

Pratt & Whitney Rocketdyne, Inc. (PWR)
A United Technologies Company

LEASE OF MODULAR BUILDING TERMS AND CONDITIONS
(Addendum to Lease of Personal Property)

1. INTEGRATION WITH CONTRACT

The terms and conditions in this addendum are supplemental to Pratt & Whitney Rocketdyne, Inc.'s Lease of Personal Property Terms and Conditions.

The price quotation and delivery schedules made by Seller to Buyer's Authorized Procurement Representative (or their designee) shall become part of the Contract except for Seller's terms and conditions.

2. DEFINITIONS

As used in this addendum, the following terms, when capitalized, shall have the following meanings:

"Building" means any modular complex, as more fully described in the statement of work, and any related goods, to be leased to Buyer pursuant to the Contract.

"Building Site" means the site at any Buyer facility, as specified in the Contract where the Building will be placed.

"Employee" means any employee, agent, or representative of Seller or any subcontractor.

"Contract" means Buyer's written order to Seller, which references this Contract for the Lease of Buildings.

"Statement of Work" means the specifications for the Building set forth in the Contract.

3. FINAL ASSEMBLY AND COMPLETION

- a. Site Preparation. Prior to delivery of the Building, Buyer shall prepare the Site where the Building will be finally assembled and completed in accordance with instructions provided by Seller and approved by Buyer. These instructions must be provided to Buyer at least thirty (30) days prior to delivery.
- b. Installation. Seller will, at Seller's expense, accomplish final assembly and completion of the Building at the Building Site in accordance with the Statement of Work (including labor and equipment for all loading and unloading, rigging, and craneage). Seller shall use its own tools and equipment and will provide to Buyer a list (including description, quantity and serial numbers) of Seller's tools and equipment to be used in such assembly and completion work. Prior to removal of such tools and equipment from Buyer's premises, Seller will notify Buyer of such removal so that Buyer can issue documentation allowing such removal. Seller will maintain responsibility for the security of all Seller supplied tools and equipment.
- c. Utility Shut-Off. If Seller requires the temporary shut-off of any utility (including supply, disposal, distribution, communications, or other similar systems) in order to perform the assembly and completion work. Seller shall notify Buyer at least one (1) week in advance of the date such shut-off is required. Seller shall then perform the work requiring such shut-off on the days and during the hours directed by Buyer. Regardless of the days or hours fixed by Buyer, no extra compensation shall be paid for such work.

4. PERMITS

- a. Permits. Unless otherwise specified in any Contract, Buyer shall obtain and pay for all permits, fees, occupancy, certificates, and inspections pertaining to the work, other than inspections which this Contract requires Seller to perform, and Seller shall furnish all bonds, security, or deposits required by any governmental authority in order to permit performance and completion of the work.
- b. Notice by Seller. Unless otherwise specified in this Contract, Seller shall be responsible for notifying the appropriate city, county, or other inspection agency whenever the work has advanced to a point at which an inspection is

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required under this Contract or under any applicable law, rule, regulation, or order. Seller shall have the work ready for inspection upon the arrival of any inspectors and shall notify Buyer, in advance, of their arrival.

- c. Licenses. Seller shall be responsible for obtaining any permit, license, or certification required for specific activities related to performance of the work. Further, Seller shall be responsible for filing any follow-up reports required by any governmental authority to comply with any of Seller's licensing or regulatory requirements; follow-up reports must be submitted to the Buyer's Authorized Procurement Representative for approval prior to submission to any governmental authority.
- d. Delivery of Permits. Seller shall submit copies of any permit, license, or certification it obtains to the Buyer's Authorized Procurement Representative prior to start of that portion of work covered by said permits, license, or certification and will provide the original signed off permits, licenses, and certifications to the Buyer's Authorized Procurement Representative prior to start of that portion of work covered by said permits, license, or certification and will provide the original signed off permits, licenses, and certifications to the Buyer's Authorized Procurement Representative as a condition to final payment. Acceptance of the Buyer's Authorized Procurement Representative will constitute a condition of final payment when a permit is not required.
- e. Compliance with Permits. Seller shall abide by and comply with the requirements of all permits relating to the work.

5. SELLER BUILDING SITE PERSONNEL

- a. Qualified Employees. Seller shall perform all of the work using qualified Employees satisfactory to Buyer. No Employee unsatisfactory to Buyer will be assigned to perform any of the work. From time to time, Buyer may request and Seller shall provide resumes, references, or other information reflecting the qualifications of any Employee, either before or after he or she is assigned to perform work. Seller and its Employees shall be properly licensed, certified, or registered in the state where the Building Site is located.
- b. Replacements. If any Employee is or becomes unsatisfactory to Buyer, Seller shall provide a qualified replacement satisfactory to Buyer in a timely fashion. If, despite its best efforts to do so, Seller is unable to provide a satisfactory replacement, Buyer may cancel the work involved, in whole or in part, without any termination payment or other liability to Seller, but only to the extent affected by the loss of work that would have been performed by the unsatisfactory Employee.
- c. Seller's Responsibilities. Seller's Employees who perform Seller's obligation under this Contract shall at all times be and remain employees of Seller, not Employees of Buyer. Seller shall pay Seller's Employees and shall ensure that each of its Subcontractors pay its Employees all wages, salaries, and other amounts due to such Employees. Seller shall be responsible for, and shall ensure that its Subcontractors shall be responsible for, all reports, payments, and other obligations respecting their respective Employees, including without limitation those related to social security, income tax withholding, unemployment compensation, worker's compensation, and employee benefit plans.
- d. Expenses. Seller shall be responsible for all expenses of its Employees who perform the work, including without limitation travel to and from the place where the work is to be performed, living expense, and local transportation.
- e. Work Assignments. Settlement of Jurisdictional Disputes. Seller is responsible for maintaining labor relations in such a manner that there is harmony among workers. Work assignments and the settlement of jurisdictional disputes shall conform with either the "Rules, Regulations and Procedures of the Plan for Settlement of Jurisdictional Disputes in the Construction Industry" issued by the Building Trades Division of the AFL-CIKO (or any successor Contract thereto) or any other mutually established method of determining work assignments and settling jurisdictional disputes.
- f. Notice to Buyer of Labor Disputes
 - (1) Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this Contract, Seller shall immediately give notice thereof the Buyer. Such notice shall include all relevant information with respect to such disputes.

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- (2) Seller agrees to insert the substance of this paragraph 5.f. in any subcontract hereunder as to which a labor dispute may delay the timely performance of this Contract except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the Subcontractor shall immediately notify its next higher tier Subcontractor, or Seller, as the case may be, of all relevant information with respect to such dispute.
- g. Buyer Rules. Seller shall comply with and enforce, and shall ensure that all Subcontractors and Suppliers comply with and enforce, Building Site condition requirements and job work rules provided by Buyer. Such requirements and rules include without limitation starting and quitting times, smoking regulations, check-in and check-out procedures, Building Site safety and security regulations, emergency plans and procedures, and a daily clean-up as the same may be amended from time to time by Buyer. Seller shall obtain and issue a pass (or suitable badge) for each person (whether an Employee of Seller or any Subcontractor or Supplier) who is to work in any restricted area, and any person to whom the cognizant security officer will not issue a pass or passes by submitting the required information to Buyer or the cognizant security officer reasonably in advance of the time passes are needed. Any person to whom the cognizant security officer will not issue a pass or whose pass is canceled will not be permitted to work in any such area. Compliance with this paragraph 5.g shall not relieve Seller of its responsibility for the performance of the work, of complying with all requirements of this Contract, or its safety obligations.

6. ACTUAL OR ANTICIPATED DELAYS OR DEFICIENCIES

Whenever Seller has knowledge of any actual or anticipated deficiency or delay in the performance of its obligations under this Contract for any reason, including without limitation on actual or potential labor dispute, Seller shall immediately notify Buyer of the reasons for the deficiency or delay and the actions being taken by Seller to minimize it. If requested by Buyer, Seller shall use additional effort, including without limitation overtime labor, to correct the deficiency or avoid or minimize the delay to the maximum extent possible. All of the cost associated with this additional effort shall be borne by Seller. If Seller personnel are nonunion and a labor dispute arises because of nonunion personnel, the Seller will settle such disputes within forty-eight (48) hours, which may include hiring union personnel, if necessary, at no additional expense to Buyer.