



INDUSTRIAL SERVICES • SHIPYARD • DOWNRIVER SERVICES

# Subcontractors and Vendors Terms and Conditions

## Section A Definitions

**A-1.** The following definitions apply unless otherwise specifically stated:

- “Buyer or Purchaser” means Lyon Shipyard Inc.
- “Seller” and “Subcontractor” means the legal entity which contracts with the Buyer.
- “Work” means the Subcontractor’s scope of work set forth in a Purchase Order and requirements of these Terms and Conditions.
- “Purchase Order” means a written order for Work issued by Buyer and accepted by Seller.

## Section B Applicable Clauses

**B-1. General Information.** Subcontractor will furnish all necessary management, material, labor, and services required to accomplish all work outlined in the Purchase Order.

Access to shipyard temporary services including compressed air, steam, electricity, and potable water are provided at pier side riser connections. Subcontractor is responsible to Lyon for cost of all labor and materials to connect to these connections.

**B-2. Safety.** Subcontractor’s employees, while performing work at Lyon Shipyard facilities, shall adhere to Lyon Shipyard safety rules and regulations. The Subcontractor will be responsible for providing all needed safety equipment to comply with these safety rules and regulations. These rules and regulations are in addition to Local, State, and Federal Safety requirements.

Subcontractor shall at all times maintain an appropriate fully documented and implemented OSHA Safety and Health Program, a Safety and Hazard Communication training Program as required by 29 CFR 1910.1200, Material Safety Data Sheets (MSDS) on site for any product being used by Subcontractor, and a fully documented and implemented Confined and Enclosed Space Entry Program as required by 29 CFR 1915. Subcontractor agrees to provide upon request by Lyon Shipyard an affidavit of compliance with these requirements.

Subcontractor’s personnel working in areas designated by Lyon Shipyard safety personnel as requiring respiratory protection equipment must be equipped by the Subcontractor to be in compliance with OSHA-29 CFR Part 1915.134 respiratory protection.

Subcontractor will comply with Lyon Shipyard “no smoking” policy while performing work on board vessels, regardless of the vessel’s policy.

**B-3. Environmental Compliance.** Subcontractor agrees that vessels often contain hazardous substances that may be encountered during the performance of work. Such hazardous substances may include, but are not limited to, asbestos used in heat and electrical insulation, brake linings, deck coverings, boiler refractories, joiner work and other areas, mercury, certain hydraulic oils, liquid cargo products (such as cashew shell oils), lead, and lead-based paints or anti-foulants. The safe, proper and lawful handling of such substances at Subcontractor's expense is the Subcontractor's responsibility, unless expressly provided otherwise in the Purchase Order. Subcontractor shall determine for itself whether the work requires the handling of hazardous substances and price the work accordingly. No additional compensation for the handling of hazardous substances by Subcontractor will be allowed unless Lyon Shipyard recovers such additional compensation under its prime contract.

Subcontractor agrees to comply with all federal, state and local laws, regulations, ordinances, orders, notices, actions, policies or common laws, including, but not limited to, those concerning oil transfer and training in accordance with USCG 33 CFR 154, the proper handling, transportation, treatment, removal or storage of hazardous wastes, substances or materials, or any substance the presence of which requires investigation or remediation, and to indemnify and hold harmless Lyon Shipyard for any non-compliance with same. For purposes of illustration, and not by way of limitation, Subcontractor must comply with the following, all as amended, and including any regulations or standards issued hereunder:

- (1) Occupational Safety and Health Act of 1970 (OSHA)
- (2) Clean Water Act and Virginia State Water Pollution Control Law
- (3) Rivers and Harbors Act of 1899 (Refuse Act)
- (4) Oil Pollution Act of 1990
- (5) Hampton Roads Sanitation District Industrial Wastewater Discharge Regulations
- (6) Clean Air Act and Virginia Air Pollution Control Law
- (7) Memorandum of Understanding with Virginia Air Pollution Control Board
- (8) Resource Conservation and Recovery Act (RCRA)
- (9) Community Right-to-Know Act (SARA Title III)
- (10) Comprehensive Environmental Response Compensation and Liability Act (CERCLA)
- (11) United States Coast Guard Oil Transfer Regulations 33 CFR 154

Subcontractor is responsible for the loading, transportation and disposal of potentially hazardous material or waste at properly licensed locations. Subcontractor's indemnity obligations in Indemnity Clause B-9 shall include, but not limited to, all costs of investigation, response, removal of remediation incurred by Lyon Shipyard in connection with the removal, transportation and/or disposal of said materials.

By performing work for Lyon Shipyard, subcontractor agrees to be bound by the terms and conditions set forth in this agreement. If Subcontractor handles materials deemed potentially hazardous by either state or federal agencies, Subcontractor shall adhere to the conditions stated in these terms and conditions.

**B-4. Quality Assurance.** Purchaser or its customer or both may inspect work in progress at all times and places. Seller, at its own expense, shall promptly rectify any defects discovered during inspection

or test. If inspection is on Seller's or Seller's suppliers' premises, Seller shall provide and require its suppliers to provide without additional charge, reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Neither Purchaser's in process inspection nor Purchaser's approval of any of Seller's drawings or procedures of other submittals shall; (i) constitute acceptance of any work or (ii) relieve Seller of complying fully with all of the requirements of the Purchase Order.

All goods and services supplied under this Purchase Order shall have a mandatory receipt inspection at Lyon Shipyard receiving department as outlined in Buyer's Level 2 Procedure Receipt Inspections, LSY P-8-01.

All scrap and unused material shall be returned to Buyer at completion of work. Subcontractor shall affix tags to all scrap identifying vessel's name, appropriate work item number, and point of contact. All measuring and test equipment utilized in the performance of a quality test shall have a current calibration sticker. Measuring and test equipment shall be compliant to ANSI/NCSL Z540-1-1994.

All government furnished/owned material ("GFM") delivered to Lyon Shipyard will have the delivery document signed by an employee of the receiving department. The GFM will be opened and inspected upon receipt, and either stored in Buyer's GFM warehouse or forwarded to the appropriate vessel. All delivery and receipt of GFM is to be accomplished in accordance with LSY P-7-01, Control of CFM/GFM furnished material.

Subcontractor shall submit a list of authorized personnel to Buyer's QA department, 48 hours prior to required access at Lyon Shipyard. The access list shall contain a list of employees detailing the name, social security number, date of birth and place of birth. List must be type written on Seller's company letterhead and signed by an authorized individual.

Subcontractor must submit a test and inspection plan and a list of personnel qualified to perform the inspection requirements to Lyon Shipyard QA department for approval prior to the start of any work. On all government contracts, check point requirements as set forth in NAVSEA Standard Item 009-04, fiscal year as applicable and identified by this Purchase Order are invoked and shall be strictly adhered to.

Subcontractor shall notify Lyon Shipyard QA department at not less than four hours prior to conducting inspections, examinations, tests, and per inspection and test plans and provide QA tickets. Subcontractor shall furnish all testing reports/ coating reports, environmental data, and operational test data to Lyon Shipyard QA department no later than (3) days after the accomplishment of specified activity.

Seller shall pack, mark, and ship all goods and supplies in compliance with transportation regulations and good commercial practice and shall secure the most cost effective service and rates consistent therewith. No separate or additional charge is payable by Buyer for crating, storage, dunnage or drayage, boxing, or bundling unless specifically stated in the Purchase Order.

Subcontractor shall provide a progress status every week during the contract period that must be signed by the appropriate superintendent.

**B-5. Changes.** The Buyer may, by written order, make such changes in the specifications for the work and schedule within the general scope of the Purchase Order. If any such change causes an increase or decrease in the cost of, or time required for performance of, an equitable adjustment shall be made in the price and or time of performance. The Seller must assert its right to an equitable adjustment within 20 days from the date of a written change order from the Buyer.

**B-6. Termination for Convenience.** The Purchase Order may be terminated in part or in its entirety for the Buyer's convenience, without liability to the Buyer for any uncompleted work by the Seller.

**B-7. Default.** Subcontractors shall commence work on the date set forth in the Purchase Order and shall complete all work within the time specified therein. Failure to perform the work within the performance period shall be considered a material breach of the Purchase Order.

If the Subcontractor fails to perform the work within the time specified in the Purchase Order including any written extension thereof, or otherwise fails to perform the Work in accordance with the terms of the Purchase Order or these Terms and Conditions, or so fails to make progress as to endanger the performance of the Work. The Buyer may terminate the Purchase Order in whole or in part by means of a written notice of default. If the Buyer terminates the Purchase Order in whole or in part as provided by this paragraph, the Buyer may arrange for the completion of the Work so terminated, and the Seller shall be responsible to cover costs incurred therein, in addition to Buyer's other rights and remedies at law or in equity.

Neither party shall be held responsible for any delay or failure in performance of any part of this order to the extent such delay or failure is caused by flood, strike, civil unrest, government or military authority, act of God or other similar causes beyond its control and without the fault or negligence of the delayed or non-performing party or its subcontractors provided that (a) such party gives prompt notice and (b) takes reasonable steps to mitigate the duration of the delay or failure of performance. In the event a party's delay or nonperformance continues for a period of at least fifteen (15) calendar days, Lyon Shipyard may terminate this order without liability. Subcontractor's liability for loss or damage to Lyon Shipyard's material in subcontractor's possession or control shall not be modified by this clause.

**B-8. Warranty of Supplies and Services.** All equipment, materials and workmanship hereunder shall be guaranteed by the Subcontractor to operate successfully under required tests and for period of not less than (90) days, which period shall commence immediately following the redelivery of the vessel to the owner. If at any time during said period, any weakness, deficiency, defect, failure, breaking down or deterioration in equipment, materials or workmanship furnished by subcontractor is discovered, such defective equipment, material or workmanship shall be made good, at Subcontractor's expense, to the requirements of this agreement, the Master Ship Repair Agreement, and the plans and specifications.

**B 9. Disputes and Controlling Law.** The order and the performance of the parties thereunder shall be controlled and governed by the laws of the Commonwealth of Virginia. Subject to the subsequent provisions of this paragraph, all disputes, differences, claims or questions arising out of or relating to

the order and any Work, Products or Services furnished by Subcontractor: and any and all claims arising out of the parties relationship , shall be finally and solely determined and settled by arbitration in the City of Norfolk, Virginia in accordance with the Commercial or rules of the Society of Maritime Arbitrators, Inc.(SMA), and judgment upon any arbitration award may be entered and enforced in any court of competent jurisdiction. Subcontractor shall be obligated to pay any and all fees or costs assessed by the SMA or the arbitrator in connection with the administration or hearing of the arbitration. Notwithstanding the foregoing provisions of this paragraph, Lyon Shipyard, at its sole option, may enforce, by bringing litigation in a state or Federal court of competent jurisdiction in the City of Norfolk, Virginia, any obligation of Subcontractor, arising under or relating to the Work, these Terms and Conditions or Purchase Order . In the event Lyon Shipyard elects to file such litigation, Subcontractor agrees that such a court shall be the exclusive venue for such litigation, and Subcontractor hereby irrevocably consents to the exclusive jurisdiction of such court. In the event such litigation is filed by Lyon Shipyard , Subcontractor hereby waives, and agrees not to raise in connection therewith, any defenses or claims based on improper venue, lack of personal jurisdiction, in convenience of the forum, insufficiency of service or process, or the like.

- Subcontractor shall not make or file any claim or counterclaim, cause or action or demand in such litigation, which is otherwise arbitrable, under the terms of this paragraph.
- Subcontractor agrees to pay all of Lyon Shipyard's expenses incurred in enforcing Buyer's rights and Subcontractor's obligations under the order, including attorney's fees, expert witness fees, arbitration expenses and cost of litigation.
- Subcontractor's failure to initiate an arbitration proceeding within six (6) months of the date Subcontractor's claim or cause of action accrues against Lyon Shipyard shall constitute a waiver of such claim or cause of action.

Notwithstanding the pendency of any dispute, claim, arbitration or litigation arising under or in relationship to the order, Subcontractor shall proceed diligently with the prompt performance of its obligation to furnish products and/or services in compliance with the order. Subcontractor's performance under such circumstances shall be in accordance with Lyon Shipyard's written instructions.

No litigation which concerns a dispute arising under the Purchase Order may be commenced by the Seller more than one year after the last delivery or furnishing of materials and services by the Seller. The Seller agrees, pending resolution of any dispute, to proceed diligently with performance, including any change orders.

If Seller has a claim for money or time which is due to actions of the Government ("Seller's Claim Against the Government"), Seller's sole and exclusive remedy is to present the claim to Buyer in the form of a request for an equitable adjustment ("REA"). Buyer will submit the REA to the Government. If the Government grants the REA, the Seller will accept that action as full and final settlement of the Seller's Claim Against the Government. If the Government denies the REA in whole or in part, the Seller's sole and exclusive remedy shall be to file an appeal to the Board of Contracts Appeals ("BCA"). Seller shall be responsible for all costs and fees including attorneys fees prosecuting the BCA action and the final decision in the BCA action shall be Seller's sole and exclusive recovery.

**B-10. Insurance.** The Subcontractor shall, at its own expense, maintain and furnish proof of proper casualty or liability insurance and Workers Compensation Insurance (or statutorily-approved self-insured status for Workers Compensation Insurance), against all claims arising from accidents or casualties to employees, workmen, trespassers, Licensees, and all other personnel and property occurring during performance of the work hereunder; it being expressly understood that the workmen engaged by Subcontractor upon the work set forth in the Specifications hereunder shall at all times be employees of the Subcontractor and/or its Second-tier subcontractors and not of Purchaser. In case the amount, if any, received from such insurance is not sufficient to cover all liabilities for such accidents or casualties occurring through any act of default or neglect of the Subcontractor and/or any of the Subcontractor's agents or employees, the Subcontractor shall nevertheless protect and save harmless, Purchaser and the Vessel from all such liabilities or claims and from any expense or charges in connection therewith. The cost for any and/or all of the above insurance is to be for the account of the Subcontractor.

Subcontractors shall not commence with any work until it has obtained insurance providing the coverage's and limits as specified below; Lyon Shipyard requires a total limit of \$5,000,000 for General Liability, Automobile Liability, Employers Liability, Ship Repair Legal Liability (if applicable) and Pollution Liability (if applicable). The \$5,000,000 limit may be met by a combination of primary and excess policies. The requirements below assume a \$4,000,000 limit in excess of \$1,000,000 primary limits to meet the total requirement. If the Seller/Subcontractor works on or aboard any vessel Seller/Subcontractor shall provide Ship Repair Legal Liability coverage as specified below. Seller/Subcontractor shall provide the following policies:

**(a) Workers Compensation and Employers Liability:**

I. Workers Compensation

Workers Compensation for all Compensation and other Benefits required by all applicable State and Federal law or by governmental authority on account of injury, death, sickness or disease. Coverage will apply to all agents, servants, borrowed servants, statutory employees and employees of Seller and will include coverage under the Longshore and Harbor Workers Act (USL&H).

II. Employers Liability:

- \$1,000,000 Bodily Injury by Accident
- \$1,000,000 per person by Disease
- \$1,000,000 aggregate by Disease

Seller and Seller's insurer will waive subrogation against Buyer. If Seller is a Labor Contractor, Seller will also provide an Alternate Employer Endorsement in favor of Buyer.

**(b) General Liability and/or Marine Liability**

Coverage will include (but not be limited to) premises and operations liability, products and completed operations liability, broad form contractual liability, broad form property damage liability,

and liability for independent contractors (if any) for both Bodily Injury and Property Damage liability. Coverage will include Personal Injury and Advertising Injury Liability.

Seller/Subcontractor and their insurer will name Buyer as Additional Insured under this policy and a waiver of subrogation will apply in favor of Buyer. Seller's policy will be primary and non-contributory to any other valid and collectible insurance in place for or available to Buyer. Coverage will be provided through ISO form CG 00 01 04 13 or materially equivalent. Coverage will be on a combined single limit basis for Bodily Injury and Property Damage Liability with no less than the following limits:

- \$1,000,000 per occurrence
- \$2,000,000 General Aggregate
- \$1,000,000 Product-Completed Operations Aggregate
- \$1,000,000 Personal. & Advertising Injury
- \$ 50,000 Fire Damage Legal
- \$ 5,000 Medical Payments (Optional)

**(c) Automobile Liability**

Coverage to be provided for all owned, non-owned, hired or borrowed vehicles operated by Contractor, or Contractor's employees or representatives. Policy will provide coverage for Bodily Injury and Property Damage Liability with limits of no less than **\$1,000,000** per occurrence for Bodily Injury and Property Damage. Seller and their insurer will name Buyer as additional insured and waive subrogation against Buyer.

**(d) Ship Repair Legal Liability**

If the Seller/Subcontractor works on or aboard any vessel Seller/Subcontractor shall provide Ship Repair Legal Liability coverage with limits of not less than **\$1,000,000**, with additional limits provided by the Umbrella Excess policy in "e" below. Coverage shall be provided under standard marine insurance forms materially equivalent to the London or American Institute Ship Repairers Legal Liability forms. It is permissible to combine this coverage with the General Liability ("b" above) without providing additional limits.

**(e) Umbrella or Bumbershoot Excess Liability**

Seller/Subcontractor will provide an Umbrella excess Liability policy with limits not less than \$4,000,000 per occurrence. This policy will be excess of Items "a-2" (Employers Liability), "b" (General Liability), "c" (Automobile Liability) and "d" (Ship Repair Legal Liability) so as to give a combined total limit of \$5,000,000 for each of these coverages as required.

Subcontractor shall, before commencing work, provide Lyon Shipyard with certificates indicating compliance herewith, confirming that the subcontractors insurance policies have been endorsed to provide that each insurer has agreed to give Lyon Shipyard 30 days written notice of cancellation or intent not to renew, a waiver of subrogation and that Lyon Shipyard has been added to each policy, excepting only the workers' compensation policy, as an additional insured with respect to the performance of the Subcontractor. Acceptance of a certificate by Lyon Shipyard shall not release or decrease the obligation of the Subcontractor hereunder.

Before entering any Lyon Shipyard Facility the contractor must furnish evidence of pollution liability insurance if any of the following conditions apply:

- Transportation of or storage at the yard, of any hazardous material or hazardous waste in or out of a Lyon Shipyard facility.
- Blasting, painting or coatings application.
- Gas freeing
- Removal or installation of any hazardous material onboard a vessel.

All vehicles entering or departing the yard carrying any hazardous materials must evidence pollution liability insurance on their automobile liability policy. All vessels entering a Lyon Shipyard facility for repairs or servicing must evidence pollution liability insurance. Any contractor using a vessel as part of their work at Lyon Shipyard must evidence vessel pollution insurance. Such insurance may be in the form of a Contractors Pollution liability policy, the so called "72 hour clause" pollution coverage as part of a Marine General Liability policy or in the case of a vessel, a vessel pollution liability policy. The minimum limits for pollution liability insurance shall be \$5,000,000.

If Seller/Subcontractor owns, rents, leases, charters or utilizes vessels, barges or other marine equipment to perform work for Buyer/Lyon shipyard, Seller/Subcontractor in addition to all other insurance coverages required herein, shall carry Hull Insurance on the vessels, barges, and other marine equipment to the full value thereof, and Protection and Indemnity Insurance with primary limits of \$1,000,000 per occurrences, and including tower's liability for any tugs utilized, and excess liability of \$4,000,000, which excess limits may be included as part of the Umbrella Excess Liability in Section 10-e.

**B-11. Indemnity.** Seller agrees to indemnify and hold Lyon Shipyard and their respective officers, agents, and employees, free and harmless from any and all claims, demands, damages, liabilities and costs (including reasonable attorney's fees incurred in defense thereof) for death or injury to any person or person(s) without limitation, including death or injury to employees of Subcontractor or damage or destruction of any property, caused by, related to, arising from or in any way connected with (i) the provision of goods, services, material and/or equipment to Lyon Shipyard by Subcontractor, (ii) the performance by Subcontractor and the employees and agents thereof of any Purchase Order entered into between Subcontractor and Lyon Shipyard, or (iii) any act of negligence, willful misconduct or omission by Subcontractor and the officers, agents, and employees thereof, and regardless of whether any such death, injury or property damage is caused in whole or in part by Lyon Shipyard or their respective officers, agents or employees.

**B-12. Third Party Indemnification.** Seller shall indemnify and hold harmless and, if requested, defend Purchaser, Purchaser's parent and affiliates and each of their officers, directors, and employees against any claims, losses or expenses (to include reasonable attorney's fees) for: (i) property loss or damage and personal injury or death which may be sustained by Seller or by any of its employees, agents, or subcontractors, at any tier, and (ii) all risk of loss or damage to property and personal injury, disease, or death which may be sustained by third parties, Purchaser, Purchaser's parent and affiliates, or each of their agents, employees or subcontractors, as a result of Seller's performing this Purchase Order.



**B-13. Waiver of Maritime Liens.** If work is done on vessels owned or operated by vessel owner, neither the seller nor any of its subcontractors shall be entitled to a maritime lien upon the vessel. The subcontractor agrees that nothing in or contemplated by this contract creates or shall be construed to create any right to assert a maritime lien on the vessel

**B-14. Proprietary Information.** For the purposes of this paragraph, the term “Proprietary Information” shall mean all information provided by the Purchaser to Seller during the performance of this Purchase Order and all improvements modifications and derivation thereto, except to the extent that information is clearly in the public domain, all information provided by Purchaser to Seller during the performance of this Purchase Order and all improvements, modifications and derivations thereto shall be deemed to be the proprietary information of Purchaser. Seller agrees: (i) to hold Purchaser’s proprietary information in confidence and to protect it from release to third parties; (ii) to disclose Purchaser’s proprietary information only to seller’s employees who have a need-to-know and only after they have been made aware of the proprietary nature of the information; and (iii) to use such proprietary information solely for the purposes of performing this Purchase Order. The restriction on release to third parties contained in this paragraph will not apply to release by the seller to subcontractors that seller uses in performing this Purchase Order provided the seller includes in such subcontracts a provision substantially the same as this paragraph.

**B-15. Order of Precedence.** Any inconsistencies in this Purchase Order shall be resolved in the following order: (1) Purchase Order exclusive of appendices, drawings, specifications and other plans and documents, (2) appendices, (3) drawings and specifications, (4) other plans or documents referenced in the Purchase Order . Seller shall immediately bring any inconsistencies to the attention of the Buyer in writing.

**B-16. Site Conditions.** If seller is required to install or supervise the installation of equipment or to perform services at Purchaser’s or its customer’s site, Seller shall inspect the location of the work at Purchaser’s or its customer’s site and be familiar with its condition at the time of award of this Purchase Order . In no event shall either Seller’s failure to inspect the site prior to the award of this Purchase Order, or any circumstance that seller should reasonable have discovered through such site inspection constitute a basis for any claim for increased cost or additional time of performance.

**B-17. Late Delivery.** Except otherwise provided in this Purchase Order, Seller shall at all times, proceed diligently to properly perform this Purchase Order. Seller shall provide Purchaser prompt written notice of any events that could cause delay in delivery under the Purchase Order. This notice shall be informational only, and shall in no way affect the legal rights or remedies available to Purchaser.

**B-18. Loss or Damages to Goods.** Unless otherwise specified in the Purchase Order, risk of loss or damage to the goods furnished by seller under this Purchase Order shall remain with the seller until delivery to the Purchaser at the address specified in the Purchase Order (i.e. “FOB Destination”).

**B-19. Independent Contractor.** Seller is an independent contractor, and this Purchase Order does not create an agency, partnership, or joint venture relationship between Seller and Purchaser. Seller

shall; (i) have exclusive control and direction over its employees' performance of the work; and (ii) be responsible for all payroll functions for its employees. No persons employed by Seller or Seller's subcontractors shall be deemed to be an employee or agent of Purchaser for any purpose. Purchaser assumes no liability for Seller's personnel or those of seller's subcontractors.

**B-20. Bankruptcy.** In the event the Seller enters into proceedings relating to bankruptcy or insolvency, whether voluntary or involuntary, the seller agrees to furnish to Purchaser, by certified mail, Written notification for the bankruptcy or insolvency proceeding. This notification shall be furnished within five days of the initiation of such proceeding. The notification shall identify the court in which the proceedings are held and shall identify the court in which the petition was filed, with a listing of all Purchaser's Orders against which final payment has not been made. This obligation remains in effect until final payment under this Purchase Order.

**B-21. Continuing Terms and Survivability.** The Proprietary Information and indemnity clauses contained herein shall survive termination or cancellation of the Purchase Order. If any part, term or provision of this Purchase Order contravenes a law or a federal, state or local government having jurisdiction over this Purchase Order, that part, term or provision shall be inoperative in that jurisdiction, and the validity of the remaining portions or provisions shall not be affected thereby.

**B-22. Assignment.** The Purchase Order may not be subcontracted in whole or in part nor assigned, nor may any assignment of any money due or to become due be made by the subcontractor without, in each case, the prior written consent of Lyon Shipyard. The insurance requirements designated in Clause B 10 are required by the subcontracted company upon receipt of written consent of Lyon Shipyard.

**B-23. Government Contracts: Employee Notice Clause.** Government Contracts: Employee Notice Clause Government contracting departments and agencies must, to the extent consistent with the law, include the language set forth in, Department of Labor-29 CFR Appendix A to Subpart A of Part 471, in every Government contract, other than those contracts to which exceptions are applicable as stated in 29 CFR Part 471.3.

**The undersigned individual acting as a representative for the vendor/subcontractor states that by signing this document the company that they represent is in complete compliance with all of the above listed terms and conditions. This document will remain on file in Lyon Shipyard's purchasing department and will be invoked on all Purchase Order s for a period of one year from the below date. At the end of this one year period this document will need to be executed again and every year following.**

Signature \_\_\_\_\_ Printed \_\_\_\_\_  
Company \_\_\_\_\_ Position \_\_\_\_\_

Date \_\_\_\_\_ Renewal Date \_\_\_\_\_