

PPG INDUSTRIES, INC.
MAINTENANCE AND CONSTRUCTION AGREEMENT

Signed original

THIS AGREEMENT made this 30th day of January, 1969,
by and between PPG INDUSTRIES, INC. of Pittsburgh, Pennsylvania,
hereinafter called the "Owner", and Fuller-Austin Insulation Company
of Houston, Texas hereinafter called the "Agent - Contractor".

W I T N E S S E T H, That

WHEREAS, the Owner desires to have general insulation and sheet metal work performed on miscellaneous construction and maintenance jobs in the industrial plant of the Owner, located in Calcasieu Parish, Louisiana, on the west side of the Calcasieu River, and/or Brine Fields of Owner, also located in Calcasieu Parish, Louisiana and

WHEREAS, the Contractor represents that he is thoroughly familiar with the type and scope of all work that may arise and be ordered hereunder, and that he possesses the knowledge, skill, experience and legal right required to perform the work called for hereunder in the manner required, and

WHEREAS, based on Contractor's representations as aforesaid, Owner desires to have Contractor perform said work,

NOW THEREFORE, for the considerations hereinafter stated, the parties hereto, intending to be legally bound hereby covenant and agree as follows:

ARTICLE I -
SCOPE OF WORK:

Except as otherwise specified herein, the Agent-Contractor shall procure and furnish all labor, supervision and tools of the trade necessary and required to perform general insulation work on miscellaneous construction

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and maintenance jobs in the industrial plant and/or Brine Fields of Owner as directed by the representatives of the Owner. Work shall be performed in accordance with the General Terms and Conditions, Exhibit "A", Detailed Scope of Work, Exhibit "B", and Contractor's Procedures, Exhibit "C", all attached hereto and made a part hereof.

ARTICLE II -
TIME OF PERFORMANCE:

Agent-Contractor shall commence the work to be performed hereunder at once and shall continue with due diligence all work ordered by Owner during the time this contract is in force and effect, which shall be for a period of twelve months from the date first written above, and shall continue from month to month thereafter, unless and until terminated by either party at the end of the initial twelve-month term, or at the end of any succeeding one-month renewal period on not less than one month's prior written notice to the other of the intention to terminate.

ARTICLE III -
COST OF THE WORK:

The Owner agrees to reimburse the Agent-Contractor in current funds at rates not higher than the standard rates of the locality of the work, except with prior consent of the Owner, all costs necessarily incurred by the Agent-Contractor for the proper prosecution of the work and paid directly by the Agent-Contractor, included in the following cost items:

- A. Labor payrolls, including on-the-job supervision and on-the-job clerical workers, when furnished with prior approval of Owner.
- B. Fringe benefits payable by Contractor as specified in his current contract with the Asbestos Workers Local Union.
- C. The fee paid by the Contractor to the Lake Charles Louisiana

Chapter of the Associated General Contractors of America, currently 0.2% of all invoices, up to a maximum of \$1000 per year.

D. Payroll taxes paid by the Contractor, currently as follows:

4.8% of IIIA, FICA, up to a maximum of \$7,800 gross wages of each individual employee each year.

3.1% of IIIA, Unemployment Insurance, up to a maximum of \$3,000 gross wages of each individual employee each year.

E. Any expenditure by Agent-Contractor with prior approval by Owner for the rental of equipment or procurement of material.

ARTICLE IV -
CONTRACTOR'S COMPENSATION:

The Owner shall pay to the Agent-Contractor for the performance of this contract, subject to the additions and deductions herein provided, in current funds, a fee of 15% per cent of labor payrolls, as defined in Article IIIA.

In the event of payrolls which include premium time payments, the fee of 15% per cent shall apply only to the straight time portion of the payroll.

ARTICLE V -
MATERIALS AND WORKMANSHIP WARRANTY:

Notwithstanding Owner's acceptance of the completed work covered by any Work Order and final payment therefor, Agent-Contractor shall be and remain responsible for faulty materials and/or workmanship and/or design to the extent that such design is supplied by the Agent-Contractor which shall appear within a period of one year from the date of substantial completion and, except as otherwise expressly stated in the Contract, the Agent-Contractor shall, without cost to the Owner, remedy any defects due thereto and pay for any injury to persons and/or

damage to property resulting therefrom.

ARTICLE VI -
AGENT-CONTRACTOR'S LIABILITY:

Agent-Contractor, in the performance of the work under this Contract, must abide by all laws of the United States, State of Louisiana and any Governmental Sub-division of either, including all rules and regulations promulgated by said Governmental Agencies. Agent-Contractor shall hold harmless and indemnify Owner against any claim, penalty, fine, forfeiture and demand arising out of or resulting from Agent-Contractor's violation of any Federal or State laws or rules and regulations issued by any subdivision thereof in the performance of work hereunder, including hiring practices observed by Agent-Contractor to man any work performed under this contract.

ARTICLE VII -
ASSIGNMENT:

Agent-Contractor shall not assign this Contract whole or in part without the prior written consent of the Owner, nor shall Agent-Contractor assign any monies due or to become due to him hereunder, without the prior written consent of the Owner.

Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have executed this
agreement the day and year first above written.

Attest:

PPG INDUSTRIES, INC.
"Owner"

David A. Cort
Title: ASSISTANT SECRETARY

By R. E. Widwig
Title: VICE PRESIDENT

Attest:

FULLER-AUSTIN INSULATION COMPANY
"Agent-Contractor"

J. H. Hitchman
Title: SECRETARY

By J. H. Hitchman
Title: Pres.

(Hitchman)

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PEG INDUSTRIES, INC.
LAKE CHARLES, LOUISIANA

EXHIBIT "A"

GENERAL TERMS AND CONDITIONS

Except as and to the extent otherwise expressly specified in the Agreement, the following General Terms and Conditions shall be applicable to and constitute a part of the Contract.

1. Contract Documents:

The Contract Documents shall consist of the Agreement, the Drawings, Specifications and other documents, if any, therein identified and incorporated by reference, including these General Terms and Conditions, and such detailed drawings and instructions, if any, consistent with such Drawings and Specifications and necessary for the proper execution of the work, as Owner may furnish, all of which form the Contract.

The intent of the Contract is to include all ~~work~~, materials, appliances and services of every kind necessary for the proper execution of the work, and the terms and conditions of payment therefor. The Contract Documents are to be considered as one, and whatever is called for by any one of the Documents shall be as binding as if called for by all.

Two or more copies of the Agreement, as required, shall be signed by both parties and at least one signed copy shall be retained by each party.

2. Detailed Drawings and Instructions:

Owner shall furnish to Agent-Contractor, as promptly as is

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reasonably possible, additional instructions, by means of drawings or otherwise, consistent with the Contract Documents, as may be necessary for the proper execution of the work. Agent-Contractor shall execute the work in conformity therewith and shall do no work without proper drawings and instructions from Owner.

3. Materials, Utilities and Appliances:

Unless otherwise stipulated, the Agent-Contractor shall provide and pay for all labor, tools, equipment, expendible supplies, gang boxes, fuel, transportation and other facilities necessary for the proper execution and completion of the work.

Unless Owner otherwise directs, all materials shall be new and both workmanship and materials shall be of highest quality consistent with the general specifications.

4. Permits and Regulations:

The Owner shall secure and pay for all permits, licenses and easements for permanent structures or permanent changes in existing facilities. The Agent-Contractor shall secure and pay for all permits and licenses of a temporary nature necessary for the prosecution of the work and shall give all notices and comply with all laws, ordinances, rules and regulations relating to the conduct of the work as drawn and specified.

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5. Personnel:

In its relationship with Agent-Contractor, Owner shall act by and through a Field Engineer. All communications, directions

and instructions hereunder from Owner shall be communicated to Agent-Contractor by such Field Engineer, and all communications of any kind by Agent-Contractor to Owner hereunder shall be communicated to such Field Engineer by the Contractor.

The Agent-Contractor shall keep on the work, during its progress, such competent superintendent and such necessary assistants as may be requested or approved by the Owner, all of whom shall be acceptable to the Owner. The superintendent shall represent the Agent-Contractor in his absence, and all directions given to him shall be binding upon the Agent-Contractor.

The Owner reserves the right to bar or expel from its premises any employee of the Agent-Contractor for any cause which Owner deems reasonable.

6. Protection of Work and Property:

The Contract contemplates that the Agent-Contractor shall protect his work from damage or loss and shall protect the Owner's immediate and adjacent property from damage or loss arising in connection with the Contract. Agent-Contractor shall, without cost to Owner, make good any such damage or loss caused by the fault or negligence of the Agent-Contractor, his agents or employees, to the extent that the cost thereof shall not exceed the amount of insurance required by Paragraph 7 hereof.

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7. Insurance:

In performing the work hereunder, Agent-Contractor shall act as and be recognized as Owner's agent and Agent-Contractor's employees shall be recognized as Owner's employees for purposes of Workmen's Compensation coverage. In further recognition of such agency status, Owner agrees to indemnify and hold harmless Agent-Contractor against claims or demands of third parties for injury to person or damage to property arising out of or resulting from the performance of the work hereunder or the activities of Agent-Contractor's employees in connection therewith, including the expense to Agent-Contractor of defending against any such claim.

Contractor shall procure and maintain in full force and effect during the progress of the work insurance against risks, and in amounts not less than such limits, as are stipulated below. Such insurance shall be with such carriers approved by the Owner.

1. Contractor's Liability, including Completed Operations and Contractual Endorsement (or Products Liability Insurance)

Personal Liability \$ 100,000 / 300,000

Property Damage \$ 50,000 /

2. Mobile Vehicles, Autos and Trucks

Personal Liability \$ 100,000 / 300,000

Property Damage \$ 50,000 /

Certificates acceptable to Owner evidencing Contractor's insurance coverage shall be presented to Owner prior to

commencement of the work under this Contract. Such certificates shall provide that the coverage shall not be decreased or terminated without ten (10) days prior written notice thereof being given to Owner by the insurance carrier. It is expressly understood that Owner does not in any way represent that the types or the minimum limits of insurance hereinbefore specified are sufficient or adequate to protect Contractor's interests or liabilities.

The Owner shall effect and maintain fire insurance, including extended coverage, to the full insurable value thereof on those items of labor and materials connected with the work of this Contract situated on Owner's property, including materials in place or to be used as part of the permanent construction, surplus materials, shanties or protective temporary structures and miscellaneous materials or supplies incident to the work. The loss, if any, payable thereunder is to be made adjustable with and payable to Owner and distributed by Owner in accordance with the loss or damage sustained by Owner, Agent-Contractor and others. Owner hereby waives any right of recovery which he might otherwise have against Agent-Contractor resulting from acts of Agent-Contractor, its agents or employees, which may cause loss through fire to the Owner's property.

8. Subcontracts:

Agent-Contractor shall obtain Owner's prior written approval before entering into any subcontract hereunder, or before

issuing any single purchase order for a sum exceeding \$100.00. All subcontractors shall be bound by the terms and conditions of this Contract and Agent-Contractor warrants strict compliance therewith on the part of each of his subcontractors.

9. Field Accounting:

At Owner's option, the Owner shall furnish to the Agent-Contractor a "card of account" on the project. Agent-Contractor shall be responsible for the distribution of all costs for labor and materials to such card of account and shall render summaries of such distribution to the Owner with his weekly invoices.

Agent-Contractor shall furnish Owner daily a record showing the total number of hours worked by each employee of Agent-Contractor and the distribution of such employee's time to the card of account.

When requested, Agent-Contractor shall also furnish Owner with a daily material report recording all materials received by Agent-Contractor on the job. Such report shall show purchase number, vendor's delivery ticket number, vendor's name, the item received and the distribution of such item to the card of account. Agent-Contractor shall obtain similar reports from his subcontractors and furnish the same to Owner.

10. Invoices:

Agent-Contractor will invoice Owner weekly or semi-monthly in triplicate for all labor, materials, subcontractor's expenses,

and other costs authorized by the Contract and reimbursable by Owner. Payrolls included in each such invoice shall be full work week payrolls only. Each such invoice shall be supported by a copy of the Agent-Contractor's payroll for the invoicing period, a receipted copy of each vendor's invoice for materials charged to the job during such period, a receipted copy of each subcontractor's invoice for materials furnished and services rendered during such period. Except in the case of a lump-sum contract, all subcontractor's invoices for the payment of which Agent-Contractor seeks reimbursement hereunder must be supported in the same manner as the Agent-Contractor's invoice. All properly-supported invoices are payable within thirty days from date of presentation.

With each such invoice, Agent-Contractor shall furnish Owner with a copy of each debit and credit memorandum chargeable to the job during the invoice period for such items as insurance, tool rental, and other necessary items authorized by the Contract, together with a summary sheet of all such charges during the invoice period.

Each such invoice shall be accompanied by three copies of a detailed breakdown of the invoice to the card of accounts, if any, showing the amount spent by Agent-Contractor in the invoicing period against such item on the card of accounts which was active during the invoicing period. The total of the amounts chargeable to such items shall equal the Agent - Contractor cost on his invoice for the invoicing period.

Owner may verify any invoice of Agent-Contractor or of any subcontractor, or any supporting record or report in any manner that owner may deem appropriate.

11. Purchasing:

With respect to all subcontracts and purchase orders requiring Owner's prior written approval, Agent-Contractor shall, whenever possible, obtain at least three bids, which shall be submitted for Owner's review if Owner so desires, prior to the issuance of the order or awarding of the subcontract.

Agent-Contractor shall forward two copies of all purchase orders to Owner as soon as they are issued to the vendors. Each such purchase order shall show the vendor's name, the item purchased, the price, Agent-Contractor's order number, Owner's contract number, the promised delivery date, and such other pertinent information, if _____, as Owner may specify.

Agent-Contractor shall maintain on the job a schedule showing all materials ordered and the expected delivery dates thereof. He shall furnish to Owner a monthly report showing the status of all undelivered materials and equipment together with the best promised delivery date thereon. Owner and Agent-Contractor will cooperate fully with one another in expediting material deliveries for the work.

12. Compliance with Safety Regulations:

Agent-Contractor shall take all necessary precautions for

the safety of employees on the work, and shall comply with all applicable provisions of Federal, State and municipal safety laws and building codes to prevent accidents or injuries to persons on, about or adjacent to the premises where the work is being performed, including the erection, where appropriate, of all necessary safeguards.

Agent-Contractor shall see to it that his employees and his sub-contractor's employees, if any, comply with and observe Owner's safety regulations and precautions while working on Owner's premises, as communicated by or at the direction of the Field Engineer.

The treatment of injuries sustained by Agent-Contractor's employees shall be the responsibility of the Agent-Contractor. Owner's emergency first-aid facilities and services will be available to Agent-Contractor for treatment of his employees in case of injury, but Agent-Contractor will be invoiced for unusual expenses involved.

13. Safety Equipment:

Safety equipment will be furnished by Owner. When and to the extent required by the character of the work, as determined by Owner, Agent-Contractor shall obtain for use by his employees items of special safety equipment upon requisition signed by Agent-Contractor's superintendent and Owner's Field Engineer. Each item of equipment so obtained must be returned or paid for by Agent-Contractor before final payment is made for the work hereunder by

Owner. No charge will be made by Owner for normal breakage or wear with respect to such special safety equipment, but Agent-Contractor shall pay Owner for all items not returned. The expense of the Agent-Contractor for such unreturned equipment will not be included in the Cost of the Work, as defined in Article III of the Agreement.

14. Plant Protection:

Agent-Contractor will issue an identification badge to each of his own and his subcontractors' employees engaged in the work. Agent-Contractor shall furnish to the Field Engineer and keep current an index file in duplicate showing each outstanding badge and the employee to whom it has been issued. When an employee's employment is terminated, the Agent-Contractor shall repossess the badge issued to such employee and promptly advise the Field Engineer that such person no longer has access to the work.

Agent-Contractor shall hold in confidence, before, during and after completion of the work, all confidential information acquired by him relating to the details of the work, and upon the completion of the work, shall return to Owner all models and drawings furnished by Owner hereunder.

Agent-Contractor and all subcontractors and their respective employees shall stay within the confines of the work and shall not be permitted to visit other construction projects or plant operations. When working on outlying projects, Agent-Contractor shall not permit visitors on the job.

Cameras are not permitted on Owner's plant premises. Approval _____

must be procured from the Field Engineer before any photographs may be taken within the plant property.

Agent-Contractor shall not under any circumstances instruct or request Owner's employees to assist Agent-Contractor's employees in the performance of the work, except through the Field Engineer.

15. Clean-Up:

Agent-Contractor shall at all times keep the work site free from excessive accumulations of waste material or rubbish caused by its employees in the performance of the work, and at the completion of the work, Agent-Contractor shall remove all rubbish from and about the job site, together with all its tools, equipment, scaffolding and surplus materials and shall leave the work broom clean and ready for use. Such removal must be made under the supervision of the Field Engineer and any such material or equipment belonging to Owner shall be transported by Agent-Contractor to the appropriate storage place or places within the plant premises designated by the Field Engineer. Should the Agent-Contractor fail to complete the required removal, Owner may do so, withholding the cost thereof from the payment to the Agent-Contractor. Such cost of the Owner's removal is not to be included in the Cost of the Work, as defined in Article III of the Agreement.

16. Cooperation:

The Agent-Contractor shall cooperate with Owner and other

contractors employed by Owner and will plan his work in consideration of the needs and schedules of Owner's operations and other trades and crafts involved in the complete project. The Agent-Contractor will cooperate with the Owner's engineers in scheduling of special construction machinery, such as trucks, cranes, etc., to obtain the maximum utilization thereof.

17. Power Driven Machinery:

Agent-Contractor shall obtain the Field Engineer's prior approval before renting any power driven machinery that will be charged as a job cost. The Owner reserves the right to furnish any such power driven machine as may be required by the Agent-Contractor for the work, at no cost to the Agent-Contractor.

18. Working Conditions:

Unless specifically stated elsewhere in the Contract, Agent-Contractor shall contemplate a forty (40) workweek. If the Agent-Contractor recommends that overtime or other bonus payments are required to staff the job, specific written approval must be secured from the Owner. Such approval is to be secured prior to the initiating of such work schedule with the workmen or union business agent.

19. Termination of Contract by Owner:

The Owner reserves the right to terminate the Contract for any reason he deems advisable. In the event of such termination, the payment by the Owner to the Agent-Contractor will

consist of (1) the reimbursement to the Agent-Contractor of the cost of work, performed prior to the termination, computed in accordance with the provisions of Article III of the Agreement, and (2) the Agent-Contractor's compensation relating to such work as defined in Article IV of the Agreement.

20. Termination of Contract by Contractor:

In the event that the work shall be stopped pursuant to an order of Court or other public authority, for a period of ninety (90) days, through no fault of the Agent-Contractor his agents or employees, or if the Owner shall fail to pay to the Agent-Contractor any sum due under the Contract, within thirty (30) days of its maturity and presentation, the Agent-Contractor may, upon seven (7) days' written notice to the Owner, stop work or terminate this contract and recover from the Owner payment for (1) the cost of work performed prior to such termination, as defined in Article III of the Agreement, and (2) the Agent-Contractor's compensation, as defined in Article IV of the Agreement, or if the Agent-Contractor's compensation is a stated fee, then that portion thereof which is commensurate with the portion of the work completed; provided, however, that if the Agent-Contractor terminates the Contract by the reason of Owner's default, then the Agent-Contractor is entitled, in addition to the foregoing, also to reasonable damages.

21. Ownership of Drawings and Models:

All drawings, specifications and copies thereof and all

models furnished by the Owner are his property. They are not to be used on other work and with the exception of the signed Contract, all other documents, drawings, copies of specifications and models are to be returned to the Owner on request or upon completion of the work.

22. Arbitration:

Any controversy or claim arising out of or relating to the Contract, or the breach thereof, shall be settled by arbitration in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof.

PPG INDUSTRIES, INC.

EXHIBIT "B"

DETAILED SCOPE OF WORK

All expendable supplies, light equipment and tools of the trade costing up to \$300.00 necessary and required to properly perform the work shall be furnished by the Agent-Contractor.

Materials and heavy equipment necessary and required to perform the work hereunder are to be furnished by Owner. The Agent-Contractor shall first make use of equipment available at the plant of Owner and then procure additional equipment that becomes necessary. All such rentals are to be approved in advance by Owner. The Owner will provide at no charge to Agent-Contractor utilities, sanitary facilities, change houses located near plant gates, storage for materials, and drinking water.

Written Work Orders will be issued by Owner to Agent-Contractor from time to time as need of Owner for such work arises. Work Orders shall cover and completely describe the nature of the work to be performed by Agent-Contractor thereunder.

All work will be performed according to instructions furnished by Owner, as a part of the related work order, and will be subject to the inspection of authorized representatives of Owner. It shall be the responsibility of the Agent-Contractor to exercise due diligence and foresight for the purpose of securing maximum production and reasonable labor costs. All work shall proceed only so long as the performance shall be of a quality and quantity acceptable to the Owner. The determination as to sufficiency of quality and quantity of the work shall rest solely with the representative of Owner.

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EXHIBIT C

PPG INDUSTRIES, INC.

CONTRACTOR'S PROCEDURES

Except as and to the extent otherwise expressly specified in the Agreement, the following Contractor's Procedures shall be applicable to and constitute a part of the Contract.

I. OWNER'S LABOR RELATIONS DEPARTMENT

A. General

The Labor Relations Department of Owner's organization has jurisdiction over Owner's guard force, first aid and safety department, as well as labor relations. In the event that any problem arises where the Labor Relations Department is affected, then the Contractor's supervisor and Owner's Construction Engineer will discuss the matter with the Labor Relations Department. Any decision rendered by the Labor Relations Department will be binding upon the Contractor's supervisor.

B. Guards

Owner's guard force will maintain men at the construction gate. It is their duty to follow instructions given them by Owner. In the event that anything unusual arises, they will contact the Labor Relations Department for instructions in handling.

C. Entry Into Plant

For safety and security reasons, entry into the plant will be monitored by means of badges. Contractor shall provide a numbered badge for each employee and shall require employees to maintain these badges in their possession at all times while on the Owner's premises. Upon termination of an employee, his badge must be returned to the Contractor. All construction materials and construction labor forces will check through the construction gate.

D. Quitting Time

At the end of the working day, the men are allowed to quit work at a designated time in order to return tools, etc., and are allowed to make their way to the Construction gate. On arriving at the gate, they are allowed to enter the enclosure provided. At the quitting whistle, the enclosure gates will be opened and the men allowed to leave the plant.

E. Working Hours

Unless the Contractor is otherwise notified by Owner, normal working hours are from 7:00 a.m. to 3:30 p.m., exclusive of a thirty (30) minute lunch period, on Monday through Friday.

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F. Tardiness and Absenteeism

Excessive tardiness will be cause for dismissal.

Any employee who is absent without proper notification or excuse for a period of one week or more will be discharged for excessive absenteeism. Repeated absenteeism will be considered cause for discharge.

G. Overtime

No overtime will be tolerated unless authorized by Owner's Construction Engineer.

II. UNION BUSINESS MANAGERS

The Owner's policy provides that all business managers will come to the construction gate and state their business to the construction guard, who will see that the proper Contractor is notified, and he or his representative will be called to the gate. The Business Manager will discuss the problem; and in the event that the problem cannot be satisfactorily resolved at the gate between the Business Manager, his Stewards and the Contractor's representative except by entry into the plant, then the guard on duty will contact the Labor Relations Department of the Owner who will discuss the problem with the Business Manager and Owner's Construction Engineer; and, if warranted, a pass will be made out for

the Business Manager to enter the plant. He will be conducted to the affected area in the plant by the Contractor's representative and/or the Owner's Construction Engineer.

III. JURISDICTIONAL WORK ASSIGNMENT

It is expected of the Contractor that he give considerable thought to the assignment of work to the various crafts. This thought should be given during the planning of the work and before the job is started. If there is any doubt in his mind as to the proper assignment of work, then he should consult the Business Managers of the crafts involved. In the event no agreement can be reached as to the proper assignment of the work, the Contractor will assign the work to whichever craft he feels is the right one, giving such assignment in writing, and proceed with the job. The Contractor must be fully acquainted with the methods of settlement of jurisdictional disputes as outlined by the National Joint Board and must cooperate fully with the procedures as set out. It is to be strictly understood that Owner WILL NOT TOLERATE any stoppage of work due to jurisdictional disputes.

IV. CONSTRUCTION PARKING DT

The Owner maintains parking lot for construction employees; therefore, every man will be required to

use this parking lot, and no vehicles will be allowed to park on the public road. It is required of all construction people that due caution be taken when leaving the job and on their way to the parking lot. It is also demanded that care and safety be exercised when the men are in their automobiles and leaving the parking lot. Speeding or any other reckless acts on the part of any of the employees will be cause for discharge, if warranted, and at least a reprimand given. Repeated reprimands will be a cause for dismissal.

V. ENGINEERING

A. General

The Owner's Engineering Department will furnish all Drawings, Bills of Material, and Specifications. This information is distributed by the Construction Engineer. Requests for additional information or clarification of existing information will be directed to the Construction Engineer.

B. Drawings

The Contractor will be provided with three (3) copies of the Drawings by the Construction Engineer. At the completion of the work, two (2) sets of the Drawings will be returned to the Construction Engineer. - One (1) set of Drawings will be retained by the Contractor

until expiration of the Warranty Period as defined by the General Terms and Conditions of this contract, at which time this set will be returned to the Owner. Drawings are intended to show all construction details and the requirements of the finished installation but will not necessarily show the method of construction used to achieve the final result. Any questionable methods or practices of construction must be approved by the Construction Engineer before proceeding with the work. The Contractor is expected to notify the Construction Engineer of any possible discrepancies or errors found in the Drawings as soon as possible so that corrections, if required, can be expeditiously made to avoid delay in the work. Occasionally it may be necessary to issue revisions to the Drawings which will replace the original issue. The Contractor will inspect these revised drawings to determine the effect on completed or future work. Any change in the cost of the work caused by revisions will be adjusted in accordance with the terms specified in the Agreement of this Contract.

C. Bills of Material

Bills of Material will be issued along with their associated Drawings by the Construction Engineer in

a similar manner and in the same quantity as the Drawings. Procedures outlined for the Drawings will apply to Bills of Materials. Bills of Material are intended to show all of the materials required for the finished installation but do not indicate the requirements for tools, construction equipment; nor do they show materials required for temporary construction such as forms, scaffolding, construction bracing, temporary wiring and piping, and similar items. Bills of Material include purchasing and delivery information which necessitates re-issue as current information becomes available. Provisions will be made by Owner for providing the Contractor with current materials status.

D. Specifications

Specifications will be issued along with their associated Drawings by the Construction Engineer in a similar manner and in the same quantity as the Drawings. Procedures outlined for the Drawings will apply to the Specifications. Specifications are often included on the Drawings themselves where practical; however, Specifications on a special form are issued where the requirements apply to the job in general where details are too lengthy to include on the Drawings.

VI. WORK SCHEDULING

Owner's Construction Engineer will approve the Contractor's work schedule after conferring with other Contractors retained by the Owner on the job. The Construction Engineer will inform the Contractor of other Contractors' construction schedules and all matters pertaining to material, etc. At that time, the copies of the Drawings and Specifications will be discussed thoroughly. Such items as any hazards involved in the work, the correlation necessary with the Operations Division labor force, and any other items that affect the construction of the job will be gone over and approved by the Contractor's Superintendent and Owner's Construction Engineer. At that time, the job will be turned over to the Contractor, and from here on it is his responsibility to see that his supervisors are fully informed and that the job progresses satisfactorily. Also, at this time the Contractor will be notified as to who will represent the Owner as a Field Engineer on the job. It is then the responsibility of the Contractor's Superintendent to have frequent contacts with the representative for the Owner in order that any problems may be ironed out quickly and satisfactorily. When jobs are relatively complex or lengthy, the above outlined procedure will be followed but on a step-by-step basis, the various phases of which are

to be decided upon by mutual agreement between the Owner's Construction Engineer and the Contractor's Superintendent.

VII. PURCHASING AND STOREROOM

A. General

The Owner operates a separate Storeroom for construction materials. This Storeroom, operated by Owner's personnel, is under the direct supervision of Owner's Construction Engineer. The Owner will purchase, store and issue all construction material except material provided by the Contractor. The material is owned and controlled by Owner until it is issued to the Contractor for his use. The unloading, storing, and issuing of the material will be done by Owner's personnel. If the Construction Engineer feels that the Contractor is better able to unload or move any material, he will request him to do so, after meeting the terms of the Contract under which the Contractor is working. This request, however does not mean the material is being issued to the Contractor but merely that he is handling the material for the Owner. Several methods are used for storing construction materials. Small items and items to weather damage are normally stored in the Construction

Storeroom building which also houses the Owner's personnel directly responsible for control of all construction materials provided by the Owner. The Owner normally sandblasts and primes all structural steel, steel vessels, and steel pipe. These items are released to the Contractor at the sandblasting area, this area being within the fenced property, unless space requirements require further handling by the Owner, in which case the material will be stored near the Construction Storeroom or on the job site. Bulk items which require little or no weather protection are stored near the Construction Storeroom or on the job site. It must be clearly understood that no material furnished by the Owner will be released to the Contractor except upon receipt of a properly executed Storeroom Requisition.

B. Issuance of Construction Materials

Authorization to write storeroom requisitions for materials listed on Bills of Material will be issued to certain people on the Contractor's payroll, and it is the Contractor's responsibility to request issuance of material as it is required. After the material has been issued to the Contractor, it is his duty to see that it is properly taken care of, transferred to the

job site, and handled in such a manner as to insure job efficiency and safety. All material issued must be on a storeroom requisition with the proper charges noted.

C. Use of Owner's Plant Storeroom

Occasionally it will be found that miscellaneous items have been omitted from the Bills of Material by error, oversight, or become necessary because of minor field changes. When this situation occurs, the Owner will request that the Contractor obtain these materials from the plant storeroom, if available, in order to expedite the work. A storeroom requisition will be required as for materials obtained from the construction storeroom except in this case the counter signature of the Owner's Field Engineer is necessary to validate the requisition.

VIII. OWNER'S MAINTENANCE AND OPERATING DEPARTMENTS

In order for the Contractor's Superintendent and his supervisory force to properly perform their duties, it will be necessary for them to understand the manner in which contact are made between the Contractor and the Operating and Maintenance Departments of the Owner. The Owner's Construction Engineer will be the direct contact between the Contractor and the Operating and Maintenance

Departments. When the Construction Engineer issues drawings to the Contractor, a thorough discussion will be had on the work to be performed; and where such work will require that contacts be made with the Operating and Maintenance Departments, the Construction Engineer will then at the proper time contact these departments and discuss with them the work to be accomplished and what will be necessary for these departments to do in order that the Contractor may perform his work. As an example, it might mean that an Operating Department will have to schedule equipment outages, evacuation of chlorine from pipelines, etc. When the Construction Engineer has discussed with Operations and they have agreed on the time and methods to be used on any particular job, then Operations will schedule at their weekly meetings such procedure as will be necessary. The Construction Engineer will then inform the Contractor's Superintendent who will make the necessary plans with his supervisory force in order that the work may be scheduled by them to fit in with those of Operations. From the above, it is clear that the planning of the work must be well in advance of the actual date on which the job is to be commenced. This planning should take into account such things as tools

necessary for the job, materials, the working force required and any hazards which might be encountered; it is clearly understood that the Owner's Construction Engineer is in direct contact with the supervisory force of the Contractor and with the Maintenance and Operating Departments so that any difficulties can be eliminated quickly.

IX. CONSTRUCTION SAFETY SECTION

A. General Safety Policy

Safety is an operating policy of Owner's Lake Charles plant on construction as well as on plant operations. It is the responsibility of every individual in a supervisory capacity to see that men under his supervision do not violate the safety policies of the Owner. All supervisors are charged with the responsibility for:

1. Planning every job to eliminate accidents.
2. Maintaining safe working conditions on the job.
3. Correcting unsafe performance of workmen.
4. Investigation of accidents and application of remedy for prevention of recurrence.
5. Enforcement of company safety regulations.
6. Giving job safety instructions to employees with job assignments in cases where employees are not

familiar with hazards or otherwise at the discretion of the supervisor.

7. Getting men to report for first aid when injured on the job.
8. Personal observance of company safety rules and setting the proper example for others.

All Contractor's employees, regardless of position, are required to wear a safety hat and safety glasses at all times when inside the plant construction gate. They are also required to keep a respirator on their person at all times when inside the plant gate. These items will be furnished by Owner. All Contractor's employees, regardless of position, are required to wear safety equipment as prescribed in the safety manual or by the Safety Inspector or the Construction Engineer. Supervisors of Contractor's employees are required to follow the regulations set forth in the Contractor's Safety Handbook. All requirements and procedures outlined in this manual are based on standards set forth by the Associated General Contractors of America, the National Safety Council and other recognized agencies. These standards are, therefore, considered to be the best available at the present time. Every contractor is required to apply these standards in his work.

Any supervisor or employee who is not willing to comply with the safety policy of Owner and the regulations and standards set forth in the Contractor's Safety Handbook is not a welcome employee and will be terminated.

B. Indoctrination

All Contractor's employees, including supervisors and workmen, will be given a lecture on safety before going to work in order to acquaint them with job hazards before entering the plant and must sign a statement that they have received safety equipment and have been instructed how to use it.

C. Enforcement

Contractors' supervisors are required, as a part of their job, to enforce the regulations set forth in the Contractor's Safety Handbook. They are also required to correct unsafe acts and conditions which are reported to them by the Safety Department or Field Engineers.

D. Job Safety Instruction (J.S.I.)

Supervisors are responsible for giving J.S.I. with every job assignment where hazards may be unusual or workers may not be acquainted with the safe method of doing a job or at any time when, in their opinion,

safety instructions are necessary.

E. Observation and Inspection

A safety inspector will be provided by the Owner whose duty it will be to observe and inspect all construction jobs as frequently as conditions will permit. All unsafe acts and conditions which he observes will be reported to Contractor's supervision as soon as possible. These violations must be corrected by said supervision. The Safety inspector will turn in his safety observations at the end of each day. Weekly summaries will be made and forwarded to each Contractor's Superintendent. Copies will also be mailed to the home office of each Contractor. A copy of this form is attached. Home office authorities are expected to review these reports as they come in and confer with the job Superintendent when reports indicate violation frequencies which are out of line in comparison with the projects as a whole or with other contractors. The purpose of observations and inspections is solely for the prevention of accidents.

F. Reports of Accident Investigation

All accidents which occur on construction will be investigated jointly by Owner's Safety Inspector

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and the immediate supervisor of the injured person. The purpose of this investigation is to discover the cause of the accident and apply corrective action. The findings of the investigation will be detailed by Owner's Safety Inspector of an accident report form provided by the Owner. Cooperation between the Contractor's supervision and Owner's Safety Inspector will be required to complete reports.

X. FIRST AID

The Owner maintains a First Aid Department which is available to all construction personnel.

XI. OWNER'S FIELD ENGINEERS

The Owner maintains field engineers who are under the direct supervision of the Construction Engineer. The Construction Engineer is the direct contact with the Contractor's Superintendent and represents the Owner. The Contractor's Superintendent will take all problems arising on the job to the Construction Engineer. The responsibilities of the Construction Engineer and his group of Field Engineers are as follows:

- A. That the job goes on according to Drawings and Specifications.

- B. That the materials to be furnished by the Owner are made available to the Contractor.
- C. That the Owner received good quality workmanship.
- D. To issue all Drawings, Specifications and Bills of Material to the Contractor.
- E. To keep the Contractor's supervisory force fully informed of all materials received in the warehouse.
- F. To see that labor and material is properly charged where applicable.
- G. To witness and approve all tests.
- H. To inspect, approve and accept all Contractor's work.
- I. To act as liaison between the Contractor's supervisory force and various departments in the Owner's organization in order that no holdup of work is experienced.
- J. To act as a liaison between the field and Owner's Engineering Department so that field changes and other necessary information can be obtained immediately.
- K. To see that all safety rules are enforced.
- L. To call to the attention of the Contractor's supervision any deviation from the policies of the Owner.
- M. Discuss with the Contractor's supervisors the workmanship performed by the various individuals on the Contractor's payroll in order that quality work performed.

- N. That the planning of work be thoroughly discussed with the Contractor's supervisor so that the Contractor's supervisor is properly informed regarding contacts with the Operating and Maintenance Departments or other contractors.
- O. The Construction Engineer will in the case of lump sum work discuss with the Contractor any extras which may come up during the work. These extras must be handled as stipulated in the Agreement of the Contract.
- P. The Owner intends that their Field Engineers have authority to carry out their responsibilities and are instructed in methods to be used when decisions must be made quickly. It is not the intent that any work or job be held up unduly by indecision.

XII. CONTRACTOR'S RESPONSIBILITIES

- A. The Owner holds the Contractor responsible for the production and quality of work. In order to perform his duties, he has the full responsibility in giving orders to his supervisors, and they in turn to their men. The Owner's Field Engineers will cooperate with the Contractor's supervisors in order to expedite the work and will make inspections to see that the work meets with the standards and specifications of the Owner.

They will not interfere or give orders to the workmen in the crafts unless it is immediately necessary to do so for safety reasons.

- B. The Owner expects the Contractor to keep his supervisory force well informed and holds them directly responsible for the production and quality of work. Any supervisor who cannot or will not perform the above function is to be relieved of his responsibilities and another supervisor chosen.
- C. The Owner expects the Contractor and all supervisory personnel to be fully acquainted with all safety rules and regulations contained in the Contractor's Safety Handbook and to see that they are obeyed. Repeated failure to observe safety rules will be just cause for dismissal of any supervisor or workman.
- D. The Contractor and his supervisors are directly responsible for the proper expediting of materials from Owner's storeroom to the job site, and no holdup of the working forces due to lack of such expediting will be tolerated. Careful planning shall be made to see that the flow of materials is regulated. The purchasing, expediting and warehousing procedures of the Owner should be thoroughly understood by the Contractor.

- E. It is the responsibility of all supervision to see that their men are on the job ready to start work when the starting whistle blows. It is also their responsibility to see that they are on the job and working until the specified quitting time, whether it be for the lunch period or at the end of the working day.
- F. The Contractor is required to keep the Owner's Construction Engineer informed at all times of the number of men on his payroll including future planned reductions or increases in his forces.
- G. It is not the intent of Owner to choose the Contractor's supervision, but the individual supervisors chosen by the Contractor must receive approval by the Owner's Construction Engineer.
- H. The Contractor's Supervisors must consult the Owner's Field Engineers if there are any questions regarding materials, drawings, field changes, etc. Immediate steps must be taken to obtain information on any problem.
- I. The Owner will hold the Contractor responsible for good housekeeping at all times. Regular scheduled housekeeping inspections will be made by the Contractor's Superintendent and the Owner's Construction Engineer.

- J. The Contractor's employees are at all times to remain in their assigned work area and are prohibited from visiting other areas.
- K. The soliciting or selling of any merchandise or the distribution of any literature for any cause on company property is prohibited unless permission of the Owner is obtained.
- L. Gambling or intoxicating liquor in any form will not be tolerated at any time on the Owner's property.
- M. The Contractor's supervisory force must understand that the Owner's Field Engineer is responsible for tagging and shutting down equipment, and until Contractor is given a free hand by the Field Engineer, he is not to put any employee to work on jobs connected with operating equipment.

XIII. UNION STEWARDS

The Contractor is to recognize union Stewards and allow them to perform their duties according to the union contracts. However, in no case will the Stewards working for one contractor be allowed to visit the job site of other contractors or to interfere in any way with work being performed by other contractors. It is expected that a Steward will contact his contractor regarding any subject which he feels should be corrected. After contacting his

contractor, the Steward has the privilege of contacting his Business Manager regarding the subject if no action is taken.

XIV. LABOR NEGOTIATIONS

It is the Contractor's duty to take active part in negotiations while they are in progress currently with his contract and to govern his operations in harmony with local or area employers' bargaining groups.

XV. TOOLS

The Contractor will furnish all tools required to perform his work. A complete inventory of these items must be presented upon entry into Owner's plant. This inventory will later be used to obtain permits to remove said items from Owner's plant. Owner assumes no responsibility for these tools at any time except as and to the extent otherwise expressly specified in the Contract Documents. However, Owner will have periodic gate inspection to prevent losses by theft. These inspections will be made by Owner's guard force whenever they see fit and without any notification to Owner's Construction Engineer and/or the Contractor.

XVI. EQUIPMENT

The Contractor will furnish all equipment required to perform his work. A complete inventory of this equipment must be presented upon entry into Owner's plant. This inventory

will later be used to obtain permits to remove said equipment from Owner's plant. The Owner assumes no responsibility for Contractor's equipment at any time, except as and to the extent otherwise expressly specified in the Contract Documents.

XVII. FACILITIES PROVIDED BY OWNER

Housing will be provided for one clerk at the Owner's construction entrance. It is expected that hiring will take place at this location or other facilities provided off the plant site by the Contractor. All employees of the Contractor must be on the Contractor's payroll with proper coverage by Workmen's Compensation and insurance before entering the Owner's fenced plant site. The Owner will provide and maintain adequate sanitary facilities at a location adjacent to the job site. Portable water is available within the Owner's fenced property. Water for construction and miscellaneous use is available at the job site.

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