During the tentative Period of Performance (POP) of 04/12/2011 to 12/31/2011 the Contractor shall provide services to make both inland and ocean tow preparations, including Panama Canal requirements and tow the vessel SAGMORE from the Shipyard in San Francisco, CA, to the contractors dismantling facility in Brownsville, TX to completely dismantle/recycle/remediate all materials and components on and attached to including the vessels superstructure and hull. (Use Reverse and/or Attach Additional Sheets as Necessary)
written analysis, in narrative format, that identifies the cause of the slippage and proposes a plan of corrective action that will be taken to complete the remaining work within the contract performance period.

F. Late Completion Notification. If at any time, the updated Critical Path of the Performance Schedule indicates a late delivery or late completion date, notify the COTR in writing the next working day, and/or prior to the beginning of any period when no work will occur, such as a holiday period. This notification shall include identification of the problem and shall propose corrective actions for schedule recovery.

G. The Performance Schedule and required reports shall be delivered to the COTR for review and acceptance within (7) seven days after Contract award. Status reports shall be prepared bi-weekly and submitted one day prior to the next scheduled progress meeting, to reflect the addition, deletion, or modification of Work Items, and changes made by the Contractor.

1. Upon acceptance of the Schedule by the COTR, the Contractor shall proceed in accordance with the reviewed and accepted plan and shall not modify the Schedule without the prior approval of the COTR. Modifications to the Schedule do not constitute a modification to the Contract.

2. Any changes in the Schedule desired by the Contractor in the job approach as reflected by the network logic, activity duration, and resource loading shall be submitted in writing to the COTR and reviewed and accepted by the COTR.

3. Any changes in the Schedule resulting in an extension of the Contract performance period shall be submitted for review and approval of the Contracting Officer.

H. The contractor shall manage and schedule all subcontractors' production work and progress, material procurement, and interface control to support the overall Performance Schedule.

1. Provide and Maintain a Subcontractor Listing on file beginning within (3) three days after the Contract Start Date. A revised list is to be updated whenever changes occur to the list. The subcontractor list shall include:
   a. The Subcontractor’s business address, telephone number and point of contact.
   b. All Work Item(s) and scheduled activity(s) number and a brief description of the specific work to be accomplished.

C1-3.3 Performance Schedule Milestones: The Contractor shall incorporate into the performance schedule the following major contract milestones and their required due dates as listed.

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver Sub-Contractor Listing</td>
<td>3 days after Contract Start Date.</td>
</tr>
<tr>
<td>Deliver Key Personnel Roster</td>
<td>3 days after Contract Start Date.</td>
</tr>
<tr>
<td>Deliver Certificates of Company Insurance</td>
<td>NLT 10 days after Contract Start Date.</td>
</tr>
<tr>
<td>(Required prior to issuance of NTP)</td>
<td></td>
</tr>
<tr>
<td>Deliver Certificate of Asbestos Abatement Liability</td>
<td>5 days after Contract Start Date.</td>
</tr>
<tr>
<td>Deliver Performance Bond NLT</td>
<td>10 days after Contract Start Date.</td>
</tr>
<tr>
<td>(Required prior to issuance of NTP)</td>
<td></td>
</tr>
<tr>
<td>Deliver Initial Performance Schedule</td>
<td></td>
</tr>
<tr>
<td>Deliver Tug Safety Management Certificate</td>
<td></td>
</tr>
<tr>
<td>Deliver Performance Schedule Activity</td>
<td></td>
</tr>
<tr>
<td>Weighted Average Breakdown</td>
<td></td>
</tr>
<tr>
<td>Deliver Surveyor's Trip in Tow Recommendation Report</td>
<td>7 days after Contract Start Date.</td>
</tr>
</tbody>
</table>
Milestones (cont’d)
Deliver Liquid Load / Ballast Plan for towing
Complete Inland Tow Preparations
Deliver Vessel Afloat Monitoring Plan

Deliver Oil Spill Contingency Plan Emergency
Contact Notification List
Deliver Towers Insurance

Deliver Facilities Pollution Insurance
Deliver U.S.C.G. Load line Exemption
/Order for Departure
Vessel departs fleet and dry docked
Conduct joint underwater hull inspection

Vessel is undocked and shifted to the pier
Remove Vessel from BAE’s Facility
Deliver Pre-Arrival/Arrival Reports
Deliver Hazardous Materials/Wastes
Inventory/Contractor Estimate.
Deliver Tank Content Verification Report
Deliver Validation of Contractor HM/HW
estimates by sampling and analytical results
Complete PCB Abatement
Complete Asbestos Abatement
Complete all Hazmat Removal/Disposal
Move Vessel into Dismantling Slip
Begin Vessel Dismantling
Remove Last Structural Piece from Slip
Complete Vessel Dismantling
Complete Facility Cleaning and Restoration

Deliver Certificate of Destruction

Deliver Closeout-Report and Final Schedule

Due Date
Not later than 7 days prior to tow.
Prior to scheduled tow to BAE TBD.
10 days after Contract Start Date, but not later than 3 days prior to the vessel oceanic tow.
10 days after Contract Start Date, but not later than 3 days prior to oceanic tow.
NLT 3 days prior to vessel departure from oceanic tow.
NLT 3 days prior to oceanic tow.

Prior to the oceanic tow.
TBD
4 hours after completion of underwater hull cleaning, during daylight hours, COTR to Schedule.
TBD
NLT 3 to 5 days after undocking at BAE.
4 days after vessel arrival.

10 days after vessel arrival.
10 days after vessel arrival.

20 days after vessel arrival.
TBD by contractor’s performance schedule.
TBD by contractor’s performance schedule.
TBD by contractors performance schedule.
TBD by contractor’s performance schedule.
TBD by contractor’s performance schedule.
TBD by contractor’s performance schedule.
TBD by contractor’s performance schedule.
30 days after removal of last structural piece from the slip.
30 days after removal of last structural piece from the slip.
30 days after removal of last structural piece from the slip.

FAILURE TO MAINTAIN PROPER SCHEDULES:
1. Schedules required by this item will be used to determine earned value for calculating contract financing payments. Failure to submit updated and timely schedules will result in a lack of basis for determining contract financing payments and could delay payment to the contractor.
OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated there under by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations, which it may have for compliance with the aforesaid regulations.

C2-2 PERMITS AND RESPONSIBILITIES
The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary licenses and permits, and for complying with all contractual requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Clean Water Act (CWA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA), and the National Pollution Discharge Elimination System (NPDES) as well as international laws, treaties, conventions and agreements, in connection with any movement over the public highways of overweight/over dimensional materials. The Contractor shall ensure that the Performance Bond submitted as outlined in 10 CONTRACT FINANCING, is maintained throughout the contract performance and until such time as a written release has been issued by the Contracting Officer.

SECTION F -- DELIVERIES OR PERFORMANCE
F.1 52.211-11 LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT

(a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of $600 per calendar day of delay.

(b) If the Government terminates this contract in whole or in part under the Default-Fixed-Price Supply and Service clause, the Contractor is liable for liquidated damages accruing until the Government reasonably obtains delivery or performance of similar supplies or services. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.

(c) The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Default-Fixed-Price Supply and Service clause in this contract.

(End of clause)

F.2 PERIOD OF PERFORMANCE
Recycling Services of the Vessel SAGAMORE PERIOD OF PERFORMANCE
(Including Contract Award Date and Notice to Proceed Date) The Contract Performance shall be coordinated with the dry-docking dates at BAE Systems San Francisco Ship Repair. The Contractor cannot begin work on any aspect of this contract, including incurring any costs for acquiring such items as bonding, insurance and vessel marine surveys until the Contracting Officer issues an official contract start date. The contract milestones will be calculated from the contract start date unless specifically
instructed by the Contracting Officer. The Contractor will not be liable for the submittal of any contract deliverables until the Contracting Officer issues written notification of the contract start date. The contract start date will be the official commencement date at which time the contractor may incur costs in the performance of the contract and bear responsibility for compliance with the terms and conditions in the contract. The Contractor bears all responsibility and costs associated with preparing the vessel for tow and MARAD will not reimburse the Contractor for expenses incurred prior to issuance of a Notice to Proceed (NTP) except for the inspection by a Marine Surveyor for the purpose of developing the Trip in Tow survey that will be the only activity allowed aboard the Obsolete Vessel(s) prior to the issuance of the NTP. The NTP will only be issued after the Contractor has received acceptance by MARAD of all insurances and surety submittals. The Contractor is advised that MARAD fleet sites will not allow the Contractor access to the vessel to perform Marine Surveyor required tow preparations prior to the Contracting Officer's issuance of the official contract start date. At no time prior to vessel departure from the fleet shall any materials, components or artifacts be removed from the vessel by the Contractor.

The performance period for the dismantlement of the vessel shall be expressed in calendar days. Workdays shall pertain to specific days and or durations within the performance period linked to the accomplishment of specific activities and or milestones. The period of performance from the undocking date for this contract is predicated on the Contractor's integrated ship schedule submitted with its price revision dated January 11, 2011. The period of performance from the day after undocking at the Shipyard through the delivery of the final report shall not exceed 163 calendar days. This duration is a subset of the contractor’s performance schedule as submitted in response to the price revision request. The duration from the contract start date to the undocking date may exceed or may be shortened from the contractors submitted performance schedule and is wholly dependent upon securing a confirmed docking and docking date from the Shipyard. MARAD will coordinate the docking and undocking dates, once known, with the Contractor in order to minimize any delays or disruptions to the removal of the vessel from the fleet and/or departure from the Shipyard. The baseline schedule shall be submitted in accordance with contract provisions and shall not exceed the total performance period duration of the awarded schedule and the period of time from the undocking date. The contractor will incorporate all existing work and the dismantlement schedule for the contracted vessel into a master schedule and clearly indicate any dependent relationships between projects. All milestones and deliverables required under this contract shall be due beginning with the issuance by the Contracting Officer of notification of the official Contract start date. If, after acquiring tug service to move the vessel, or at any time during the transit of the vessel from the fleet to the contractors facility, the tug towing the vessel is taken out of service for more than three calendar days, the Contractor will contract for additional towing services to continue to transit of the vessel to the Contractors facility at no additional cost to the Government. The Contractor shall immediately notify the Government of the actions taken to minimize disruption of the transit of the vessel.