

FARIS CONSTRUCTION COMPANY GENERAL PROVISIONS  
(Fixed Price Contract) (Rev 01/01/2004)

1. FORMATION OF CONTRACT. This proposed contract is FCC's offer to purchase the goods and Work (Work) described in this offer. Acceptance is strictly limited to the terms and conditions included in this offer. Unless specifically agreed to in writing by FCC's Authorized Representative, FCC objects to, and is not bound by, any term or condition that differs from or adds to this offer. Vendor's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written.
2. SCOPE OF WORK. During the term of this contract, Vendor shall furnish the Work set forth in the contract.
3. INDEPENDENT CONTRACTOR. Vendor is an independent contractor for all purposes. Vendor shall have complete control over the performance of, and the details for accomplishing, the Work. In no event shall Vendor or its agents, representatives or employees be deemed to be agents, representatives or employees of FCC. Vendor's employees shall be paid exclusively by Vendor for all Work performed. Vendor shall comply with all requirements and obligations relating to such employees under federal, state and local law (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social security, unemployment insurance, federal and state income taxes and workers' compensation insurance.
4. STANDARDS. Vendor shall assign personnel satisfactory to FCC. At any time and for any reason, FCC may require Vendor to withdraw the Work of any person and require that Vendor promptly provide replacements for such persons satisfactory to FCC. In addition to the other indemnification provisions within this contract, Vendor specifically agrees to indemnify and hold harmless FCC from and against any liabilities, claims, charges or suits for alleged losses, costs, damages or expenses arising from FCC's exercise of its rights hereunder.
5. WARRANTY. Vendor warrants that all Work performed hereunder shall be performed by employees or agents of Vendor who are experienced and skilled in their profession and in accordance with industry standards. Vendor further warrants that all Work performed under this contract, at the time of acceptance, shall be free from defects in workmanship and conform to the requirements of this contract. FCC shall give written notice of any defect or nonconformance to Vendor within one year from the date of acceptance by FCC. FCC may, at its option, either (a) require correction or reperformance of any defective or nonconforming Work, or (b) make an equitable adjustment in the price of this contract. If Vendor is required to correct or reperform the Work, such correction or reperformance shall be at Vendor's expense. Any Work corrected or reperformed shall be subject to this article to the same extent as Work initially performed. If Vendor fails or refuses to correct or reperform, FCC may correct or replace with similar Work and charge Vendor for any cost to FCC or make an equitable adjustment in the price of this contract.
6. TAXES. Unless this contract specifies otherwise, the price of this contract includes, and Vendor is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this contract except for applicable sales and use taxes that are separately stated on Vendor's invoice. Prices shall not include any taxes, impositions, charges or

exactions for which FCC has furnished a valid exemption certificate or other evidence of exemption.

7. INVOICE AND PAYMENT. As compensation for Work to be performed by Vendor, FCC shall pay Vendor as set forth in this contract. FCC shall have no liability for any other expenses or costs incurred by Vendor. Payment due date, including discount periods, shall be computed from the date of the later of the scheduled delivery date, the actual delivery date or the date of receipt of a correct invoice. Payment shall be deemed to have been made on the date the FCC's check is mailed or payment is otherwise tendered. Vendor shall promptly repay to FCC any amounts paid in excess of amounts due Vendor.

8. CHANGES.

8.1. FCC's Authorized Representative may, without notice to sureties and in writing, direct changes within the general scope of this contract in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of FCC-furnished property; and, if this contract includes Work, (vi) description of Work to be performed; (vii) the time of performance (e.g., hours of the day, days of the week, etc.); (viii) place of performance, and (ix) terms and conditions of this contract required to meet FCC's obligations under Government prime contracts or subcontracts. Vendor shall comply immediately with such direction.

8.2. If such change increases or decreases the cost or time required to perform this contract, FCC and Vendor shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. FCC shall modify this contract in writing accordingly. Unless otherwise agreed in writing, Vendor must assert any claim for adjustment to FCC's Authorized Representative in writing within 25 days and deliver a fully supported proposal to FCC's Authorized Representative within 60 days after Vendor's receipt of such direction. FCC may, at its sole discretion, consider any claim regardless of when asserted. If Vendor's proposal includes the cost of property made obsolete or excess by the change, FCC may direct the disposition of the property. FCC may examine Vendor's pertinent books and records to verify the amount of Vendor's claim. Failure of the parties to agree upon any adjustment shall not excuse Vendor from performing in accordance with FCC's direction.

8.3. If Vendor considers that FCC's conduct constitutes a change, Vendor shall notify FCC's Authorized Representative immediately in writing as to the nature of such conduct and its effect upon Vendor's performance. Pending direction from FCC's Authorized Representative, Vendor shall take no action to implement any such change.

9. DISPUTES. Any dispute that arises under or is related to this contract that cannot be settled by mutual agreement of the parties may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Vendor shall proceed with performance of this contract according to FCC's instructions so long as FCC continues to pay amounts not in dispute.

10. FORCE MAJEURE. Vendor shall not be liable for the excess procurement costs pursuant to the "Cancellation for Default" article of this contract incurred by FCC because of any failure to perform this contract under its terms if the

failure arises from causes beyond the control and without the fault or negligence of Vendor. Examples of these causes are (a) acts of God or of the public enemy, (b) acts of the Government in either its sovereign or contractual capacity, (c) fires, (d) floods, (e) epidemics, (f) quarantine restrictions, (g) strikes, (h) freight embargoes and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Vendor. If the delay is caused by a delay of a subcontractor of Vendor and if such delay arises out of causes beyond the reasonable control of both, and without the fault or negligence of either, Vendor shall not be liable for excess costs unless the goods or Work to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Vendor to meet the required delivery schedules. Vendor shall notify FCC in writing within 10 days after the beginning of any such cause.

11. TERMINATION FOR CONVENIENCE. FCC reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, Vendor shall immediately cease all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. In case of termination for convenience by FCC of all or any part of this contract, Vendor may submit a claim to FCC within 60 days after the effective date of termination. In no event shall FCC be obligated to pay Vendor any amount in excess of the contract price. The provisions of this article shall not limit or affect the right of FCC to cancel this contract for default.

12. CANCELLATION FOR DEFAULT

12.1. FCC may, by written notice to Vendor, cancel all or part of this contract (i) if Vendor fails to deliver the Work within the time specified by this contract or any written extension; (ii) if Vendor fails to perform any other provision of this contract or fails to make progress, so as to endanger performance of this contract, and, in either of these two circumstances, does not cure the failure within 10 days after receipt of notice from FCC specifying the failure; or (iii) in the event of Vendor's bankruptcy, suspension of business, insolvency, appointment of a receiver for Vendor's property or business, or any assignment, reorganization or arrangement by Vendor for the benefit of its creditors.

12.2. Vendor shall continue work not canceled.

13. ASSIGNMENT, DELEGATION AND SUBCONTRACTING. Vendor shall not assign any of its rights or interest in this contract or subcontract all or substantially all of its performance of this contract without FCC's prior written consent. Vendor shall not delegate any of its duties or obligations under this contract. Vendor may assign its right to monies due or to become due. No assignment, delegation or subcontracting by Vendor, with or without FCC's consent, shall relieve Vendor of any of its obligations under this contract or prejudice any of FCC's rights against Vendor whether arising before or after the date of any assignment. This article does not limit Vendor's ability to purchase standard commercial supplies or raw materials.

14. INDEMNIFICATION, INSURANCE AND PROTECTION OF PROPERTY

14.1. Indemnification Negligence of Vendor or Subcontractor. Vendor shall indemnify and hold harmless Faris Construction Company, its subsidiaries, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens,

awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Vendor or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this contract, the performance thereof by Vendor or any subcontractor thereof or other third parties, including, without limitation, the provision of Work, personnel, facilities, equipment, support, supervision or review. **The foregoing indemnity shall apply only to the extent of the negligence of Vendor, any subcontractor thereof or their respective employees.** In no event shall Vendor's obligations hereunder be limited to the extent of any insurance available to or provided by Vendor or any subcontractor thereof. Vendor expressly waives any immunity under industrial insurance, whether arising out of statute or source, to the extent of the indemnity set forth in this paragraph (a).

14.2. Commercial General Liability. Vendor shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by FCC, Commercial General Liability insurance with available limits of not less than two million dollars (\$2,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph (a) herein) and goods and completed-operations insurance with limits of not less than two million dollars (\$2,000,000) per occurrence for a minimum of 24 months after final acceptance of the work by FCC. Such insurance shall not be maintained on a per-project basis unless the respective Vendor or subcontractor thereof does not have blanket coverage.

14.3. Automobile Liability. If licensed vehicles will be used in connection with the performance of the work, Vendor shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by FCC, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than two million dollars (\$2,000,000) per occurrence combined single limit for bodily injury and property damage.

14.4. Workers' Compensation. Throughout the period when work is performed and until final acceptance by FCC, Vendor shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation with respect to all of their respective employees working on or about FCC's premises. If FCC is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Vendor or any subcontractor, Vendor shall reimburse FCC for such payment.

14.5. Certificates of Insurance. Prior to commencement of the work, Vendor shall provide for FCC's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (b) Commercial General Liability, (c) Automobile Liability and (d) Workers' Compensation. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by FCC, and shall provide for 30 days advance written notice to FCC in the event of cancellation. Failure of Vendor or any subcontractor thereof to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of FCC to request

such certificates, endorsements or other proof of coverage shall not constitute a waiver of Vendor's or subcontractor's obligations hereunder.

To avoid having varying coverages from one subcontractor to another and to reduce the effort expended by our staff to assure coverages and to keep current Insurance Certificates on file, we have adopted our own standard Certificate of Insurance form. We require that you use our form for all insurance coverages submitted (with the exception of Workers' Compensation coverage provided by the State).

The Certificate should be made out to Faris Construction Company. A separate certificate is required for each project you have with FCC. If Workers' Compensation coverage is provided by the State, a copy of that coverage should be forwarded along with this certificate. **All Workers' Compensation policies must contain a waiver of subrogation in favor of Faris Construction Company and any additional insureds listed on the insurance certificate.**

Together with the preparation of the Insurance Certificate, you are required to obtain an endorsement for each insurance policy using Additional Insured Endorsement form naming Faris Construction Company and any other parties noted on the Certificate as *ADDITIONAL INSUREDS* for the work you will perform on this project, and the coverage must be primary. Submission of copies of these endorsements is required at the time the Certificate is submitted.

***Properly completed Certificates must be on file in our office before you will be allowed on the jobsite.***

Any schedule delay costs due to the failure of the subcontractor to provide Certificates in a timely manner, so they may begin work on time, will be for the account of the subcontractor

- 14.6. Self-Assumption. Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Vendor or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Vendor or subcontractor. In no event shall the liability of Vendor or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- 14.7. Protection of Property. Vendor assumes, and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed or otherwise. Vendor waives, and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against FCC, its subsidiaries and their respective directors, officers, employees and agents for any such loss or destruction of or damage to any property of Vendor, any subcontractor or their respective employees.
- 14.8. At all times Vendor shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to FCC's property. If any such property is damaged by the fault or negligence of Vendor or any subcontractor thereof, Vendor shall, at no cost to FCC, promptly and equitably reimburse FCC for such damage or repair or otherwise make good such property to FCC's satisfaction. If Vendor fails to do so, FCC may do so and recover from Vendor the cost thereof.

15. FCC'S PROPERTY. Vendor shall clearly mark, maintain an inventory of and keep segregated or identifiable all of FCC's property and all property to which FCC acquires an interest by virtue of this contract. Vendor assumes all risk of loss, destruction or damage of such property while in Vendor's possession, custody or control. Upon request, Vendor shall provide FCC with adequate proof of insurance against such risk of loss. Vendor shall not use such property other than in performance of this contract without FCC's prior written consent. Vendor shall notify FCC's Authorized Representative if FCC's property is lost, damaged or destroyed. As directed by FCC, upon completion, termination or cancellation of this contract, Vendor shall deliver such property, to the extent not incorporated in delivered materials, to FCC in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this article limits Vendor's use, in its direct contracts with the Government, of property in which the Government has an interest.
16. ACCESS TO PLANTS AND PROPERTIES. Vendor shall comply with all the rules and regulations established by FCC for access to and activities in and around premises controlled by FCC or FCC's customer.
17. NOTICE TO FCC OF LABOR DISPUTES. Whenever Vendor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, Vendor shall immediately give notice thereof, including all relevant information, to FCC.
18. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY. Vendor will indemnify, defend and hold harmless FCC and its customer from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of goods by either FCC or its customer. FCC and/or its customer will duly notify Vendor of any such claim, suit or action; and Vendor will, at its own expense, fully defend such claim, suit or action on behalf of indemnitees. Vendor will have no obligation under this article with regard to any infringement arising from (a) Vendor's compliance with formal specifications issued by FCC where infringement could not be avoided in complying with such specifications or (b) use or sale of goods in combination with other items when such infringement would not have occurred from the use or sale of those goods solely for the purpose for which they were designed or sold by Vendor. For purposes of this article only, the term FCC will include Faris Construction Company and all subsidiaries, affiliates and all officers, agents and employees of Faris Construction Company or any Faris Construction Company subsidiary or affiliate.
19. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION AND MATERIALS. FCC and Vendor shall each keep confidential and protect from unauthorized use and disclosure all (a) confidential, proprietary and/or trade secret information; (b) tangible items and software containing, conveying or embodying such information; and (c) tooling identified as being subject to this article and obtained, directly or indirectly, from the other in connection with this contract or other agreement referencing this contract (collectively referred to as "Proprietary Information and Materials"). FCC and Vendor shall each use Proprietary Information and Materials of the other only in the performance of

and for the purpose of this contract and/or any other agreement referencing this contract. However, despite any other obligations or restrictions imposed by this article, FCC shall have the right to use, disclose and reproduce Vendor's Proprietary Information and Materials, and make derivative works thereof, for the purposes of testing, certification, use, sale or support of any goods delivered under this contract or any other agreement referencing this contract. Any such use, disclosure, reproduction or derivative work by FCC shall, whenever appropriate, include a restrictive legend suitable for the particular circumstances. The restrictions on disclosure or use of Proprietary Information and Materials by Vendor shall apply to all materials derived by Vendor or others from FCC's Proprietary Information and Materials. Upon FCC's request at any time, and in any event upon the completion, termination or cancellation of this contract, Vendor shall return to FCC all of FCC's Proprietary Information and Materials and all materials derived therefrom, unless specifically directed otherwise in writing by FCC. Vendor shall not, without the prior written authorization of FCC, sell or otherwise dispose of (as scrap or otherwise) any parts or other materials containing, conveying, embodying or made in accordance with or by reference to any Proprietary Information and Materials of FCC. Prior to disposing of such parts or other materials as scrap, Vendor shall render them unusable. FCC shall have the right to audit Vendor's compliance with this article. Vendor may disclose Proprietary Information and Materials of FCC to its subcontractors as required for the performance of this contract, provided that each such subcontractor first agrees in writing to the same obligations imposed upon Vendor under this article relating to Proprietary Information and Materials. Vendor shall be liable to FCC for any breach of such obligation by such subcontractor. The provisions of this article are effective in lieu of any restrictive legends or notices applied to Proprietary Information and Materials. The provisions of this article shall survive the performance, completion, termination or cancellation of this contract.

20. PUBLICITY. Without FCC's prior written approval, Vendor shall not, and shall require that its subcontractors at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this contract or the Work or program to which it pertains. Vendor shall be liable to FCC for any breach of such obligation by any subcontractor.
21. EVIDENCE OF CITIZENSHIP OR IMMIGRANT STATUS. FCC may be required to obtain information concerning citizenship or immigrant status of Vendor's personnel or Vendor's subcontractor personnel entering the premises of FCC. Vendor agrees to furnish this information before commencement of work and at any time thereafter before substituting or adding new personnel to work on FCC's premises. Information submitted by Vendor shall be certified by an authorized representative of Vendor as being true and correct.
22. GRATUITIES. Vendor warrants that neither it nor any of its employees, agents or representatives have offered or given, or will offer or give, any gratuities to FCC's employees, agents or representatives for the purpose of securing this contract or securing favorable treatment under this contract.
23. OFFSET CREDITS. To the exclusion of all others, FCC or its assignees shall be entitled to all industrial benefits or offset credits which might result from this contract. Vendor shall provide documentation or information which FCC or its assignees may reasonably request to substantiate claims for industrial benefits or offset credits. Vendor agrees to use reasonable efforts to identify the foreign content of goods or Work which Vendor either

produces itself or procures from subcontractors for work directly related to this contract. Promptly after selection of a non-U.S. subcontractor for work under this contract, Vendor shall notify FCC of the name, address, subcontract point of contact (including telephone number) and dollar value of the subcontract.

24. UTILIZATION OF SMALL BUSINESS CONCERNS. Vendor agrees to actively seek out and provide the maximum practicable opportunities for small businesses, small disadvantaged businesses, women-owned small businesses, minority business enterprises, historically black colleges and universities and minority institutions, Historically Underutilized Business Zone small business concerns and US Veteran and Service-Disabled Veteran Owned small business concerns to participate in the subcontracts Vendor awards to the fullest extent consistent with the efficient performance of this contract.
25. RIGHTS AND REMEDIES. Any failures, delays or forbearances of either party in insisting upon or enforcing any provisions of this contract, or in exercising any rights or remedies under this contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect. Except as otherwise limited in this contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the parties may have at law or in equity. If any provision of this contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
26. COMPLIANCE WITH LAWS. Vendor shall comply with all applicable statutes and government rules, regulations and orders, including those pertaining to United States Export Controls.
27. GOVERNING LAW. This contract shall be governed by and construed in accordance with the laws of the state of California. This contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.
28. GOVERNMENT CLAUSES. Government clauses applicable to this contract are incorporated herein either by attachment to this document or by some other means of reference.
29. PACKING AND SHIPPING. Vendor shall pack the materials to prevent damage and deterioration. Vendor shall comply with carrier tariffs. Unless this contract specifies otherwise, the price includes shipping charges for materials sold F.O.B. destination. Unless otherwise specified in this contract, materials sold F.O.B. place of shipment shall be forwarded collect. Vendor shall make no declaration concerning the value of the materials shipped except on the materials where the tariff rating is dependent upon released or declared value. In such event, Vendor shall release or declare such value at the maximum value within the lowest rating. FCC may charge Vendor for damage to or deterioration of any materials resulting from improper packing or packaging. Unless this contract specifies otherwise, Vendor will ship the materials in accordance with the following instructions:
  - 29.1. Shipments by Vendor or its subcontractors must include packing sheets containing FCC's contract number, line item number, description and quantity of materials shipped, part number or size, if applicable, and appropriate evidence of inspections. A shipment containing hazardous and non-hazardous materials must have separate packing sheets for the hazardous and non-hazardous materials. Vendor shall not include

vermiculite or other hazardous substance in any packing material included with the goods. Items shipped on the same day will be consolidated on one bill of lading or airbill unless FCC's Authorized Representative authorizes otherwise. The shipping documents will describe the material according to the applicable classification and/or tariff. The total number of shipping containers will be referenced on all shipping documents. Originals of all Government bills of lading will be surrendered to the origin carrier at the time of shipment.

- 29.2. Vendor will not insure any FOB origin shipment unless authorized by FCC.
- 29.3. Vendor will label each shipping container with the contract number and the number that each container represents of the total number being shipped (e.g., box 1 of 2, box 2 of 2). iv) FCC will select the carrier and mode of transportation for all shipments where freight costs will be charged to FCC.
- 29.4. Vendor will include copies of documentation supporting prepaid freight charges (e.g., carrier invoices or UPS shipping log/manifest), if any, with its invoices. (vi) If Vendor is unable to comply with the shipping instructions in this contract, Vendor will contact FCC's Traffic Management Department referenced elsewhere in this contract or FCC's Authorized Representative.

30. QUALITY CONTROL. The Vendor understands that it is the policy of FCC to provide a quality of Work that exceeds industry standard and the Vendor agrees to provide Work accordingly. Vendor shall establish and maintain a quality control system acceptable to FCC for the Work purchased under this contract. Vendor shall permit FCC to review procedures, practices, processes and related documents to determine such acceptability.

31. RIGHTS OF FCC'S CUSTOMERS AND REGULATORS TO PERFORM INSPECTION, SURVEILLANCE, AND TESTING. FCC's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety- and configuration control shall extend to the customers of FCC that are departments, agencies or instrumentalities of the United States Government and to the United States Government Federal Aviation Administration and any successor agency or instrumentality of the United States Government. FCC may also, at FCC's option, by prior written notice from FCC's Authorized Representative, extend such rights to other customers of FCC and to agencies or instrumentalities of foreign governments equivalent in purpose to the Federal Aviation Administration. Vendor shall cooperate with any such United States Government-directed or FCC-directed inspection, surveillance, test or review without additional charge to FCC. Nothing in this contract shall be interpreted to limit United States Government access to Vendor's facilities pursuant to law or regulation.

32. INSPECTION. At no additional cost to FCC, Work shall be subject to inspection, surveillance and test at reasonable times and places, including Vendor's subcontractors' locations. FCC shall perform inspections, surveillance and tests so as not to unduly delay the work. Vendor shall maintain an inspection system acceptable to FCC for the Work purchased under this contract. If FCC performs an inspection or test on the premises of Vendor or its subcontractors, Vendor shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities and assistance for the safe and convenient performance of these duties.

33. ACCEPTANCE. FCC shall accept the Work or give Vendor notice of rejection within a reasonable time after delivery, notwithstanding any payment or prior test or inspection. No inspection, test, delay or failure to inspect or test or failure to discover any defect or other nonconformance shall relieve Vendor of any of its obligations under this contract or impair any rights or remedies of FCC or FCC's customers.
34. REJECTION. If Vendor delivers nonconforming Work, FCC may require Vendor to promptly correct or replace the nonconforming Work. Removal and replacement of any rejected Work and the removal and replacement of any subsequent work by others shall be at Vendor's expense. In addition, if the Vendor does not promptly replace the rejected Work, FCC may (i) correct the nonconforming Work with its own forces or (ii) obtain replacement Work from another source at Vendor's expense. Vendor shall not redeliver corrected or rejected Work without disclosing the former rejection or requirement for correction. Vendor shall disclose any corrective action taken. All repair, replacement and other correction and redelivery shall be completed within the original delivery schedule or such later time as FCC may reasonably direct.
35. VENDOR NOTICE OF DISCREPANCIES. Vendor shall immediately notify FCC in writing when discrepancies in Vendor's process or materials are discovered or suspected which may affect the Work delivered or to be delivered under this contract. In particular, all deviations from the Contract Documents must be detailed and approved by FCC prior to the Vendor executing this contract. Execution of this contract by the Vendor shall warrant no further deviations from the Contract Documents beyond those approved in writing by FCC.
36. SCHEDULE. Vendor shall strictly adhere to the shipment or delivery schedules specified in this contract. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, Vendor shall: (i) promptly notify FCC in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide FCC with a written recovery schedule; and (iii), if requested by FCC, ship via air or expedited routing to avoid or minimize delay to the maximum extent possible, unless Vendor is excused from prompt performance as provided in the "Force Majeure" article of this contract. The added premium transportation costs are to be borne by Vendor. Vendor shall not deliver Work prior to the scheduled delivery dates unless authorized by FCC.
37. SUSPENSION OF WORK
- 37.1. FCC's Authorized Representative may, by written order, suspend all or part of the work to be performed under this contract for a period not to exceed 90 days. Within such period of any suspension of work, FCC shall (i) cancel the suspension of work order; (ii) terminate this contract in accordance with the "Termination for Convenience" article of this contract; (iii) cancel this contract in accordance with the "Cancellation for Default" article of this contract; or (iv) extend the stop work period.
- 37.2. Vendor shall resume work whenever a suspension is canceled. FCC and Vendor shall negotiate an equitable adjustment in the price or schedule or both if (i) this contract is not canceled or terminated; (ii) the suspension results in a change in Vendor's cost of performance or ability to meet the contract delivery schedule; and (iii) the suspension was not anticipated by the Project Schedule or Contract Documents and (iv) Vendor submits a claim for adjustment within 20 days after the suspension is canceled.

38. RECORDS AND AUDIT. Vendor shall retain all records and documents pertaining to the Work for a period of no less than three years after final payment. Such records and documents shall date back to the time this contract was issued and shall include, without limitation, estimates, proposals, subcontractor and supplier quotations, catalogs, price lists, invoices and inventory records for purposes of verification of prices or rates charged by Vendor for Work procured by FCC. FCC shall have the right to examine, reproduce and audit all such records related to pricing and performance to evaluate the accuracy, completeness and currency of cost and pricing data submitted with Vendor's bid or offer to sell and related to "Changes," "Termination for Convenience" or "Cancellation for Default" articles of this contract.

39. INSURANCE AND BONDING. Vendor shall maintain insurance in accordance with the following:

Liability limits should be as follows:

Commercial General Liability  (Premises-Operations, Independent Contractors, Completed Operations/Products, Contractual) with (X), (C) and (U) coverage when applicable.	Bodily Injury and Property Damage Combined	\$2,000,000 each occurrence \$2,000,000 general aggregate \$2,000,000 products-comp/ops agg. \$2,000,000 personal injury
Automobile Liability	Bodily Injury and Property Damage Combined	\$2,000,000 combined single limit
Workers' Compensation	Statutory Employers' Liability	\$1,000,000 each accident \$1,000,000 disease - policy limit \$1,000,000 disease - each employee

40. ENTIRE AGREEMENT. This contract contains the entire agreement of the parties and supersedes any and all prior agreements, understandings and communications between FCC and Vendor related to the subject matter of this contract. No amendment or modification of this contract shall bind either party unless it is in writing and is signed by FCC's Authorized Representative and an authorized representative of Vendor.