

**AQUARION WATER COMPANY
GENERAL TERMS and CONDITIONS
SERVICES, EQUIPMENT and CONSTRUCTION**

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1. DEFINITIONS.

All capitalized terms used herein, or elsewhere in the Agreement, shall have the meanings ascribed to them in this Article 1, unless such terms are otherwise defined in the Agreement. The terms "include(s)", "included" and "including" are used without limitation.

- 1.1 ACCEPTANCE: The Owner's determination that the Contractor has completed the Work in compliance with the Agreement requirements and satisfied the requirements as applicable, in Article 11 "REQUIREMENTS FOR ACCEPTANCE."
- 1.2 AFFILIATE: Any company or other business entity that (i) controls, (ii) is controlled by or (iii) is under common control with a Party or its parent. A company or other business entity shall be deemed to control a company if it has the power to direct or cause the direction of the management or policies of such company or other business entity, whether through the ownership of voting securities, by contract, or otherwise.
- 1.3 AGREEMENT: The collective term used to describe all documents comprising each agreement between the parties for the Work, including the Order, General Terms and Conditions, the Exhibits and Attachments to the General Terms and Conditions, Special Terms and Conditions (if applicable), Specifications, any items specifically incorporated by reference and/or issued (including any documents issued with respect to any change order, modification or amendment) or provided by Owner to Contractor in connection herewith, and any amendments to the foregoing agreed to in writing by the parties. The preprinted terms set forth on the back of each page of Owner's Order shall not bind either party.
- 1.4 AQUARION: Aquarion Water Company a Delaware corporation, for itself or as agent for its Affiliates, dba Aquarion Water Company of Connecticut, Aquarion Water Company of Massachusetts, Aquarion Water Company of New Hampshire; and Home Safety Valve.
- 1.5 BUSINESS DAYS: Any day other than Saturday, Sunday and days observed as legal holidays by the federal or state government applicable to the Owner's Site(s) of Agreement performance.
- 1.6 CONFIDENTIAL INFORMATION: Confidential and/or proprietary information of a party to this Agreement. Owner's Confidential information includes written, oral, or electronic information and Information containing personal financial information, employee or customer information, personally identifiable information, protected health information, proprietary information or any other information that Owner designates as confidential and desires to protect against unrestricted disclosure or competitive use, including business plans, marketing strategies, bidding activities, commercial, technical and performance information, contracts, financial Information, research documentation, information about investors or any company or individual with whom Owner does business, information considered by Owner to be a trade secret and/or of a commercially valuable and sensitive nature or information that may otherwise be deemed confidential by law or regulatory agency, including Information described in Section 34.9 "CONFIDENTIAL INFORMATION". The parties intend that the designation of Contractor's Information as Confidential Information shall be limited to non-public financial information and non-public information that has unique commercial value and was developed independently from the Work.
- 1.7 CONTRACTOR: The entity issued an Order by Owner.
- 1.8 CONTRACTOR RESOURCES: Contractor's and any Subcontractor's employees, contract employees, consultants, agents, and all other persons of entities employed by or under the control of Contractor or any Subcontractor.
- 1.9 CONTRACTOR'S REPRESENTATIVE: The individual identified by Contractor with authority to act on behalf of Contractor in performance of the Agreement.

- 1.10 **DIRECT ACTUAL COSTS:** Reasonable direct expenses actually incurred, supported with adequate documentation, to perform a task.
- 1.11 **ENVIRONMENTAL LAWS:** shall mean all applicable laws and any administrative or judicial interpretations thereof relating to: (a) the regulation, protection or use of the environment; (b) the conservation, management, development, control and/or use of natural resources and wildlife; (c) the management, manufacture, possession, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation, or handling of, or exposure to, any Hazardous Materials; or (d) noise.
- 1.12 **EQUIPMENT:** A specific component, part, system, or material provided by Contractor under the Agreement. As used in the Agreement and as the context requires, the term "equipment" includes, the Equipment.
- 1.13 **FINAL ACCEPTANCE:** Owner's written acknowledgement, determined in its sole discretion, that Contractor has completed all or a specified portion, if required or contemplated by the Agreement, of the Work in accordance with the requirements of the Agreement.
- 1.14 **FINAL PAYMENT:** That payment to be made to Contractor by Owner after Final Acceptance.
- 1.15 **HAZARDOUS MATERIALS:** The collective term used to describe (a) any petrochemical or petroleum products, oil, waste oil, asbestos in any form that is or could become friable, urea formaldehyde foam insulations, lead-based oil paint and polychlorinated biphenyls; (b) any products, mixtures, compounds, materials or wastes, air emissions, toxic substances, wastewater discharges and any chemical, material or substance that may give rise to liability pursuant to, or is listed or regulated under, or the human exposure to which or the release of which is controlled or limited by applicable Environmental Laws; and (c) any materials or substances defined in Environmental Laws as "hazardous", "toxic", "pollutant", or "contaminant", or words of similar meaning or regulatory effect.
- 1.16 **INFORMATION:** All intellectual property, computer software and documentation, studies, data, reports, documents, designs, plans, drawings, calculations, test results, Specifications, electronic communications and data, or other information, in whatever form or media. This includes any patents, trademarks, service marks, copyrights, or trade secrets or any devices, designs, methods, or written works developed or capable of being developed during the course of this agreement
- 1.17 **ORDER:** The document issued by Owner for specific Work, which shall be either: (a) a Purchase Order for any procurements by AQUARION; provided however, that the preprinted terms on the back of Owner's Purchase Order(s) shall be excluded from the Agreement to which these General Terms and Conditions are attached, are hereby deleted and shall not bind either party; or (b) a Purchase Order or Contract form, for any procurements by any AQUARION Affiliate provided however, that the preprinted terms on the back of Owner's Purchase Order or Contract form shall be excluded from the Agreement to which these General Terms and Conditions are attached, are hereby deleted and shall not bind either party. Any additional or conflicting terms and conditions in Contractor's confirmation thereof, or Contractor's documentation, including invoices, are hereby expressly rejected and excluded from the Agreement, are inapplicable to the Agreement, shall not be considered part of the Order(s), and shall be of no force and effect.
- 1.18 **OWNER:** "Owner" shall mean AQUARION or its affiliated company or companies listed in the "Furnish and Ship To" block on the face of the first page of the Purchase Order under which the Contract is issued, or the AQUARION Affiliate that has ordered the Work. Each Owner shall be solely responsible to Contractor for Work awarded by such Owner. No AQUARION Affiliate that is not the Owner as to any particular Work awarded shall be jointly and severally liable for Owner obligations hereunder with respect to such Work.

- 1.19 OWNER'S REPRESENTATIVE: The individual(s) identified in Owner's Order with authority to act on behalf of Owner concerning the Agreement, or otherwise identified by the Owner in writing in the Agreement.
- 1.20 SCRAP: Used, obsolete, surplus, scrap or excess material or equipment resulting or arising from Work at a Site which material or equipment has been identified by Owner and/or Contractor as having potential commercial value.
- 1.21 SERVICES: A specific service furnished by or on behalf of Contractor under the Agreement and as part of the Work. Such Services may include the following services: design, engineering, technical, consulting, construction; preparation and/or compilation of Information; procurement, maintenance, repair, inspection, supervision; supply, transportation, installation, startup, testing of materials and Equipment; the supply of labor; and any other services to be performed as specified in the Agreement.
- 1.22 SITE: The location at which the Work is to be performed. The Site can include Owner's property, Owner rights of way, or other property not owned by Owner where Work is to be performed.
- 1.23 SPECIAL TERMS AND CONDITIONS: The Special Terms and Conditions, if any, attached hereto and made a part of the Agreement.
- 1.24 SPECIFICATIONS: The Work requirements, specifications or technical specifications, which may include instructions, scope or statement of work, written requirements for materials, equipment, construction, systems, standards, Information and workmanship for the Work and performance of Services, as provided, supplemented or revised from time to time by Owner.
- 1.25 SUBCONTRACTOR: Any subcontractor, licensor or supplier, at any tier, who furnishes materials, supplies, Equipment, facilities and/or Services to Contractor to meet Contractor's obligations to perform Work under the Agreement.
- 1.26 WORK: The terms used to describe collectively, all Equipment, materials, Information and Services as referenced in the Agreement documents, and all related duties, obligations and responsibilities undertaken or required to be undertaken by Contractor under the Agreement.

2. CONTRACTOR'S BILLING RATES.

Whenever Contractor performs Work on a time and materials basis (including Work performed as a change or addition to the scope of Work described in the Contract) Contractor shall be compensated at the billing rates set forth in the Order. Any adjustments to billing rates that are in compliance with Agreement terms must be provided to Owner for review in the form of a new rate schedule in advance of any invoicing based on such new rates. Owner may reject any invoices which contain billing rates that are inconsistent with Owner's current rate schedule on file.

3. TERMS OF PAYMENT.

- 3.1 Owner shall pay all undisputed charges indicated in properly itemized and supported invoices for Work performed by Contractor and Accepted by Owner in accordance with the terms of the Agreement, within thirty (30) days after receipt of invoice by Owner. If Owner disputes a portion of an invoice, at Owner's request Contractor shall submit a revised invoice for the undisputed amount and Owner shall pay such undisputed portion within thirty (30) days after receipt thereof. Upon Owner's request, Contractor shall provide documentation regarding un-vouchered liabilities including: a) the estimated dollar amount of all Work performed but not invoiced for that month or previous months, and b) any invoice submitted but not yet paid. Documentation must include Owner's Order number and, if applicable, release number.
- 3.2 Contractor must invoice for Work in a timely fashion and within the period specified by Owner. Subject to Owner's invoicing instructions, Contractor shall issue its final invoice Owner within one

hundred eighty (180) days of the completion of the Work being invoiced.

- 3.3 Each invoice shall (a) be certified in writing as correct by Contractor's Representative; (b) be itemized (with reasonable detail) to fully describe each element of cost charged to Owner and any negotiated early payment discounts and (c) if applicable, contain a certification acceptable to Owner to the effect that all Subcontractors have been paid in full for completed Work as reflected in the immediately preceding invoice. For time and material Work, Contractor shall bill in accordance with Owner's billing instructions.
- 3.4 Owner may withhold payment of all or part of any invoice to such extent as may be necessary to protect itself from loss caused by: (a) defective Work not remedied; (b) claims filed or reasonable evidence indicating probable filing of claims by other parties against Contractor and/or Owner in connection with the Work; (c) failure of Contractor to make payments properly to Subcontractors for material, labor or equipment; (d) reasonable indication that the unpaid balance is insufficient to cover the cost to complete the Work; (e) reasonable indication that the Work will not be completed within the Agreement schedule; (f) unsatisfactory performance of the Work by Contractor; (g) failure of Contractor to perform any of its obligations under the Contract; or (h) failure of Contractor to pay any amounts due Owner. Owner shall notify Contractor of the grounds for any withholding, and when the above grounds are removed, or Contractor provides performance assurance satisfactory to Owner that will protect Owner for the amount withheld, payment will be made of the amounts withheld. When deemed reasonable by Owner, Owner may use such funds to rectify the situation causing the withholding of funds.
- 3.5 To the extent permitted by law, Owner shall have the right to set-off against any sums due Contractor under the Agreement any claims Owner may have against Contractor under the Agreement or under any other contract between Owner and Contractor, or that Owner may otherwise have against Contractor without prejudice to the rights of the parties with respect to such claims. In the case of Work incorrectly performed or incomplete, an equitable deduction from the Agreement price may be made.
- a. Except for Work performed at a fixed price, Contractor shall make available to Owner during the Work and for a period of three (3) years following Final Acceptance of all Work, all source documents necessary to verify the elements of all billable charges, including: each worker's name, charge classification, and hours worked; computer usage summaries; and original documentation of all reimbursable expenses (e.g. receipts for travel, business expense and employee expense). Upon five (5) business days prior notice by Owner, this information shall be available for audit by Owner during normal business hours, at Contractor's principal office or at any other location agreed to by the parties.
- b. **THIS SECTION IS APPLICABLE ONLY TO WORK INCLUDING CONSTRUCTION RENOVATION OR REHABILITATION OF REAL PROPERTY IN CONNECTICUT:** In addition to the requirements set forth in Section 3.3, each invoice that includes Agreement changes shall include a statement showing the status of all pending change orders and approved changes to the original Agreement (such statement shall identify the pending change orders and shall include the date such change orders were initiated, the costs associated with their performance and a description of any Work completed). For time and material Work, Contractor shall bill in accordance with Owner's billing instructions. Contractor shall pay any amounts due any Subcontractor for such Work furnished, in compliance with applicable laws, including C.G.S. Section 42- 158j.

4. TAXES.

- 4.1 Taxes on Owner's Purchases from Contractor. Contractor's price(s) and any Billing Rates that apply under the Agreement exclude any and all present and future Federal, state, county, municipal or other jurisdiction's sales, use, excise or other taxes that may apply to the Work and Owner's purchase of the Work and any applicable present and future Federal, state, county,

municipal or other jurisdiction's sales, use, excise or other taxes shall be included in invoices and separately identified and itemized. The Owner shall provide any applicable tax exemption certificates to the Contractor upon the Contractor's request.

4.2 Taxes on Contractor's Purchases. If Owner informs Contractor that Owner has a tax exemption certificate or a direct pay permit that applies to a specified portion of the Work, Contractor shall notify its Subcontractors and suppliers that their Services performed for, materials supplied for Contractor's use in, and/or Equipment supplied for installation as part of the specified "tax exempt portion" or "direct pay portion" of the Work are either exempt from sales and use taxes or Owner pays such taxes directly. Consequently, these Subcontractors and suppliers should not collect such taxes from Contractor and Contractor's prices and Billing Rates to Owner should reflect such tax exemption or Owner's direct payment on Contractor's purchases from Subcontractors and suppliers for the tax exempt or direct pay portion of the Work. Subcontractors and suppliers providing Services, materials and or Equipment for any portions of the Work that are neither tax exempt nor direct pay shall apply any normally applicable sales or use taxes to such "normal tax" portions of the Work and Contractor's prices and Billing Rates will be deemed to include any and all applicable taxes on such normal tax portions of the Work. If Owner does not inform Contractor that it has a tax exemption certificate or a direct pay permit that applies to a portion of the Work, Contractor should presume that its purchases from Subcontractors and suppliers associated with the Work are subject to any applicable sales and/or use taxes on such purchases and Contractor will be deemed to have included any and all applicable taxes on its purchases from Subcontractors and suppliers in the prices and Billing Rates stated in the Agreement provided that any Billing Rates using markup percentages will not apply to taxes paid for such purchases.

4.3 Income, Property and Payroll Taxes. Notwithstanding any provision of the Agreement, Owner shall not be required to pay or reimburse Contractor for any taxes levied against Contractor's income, property or payroll.

4.4 Non-Resident Tax Bonds. If required by applicable law, Contractor and all Subcontractors shall provide to Owner a certificate of compliance with the non-resident contractor bonding provisions applicable to the Work. Contractor shall furnish such certificate to Owner in the case of (i) Contractor, no later than the earlier to occur of thirty (30) days after the effective date of the Agreement, or the date of commencement of the Work, and (ii) each Subcontractor, within the earlier to occur of thirty (30) days after Contractor's retention thereof, or the date of commencement of the Work under such subcontract. Absent such certificates, Owner shall be entitled to withhold amounts otherwise due to Contractor hereunder in accordance with applicable law.

5. CHANGES AND ADDITIONS.

5.1 Either party may request changes or additions to the Work by submitting a written request to the other. Changes requested by Contractor shall not, however, be implemented until approved in writing by Owner. All changes shall be made in accordance with approved Owner procedures included in the Agreement documents or otherwise provided to Contractor.

5.2 Owner shall have the right to require Contractor to delete from, change or add to the Work, in each case to the extent that any such deletions, changes, additions or other alterations are of the character described in the scope of Work, and to the extent such deletions, changes or additions are within the general expertise of Contractor Resources performing the Work. If such deletions, changes or additions are scheduled to be completed by or within six (6) months following the then-scheduled completion date for the Work as specified in the Agreement, such Work shall be performed at Contractor's time and material rates in effect for the Agreement, unless the parties agree in writing to another method of compensation.

5.3 If a deletion, change or addition will increase or decrease the cost or time required to complete the Work, the party requesting the change or addition will set forth in its request the appropriate

adjustment to compensation or completion deadlines. Written acceptance by the party receiving the request for change or addition shall be a binding resolution between parties of the issues set forth in the request.

- 5.4 At no time shall the Work be delayed by Contractor due to a dispute between the parties concerning the cost or time required to accomplish a deletion, change or addition requested by either party.
- 5.5 Contractor shall not commence or undertake any portion of any Work for which it contends that any extra compensation or schedule adjustment is or will be owed or due or payable, without prior written authorization from Owner, and such authorization shall be required for payment of any extra compensation to, or adjustment of any schedule requirement for the benefit of, Contractor. In all instances, Contractor shall orally notify the Owner's Representative of any circumstances that could result in a change in the scope of the Work (or a claim therefor) as soon as possible after the occurrence of the event or incident, and in writing within twenty-four (24) hours after such occurrence. Thereafter, Contractor shall submit to Owner appropriate detailed supporting documentation, justifying the basis for the claim, within ten (10) Business Days after the date of the event or incident giving rise to such claim. Without relieving Contractor of its obligations hereunder, any claims by Contractor for increased compensation or extension of completion deadlines shall be irrevocably waived and released unless Contractor provides such immediate oral notice and twenty-four (24) hour written notice and thereafter submits such detailed supporting documentation for the claim to Owner within such ten (10) Business Day period.
- 5.6 **THIS SECTION IS APPLICABLE ONLY TO WORK INCLUDING CONSTRUCTION, RENOVATION OR REHABILITATION OF REAL PROPERTY IN MASSACHUSETTS WITH AN ORIGINAL MINIMUM CONTRACT VALUE OF \$3 MILLION:** Owner shall approve or provide written objection to all or any portion of each change order request made by Contractor within thirty (30) days after receipt by Owner of the complete change order request; provided that, an objection by Owner in whole or in part to any change order request shall be effective if given before the date that payment is due. Owner's rejection of a Contractor's change order request shall be in writing and include an explanation of the factual and contractual basis for such rejection, and shall be certified as made in good faith.
- 6. INFORMATION.**
- 6.1 If Contractor is required to provide Information, complete and accurate Information shall be submitted in sufficient time for review and approval by Owner prior to starting Work affected by such documents. All equipment and material shall conform to the details shown on Information approved by Owner.
- 6.2 Once Information has been approved by Owner, Contractor shall not make any changes in Information without the prior written approval of Owner.
- 6.3 It is the obligation of the Contractor to review and evaluate the Specifications, and to promptly provide written notice to the Owner of any errors, omissions or discrepancies that the Contractor discovers. Contractor shall immediately notify Owner and request additional instruction in writing whenever Owner-provided Information is found to be unclear, incorrect or conflicting. Contractor shall not undertake any Work based upon such Information until such discrepancy has been resolved by Owner. The Contractor shall not proceed with uncertainty, and any cost incurred that could reasonably have been avoided through timely correction of the Specifications shall be the responsibility of the Contractor. ..
- 6.4 Preliminary, certified for manufacture, certified for construction and as-built drawings shall be submitted to Owner for approval in the form requested by Owner. Any drawing shall be produced in accordance with any Specifications and acceptable industry practices and shall be legible such that Owner is able to clearly distinguish all characters and lines.
- 6.5 For Work that includes Information that is not prepared exclusively and solely for Owner,

Contractor shall retain title to any such Information (excluding any portion thereof that contains Owner's Confidential Information) that is subject to Contractor's patents, copyrights, trademarks, service marks, intellectual property rights or proprietary interests provided that Owner shall have unrestricted and non-exclusive rights and license to use such Information. For Work that includes Information that is prepared exclusively and solely for Owner, all such Information is the proprietary Information of Owner and shall be subject to the requirements applicable to Owner's Confidential Information as set forth in Article 34 "CONFIDENTIAL INFORMATION" herein, whether or not each such document is so identified.

- 6.6 Contractor shall be responsible for the completeness and accuracy of the Information it provides and shall correct, at its expense, all errors or omissions therein. Without limitation of any and all other rights and remedies available to Owner, the reasonable cost necessary to correct matters attributable to such errors shall be chargeable to Contractor.
- 6.7 Contractor shall provide Owner with all Information necessary for Owner's use and understanding of the Work and the installation, operation, maintenance and repair thereof, and to allow Owner to satisfy any legal process, or any filing or disclosure requirement required under law or regulation or requirement of a governmental body. Except for Information deemed to be proprietary to Contractor under the terms of the Agreement, and except as set forth in this Article 6, all Information supplied or delivered to Owner pursuant to the Agreement shall be the property of Owner. Contractor may retain for its records only, copies of any Information furnished to Owner, and unless otherwise agreed to by the parties, shall treat such Information in accordance with the requirements applicable to Owner's Confidential Information.
- 6.8 Contractor shall keep such full and detailed accounts for proper financial management under this Agreement as Owner may reasonably request. Contractor shall also promptly provide other information, copies of such reports, and other information reasonably requested at no cost to Owner.
- 6.9 The interpretation of the Specifications shall rest with the Owner's Representative, whose decision in any matter shall be final and binding, subject to the dispute resolution provisions of this Agreement. The Specifications are intended to state in general what is required for the Work, and the omission of minor details shall not operate to relieve the Contractor from the obligation to provide all things necessary for the completion in proper working order of the entire Work outlined therein in accordance with the best construction or industry practices.

7. ELECTRONIC DELIVERY OF INFORMATION.

Owner and/or Contractor may agree to exchange business data or information electronically using a point-to-point connection or a value added network either directly or through a third party E-Business provider (collectively, "E-Business"). The parties recognize and agree that the electronic transmission of information, including attachments, and access to E-Business systems by Owner employees, cannot be guaranteed to be secure from third party interception, error free or free from viruses or other damaging computer code, and that such information could be intercepted, corrupted, infected, lost, destroyed or incomplete, or otherwise be adversely affected during transmission or harmful to the recipient's computer system. Owner and Contractor have each taken steps within their organization to reduce the foregoing risk, consistent with the industry practices; however, there can be no assurance that outgoing E-Business is free of the foregoing faults or that engaging in E-Business will not create any harm to electronic systems. If Contractor agrees to transmit information or documents relating to this Agreement using E-Business, Contractor shall be deemed to have accepted and be bound by the terms of this Agreement .

8. DELAYS.

- 8.1 Schedule Commitment/Notice of Delay. Time is of the essence with respect to the performance of the Work. Each party shall give the other prompt written notice of any circumstances that may delay performance of the Work including any Force Majeure (as defined in Section 9.1). Contractor shall

notify Owner's Representative of any such circumstance orally as soon as possible after such circumstance occurs and in writing within twenty-four (24) hours after the occurrence of such circumstance. Contractor shall record the cause of any resulting delay and the time lost in its reports and in its time sheets and shall submit such reports and time sheets to Owner's Representative.

8.2 Delays in Performance For Reasons Other Than Force Majeure.

8.2.1 Owner may at any time request Contractor to delay performance, fabrication or delivery of all or any portion of any Work to be provided under the Agreement. Contractor shall use its best efforts to accommodate such delay. However, if Contractor is unable to accommodate all or a portion of Owner's request, it shall notify Owner in sufficient time for Owner to take alternative measures, including directing Contractor to place the affected Work or portion thereof, including any equipment, materials or supplies, in storage at a site authorized by Owner.

8.2.2 Risk of loss and liability for Equipment, materials, and/or supplies placed in storage shall remain with Contractor until transferred to Owner in accordance with Article 26 "DELIVERY, TITLE AND RISK OF LOSS TO EQUIPMENT AND MATERIALS".

8.2.3 If Work or any portion thereof is ready for performance or shipment, but performance or shipment is delayed beyond the scheduled performance or shipment date by Owner, the parties will adjust the payment schedule accordingly and for any Direct Actual Costs resulting from such delays, use good faith efforts to negotiate a change order to address such costs. .

8.2.4 Contractor shall use best efforts to complete the Work in accordance with the Work schedule. If the Work falls behind schedule due to acts or omissions of Contractor or any Contractor Resources, Contractor shall, at its sole cost and expense, use its best efforts to restore the Work to schedule, including placing Contractor Resources on extended working hours, assigning additional resources to the Work, and establishing expedited, priority treatment for the acquisition, fabrication and delivery of the equipment, materials and supplies necessary to complete the Work within the time set forth in the Agreement.

8.3 Off-Site Delays. If Work at an off-Site facility is delayed by either party, the other party shall be entitled to compensation for its documented direct, actual costs for each such period of delay.

8.4 Limitation of Liability for Delay Damages at Site. The parties agree to limit liability for damages incurred by delays at a Site as follows:

8.4.1 At any point after Owner orders Contractor to start the Work, Contractor's delay shall be deemed to commence when the Work location or Work site becomes available for the Contractor's performance of Work but the Contractor, in whole or in part, does not perform the Work, and such delay shall be deemed to cease when the Contractor resumes Work performance in accordance with the Agreement terms. For delays caused by Contractor, Owner shall be compensated for its actual costs to accommodate or mitigate the impact of each Contractor delay.

8.4.2 At any point after Owner orders Contractor to start the Work, Owner's delay shall be deemed to commence when Contractor Resources are able to be present at the Work location and able to perform the Work but are prevented by the Owner from performing such Work and such delay shall be deemed to cease when Owner no longer prevents such performance. In the event of a delay requested by Owner, or a delay caused solely by Owner's negligence, to the extent Contractor has incurred labor costs caused by such delay, Contractor shall be compensated pursuant to Section 8.4.3.

8.4.3 The duration of delay shall be computed in increments of one (1) hour. Compensation for

each party's direct labor costs shall be made only to the extent that a party actually incurs direct labor costs, if any. The delayed party shall use commercially reasonable efforts to minimize the costs it incurs for each delay by rescheduling its activities, redeploying its work force, or by other appropriate action. The parties shall consult at least weekly concerning delays, Contractor shall provide Owner with documentation relating to such delay as requested by Owner, and Owner shall maintain a log of each party's delay. Compensation for delay shall be made at the completion and Acceptance of the Work by determining the total number of hours of delay for each party, and subtracting the lesser number of hours from the greater to establish the party with a delay balance. Contractor shall be compensated for the lesser of (i) its delay balance or (ii) the number of working hours (not to exceed eight (8) hours per day) the Work is delayed beyond the scheduled completion date due to the request of Owner, or the sole negligence of Owner.

8.4.4 Contractor shall not be compensated for delay time unless it provides written notice of such delay to Owner within the period specified in this Article.

9. FORCE MAJEURE.

9.1 Neither party shall be liable to the other for loss or damage resulting from any delay or failure of a party to perform its contractual obligations due to conditions or circumstances which are beyond that party's control, including: acts of God; war; acts of a public enemy; riot; civil commotion, sabotage; Federal, state or municipal action, inaction or regulation; strikes or other labor troubles (excluding those involving such party's employees); fire; flood; accidents; epidemics; quarantine restrictions; embargoes; damage to or destruction in whole or in part of office equipment or manufacturing plant, to the extent such facilities are necessary to proper performance of the party's obligations under any Agreement and alternate facilities are not reasonably available; and inability to obtain raw material, labor, fuel or supplies; provided however, that such failure or delay is not caused by that party's failure to satisfy its obligations under the Agreement or could not have been prevented by reasonable precautions taken by the non-performing party or could not reasonably be circumvented by the non-performing party through the use of alternate sources or plans or other means.

9.2 Force majeure shall extend the time for Contractor's performance to the extent such condition directly affects completion of Work. Contractor shall use its best efforts to reschedule its Work to mitigate the effect of such condition and to eliminate such condition as soon as possible. If the Work falls behind schedule due to a Force Majeure, Owner may direct Contractor to accelerate the Work by whatever means Owner may deem necessary, including subcontracting Work or working additional hours or shifts, and Owner shall pay Contractor for the agreed Direct Actual Costs incurred by Contractor in connection with any such directed acceleration.

9.3 Neither this Article nor any other provision of the Agreement shall excuse the non-performance or delayed performance of Contractor due to any failure of the Contractor to prepare for the Work or commercial impracticability experienced by Contractor, including market changes, increased costs or insufficient money.

10. INSPECTION.

10.1 Contractor shall advise Owner in writing of each location where Work is being performed or where materials or Equipment are being manufactured, stored, or prepared for use under the Agreement, in each case, reasonably in advance of conducting such Work or storing such items to allow Owner to witness or inspect the same. Contractor shall, on behalf of itself and its Subcontractors, provide unrestricted access to such locations for inspection of Work.

10.2 Contractor shall provide Owner timely notice of the date of all tests affecting the Work, and provide test results promptly to Owner. Owner shall have the right to inspect the status of all Work at the facilities of Contractor and its Subcontractors, as well as at the Site. Such inspections shall be conducted upon reasonable advance notice to, and during the working hours of Contractor Resources. Such general inspection rights are in addition to, and not in limitation of, any and all

inspection and testing rights of Owner set forth in the Agreement. Owner's approval of Work shall in no way reduce or modify Contractor's obligations to meet performance and other requirements of the Agreement. By such approval, Owner in no way assumes any part of Contractor's responsibility for the satisfactory performance of Work.

10.3 Inspection of Equipment or materials during manufacture will be performed by Owner solely in an effort to detect discrepancies and defects as early as possible. No Acceptance of Equipment or materials shall be construed to result from such inspections by Owner.

10.4 If any Work should be enclosed without Owner's inspection, Contractor shall, at Owner's request, uncover the Work, allow an inspection and properly restore the Work all at Contractor's expense. Owner's Representative may order reexamination of any Work.

11. REQUIREMENTS FOR ACCEPTANCE.

Acceptance of Work shall be conditioned upon Contractor submitting to Owner's Representative the following:

11.1 written notice that the Work is ready for final inspection;

11.2 properly executed, unconditional waivers or releases of lien from Contractor and all Subcontractors, conditioned upon payment, who provide labor, materials, equipment or supplies for the Work;

11.3 evidence of satisfactory completion of all acceptance testing required under the terms of the Contract;

11.4 all Information required under the Contract; and

11.5 An accounting for all tools, materials, and equipment provided by Owner.

12. PARTIAL COMPLETION AND ACCEPTANCE.

If at any time prior to Acceptance as referred to in Article 11 "REQUIREMENTS FOR ACCEPTANCE", any portion of the Work has been completed and if Owner determines that such portion of the Work is of value, Owner will, if applicable, issue to Contractor a certificate of partial completion. Upon the issuance of such certificate, or at any time thereafter, Owner may take over and use the portion of the Work described in such certificate and may exclude Contractor therefrom. The issuance of a certificate of partial completion will not release the Contractor or its sureties from any obligations under the Agreement unless such prior use delays the Work or increases its cost. In this event, the Contractor will be entitled to extra compensation or extension of time, or both, as Owner may determine.

13. SUSPENSION OF WORK.

Owner may at any time suspend the Work or any part thereof upon oral notice to Contractor. Such oral notice shall be confirmed in writing by Owner. The Work shall be resumed by Contractor promptly after written notice from Owner to Contractor to do so. Owner will make payment for all Work completed and accepted by Owner as of the suspension date, in accordance with the agreed payment rates and milestones.

14. TERMINATION FOR CAUSE.

14.1 Without prejudice to any other right or remedy Owner may have under the Agreement, at law and/or in equity and upon providing written notice of such termination to Contractor, Owner may terminate the Agreement without any liability being owed thereby by Owner to Contractor, in the event of the occurrence of any of the following:

14.1.1 insolvency of Contractor;

14.1.2 filing of a voluntary petition in bankruptcy by Contractor;

14.1.3 filing of an involuntary petition in bankruptcy against Contractor;

14.1.4 appointment of a receiver or trustee for Contractor;

14.1.5 execution by Contractor of an assignment or any general assignment (other than an

- assignment undertaken in connection with a financing) for the benefit of creditors;
- 14.1.6 commencement of any legal proceeding against Contractor that, in Owner's opinion, may interfere with Contractor's ability to perform in accordance with the Contract; or
- 14.1.7 Contractor consolidates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and/or sells, assigns or otherwise transfers the Contract; in each case without Owner's advance written consent.
- 14.2 If Contractor fails to diligently perform the Work in accordance with the Agreement or if Contractor otherwise breaches any of the terms of the Agreement, in addition to Owner rights set forth in Section 14.1 above and Section 25.7 regarding safety or environmental violations, Owner shall have the right without any liability being owed thereby by Owner to Contractor, upon giving Contractor written notice of default and allowing Contractor a period of five (5) Business Days, or such other period as may be agreed upon by the parties or as may be determined by Owner to be necessitated by exigent circumstances, to remedy such deficiency. In the event such default is not completely remedied, Owner may cancel the Agreement in whole or in part upon giving written notice to Contractor; and complete the Work itself or to have the Work completed by another entity, with any additional cost associated therewith being the liability of the Contractor.
- 14.3 Upon receipt of any notice of termination as described in Section 14.1 or Section 14.2 above, Contractor shall immediately cease Work, commence demobilization of any affected Contractor Resources, and, if requested by Owner, promptly remove from the Site all materials and equipment which have not been either fully or partially paid for by Owner. Contractor shall promptly settle the liabilities and claims arising out of the termination of subcontracts and orders.
- 14.4 Contractor shall maintain a written, detailed inventory of all Equipment in storage at the Site(s), in route to the Site(s), in storage or manufactured away from the Site(s), and on order from its suppliers and Subcontractors. Upon Owner's written request and to the extent that title has not transferred earlier pursuant to Article 26 "DELIVERY, TITLE AND RISK OF LOSS TO EQUIPMENT AND MATERIALS," Contractor shall promptly transfer title and deliver to Owner completed or partially completed Work and/or contract rights of Contractor relating to the Work, and Contractor shall execute and deliver such documents and take all such actions as Owner may require for the purpose of vesting in Owner such ownership, rights and benefits of Contractor with respect to the Work.
- 14.5 In the event any termination under this Article 14 is subsequently determined pursuant to the dispute resolution process set forth in Article 39 "DISPUTE RESOLUTION; NEGOTIATION; MEDIATION; ARBITRATION", to have been made without cause, such termination shall be deemed a Termination for Convenience under Article 15 hereof.
- 15. TERMINATION FOR CONVENIENCE.**
- 15.1 Owner shall have the right to terminate and/or cancel the Agreement or all or any portion of the Work for any reason, or for Owner's convenience, and at its sole and exclusive discretion, upon at least one (1) day's prior written notice to Contractor specifying when such termination becomes effective. Upon such effective date, Contractor shall immediately cease Work, commence demobilization of any affected Contractor Resources, and, if requested by Owner, promptly remove from the Site all materials and equipment which have not been either fully or partially paid for by Owner. Contractor shall promptly settle the liabilities and claims arising out of the termination of subcontracts and orders and shall use its best efforts to minimize any associated costs. After termination, Contractor shall cooperate with Owner to the fullest extent for the purpose of allowing Owner or its designee to fully perform all functions previously performed by Contractor under the Agreement.
- 15.2 Upon Owner request, Contractor shall provide a written, detailed inventory of all Equipment in storage at the Site(s), in route to the Site(s), in storage or manufactured away from the Site(s), and on order from suppliers and Subcontractors. Upon Owner's request and to the extent that title has not transferred earlier pursuant to Article 27, Contractor shall promptly transfer title and deliver to Owner completed or partially completed Work (including Information or other work product related to

the Work) and/or contract rights of Contractor relating to the Work for which Owner has made payment, and Contractor shall execute and deliver such documents and take all such actions as Owner may require for the purpose of vesting in Owner such ownership, rights and benefits of Contractor with respect to the Work.

15.3 In the event of a termination under this Article 15, except as otherwise expressly agreed to in writing by the parties, Owner shall pay for the Work completed in compliance with the Agreement through the effective date of termination.

16. OWNER'S REPRESENTATIVE STATUS.

Owner's Representative will perform inspection of the Work and has the authority to stop the Work whenever such stoppage may be necessary to insure the proper execution of the Agreement. He/she also has authority to reject any and all Work that does not conform to the Agreement and to decide questions that arise in the execution of the Work. Owner's Representative will make decisions in writing within a reasonable time on all claims of Contractor and on all other matters relating to the execution and progress of the Work or interpretation of the Agreement documents.

17. CONTRACTOR'S SUPERVISORY DUTIES.

17.1 Prior to commencing any Work, Contractor shall identify to Owner a Contractor's Representative authorized to receive all communications from Owner, provide all approvals or authorizations required from Contractor and act on behalf of Contractor in all matters concerning the Work. Owner reserves the right to require the removal and replacement of Contractor's Representative for any reason.

17.2 Contractor shall efficiently and continuously supervise its Contractor Resources required to complete the Work. Contractor shall be fully liable for the acts and omissions of Contractor Resources. Contractor shall provide an adequate and competent supervisory staff throughout the course of the Work.

17.3 Contractor shall at all times enforce strict discipline and good order among Contractor Resources, and shall not employ any unfit person or anyone not skilled in the tasks assigned under the Agreement. Owner shall have the right to request Contractor to remove any person determined by Owner to be unqualified or unfit to perform the Work.

17.4 In the event Contractor Resources are given access to any of Owner's computer systems or equipment or Owner Information (including, without limitation, Owner's Confidential Information), Contractor agrees not to use Owner's systems or equipment or such Owner Information for any purposes other than that contemplated in the Agreement. Contractor further agrees to keep confidential any Information it obtains in the course of performing Work under this Agreement and to utilize data security systems approved by Owner and compliant with Owner's IT Security Requirements and applicable law. Contractor agrees to cause its Contractor Resources to comply with applicable provisions of Owner's IT Security Requirements and policies and applicable laws and regulation.

17.5 For any Services to be performed on any Site, within five (5) Business Days of Owner's request, Contractor shall provide to Owner, the names, classifications and job locations of Contractor Resources. Owner shall have the right to request that Contractor remove and replace (at no cost to Owner) any person determined by Owner in its discretion to be unqualified or unfit to perform the Work, in which case Contractor shall do so (including reassignment to work other than for Owner and/or Owner affiliates to the extent allowable under Contractor's labor agreement(s) and Law). Owner's requests and/or reviews concerning any Contractor Resources shall not be construed in any manner as creating any employment, contractual or other relationship between Owner and such person, or otherwise granting Owner control over such person and/or the performance of the related Work.

17.6 Contractor shall, subject to Owner approval, designate certain Contractor Resources as key

personnel with respect to the Work. Contractor shall not remove, replace, or reassign such designated key personnel without the prior written consent of Owner, which shall not be unreasonably withheld.

17.7 **RESERVED.**

18. **INDEPENDENT CONTRACTOR.**

Contractor Resources shall perform all Work as independent contractors, and shall not be deemed to be the employees or agents of Owner for any purpose whatsoever.

19. **SUBCONTRACTING.**

19.1 Contractor shall provide Owner with notice of any Work that it desires to subcontract along with a list of proposed Subcontractors. Owner shall have the right to refuse any proposed Subcontractor and Contractor shall not enter into any such subcontract with any such Subcontractor as to which Owner has made an objection. Contractor shall not make any substitution of proposed Subcontractors prior to or during the term of this Agreement without prior written approval from Owner. Neither Contractor nor any Subcontractor shall assign any Work under this Agreement without the written consent of Owner.

19.2 Irrespective of Owner's consent or the terms of any agreement between Contractor and any Subcontractor, Contractor shall (a) be fully responsible to Owner for acts and omissions of Contractor Resources; (b) remain fully responsible for the full and faithful performance of the Contract; (c) direct and control the activities of all Contractor Resources; (d) remain fully bound by all terms and conditions of the Agreement including all requirements for indemnity and warranty. Contractor shall include all Agreement provisions related to any subcontracted Work in the written agreement between Contractor and such Subcontractor for such Work, including warranty, insurance, audit and indemnity provisions. Contractor shall be responsible for the satisfaction of all contractual and legal obligations to such subcontractor and supplier.

19.3 Owner shall have the right to request that Contractor terminate any subcontract and remove any Contractor Resources determined by Owner, in its sole discretion, to be unqualified or unfit to perform the Work or any portion thereof.

19.4 Nothing contained in the Agreement documents shall create any direct contractual relation between any Subcontractor and Owner.

19.5 Contractor shall not allow access to the Site(s) or any portion thereof under the control of the Contractor by any person not acting under the direction and control of Contractor, other than Owner, the Owner's Representative, other authorized representatives of Owner, other contractors engaged by Owner and governmental authorities.

19.6 **THIS SECTION IS APPLICABLE ONLY TO WORK INCLUDING CONSTRUCTION RENOVATION OR REHABILITATION OF REAL PROPERTY IN CONNECTICUT:** Contractor shall include in each of its subcontracts a provision requiring each Subcontractor to pay any amounts due any of Subcontractor's subcontractors or suppliers for Work furnished, not later than thirty days after the date such Subcontractor receives a payment from the Contractor which encompasses Work furnished by such Subcontractor.

19.7 **THIS SECTION IS APPLICABLE ONLY TO WORK INCLUDING CONSTRUCTION RENOVATION OR REHABILITATION OF REAL PROPERTY IN MASSACHUSETTS:** Contractor shall pay any amounts due any Subcontractor for such Work furnished, in compliance with applicable laws, including M.G.L. c. 149, §29E.

20. **COMPLIANCE.**

20.1 Contractor and Contractor Resources shall comply with all laws, regulations and requirements

applicable to the Work, including international, federal, state and local laws, and the laws applicable to any location where any Work is to be performed, constructed, manufactured, stored or delivered. Such compliance shall include environmental, human rights, labor, employment, non-discrimination and anti-corruption laws (including the Foreign Corrupt Practices Act), and all applicable maritime, customs, export, and import laws, requirements, rules and regulations, and the applicable laws, requirements, rules and regulations of the country of origin or destination, any intermediate country, and the United States in the performance of the Work. The country of any location where Work is to be performed, whether it is the country of origin or destination or any intermediate country must be a member of the International Labour Organization (ILO). The costs of such compliance with the foregoing requirements shall be borne exclusively by Contractor and Contractor shall defend, indemnify, and hold Owner harmless from any liabilities, damages, fines, penalties and costs arising from Contractor's noncompliance with this Article 20.

20.2 Contractor and Contractor Resources shall comply with Owner's requirements, procedures, and policies including without limitation those found in the Exhibits hereto, and as additionally incorporated by reference in the Order or Agreement documents and/or issued in connection with the Work and as in effect from time to time.

20.3 **THIS SECTION IS APPLICABLE TO WORK PERFORMED PURSUANT TO A FEDERAL GOVERNMENT CONTRACT OR FEDERALLY FUNDED CONTRACT:** In connection with its performance of Work pursuant to a federal government contract or federally funded contract, in addition to all other legal compliance obligations, Contractor shall comply with all laws and regulations specific to and applicable to such contracts, including without limitation, regulations and laws regarding employment and non-discrimination, Executive Order 11246 and the regulations issued pursuant thereto (generally Part 60-1 of Title 41 of the Code of Federal Regulations), unless exempted by said regulations. **The Equal Opportunity Clause set forth in 41 CFR Section 60 1.4(a), is hereby incorporated by reference. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. This contractor and subcontractor shall abide by the requirements of 41CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.** Contractor and all of its Subcontractors shall comply with the provisions and regulations pertaining to nondiscrimination and affirmative action in employment (41 CFR Sections 60 1.4, 1.40, 1.41 and 1.42), and the filing of Standard Form 100 (EEO 1). Contractor certifies, in accordance with the requirements of 41 CFR Section 60 1.8), that its facilities for employees are not segregated. Further, Contractor will comply with the provisions of (unless exempted from) the notice posting requirements of Executive Order 13496 set forth in 29 CFR Part 471, Appendix A to subpart A, which is incorporated herein by reference.

21. SITE REQUIREMENTS.

21.1 For all Work to be performed at a Site, Contractor Resources shall comply with Owner's requirements, procedures, and policies and training requirements, including those relating to safety, security, environmental practices and access authorization, currently in effect, copies of which are available upon request.

21.2 Owner shall have the right to place its forces or any other contractor's forces at the Site to perform work not included in the Agreement. All Work performed by Contractor shall be undertaken in full cooperation with Owner's personnel or the personnel of other contractors at the Site, in order to achieve the least possible interference with the continuity and efficiency of all Owner's interests or activities at the Site. Contractor's forces shall work in harmony with all such other forces, and in accordance with Owner's schedules.

21.3 Contractor represents that prior to commencing Work it has advised its forces of Owner's

requirements, procedures and policies; satisfied the applicable training requirements; and conducted such inspections and made such inquiries as it deems necessary concerning the conditions at each Site which might affect Contractor's execution and completion of the Work. Contractor agrees and acknowledges that Information provided by Owner concerning Site conditions has been used for reference only and shall not be claimed to relieve Contractor from its obligation to independently assess the requirements of the Work.

21.4 Contractor shall plan and execute the Work in such a way to avoid any unscheduled interruption of utility service.

21.5 The Contractor shall use only the established roads for the performance of the Work, and any such temporary roads approved by Owner and necessary for the Work.. When necessary to cross curbing, sidewalks or similar features, they must be properly protected, and if damaged, shall be restored to previous condition at Contractor's expense.

22. INCIDENTAL MATERIALS AND CONSUMABLES.

Contractor, at its sole expense and prior to delivering consumables or materials incidental to performance of Work at the Site, shall inspect or test such consumables or materials to ensure compliance with the Agreement, including the Specifications.

23. HAZARDOUS MATERIALS.

23.1 Contractor shall provide to Owner's Representative or designee a written description of and purpose for the use of any products or processes in the Work that are Hazardous Materials or may result in the generation of Hazardous Materials. Such written submission must identify, prior to the start of the Work and to the satisfaction of Owner's Representative or designee, the practices used to minimize such generation and demonstrate that it has taken all possible steps to eliminate or reduce to the maximum extent possible such generation.

23.2 Contractor shall ensure the environmentally responsible management of any Hazardous Materials included in or resulting from the Work. In performing the Work, Contractor shall comply fully with all Environmental Laws. Contractor is solely responsible for the proper identification and labeling, documentation, handling, storage, minimization, processing and recycling of any and all such Hazardous Materials. Unless otherwise indicated, Contractor shall be responsible for manifesting, transporting and removing from Site any and all Hazardous Materials. Contractor shall be liable for any and all costs incurred by Owner, at Owner's sole discretion, for the storage, handling, processing, removal and disposal thereof.

23.3 Contractor shall defend and indemnify Owner, its parent, affiliates and its and their employees, agents, officers and directors and hold it and them harmless from any and all damages, claims, demands, or suits of any kind for injury to persons, including death, and damage to property suffered by any person (including Contractor Resources) or by any firm or corporation arising out of, or claimed to have arisen out of, any acts or omissions of Contractor and Contractor Resources related to or involving Hazardous Materials generated during the course of the Work or brought to the Site by the Contractor or Contractor Resources. This indemnification shall include any liability or claims related to the storage, handling, processing, release, or removal from Site of any such Hazardous Materials by Contractor, Contractor Resources, transporters, recyclers, or any treatment, storage or disposal facility used by Contractor or such other persons. Further, this indemnification shall include liability for any and all costs or penalties (including legal, attorney, administrative, or regulatory fees and expenses) incurred or imposed as a result of actions pursued by federal, state or local governments or agencies related, in any way whatsoever, to the management of such Hazardous Materials.

23.4 Contractor agrees to use the EPA identification number assigned to the Site at which Contractor is working. The use of such EPA number shall not constitute assumption of environmental liability by Owner. In the event Owner has no EPA number for the Site in question, Contractor shall apply for a

temporary number.

- 23.5 No chemical consumable product may be delivered to any Site without prior written approval by the Owner's Representative or designee in the manner provided in the first paragraph of this Article 23. As a condition precedent to such pre-approval, Contractor shall identify to Owner's Representative any and all chemical consumable products that will be used in performing the Work or are listed on the Site's approved Chemical Consumables Products List. Such identification shall include a copy of the product's Material Safety Data Sheet (MSDS), the specific use and location of use, and the expected quantity that will be required to perform the Work. Owner's consideration of Contractor's request shall involve the products' health and safety hazards, environmental and fire hazards, potential for degrading Owner's systems or components, potential for creating Hazardous Materials, and availability of suitable alternatives. A substitute product may only be used following the receipt of express written permission by the Owner's Representative. Contractor is solely responsible for any costs or expenses incurred by Owner as a result of Contractor's use of a product that has not been specifically authorized.
- 23.6 Following completion of the Work, Contractor shall identify to Owner's Representative all materials or waste that it reasonably believes constitute Hazardous Materials. Final classification of such waste shall be at the sole discretion of Owner's Representative. Unless directed otherwise by Owner, Contractor shall promptly remove any and all equipment and consumables from the Site. In the event that Contractor fails to complete such removal in a timely fashion following completion of the Work, Owner may, at its sole discretion, retain any such material as property of Owner or arrange for its removal at the sole expense of Contractor. Such expenses to be borne by Contractor include, the costs of laboratory testing, storage fees, processing, treatment, transportation, recycling, and disposal. The manifesting, transportation and removing from Site of any and all Hazardous Materials shall be effected by Contractor, at Contractor's sole cost and expense.
24. **SUBSTITUTIONS AND SPARE PARTS.**
Contractor shall make available for purchase by Owner for a period of five (5) years an adequate supply of spare parts for all Equipment supplied by, assembled or fabricated by Contractor as part of the Work. Unless otherwise stated, any Equipment described by trade name or identified by the name of the manufacturer are intended as a standard of the type desired. Equipment made by other manufacturers may be used, provided that they are equal or better in material, design and workmanship to those named, and provided that such substitutions are approved by the Owner in writing. All parts of like units shall be so constructed as to be interchangeable with like parts of duplicate units, unless the specifications provide otherwise.
25. **SAFETY PRACTICES. SECURITY, PROTECTION OF THE PUBLIC, WORK AND PROPERTY.**
- 25.1. Contractor and Contractor Resources shall be instructed, familiar with and required to follow safety rules and regulations applicable to the Work being performed, and comply with (1) all Owner policies and procedures (available upon request) applicable to the Work, and any addenda, revisions or updates thereto; and; (2) those policies and procedures referenced in the Agreement or Order. Contractor shall coordinate site specific Personal Protective Equipment (PPE), arc flash protection and FR clothing requirements with the Owner. Contractor shall have the sole responsibility to see that such persons are so informed, properly trained and that safety practices are followed.
- 25.2. Contractor shall establish and maintain safeguards, controls, work rules, or other measures to protect the Equipment, and/or the Owner's property that is placed under Contractor's control, from damage, harm, or sabotage for the entire time during the performance of the Work until Final Acceptance. Contractor shall fully comply with any applicable Owner Site rules. For all Work to be performed at a Site, Contractor Resources shall comply with Owner's requirements, standards, procedures, and policies and training requirements, including those relating to safety, security, environmental practices and access authorization, currently in effect, copies of which are available upon request or may be available electronically, through an Owner web-site. Contractor shall conduct safety briefings and job hazard assessments. Upon Owner's request, Contractor shall provide documentation, confirming Contractor's compliance with this Article 25, including

OSHA logs, qualification requirements and training certifications, licenses and detailed job safety and hazard assessment job plans, and reports of accidents involving Contractor Resources during the performance of the Work on Owner's Site.

- 25.3. While performing all Work, Contractor shall, and shall ensure that Contractor Resources strictly observe and fully comply with all federal, state, and local safety laws, rules and regulations applicable to the Work and/or the Site. Contractor shall provide and maintain all necessary precautions for the protection and safety of the public. It shall continuously take all necessary precautions to protect Owner's property from injury or loss arising in connection with the Agreement. In addition, when performing Work in close proximity to Owner's employees, Owner's safety rules shall be applicable.
- 25.4. Contractor shall train all Contractor Resources who carry out Work in the vicinity of energized conductors and equipment, in approved methods of artificial resuscitation, before such persons begin any Work.
- 25.5. Except with respect to Hazardous Materials, for which the provision of MSDS is required, pursuant to Article 23 "HAZARDOUS MATERIALS", upon Owner request, Contractor shall furnish to Owner's Representative Material Safety Data Sheets (MSDS) for any other product intended for use with the Work and make copies of such MSDS available to Owner at the Site or other mutually agreed upon location. No product for which an MSDS submittal has been requested shall be used until the MSDS has been reviewed by Owner.
- 25.6. For any Work that takes place at Owner facilities, Contractor shall comply with Owner's security requirements then in effect. Contractor Resources shall strictly adhere to the security regulations and obey the directions of Owner's security personnel. Contractor shall develop and, after review and approval by Owner, implement a security program to account for and protect all tools and equipment under its sole and exclusive care, custody and control in the performance of the Work. Owner shall not be liable to Contractor for loss of or damage to such tools or equipment.
- 25.7. Owner may immediately suspend or terminate all or any portion of the Work, without any added cost to Owner, and with no adjustments made to the schedule for the Work, if Owner determines that any safety or environmental violations have occurred, including conditions that could result in injury to any individual or damage to property or to the environment.
- 25.8. During the operating life of all equipment (including Equipment), materials and/or supplies furnished by, through or on behalf of Contractor as part of the Work or for use or consumption or for incorporation into the Work (including warranty repairs), Contractor shall provide Owner with prompt written notice of any and all design modifications in such equipment, materials and/or supplies if the purpose or consequence of any such design modification is to address a safety issue, or to improve the safety of, any such equipment (including Equipment), material and/or supplies.
- 25.9. In the event that Owner personnel observe and/or determine that a portion of Contractor's Work has been performed in nonconformance with the Agreement and if the continued existence of that portion of the Work in its then current state poses a threat of property damage or bodily injury to Owner, Owner personnel, other persons or the public, Owner shall have the right to correct the nonconforming Work or place the nonconforming Work in a safe condition. Owner shall notify Contractor verbally as soon as possible after discovering the nonconforming Work. Owner shall confirm the observation in writing within seven (7) days. If Owner has not yet paid for the Work, Owner may deduct the costs of affecting such repair from the outstanding amount due for the Work. If Owner has already paid for the Work, Contractor shall reimburse Owner for Owner's Direct Actual Costs for such repair. Contractor shall make good any damage resulting from lack of protective precautions. It shall adequately protect adjacent private and public property.
- 25.10. Contractor shall exercise the utmost care and shall carry on all activities under the supervision of properly qualified Contractor Resources. In the event of an emergency affecting the safety of the

public, the Work or property, or in the event of a release of Hazardous Materials, Contractor shall as soon as reasonably practicable but in no event later than four (4) hours from the occurrence of such event, notify Owner of the occurrence and details of such events. Contractor is hereby permitted to act at its own discretion to prevent such threatened loss or injury without special instructions or authorization from Owner's Representative except in the event of a release of Hazardous Materials. Any compensation claimed by Contractor on account of emergency work shall be determined by agreement or by arbitration.

25.11. RESERVED

25.12. Contractor shall have obtained identity verification, criminal background checks (federal, state and county checks for prior 7 years) and drug tests for all Contractor Resources prior to using such Contractor Resources to perform Work at customer facilities or Owner Sites. Contractor shall not assign Work to Contractor Resources that have any record of convictions (including any record since employment with Contractor) for any felonies and misdemeanors involving violence, sexual offense, drugs, theft, computer crimes or identity theft, or otherwise present a risk of injury to any individual or damage to or loss of property.

25.13. For any serious safety incident that (1) occurs during any work that is under Contractor's supervision at any of Contractor's work locations, (2) is required to be reported to OSHA and (3) results in either a fatality of any employee of, or hospitalization of one (1) or more employees of, Contractor or a subcontractor to Contractor, Contractor shall notify Owner within five (5) Days after such safety incident.

26 **DELIVERY, TITLE AND RISK OF LOSS TO EQUIPMENT AND MATERIALS.**

26.1 Except as otherwise specified in the Agreement, delivery of any equipment and materials to be purchased by the Owner shall be F.O.B. Destination. Whenever Contractor provides equipment that will not be subject to further Work by Contractor, title and risk of loss shall pass to Owner upon the delivery of the equipment F.O.B. Destination set forth in the Agreement and Acceptance. Except as otherwise expressly agreed to by the parties in writing in the Agreement Owner shall not pay any amounts for transportation or packaging.

26.2 Except as provided for in Section 26.1 above, title and risk of loss to all equipment and materials supplied by Contractor shall pass upon Acceptance of Work by Owner.

26.3 Title to all materials to be removed by Contractor shall pass to Contractor upon the loading of the materials into the containers supplied by Contractor or onto Contractor's truck, whichever occurs first. For purposes of this Section 26.3, the term Contractor shall include any Subcontractor performing Work under the Contract

26.4 For Equipment returned to Contractor's facility for repair or modification, title shall remain with Owner. For warranty work, Contractor shall bear the risk of loss from the time it leaves the Site until it returns to the Site. In all other cases, Owner shall bear risk of loss until the Equipment is delivered to Contractor's site and Contractor shall bear risk of loss from the time of delivery at its site until the equipment is returned to Owner's Site.

26.5 Contractor shall deliver the equipment and materials purchased by Owner to the location stated in the Agreement in accordance with the delivery dates and any schedule of performance provided in the Agreement, time being of the essence for each such delivery for which a date or a length of time is fixed for delivery.

27. **CLEANUP.**

For Work performed at any Site, Contractor shall at all times keep the Site free from accumulations of waste material or rubbish. Unless otherwise directed by Owner or except for Scrap, or material to be retained by Owner pursuant to Article 29 "MATERIALS", Contractor shall remove at its sole cost and expense from the Site and from all public and private property all temporary structures, rubbish

and waste materials resulting from its operations. This requirement shall not apply to property that the Owner expressly grants its permission to be used for permanent disposal of rubbish or waste materials, provided such disposal is carried out by the Contractor in accordance with any and all conditions under which such permission is granted.

28. **SCRAP.**

Unless otherwise expressly provided in the Agreement documents, at least five (5) business days prior to the commencement of the Work, Contractor shall notify the Owner's Representative of any Scrap to be generated from the Work and request direction regarding storage or disposal of such Scrap. Contractor shall comply with directions regarding Scrap disposal or storage provided by Owner's Representative. Except with respect to Scrap that Owner expressly directs Contractor to dispose of or otherwise take title to and manage, Owner shall retain title in all Scrap; provided, however, that Contractor shall bear risk of loss for Scrap that Owner wishes to retain until Contractor delivers such Scrap to the point of storage designated by Owner.

29. **MATERIALS.**

Contractor shall exercise reasonable care in the receipt, storage, handling, and installation of all materials, whether supplied by Owner, by Contractor, or by another contractor. All excess material supplied by or charged to Owner shall be handled and managed as directed by Owner.

30. **REMOVAL OF EQUIPMENT.**

Except as required to comply with the directions of Owner or Contractor's surety upon takeover of the Work, Contractor shall promptly remove all Contractor provided equipment, materials and supplies from the Site upon completion or termination of the Agreement subject to requirements set forth in Article 27 "CLEANUP". If Contractor fails to complete such removal within fifteen (15) days after notice from Owner, Owner may elect (i) to retain all or any portion of such remaining equipment, materials and supplies as its property, or (ii) to remove and dispose of all or any portion of such items at the expense of Contractor.

31. **INSURANCE BY CONTRACTOR.**

As a condition to undertaking the Work, Contractor shall acquire, at its sole cost and expense, the following insurance coverage (or equivalent) from insurers with an A.M. Best rating of A- or better, with the indicated amounts and shall maintain such required insurance coverages during all Work and until the date of final payment under the Agreement or Acceptance of all Work under the Agreement, unless a longer period is specified below:

- 31.1 Workers' Compensation in the amounts mandated by law (statutory coverage) and Employers Liability Insurance with limits of not less than \$500,000.
- 31.2 Comprehensive or Commercial General Liability Coverage on standard bureau form excluding Professional Liability but including, Operations, Products and Completed Operations, Contractual Liability and Broad Form Property Damage Liability written in one or more layers with a combined single limit for Bodily Injury and Property Damage of not less than \$5,000,000 per occurrence and annual aggregate. Products and Completed Operations coverage shall remain in effect for a minimum of three (3) years from the date of final payment under the Agreement or Acceptance of all Work under the Agreement, whichever is later, unless the Work is to be performed solely in CT, in which case the required coverage should be in force for two (2) years from such date.
- 31.3 Comprehensive Automobile Liability Coverage, including, all owned, non-owned, and hired vehicles, written in one or more layers with a combined single limit for Bodily Injury and Property Damage of not less than \$2,000,000 per accident.
- 31.4 To the extent the Work includes engineering, design, or other professional services, Errors and Omissions coverage for professional Services and products provided by Contractor, including coverages for intellectual property infringement and related risks with a limit of not less than \$5,000,000 per occurrence and annual aggregate, which coverage Contractor shall maintain in

effect for a period of at least seven (7) years following the final payment under the Agreement or Acceptance of all Work Under the Agreement, whichever is later.

- 31.5 All policies contemplated in this Article 31 other than Workers' Compensation and Errors and Omissions shall be endorsed to include, Owner, its affiliates and their respective directors, officers, employees and agents (including, the Owner's Representative), as additional insureds as respects any and all personal and/or bodily injury and/or property damage claims arising out of Contractor's operations hereunder. The limits required under this Article 31 may be satisfied by a combination of primary and excess (umbrella) coverage layers. The foregoing insurance policies shall include a waiver of any right of subrogation of the insurers thereunder against the additional insureds thereunder, and of any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under such policy. Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with policy provisions.
- 31.6 Contractor shall provide certificates of insurance to Owner to evidence Contractor's insurance policies within thirty (30) days of the award of any Agreement but in no event later than prior to the commencement of any Work. Contractor shall ensure that its broker shall provide Owner with replacement certificates evidencing required insurance coverage prior to the expiration of prior certificates. Failure to provide such certificates shall be grounds for withholding payment and/or termination of the Agreement. Owner shall have the right to review policy documents in the event a claim is filed thereunder.
- 31.7 Such insurance coverage shall be primary to any other coverage available to Owner or its affiliates, and shall not be deemed to limit Contractor's liability under the Agreement.
- 31.8 Contractor shall have and maintain in effect the insurances required by this Article 31 for the duration of the Agreement and thereafter for any period of continuing contractual obligations, including Contractor's warranty obligations. In addition, Contractor whose scope of work may include professional services shall procure tail coverage through the applicable warranty period on each errors and omissions policy maintained in accordance herewith upon the expiration and/or non-renewal thereof, unless Contractor's replacement errors and omissions policy provides continuing coverage for the Work through the applicable warranty period.
- 31.9 Contractor shall be solely responsible for payment of any and all deductible amounts relating to any and all of the policies of insurance required by this Article 31.
- 31.10 For any Services to be provided by any Subcontractor, Contractor shall require such Subcontractor to provide the foregoing insurance coverages and amounts and comply with the requirements set forth in this Article 31.

32. **INDEMNIFICATION BY CONTRACTOR.**

To the fullest extent permitted by Law, Contractor shall be responsible for and shall indemnify, and shall defend and save Owner, its affiliates and their respective employees, trustees, shareholders, officers, and directors, as well as their respective agents and consultants (each, an "*Indemnified Person*") harmless from and against any and all costs and expenses (including all costs and expenses of litigation, as well as related attorneys' fees), losses, liabilities, fines, penalties, damages, claims, demands, judgments, awards, obligations, actions, or proceedings arising from the acts or omissions of Contractor Resources or related to the Work or Contractor's obligations under the Agreement Documents. Contractor further agrees to obtain, and maintain at its expense, such insurance as will insure the provisions of all indemnity obligations in the Agreement. Nothing in this Article shall derogate or reduce Contractor's obligations under Article 31 hereof.

33. **INFRINGEMENT OF PROPRIETARY RIGHTS.**

- 33.1 Contractor shall indemnify, defend and hold harmless Owner, its parent, affiliates and its and their

employees, agents, officers, and directors from any and all liabilities, penalties, damages, claims, actions or proceedings based upon any allegation that (i) any portion or all of the Work furnished under the Agreement, or any use thereof for purposes intended by the Agreement constitutes an infringement of any patent, copyright, trademark or other proprietary interest or (ii) Contractor has, other than solely for Owner's benefit in connection with the Work, made use of Information in which a third party claims a proprietary interest which Information was obtained by Owner from third parties under agreements for confidentiality.

33.2 If Owner provides Contractor notice of a claim of infringement with respect to any material, equipment or Information used in connection with the Work (collectively, the "Product") or Owner's use of all or any portion of the Product is enjoined due to a claim of infringement, Contractor shall promptly and at its sole expense either (i) procure for Owner the right to continue using the Product or (ii) replace the Product with non-infringing and functionally equivalent Product, (iii) modify the Product so that it becomes non-infringing and functionally equivalent, or (iv) take such other action as is necessary to assure Owner's uninterrupted use of the Product.

34. CONFIDENTIAL INFORMATION.

34.1 Each party acknowledges that it may be necessary to disclose Confidential Information to the other party. Except to the extent set forth in this Article 34, or as otherwise agreed to in writing by the parties, each party shall maintain the Confidential Information of the other party in a secure and confidential manner. Each party shall exercise the same degree of care and security that it exercises with its own Confidential Information, and in no event less than a reasonable degree of care and security. Contractor agrees to use Owner's Confidential Information solely for the provision of Work and to not disclose to third parties or to publish any of Owner's Confidential Information without Owner's advance written consent. However, if Owner, within one hundred eighty (180) days of receipt of Contractor's Confidential Information, disputes the proprietary nature of such Information by written notice to Contractor, the parties shall consult to resolve such dispute. Each party shall advise its employees, contractors, consultants, agents and those under its and/or their respective control of these requirements for confidentiality with regard to Confidential Information.

34.2 Owner shall have the right, without Contractor's approval, to disclose Contractor's Confidential Information to the limited extent required (i) for financing, acquisition or conveyance of ownership share, licensing, construction, startup, commissioning operation, maintenance or repair of the facility at which the Work is performed, and (ii) to comply with any request or order of a governmental agency or court. Each party shall have the right to disclose the other party's trade secret or other Confidential Information (a) to federal, state, or local government officials, to their attorneys, or in a sealed court document, for the purpose of reporting or investigating a suspected violation of the Defend Trade Secrets Act of 2016; or (b) to their attorneys or in a sealed court document in connection with a lawsuit for retaliation by an employer for reporting a suspected violation of the Defend Trade Secrets Act of 2016. If Owner discloses Contractor's Confidential Information to any governmental agency or court, Owner shall, to the extent it does not violate or fail to comply with any such request or order, advise Contractor prior to disclosure and, at Contractor's sole cost and expense, cooperate in any effort by Contractor to minimize the amount of Confidential Information disclosed, secure confidential treatment of such Confidential Information, or seek permission from such governmental agency or court to revise the Confidential Information in a manner consistent with Contractor's interests, the interests of Owner, and in a manner that meets the requirements of the governmental authority or court.

34.3 Any Information transmitted to either party will not be deemed Confidential Information if that Information is: (a) in the receiving party's possession without restriction on disclosure prior to disclosure hereunder; (b) at the time of disclosure, generally available to the public without restriction on disclosure; (c) after disclosure, generally available to the public without restriction on disclosure, by publication or otherwise, through no fault of the receiving party; or (d) after the time of disclosure, received from a third party who imposes no obligation of confidentiality and who, insofar as the receiving party can reasonably determine, did not acquire any such Confidential Information directly or indirectly from the other party subject to requirements of confidentiality.

- 34.4 Contractor shall notify Owner as soon as possible in writing if any Confidential Information provided to Owner has been changed to a non-proprietary status.
- 34.5 The provisions of this Article 34 shall also apply to Information that a party identifies and establishes in writing to the others as having been obtained from third parties under agreements for confidentiality.
- 34.6 Owner may demand the return and/or disposal of its Confidential Information at any time upon giving of written notice to Contractor. Within fifteen (15) days of receipt of such notice, Contractor shall return all of the original Confidential Information and shall dispose of all copies, reproductions or extracts (both written and electronic) in its possession and in the possession of any representatives to whom it was disclosed using methods authorized by the National Association for Information Destruction for the media on which the Confidential Information is stored. Except as may otherwise be agreed upon by the parties in writing, Contractor shall provide Owner with written certification of the return and/or disposal of such Confidential Information promptly following the return or disposal of such Confidential Information.
- 34.7 In the event any Confidential Information of Owner is disclosed to Contractor by Owner under this Article 34, Contractor shall not make use of such Confidential Information, other than for Owner's sole benefit and for the sole purpose related to the Work for which the Confidential Information has been disclosed.
- 34.8 The provisions of this Article shall survive the termination of the Agreement and shall bind the parties and their successors and assigns.
- 34.9 **RESERVED.**

35. WARRANTY.

35.1 Services Warranty.

35.1.1 Contractor warrants that any Services performed or provided by, through, or on behalf of Contractor as part of or in connection with the Agreement shall (i) be performed by Contractor Resources who are fully qualified and competent and whose recommendations, guidance and performance reflect professional knowledge, judgment, and performance in accordance with the highest professional standards applicable to the utility industry and the industry applicable to such Services; and (ii) comply with and conform to all provisions and requirements of the Agreement and to any and all provisions of any and all applicable laws.

35.1.2 Within the period of two (2) years after Final Acceptance of all Work under the Agreement, if Owner determines that any portion of the Services performed by, through, and/or on behalf of Contractor fails to comply with the warranties set forth above, or if a defect or error is discovered in any Information supplied with such Services, Contractor shall, at its sole cost and at Owner's option, (i) correctly re-perform such Services or correct the defect or error in the Information, or (ii) return to Owner the charges paid by Owner and attributable to such Services or defective or erroneous Information supplied. Owner shall have the right to set-off against other amounts due Contractor hereunder or otherwise any amount owed by Contractor to Owner under this Article 35.

35.1.3 **THIS SUBSECTION IS APPLICABLE ONLY FOR CONSTRUCTION WORK:** In addition to the remedies set forth in Section 35.1.2, Owner shall have the right to (i) require Contractor to complete such warranty Work, or (ii) take over the Work and receive from Contractor reimbursement for such warranty Work.

35.2 Supplier Warranties. Contractor shall take all reasonable steps to transfer for the benefit of Owner all warranties or guarantees available from the suppliers of any portion of the Work.

- 35.3 Information Warranty. Contractor warrants that it has the full legal right, title and ownership of the Information furnished pursuant to the Agreement.
- 35.4 Equipment and Materials Warranty.
- 35.4.1 For a period of two (2) years after Acceptance of all Work under the Agreement, Contractor warrants that all Equipment and materials it supplies shall be new when delivered and free from defects in title, design, material and workmanship and shall conform to the Specifications set forth in the Agreement.
- 35.4.2 Within the period of two (2) years after Final Acceptance of the Equipment and materials, if Owner determines that the warranty set forth above is breached, Contractor shall at its sole cost and expense and at Owner's option, either repair or replace the affected Equipment and materials.
- 35.4.3 Contractor shall have no obligation for breach of warranty if Owner fails to store, operate or maintain Equipment supplied by Contractor in accordance with Contractor's written instructions furnished to Owner as part of the Work provided that Owner shall not be required to comply with standards that exceed those generally accepted in the industry.
- 35.5 Completion Warranty. Contractor warrants that it shall complete the Work in accordance with the Work schedule. If the Work falls behind schedule due to causes attributable to Contractor or Contractor Resources, Contractor shall, at its sole cost and expense, use its best efforts to restore the Work to schedule, including the following measures: placing Contractor Resources on extended working hours; assigning additional personnel to the Work, and prioritizing Contractor's resources and obligations to ensure that the Work is completed on schedule
- 35.6 Additional Warranty Provisions.
- 35.6.1 Owner shall notify Contractor in writing of any breach of warranty.
- 35.6.2 In addition to its other warranty obligations, Contractor shall reimburse Owner for Owner's Direct Actual Costs to provide Contractor access to such defective Work and to restore facilities disturbed by such access.
- 35.6.3 If any defect in Contractor's Work, including corrective Work, is latent and not discoverable by Owner's reasonably careful inspection during the initial warranty period, the applicable warranty period shall be extended to a cumulative period of seven (7) years.
- 35.6.4 Corrective Work performed by Contractor shall be subject to the applicable warranty provisions of this Article. The warranty period for such corrective Work shall be the remainder of the original warranty period plus an additional two years.
- 35.6.5 The warranties provided for in this Article 35 shall apply regardless of where the Work is performed.
- 35.6.6 In the case of Work affecting government-owned property, warranties shall also be enforceable directly by the applicable government agency having jurisdiction.
- 35.7 Subcontractor Warranties.
- 35.7.1 Contractor shall obtain usual and customary warranties from Subcontractors. Such warranties shall be obtained for the benefit of Owner as well as for Contractor. Contractor shall ensure that the benefit of any warranty offered by any Subcontractor at any tier is passed through to Owner, shall provide a copy of the terms of any such

Subcontractor warranty to Owner, and shall identify relevant Subcontractor contracts and otherwise actively assist Owner, as required or desired by Owner and without additional charge, in enforcing any such warranty in the event such enforcement should become necessary.

35.7.2 The existence and/or absence of any Subcontractor warranties, including compliance or non-compliance therewith, shall not affect or impair in any manner whatsoever Contractor's obligations to Owner hereunder.

36. LIMITATION OF LIABILITY.

36.1 CONTRACTOR'S LIABILITY TO UTILITY UNDER THE CONTRACT WHETHER BASED UPON BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, TORT, AGREEMENT, STRICT LIABILITY, OR OTHERWISE SHALL BE THE SUM OF (i) FOR WARRANTY AND INDEMNITY OBLIGATIONS, THE REMEDIES DESCRIBED IN THE AGREEMENT, PLUS (ii) FOR DAMAGES CONTRACTOR IS REQUIRED TO INSURE AGAINST, ANY RECOVERY AVAILABLE UNDER THE INSURANCE COVERAGES REQUIRED BY THE CONTRACT PLUS (iii) FOR ANY ADDITIONAL DIRECT DAMAGES TO THE UTILITY, AN AMOUNT EQUAL TO THE GREATER OF THE TOTAL OF ALL CHARGES PAID BY UTILITY TO CONTRACTOR UNDER THE CONTRACT OR TWO MILLION DOLLARS (\$2,000,000). OWNER'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THE CONTRACT SHALL NOT EXCEED, UNDER ANY CIRCUMSTANCES WHATSOEVER, THAT PORTION OF THE COMPENSATION DUE UNDER ARTICLE 3 "TERMS OF PAYMENT" THAT HAS NOT YET BEEN PAID BY OWNER WITH RESPECT TO THE WORK.

36.2 EXCEPT TO THE EXTENT ALLOWED UNDER THE INSURANCE, WARRANTY OR INDEMNITY PROVISIONS OF THE AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

36.3 CONTRACTOR WAIVES ALL CLAIMS AGAINST UTILITY FOR ANY LIABILITY OR LOSS IN CONNECTION WITH: (i) PAYMENT OF ALL FEDERAL, STATE AND LOCAL TAXES OR CONTRIBUTIONS IMPOSED OR REQUIRED UNDER UNEMPLOYMENT INSURANCE, SOCIAL SECURITY AND INCOME TAX LAWS WITH RESPECT TO CONTRACTOR'S WORK UNDER THE CONTRACT; (ii) ALL LOSSES IN CONNECTION WITH ANY CLAIMS FOR LOST WAGES, SEVERANCE PAY, PENSIONS OR OTHER BENEFITS WITH RESPECT TO CONTRACTOR'S WORK UNDER THE CONTRACT; AND (iii) ALL CLAIMS FOR LIABILITY FOR DAMAGE TO CONTRACTOR'S PERSONAL PROPERTY OR INJURY TO CONTRACTOR RESOURCES IN CONNECTION WITH THE AGREEMENT.

36.4. The parties understand and agree that the liability of Contractor to Owner under the Agreement, at law, and/or in equity shall not be limited by the amount of insurance coverage required or made available pursuant to the provisions of Article 31 "INSURANCE BY CONTRACTOR".

37. RIGHTS AND LIABILITIES OF PRINCIPALS.

All benefits, protections, indemnifications and other rights in favor of Owner under the Agreement shall also benefit, protect and indemnify the principals of Owner.

38. WAIVER OF MECHANIC'S LIENS.

Owner may condition payment to Contractor upon the receipt of lien waivers and releases from Contractor and all applicable Subcontractors. Contractor, for itself and Subcontractors at any tier, shall suffer no liens to exist upon any Site or other Owner property or Equipment and shall be responsible for any costs or liabilities arising from any liens Upon Owner's request, Contractor shall obtain, without additional cost to Owner, a bond satisfactory to Owner to indemnify Owner against such liens and charges.

39. DISPUTE RESOLUTION; NEGOTIATION; MEDIATION; ARBITRATION.

- 39.1 The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives with authority to settle the dispute and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any party may give the other written notice of any dispute, which notice shall include a summary of that party's position and the name and title of the executive who will be representing that party. Within fifteen (15) days after delivery of the notice, the receiving party shall respond with a summary of that party's position and the name and title of the executive who will represent that party. Within thirty (30) days after the initial notice, the Parties' executives shall meet at a mutually acceptable time and place to attempt to resolve the dispute. All reasonable requests for information made by one party to the other in support of the negotiation will be honored, and all negotiations pursuant to this Article 39 shall be confidential and treated as compromise and settlement negotiations.
- 39.2 If the dispute has not been resolved by negotiation within forty-five (45) days after the disputing party's notice, or if the Parties failed to meet within thirty (30) days, the Parties shall proceed to mediation under the then current CPR Mediation Procedure, and, unless otherwise agreed, will select a mediator from the CPR Panels of Distinguished Neutrals.
- 39.3 Any dispute arising out of or relating to this Agreement, including the breach, termination or validity thereof, that has not been resolved by a non-binding procedure as provided herein within ninety (90) days of the initiation of such procedure, shall be finally resolved by arbitration in accordance with the then current CPR Rules for Non-Administered Arbitration by a sole arbitrator, for disputes involving amounts in the aggregate under Three Million Dollars (\$3,000,000), or three arbitrators, for disputes involving amounts in the aggregate equal to or greater than Three Million Dollars (\$3,000,000), of whom each party shall designate one in accordance with the "screened" appointment procedure provided in CPR Rule 5.4, with the third arbitrator selected pursuant to CPR Rules 5 and 6. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. Unless otherwise agreed to by the parties, the place of arbitration shall be at Owner's option, Hartford, Connecticut or Boston, Massachusetts.
- 39.4 Any award or determination made by the arbitrator(s) shall be subject to the limitations of liability set forth in this Agreement. The arbitrator(s) are not empowered to award damages in excess of compensatory damages and each party expressly waives and foregoes any right to punitive, exemplary or similar damages unless a statute requires that compensatory damages be increased in a specified manner. Each Party shall be responsible for its own costs and expenses, including attorney's fees. Unless otherwise directed in writing by Owner and to the extent permitted by law, Contractor shall continue performance of the Work in compliance with the Agreement notwithstanding the existence of any Dispute between the Parties. Nothing herein shall prejudice, impair or otherwise prevent Owner from receiving equitable relief pending the conclusion of any mediation and/or arbitration proceeding.
- 39.5 Each Party will proceed in good faith to conclude the arbitration proceeding as quickly as reasonably possible. If a party refuses to participate in an arbitration proceeding as required by this Agreement, the other party may petition any governmental authority having proper jurisdiction for an order directing the refusing Party to participate in the arbitration proceeding. All costs and expenses incurred by the petitioning Party in enforcing such participation will be paid for by the refusing Party. The parties hereby consent to the exclusive jurisdiction of the courts of the State of Connecticut or the Commonwealth of Massachusetts for enforcement of all arbitration procedures pursuant to this Article 39 and any other legal proceedings arising out of or relating to the Agreement and the transactions contemplated hereby.

40. ADVERTISING.

Unless authorized in writing by Owner or except as required by applicable law, Contractor shall not engage in any advertising, publicity or other promotional activity which directly or indirectly mentions or refers to the relationship between the parties or the Work furnished under the Agreement.

41. BINDING EFFECT; ASSIGNMENT.

The Agreement shall be binding upon the parties and their respective successors and permitted assigns. Owner may assign this Agreement to any Affiliate of Owner. Contractor is not authorized to and shall not directly or indirectly (through an equity sale, merger or other transaction) sell, assign or otherwise transfer the Agreement, in whole or in part, or any of the Work to be performed hereunder, without the prior written consent of Owner, which may be granted or withheld in Owner's sole discretion. Without waiving any rights and remedies Owner may have against Contractor, upon discovering that Contractor has purported to sell, assign or otherwise transfer, in whole or in part, the Agreement or any of the Work to be performed, without the Owner's prior written consent, Owner may, at its sole option and in its sole discretion, deem such action to be binding and enforceable against such assignee, successor, or transferee, or may deem such action to be null, void, and of no force or effect.

42. WAIVERS.

The waiver by any party of a breach of and/or other non-compliance with any provision of the Agreement shall not operate or be construed as a waiver of any subsequent breach or non-compliance.

43. APPLICABLE LAW.

43.1. The Agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of Connecticut, without regard to its principles of conflicts of law *provided* that if the Site is located entirely outside of the State of Connecticut, then the Law of the State/Commonwealth where the Site is located (and where the Work is performed) may govern certain aspects of the enforcement of the rights and remedies of Owner (including legal process and procedure) with respect to such Work.

44. NOTICES; DEMANDS.

All notices required under the Agreement shall be in writing and shall be deemed to be given when received upon personal delivery, or if mailed, as of the date indicated on the receipt document provided by the mail carrier, if so delivered or if so mailed (a) with respect to Owner, to the individual set forth on the "Direct Inquiries" line on Owner's Order at the address set forth thereon; or (b) with respect to each of the Owner's Representative, Contractor or the Contractor's Representative, to the applicable individual set forth in the Special Terms and Conditions, at the address of such individual set forth thereon, unless otherwise indicated in the Agreement.

45. RIGHT TO AUDIT.

Owner shall have the right to inspect and audit all of Contractor's and any Subcontractor's books, records, correspondence, receipts, vouchers and memoranda relating to or affecting the Agreement. Contractor shall provide for such right to audit by Owner in all contracts with Subcontractors relating to the Work or the Agreement.

46. DOCUMENT RETENTION.

Except as set forth in Section 6.5 "INFORMATION", Article 34 "CONFIDENTIAL INFORMATION" and below in this Article 46, all Information shall remain the exclusive property of Owner, regardless of where it is stored. Contractor shall preserve Owner's Information in its care, custody or control for a period of seven (7) years following Final Acceptance of the Work or return such Information to Owner in a form acceptable to Owner. Contractor shall not destroy any such Owner Information prior to the expiration of such six (6) year period absent Owner's prior written consent. Owner reserves the right to access such Owner Information at any time while such Information is in Contractor's possession and such Information shall be provided to Owner on a timely basis whenever requested, regardless of whether such requests are for audits, regulatory

or legal proceedings such as lawsuits or arbitrations. Any Owner Information in Contractor's possession shall be disclosed to third parties only as necessary to comply with applicable laws and government orders or requests so long as Owner receives advance written notice of such disclosure and an opportunity to contest such requests. Contractor agrees to access Information in its possession only for the purposes of performing the Work and to operate or maintain its information systems and will take appropriate and Owner approved measures and precautions to protect against unauthorized access or disclosure. Contractor agrees for itself, and on behalf of any Subcontractor, to (a) access Owner Information in its, or in any Subcontractor's, possession only for the purpose of performing the Work on a Project, and (b) operate, maintain and/or take appropriate and Owner-approved measures and precautions to protect its information systems against unauthorized access or disclosure of Owner Information. Contractor shall be responsible for ensuring that Owner Information is protected from damage and/or loss while in the care, custody or control of Contractor and/or any Subcontractor, including making backups of Information and using disaster recovery best practices for any computer systems used to store Information. Owner reserves the right to audit Contractor to ensure such Information is managed in accordance with this Article 46. The foregoing obligations and restrictions regarding disclosure of Information in this Article 46 shall not apply to Contractor's Confidential Information, which shall be governed by Article 34 "CONFIDENTIAL INFORMATION" The provisions of this Article shall survive the termination of the Agreement and shall bind the parties and their successors and assigns.

47. SUPPLIER DIVERSITY AND SUBCONTRACTING PLAN.

47.1. Owner fully supports the government's policies of ensuring that Small Disadvantaged Businesses (SDB), Women-Owned Small Businesses (WOSB), Service-Disabled Veteran-Owned Small Businesses (SDVOSB), Veteran-Owned Small Businesses (VOSB) and Businesses Located in and qualified as Historically Underutilized Business Zones (HUBZone) have every opportunity to compete for contracts and subcontracts. Owner has and will continue to commit to filing annual subcontracting plans regarding the utilization of SDB, WOSB, SDVOSB, VOSB and HUBZone as contractors and subcontractors in accordance with Federal Acquisition Regulation (FAR) 52.219.

47.2. For all contracts in excess of five-hundred thousand dollars (\$500,000) that offer subcontracting opportunities, Contractor will be required to submit data and/or subcontracting plans regarding Contractor's utilization and intended utilization of such SB, SDB, WOSB, SDVOSB, VOSB and HUBZone during the term of the Agreement as follows:

47.2.1. Aquarion Water Company; Procurement Department; 600 Lindley Street, Bridgeport, CT 06606.

If direct subcontracting opportunities do not exist, Contractor nonetheless may be required to submit data and/or subcontracting plans regarding indirect spend. Contractor shall supply Contractor's subcontracting plan to Owner within a reasonable time after the effective date of this Agreement (but in no event more than thirty (30) days after the effective date) and shall fully comply with such plan in performing the Work.

47.3. The text of FAR 52.219 may be accessed electronically at the following address: <https://www.acquisition.gov/far/>. To the extent applicable to Work performed pursuant to a federal government Agreement, this Article 47 incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

48. PRIORITY OF DOCUMENTS.

In the event of any conflict, inconsistency or ambiguity between or among the Agreement documents, the order of priority shall be: as follows, except as otherwise designated in advance and in writing by Owner: (1) Owner's Order; (2) Special Terms and Conditions (if any); (3) these General Terms and Conditions; (4) Specifications; and (5) any remaining documents referred to in the Agreement documents. The provisions of change orders and other changes, amendments, deletions, additions or other alterations to Agreement documents shall have the priority of the applicable Agreement documents to which they relate. In the absence of written direction from

Owner to the contrary, the more/most stringent requirement of the Information included in the Specifications shall be deemed to apply in the event of any inconsistency, conflict, or ambiguity between or among two or more requirements therein.

49. SEVERABILITY.

In the event that any provision of the Agreement is deemed invalid or unenforceable, it shall be modified to the extent necessary to make it valid and enforceable. The remaining provisions of the Agreement shall remain fully enforceable notwithstanding the unenforceability of any individual provision.

50. FINANCIALS.

Upon written request by Owner, Contractor shall furnish the Owner, the Contractor's financial statements, including the accompanying notes thereto, for the immediately preceding quarter or fiscal year, as Owner requests, throughout the term of this Agreement. Such financial statements shall be prepared and certified internally by the chief financial officer of the Contractor and shall be reviewed annually by an independent certified public accountant hired by Contractor. All such non-public financial information shall be considered Contractor's Confidential Information.

51. PERFORMANCE ASSURANCE AND/OR LIQUIDATED DAMAGES

51.1. Owner may require prior to the signing of the Agreement that Contractor provide performance assurance in favor of Owner with respect to all or any portion of the Work, in an amount and form and from an issuer satisfactory to Owner. Unless otherwise specified by Owner, any performance assurance shall remain in effect until the expiration of the warranty period for the applicable Work. In Owner's sole and exclusive discretion, Contractor shall increase the amount available to Owner on account of such then outstanding performance assurance within ten (10) days after written notice to Contractor. The Agreement compensation shall include Contractor's cost of procuring such performance assurance, but shall not include any cost for Contractor's extension of such performance assurance due to failure of Contractor to complete Work in accordance with the applicable Work schedule.

51.2. Owner reserves the right to supplement these terms and conditions with provisions regarding liquidated damages as stated or referenced in the Order.

52. NO GIFTS OR INDUCEMENTS.

Contractor warrants and represents to Owner that neither it nor its Contractor Resources have either provided or offered to provide any gifts, payments, or other inducements to any officer, employee or agent of Owner for any purpose. Contractor shall not provide or offer any gifts, payments, or other inducements to any officer, employee or agent of Owner for any purpose and shall ensure that no employee or agent of Contractor offers any such gifts, payments or inducements. Contractor also represents and warrants to Owner that it and its Contractor Resources has neither provided nor offered to provide any gifts, payments, or other inducements to any government official, employee or agent in violation of any laws or regulations, including the Foreign Corrupt Practices Act.

53. MOONLIGHTING RESTRICTION.

Contractor shall neither employ, nor knowingly permit subcontractors to employ, Owner employees to perform the Work while the employees are employed by Owner.

54. CONFLICTS OF INTEREST

Contractor shall disclose to Owner any potential conflict of interest between the Contractor and Owner, and receive written permission from Owner prior to entering into any business transactions. Examples may include: 1) Contractor who has business or non-business relationships with Owner employees who can make decisions impacting Contractor's business; 2) Owner employees or their family members who have an ownership interest in Contractor's business; or (3) Contractor employees or their family members who serve as an officer, director,

employee, agent or consultant of Owner or any Owner Affiliate. This policy also applies to any Subcontractor of Contractor who performs Work.

55. RESERVED.

56. APPLICABLE TO EMERGENCY RESPONSE WORK.

56.1 For purposes of this Article 55, the following capitalized terms shall have the meanings set forth below:

56.1.1. "Emergency" means any emergency event expected by Owner or declared by Owner (whether or not such event is declared an emergency by any governmental authority), including stormy weather or other adverse weather conditions that are forecasted to occur or have occurred, that causes, or may cause, damage, interruption, impact or unplanned outages to all or a portion of Owner's utility system. An Emergency does not constitute an event of Force Majeure under the Agreement.

56.1.2. "Emergency Response Work" means Emergency-related Work to be provided by Contractor pursuant to each Emergency Response Work Release, as specified by Owner. Subject to the terms of this Article 55, Emergency Response Work is included within the definition of "Work".

56.1.3. "Emergency Response Work Protocols" means Owner's Emergency Response Work protocols and work standards, procedures and manuals, including Owner's Emergency Storm Restoration Safety Guideline provided to or made available to Contractor, as may be modified from time to time by Owner.

56.1.4. "Emergency Response Work Release" means each release for Emergency Response Work pursuant to an oral communication (i.e., by telephone or in person) or written (i.e., by email, fax or other documentation, in whatever form) issued and/or approved by Owner for Emergency Response Work, in each case under the Order, and in the form and on such terms determined by Owner in good faith. Contractor's commencement of Emergency Response Work awarded to it by Owner pursuant to each Release shall constitute Contractor's acceptance of all of the provisions of the applicable Release.

56.2 Contractor agrees to provide accurate and complete Information requested by Owner, including Contractor Resources, contact, and other information, in compliance with Owner's processes and procedures, for Emergency Response Work. Contractor shall provide the Information in the **Emergency Response Contractor Profile Form**, and comply with Owner procedures and processes to maintain and update such information,

56.3 In the event of an Emergency, upon Owner's request for information regarding the availability of Contractor Resources and equipment for Emergency Response Work, Contractor shall promptly respond and provide such information within two (2) hours of Owner's request and make a good faith effort to make available such Contractor Resources and equipment.

56.4 Upon Owner's issuance of an Emergency Response Work Release, Contractor shall provide qualified and trained Resources and equipment that Contractor has committed to deploy, in a timely fashion, time being of the essence. Contractor shall comply with Emergency Response Work Protocols, and if applicable, furnish Contractor Resources with Personal Protective Equipment (PPE) and tools necessary to perform the Emergency Response Work. If requested by Owner, Contractor Resources shall use any and all field technology provided by Owner in connection with Emergency Response Work, including GPS and wireless communication devices; and upon request and upon completion of the Emergency Response Work, return all Owner supplied equipment, tools, instruments and technology. Contractor shall be charged for any such Owner provided items not returned in good working condition. Except as otherwise

agreed to in writing by Owner, compensation for Emergency Response Work shall be in accordance with the Agreement rates for Work.

57. INTERPRETATION AND CAPTIONS.

The parties acknowledge that (a) they are of equal bargaining strength and have jointly participated in the preparation of the Contract; and (b) any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of the Agreement, any portion thereof, or any amendments thereto. The captions for the Sections and Articles contained in the Agreement have been inserted for convenience only and form no part of the Agreement and shall not be deemed to affect the meaning or construction of any covenants, agreements, conditions or terms of the Agreement.

58. SURVIVAL.

All agreements, representations, warranties and covenants made by a party to the Agreement and in the certificates or other documents delivered by a party pursuant to the Agreement shall be considered to have been relied upon by the other party and shall survive Final Acceptance of the Work hereunder. All requirements, terms, conditions and provisions that by their nature are incapable of being fully performed within the period of performance hereof shall survive cancellation, termination or expiration of the Agreement, including, all of Contractor's non-disclosure obligations, warranties, and indemnities for the benefit of Owner.

59. COMPLETE AGREEMENT.

The Agreement shall constitute the complete agreement between the parties. All prior communications, whether oral or written, shall be superseded by the Agreement and shall not bind the parties. No change to the Agreement shall be binding upon the parties unless made in writing and signed by both parties.