

SUBCONTRACTOR STANDARD TERMS AND CONDITIONS

1. **INSURANCE:** Contractor shall take out, carry and maintain, with insurance company or companies, and in policies of insurance all acceptable to Company, the following insurance with limits not less than indicated for the respective items:
 - a) **Worker's Compensation and Occupational Disease Insurance**, including USL&H endorsement, Alternate Employer endorsement, and waiver of subrogation in favor of Company and complying with the laws of the State in which the Work is to be performed or elsewhere as may be required.
 - b) **Comprehensive General Liability Insurance*****, including Contractual Liability, Products Completed Operations Liability, waiver of subrogation in favor of Company, as well as coverage on all Contractor's equipment (other than motor vehicles licensed for highway use) owned, hired, or used in performance of this Contract with limits not less than \$2,000,000 - Bodily Injury and Property Damage combined each occurrence and aggregate.
 - c) **Automobile Liability Insurance**, including Contractual Liability with waiver of subrogation in favor of Company, covering all motor vehicles owned, hired or used in the performance of this Contract, with limits not less than \$2,000,000.
 - d) **Architects and Engineers Liability Insurance, if the subcontract includes architectural and/or engineering services, then this coverage is required**, including Contractual Liability with waiver of subrogation in favor of Company, covering all designs and drawings issued and used in the performance of this Contract, with limits not less than \$2,000,000.

***Must cover Company as an additional insured and policy shall contain the following language: "Naming Company as an additional insured shall not prevent recovery in any situation in which recovery would have been available had Company not been named additional insured." Additionally, if watercraft are to be involved, then the watercraft exclusion shall be removed. The policy shall state that suits by an employee of one insured brought against the other insured will be considered a covered matter. The policy shall provide or be specifically endorsed to provide that it shall be the primary coverage in respect of all matters covered by the policy, irrespective of the existence (or non-existence) of other insurance. The policy shall have the pollution exclusion removed. WQIS coverage may be substituted in place of removal of the pollution exclusion, subject to the Company's approval.

Contractor shall provide certificates of insurance on the standard ACCORD FORM to Company evidencing coverage of such insurance during the term of this Contract. Such certificates shall provide that thirty (30) days advance written notice shall be given to Company in the event of any material change in, or cancellation of, such insurance and ten (10) days advance written notice for non-payment of premium. Renewal certificates must be received by Company within 10 days of renewal or expiration date, as the case maybe.

Contractor shall also provide certificates of insurance to Company evidencing such insurance, covering periods subsequent to the term of this Contract. The preceding sentence shall survive the termination of this Contract.

The insurance requirements set forth herein shall not in any way limit the Contractor's liability arising out of this Contract or otherwise.

2. **GOVERNING LAW:** If this Contract is issued by Atlantic Dry Dock LLC or Atlantic Marine Florida, LLC, then it shall be governed by the laws of the State of Florida, and Contractor agrees that all disputes in respect to this Contract shall be subject to the United States District Court, Middle District of Florida, or Circuit Courts of Duval County, Florida, as appropriate.

If however, this Contract is issued by Atlantic Marine Alabama, LLC, then it shall be governed by the laws of the State of Alabama, and Contractor agrees that all disputes in respect to this Contract shall be subject to the United States District Court, Southern District of Alabama, or Circuit Courts of Mobile County, Alabama, as appropriate.

3. **COMMENCEMENT OF WORK:** Contractor shall commence and carry on the Work under this Contract on the site provided by or agreed to by Company or vessels in its custody or control. Contractor shall supply and shall be represented during all working hours at the site or on vessels in its custody or control by competent

supervision acceptable to Company, who shall be authorized to act for Contractor in all matters of the Work. All directions concerning the Work given in writing to such supervision shall be as binding as if given directly to Contractor (this provision shall not be construed, and it does not bestow on Company any reserved right of control or right of control over the actual prosecution of the Work by Contractor). Contractor agrees that the Work area in which it is prosecuting the Work under this Contract is the responsibility of Contractor in respect to compliance with all rules, regulations, laws, and ordinances of competent governmental authority. Contractor agrees that it will notify Company adequately in advance as to the Work contemplated each day, the machinery, equipment, and other items contemplated to be used in the accomplishment of the Work on that day, the anticipated boundary of the Work area, the anticipated duration of the Work, and all other information which is necessary for Contractor to appropriately conduct its Work without injury or harm to Company or its employees or anyone else.

Contractor acknowledges that it has been informed that time is of the essence in the performance of its obligations called for under this Contract. Contractor agrees that it will complete the Work no later than the date set forth in this Contract.

Contractor shall employ an adequate number of skilled workmen to perform the Work under this Contract. All skilled workmen employed in connection with this Contract shall qualify therefore by experience and ability. The Company may require Contractor to submit proof of such experience and qualifications. Contractor and its subcontractors shall replace any of their employees, whose work, in the discretion of Company is contrary to the requirements of this Contract. Contractor and its subcontractors shall employ the necessary safety and security practices as are normal or as required by law for the type of Work authorized hereunder. Company, at its sole option may require Contractor to remove from its property any personnel of Contractor or its subcontractors violating such practices and requirements. Contractor shall not contract out nor subcontract any obligations hereunder without prior written approval of Company.

Contractor shall comply with all local, state and federal rules, regulations, orders, directives, and statutes applicable to wage and employment practices and shall act in the best interest of Company on matters which affect work practices.

4. **RECORDS AND AUDIT:** Contractor shall keep accurate daily records for all Work performed hereunder, and upon request it shall provide copies to the Company. The records shall include the hours worked by each employee, the type of work performed, the wages paid, equipment and materials used and any other item of cost claimed by Contractor or for which Company shall have reimbursed Contractor. Company shall have the right at all reasonable times during regular business hours, to inspect and audit such records. Contractor shall preserve such records for 36 months after completion or termination of this Contract.
5. **GUARANTEES AND REMEDIES:** Contractor guarantees that all workmanship, materials and equipment furnished by it hereunder shall conform to the design drawings' specifications, and Contract requirements, and Contractor, for the benefit of Company, shall obtain from vendors and manufacturers such guarantees against defects in workmanship and materials as are reasonably obtainable on workmanship, equipment and materials furnished hereunder. Contractor agrees to assist Company to the extent requested by Company in the enforcement of all guarantees obtained from vendors and manufacturers. Contractor guarantees that all Work performed hereunder shall conform to the design drawings, specifications, and Contract requirements and shall be free from defects in workmanship and materials for a period of twelve (12) months after final inspection and acceptance by Company.

Company shall notify Contractor promptly if and in what respect any of the said guarantees have not been met. Contractor shall promptly, at its expense, perform such alterations, removals, reinstallation, repair or replacement as may be necessary to meet the guarantees. Company's failure to make an inspection or test or to discover defective workmanship, materials, or equipment shall not relieve Contractor from any responsibility hereunder, and payment of any funds by Company shall not constitute a waiver or acceptance of such defects.

6. **TITLE TO PROPERTY:** Company shall have title to all Work completed or in process and to all machinery, equipment, materials and supplies, the cost of which has been paid to Contractor. All studies, designs, drawings, plans, specifications, test results, inventions, patent rights (including data produced by computer or other electronic means and stored on disk, tape or any other form) and other data in any form and in whatever state of completion prepared by Contractor shall be the property of Company upon completion or termination of this Contract. Company shall have the right to use same for any purpose whatsoever without right on the part of Contractor to any additional compensation therefore.

7. **PATENT INFRINGEMENT:** Contractor agrees to defend, indemnify and hold Company harmless from any claim, suit, action or proceeding for patent infringement in which Company, its parent and its respective subsidiaries and affiliates, is made a defendant whether for actual or alleged infringement of any U.S. or foreign patent or other property right arising out of Work performed by Contractor under this Contract, and Contractor further agrees to pay and discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against Company, its parent or its respective subsidiaries or affiliates.
8. **TERMINATION, CANCELLATION AND SUSPENSION:** If Contractor shall be adjudged bankrupt, or become insolvent, or file for voluntary bankruptcy or be subjected to involuntary bankruptcy proceedings or enter receivership proceedings, or make an assignment for the benefit of creditors, or if Contractor should persistently or repeatedly refuse or fail, except in cases for which extension of time is provided, to supply enough properly skilled workmen or proper materials, or if Contractor should fail to perform the Work, or any part thereof, with the diligence necessary to insure its progress and completion as prescribed by the time schedule and thereafter fail to take necessary steps to remedy such default within the reasonable time prescribed by Company after written notice thereof from Company as Company shall prescribe; or should Contractor fail to make prompt payment to vendors and contractors and subcontractors for materials, services, or labor, or otherwise become guilty of a violation of any provision of this Contract, then Company, without prejudice to any of the other rights or remedies expressly provided for herein, may terminate this Contract or any part hereof, by written notice to Contractor, and Company shall have the right thereafter to take possession of all materials, equipment and the like. In such cases of termination, Company shall be relieved of all further obligations hereunder and Contractor shall be liable to Company for all costs incurred by Company in completing such Work in excess of the total compensation herein defined.

Upon thirty (30) days written notice, Company, at its option, may cancel this Contract at any time, without regard to whether Contractor is in default of any of its obligations hereunder. Upon any such cancellation, Contractor shall be considered to have waived claims for damages, including loss of anticipated profits on account thereof; provided however, if Contractor is not in default of its obligations hereunder, then Company agrees that Contractor shall be paid an amount which, when added to all installments previously paid, will equal the sum of all costs properly incurred prior to the date of cancellation, plus earned profit on such incurred costs, but in no event shall such amount be greater than the Contract price. Such earned profit shall bear the same relationship to such incurred costs as the profit increment of the Contract price bears to the cost increment of such Contract price. Company reserves the right to verify the amounts of such costs and profit increments through an audit of Contractor's records. In such event Company's audit rights shall be as if this entire Contract is a time and materials contract.

Upon fifteen (15) days written notice, Company at its option, may suspend performance, for a reasonable time, of all or any portion of this Contract at any time for any reason. In such event, Contractor's exclusive remedy shall be to deliver to Company the work performed prior to the termination and to obtain reimbursement from Company for Contractor's reasonable and necessary costs actually incurred up to the point of such suspension which are directly incident to the items so suspended. Company shall in no event be liable for any loss of anticipated profits on items under suspension nor for any incidental loss or consequential damages, nor for any other associated charges of any nature.

Contractor shall include the foregoing provisions of this clause 8. in any and all contracts into which it enters, to the end that Company and Contractor shall have the rights therein set forth with respect to such contract.

9. **INDEPENDENT CONTRACTOR:** Contractor agrees that it is an independent contractor in the performance of any Work hereunder and that neither it nor its employees shall be considered employees of Company. Company shall not be responsible for the direct payment of any of Contractor's withholding taxes, social security payments, payments under workers' compensation or other insurance premiums, or other charges of any kind or nature, except as specifically outlined herein.

Contractor hereby certifies that it will comply with the Fair Labor Standards Act and will deduct and pay over to the proper governmental authority, any withholding taxes or similar assessments which an employer is required to deduct and pay over, and Contractor accepts exclusive liability for all payroll taxes, unemployment benefits, state and federal workers' compensation benefits, and contributions imposed by any federal, state or other governmental authority, covering its agents or employees.

10. **HIRING OF ATLANTIC PERSONNEL:** In consideration of being granted a contract by Company, the Contractor agrees that during the term of its performance of the contract and for a period of ninety (90) days

following completion of the performance of the contract, it will not employ or solicit to employ any employee of Company directly, indirectly or by independent contract for any purpose whatsoever.

11. LIABILITY AND INDEMNITY: Contractor agrees to completely defend, indemnify and hold harmless Company, its parent, subsidiaries and affiliates, as well as the employees, directors, and agents of Company, its parent, subsidiaries and affiliates against any and all claims, liabilities, expenses, losses, demands, fines and causes of action (including reasonable attorney fees) caused by or arising out of Contractor's actual or alleged acts or omissions or the actual or alleged acts or omissions of Contractor's agents, servants or employees; provided however, Contractor shall not be responsible to Company, its parent, subsidiaries and affiliates from damages arising out of bodily injury and/or death or property damage which is the result of Company, its parent, subsidiaries and/or affiliates' sole negligence. Contractor's defense and indemnity requirements, as set forth above, shall also extend to any third party or governmental agency acquiring an interest hereunder in connection with this Contract. To the extent that state and/or federal law limits the terms and conditions of this Contract, this clause shall be deemed limited to comply with such state and/or federal law. This clause shall survive termination of this Contract.

12. COMPLIANCE WITH LAWS: Contractor agrees that all Work performed incident to this Contract and that all goods furnished under this Contract shall conform with all applicable federal, state and local laws, regulations, ordinances, proclamations, demands, requisitions and executive orders, and all amendments thereto which may now or hereafter govern performance hereunder, all of which are incorporated herein by reference.

Contractor warrants and agrees that it has used and will continue to use due diligence to ensure that during the performance of this Contract no officer, employee, agent or other representative of Contractor has made or will have made any payment in violation of any applicable federal, state or local law or regulation, and all amendments thereto. Without in any way limiting the foregoing, Contractor agrees to comply with all federal, state, and local laws, regulations, rules, directives, and attorney general opinions and their equivalents which require recordation and maintenance of records regarding the employment of individuals. Specifically, Contractor agrees to keep all records required by the U.S. Department of Labor set out in 29 C.F.R. Part 1904.

Contractor shall supply evidence of compliance as Company may require and agrees to indemnify and hold Company harmless and defend Company with respect to any claims, actions or the like arising due to the Contractor's failure to so comply.

13. MATERIAL SAFETY DATA SHEET REQUIREMENTS: Contractor shall contact Company's Safety Department or other Company authorized representative to request access to Material Safety Data Sheets for chemicals in the area where Work is to be performed prior to the commencement of any Work. Contractor shall review these sheets and ensure that its employees are advised of the location and accessibility of this hazard information.

Contractor shall furnish copies of Material Safety Data Sheets to Company for all chemicals to be used while performing Work at Company's facility or vessels in its custody or control with its proposal at the time of bidding. In addition, Contractor shall maintain duplicate copies in its possession at the Work site or on vessels under the custody or control of Company. In the event that during the performance of the Work or during the term of the Contract, Contractor is required to use additional chemicals other than those previously defined, Contractor shall be required to provide copies of such Material Safety Data Sheets to Company prior to bringing such additional chemicals onto Company's property or vessels in its custody or control.

14. INSPECTION, TESTING, AND ACCEPTANCE: Upon satisfactory completion of all prescribed inspection and testing by Contractor, Company shall, after verifying the results of such inspections and tests, be deemed to have accepted the Work, and Contractor shall be relieved of any further responsibility except for guarantees provided in Clause 5 hereof.

15. PERFORMANCE AND PAYMENT BOND: Notwithstanding the provisions of clause 18 of this document, if requested by Company, Contractor shall furnish a performance bond and payment bond covering the faithful performance of this Contract. Such bond(s) shall be in the form and amount and with a surety satisfactory to Company. The cost of such bond shall be paid by Contractor.

16. TAXES: Unless otherwise required by law, Contractor has exclusive liability for all sales, use, excise and other taxes, charges, or contributions with respect to or imposed on any material or equipment supplied or Work performed by Contractor, including such taxes or contributions imposed on the wages, salaries or other remunerations paid to persons employed by Contractor or his Contractors in the performance of this Contract.

Contractor shall pay all such taxes, charges, or contributions before delinquency or discount date and shall hold Company harmless from any liability and expense by reason of Contractor's failure to pay such taxes, charges or contributions.

17. USE OF PREMISES: All Work shall be performed in such a manner as to cause a minimum of interference with Company's operations or ship owner's activities and the operations of other contractors on the premises. Contractor shall take all necessary and proper precautions to protect the premises and all persons and property thereon from damage or injury. At all times during the performance of this Contract, Contractor shall keep the premises clean and free from accumulations of waste material and rubbish. Upon completion of the Work, Contractor shall remove all tools, equipment, materials and rubbish for which he is responsible and he shall restore existing facilities, which he has disrupted, to their original condition.

18. LIENS:

Without any additional action by Contractor, Contractor's acceptance of this Contract includes a full waiver of and release of all liens, encumbrances and other rights *in rem* (perfected or unperfected) in respect of the goods and services covered by this Contract.

The waiver and release by Contractor hereunder includes the following additional warranties by Contractor: (i) that all Contractors' subcontractors, vendors, materialmen, suppliers, journeymen, mechanics, laborers, and all other legal entities who have furnished labor, material, or services towards the performance of Contractor's obligations under this Contract have been paid and satisfied in full; (ii) that there are no unsatisfied claims nor any other indebtednesses outstanding concerning the goods and Contractor's performance of this Contract; (iii) that it has made no hypothecation of sums owing to it which would require that another person or legal entity receive payment; (iv) that it has not committed default of any bond or other third party guarantee or security device in respect of the goods and this Contract; (v) that the goods furnished pursuant to this purchase order are not subject to fine, seizure, or forfeiture, in whole or in part; and (vi) that no penalty of any nature whatsoever can be assessed against any of the goods nor any property to which it becomes a fixture, accession, or component part.

All of the foregoing are continuing actions and undertakings of the Contractor throughout the performance of this Contract

Contractor warrants that all the foregoing are true and correct, and Contractor undertakes that it shall save, hold, and keep harmless Company from all losses whatsoever, whether such losses are occasioned by debt, account, lien, encumbrance, forfeiture, fine, seizure, hypothecation, property damage, personal injury, statutory lien rights, or other operation of law.

In addition to the foregoing, Company, at its sole option, may request from Contractor, and Contractor will provide, a full and complete Waiver of Liens and Indemnification against Liens in a form satisfactory to Company from Contractor and from all of Contractor's factors, materialmen, subcontractors, and suppliers having performed or supplied any portion of the goods or services hereunder, at any time Company, at its sole option, may also request from Contractor, and Contractor will provide, Company with proof including affidavits and waiver of liens showing payments and release of all duties, taxes, liens, claims, charges and obligations arising by operation of law or otherwise out of Contractor's performance of the Work hereunder and Company may withhold funds due to Contractor hereunder to assure itself of the discharge of all such obligations, or to satisfy any provisions of law relating to claims against Contractor.

19. FORCE MAJEURE: If, because of force majeure, either party hereto is unable to carry out any of its obligations under this Contract, other than the obligations to pay money due hereunder, and if such party in thirty (30) days gives to the other party hereto written notice of such force majeure, then the obligations of the party giving such notice shall be suspended to the extent made necessary by such force majeure and during its continuance, provided that the party giving such notice shall use its best efforts to remedy such force majeure insofar as possible with all reasonable dispatch. The term "force majeure" as used herein shall mean terrorism, war, preparation for war, acts of God, acts of public enemy, insurrections, riots, fires, explosions, floods, tsunamis, named storms, earthquakes, embargoes, orders or acts of civil or military authority. Upon the cessation of the force majeure event, the party that had given original notice shall again promptly give notice to the other party of such cessation.

20. NONDISCLOSURE AND OWNERSHIP: Ownership of, and all rights with respect to any goods purchased under this Contract, including all creative ideas incorporated therein, all preliminary materials, sketches, layouts, tooling, molds, dies, negatives, photographs, designs, blueprints or specifications relating thereto shall be vested exclusively in Company. Company may copy or reproduce any and all goods or services purchased

hereunder for any and all purpose and may use the same in any and all media as often as it may so desire. All plans, drawing, designs and specifications supplied by Company to Contractor shall remain the property of Company, and any information derived therefrom or otherwise communicated to Contractor, shall be regarded by him as confidential and shall not without the prior written consent of Company be disclosed to any third party. Contractor shall, upon Company's request, promptly return all property, drawings, specifications or like material to Company.

Contractor agrees to and hereby grants to Company, to the full extent of Contractor's rights to do so without the payment of compensation to others, the right to reproduce, use and disclose for Governmental or other purposes all or any part of the reports, blueprints, drawings, data and technical information specified to be delivered by Contractor to Company under this Contract; provided however, nothing contained in this clause shall be deemed directly or by implication, to grant any license under any patent now or hereafter issued.

This clause shall expressly survive termination or expiration of this Agreement.

- 21. AMENDMENTS - NOTICE:** No amendment, modification or supplement to this Contract shall be binding unless it is in writing, signed by a corporate officer of both Company and Contractor, or their respective authorized representatives. All notices under this Contract shall be in writing and addressed to Company or Contractor, as the case may be, and directed to the authorized representative(s) for this Contract.
- 22. WAIVERS:** No waiver by either party of any breach of any of the covenants or conditions herein contained, committed by the other party shall be construed as a waiver of any other breach of the same or of any other covenant or condition.
- 23. EFFECT OF COMPANY'S APPROVAL:** Any approval of Company shall not relieve Contractor of any duty, responsibility or obligation imposed on it by any provision of this Contract.
- 24. ENTIRETY OF CONTRACT:** The parties agree that this Contract sets forth their entire agreement and that there are no other promises, representations, agreements or understandings which shall be considered a part hereof, other than those enumerated herein.
- 25. ASSIGNMENT:** Neither this Contract nor any interest under it shall be assignable by Contractor without the prior written consent of Company, except that claims for monies due or to become due hereunder may be assigned by Contractor without such consent. In such event, Company shall promptly be furnished two (2) signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to a set off or recoupment for any present or future claim or claims which Company may have against Contractor, except to the extent that any such claim may be expressly waived in writing by Company. Company reserves the right to make direct settlement and/or adjustments in price with Contractor under the terms of this Contract, notwithstanding any assignments of claims for monies due or to become due hereunder and without notice to assignee.
- 26. SEPARABILITY OF PROVISIONS:** If any article, term, covenant, or provision of this Contract or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Contract, or the application of such article, term, covenant, or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each article, term, covenant, or provision of this Contract shall be valid and be enforceable to the fullest extent permitted by law.

In the event of any conflict between any clauses above and those set out below under the heading "Government Contracts" then the clauses under the heading "Government Contracts" shall apply; and the clauses contained therewith shall apply only to the extent they provide additional rights to, or lessen obligations of, Company and/or the United States Government. Company and Contractor reserve the right to cancel or modify any obligation contained herein or hereon without the consent of any third party.

- 27. CAPTIONS:** Captions used in this Contract are not part of this Contract and are for convenience of reference only, and shall not affect the meaning or construction of any of its provisions.
- 28. PRESUMPTIONS:** Should any provision of this Agreement require interpretation, the person interpreting or construing this Agreement shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that the document is to be construed more strictly against the party who itself or through its agents prepared the document.

29. GIFTS AND ENTERTAINMENT: Company's employees, and members of his/her immediate family, shall not solicit or accept gifts, favors, and loans or similar indulgences or any other kind of benefit from outside parties who do or might do business with Company. Advertising novelties, promotional items of \$25.00 or less in value, occasional meals, refreshments or entertainment having a value of \$25.00 or less per occasion, provided such items in aggregate do not exceed \$150.00 in a calendar year, may be received. Cash gifts and gift checks and gifts having an investment value such as stocks, bonds, etc. are strictly prohibited.

Specifically, these restrictions include employees who are involved in:

- ♦ ♦ Placing purchase orders with suppliers or contractors;
- ♦ ♦ Selecting, recommending or approving suppliers;
- ♦ ♦ Receiving, testing inspection or quality functions; or
- ♦ ♦ Evaluating supplier proposals, paying invoices or collecting money from customers.

No party shall, under any circumstances, tolerate the offer, solicitation, or giving of any payment by any of Company's employees, in the nature of an undisclosed commission, kickback, or bribe, in connection with obtaining or retaining business, a contract, or an award or otherwise bestowing a special favor or advantage. Further, none of Company's employees shall accept loans from any person or entities having or seeking business with Company except recognized financial institutions at normal interest rates prevailing at the time of borrowing. This prohibition extends to the employee's family and household.

Any act that violates or entices another to violate the foregoing provisions is grounds for immediate cancellation of the Contract.

30. CONFIDENTIALITY: Contractor shall, in the course of its work hereunder, be exposed to and have access to information and data which is considered the proprietary information of Company. Contractor agrees that Contractor, itself, its agents and or employees shall not, during the term of this Contract or subsequent to the expiration thereof, disclose to any third party any information which Contractor may acquire from or about Company or any information related to the business of Company, and Contractor shall not use for its own benefit any such information or data. This restriction is not intended to extend to any information that is public knowledge or is made public by Company. In the event of a breach by Contractor, Company shall have the right to bring an action for an immediate injunction (without posting bond) to enjoin Contractor from breaching this Contract. Nothing in this clause shall waive any other rights or remedies that the non-breaching party may have against the breaching party.

31. GOVERNMENT CONTRACTS: The following additional provisions apply when Company is a prime United States government contractor, or a first tier subcontractor of an individual or entity which holds a prime contract with the United States government.

The clauses set forth or referred to in the following paragraph refer to the Federal Acquisition Regulation (FAR) and are hereby incorporated in the Code of Federal Regulations at CFR Title 48 Part 52. The full text of these clauses may be accessed electronically at <http://www.arnet.gov/far/>

- 52.203-6 Restrictions on Subcontractor Sales to the Government;
- 52.203-7 Anti-Kickback Procedures;
- 52.208-1 Required Sources for Jewel Bearings and Related items;
- 52.214-26 Audit and Records-Sealed Bidding;
- 52.214-28 Subcontract Cost or Pricing Data-Modifications-Sealed Bidding;
- 52.215-2 Audit and Records-Negotiations;
- 52.215-24 Subcontract Cost or Pricing Data;
- 52.215.25 Subcontract Cost or Pricing Data-Modifications;
- 52-215-36 Integrity of Unit Prices;
- 52.219.8 Utilization of Small Business Concerns
- 52.219.9 Small Business Subcontracting Plan
- 52-222-26 Equal Opportunity;
- 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans;
- 52.222-36 Affirmative Action for Handicapped Workers;
- 52-222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era;
- 52-222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation;
- 52.223-2 Clean Air and Water;
- 52.223-3 Hazardous Material Identification and Material Safety Data;
- 52.225-11 Certain Communist Areas;

- 52.227-1 Authorization and Consent;
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement;
- 52.230-3 Cost Accounting Standards;
- 52.246-23 Limitation of Liability;
- 52.248-1 Value Engineering.