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SPECIAL CONDITIONS

The following Special Conditions modify, change, delete from or add to the “Daifuku General Terms and Conditions.” Where any Clause of the General Conditions is modified or deleted by these Special Conditions, the unaltered provisions of said Clause shall remain in effect.

Entrance to Job Site

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 6.1: The Contractor’s employees, his Subcontractors and their employees shall enter and leave the job site where designated by the Owner. All materials, tools, machinery, etc., transported by motor vehicle shall enter and leave the job site where designated by the Owner and are subject to a search by security personnel. Parking is approximately one (1) mile from work site.

The Contractor and all his employees shall go directly from the plant gates to the area in which they are working and shall remain in the immediate vicinity of the work area. Any person found violating these rules shall be discharged by the Contractor immediately.

Building Details

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 6.2: All building modifications, building steel reinforcement, process equipment and enclosures will be by the Owner unless otherwise noted.

The Owner will provide all necessary fire protection sprinklers.

Power, Light and Air

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 6.3: The Owner's 480V power will be available for the Contractor's use in limited quantities. This Contractor shall connect to the Owner's system at points designated by the Owner with a fused disconnect of a manufacturer and size specified by the Purchaser's Representative. This Contractor shall then install at its own expense, all wire, cable, transformers, disconnects, power outlets and lighting throughout the construction area. All temporary electrical work shall be installed in conformity with the NEC and in accordance with local governing authorities.

All temporary installations shall be installed so that they will not present a hazard to or obstruct the work of any trade. The temporary installations shall be removed upon completion of the work unless arrangements are made for retaining them for future work at the site. The Contractor who installs the temporary electrical arrangements shall be

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responsible for their removal upon completion of the work or when directed by the Purchaser's Representative.

When the permanent lighting facilities have been placed in operation, temporary lights may be removed by this Contractor when and if approval to do so is obtained from the Purchaser's Representative. However, at no time shall any Contractor or Subcontractor make connections to the permanent lighting installations or to convenience receptacles for power tools or temporary lighting.

Contractor shall obtain and pay for all internet and telephone services that he may need.

The Owner will provide permanent plant compressed air piping to drop locations indicated on air pipe drawing.

The Owner will provide 480V primary plant power to the control panels.

Furnished Engineering Design and Drawings

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 6.5: The Purchaser will provide all engineering design and detail drawings required to fabricate and install the system. Exception is a portion of the field steel such as for bracing and so on that may require fabrication and installation without drawings.

The Purchaser shall provide all engineering required to assure job clearance prior to installation. This includes, but is not limited to, items such as part clearances in transfer areas, part to carrier clearances, part and pallet/carrier clearance on horizontal turns, vertical curves and straight track sections, part and/or pallet/carrier clearance to building steel, building utilities, process equipment, floors, platforms, conveyor screen guard, drip pan, etc.

There may be a certain amount of interferences with existing conveyors, process equipment, building structures and building utilities that are not identified during the engineering phase using common industry engineering practices. The Contractor shall include man hours for the correction of minor interferences in the field not identified during the engineering stage of the project at no additional cost to the Purchaser or entitlement to a time extension after award.

The Owner or Purchaser will provide the Contractor with all building drawings, process equipment installation drawings, body part drawings and body parts upon written request.

Connections to the Building

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THE FOLLOWING IS ADDED AFTER THE FIRST PARAGRAPH OF CLAUSE 7.1:
The Contractor shall not weld, burn, drill, punch or cut any portion of any building structural member without the written permission of the Purchaser.

Burn Permit Coordination

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 7.3: This contractor must obtain a burn permit from the Owner prior to commencing any hot work on the project. The burn permit may take up to one (1) hour to obtain after a request is made. This contractor is advised to plan ahead for this circumstance. No field work cost adders will be considered associated with delays in waiting for burn permits.

Submittals Checklist

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 7.5: The following items shall be submitted to Daifuku Co., Ltd during the period of this contract. All obligations shall be met prior to releasing any retainer funds:

- State of [NAME OF STATE] Contractor's license (with Proposal)
- Proposal Schedule bar chart (with Proposal)
- Manpower bar chart (with Proposal)
- Project and company organization charts (with Proposal)
- Field organization chart (after Contract)
- Sub-Contractor's job performance schedule (after Contract)
- Detailed Microsoft Project Gantt Chart Time Schedule listing the dates for starting and completing the various items included in the Contract (weekly)
- Meeting Minutes and Open Issues (weekly)
- Project Status Report with manpower counts, manpower work schedule (previous and projected), safety incidents, accomplishments for previous week and projections for tasks for upcoming week and progress photos from shop and field (weekly)
- As Built mark up hard copy drawings (for CAD changes to be made by others)
- Purchase Orders for materials when ordered
- Copy of welding operator qualification tests

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- Mechanical inspection sheet for all equipment
- Operating test data reports with procedures to be followed for determining data
- Contractor's Punch List
- Purchaser's Punch List - returned indicating completion with dates of completion
- Proof of meeting laws, standards and regulations for local and country requirements.
- Lessons Learned (at project close-out).

Drawings and Engineering

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 8.8: The Purchaser shall provide 1/8 inch = 1 foot scale layout drawings. All mechanical drawings shall be "A" or "D" size on paper, furnished by the Purchaser.

Contractor shall use the centerline of the conveyor as the reference point for all process equipment, rails, synchronizing devices and support structural steel used in the production of vehicles. This Contractor shall use column lines as the reference point for all structural steel items such as platforms not directly associated with the conveyor lines.

The Contractor shall field check the entire installation to confirm the location of Plant facilities during the layout phase of this project, prior to starting any fabrication and installation. Failure to perform this function will result in non-payment for problems that could have been avoided with up front planning and adjusting to existing issues. All modifications, alterations and rework are subject to the approval of the Purchaser and will be negotiated based on the requirements of this specification.

The Contractor shall install all components of this specification to clear the existing utilities where possible. The Contractor shall provide the Purchaser with detailed interference drawings or sketches showing any utilities which will have to be relocated to clear an area for the proposed Works so that all interfering utilities can be relocated prior to any field erection. These interference drawings shall indicate structural supporting steel, carriers, parts, screen guard, platforms, etc. as required.

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Contacting Contractor Personnel

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 10.1: To maintain communication with key personnel at all phases of this project, Contractor shall provide the Purchaser with a matrix listing a primary and secondary contact for its supervisors and for each of the disciplines represented by this Contractor at the facility - whether internal personnel or Subcontractors. In return the Purchaser will supply a matrix listing similar information. This list shall include the following for each person:

- Main office and local office mailing addresses
- Main office telephone number
- Local office telephone number
- Cellular phone number
- Pager number
- E-mail address
- Home phone number

Clean-Up Crew

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 11.3: Contractor and Subcontractors shall provide a clean-up crew on a daily basis. The estimated number of man hours and the cost for cleanup shall be included in the base bid and shall be shown as a separate breakdown on the proposal forms. This clean-up crew shall be dedicated to cleaning the area for this contract work only but may include clean up of debris caused by others. At a minimum, this contractor shall provide one part time person for clean up for one to fifteen (1 – 15) workers, one full time person for clean up for fifteen to twenty (15 – 20) workers and one (1) full time person for clean up for each additional twenty (20) workers. These workers may be directed (along with other clean up crews) by the Purchaser to cover all work areas within the [SPECIFY WORK AREA].

Freight on Board

THE FOLLOWING SHALL REPLACE THE LAST PARAGRAPH OF CLAUSE 13.1: Freight on Board (FOB) destination point will be [SPECIFY LOCATION].

Material Laydown Area

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 13.2: Locations will be established for material laydown area. Exact locations and dimensions of

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laydown area will be determined by the Purchaser's Representative after contract award. Contractor will be responsible for isolating his respective laydown area through the use of barricades (i.e. portable posts and chain). Contractor is to identify the designated laydown area by placement of signs, with company name and/or logo, along the perimeter of the area.

Prohibited Materials

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 14.3: Absolutely no silicone or silicone containing materials or lubricants shall be used on this project. Each Contractor shall provide written certification to the Purchaser stating that "All items and materials used on this project are silicone free". The Contractor shall obtain written certification from each of his suppliers stating that "All items and materials used on this project are silicone free". In the event that any contaminated components, materials or construction aids are found, the responsible Contractor shall replace all items possibly affected at no additional cost to the Purchaser.

The use of Asbestos or Polychlorinated Biphenyls is prohibited in the plant.

The Contractor shall provide the Purchaser upon written request, sample items and materials being used and/or installed for laboratory analysis to verify that these items are Silicone Asbestos and Polychlorinated Biphenyls free. The Contractor shall code similar items for identification at a later date.

Job Site Vehicles

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 16.5: Each Contractor and Subcontractor will be allowed one (1) vehicle, i.e. a pickup truck or automobile, to be parked in the vicinity of his trailer/office. Golf carts may not be used for transportation on the job site.

All vehicles delivering materials or equipment for the project will be admitted through the gate with a truck pass. These vehicles shall be unloaded by the Contractor immediately and driven off the job site property. Passenger cars will not be allowed in any area other than the parking lot located in front of the assembly building.

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Project Coordination Meetings

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 18.2: The Contractor's Site Manager shall attend all weekly project coordination meetings during the installation phase. The Site Manager shall have full knowledge of the day to day activities of all work on the project and the authority to make decisions regarding schedule, overtime, manpower adjustments and cost.

During the pre-installation phase half of the weekly project coordination meetings may be handled via telephone or teleconferencing or occur at the Contractor's facility. It is the Purchaser's intention to hold these meetings during the normal workweek unless special conditions require weekend meetings.

The Contractor shall keep written meeting minute records of each meeting in "Open Issues" format and shall provide copies of these minutes to the Purchaser and all other Contractors and Subcontractors interested in the matters covered within two (2) days after each meeting. The Contractor shall submit a rough draft of the meeting minutes to the Purchaser for review and approval, prior to its being published and distributed.

Contractor shall provide the Purchaser with a weekly Project Status Report (see submittals list for content) with all available information concerning the conditions and progress of their work.

The Purchaser reserves the right to request a Project Coordination meeting or series of meetings with a Contractor who has fallen behind schedule and countermeasures need to be reviewed. These meetings may be held on weekends at the Purchaser's discretion.

Liquidated Damages

In accordance with Clause 20.5 (Liquidated Damages) of the General Conditions, Contractor shall pay or have deducted from the Contract Value **[1]** % of the Contract Value for each day of delay up to a maximum of **[20]** %.

State Tax Exemption

THE THIRD FULL PARAGRAPH OF CLAUSE 23.5 IS HEREBY REPLACED WITH:
This is a Non-Taxable project for Labor and Materials installed. A copy of [OWNER/STATE]'s tax exempt letter is available upon request through Purchaser's

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Accounting Department. State sales tax on consumable items such as work gloves, tools, etc. is not exempt.

Acceptance Test Forms

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 24.4: Acceptance Test Forms will be provided by the Purchaser and shall be filled out before the testing of any Plant starts and after the tests are completed.

The Acceptance Test Form shall contain a description of the system exactly as it was tested including any variations from actual production operations. All variations from actual production operations must be approved and signed by the Purchaser. All mechanical, pneumatic, etc. changes and/or additions required to perform the acceptance tests shall be described in detail and must be approved by the Purchaser. All changes and/or additions required to perform the acceptance tests shall be removed by the Contractor after the successful completion of the tests.

A successful test completion will be determined by the Purchaser. No test will be considered complete until the Purchaser has verified that the Contractor has removed all changes and/or additions required to perform the acceptance tests.

The Contractor shall provide a schedule indicating the test start time, the planned shutdowns, the approximate completion time and the manpower that will be available during the test.

Acceptance Criteria at Contractor's Facility

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 24.6: Plant which is identified in the Scope of Work to be set up and tested in the Contractor's shop shall be set up for complete tryout and acceptance testing, which reflects actual conditions at [OWNER'S] Assembly site, prior to shipment. The Contractor is responsible for all costs for set up and handling and tryout of all furnished production parts. During initial acceptance testing, all variations of product combinations will be run where possible. The Contractor will also be responsible for all costs involved in providing necessary personnel to make adjustments during the trial training their own personnel in the operation of this system.

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The following specifications apply to initial acceptance testing.

1. All equipment and tooling is in place in accordance to the approved production engineering drawings for this job.
2. All mechanical systems and components are in place, properly secured and operational per Purchaser approved drawings.
3. The complete system is functioning properly in a manual mode.
4. All equipment meets the cycle time requirement specified herein.
5. All documents as herein specified have been submitted by the Contractor.
6. Purchaser's engineers shall verify all functions of the equipment. Purchaser's maintenance department shall verify that equipment meets specification requirements.
7. An equipment check sheet shall be used to develop punch list items at the trial. Issues are to be ranked as A, B or C depending on severity and will be addressed in order of ranking. The following ranking shall be used:
 - A = Serious problem. Cannot run the system.
 - B = Moderate problem. Can still run the system.
 - C = Minor problem. Can still run the system.
8. Verify safety and stability of the equipment. The equipment shall not have pinch points, sharp edges, etc.
9. Verify Operator's workability. Operators shall maintain proper ergonomics position throughout the operation.
10. Verify easy maintainability with maintenance department. There shall be adequate hand space between all devices requiring manual interaction or change out.
11. Verify correct and complete labeling of all devices.

Acceptance Criteria at Owner's Assembly Plant

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 24.7: Purchaser will accept this system at the [OWNER/LOCATION] Assembly Plant when:

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1. All equipment and tooling is in place in accordance to the approved production engineering drawings for this job and all changes and alterations are complete.
2. All PLC programming is completed and running without any software “fixes” of jumpered inputs and/or outputs (by others)
3. All electrical wiring and piping is completed per the referenced specifications (by others). This means there will be no jumpered connections, no connections outside terminal boxes or control panels and no temporary connections.
4. All mechanical systems and components are in place, properly secured and operational per the Purchaser approved drawings.
5. The complete system is functioning properly in the manual mode.
6. All equipment meets the cycle time requirement specified herein.
7. All interlocks with plant equipment and conveyance necessary for proper system operation are complete (by others).
8. Diagnostics are demonstrated to cover all machine motions and production system conditions which affect uptime of the equipment.
9. An equipment check sheet shall be used to develop punch list items at the trial. Issues are to be ranked as A, B or C depending on severity and will be addressed in order of ranking. The following ranking shall be used:
 - A = Serious problem. Cannot run the system.
 - B = Moderate problem. Can still run the system.
 - C = Minor problem. Can still run the system.
10. All final documentation (inspections sheets, etc.) as herein specified has been submitted by the Contractor.

The intent of the acceptance tests is to have the Contractor demonstrate to the Purchaser the readiness of the Plant by running each system continuously for 100 hours of normal production, as near to production conditions as possible, and by stopping and restarting the equipment a number of times. Each device on the equipment shall be operated for the amount of time required to prove to the Purchaser its correct design and reliability. The equipments will be stopped and restarted because other than device failure, most equipment faults are related to the startup of the system when the components are under the most stress.

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The Contractor shall operate each functionally dynamic component independently without applying any dead or live loads to it and shall integrate the various functional components and operate them without applying any outside loading. The Contractor shall operate the system with parts on the carriers so adjustments can be made to the equipment to ensure a smoothly operating system, clearances can be checked and the workability of all auxiliary equipment and safety features determined. The Contractor shall repair, adjust or replace all components that do not function to the Purchasers' satisfaction or do not satisfy the provisions of the Contract documents. After all adjustments and repairs are made, the Contractor shall simulate an actual production run on the system.

The acceptance tests shall consist of 100 hours of continuous operation. All acceptance tests shall be performed at the maximum design rate of the equipment. The Contractor may be required to test several pieces of equipment in the same time span.

At least once during each test period the equipment panel shall be shut off and the equipment restarted. The Purchaser will determine when the stopping and restarting of the equipment will occur.

All interfaces to other equipment shall be functioned by others unless that equipment, for whatever reason, is not ready. When this occurs, the interlocks shall be bypassed by others.

All normal production functions such as a "carrier release" button shall be bypassed (by others).

Synchronization to equipment provided by others shall be bypassed. Synchronization between the Contractors' own equipment shall be a part of the acceptance test (by others).

All costs incurred to restart the acceptance test shall be borne by the Contractor at no additional cost to the Purchaser for anything considered by the Purchaser to be under the Contractor's control. Items considered to be beyond the Contractor's control are control issues, shutdowns specified by the Purchaser, plant utility shutdowns, shutdowns required for personnel or equipment safety, interferences caused by the Purchaser or another Contractor, and the malfunctioning of interfaced equipment provided by the Purchaser or another Contractor.

General Testing Procedures

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 24.8: The general testing procedures are intended to provide general standards by which the Purchaser's

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acceptance tests will be conducted and shall be observed for acceptance of the conveyor systems.

The equipment buyoff procedure includes the following:

- Purchaser personnel will inspect this equipment to verify that it meets all of the contract requirements.
- Owner personnel may or may not attend these tests.
- Purchaser personnel will confirm that all of the open issues have been completed and approved per the inspection.
- This confirmation must be completed prior to shipping this new equipment to Nissan or prior to buy off of the equipment if tested at the Nissan Facilities.

The Contractor shall notify the Purchaser three (3) days in advance of the date on which the Plant will be ready for acceptance testing. At the same time, the Contractor shall submit, for the Purchaser's review and approval, a set of acceptance tests to be conducted. The Contractor shall promptly commence testing and evaluation of the Plant in order to determine whether all requirements set forth in the Contract documents have been satisfactorily met. The Contractor shall correct any deficiency which is found to exist and shall advise the Purchaser when the system is ready for retesting.

The Purchaser reserves the right to develop and use additional reasonable testing plans and procedures prior to acceptance of the equipment in order to verify the satisfactory fulfillment of all requirements set forth in the Contract documents.

The Contractor shall demonstrate the ability of the equipment to fulfill Owner production requirements. Quality and equipment ability to meet specified production take time shall be evaluated for acceptability.

Performance Requirements

THE FOLLOWING REPLACES CLAUSE 26.7: The specific system requirements regarding uptime, throughput and the time within which to accomplish same are as follows:

- ***[FILL IN APPLICABLE PERFORMANCE REQUIREMENTS WHICH CONTRACTOR SHALL ACHIEVE.]***

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Painting

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 27.1: The Contractor shall provide shop prime and finish painting of all Plant, field touch-up of the prime and finish coats after installation and daily job site clean-up. There will be no painting of air piping or conduit required.

Insurance Coverage Amounts

THE FOLLOWING IS ADDED TO THE END OF CLAUSE 38.5: The following insurance coverage and minimum limits of coverage are required of Contractor and each Subcontractor at all times until their obligations under the Contract have been fully discharged; provided, however, that if the Contract requires limits of liability for a particular type or types of coverage in excess of the limits set forth below, Contractor (and each Subcontractor) shall provide the higher limits of liability for the particular type or types of coverage:

- 38.5.1 Workers Compensation, Employer's Liability, Employers Liability
Statutory
\$500,000 (\$1,000,000 in MS) Each accident
\$500,000 (\$1,000,000 in MS) Disease Policy Limit
\$500,000 (\$1,000,000 in MS) Disease per employee requirement

Requirement:

- Voluntary Compensation Endorsement

- 38.5.2 Commercial, General Liability
\$1,000,000 General Liability each Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Completed Operations/Products Aggregate
\$1,000,000 Personal Injury
\$5,000 Medical Payments

Requirements:

- Contractual Liability
 XCU Perils Coverage
 Completed Operations Extended 3 Years
 Broad Form Property Damage
 Fellow Employee Coverage

- 38.5.3 Business, Automobile Liability

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\$1,000,000 Automobile Liability per Occurrence Combined Limit for Bodily Injury and Property Damage

Requirement:

_ Covers Owned, Non-owned Hired Autos

Owner Controlled Insurance Program (OCIP)

THE FOLLOWING IS ADDED TO CLAUSE 38.2: **IF THE OWNER HAS OPTED TO INSTITUTE AN OCIP, INCLUDE REFERENCE TO THE APPLICABLE TERMS AND CONDITIONS HERE.**

Exclusions from Insurance Coverage

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 38.9: The Insurance Policies may exclude coverage for any of the following:

- The cost of making good or repairing any Plant which is defective or work which is not in accordance with the Contract;
- Indirect or consequential loss or damage including any deductions from the Contract Price for delay;
- Fair wear and tear; shortages and pilferages; and
- Risks related to mechanically propelled vehicles for which third party or other insurance is required by law

U.S. Customs Foreign Trade Zone

THE FOLLOWING IS ADDED AND DESIGNATED AS CLAUSE 44.1: [***JOB SITE***] is a foreign trade zone and all materials and technical information coming into and out of the plant is subject to the laws pertaining to this zone. [***OWNER***] assumes that all Contractors are aware of the United States laws and will comply with them. If any Contractor is unfamiliar with the laws, [***OWNER***] can offer assistance or recommend qualified legal counsel.

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[OWNER TERMS AND CONDITIONS]

SHOULD THE OWNER REQUIRE INCLUSION OF ITS OWN TERMS AND CONDITIONS, THERE EXISTS THE POSSIBILITY OF CONFLICTING LANGUAGE BETWEEN DAIFUKU'S GENERAL CONDITIONS AND THE OWNER'S TERMS AND CONDITIONS. IF A CONFLICT EXISTS BETWEEN THE TWO SETS OF CONDITIONS, CLAUSE 2.1 (PRECEDENCE OF DOCUMENTS) STATES THAT DAIFUKU'S GENERAL CONDITIONS TAKE PRIORITY OVER THE OWNER'S TERMS AND CONDITIONS. IT IS POSSIBLE, HOWEVER, THAT A SITUATION COULD EXIST WHEREBY, DUE TO DIFFERING LANGUAGE BETWEEN THE TWO SETS OF CONDITIONS, A CONTRACTOR MAY MEET DAIFUKU'S REQUIREMENTS BUT DAIFUKU MAY FAIL TO MEET THE STANDARDS SET OUT IN THE OWNER'S TERMS AND CONDITIONS, IE., NOTICE PERIODS. IN ORDER TO AVOID THIS POTENTIAL CONFLICT, LANGUAGE MAY NEED TO BE PLACED IN THESE SPECIAL CONDITIONS TO ADDRESS SITUATIONS WHERE THERE ARE VARIANCES BETWEEN THE TWO SETS OF CONDITIONS. EACH OWNER WILL HAVE ITS OWN TERMS AND CONDITIONS, THEREFORE, THIS ISSUE MUST BE ADDRESSED ON A OWNER BY OWNER BASIS. UNDER CLAUSE 2.1 (PRECEDENCE OF DOCUMENTS) THESE SPECIAL CONDITIONS TAKE PRIORITY OVER BOTH THE OWNER'S TERMS AND CONDITIONS AND DAIFUKU'S GENERAL CONDITIONS.]