

GENERAL PROVISIONS -

I. PRESERVATION, PACKAGING, AND PACKING.

- (a) Preservation, packaging and packing for shipment or mailing of all work delivered hereunder shall be in accordance with good commercial practice and adequate to ensure acceptance by a common carrier and safe transportation at the most economical rate unless specific packaging and shipping instructions are provided.
- (b) If failure to comply with any shipping instructions results in higher Shipment costs than would have been the case if the shipping instructions had been followed, the amount otherwise paid to the Seller will be reduced by the amount of the difference plus a \$25.00 administrative charge.

II. INVOICES.

Invoices must be dated, submitted in triplicate and contain the following information:

- (a) the name and address of the Seller;
- (b) identifying numbers (Contract Number, Contract Line Item Number, if applicable; and Order Number, if applicable);
- (c) a description, quantity, unit of measure, unit price and extended price of the items delivered;
- (d) shipping number and date of shipment including the bill of lading number and weight of shipment, if shipped on Fluor Fernald's bill of lading;
- (e) terms of any prompt payment discount offered;
- (f) Name and address of official to whom payment is to be sent; name and telephone number of person to be notified in the event of defective invoice;
- (g) unless Seller's exemption certificate had been provided, the rate and amount of Ohio State Sales Taxes paid with respect to items or services provided; and the amount of any freight charges paid with respect to this contract.

INVOICES NOT IN CONFORMITY WITH THIS NOTE MAY BE RETURNED FOR CORRECTION.

III. TECHNICAL DIRECTION.

- (a) Technical direction must be in writing and within the requirements of this contract. It includes: (1) direction to the Seller which redirect the contract effort, shift work emphasis between work areas or tasks, require pursuit of certain lines of inquiry, fill in details or otherwise serve to accomplish the contract requirements, (2) provision of written information to the Seller, which assists in the interpretations of drawings, specifications, or technical portions of the work description, (3) review and, where required by the contract, approve technical reports, drawings, specifications and technical information to be delivered by the Seller to Fluor Fernald under this contract. The Technical Representative does not have the authority to, and shall not, issue any directions which: (1) constitute an assignment of additional work outside the requirements of this contract, (2) constitute a change to this contract which would affect the price, performance period or delivery schedule, (3) changes any of the expressed terms, conditions or specifications of this contract or (4) interferes with the Seller's right to perform the terms and conditions of this contract.
- (b) The Seller shall proceed promptly with the performance of duly issued technical direction. If, in the Seller's opinion, any direction from the Technical Representative falls within one of the prohibited categories stated above, the Seller shall not proceed but shall notify the Buyer in writing within five (5) working days of any such direction and shall request a modification to the contract.
- (c) Upon receiving the written notification from the Seller, the Buyer shall: (1) advise the Seller in writing within thirty (30) working days after receipt of the Seller's letter of Fluor Fernald's interpretation that the technical direction is within the scope of this contract and does not constitute a change; (2) advise the Seller in writing within thirty (30) working days after receipt of the Seller's letter not to perform under the direction and to cancel the direction; or (3) advise the Seller in writing within a reasonable time that Fluor Fernald desires to enter into negotiations to modify the contract to include the direction.
- (d) Failure of the Seller to agree that the technical direction is within the scope of the contract, if that is Fluor Fernald's position may result in a claim of Fluor Fernald for failure to perform or termination for default.

COMMERCIAL ITEMS

(e) Pending resolution of any such dispute the Seller shall take all reasonable steps to continue performance as if the direction will be approved by the Buyer, but without actually incorporating the direction into the work.

IV. ACCEPTANCE.

(a) Acceptance shall be final except for any return policy of the Seller and except as warranted. The Seller warrants that the items delivered hereunder are merchantable and fit for use for any particular purpose described in this contract. In the event, as part of the price of the items and/or services contracted for hereby, the Seller provides warranties other than as stated above, Seller shall warrant the items and/or services according to those terms and conditions as well as those stated above. All warranties provided shall inure to and be for the benefit of the United States Department of Energy to the same extent as to Fluor Fernald.

(b) Except as otherwise provided by an express or implied warranty, the Seller will not be liable to Fluor Fernald for consequential damages resulting from any defect or deficiencies in accepted items or services.

V. STOP WORK ORDER. (a) Fluor Fernald may, at any time, by written order to the Seller, require the Seller to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Seller, and for any further period to which the parties may agree.

The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, Fluor Fernald shall either --

- (1) Cancel the stop-work order; or
- (2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of Fluor Fernald, clause of this contract.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Seller shall resume work. Fluor Fernald shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be modified, in writing, accordingly, if -- (1) The stop-work order results in an increase in the time required for, or in the Seller's cost properly allocable to, the performance of any part of this contract; and (2) The Seller asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if Fluor Fernald decides the facts justify the action, Fluor Fernald Officer may receive and act upon the claim submitted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the Order is terminated for the convenience of Fluor Fernald, Fluor Fernald shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, Fluor Fernald shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

VI. CHANGES. Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

VII. PATENT INDEMNITY. The Seller shall indemnify the United States Department of Energy and Fluor Fernald, its parent, affiliates, subsidiaries and their officers, directors, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Seller is reasonably notified of such claims and proceedings.

VIII. RISK OF LOSS. Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Seller until: Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or Delivery of the supplies to Fluor Fernald at the destination specified in the contract, if transportation is f.o.b. destination.

IX. TITLE. Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the United States Department of Energy upon acceptance, regardless of when or where Fluor Fernald takes physical possession.

X. TERMINATION FOR CONVENIENCE OF FLUOR FERNALD. Fluor Fernald reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Seller shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Seller can demonstrate to the satisfaction of Fluor Fernald using its standard record keeping system, have resulted from the termination. The Seller shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give Fluor Fernald any right to audit the Seller's records. The Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

XI. TERMINATION FOR CAUSE. Fluor Fernald may terminate this contract, or any part hereof, for cause in the event of any default by the Seller, or if the Seller fails to comply with any contract terms and conditions, or fails to provide Fluor Fernald, upon request, with adequate assurances of future performance. In the event of termination for cause, Fluor Fernald shall not be liable to the Seller for any amount for supplies or services not accepted, and the Seller shall be liable to Fluor Fernald for any and all rights and remedies provided by law. If it is determined that Fluor Fernald improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

XII. ASSIGNMENT. Neither this contract nor any portion of it may be assigned or delegated without Fluor Fernald's prior written consent and any such assignment or delegations shall be void. Fluor Fernald reserves the right to assign this contract in whole or in part to the United States Department of Energy or its designee, and in case of such assignment and written notice thereof to the Seller, Fluor Fernald shall have no further responsibility hereunder.

XIII. OHIO SALES AND USE TAX. The Ohio Department of Taxation has issued direct pay permit number 98-002784, effective January 1, 2003 to Fluor Fernald, Inc. The responsibility for the determination of the tax liability under the sales and use tax laws and regulation of the State of Ohio, and the payment of the tax to the State rests with Fluor Fernald. The direct pay permit is applicable only to payments on purchases by Fluor Fernald from the vendor. Fluor Fernald will make the required payment to the state and the vendor will refrain from attempting to collect the tax.

XIV. FLUOR FERNALD, INC. WORKING DAYS. Fluor Fernald, Inc.'s standard working days are Mondays through Fridays, with every other Friday as an off day. The first off-Friday for 2003 is January 3, 2003. The standard Fluor Fernald, Inc. work cycle consists of nine (9) workdays with alternate Friday's off. The two-week cycle consists of 9-hour days, Mondays through Thursdays. Each cycle will include eight 9-hour workdays. The first Friday of the cycle will be an 8-hour workday. The first four hours worked on this Friday concludes the first work week of the cycle, and the time sheet for this week will be completed on this basis. The second four hours of Friday begins the second week in the cycle and will be recorded on the time sheet for that second week. The second Friday of the cycle will be an off day.

HOLIDAYS

New Year's Day	President's Day	Good Friday
Memorial Day	Independence Day	Labor Day
Veteran's Day	Thanksgiving Day	Day after Thanksgiving
Christmas Eve	Christmas Day	

The dates specified above are Fluor Fernald, Inc. designated holidays. If the off day Friday is a scheduled holiday, the holiday will be observed on the preceding workday. If a holiday falls on a Sunday, Fluor Fernald, Inc. observes the following Monday as the holiday. Holidays falling on a Saturday will be observed by Fluor Fernald, Inc. on the preceding Friday. When Christmas Day or Christmas Eve fall on a Saturday or Sunday, Fluor Fernald, Inc. will be observing on preceding workday(s).

XV. COMPLIANCE WITH LAWS UNIQUE TO GOVERNMENT CONTRACTS AND SUBCONTRACTS. The Seller acknowledges that work performed under this contract is done as work subcontracted by Fluor Fernald under contract to the U.S. Department of Energy. The Seller agrees to comply with FAR 52.222-26, Equal Opportunity (E.O. 11246); FAR 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. § 4212(a)); and FAR 52.222-36, Affirmative Action for Handicapped Workers (29 U.S.C. § 793).

XVI. OTHER COMPLIANCES. The Seller shall comply with all Federal, State and local laws, executive orders, rules and regulations applicable to its performance of this contract.

XVII. DISPUTES. (a) All disputes arising under or relating to this contract shall be resolved pursuant to the procedures of this clause. Any claim for the payment of a sum certain or other relief arising under or related to this contract shall be made in writing by the claiming party to the other. Claims shall be subject to a written decision by the party against whom the claim is made within a reasonable time of submission. The seller agrees to continue to perform this contract pending final resolution of any claims.

The seller shall have no right to stop work or otherwise fail to perform this contract in spite of pending claims, and the seller limits its rights to relief to equitable adjustment of the contract price and/or schedule. Negotiated resolution of all claims shall be memorialized in contract modifications. If a claim cannot be settled through negotiation between the parties, upon approval of the Department of Energy, the parties agree to submit the claim to mediation by a third party mediator as agreed to by the parties, or upon the failure to agree, as selected by the American Arbitration Association under its Commercial Mediation Rules. Cost of the mediator and place of mediation shall be borne equally by the parties. If a negotiated settlement cannot be reached through mediation, the parties agree to consider submitting those claims to binding arbitration according to terms and conditions as may be agreed upon by the parties. Fluor Fernald shall not be liable for, and the Seller waives any claim or potential claim of the seller which was not made by the seller in accordance with the provisions of this clause prior to final payment.

(b) Irrespective of the place of performance, this contract will be construed and interpreted according to the Federal law of Government contracts as enunciated and applied by Federal Courts, Boards of Contract Appeals and quasi-judicial agencies of the Federal Government. Consistent with that law, interest, if any, awarded pursuant to the provisions of this clause shall be simple interest computed at the rate established by the Secretary of the Treasury as provided in the Contract Disputes Act of 1978 applicable to the period for which interest is awarded. In no case shall interest be awarded for a period commencing earlier than the time a complaint is filed in the court of competent jurisdiction or, if, prior to the time a complaint is filed, arbitration is agreed upon, the date of the arbitration agreement. To the extent the Federal law of Government contracts is not dispositive of any issue arising under or relating to this contract, the law of the state of Ohio shall apply. In the event either party hereto files suit on account of any issue arising under or relating to this contract, each party consents to that action being filed in the court of competent jurisdiction in and for Hamilton County, Ohio.

XVIII. EXERCISE OF OPTIONS. An option may be exercised by a unilateral modification to this contract prior to the end of this contract's term. If Fluor Fernald, Inc. exercises an option, the extended contract shall be considered to include all other terms and conditions of this contract including this option provision.

XIX. ORDER OF PRECEDENCE. Any inconsistencies in this contract shall be resolved by giving precedence in the following order: (a) The Statement of Work or Specifications, if any; (b) Special Terms and Conditions; (c) Other parts of the Contract; and, (d) Attachments, Exhibits or other referenced material.

XX. FOREIGN NATIONALS

The Seller has the responsibility to identify to the Fluor Fernald Technical Representative any personnel who are Foreign Nationals who will be communicating with Fluor Fernald personnel during the performance of this contract.

Such personnel (whether off or on site) who will be either communicating with or visiting Fluor Fernald personnel (including making deliveries), or be assigned to work at the Fernald site must obtain approval of Fluor Fernald before such communications can take place. A foreign national is defined as a person who is a stateless person or is not a United States national (i.e., an immigrant alien is considered a foreign national). A stateless person is one who is currently without nationality by either the action of a state withdrawing the protection of nationality; by his/her own action in effectively renouncing the nationality previously held or because he/she has never held nationality due to the circumstances of birth.

Each individual must process applications allowing six to eight weeks for processing after submitting the required information. The Seller should contact Fluor Fernald Access Administration at (513)648-3985 to obtain the necessary information and forms.