www.lcptracker.com. Contractor shall provide Subcontractor with information to enable Subcontractor and its lower tier subcontractors, to access LCPTracker and secure online training. Payrolls must be submitted weekly beginning the first week on site through demobilization without exception including periods of no work or reporting work performed by an owner operator. Current Davis Bacon Act Payrolls (up to the week ending before date of invoice) is an express condition precedent for allowing the Subcontractor to continue working on site and to the Contractor's obligation to pay Subcontractor.

SECTION 5 CHANGES IN THE WORK

Contractor shall have the right to change the scope of the Work in any respect by written order to Subcontractor. The order may direct Subcontractor

- (i) to submit to Contractor a substantiated written proposal for an adjustment of the Subcontract price and/or time for performance before commencing the changed Work or
- (ii) to commence with the changed Work and then submit such a proposal to Contractor.

Subcontractor shall comply with the order and submit the proposal to Contractor within ten (10) business days after receipt of the order. Promptly after the submission of the proposal, the parties shall agree in writing upon such an adjustment. If the parties do not so agree, the adjustment, if any, shall be made in accordance with the changes clause in the Contract.

Any change in the scope of the Work ordered by Contractor and any change in the terms of this Subcontract or in the time or manner of payment to Subcontractor agreed to by the parties may be made without notice to Subcontractor's surety, if any, and no such change shall release or exonerate Subcontractor's surety, if any.

Contractor shall not be liable for any backcharge from Subcontractor unless the subject and amount of the backcharge was first authorized in writing by Contractor.

SECTION 6 SCHEDULE OF WORK

Contractor shall have complete control of the job site and shall have the right to determine the time when, and the sequence in which, the work of Contractor, of Subcontractor and of other Subcontractors will be performed. Subcontractor shall comply with Contractor's progress schedule, as Contractor may modify it from time to time. Subcontractor shall prosecute the Work in a prompt and diligent manner so as to promote the general progress of the entire construction and shall not interfere with the Work of Contractor, or any other subcontractor, or any other contractor on the job.

If requested by Contractor, Subcontractor shall submit to Contractor a progress schedule for the Work, or at Contractor's election, cooperate with Contractor in the preparation of a progress schedule.

Subcontractor acknowledges both four (4) ten (10)-hour day work weeks and five (5) eight (8)-hour day work weeks may be used throughout the course of this project. Contractor shall notify Subcontractor of work schedule prior to beginning of on-site contract work.

SECTION 7 NOTICE TO CURE

If Subcontractor does not diligently prosecute the Work or maintain Contractor's schedule for the Work or timely pay any person or entity who has the right to file a stop notice with the Owner or to commence an action on Contractor's

payment bond, or if Subcontractor otherwise materially breaches this Subcontract and if Subcontractor or its surety fails within two (2) business days after receipt of written notice of such default from Contractor to commence and thereafter continue diligently to remedy such default, or if Subcontractor is otherwise guilty of a material breach of a provision of this Subcontract and fails within forty-eight (48) hours after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, Contractor shall have the right either

- (i) to perform the balance of the Work and deduct the cost thereof from amounts due and to become due to Subcontractor under this Subcontract or
- (ii) to terminate this Subcontract.

If Contractor terminates this Subcontract,

- (i) Subcontractor, on demand, shall assign to Contractor such purchase orders and subcontracts that Subcontractor has entered into with respect to the Work as may be designated by Contractor,
- (ii) Contractor shall have the right to use, to complete the Work, all on-site materials, implements, equipment, appliances or tools belonging to Subcontractor and
- (iii) Contractor shall have no further obligation to Subcontractor except to pay to Subcontractor, after the Work has been completed and Contractor has received final payment therefor from Owner, an amount equal to the excess, if any, of the unpaid balance of the amount payable under this Subcontract over the cost incurred by Contractor to finish the Work; if such cost exceeds such unpaid balance, Subcontractor or its surety promptly shall pay the excess to Contractor.

As used in this paragraph and hereafter, the term "cost" shall mean the cost incurred by Contractor plus an amount equal to 15% of such cost for overhead and an amount equal to 10% of total of the foregoing for profit. The remedies specified in this paragraph are in addition to any other legal remedies available to Contractor.

SECTION 8 BANKRUPTCY/INSOLVENCY

Subcontractor agrees that if an order for relief is entered with respect to Subcontractor pursuant to the Bankruptcy Reform Act of 1978, as it may be amended, or if Subcontractor makes a general assignment for the benefit of Subcontractor's creditors or if a receiver is appointed for Subcontractor, or if Subcontractor seeks protection under the Bankruptcy Code or commits any other act of insolvency, it is probable that Subcontractor will not be able to perform Subcontractor's obligations under this Subcontract. Accordingly, if any such event occurs, Contractor shall have the right to request Subcontractor or Subcontractor's successor in interest to provide Contractor with written assurance that is reasonably adequate to Contractor that Subcontractor or Subcontractor's successor in interest will be able to continue to perform Subcontractor's obligation under this Subcontract. If Subcontractor or Subcontractor's successor in interest fails to respond to such request within ten (10) business days after receipt thereof or if the response within that period is not adequate assurance, Contractor shall have the right to terminate this Subcontract by written notice to Subcontractor or to Subcontractor's successor in interest and the sections herein applicable to termination shall apply. Pending a response to Contractor's request, if Subcontractor then is in default under this Subcontract, Contractor shall have the right to cure such default and to offset the cost incurred by Contractor in connection therewith against amounts due and to become due to Subcontractor under this Subcontract. If such cost exceeds the unpaid balance of the Subcontract price, Subcontractor shall be liable to Contractor for the excess.

SECTION 9 DAMAGES CAUSED BY DELAYS

If Subcontractor is delayed in the prosecution of the Work by Owner, by Contractor, by another subcontractor of Contractor, or by any cause that would entitle Contractor to an extension of time under the Contract, Subcontractor shall give Contractor written notice of the occurrence of the cause within four (4) business days after the commencement thereof and keep Contractor currently informed in writing with respect thereto until the delay has terminated. If Subcontractor fails to give such notice within the time specified, Subcontractor shall be deemed conclusively to have waived its right to an extension of time based upon such cause.

If Subcontractor is so delayed, the parties shall agree in writing upon an extension of the time for the performance of the Work or, if they are unable to so agree, Subcontractor's entitlement to, and length of, the extension of time shall be determined pursuant to the Dispute Resolution provisions hereof. The length of the extension of time shall be equal to the number of calendar days that the completion of Subcontractor's Work actually was delayed by such cause. Anything in this paragraph to the contrary notwithstanding, if such delay (other than a delay caused by Contractor or another subcontractor) also concurrently delays the completion of the Contract, Subcontractor shall not be entitled to an extension of time that is longer than the extension of time granted by Owner to Contractor therefor.

Subject to the above, Subcontractor shall perform the Work within such time as will permit Contractor to complete the Contract within the time specified therein. If Subcontractor breaches this obligation, Subcontractor shall be liable to Contractor

- (i) for all liquidated damages that are collected by Owner from Contractor that are caused by Subcontractor's breach and
- (ii) for such other damages (losses, costs, expenses, liabilities and damages, including consequential damages) that are caused to Contractor by Subcontractor's breach.

SECTION 10 TERMINATION FOR CONVENIENCE BY OWNER

If Owner terminates the Contract for a reason other than the default of Contractor, or stops or suspends work under the Contract, Contractor shall have the right to terminate this Subcontract or Contractor shall have the right to order Subcontractor to stop or suspend the Work, as the case may be, and Contractor will pay Subcontractor such amount as Contractor receives from Owner that is attributable to Work, payable within ten (10) business days after Contractor receives payment from Owner. Said payment to Subcontractor shall relieve Contractor from all further obligations under this Subcontract.

Additionally, the Contractor may at any time and for any reason terminate Subcontractor's services and work at Contractor's convenience. Termination shall be by service of written notice to Subcontractor's place of business.

Upon receipt of such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities, and supplies in connection with the performance of this Subcontract, and shall, if requested, make every reasonable effort to procure termination or cancellation of all existing orders or contracts upon terms satisfactory to Contractor or, at the option of Contractor, give Contractor the right to assume those obligations directly, including all benefits to be derived there from.

Subcontractor shall thereafter do only such work as may be necessary to preserve and protect the work already in progress and to protect material and equipment on the job site or in transit thereto.

SECTION 11 DAMAGES CAUSED BY OWNER

If Subcontractor shall claim that it is entitled to additional compensation or damages by reason of any act or omission of Owner or for which Owner is responsible, Subcontractor promptly, and in no event later than ten (10) business days, shall submit a claim therefor in writing to Contractor and Contractor will, on behalf of Subcontractor, submit the claim to Owner and invoke on behalf of Subcontractor all procedures and remedies provided in the Contract for the resolution of the claim. All claims (including Request for Equitable Adjustments (REA)) submitted to the Contractor under this section must cite Section 11 as the basis of the claim, include written acknowledgment of the process and terms stated herein, and provide, claim certification(s) required by the prime Contract.

Subcontractor agrees to be bound to Contractor to the same extent as Contractor is bound to Owner by such procedures and remedies and by the final decision of any Contracting Officer, court, board or other tribunal having jurisdiction of the claim pursuant to the Contract or to law. Except as above provided, Subcontractor hereby waives all rights Subcontractor otherwise may have against Contractor in regard to such a claim and agrees not to seek payment of such claim from Contractor, except to the extent that Contractor actually receives payment for the claim from Owner. Subcontractor shall, at Subcontractor's expense, cooperate fully with Contractor in the submission and in all steps taken in connection with the prosecution of the claim, prepare all supporting data, produce all witness and consultants and do all things necessary to present said claim properly, and shall reimburse Contractor for all reasonable expenses and attorneys' fees incurred by Contractor in connection therewith. If Owner shall actually pay additional compensation or damages to Contractor on account of said claim, then Contractor promptly will pay an amount equal thereto to Subcontractor, less Contractor's mark-up thereon.

In the event any claim of Subcontractor is presented to Owner with claims of Contractor, or others, Contractor's reasonable determination as to the amount, if any, paid by Owner with respect to Subcontractor's claim shall be final and binding on Subcontractor.

SECTION 12 DAMAGES CAUSED BY CONTRACTOR

If Subcontractor shall claim that it is entitled to additional compensation or damages by reason of any act or omission of Contractor or for which Contractor is responsible, Subcontractor shall give written notice thereof to Contractor within five (5) business days after the occurrence of the act or omission, stating in detail the nature thereof and the additional compensation or damages sought to the extent that the same then can be determined. If Subcontractor

fails to give such notice within the time specified, Subcontractor shall be deemed conclusively to have waived any claim based upon such act or omission. Promptly after each such notice is given, the parties shall agree upon the Subcontractor's entitlement to, and the amount of, such claim. If the parties are unable to so agree, the dispute will be determined by the dispute resolution provisions hereof.

SECTION 13 INSURANCE

Subcontractor will, during the term of this Subcontract, carry, at its own expense the insurance identified by Exhibit SI. Subcontractor acknowledges that entry to the jobs site will be denied until Contractor has received and approved the insurance policies.

SECTION 14. SUBCONTRACTOR OBLIGATIONS

Subcontractor agrees:

14.1 Responsibilities

To furnish all supervision, administration, labor, material, tools, equipment, supplies, power, shop drawings, fuel, light, water, telephone service, as-built drawings, operator training, operations manuals, testing, and all other things necessary to perform and incidental to the performance of the Work.

14.2 Obligations under the Prime Contract

To assume and perform all obligations of Contractor under the Contract that are applicable to the Work, and all rights and remedies of Owner under the Contract that are applicable to the Work may be enforced by Contractor against Subcontractor.

14.3 Indemnification

To the fullest extent permitted by law, to indemnify Contractor and Owner, including their officers, agents, employees, affiliates, parents and subsidiaries, and each of them, with respect to injury to, or death of, any person (including employees of Subcontractor) and damage to, or destruction of, property that arises out of, or is in any way connected with, the performance of the Work. Subcontractor's agreement to indemnify shall apply to any acts or omissions (whether active or passive) and to the willful misconduct on the part of Contractor or Subcontractor (or their respective employees, agents or subcontractors of any tier or the latter's employees or agents); provided, that said indemnity shall not be applicable to the sole negligence or the sole willful misconduct of

- (i) Owner, or its employees or agents or
- (ii) Contractor, or its employees or agents or
- (iii) independent contractors (other than Subcontractor) who are directly responsible to Owner or to Contractor.

The term "indemnify" or "indemnity," as used in this paragraph and elsewhere in this Subcontract, means to indemnify and hold harmless the indemnitees and its employees and agents from all liability, loss, damage, penalties, expenses and attorneys' fees in connection with any claim, demand or cause of action asserted against the indemnitee or its employees or agents based upon the matter to which the indemnity relates. If Subcontractor breaches its agreement to indemnify, all liability, loss, damage, penalties, expenses and attorneys' fees incurred by the indemnitee or its insurance carrier shall be covered by the indemnity.

To indemnify Contractor and Owner with respect to any breach by Subcontractor of any of its obligations under this Subcontract.

To indemnify Contractor for any penalties imposed on account of the violation of any law, order, citation, rule, regulation, standard, ordinance or statute, caused by the action or inaction of Subcontractor.

To indemnify Contractor for any violation or infraction by Subcontractor of any law, order, citation, rule, regulation, standard, ordinance or statute any way relating to the occupational health or safety of employees, including, but not limited to the use of Contractor's or other's equipment, hoists, elevators, or scaffolds.

The indemnification provision of this Section shall extend to claims occurring after this Subcontract is terminated as well as when it remains in force.

14.4 Patent Infringement

To indemnify Contractor and Owner with respect to infringement of any patent rights by Subcontractor.

14.5 Subcontractor Employees

To remove from the site of the Work any employees of Subcontractor or of its subcontractors of any tier to whom Contractor has any reasonable objection.

14.6 Claims, Liens, Bond Claims

To pay when due all third parties who have the right to assert mechanic's lien, stop notice or bond rights with respect to the Work, to provide to Contractor on demand satisfactory evidence of such payment and not to permit any such

- (i) mechanic's lien to be recorded,
- (ii) stop notice to be filed or
- (iii) bond right to be asserted or,

if any such mechanic's lien is recorded or such stop notice is filed, promptly to provide a bond to release the same, or, if any such bond right is asserted, promptly to provide Contractor and its surety with an amount in cash to indemnify Contractor and its surety against the same.

14.7 Permits and Licenses

To obtain and pay for all permits, licenses and inspections required in connection with the Work.

14.8 Assignment

Not to assign, sublet or further subcontract any of the Work or any payments to become due under this Subcontract without the prior written consent of Contractor. Such consent shall not be unreasonably withheld.

14.9 Risk of Loss

That Subcontractor shall be responsible for its own work, property and materials and shall bear the risk of damage to, or destruction of, the Work from any cause, other than negligence of Contractor, until Contractor is relieved of responsibility therefor to and by Owner and that Subcontractor promptly shall repair or replace any damage to, or destruction of, the Work, for which it bears said risk. Subcontractor waives all rights Subcontractor might have against Contractor for loss or damage to Subcontractor's work, property, or materials.

14.10 Contractor's Use or Occupation of Work

That Contractor shall have the right to use or occupy any portion of the Work before the Work is accepted by Owner, but such use or occupation shall not relieve Subcontractor from any of its obligations under this Subcontract.

14.11 Waiver of Obligation

That the waiver by Contractor of any obligation of Subcontractor shall not be construed as a waiver by Contractor of any other obligation of Subcontractor.

14.12 Clean-Up

To keep the site of the Work clean and free from unnecessary tools, equipment, materials and supplies and, on written demand by Contractor, to clean the site of the Work and remove such unnecessary tools, equipment, materials and supplies; and, if Subcontractor fails to do so within 48 hours after receipt of such demand, that Contractor shall have the right to do so and charge Subcontractor the reasonable cost thereof.

14.13 Repair of Damage

That if Subcontractor damages the work of Contractor or any other Subcontractor or other contractor on site, Subcontractor promptly will repair the same at Subcontractor's sole cost.

14.14 Cutting and Patching

To perform in a workmanlike manner all cutting and patching required by Contractor in connection with the Work.

14.15 Warranties & Bond under Prime Contract

To provide all warranties and guarantees and related bonds, if any, applicable to the Work that are required by the Contract. Warranties will be no less than 12 months after final contract completion date.

14.16 Shop Drawings, Samples and Submittals

To provide all shop drawings, samples and submittals applicable to the Work that are required by the Contract.

14.17 Inspection

That Subcontractor has fully acquainted itself with all obstructions, subsurface and other conditions relevant to the Work, the site of the Work and its surroundings, and that it has made all investigations essential to a full understanding of the difficulties which may be encountered in performing the Work; that Subcontractor assumes the risk of any variances between the actual conditions and the conditions shown or represented in the Contract or this Subcontract and, anything in the Contract, this Subcontract, or in any representations, statements or information made or furnished by Contractor or Owner notwithstanding, Subcontractor will complete the Work for the amount stated in this Subcontract, and assume full and complete responsibility for all conditions relating to the Work, the site of the Work and its surroundings and all risks in connection therewith, except as otherwise provided for in the Contract for changed or differing site conditions.

That Subcontractor shall at all times furnish to Contractor and its representatives safe and ample facilities for inspecting material at the site of construction, shops, factories or any place of business of Subcontractor and its subcontractors and material men where materials under this Contract may be in course of preparing, process, manufacture or treatment. Subcontractor shall furnish to Contractor as often as required by Contractor, full reports of the progress of the work at any place where materials under this Contract may be in the course of preparation or manufacture. Such reports shall show the progress of such preparation and manufacture in such details as may be required by Contractor, including, but not limited to, any plans, drawings or diagrams in the course of preparation.

14.18 Controlled Substance Screening

To the extent not in conflict with any collective bargaining agreement to which Subcontractor is a party, all of Subcontractor's employees on the site of the above-referenced project shall be subject to drug testing as follows: prior to initial entry on site; post-accident/incident defined when based upon suspected impairment; reasonable suspicion when based upon suspected impairment; and no more than monthly random sampling.

Subcontractor agrees that all of Subcontractor's employees who test positive for those substances established by the National Institute on Drug Abuse (NIDA) and the Department of Health and Human Services (DHHS) at those levels adopted by NIDA and DHHS shall be immediately removed from the site by Subcontractor. Said employees shall not be returned to the site of the above-referenced project for a minimum period of thirty (30) calendar days and not until said employees have screened negatively for drugs.

Should Contractor determine that Subcontractor does not have a comparable drug screening protocol to that of Contractor, Subcontractor agrees that Contractor shall perform on site drug screening and analysis on behalf of Subcontractor, at Contractor's expense. This on-site drug screening shall be the same as Contractor performs on its own employees; provided, however, that if Contractor dispatches its employees to a lab or clinic for offsite initial screening, any and all costs and expenses associated with the dispatch of Subcontractor employees to said lab or clinic shall be borne exclusively by Subcontractor. Should Subcontractor perform and/or have performed its collection of specimens and analysis, said collection and analysis shall be performed under the specifications hereof, and Subcontractor shall not be entitled to any credit therefor.

Subcontractor agrees that the random selection of Subcontractor's employees for drug screening shall be made by Contractor. Subcontractor agrees to indemnify and hold Contractor harmless for any and all liability, loss, damage, penalties, expenses and attorneys' fees in connection with any claim, demand or cause of action asserted against Contractor or its employees or agents based upon the above-referenced drug screening. Subcontractor further agrees that it shall not be entitled to additional time or compensation from Contractor as a result of any drug screening provided herein.

14.19 Release of Information

Subcontractor shall not publicly release information, photographs, or other documents concerning any aspect of the materials or services relating to this contract without the prior written approval of the Owner.

SECTION 15 SAFETY

Subcontractor shall comply fully with all laws, orders, citations, rules, regulations, standards and statutes with respect to occupational health and safety, hazard communication, the handling and storage of hazardous materials, accident prevention, safety equipment and practices including the accident prevention and safety program of Owner and Contractor and those relating to Environmental Protection. Subcontractor shall conduct inspections to determine that safe working conditions and equipment exist and accepts sole responsibility for providing a safe place to work for its employees and for employees of its subcontractors and suppliers of material and equipment, for adequacy of and required use of all safety equipment and for full compliance with the aforesaid laws, orders, citations, rules, regulations, standards, and statutes.

Subcontractor acknowledges that the work will be performed on a Government installation and in accordance with FAR 52.236-13 Accident Prevention, the Government reserves the right to identify unsafe conditions by the Subcontractor which poses a serious or imminent danger to the health or safety of the public or Government personnel, require immediate corrective action, and may issue an order stopping all or part of the work until satisfactory corrective action has been taken. The Subcontractor shall not be entitled to any equitable adjustment of the contract price or extension of the performance schedule on any stop work order issued under this clause.

To the extent applicable under the Contract, FAR 52.223 3 is fully incorporated herein by reference, and a copy of said FAR 52.223 3 is attached hereto and incorporated herein by reference as though fully set forth at length.

SECTION 16 INDEPENDENT CONTRACTOR

Subcontractor is, and shall remain until the completion of the Work, an independent contractor and an employing unit subject as an employer to all federal and state laws and regulations pertaining to social security, unemployment and disability compensation and other payroll deductions and contribution with respect to its employees. Subcontractor shall maintain all records, make all reports and pay all payroll taxes, deductions and contributions required by such laws and regulations.

SECTION 17 BONDS

Concurrent with the execution of this subcontract, Subcontractor shall furnish standard Subcontract Performance and standard Subcontract Payment bonds in favor of Contractor, each in a penal sum equal to the amount or the aggregate amounts specified in Subcontract Price. The form on all the bonds, the surety thereon, and the terms thereof shall be acceptable to Contractor. The invoice for bond premium shall be billed to Contractor directly from Subcontractor and include a copy of the paid invoice from Subcontractor to Surety or Broker. Contractor payment for bond premium shall not exceed the actual cost of Subcontractors premium. Any such bonds shall remain valid and in full effect for the warranty period specified in the Contract.

Subcontractor acknowledges that entry to the jobs site will be denied until Contractor has received and approved payment and performance bonds from Subcontractor.

SECTION 18 TIME

Time is of the essence of this Subcontract.

SECTION 19 DISPUTE RESOLUTION

If any dispute shall arise between Contractor and Subcontractor pertaining in any manner to the interpretation of this Subcontract, or to the breach hereof, which the parties are unable to settle by mutual agreement, Contractor shall have the exclusive option either to have the dispute determined by court or by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Contractor shall exercise said option by commencing a court action or by commencing an arbitration proceeding. If Subcontractor first commences a court action with respect to a dispute which Contractor desires to have determined by arbitration or an arbitration proceeding which Contractor desires to have determined by a court action, Contractor shall have the right to have said court action or arbitration proceeding stayed if Contractor promptly shall commence the arbitration proceeding or court action desired by Contractor.

Judgment upon the award in any arbitration proceeding may be entered in any court having jurisdiction thereof. The prevailing party (as determined by the court or arbitrator(s)) shall be entitled to reasonable expenses and attorneys' fees from the other party in an amount to be fixed by the court or arbitrator(s). The arbitrator(s) in any arbitration proceeding shall have the right to allocate his or their fees between the parties or to charge all of such fees to one

party, as the arbitrator(s) shall deem to be just. The laws of the site of the Work shall govern all disputes referred to in this paragraph. The provisions of Section 1283.05 of the Code of Civil Procedure of the State of California (pertaining to depositions and discovery) hereby are incorporated by reference herein and are made a part hereof, if the site of the Work is in California. If the Contract contains a clause for the settlement of disputes by arbitration and if an arbitration proceeding is commenced by Contractor or by Owner which involves the Work, upon written demand by Contractor, Subcontractor shall become a party to the arbitration proceeding and Subcontractor shall be bound by the award therein and by any judgment entered upon the award. Subcontractor shall require each of its subcontractors, of every tier, to agree to the obligation of Subcontractor specified in the preceding sentence.

Provided, however, that in the event of any dispute or controversy with Contractor or any other Subcontractor over any matter whatsoever, Subcontractor shall not cause any delay or cessation in or of Subcontractor's work or the work of any other Subcontractor or of the Contractor, but shall proceed under this Subcontract with the performance of the work required thereby.

SECTION 20 SMALL BUSINESS PARTICIPATION

20.1 North American Industry Classification System (NAICS)

The NAICS for the Work under this subcontract is:

NAICS Number:	Size Standard:
---------------	----------------

20.2 Size Standards

Small Business Size Standards matched to North American Industry Classification System (NAICS) are found at www.naics.org or www.census.gov. Sector 23 is construction; subsector 235 construction of buildings, subsector 237 heavy and civil engineering construction, and subsector 234 specialty trade contractors. Upon request, Contractor will provide Subcontractor with a copy of the Small Business Size Standards matched to NAICS.

20.3 Small Business Subcontracting Plan

Subcontractor shall be bound to the extent applicable to the provisions of FAR 52.219-9, Small Business Subcontracting Plans and, to the extent that Subcontractor is a large business, Subcontractor acknowledges that Subcontractor is expressly subject to FAR 52.219-9. If Subcontractor is a large business and this Subcontract is in excess of \$1,500,000.00, then Subcontractor shall adopt a Small Business Subcontract plan as described in FAR 52.219-9 and shall supply complete Standard Form 294 and Standard Form 295 and submit the same to Contractor as provided for in FAR 52.219-9. Complete Plan no later than ten (10) calendar days after issuance of Subcontract.

20.3.1 Subcontracting Plan Information

Contract Number:	
Contractor SAM Entity ID	
Contractors Official for receipt or rejecting ISR:	

SECTION 21 SUBCONTRACT TO PREVAIL

To the extent that any document attached hereto and/or incorporated by reference herein by Subcontractor whether the same by titled a proposal, quotation, addendum, attachment, exhibit, etc., is in conflict with the provisions of this Subcontract, all terms and conditions of this Subcontract shall prevail and the conflicting provisions of the attached and/or incorporated document shall be deemed of no force and effect.

SECTION 22 MISCELLANEOUS PROVISIONS

(1) This Subcontract contains the entire Subcontract between the parties with respect to the subject matter thereof. No representative of Subcontractor or of the Contractor has authority to make any representations or agreements not set forth herein. No modification of the terms hereof shall be binding unless reduced to writing and executed by both parties.

(2) This Subcontract may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

(3) If any term of this Subcontract is finally determined to be contrary to law, the remaining terms of this Subcontract shall remain in full force and effect.

(4) Each person executing this Subcontract represents that the execution of this Subcontract has been duly authorized by the party on whose behalf the person is executing the Subcontract and that such person is authorized to execute the Subcontract on behalf of such party.

(5) This Subcontract shall bind and inure to the benefit of the respective successors and assigns of the parties hereto and, if Subcontractor is a natural person, his heirs, legatees and personal representatives.

IN WITNESS WHEREOF: The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators, and assigns on the day and year below written.

CONTRACTOR: Nova Group, Inc.

By: _____ Dated: _____
Project Manager

SUBCONTRACTOR:

By: _____ Dated: _____
(Signature)

Print Name/Title: _____

Must be signed by an officer, if a corporation; a partner, if a partnership; or by the sole proprietor

State License No.		State:	
Organization:	<input type="checkbox"/> Corporation	State of Incorporation:	
	<input type="checkbox"/> Partnership		
	<input type="checkbox"/> Sole Proprietorship		
Federal Tax ID No			

**EXHIBIT SB
BUSINESS STATUS CERTIFICATION**

Subcontractor/Vendor, by signing this Subcontract/Order/Agreement, certifies to the following (complete shaded blocks):

1. SAM UEI, CAGE CODE, AND NAICS CODE

Subcontractor/Vendor hereby certifies himself/herself/itself:

SAM Entity ID (if applicable)			
CAGE Code (if applicable:			
NAICS:		Size Standard:	

2. CERTIFICATION

Subcontractor/Vendor hereby certifies himself/herself/itself:

<input type="checkbox"/> Government, state, local, municipal or "Not for Profit" organization	
<input type="checkbox"/> Large Business Concern	
<input type="checkbox"/> Small Business Concern (check all other boxes that apply)	<input type="checkbox"/> Small Disadvantaged Business Concern <input type="checkbox"/> HUBZone Small Business Concern <input type="checkbox"/> Woman-Owned Small Business Concern <input type="checkbox"/> Veteran Owned Small Business Concern <input type="checkbox"/> Service-Disabled Veteran Owned Small Business Concern

For internal company reporting, please complete the following:

Large and Small Business Concerns (check all boxes that apply)	<input type="checkbox"/> Minority Business Enterprise (MBE) <input type="checkbox"/> Women Business Enterprise (WBE) <input type="checkbox"/> LGBTQ-owned Business Enterprise (LGBTQBEE) <input type="checkbox"/> Disability-owned Business Enterprise (DOBE)
---	--

The offeror represents and certifies that the above information is true and understands that whoever for the purpose of securing a contract or subcontract under subsection (a) of Section 1207 of Public Law 99-661 misrepresents the status of any concern or person as a Small Business (SB) concern, Small Disadvantaged Business (SDB), Historically Underutilized Business Zone (HUBZone), Woman Owned Small Business (WOSB), Veteran Owned Small Business (VOSB), or Service-Disabled Veteran Owned Business (SDVOSB) (as described below) shall be

- (i) punished by imposition of a fine, imprisonment, or both;
- (ii) be subject to administrative remedies including suspension and disbarment; and,
- (iii) be ineligible for participation in programs conducted under the authority of the Small Business Act.

See also FAR 52.219(e)(4). The offeror represents and certifies that by submission of its offer and execution of this Subcontract/Order/Agreement the certifications in System for Awards Management, www.sam.gov (if registered), are correct and complete as of the date of the offer for this subcontract.

3. BUSINESS TYPE DEFINITIONS

Small Business Concern: A concern including affiliates, that is independently owned and operated, not dominant in its field of operations in which it is bidding on Government Contracts, and qualified as a small business under the criteria and size standards in 13 CFR 121.

Woman-Owned Small Business Concern: A small business concern that is at least 51% owned by a woman or women who are U.S. citizens and who also control and operate the business and has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that effects its eligibility.

City-State/Government/Non-Profit Organization: Offering goods or services at no profit.

Small Disadvantaged Business (SDB) Concern: A small business concern that is at least 51% unconditionally and directly owned (13 CFR 124.105) by one or more socially disadvantaged (13 CFR 124.103) and economically disadvantaged (13 CFR 124.104) individuals who are citizens of the United States and each individual claiming economic disadvantage has a net worth not exceeding \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.1002..

HUBZone Small Business Concern: A small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR Part 126. **NOTE:** HUBZone small businesses must be certified by SBA.

Veteran Owned Small Business Concern: A small business concern that is at least 51% owned by one or more veterans or, in the case of any publicly owned business, not less than 51% of the stock of which is owned by one or more veterans and that management and daily business operations of which are controlled by one or more veterans.

Service-Disabled Veteran Owned Small Business Concern: A small business concern that is at least 51% owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51% of the stock of which is owned by one or more veterans and that management and daily business operations of which are controlled by one or more service-disabled veteran. A service-connected disability is defined in 38 U.S.C. 101 (2) and 38 U.S.C. 101(16).

For internal company reporting, the following definitions are provided:

Women Business Entity. A business enterprise that is at least 51% owned, operated, and controlled on a daily basis by one or more female American citizens. WBEs may be large or small business concerns. Subcontractor/Vendor may be required to provide proof of classification.

Minority Business Entity. Minority group members are United States citizens who are: Asian-Indian, Asian-Pacific, Black, Hispanic, and Native American. Ownership by minority individuals means the business is at least 51% owned by such individuals or, in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals (i.e., the management and daily operations are controlled by those minority group members.). MBEs may be large or small business concerns. Subcontractor/Vendor may be required to provide proof of classification.

LGBTQ-Owned Business Enterprise. A business enterprise that is at least 51% owned, operated, and controlled by a LGBTQ individual(s). LGBTQEs may be large or small business concerns. Subcontractor/Vendor may be required to provide proof of classification.

Disability-Owned Business Enterprise. A for-profit business enterprise that is at least 51% owned, managed and controlled by a person with a disability regardless of whether or not that business owner employs person(s) with a disability. DOBEs may be large or small business concerns. Subcontractor/Vendor may be required to provide proof of classification.

SUBCONTRACTOR:

By: _____ Dated: _____

Print Name _____

Print Title _____

**EXHIBIT SF
SAFETY STATISTICS CERTIFICATION**

Subcontractor/Vendor, by signing this Subcontract/Order/Agreement, certifies to the following (complete shaded blocks):

Provide the past three years of the following safety statistics including:

1. **Experience Modification Rate (EMR):** This workers compensation number must include the confirmation letter written by your insurance company and should be below a 1.0 rating.
 - a. Attach a copy of the insurance agent's EMR Verification letter.
2. **Total Recordable Incident Rate (TRIR):** This number can be calculated by multiplying the total # of OSHA Recordable Accidents by 200,000 and then dividing that by the total number of hours worked by your company in that year. This number should be below a 4.0 rating.
3. **Days Away, Restricted Duty, Transfer Cases (DART):** This number can be calculated by multiplying the total # of OSHA DART Rate Accidents by 200,000 and then dividing that by the total number of hours worked that year. This number should be below a 2.0 rating.
4. **OSHA Citations and/or Fatalities:**

Year	Last Year	Prior Year 1	Prior Year 2
EMR (<1.0)			
TRIR (<4.0)			
DART (<2.0)			
OSHA Citations			
Fatalities			

5. **Provide a written explanation if any of the safety data values exceed the rated goals listed above. Provide a description of any OSHA Citations and/or fatalities:** (attach a separate sheet if necessary)

SUBCONTRACTOR:

By: _____ Dated: _____

Print Name _____

Print Title _____

**EXHIBIT SC
SUBCONTRACTOR CERTIFICATION**

1. IMMIGRATION

Subcontractor by signing this Subcontract represents and warrants that it is, and will remain, in compliance with any and all provisions of the Immigration Reform and Control Act of 1986 (IRCA), as amended, the Immigration and Nationality Act, as amended, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, as amended, and all other applicable immigration laws, rules, and regulations (Immigration Laws) including all form I-9 verification, E-Verify, and record keeping requirements.

Subcontractor shall Indemnify and hold Contractor and its Surety harmless from any claims, liabilities including any damages resulting from work stoppages or delays occasioned by or arising from any subcontractor noncompliance with IRCA or any such immigration laws, ordinances, rules, regulations, orders or decisions, as relates to the work of this Subcontract. The Subcontractor agrees to submit a certification, acceptable to contractor that its employees have presented the correct documents to legally work in the United States. Subcontractor also agrees to insert the substance of this clause, including this paragraph, in all Subcontracts or Purchase Orders hereunder.

1.1 E-Verify Requirement

Subcontractor by signing this Subcontract, Subcontractor hereby certifies that it has previously enrolled in the U.S. Citizenship and Immigration Services E-Verify program or shall enroll in that program within 30 calendar days of the award of this Subcontract. Subcontractor hereby agrees that

- (1) it shall use the E-Verify program to verify the employment eligibility of all new hires thereafter;
- (2) it shall use the E-Verify program to verify the employment eligibility of all employees assigned to perform work or services related to this subcontract/purchase order; and
- (3) shall include this clause in all covered subcontracts and purchase orders.

Upon request, Subcontractor shall furnish evidence of its enrollment in the E-Verify program. If the Subcontract is \$3,000.00 or less or is for commercial off-the-shelf items ("COTS items") or COTS items except for minor modifications as defined in FAR § 2.101(3)(ii), this clause shall not be applicable.

2. BUSINESS ETHICS & COMPLIANCE

2.1 Contractor Code of Business Ethics and Conduct.

The Subcontractor, by signing this Agreement, hereby certifies that it has reviewed the requirements of FAR §§ 52.203-13 and 52.203-14, that it has or will adopt a written code of business ethics and conduct within 30 days of the award of this subcontract, and will otherwise comply with the applicable requirements of the above referenced FAR provisions, and will include the substance of those FAR provisions in subcontracts or purchase orders in excess of \$5,000,000 and a performance period in excess of 120 days unless said lower tier subcontract (purchase order) is for the acquisition of a commercial product or shall be performed entirely outside of the United States. Upon Contractor's request, the Subcontractor shall furnish a copy of its written code business ethics and conduct. This clause is not applicable if the subcontract or purchase order is less than \$5,000,000.

2.2 Debarment

The Subcontractor, by signing this Agreement, certifies to the best of its knowledge and belief, that

- (a) Subcontractor and/or any of its principals are not presently debarred, suspended, proposed for debarment, or declared ineligible for contracts by any federal agency;
- (b) Subcontractor and/or any of its principals have not within a three-year period preceding this date been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of

embezzlement, theft, forgery, bribery, falsification or destruction of recording, making false statement, or receiving stolen property;

(c) Subcontractor and/or any of its principals are not presently indicted of, or otherwise criminally or civilly charged by a governmental entity with the commission of any of the offenses enumerated in (b) above;

(d) Subcontractor has not, within a three (3)-year period preceding this offer, had one or more contracts terminated for default by any federal agency; and

(e) Subcontractor shall provide immediate written notice to Contractor if, at any time hereafter during the term of this subcontract and until Contractor has been fully released by the federal governments under its prime contract, if Subcontractor learns that these certifications were erroneous at the execution hereof or have become erroneous by reason or changed circumstances.

2.3 Reporting Executive Compensation

By executing this Subcontract, Subcontractor acknowledges and understands that:

(1) FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (OCT 2018) is incorporated into the Prime Contract and, to the extent applicable, is incorporated into this Subcontract;

(2) by the end of the month following the month of award of this subcontract, if it has value of \$30,000 or more, Contractor shall report electronically information concerning the awarded subcontract and the subcontractor as prescribed by FAR 52.204-10 d(2); and

(3) that this information, with the exception of information concerning Subcontractor executive compensation, is publicly assessable.

By executing this Subcontract, Vendor agrees to furnish Contractor within fifteen (15) days of award of a this Subcontract, if the Subcontract price \$30,000 or more, and annually thereafter, the names and total compensation of each of the five most highly compensated executives for the Subcontractor's preceding completed fiscal year, if the Subcontractor's received:

(a) 80% of more in annual gross revenues from federal contacts (and subcontracts), loan, grants (and subgrants), cooperative agreements, and other forms of federal financial assistance, and

(b) \$25,000,000 or more in annual gross revenues from federal contracts (and subcontracts), loans, grants (and subgrants), cooperative agreements, and other forms of Federal financial assistance.

3. CERTIFICATIONS AND CLAIMS OR PROPOSALS

3.1 Contract Disputes Act Certifications

With respect to any Subcontractor claims submitted by Contractor to Owner, Subcontractor agrees to provide at the time of the submission of the claim to Contractor a certification signed by a senior company official in charge of the work involved, that the claim is made in good faith, that the supporting data are accurate and complete and that the amount requested accurately reflects the contract adjustment for which Subcontractor believes the Owner is liable. Subcontractor agrees Contractor may rely exclusively on this certification in providing any certification Contractor may be required to submit to the Owner insofar as the claim includes a claim for or on behalf of Subcontractor. Subcontractor further agrees to recertify its claim in the above form at any time requested by Contractor.

3.2 Proposals and Representations

If the Owner-Contractor Agreement is subject to the Contract Disputes Act of 1978, the False Claims Act (Title 31 of the United States Code, Section 231, *et seq.*), the Forfeiture Statute (Title 28 of the United States Code, Section (2514), Title 18 of the United States Code, Section 287, Title 18 of the United States Code, Section 1001, Title 10 of the United States code, Section 2306(1), and Title 41 of the United States Code Section 254, or any other federal laws or any state law which impose requirements of good faith, accuracy, completeness and fair dealing in connection with the presentation of cost proposals or claims against, or the provisions of statements to, any party. Subcontractor and its surety hereby undertake to defend at its own cost with its own legal counsel, indemnify and hold harmless Contractor and their respective officers, directors, employees, sureties and agents, from any and all loss, cost, penalty, damage, claim, demand, expense and assessment whatsoever, including reasonable attorney's

fees, arising from, relating to or in any manner connected with any allegation or claim of, or finding of, a violation of one or more applicable federal or state laws, provided that the alleged violation relates to, is directed at or is attributable to the Subcontractor, specifically, or relates to, is directed at or is attributable to those claims and supporting data submitted by Subcontractor in connection with the presentation of any claim by the Subcontractor for additional compensation, or adjustment of the contract terms, payment request, or any other act or statement by the Subcontractor.

3.3 Certification and Disclosure Regarding Payment to Influence Certain Federal Transactions

The Subcontractor, by signing this Agreement, hereby certifies that to the best of his or her knowledge it complies with the requirements set forth in FAR 52.203-11 - Certification and Disclosure Regarding Payment to Influence Certain Federal Transactions (Sept 2007), that to the best of its knowledge and belief no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract, and that the Subcontractor will include the language of this certification in all subcontracts, purchase orders, purchase agreements, etc., awards in excess of \$100,000 and require that all recipients of such a subcontract, purchase order, purchase agreement, etc., to certify and disclose accordingly and to obtain the equivalent certification from lower tier subcontractors or suppliers with contracts or purchase orders in excess of \$100,000.

4. ENVIRONMENTAL COMPLIANCE.

4.1 Clean Air and Water

The Subcontractor, by signing this Agreement, hereby certifies that

- (a) Any facility to be used in the performance of this proposed contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
- (b) The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and
- (c) The Subcontractor will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt Subcontract.

EXHIBIT SI INSURANCE REQUIREMENTS

1. CASUALTY INSURANCE

Subcontractor shall, at its sole cost and expense, and prior to the earlier of the effective date of the agreement between Contractor and Subcontractor and the start of any work or services as defined therein (the "Work"), procure and maintain (and shall cause its sub-subcontractors to also procure and maintain) insurance coverages as described below and including on all of its/their Work, operations and activities, with companies acceptable to Contractor. All such policies shall be maintained in full force and effect continuously from the date specified above until at least three (3) years after the final completion and acceptance of all Work by Contractor and owner of the project ("Owner"), and Subcontractor's policies shall expressly provide coverage for the operations and activities of all of its sub-subcontractors, regardless of whether such sub-subcontractors have procured and maintained policies therefor, including as required hereby. All such coverages and policies shall be primary to, and not additional to, supplemental of, or contributing with, any insurance coverages or policies of Contractor, Owner, any of their respective affiliates, or any other project contractor, subcontractor, vendor, supplier, agent, or representative of any thereof.

1.1 Workers' Compensation and Employer's Liability Insurance. Workers' Compensation insurance shall be provided as required by applicable law or regulation for all of Subcontractor's workers. Employer's Liability insurance shall be:

- \$ 1,000,000 each accident for bodily injury by accident;
- \$ 1,000,000 policy limit for bodily injury by disease; and
- \$ 1,000,000 each employee for bodily injury by disease.

If any of the Work, operations or activities of any of the Subcontractor, its sub-subcontractors, or their respective agents, employees, personnel, licensees or representatives include work, operations or activities (e.g., marine work or work on or near water bodies, vessels, docks, wharfs, piers, or other marine facilities, work on railways or other public shipment or transportation facilities, or work of the nature otherwise covered or addressed by any of the following laws or associated rules or regulations) which implicate any provisions of the U. S. Longshoreman and Harbor Workers' Compensation Act, the Jones Act, the Federal Railway Act, or other laws, dealing with Marine Employers Liabilities rules, regulations or statutes applicable to maritime, dock, or transportation facilities employees, coverage shall be included for all such related injuries, claims and losses, in statutorily required or higher amounts. If coverage is obtained from a state fund (e.g., Ohio, North Dakota, Washington, Wyoming), Subcontractor will purchase "Stop Gap" coverage, with limits of \$1,000,000 per occurrence, from a commercial insurer meeting the requirements of this Exhibit.

Subcontractor shall require all its sub-subcontractors to provide Workers' Compensation insurance for their respective employees. No "alternative" form of coverage will be accepted. The Workers' Compensation Policy(ies) (and all other policies noted herein) shall include waivers of subrogation and Workers' Compensation liens and rights of intervention, in favor of the Contractor and Owner and their respective affiliates, joint venturers, contractors (other than Subcontractor and its sub-subcontractors), vendors, suppliers, customers, employees, materialmen, agents and representatives (collectively, the "Affiliates").

1.2 Automobile Liability Insurance. Subcontractor shall carry automobile liability insurance, including coverage for all owned, hired and non-owned automobiles. The limits of liability shall be:

- \$5,000,000 combined single limit each accident for bodily injury and property damage.

The Automobile Liability Policy shall include a waiver of subrogation in favor of Contractor, Owner, and Affiliates. The policy must be on an occurrence basis, and shall be on a standard ISO Form CA 00 48 or equivalent form acceptable to Contractor. The policy shall be written to cover all owned, hired and non-owned automobiles, and state that it is primary insurance and noncontributory as regards any other insurance carried by Contractor or Owner.

If Subcontractor's Work includes the hauling of hazardous substances or materials or pollutants (including waste), the policies must extend pollution coverage to the transportation of hazardous substances and materials and

pollutants (including waste). Subcontractor will attach all endorsements required by law, such as the MCS-90 endorsement required by the Motor Carrier Act of 1980, if applicable.

1.3 General Liability Insurance. Subcontractor shall carry primary Commercial General Liability insurance covering all Work, operations and activities by or on behalf of Subcontractor on ISO Form CG 00 01 or equivalent form acceptable to Contractor providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including but not limited to coverage for:

- (1) premises and operations;
- (2) products and completed operations;
- (3) contractual liability;
- (4) broad form property damage (including completed operations); and
- (5) personal & advertising injury liability
- (6) independent contractors
- (7) action over indemnity buyback
- (8) sudden/accidental pollution

Should Subcontractor's policy contain a "cross-suits" exclusion, the cross-suits exclusion shall not apply to any "additional insureds", and the endorsement shall be modified to exclude "additional insureds" from the "cross-suits" exclusion. The Commercial General Liability Policy shall include a Waiver of Subrogation in favor of Contractor, Owner, and Affiliates.

The limits of liability shall be:

\$5,000,000 each occurrence, per project, per location (combined single limit for bodily injury and property damage)
 \$5,000,000 for personal & advertising injury liability
 \$5,000,000 general aggregate

If Subcontractor is using watercraft under the contract, they need to seek deletion of the watercraft exclusion or sufficiently modified to address operations under the Commercial General Liability policy or provide a separate Marine GL policy for those work activities that contemplate marine exposures.

1.4 Professional Liability. If Subcontractor's Work includes design services (e.g., design, engineering, or design/build services for any Work, including mechanical, electrical, structural, plumbing, and fire sprinkler systems) or other professional services. The limits of liability shall be:

\$5,000,000 per occurrence

With a retroactive or prior acts date not later than the date such services began.

1.5 Pollution Liability. If the Work includes the remediation of hazardous substances or materials, or if the Work creates an exposure to hazardous substances or materials, as those terms are defined in applicable federal, state or local law, Subcontractor and its sub-subcontractors and suppliers shall obtain a "Contractor's Pollution Liability" policy. The limits of liability shall be:

\$5,000,000 per occurrence for Bodily Injury, Personal Injury and Property Damage.

1.6 Excess/Umbrella Liability Insurance. The policy must be on an occurrence basis, and shall be on a standard form acceptable to Contractor, providing coverage in excess of the limits specified above. Such policy shall have the same inception and expiration dates as the underlying liability policies and coverage shall be no less broad than those primary policies. Policy must follow the form of the underlying liability policies, including as respects any Per Project Aggregate or higher limits as may be required. The limits of liability shall be:

\$5,000,000 Each Occurrence including a \$10,000,000 Annual Aggregate.

For subcontracts with a potential value in excess of \$10,000,000, an additional \$5,000,000 of Excess Liability Insurance policy shall be maintained. All Excess coverage shall, at a minimum, include the items set forth in 1.1 - 1.5 above. Umbrella or Excess Liability Insurance shall be increased to \$25,000,000 combined single limit per occurrence if Aircraft or Marine liability is required. Higher limits of liability may be required for hazardous work.

1.7 All-Risk Insurance. Subcontractor shall maintain in full force and effect "All Risk Insurance", acceptable to Contractor, for (i) Subcontractor's own property, equipment, machinery and materials, and (ii) all work, and (iii) any equipment, machinery or materials, and property in the care, custody, or control of Subcontractor which is to become a part of the Work or project, while such equipment and property is stored at the jobsite, at temporary locations, or while in transit to the project from temporary locations. Subcontractor shall also be responsible for otherwise insuring Subcontractor's owned, rented or borrowed equipment. All such insurance shall be on a replacement costs basis and shall be primary to any insurance held by Contractor or Owner.

2. ADDITIONAL REQUIREMENTS

2.1 Additional Insured. Without limiting the foregoing: Contractor, Owner, their respective affiliates, and any other Project contractor, subcontractor, vendor, supplier, agent, or representative thereof, as designated by Contractor, shall be named as additional insureds under the policies required in this Exhibit (including Sections 1 and 3 hereof), except Professional Liability (if applicable) and Workers Compensation policies and such insurance shall apply as primary insurance. Coverage for Contractor and Owner as additional insureds shall be provided from at least the beginning of the Work until at least three (3) years following completion of all Work and the project and its acceptance by Contractor and Owner, by endorsements providing coverage at least as broad as ISO Additional Insured Endorsement Forms CG 20 10 10 01 and CG 20 37 10 01 or similar form as required by Prime or controlling contract. The duty to provide such additional insured coverage is independent of (and such duty, insurance, and any limitations/exclusions in any policy, endorsement or otherwise, shall not limit or qualify) the defense and indemnity obligations set forth in this Subcontract. Any insurance maintained by Contractor or Owner shall be excess insurance and not be called upon to contribute with this insurance.

Subcontractor shall ensure that its sub-subcontractors of every tier also carry insurance in like form with the minimum limits of liability specified above. Subcontractor and all sub-subcontractors shall provide written proof that the requisite insurance is being carried prior to entry to the jobsite and at any time thereafter, as requested by Contractor. Contractor also hereby requires that each sub-subcontractor name Contractor, Owner, Affiliates, and any other interested parties, as designated by Contractor, as additional insureds as required herein. Such naming (whether under Subcontractor's or its sub-subcontractors' policies) shall be provided at no additional cost or expense to Contractor or Owner.

Subcontractor shall provide in the description of operation/locations block on the Insurance Certificate the following:

2.2 Claims Made/Self Insurance Provisions. Subcontractor shall not provide general liability insurance under any Claims Made General Liability form without the express written consent of Contractor. Any self-insurance program providing coverage in excess of \$50,000.00 per occurrence requires the express written consent of Contractor.

2.3 Deductibles. Certificates of insurance, as evidence of the required insurance and including the required subrogation and other waivers and "additional insured" endorsement(s) shall be furnished by Subcontractor to Contractor. Certificates shall set forth deductible amounts applicable to each policy and all exclusions or limitations not set forth in ISO Commercial General Liability Form CG 00 01. Contractor may allow deductible provisions and/or self-insured retentions of up to \$50,000 if Subcontractor is willing to post security, guaranteeing payment of losses and defense expenses for a period of three (3) years after the project is completed. Standard ISO Form CG 00 01 exclusions will also be allowed. Allowance of any additional exclusions or coverage limiting endorsements is at the discretion of Contractor. Regardless of the consent to exclusions, coverage limitations or deductibles by Contractor, Subcontractor shall be responsible for any deductible amount or any loss arising out of coverage denials by its insurance carrier(s). Subcontractor's certificates of insurance shall provide that there will be no cancellation or reduction of coverage without an unqualified, thirty (30) day, prior written notice to Contractor.

2.4 Continuous Insurance Coverage. Subcontractor shall arrange for new Certificate(s) to be automatically forwarded to Contractor upon expiration of old Certificate(s). Contractor may take whatever actions are necessary to assure Subcontractor's compliance with its obligations under this Subcontract. Should any insurance policy lapse or be canceled during the period that insurance is required by this Subcontract, Subcontractor shall, at least ten (10) days prior to the effective expiration or cancellation date, furnish the Contractor with evidence of renewal or replacement of the policy. If Subcontractor fails to maintain or cause to be maintained any insurance coverage required hereby in accordance with the terms hereof, Contractor, in addition to all other rights and remedies, may suspend or terminate the Subcontract (or any portion thereof or any Work thereunder) without any liability

whatsoever to Subcontractor or any other entity or person. Without limitation, in any such event, Contractor may, but shall in no event be obligated to, secure insurance coverage for Subcontractor or its sub-subcontractors, and the cost and expense thereof shall be upon Contractor's request immediately reimbursed to Contractor or, at its sole option, Contractor may deduct such cost and expense from any amounts which may be due or owing to Subcontractor.

2.5 Effect of Providing Insurance Certificate. Acceptance of insurance certificates by Contractor shall in no way limit or relieve Subcontractor of or from any of its duties, obligations, covenants or responsibilities in, under or pursuant to the Subcontract, including the duty to provide the requisite insurance, the duty to defend, indemnify and hold harmless Contractor or any other indemnitee, and the duty to provide thirty (30) days' written notice prior to cancellation and/or any adverse material change in the requisite insurance. Receipt by Contractor of any certificate of insurance shall not act as a waiver to enforcement of any of these provisions at a later date.

Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve the Subcontractor for liability in excess of such coverage nor shall it preclude Contractor from enforcing contractual rights or taking such other actions as are available to it at law or in equity. If higher limits or other forms of insurance are required in the agreement between Contractor and Owner, Subcontractor will comply with such requirements. Failure to continuously satisfy the insurance requirements herein is a material breach of this Subcontract.

2.6 Waiver of Subrogation. To the extent permitted by law, Subcontractor and its insurers shall waive all rights that any of them have or may have against or with respect to any of Contractor, Owner, any of their respective affiliates, or any other Project contractor, subcontractor, vendor, supplier, agent or representative thereof for loss or damage to the extent reimbursed by any property or equipment insurance applicable to the Work. If any applicable policies of insurance referred to herein require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed or obtain such consent.

2.7 No Violation of Insurance Policies. Subcontractor must not knowingly violate or knowingly permit any violation of any warranties, representations, declarations or conditions contained in the policies of insurance.

3 AIRCRAFT AND MARINE LIABILITY

3.1 Aircraft Liability. If Subcontractor's Work includes the use of aircraft, drones and/or helicopters, a minimum combined single limit of insurance shall be maintained for bodily injury, passenger liability and property damage liability in an amount not less than \$15,000,000. This insurance shall cover all owned and non-owned aircraft, including helicopters & drones, used by Subcontractor in connection with the performance of the Work. Such insurance shall be primary and provide a waiver of subrogation and Additional Insured status to Contractor. If slung load operations are to be performed, the policy must provide coverage there for and the certificate of insurance must so state. Such insurance may be provided by the owner of the aircraft and/or helicopters under a charter or other agreement, obligating such owner to the indemnity and insurance provisions in this Subcontract. Such policy shall also provide a breach of warranty of airworthiness in favor of Contractor.

3.2 Marine Liability. If the Work includes the use of any vessel or other marine equipment owned, operated, chartered or brokered by Subcontractor or any other party, the following additional insurance is required:

Hull and Machinery and/or Property Insurance for the vessel or other marine equipment in an amount equal to the agreed value of the vessel on the American Institute Hull Clauses (June 2, 1977), or equivalent with navigation limits adequate for the vessel's and/or equipment's trade. The Hull and Machinery and/or Property Insurance shall include coverage for strikes, riots, and civil commotions; In Rem.

Protection and Indemnity Insurance with limits of not less than \$15,000,000 combined single limit per occurrence per Form SP-23 or equivalent with navigation limits adequate to vessel's trade. The Protection and Indemnity Insurance to cover liabilities arising out of the ownership, operation and use of any vessel including coverage for contractual liability for those liabilities assumed by Subcontractor, including coverage for injury to or death of passengers, masters, mates, and crew, including, but not limited to transportation, wages, maintenance and cure, the Jones Act and Death on the High Seas Act, with no exclusion for activities arising from the use of remotely operated vehicles and submarines and diving operations (if these operations are to be performed under this Subcontract), and including Collision and Tower's Liability, Cargo Legal Liability (to the extent applicable), and coverage for liabilities for the removal of wreckage or debris as compulsory under statute or where such wreckage

or debris interferes with the operations of the Contractor or Owner. "As owner", or "as owner of vessel named herein" and all similar phrase purporting to limit the insurer's liability to that of an owner shall be deleted. Insurers shall waive any right to limit liability to the value of the vessel, but only with respect to Contractor indemnitees or Owner indemnitees, whichever is applicable, and only to the extent of the liabilities assumed. The policies (including any excess policies) shall be endorsed to provide full coverage to Contractor indemnitees or Owner indemnitees, whichever is applicable, as additional insured.

Vessel Pollution Liability insurance shall include coverage for pollution and cleanup liability on a sudden and accidental basis and, where applicable, insurance shall include coverage as provided under the Water Quality Insurance Syndicate Insurance (WQIS) policy form (or equivalent) , including, but not limited to all such liability arising under international, federal, state or local laws, rules or regulations with limits not less than \$15,000,000 per occurrence or for amounts not less than as necessary to satisfy requirements under the Oil Pollution Act of 1990 (OPA) and Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

Charterer's Legal Liability Insurance with limits of not less than \$15,000,000 combined single limit per occurrence to cover liabilities arising out of operation and use of any time or voyage chartered vessel including coverage for contractual liability for those liabilities assumed by Subcontractor.

The insurance listed above shall provide that seaworthiness of vessels used to perform services under this Agreement is accepted by insurers (or that insurers shall waive in favor of Contractor indemnitees or Owner indemnitees, whichever is applicable, the vessel owner's and/or operator's warranty of seaworthiness). To the extent this provision is not provided, Subcontractor shall have any "watercraft exclusion" deleted under the General Liability Insurance.

**EXHIBIT FED
FEDERAL LAW & REGULATION COMPLIANCE**

Subcontractor, by signing this Subcontract, agrees to abide by the provision of the Federal Acquisition Regulations (FAR) or Code of Federal Regulations (CFR) which are applicable to this Subcontract in accordance with the Contract. Particular attention is directed to the requirements of the following provisions. The Subcontractor shall include these clauses in all covered subcontracts and purchase orders.

1. FEDERAL LAW & REGULATION COMPLIANCE

To comply with all applicable federal, state and municipal laws, regulations, orders, citations and standards and with the programs and policies of Owner and Contractor that pertain to the Work including, without limitation

- (i) those pertaining to prevailing wage (specifically the current Davis-Bacon Act, 40 U.S.C. Section 276a) and amendments thereto;
- (ii) those pertaining to affirmative action and the elimination of discrimination in employment and employment practices because of race, creed, color, national origin, sex, and age (specifically, the provisions of the following laws are hereby made a part of this Subcontract by reference: Executive Order #11246, as amended, Sec. 503 of the Rehabilitation Act of 1973, Sec. 402 of the Vietnam Era Veterans Readjustment Assistance Act, the Americans with Disabilities Act), the federal Family and Medical Leave Act),
- (iii) those pertaining to occupational health, safety, accident prevention and safety equipment, and
- (iv) those pertaining to hazardous substances

and to conduct all training, make all reports and maintain all records required by any of the foregoing or by Owner or Contractor.

2. EQUAL EMPLOYMENT OPPORTUNITY VIOLATIONS.

Subcontractor is aware that Contractor is an EEO employer, and Subcontractor at its expense agrees to comply and conform to the equal employment opportunity policies of Contractor and any and all applicable Governmental authorities

3. AFFIRMATIVE ACTION FOR VETERANS AND THE DISABLED

Subcontractor acknowledges that as a government contractor, Contractor is subject to various federal laws, executive orders, and regulations regarding equal opportunity and affirmative action which may also be applicable to Subcontractor. Accordingly, Subcontractor shall, to the extent they apply, abide by the requirements of 41 CFR §§ 60-1.4(a), 60-4.3, 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individual based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

4. BUY AMERICAN ACT.

The Buy American Act applicable to this contract is: _____

Subcontractor is required to provide a letter of certification.

5. ORDER RATING.

Subcontractor acknowledges this is a rated order certified for national defense, emergency preparedness, and energy program use, and the Contractor shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700). This order is rated ___ in accordance with provisions of DPAS Regulation 1 and/or DMS Regulation 1 as follows:

- (a) Rated orders take precedence over all unrated orders as necessary to meet required delivery dates. Among rated orders, DX rated orders take precedence over DO rated orders.

- (b) Persons receiving rated orders must give them preferential treatment as required by this part.
- (c) All rated orders must be scheduled to the extent possible to ensure delivery by the required delivery date as identified in Section 2 and Section 6.
- (d) Persons who receive rated orders must in turn place rated orders with their suppliers for the items they need to fill the orders. This provision ensures that suppliers will give priority treatment to rated orders from contractor to subcontractor to suppliers throughout the procurement chain.

6. MANDATORY FLOW DOWN CLAUSES.

In accordance with the Contract, the clauses listed below are incorporated by reference as a part of this Agreement with the same force and effect as if they were set forth herein in full text and apply as prescribed below. The Subcontractor shall include the listed clauses in its subcontracts at any tier, to the extent applicable.

For the Subcontractor's convenience the clauses in full text can be found _____.

SAMPLE