

METROPOLITAN EDISON COMPANY
GENERAL TERMS AND CONDITIONS
FOR CONSTRUCTION CONTRACTS

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Deft. Exh. For ID 22

~~Pl. Exh. In Ev.~~

Robert E. Levy CSH R23/24/81
Doyle Reporting Inc.

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METROPOLITAN EDISON COMPANY
GENERAL TERMS AND CONDITIONS
FOR CONSTRUCTION CONTRACTS

ARTICLE I. OWNER REPRESENTATIVE (7-78)

- A. No correspondence, communication or statement, whether verbal, written, or otherwise, and whether originated by CONTRACTOR or by OWNER, shall be deemed to affect, alter, or amend this Contract in any manner, unless written consent thereto has been obtained from OWNER'S Materials Management Department, (herein "MMD").
- B. A copy of all written correspondence between CONTRACTOR and OWNER shall be filed with MMD. Such filing shall not constitute the written consent required in the foregoing paragraph.

ARTICLE II. CONTRACTOR REPRESENTATIVE (7-78)

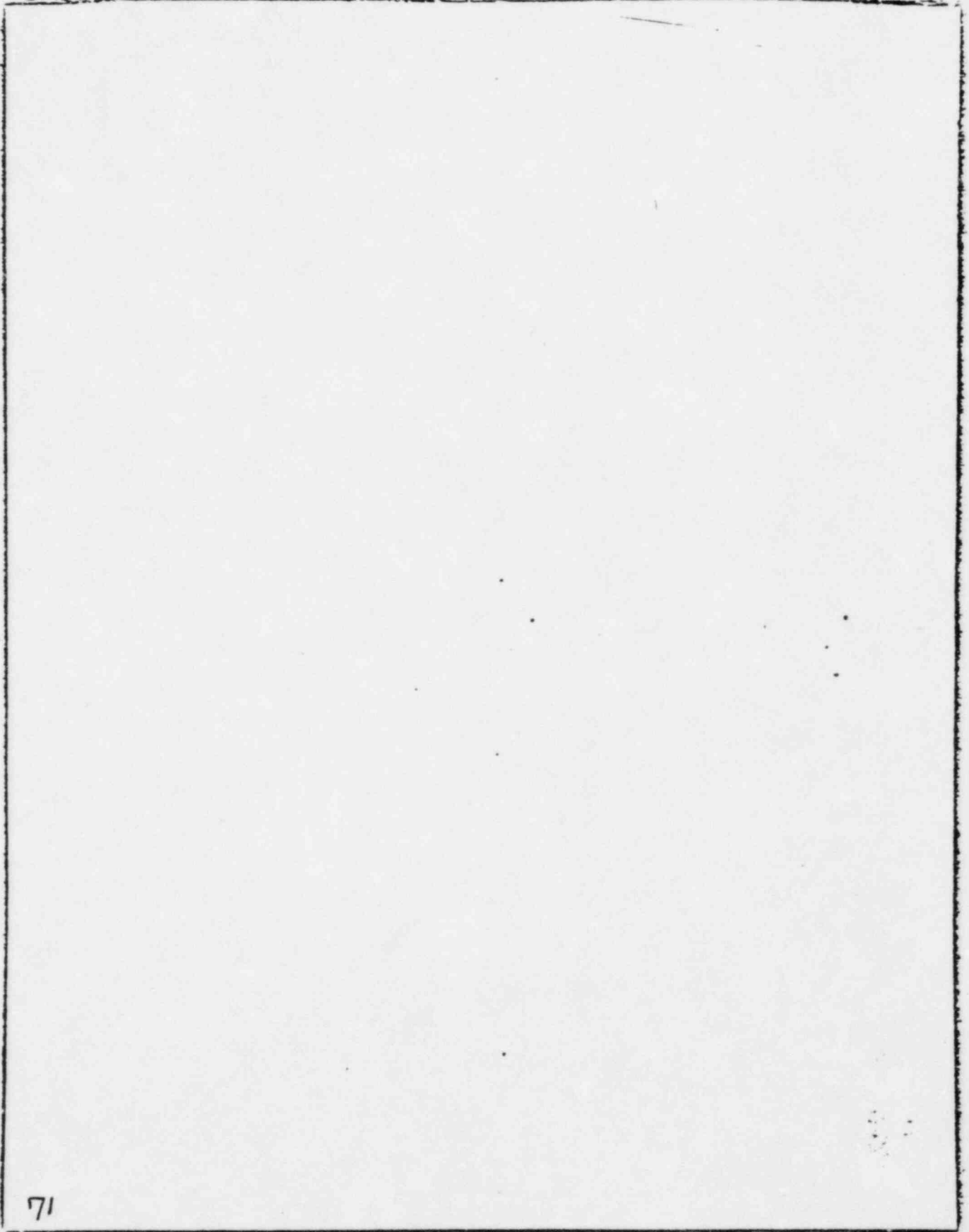
CONTRACTOR shall designate to OWNER in writing and keep on the WORK at all times during its progress a competent resident superintendent, who shall not be replaced without prior written notice to and written consent of OWNER except under extraordinary circumstances. The superintendent shall be CONTRACTOR'S agent and shall have authority to act on behalf of CONTRACTOR in all matters relating to this Contract. All communications given to the superintendent shall be deemed to be given to CONTRACTOR.

ARTICLE III. INTERPRETATION (7-78)

- A. The CONTRACT DOCUMENTS are complementary, and what is required by any one shall be as binding as if required by all.
- B. It is intended that WORK not specifically covered under any heading, section, branch, class or division of the CONTRACT DOCUMENTS but reasonably inferable as necessary to produce the intended results shall be supplied by CONTRACTOR as part of this Contract unless it is specifically required to be provided by OWNER or others.

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- C. Words which have well-known technical or trade meanings are used herein in accordance with such recognized meanings.
- D. The organization of the CONTRACT DOCUMENTS into divisions, sections and articles, and the arrangement of DRAWINGS shall not control the CONTRACTOR in dividing the WORK among SUBCONTRACTORS or in establishing the extent of WORK to be performed by any trade.
- E. The captions used in the CONTRACT DOCUMENTS are for convenience only and shall have no effect upon the construction and interpretation of this Contract.

ARTICLE IV. INDEPENDENT CONTRACTOR (7-78)

It is the intent of the CONTRACT DOCUMENTS that the relationship of the parties be that of Owner and Independent Contractor. The means and methods employed for performing the details of the WORK shall be CONTRACTOR'S responsibility, subject to suggestions or approval by OWNER as may be necessary to safeguard the character or results of the WORK.

ARTICLE V. PERIOD OF PERFORMANCE (7-78)

- A. CONTRACTOR agrees to begin WORK _____ and to prosecute the same with speed and diligence so as to ensure the completion of the WORK on or before _____ (herein "PERIOD OF PERFORMANCE"), TIME BEING OF THE ESSENCE and compliance with this schedule being to an exceptional degree necessary for the complete success of the WORK.
- B. Within _____ days after date of this Contract, CONTRACTOR shall submit, for OWNER'S acceptance, a detailed construction schedule showing the time schedule for completion of each element of

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the WORK. The detailed schedule shall be based on the PERIOD OF PERFORMANCE but shall be expanded to include a complete breakdown of all elements of WORK. The schedule shall be presented in graphic form using the bar graph method, the critical path method (CPM), or the time-sequence method.

ARTICLE VI. WARRANTY (7-78)

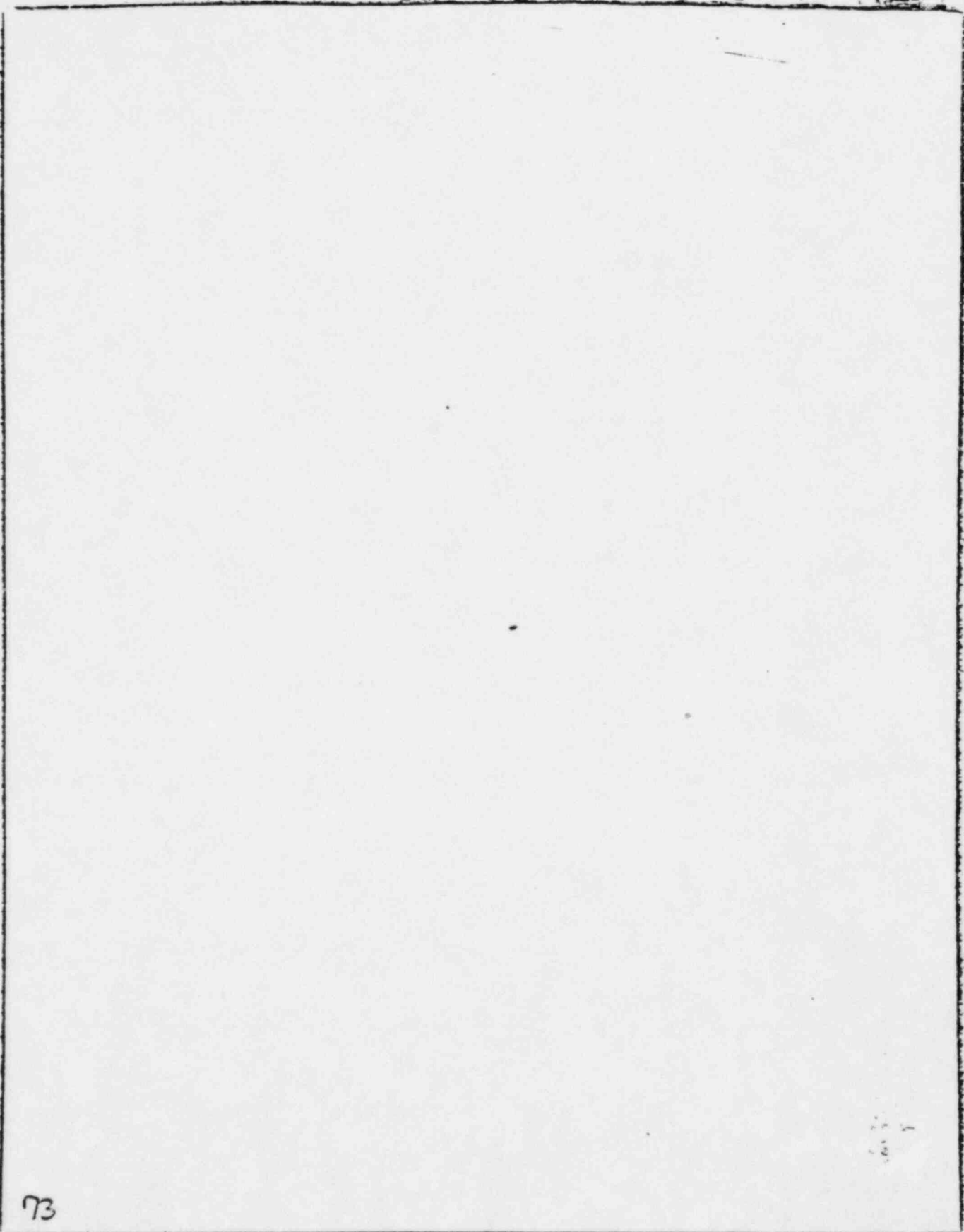
- A. CONTRACTOR warrants the WORK and all portions thereof to be free of defects in workmanship and material, and to be fit for its intended use, as set forth herein, for a period of _____ years from the date of OWNER'S final acceptance. Further, CONTRACTOR warrants that the WORK will fully conform to all the requirements of the CONTRACT DOCUMENTS.
- B. In all events of non-compliance with the aforesaid warranty, CONTRACTOR shall at its own expense repair and/or replace any and all defective parts. Such repair/replacement includes, but is not limited to, removal and installation. The warranty covering all WORK to be replaced or repaired by CONTRACTOR shall be reinstated on the repaired/ replaced portion for a period of _____ years from the date when such warranty work is accepted by OWNER.
- C. The foregoing warranty and remedy is in addition to and not in limitation of other warranties and remedies expressed or implied by operation of law or equity.

ARTICLE VII. TERMINATION (7-78)

- A. Convenience
 1. The performance of WORK may be terminated, in whole, or from time to time in part, by OWNER without cause and for its own

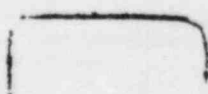
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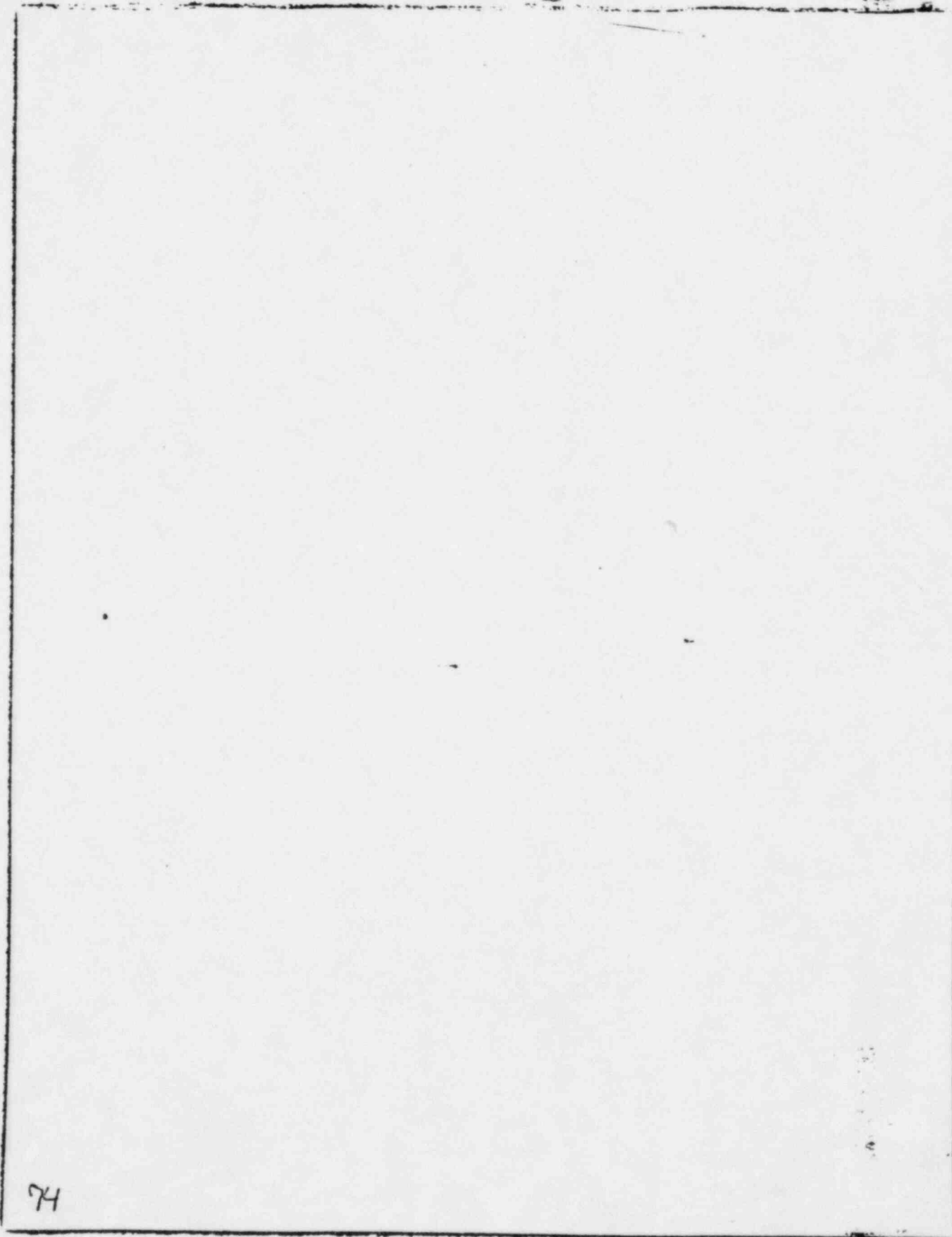
convenience in accordance with this clause. Any such termination shall be effected by delivery to CONTRACTOR of a Notice of Termination for Convenience specifying the extent to which performance of WORK is terminated, and date upon which such termination becomes effective.

2. After receipt of a Notice of Termination for Convenience and except as otherwise directed by OWNER, CONTRACTOR shall:
 - (a) stop work on the date and to the extent specified;
 - (b) place no further orders or subcontracts except as may be necessary for completion of such portions of the WORK as may not be terminated;
 - (c) terminate all orders and subcontracts to the extent that they relate to the performance of any WORK terminated;
 - (d) take such action as may be necessary or as OWNER may direct for protection and preservation of the property related to this Contract which is in the possession of CONTRACTOR and in which OWNER has or may acquire an interest.
3. After receipt of a Notice of Termination for Convenience, CONTRACTOR shall submit to OWNER its termination claim, in the form and with the certification prescribed by OWNER. Such claim shall be submitted promptly, but not later than six (6) months from the effective date of termination or date of Notice of Termination for Convenience whichever is later.

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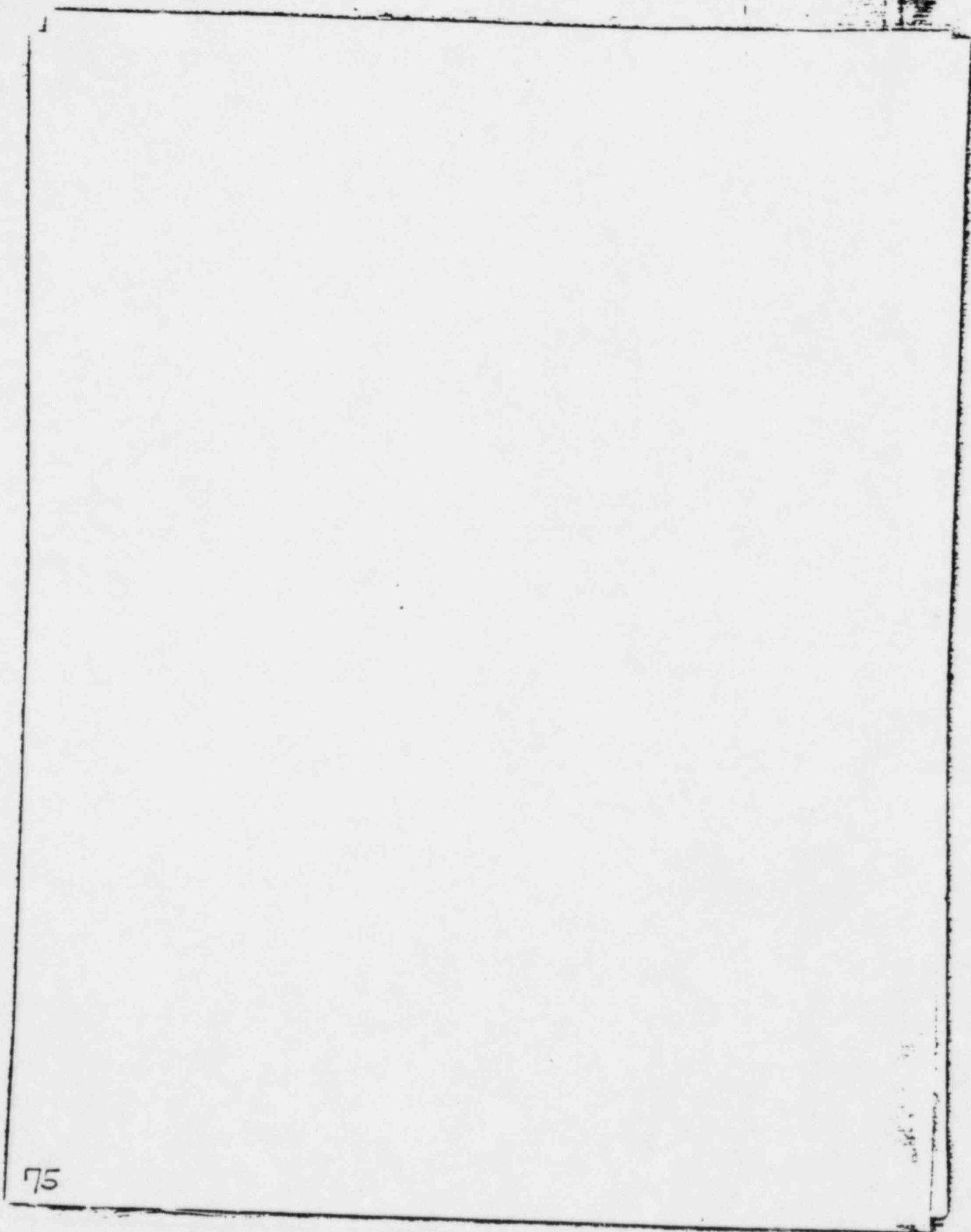
4. In the event of "Termination for Convenience", OWNER shall pay CONTRACTOR its actual, necessary, reasonable and verifiable expenses as a direct consequence of such termination; provided, however, OWNER shall be entitled to all WORK paid for by OWNER or, at OWNER'S option, CONTRACTOR shall attempt to salvage the same, whereupon OWNER shall be entitled to the benefits of any value received and CONTRACTOR shall make every reasonable effort to sell such WORK to others. In no event shall OWNER be liable for lost, anticipated profit nor shall OWNER'S liability for such termination exceed the CONTRACT PRICE. CONTRACTOR agrees to furnish all necessary documentation to substantiate such expenses to the satisfaction to OWNER.
5. The remedy set forth under this "Termination for Convenience" provision shall be CONTRACTOR'S sole and exclusive remedy in the event of such termination.

B. Default

1. OWNER may terminate for default this Contract in whole, or from time to time in part, by written or telegraphic Notice of Termination for Default to CONTRACTOR;
- (a) if CONTRACTOR shall become insolvent or make a general assignment for the benefit of creditors; or
 - (b) if a petition under any bankruptcy act or law is filed; or
 - (c) if CONTRACTOR becomes involved in legal proceedings that in the opinion of OWNER interferes with the

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- diligent efficient performance and satisfactory completion of the WORK; or
- (d) if CONTRACTOR fails to make delivery of the supplies or to perform WORK within the time specified or any OWNER-authorized extension thereof; or
 - (e) if CONTRACTOR fails to perform any of the other provisions of this Contract or so fails to make progress as to endanger performance of this Contract in accordance with its terms and conditions, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as OWNER may authorize in writing) after receipt of Notice of Termination for Default from OWNER specifying such failure.

2. In the event of "Termination For Default";

- (a) OWNER may enter upon the premises and take possession, for the purpose of completing the WORK of all materials, tools, equipment, and appliances thereon, and may employ any other person or persons to finish the WORK; and
- (b) no compensation shall be due CONTRACTOR except for unpaid WORK already performed hereunder by CONTRACTOR prior to termination, provided OWNER approves the WORK; and further, provided that such compensation shall be reduced by the amount of damages OWNER has or may incur as a result of such default.

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3. If after Notice of Termination for Default OWNER determines that CONTRACTOR was not in default under the provisions of this clause or that CONTRACTOR'S failure to perform or to make progress in performance was due to causes beyond the control and without the fault or negligence of CONTRACTOR pursuant to the provisions of the Article of this Contract relating to Force Majeure, the "Termination for Default" shall be deemed a "Termination for Convenience" or a "Suspension" at OWNER'S sole option and the CONTRACTOR'S sole and exclusive remedy shall be as provided in this Contract in accordance with OWNER'S election.
4. The rights and remedies of OWNER provided in this clause are in addition to all other rights and remedies provided by law or in equity or under this Contract.

ARTICLE VIII. SUSPENSION

(7-78)

- A. The performance of WORK may be suspended, from time to time in whole or in part, by OWNER for its own convenience in accordance with this clause. Suspension of WORK shall be effected by delivery to CONTRACTOR of a Notice of Suspension specifying the extent to which performance of WORK is suspended, and date upon which such suspension becomes effective.
- B. After receipt of a Notice of Suspension and except as otherwise directed by OWNER, CONTRACTOR shall:
 1. stop WORK on the date and to the extent specified in the Notice of Suspension;

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2. place no further orders or subcontracts except as may be necessary for completion of such portions of the WORK as may not be suspended;
 3. suspend all orders and subcontracts to the extent that they relate to the performance of all WORK suspended by the Notice of Suspension;
 4. take such action as may be necessary or as OWNER may direct for protection and preservation of the property related to this Contract which is in the possession of CONTRACTOR and in which OWNER has or may acquire an interest.
- C. Following receipt of a Notice of Suspension, CONTRACTOR shall submit to OWNER, within ten (10) days of receipt thereof, an itemized list of all action taken or intended to be taken as a result of such suspension.
- D. If OWNER has not removed the suspension after a period of thirty (30) days has elapsed from date of Notice of Suspension, and unless notified otherwise by OWNER in writing, the aforesaid Notice of Suspension shall be deemed a Notice of Termination for Convenience with respect to the affected portions of the WORK, and the "Termination for Convenience" provisions shall be applicable.
- E. Suspension hereunder shall have no effect on CONTRACT PRICE or PERIOD OF PERFORMANCE unless CONTRACTOR has experienced a cost increase or delay as a result of such suspension, and has notified OWNER in writing detailing the effect of such suspension. Such notification shall be filed with OWNER within sixty (60) days of

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removal of such suspension, and shall be accompanied by sufficient documentation to enable OWNER to approve or disapprove such change in CONTRACT PRICE or PERIOD OF PERFORMANCE.

ARTICLE II. FORCE MAJEURE

(7-78)

A. Definition of Force Majeure

The following occurrences constitute a Force Majeure: (1) acts of God or the Public Enemy, (2) acts of the United States or any state or political subdivision thereof, (3) fires, floods, explosions or other catastrophes, (4) epidemics and quarantine restrictions, (5) freight embargoes, (6) unusually severe weather, (7) delays of a supplier due to the foregoing, or (8) causes which could not have been reasonably anticipated and which are beyond the control and without the fault or negligence of CONTRACTOR.

B. Notice

CONTRACTOR shall give OWNER written notice that CONTRACTOR believes a Force Majeure has occurred. Such notice shall be given within ten (10) days from the date of commencement of the occurrence alleged to constitute a Force Majeure. CONTRACTOR'S failure to give such notice within the time specified shall be deemed a waiver of the relief provided under this ARTICLE II - Force Majeure.

C. Effect

1. In the event WORK or a portion thereof is delayed by a Force Majeure, the PERIOD OF PERFORMANCE shall be extended by an amount necessary to compensate for the effect of said Force Majeure.

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2. In the event or a portion thereof is rendered impossible by a Force Majeure, that portion of the WORK so affected shall be deemed terminated for OWNER'S convenience, and the provisions of ARTICLE VII-A (Termination for Convenience) shall apply.
3. In the event CONTRACTOR incurs a cost increase as a result of a delay under C-1 above, which would not have occurred had there been no delay, CONTRACTOR may file a claim in writing to OWNER within thirty (30) days of the cessation of the condition constituting a Force Majeure. To the extent OWNER approves such claim, the CONTRACT PRICE shall be adjusted accordingly.
4. CONTRACTOR shall bear the risk of loss to portions of the WORK damaged or destroyed by a Force Majeure.

ARTICLE X. CHANGES IN SCOPE

(7-78)

In the event OWNER desires CONTRACTOR to alter, add to, or delete any portion or portions of the WORK,

the following procedure shall be employed as the only contractually binding method of effectuating such alteration, addition, or deletion:

- A. OWNER shall issue an amendment to this Contract, in the form of a CHANGE ORDER, to CONTRACTOR. Said CHANGE ORDER shall specify the particular portion or portions of the Contract to be amended, along with corresponding effects on CONTRACT PRICE and/or PERIOD OF PERFORMANCE.
- B. No CHANGE ORDER shall be contractually binding on the parties hereto unless approved by MMD.

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C. CONTRACTOR agrees, as a part of this Contract, to perform and be bound by each and every CHANGE ORDER issued by MOD, provided the change in WORK is reasonably related to the WORK as originally set forth.

ARTICLE XI. SUBSTITUTE MATERIALS OR EQUIPMENT (7-78)

If it is indicated in the CONTRACT DOCUMENTS that CONTRACTOR may furnish or use a substitute that is equal to any material or equipment specified, and if CONTRACTOR wishes to furnish or use a proposed substitute, CONTRACTOR shall promptly after the award of the Contract, make written application to OWNER for approval of such a substitute certifying in writing that the proposed substitute will perform adequately the duties imposed by the general design, be similar and of equal substance to that specified and be suited to the same use and capable of performing the same function as that specified. No substitute shall be furnished or installed without the prior written approval of OWNER.

ARTICLE XII. JOB SITE VISITATION (7-78)

CONTRACTOR, represents that it has visited the JOB SITE, familiarized itself with the local conditions under which the WORK is to be performed, and correlated its observations with the requirements of the CONTRACT DOCUMENTS.

ARTICLE XIII. STATUS OF SUBCONTRACTORS (7-78)

A. Nothing in the CONTRACT DOCUMENTS shall be construed to create any contractual relationship between OWNER and any SUBCONTRACTOR. CONTRACTOR shall not create a relationship of "contractor - independent subcontractor" with any of its SUBCONTRACTORS, and further agrees that CONTRACTOR is as fully responsible to OWNER

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for the acts and omissions of its SUBCONTRACTORS and of persons either directly or indirectly employed by them as it is for the acts and omission of persons directly employed by CONTRACTOR.

- B. CONTRACTOR shall not change, add or dismiss any SUBCONTRACTOR named in the CONTRACT DOCUMENTS without the prior written consent of OWNER.
- C. CONTRACTOR agrees to bind its SUBCONTRACTOR for the benefit of OWNER to perform in accordance with the provisions of the CONTRACT DOCUMENTS, to the extent said provisions are in any way relevant to the portion of the WORK being performed by SUBCONTRACTOR.

ARTICLE XIV. COORDINATION OF CONTRACTORS

(7-78)

- A. CONTRACTOR shall properly coordinate its WORK with the work of other contractors so that there will be no interference or delay in the general progress of the PROJECT.
- B. When any part of the WORK depends for proper execution or results upon the work of other contractors, CONTRACTOR shall cooperate with such Contractors, obtain required information from them, and give information to them which they may need.
- C. CONTRACTOR shall inspect and promptly report to OWNER all features of other contractors' work that render it unsuitable for proper execution of CONTRACTOR'S WORK. Failure to so inspect and report shall constitute an acceptance of the other contractors' work as fit and proper for the reception of its own WORK.

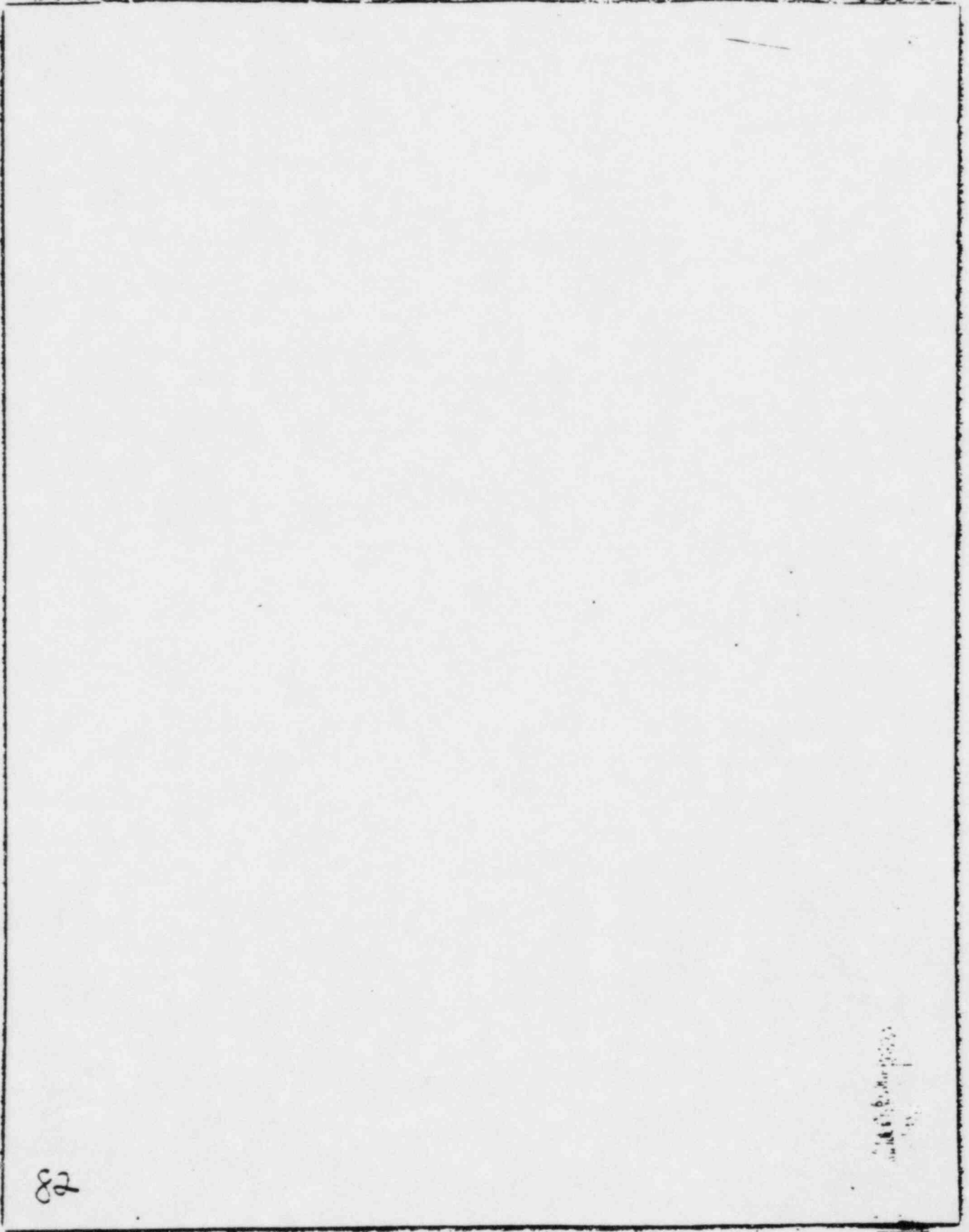
ARTICLE XV. LIENS

(7-78)

It is understood and agreed that no lien shall at any time be filed against the premises upon which the WORK is performed by the CON-

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TRACTOR or any SUBCONTRACTOR or other persons employed by or furnishing labor, equipment or materials to the CONTRACTOR or any SUBCONTRACTOR for, in, or with respect to the performance of the WORK. In furtherance of this understanding and this Contract, the CONTRACTOR shall, if requested by OWNER, execute a Waiver of Liens Agreement which CONTRACTOR shall attach to its proposal. The Waiver of Liens Agreement may be filed by OWNER in the Prothonotary's Office at the County Courthouse of the County where the WORK is to be performed. Neither the final payment nor any part of the retained percentage shall become due until CONTRACTOR delivers to OWNER a complete release of all liens arising out of its WORK or receipts in full in lieu thereof, and an affidavit showing that to the best of its knowledge, information, and belief, the releases and receipts include all labor and material for which a lien could be filed. CONTRACTOR may, where a complete release of liens is impractical or receipts in full amount cannot be furnished, provide a bond satisfactory to OWNER to indemnify it against any lien. If any obligation for which a lien could be filed remains unsatisfied after all payments are made, CONTRACTOR shall refund to the OWNER all monies that the latter may be compelled to pay in discharging such a lien, including all costs and reasonable attorney's fees. Notwithstanding anything to the contrary herein contained, OWNER retains the right to demand a surety bond guaranteeing faithful performance of this Contract and payment of all suppliers of material and labor.

ARTICLE XVI. ASSIGNMENT

(7-78)

CONTRACTOR shall not assign this Contract in whole or part without the prior written consent of OWNER, nor shall CONTRACTOR assign any

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monies due or to become due to it hereunder without the prior written consent of OWNER.

ARTICLE XVII. LABOR, MATERIALS AND EQUIPMENT (7-78)

- A. CONTRACTOR shall provide competent, suitably qualified personnel to survey, lay out and perform the WORK as required by the CONTRACT DOCUMENTS. CONTRACTOR shall at all times maintain good discipline and order at the JOB SITE. CONTRACTOR shall furnish all materials, equipment, labor, supervision, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water and sanitary facilities and all other facilities and incidentals necessary for the proper execution, testing, initial operation and completion of the WORK, with the exception of those items specifically identified herein as being supplied by OWNER or others.

If required by OWNER, CONTRACTOR shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

- B. All materials and equipment shall be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable manufacturer, fabricator or processors, except as otherwise provided in the CONTRACT DOCUMENTS.

ARTICLE XVIII. TITLE AND RISK OF LOSS (7-73)

- A. Legal and equitable title to all material, equipment, appurtenances and components comprising the WORK hereunder shall pass to OWNER upon delivery of the same to the JOB SITE. It is expressly understood and agreed, however, that such passage of title shall not constitute acceptance by OWNER of WORK or in any manner discharge or release CONTRACTOR from responsibility to

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fully carry out all its obligations hereunder. Such title shall be delivered to OWNER free and clear of all liens, claims, security interests and encumbrances.

- B. Passage of title notwithstanding, risk of loss shall remain with CONTRACTOR until FINAL ACCEPTANCE of WORK by OWNER.

ARTICLE XIX. DISPUTES (7-78)

Notwithstanding any other provision of this Contract, any dispute concerning any question of fact or law arising under this Contract which is not disposed of by agreement between CONTRACTOR and OWNER shall be decided by a Pennsylvania court of appropriate jurisdiction and in accordance with the Laws of the Commonwealth of Pennsylvania. Pending a final decision of a dispute hereunder, CONTRACTOR shall diligently proceed with the performance of this Contract in accordance with OWNER'S interpretation, and CONTRACTOR'S legal rights shall not be prejudiced because it continues performance.

ARTICLE XX. LABOR DISPUTES (7-78)

Whenever an actual or potential labor dispute delays or threatens to delay the timely performance of this CONTRACT, CONTRACTOR will immediately give notice thereof to OWNER. Such notice will include all relevant information with respect to such dispute.

ARTICLE XXI. EXISTING UTILITIES AND PLANT (7-78)

1. All WORK requiring changes to or affecting existing utilities or their operation, shall be performed in a manner and time approved by the owner thereof. Requests to perform such work shall be submitted to OWNER prior to the time that such work is to be performed.

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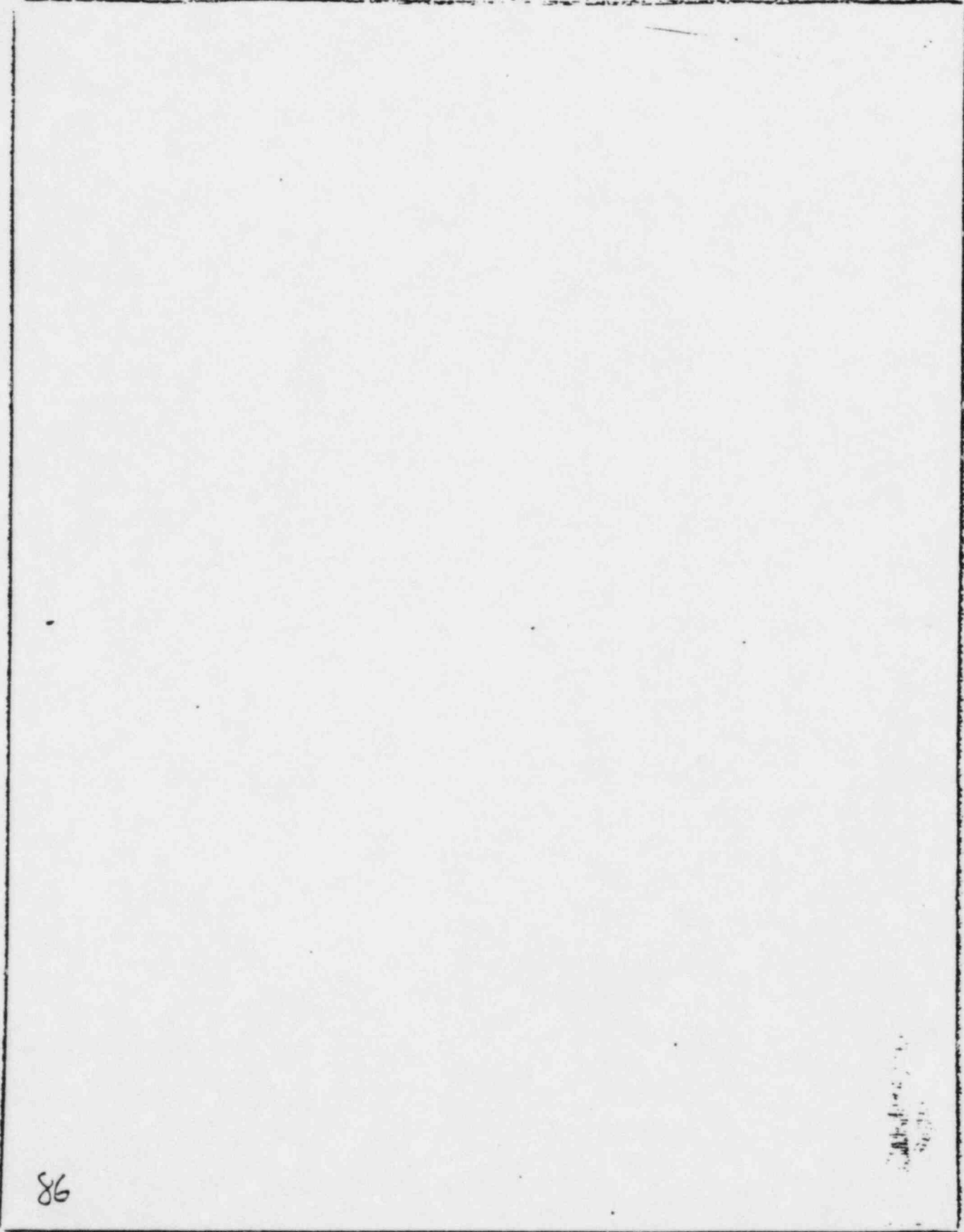
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2. OWNER will make available to the CONTRACTOR all existing information including drawings, surveys, records, etc., relating to existing utilities on the JOB SITE which it possesses. CONTRACTOR, however, shall be responsible for determining the existence and location of utilities, including, but not limited to, water, steam, oil, gas, sewer, telephones, and electric conduits and pipes and underground structures which may be encountered during the performance of the WORK.
3. CONTRACTOR shall be responsible for providing adequate protection against damage to utilities or other structures encountered during the performance of the WORK. In the event such utilities or other structures are damaged by CONTRACTOR, CONTRACTOR shall at its own expense, repair or replace same or cause the same to be repaired or replaced; and further, CONTRACTOR shall indemnify and hold harmless OWNER, its agents and representatives from and against any and all claims for damages to such utilities and structures.
4. CONTRACTOR shall be responsible for the safe operation of all its equipment and all equipment supplied by OWNER. In the event portions of the WORK are to be performed near power lines, CONTRACTOR shall have suitable signs posted on all such equipment, in full view of the operators thereof, warning of the hazards of the power lines.
5. CONTRACTOR shall erect suitable warning signs in the vicinity of all power lines at or near the WORK.

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ARTICLE XIV. IDENTIFICATION (7-78)

CONTRACTOR will be furnished, by OWNER, suitable and approved identification to be worn in plain view by all its employees and SUBCONTRACTORS while on the JOB SITE.

ARTICLE XV. PROPRIETARY INFORMATION (7-78)

Any and all reports, data, charts, drawings, samples, information, and all other things generated by CONTRACTOR pursuant to this Contract shall become, from the beginning of CONTRACTOR'S performance, and shall forever remain, the sole and exclusive property of OWNER, and CONTRACTOR shall not cause any of the foregoing to be placed in the public domain, nor communicated to any other entity not a party to this Contract, without the prior written consent of OWNER, and under such conditions as OWNER may prescribe.

ARTICLE XVI. RELEASE OF INFORMATION (7-78)

1. CONTRACTOR shall not release any information concerning the WORK or any part thereof, including, but not limited to, advertising, publicity, news releases, or professional articles without the prior written permission of OWNER.
2. CONTRACTOR acknowledges that OWNER is required by applicable provisions of law to, and hereby agrees that OWNER may, divulge publicly and to certain regulatory agencies information (including but not limited to proprietary information of CONTRACTOR) concerning the WORK and the terms of the CONTRACT DOCUMENTS.

ARTICLE XVII. REGULATION OF VISITORS (7-78)

CONTRACTOR shall not be permitted to have visitors on the premises, except with prior written approval of OWNER. Cameras shall not be

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permitted on, in or around the JOB SITE and photographs of any kind shall not be taken without specific written approval of OWNER.

ARTICLE XXIX. PATENTS AND ROYALTIES (7-78)

CONTRACTOR shall pay all license fees, charges and royalties and assume all costs incident to the use of any invention, design, process or device which is the subject of patent rights or copyrights held by others.

CONTRACTOR shall indemnify and save harmless OWNER, all of its officers and employees from all suits and actions of every nature and description brought against them, or any of them, for or on account of the use of patented appliances, products, processes, constructions, designs, or methods, or the infringement of any patent, trademark or copyright. Prior to final payment and acceptance of the WORK by OWNER, CONTRACTOR shall, if so requested by OWNER, submit proof of the full payment of such fees, charges, and royalties, or in lieu thereof; if so requested by OWNER, CONTRACTOR shall give such security as may, in the opinion of OWNER'S legal counsel, be necessary to indemnify and save harmless OWNER, its officers and employees as aforesaid.

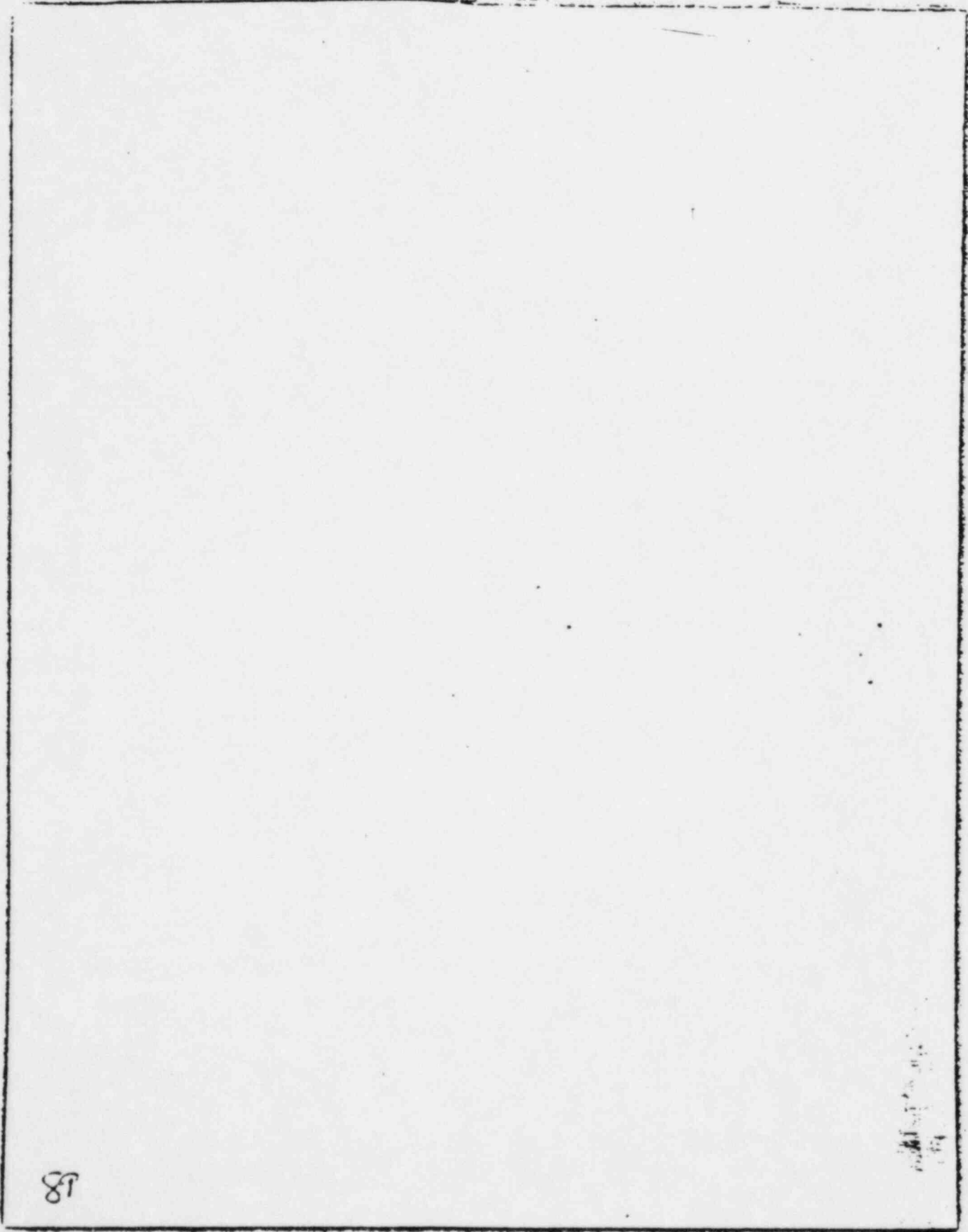
ARTICLE XXX. NON-DISCRIMINATION AND AFFIRMATIVE ACTION (7-78)

During the performance of this Contract, the CONTRACTOR agrees as follows:

1. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall

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include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
3. The CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or worker's representative of the CONTRACTOR'S commitments under Section 202 of Executive Order 11246 of September 24, 1963, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1963, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1963, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant

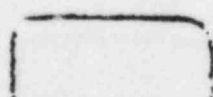
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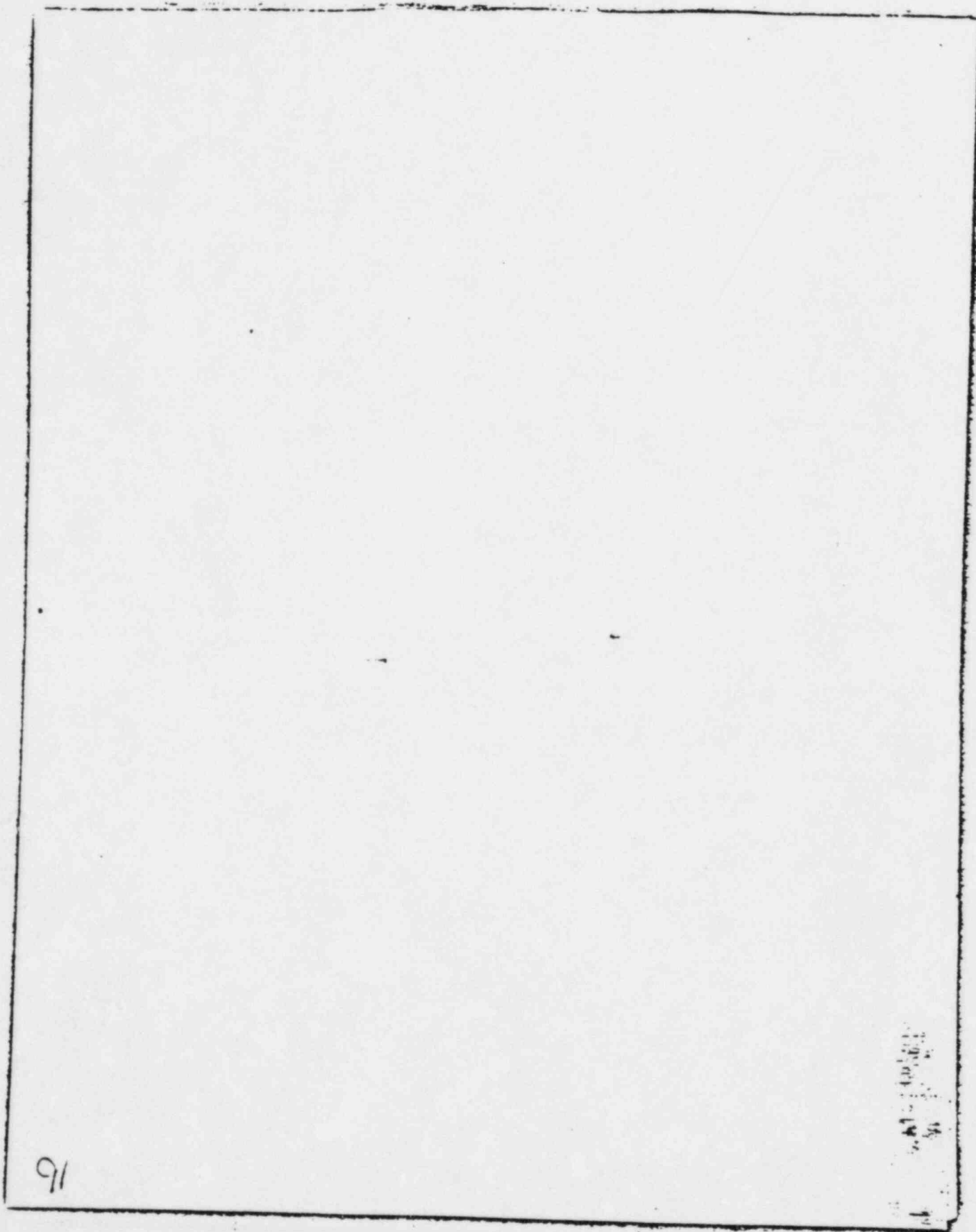
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thereof, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the CONTRACTOR'S noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.
7. The CONTRACTOR will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event CONTRACTOR becomes involved in or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the CON-

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TRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

ARTICLE XXXI. COMPLIANCE WITH LAWS

(7-78)

- A. WORK shall be in accordance with all applicable laws, rules, regulations, and ordinances of the bodies having jurisdiction thereof. The following Acts and regulations, as amended, shall apply without limitations to other Acts and regulations which are applicable, to wit:
1. Williams-Steiger Occupational Safety and Health Act of 1970.
 2. "Safety and Health Regulations for Construction" as described in the Federal Register, Volume 39, Number 122, Part 1926 by the Department of Labor, Occupational Safety and Health Administration under date of June 24, 1974.
 3. General Industry Safety and Health Regulations, Part 1910, as described in the Federal Register, Volume 39, Number 125, Department of Labor, Occupational Safety and Health Administration under date of June 27, 1974.
 4. Fair Labor Standards Act of 1938.
- B. If CONTRACTOR performs any portion of the WORK knowing it to be contrary to such laws, ordinances, rules and regulations, and without said notice to OWNER, CONTRACTOR shall bear all costs, fines and penalties attributable to such performance and any necessary removal and replacement thereof.

ARTICLE XXXII. USE OF PREMISES

(7-78)

- A. CONTRACTOR shall confine its equipment, the storage of materials and equipment and the operations of its workers to areas permitted by law, ordinances, permits, or the requirements of the

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CONTRACT DOCUMENTS, and shall not unreasonably encumber the premises with materials or equipment.

- B. CONTRACTOR shall not load nor permit any part of any structure to be loaded with weights that will endanger the structure, nor shall CONTRACTOR subject any part of OWNER'S premises or the WORK to stresses or pressures that will endanger it.

ARTICLE XXXIII. PREMIUM TIME WORK

(7-78)

- A. No WORK to be performed on OWNER's premises shall be permitted on Saturdays, Sundays, legal holidays, and beyond 8 hours a day on weekdays, except in the case of an emergency when necessary to prevent danger to life and/or property, or upon prior written consent of the OWNER. Any such WORK performed during the absence of OWNER or without its authorization will be done at CONTRACTOR's risk and may be rejected by OWNER.
- B. CONTRACTOR shall notify OWNER in writing, prior to the commencement of WORK, of all holidays to be observed at the PROJECT site.

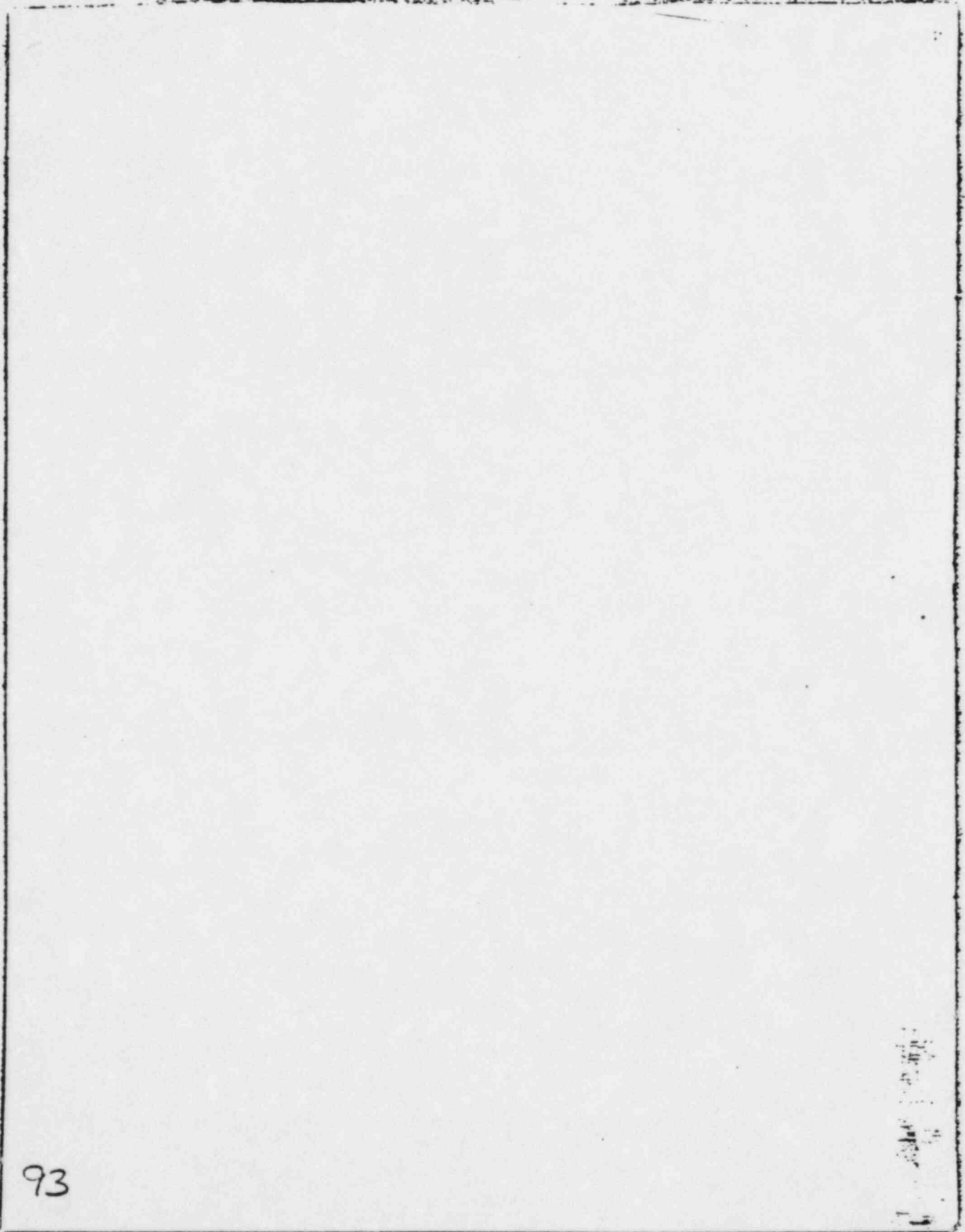
ARTICLE XXXIV. SAFETY

(7-78)

- A. CONTRACTOR shall take all necessary or advisable precautions for the safety of all persons and property at, on, or near the WORK and comply with all safety regulations of OWNER. CONTRACTOR shall erect and maintain all necessary or advisable safeguards, as required by the conditions and progress of WORK, for the protection of workmen and the public and shall post danger signs warning against the hazards created by the WORK.

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3. CONTRACTOR shall provide and maintain all necessary hand tools, machinery, personal protective equipment, etc., in safe operating condition, and shall require its subcontractors and individual mechanics to maintain their equipment in the same condition.
- C. CONTRACTOR and its subcontractors shall provide their workmen with suitable safety helmets which must be worn at all times while working on OWNER's premises.

ARTICLE XXIV. CORRECTION OF WORK

(7-78)

A. Before Final Payment:

CONTRACTOR shall promptly remove all WORK, whether incorporated or not, deemed by OWNER as failing to conform to the CONTRACT DOCUMENTS. Thereupon CONTRACTOR shall promptly replace and re-execute this WORK in accordance with the CONTRACT DOCUMENTS, without expense to OWNER, and CONTRACTOR shall bear the expense of repairing everything which has been destroyed or damaged by such removal or replacement. If CONTRACTOR shall fail to remove WORK deemed by OWNER as failing to comply with the CONTRACT DOCUMENTS within a reasonable time after notice has been given to CONTRACTOR, OWNER may remove and replace such WORK at the expense of CONTRACTOR. Such expense may be deducted by OWNER from any payments due or to become due CONTRACTOR.

B. After Final Payment:

Neither final payment nor acceptance of the WORK shall relieve the CONTRACTOR of responsibility for failure to comply with the CONTRACT DOCUMENTS.

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ARTICLE XXVI. REMEDIES

(7-78)

The rights and remedies of OWNER specifically set forth in this Contract shall not be exclusive and shall be in addition to all other rights and remedies of OWNER at law and in equity.

ARTICLE XXVII. OVERTIME

(7-78)

CONTRACTOR agrees, if overtime, night, Saturday, Sunday or holiday work is necessary, in the opinion of OWNER, in order to expedite the WORK or any part thereof, to perform such WORK whenever ordered to do so. If CONTRACTOR is not then in default in any of the provisions of this Contract, OWNER will pay to CONTRACTOR the actual cost of such ordered WORK in excess of the regular wages and salaries, plus the cost of compensation and liability insurance thereon, without overhead or profit.

ARTICLE XXVIII. DEMURRAGE

(7-78)

- A. All demurrage on material furnished by OWNER or others, caused by CONTRACTOR's neglect, shall be paid by CONTRACTOR.
- B. All demurrage on CONTRACTOR's equipment and material, shall be paid by CONTRACTOR.

ARTICLE XXIX. FINAL INSPECTION AND ACCEPTANCE

(7-78)

- A. In order to determine whether the WORK has been completed in accordance with the CONTRACT DOCUMENTS, OWNER shall make final inspection within 60 days after receipt of written notice from CONTRACTOR that completion has occurred.
- B. If OWNER on such inspection is not satisfied as to completion, it shall inform CONTRACTOR of the specific respects in which its findings are not favorable and CONTRACTOR shall correct the deficiencies pointed out by OWNER at no additional charge to OWNER.

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- C. No examination, inspection or test made by OWNER at any time, including but not limited to final examination, inspection and tests, shall relieve CONTRACTOR of responsibility under the CONTRACT DOCUMENTS.
- D. Upon correction to OWNER'S satisfaction of deficiencies specified under paragraph B, and satisfactory evidence of payment by CONTRACTOR of all its obligations for which OWNER may be liable under this Contract, together with the necessary releases stipulated under "Liens" herein, the final amount due shall be paid by OWNER to CONTRACTOR within 30-calendar days or 15 days from date of invoice, whichever is later.

ARTICLE XL. DEFINITIONS

(7-78)

The following terms shall, throughout the CONTRACT DOCUMENTS, have the meanings set forth hereafter:

- A. WORK - The totality of CONTRACTOR'S obligations under the CONTRACT DOCUMENTS
- B. JOB SITE - The location of performance of the WORK, specifically (state)
- C. CHANGE ORDER - A written amendment to the CONTRACT DOCUMENTS, executed by MMD and CONTRACTOR, setting forth an alteration, addition or deletion in the WORK, and the corresponding effect on the CONTRACT PRICE and/or the CONTRACT TIME.
- D. TECHNICAL REPRESENTATIVE - (fill in title), to provide technical direction to CONTRACTOR, but not authorized to change the requirements of the CONTRACT DOCUMENTS.

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- E. SUBCONTRACTOR - A person, firm, or Corporation retained by CONTRACTOR to perform a part of CONTRACTOR'S obligations under the CONTRACT DOCUMENTS.
- F. SHOP DRAWINGS - Those drawings illustrating certain details of the WORK, prepared by CONTRACTOR and/or SUBCONTRACTOR(S).
- G. CONTRACT DRAWINGS - Those drawings illustrating the requirements of the WORK, or portions thereof, prepared by or on behalf of OWNER.
- H. NOTICE TO PROCEED - Written, verbal, telegraphic or telephonic (all at OWNER'S option) notice to CONTRACTOR from OWNER that CONTRACTOR has met the bonding, insurance, and any other preliminary requirements set forth in the CONTRACT DOCUMENTS, and that CONTRACTOR shall proceed with the remainder of the WORK.
- I. CONTROLLED RADIATION AREA - A specific area within OWNER'S Nuclear Plant.
- J. PROJECT - (case by case basis).
- K. FINAL ACCEPTANCE - The completion of all CONTRACTOR requirements of Paragraph XXXIX hereof. No formal act of acceptance by OWNER is necessary.

ARTICLE XII. INDEMNIFICATION AND INSURANCE

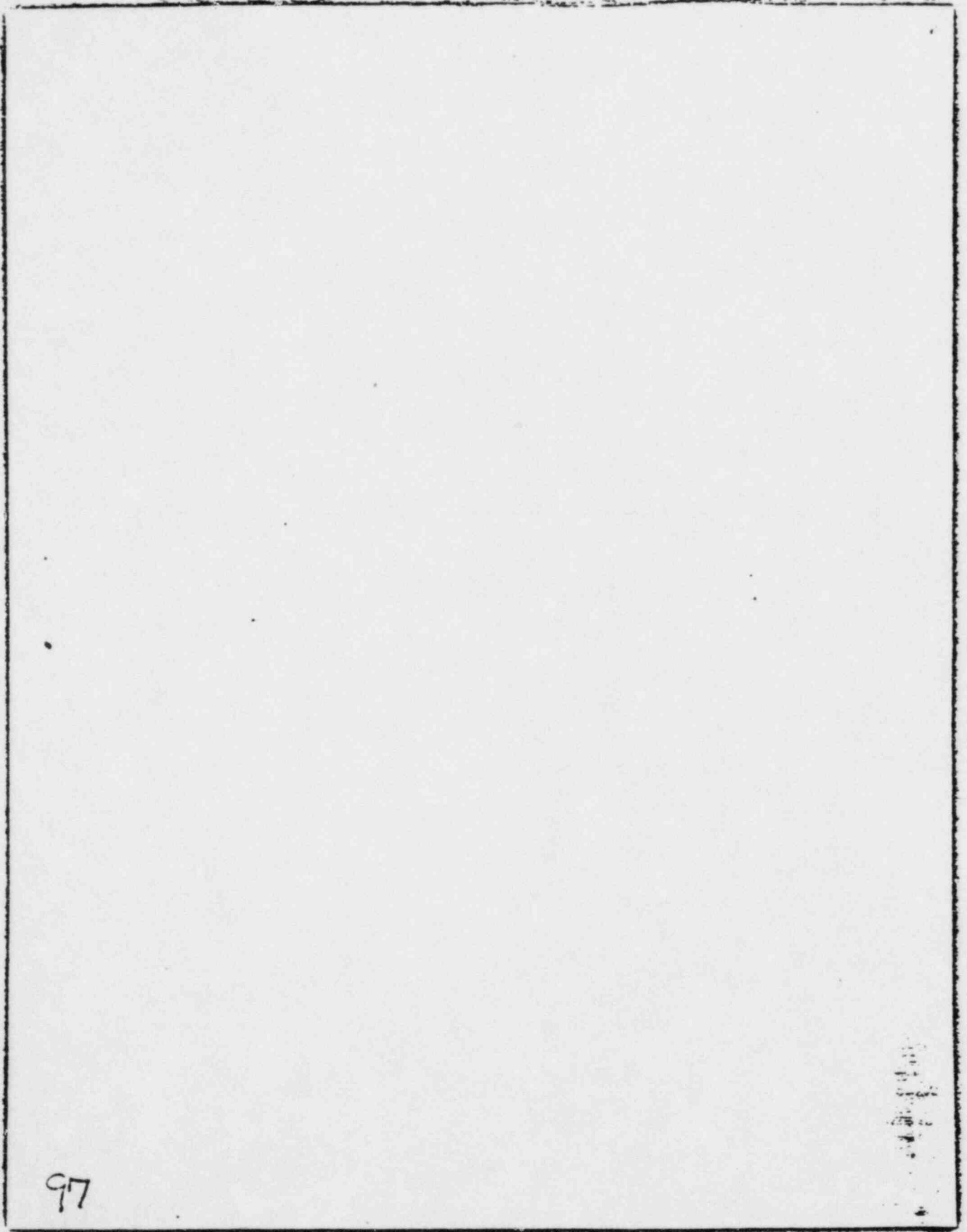
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A. INDEMNIFICATION

- 1. CONTRACTOR shall indemnify and save harmless OWNER and its agents, officers and employees from and against any and all claims, damages, losses, and expenses (including but not limited to attorneys' fees and investigative costs) arising out of or resulting from the performance of WORK, provided that any such claim, damage, loss or expense (A) is attri-

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butable to bodily injury, sickness, disease, or death or to injury to or destruction of property (be it real or personal, tangible or intangible and including but not limited to property of OWNER) including but not limited to the loss of use resulting therefrom or (B) is caused in whole or in part by a negligent act or omission, or an act or omission for which strict liability is imposed by law, of CONTRACTOR and/or anyone directly or indirectly employed by it or anyone for whose acts any of them may be liable.

2. In any and all claims against OWNER or any of its agents or employees by CONTRACTOR and/or anyone directly or indirectly employed by it or anyone for whose acts any of them may be liable, the foregoing indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for CONTRACTOR under workers compensation acts, disability benefit acts, or other employee benefit acts.

3. CONTRACTOR hereby releases and waives any right to ask for, or demand, damages for, or on account of, any loss or injury (including, but not limited to, wrongful death) arising from the condition of the premises or the conduct of any activities thereon by any person.

8. INSURANCE BY CONTRACTOR

CONTRACTOR, until FINAL ACCEPTANCE and acceptance by OWNER of CONTRACTOR'S warranty work shall procure and/or maintain the following minimum insurance coverages:

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<u>Type of Coverage</u>	<u>Limits of Liability</u>	
Worker's Compensation	Statutory	
Employer's Liability	\$	each accident
Comprehensive General Liability including		
Bodily Injury Liability	\$	per person
	\$	per occurrence
Property Damage Liability	\$	per occurrence
	\$	aggregate
Contractual Liability		
Contractual Bodily Injury Liability	\$	per occurrence
Property Damage Liability	\$	per occurrence
	\$	aggregate
Automobile Liability		
Bodily Injury Liability	\$	per person
	\$	per occurrence
Property Damage Liability	\$	per occurrence
	\$	aggregate

During the course of construction and until WORK is finally accepted, CONTRACTOR shall provide and maintain Fire and Extended Coverage Insurance, covering OWNER and CONTRACTOR, as their interest may appear, on the buildings, structures, machinery and equipment to the full value thereof, including materials, equipment, supplies and structures of all kinds and their contents incident to the construction. When not otherwise insured, CONTRACTOR shall carry Fire and Extended Coverage Insurance on construction machinery, tools and equipment belonging to OWNER or similar property belonging to others for which OWNER may be liable. All of the above-mentioned property is to be insured while forming a part of or is contained in any buildings or

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structures mentioned above or while in the open on the JOB SITE, except that such insurance may exclude property which is generally considered noninsurable, such as property buried in the ground or noncombustible property in the open.

CONTRACTOR and its subcontractors shall carry and maintain Fire and Extended Coverage Insurance on their machinery and tools, equipment and clothing belonging to them or their employees and OWNER shall not be liable for any loss or damage thereto and CONTRACTOR shall indemnify and save harmless OWNER from any claims arising therefrom.

To the extent any of the WORK includes blasting, excavating, pile driving or caisson work, moving, shoring, underpinning, razing or demolition of any structure or removal or rebuilding of any structural support thereof; or any subsurface work, the Property Damage Liability Insurance shall have all of the restrictive clauses customarily used by insurance companies applying to insurance on such work, removed from the policies.

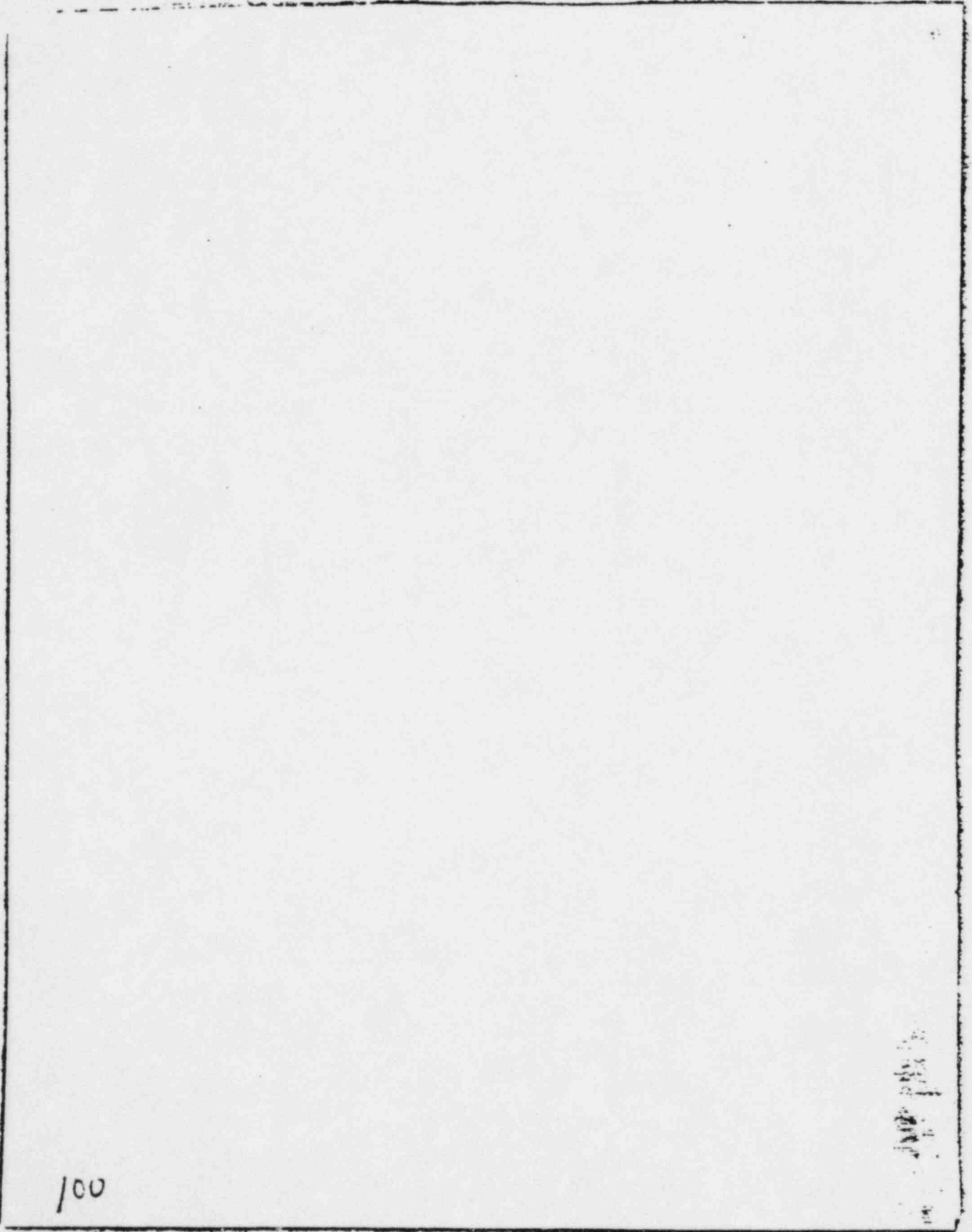
CONTRACTOR shall not permit any subcontractor to enter upon or continue the performance of its subcontract unless such subcontractor be and remains adequately insured, as required above.

All policies provided by CONTRACTOR shall provide for a waiver by the insurer or carrier of any rights of subrogation which the insurer or carrier may otherwise have against OWNER, its agents or its employees, with respect to acts or omissions of OWNER, its agents and its employees.

CONTRACTOR shall carry insurance for property in transit in at

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least the amount of the item(s) being shipped in any single shipment.

CONTRACTOR shall file with OWNER properly executed certificates of insurance or copies of the insurance policies prior to the time the Contract is executed. Such certificates or copies of policies shall state that the insurance provided covers the Contractual Liability assumed by CONTRACTOR in the Indemnity and Hold Harmless Agreement of this Contract.

Certificates or copies of policies shall contain the following information:

1. OWNER as a named insured.
2. Name of insurance company, policy number and expiration date.
3. Limits and types of insurance requested herein.
4. Certificates of Liability Insurance shall indicate coverage of any liability assumed by CONTRACTOR under the Contract.
5. A statement indicating that OWNER shall receive at least thirty (30) days notice of cancellation or change of any of the policies which may affect its interest.
6. Deletion of the exclusion for damage to property in the care, custody or control of the insureds.
7. A brief description of the WORK to be performed, including a statement that the restrictive clauses have been eliminated from the policies in accordance with such clauses set forth in the Contract.

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8. All insurance shall be with sound insurance companies, satisfactory to OWNER and authorized to do business in the state where the WORK is to be performed.

ARTICLE XLII. SECURITY PROCEDURES

(7-78)

CONTRACTOR shall provide that its personnel and its SUBCONTRACTOR personnel shall be subject to and shall adhere to OWNER'S security procedures.

- A. CONTRACTOR shall provide that CONTRACTOR and SUBCONTRACTOR personnel who knowingly violate security procedures will be subject to immediate termination.
- B. Any costs, fines, or other penalties incurred by OWNER due to security violations committed by CONTRACTOR, its personnel, SUBCONTRACTORS, and/or their personnel, shall be payable by CONTRACTOR.
- C. CONTRACTOR shall require its personnel to undergo an indoctrination program provided by OWNER, on security procedures at DHI provided by OWNER.

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SPECIAL NUCLEAR CONDITIONS OF SALE

The following conditions shall apply in every instance to all sales of material, equipment, and/or services by CONTRACTOR, which are to be used directly or indirectly in or with any nuclear power plant or other NRC licensed production or utilization atomic facility. All Quotations for such material, equipment, and/or services whether for or in connection with original equipment or spare parts are expressly conditioned upon the OWNER'S assent to these conditions.

1. Application. These conditions are supplementary to all other provisions controlling the sale of material, equipment, and/or services by CONTRACTOR and any such other provisions inconsistent with these conditions shall be of no effect unless the CONTRACTOR'S Quotation clearly states on its face that these conditions do not apply or unless OWNER gives CONTRACTOR written notice to that effect prior to commitment.

The protection afforded CONTRACTOR by these conditions shall equally protect any and all CONTRACTOR'S subcontractors and/or vendors of any tier.

2. Insurance. Prior to the installation of any material or equipment or the utilization of any services, in a nuclear or atomic energy facility, the OWNER will:
 - (a) enter into an agreement of indemnification with the United States Nuclear Regulatory Commission as provided under Section 170 of the Atomic Energy Act of 1954, as amended; and

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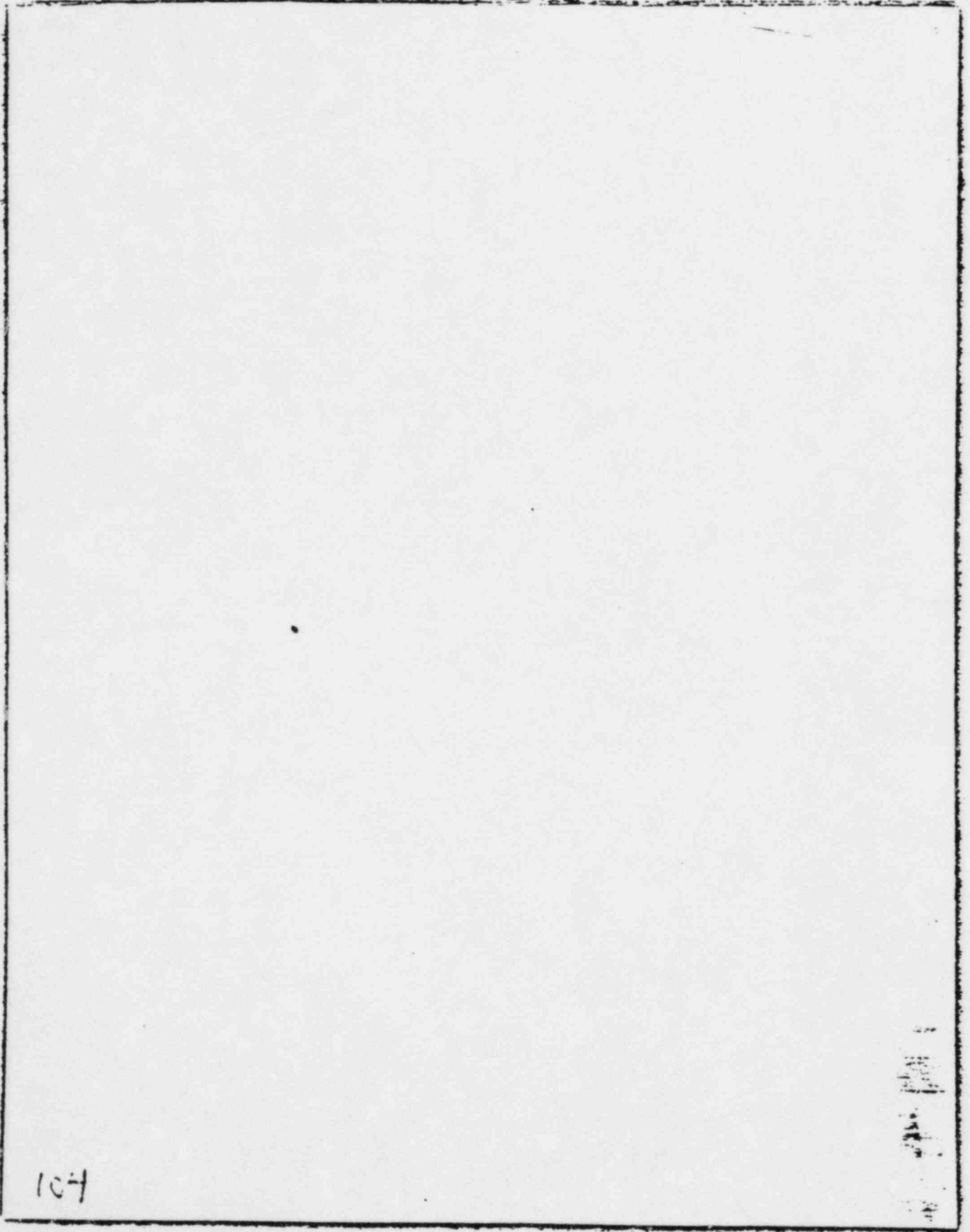
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- (b) obtain nuclear liability insurance from NEPLA or MAELU, or both, in such form and in such amount as will meet the financial protection requirements of the Nuclear Regulatory Commission pursuant to Section 170 of the Atomic Energy Act; and
- (c) take whatever measures are necessary to guarantee that the CONTRACTOR, its vendors and/or subcontractors are included among the persons indemnified under (a) above and are named as insureds under all insurance policies referred in (b) above; and will secure and maintain any and all available amendatory endorsements which increase the protection afforded under the insurance policies referred to in (b) above; and
- (d) in connection with any and all property insurance policies which OWNER elects to purchase through the NEPLA and/or MAELU insurance pools or any other source of similar protection which OWNER selects, the OWNER will arrange for the insurance carrier or carriers to waive any and all rights of recovery and/or subrogation which they or any of them might have or acquire against the CONTRACTOR, its vendors, and/or subcontractors arising out of any loss resulting from the radioactive, toxic, explosive, or other hazardous properties of "source material," "special nuclear material" or "by-product material" as such terms are defined in the Atomic Energy Act of 1954 or any law amendatory thereof; and;

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(e) maintain for the benefit of the CONTRACTOR, its vendors, and/or subcontractors all of the protection provided for in these terms and conditions, as long as the material, equipment, and/or services to be provided by the CONTRACTOR continue in use directly or indirectly in connection with any nuclear facility.

3. Limitation of Liability - Indemnity. To the extent that nuclear insurance is available from NEL-PIA, MAELU, or MAERP, under no circumstances will the CONTRACTOR have any responsibility or liability for any damage to property on or off site or for injury or death to any person, notwithstanding negligence on the part of the CONTRACTOR, its vendors, and/or subcontractors or otherwise, when such damage and/or injury results directly or indirectly from nuclear reaction, radioactivity, contamination - controlled or uncontrolled. Further, the OWNER shall indemnify and hold the CONTRACTOR, its vendors, and/or subcontractors entirely harmless against all losses, claims, damages, expenses, or liabilities resulting from or connected with the foregoing, to the extent that such insurance is available.
4. Continued Protection. Notwithstanding any changes in the Atomic Energy Act and/or the presently available insurance protection, OWNER will continue liability protection referred to herein from any reasonably available source, as long as the material, equipment, and/or services continue in use in connection with a nuclear facility.

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5. Warranty. Although these nuclear conditions of sale shall not affect CONTRACTOR'S obligation under the warranty, contained in CONTRACTOR'S Quotation, CONTRACTOR shall not be obligated to perform any decontamination which may be a prerequisite for CONTRACTOR'S fulfillment of that warranty and OWNER hereby agrees to perform any such required decontamination without any cost to CONTRACTOR.
6. OWNER Agreement. At any time that it becomes apparent to CONTRACTOR that a completely executed document is not in the possession of CONTRACTOR, CONTRACTOR shall have the right to discontinue WORK unless a fully executed document is received promptly and if said document is not received, the CONTRACTOR shall have the right to terminate the WORK and charge the OWNER for all costs connected therewith.

10CFR21

(7-78)

THE PROVISIONS OF TITLE 10 CODE OF FEDERAL REGULATIONS PART 21 SHALL APPLY HERETO. THE CONTRACTOR SHALL IMMEDIATELY INFORM THE OWNER'S VICE PRESIDENT OF GENERATION IN WRITING IF IT OBTAINS INFORMATION REASONABLY INDICATING THAT THE PLANT OR A SERVICE OR MATERIALS OR A BASIC COMPONENT DELIVERED TO THE OWNER FOR THE PLANT (A) FAILS TO COMPLY WITH THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, OR ANY APPLICABLE RULE, REGULATION, ORDER OR LICENSE OF THE NUCLEAR REGULATORY COMMISSION ("NRC") RELATING TO SUBSTANTIAL SAFETY HAZARDS, OR (B) CONTAINS A DEFECT, WHICH COULD CREATE A SUBSTANTIAL SAFETY HAZARD, UNLESS IT HAS ACTUAL KNOWLEDGE THAT THE NRC HAS BEEN ADEQUATELY INFORMED OF SUCH DEFECT OR FAILURE TO COMPLY, ALL AS REQUIRED BY PART 21 OF 10 CODE OF FEDERAL REGULATIONS ("10 CFR 21"), AND SHALL SIMUL-

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TANEOUSLY FURNISH TO THE OWNER'S VICE PRESIDENT OF GENERATION COPIES OF ANY NOTIFICATION GIVEN BY THE CONTRACTOR TO THE NRC PURSUANT TO 10 CFR 21."

LABOR UNIONS

(7-78)

All labor employed by CONTRACTOR or SUBCONTRACTORS hereunder shall be members in good standing of a union and shall be affiliated with the American Federation of Labor.

CONTROLLED RADIATION AREAS

(7-78)

CONTRACTOR, prior to permitting any of its employees to work in CONTROLLED RADIATION AREAS, shall certify to OWNER, based upon a reasonable investigation as to each employee, that such employee's general health and physical condition are such as to permit the performance of assigned duties without undue risk of operating errors, property damage, injury, or impairment of ability to cope with emergencies nor have any physical conditions or corrective devices that restrict the mobility of such employees or preclude the wearing of protective clothing and equipment. To the extent CONTRACTOR obtains on its own or receives from its employees any records of physical examinations, it shall maintain complete records thereof for inspection and use by OWNER and/or its designee.

Further, CONTRACTOR shall require each such employee to submit to all of the following unless specifically waived in a particular instance by OWNER:

- A. Prior to working in a CONTROLLED RADIATION AREA - a urine sample and full compliance with OWNER'S previous radiation exposure history inquiry.

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- B. Prior to or simultaneously with such employee's termination of employment based on the radiation protection supervisor's judgment - a urine sample.
- C. Such other examinations and tests as OWNER may require from time to time.
- OWNER shall bear the cost of performing the aforesaid urine sample and other examinations and tests performed under provision C of this ARTICLE.

INVENTIONS

(7-78)

If CONTRACTOR shall first actually reduce to practice any patentable invention or discovery in the performance of any WORK, then OWNER and all other subsidiary companies of the General Public Utilities Corporation, a Pennsylvania Corporation (herein collectively called "GPU System") shall be and are hereby granted an irrevocable, non-exclusive, royalty-free, fully paid-up license to use and practice said invention or discovery in connection with any present or future facility designed, built, owned, controlled and/or serviced by the GPU System.

TESTS AND INSPECTIONS

(7-78)

- A. If the CONTRACT DOCUMENTS, laws, ordinances, rules, regulations or orders of any public authority having jurisdiction require any or all portions of the WORK to be inspected, tested, or approved by someone other than CONTRACTOR, CONTRACTOR shall give OWNER timely notice of readiness therefor. CONTRACTOR shall furnish OWNER with the required certificates of inspection, testing or approval. All such tests will be in accordance with the methods prescribed by the American Society for Testing and

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Materials or such other applicable organization as may be required by law or the CONTRACT DOCUMENTS. If any such WORK required so to be inspected, tested or approved is covered or otherwise made inaccessible without prior written approval of OWNER, it must, if requested by OWNER, be uncovered for observation at CONTRACTOR'S expense. The cost of all such inspections, tests and approvals shall be borne by CONTRACTOR unless otherwise provided herein.

8. Neither observations by OWNER nor inspections, tests, or approvals by persons other than CONTRACTOR shall relieve CONTRACTOR from its obligations to perform the WORK in accordance with the requirements of the CONTRACT DOCUMENTS.

RAILROAD AND HIGHWAY PERMITS

(7-78)

The CONTRACTOR shall, unless otherwise specifically provided for, make suitable arrangements with governmental authorities and railroads for the construction of all structures underneath or within road and railroad rights-of-way and protect and safeguard the public using the roads and the movement of trains, from accident and/or delay all in accordance with the requirements of the owners and/or operators thereof.

VALUE ENGINEERING

(7-73)

Notwithstanding any and all reference to compensation, should CONTRACTOR first discover a method by which to reduce CONTRACT PRICE without degrading workmanship, material or schedule contained in these CONTRACT DOCUMENTS and reduce the discovery to a written proposal to OWNER, upon acceptance and written approval by OWNER, the CONTRACTOR shall receive one half of the associated reduction in price as full compensation for such discovery. Said compensation shall be in

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addition to any and all compensation set forth elsewhere in these CONTRACT DOCUMENTS.

CONTRACTOR shall incorporate the above requirements in all agreements with its SUBCONTRACTORS, agents and assigns. This requirement in no way creates privity of contract between SUBCONTRACTORS, agents and assigns of the CONTRACTOR and OWNER.

This provision shall not apply to any method known to CONTRACTOR prior to the execution hereof and not disclosed to OWNER.

USE AND STORAGE OF EXPLOSIVES

(7-78)

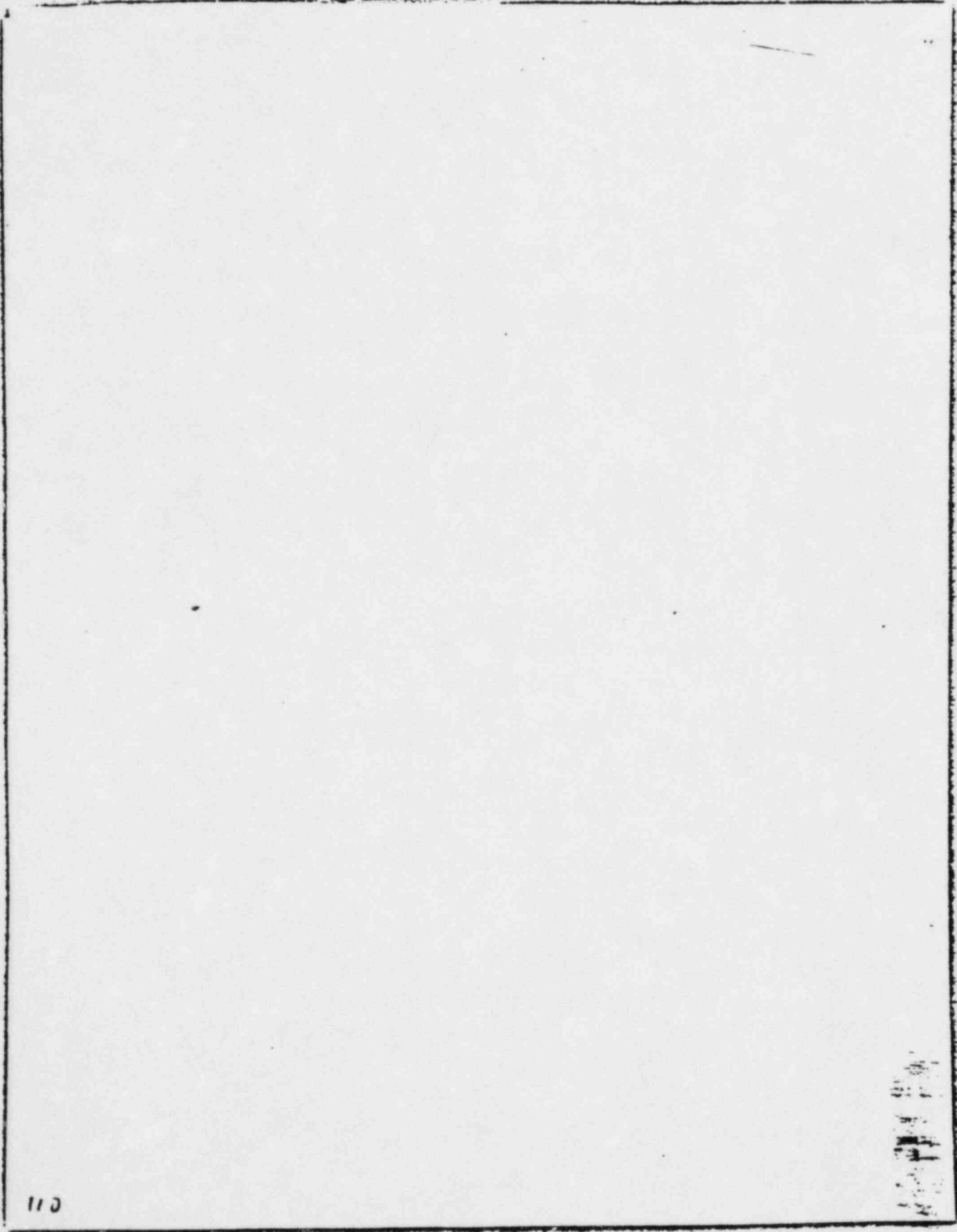
CONTRACTOR shall notify OWNER, in writing, before using explosives. Explosives shall be stored, handled, and used by CONTRACTOR as prescribed by the federal, state, and local authorities having jurisdiction over such matters. Blasting shall be carried out only by properly qualified licensed personnel. Care shall be taken so as not to make excavations unduly large or irregular nor to unduly disturb the ground so as to make it unstable. If blasting is likely to damage any property or injure any persons, CONTRACTOR shall excavate without the use of explosives. CONTRACTOR shall maintain a log, setting forth the time, date, and other necessary details of each charge detonated, which log shall be available for OWNER's inspection.

CONTRACTOR agrees to indemnify and save OWNER harmless from and against any and all liability, loss, cost, and expense (including all expense, legal or otherwise, incurred in the investigation and defense of any claim or suit) for injury (including death) to any person (including employees of OWNER) and from and against all claims for any such injury or damage, however caused, arising

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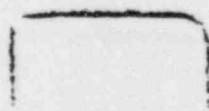
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out of, or connected with any blasting activity done by CONTRACTOR, and including but not limited to fines and civil damages relating to violation of laws.

FIRE PROTECTION

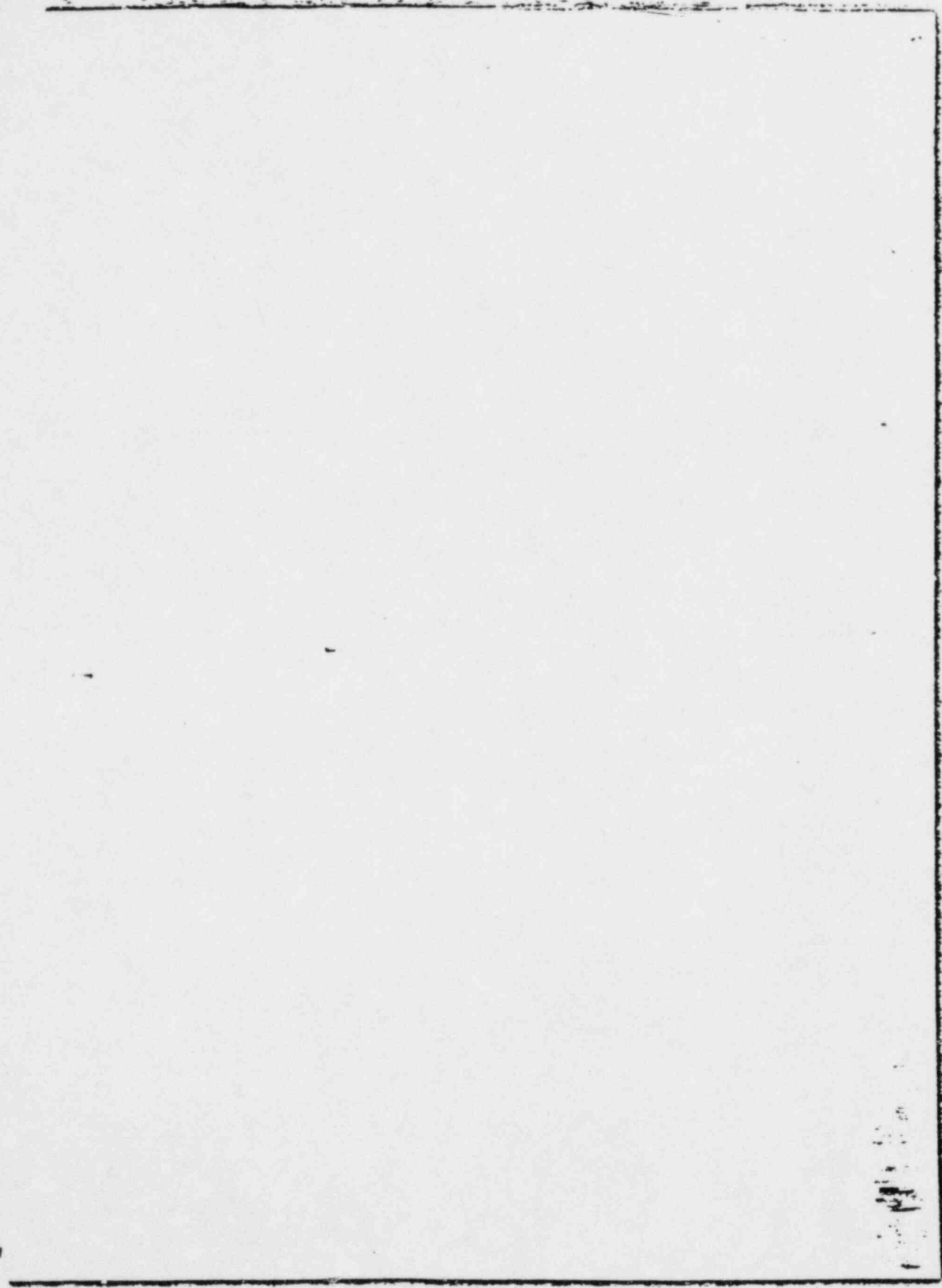
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Throughout the construction period, CONTRACTOR shall prohibit all unauthorized fires and provide for a fire watch at all times. CONTRACTOR shall provide necessary temporary fire fighting equipment in readiness during that part of the construction period when the possibility of fire exists. Operations such as welding shall be closely watched by CONTRACTOR to assure that no fire is started thereby.

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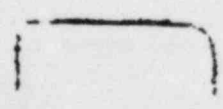
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