

HOECHST CELANESE CHEMICAL GROUP, INC.CONTRACT/AGREEMENT ABSTRACT

CONTRACT NO	CONTRACT DATE	REVISION NO	REVISION DATE
014-456	12-30-85		11-21-88

SUPPLIER/CONTRACTOR
Arthur Brothers, Inc.

GOODS/SERVICES
Maintenance and Misc. Construction Services

FACILITY
Bay City, Bishop, Corpus Christi, Pampa

CONTRACT TERM
Through 4/30/89

TERMINATION RIGHTS
No changes

PRICES/PRICE CHANGES
See below - changes effective 1/1/89

TOTAL AMOUNT	PAYMENT TERMS	FOB

REMARKS

A) Federal & State Employment Taxes billed at cost.
B) Revised markups:
1) 1st \$8,212,564 direct wages, excluding premium portion of overtime.
a) Payroll costs - 27% d) Overtime - 8.5% on the premium portion
b) Insurance - 1%
c) Profit overhead - $\frac{2\%}{30\%}$
2) Over \$8,212,564 - direct labor - same as above, but no insurance
Total: 29%

DISTRIBUTION W/DOCUMENT COPY	DISTRIBUTION W/O DOCUMENT COPY
Executive Files - Dallas (original)	
Bay City: A. C. Enlow R. E. Allen N. V. Smith	Corpus Christi: S. W. Eason L. W. Hartman
Bishop: D. L. Yancey H. A. Wilmeth D. D. Siemonsma	Pampa: T. R. Lowrie E. Moore R. Jones

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PURCHASING AGENT/BUYER	PURCHASING MANAGER
DATE <u> </u> / <u> </u> / <u> </u>	DATE <u> </u> / <u> </u> / <u> </u>

ARTHUR BROTHERS

INCORPORATED

HIWAY 77 BYPASS
KINGSVILLE, TEXAS 78363

AFS-73

November 21, 1988

Hoechst Celanese Chemical Group
1250 W. Mockingbird Lane
P.O. Box 569320
Dallas, Texas 75356-9320

Attention: Mr. T. R. Shandley

Re: Maintenance and Construction Service Agreement
December 30, 1985 Through April 30, 1989

Dear Rogers:

In response to our meeting of November 14, 1988 and our best effort to remain competitive in the fulfillment of the referenced agreement, we resubmit our letter of September 26, 1988, concerning an amendment to Article 10 of the referenced contract to cover increased tax and insurance costs.

We propose to forego the 2.2% fee increase, requested for September 5, 1988, if we can remove the rates from our fee for both State and Federal Unemployment taxes and bill you quarterly, in 1989, at cost. We feel this is important to both of us in light of the uncertainties we face for 1989 and the difficulties in establishing a percentage rate that is equitable in covering these costs.

Attached is the proposed amendment to Article 10 of the referenced contract. We request this amendment be effective December 26, 1988. Please indicate your acceptance of this amendment by signing the attached document. Return the executed copy to Arthur Brothers, Incorporated and keep the original for your files.

Thank you for your understanding in this matter

Very truly yours,
ARTHUR BROTHERS, INCORPORATED

Aaron F. Starks
Aaron F. Starks
Vice-President

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RECEIVED

NOV 28 1988

1989 CONTRACT AMENDMENT

Effective December 26, 1988

ARTICLE 10. CONTRACTOR'S FEE. (a) For providing Labor and supervision therefore Contractor shall be paid in addition to the amount provided in Article 9 hereof, a Fee, which consists of three components, of 30.0% of the direct wage cost attributable to (i) actual straight-time hours worked (ii) the straight-time portion of any overtime hours worked.

The Fee consists of three components (i) 27.0% for all payroll costs, (excluding all State and Federal Unemployment Taxes), employee benefits and small tools (ii) 2.0% for profit and overhead. and (iii) 1.0% for Umbrella Liability Insurance Coverage, as per the following schedule:

Total Annual Direct Wage Cost (Exclusive of Premium Portion of Overtime) \$8,212,564.00 or less

Payroll costs, (excluding all state and federal unemployment taxes), employee benefits, and small tools	27.0%
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Umbrella Liability Insurance Coverage (September 5, 1988 through September 3, 1989) (Renegotiated each like period thereafter)	1.0%
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Overhead and Profit	2.0%
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Total Fee: 30.0%

3,212,564.00 or more (including other all clients requiring 5mm coverage)

Payroll costs, (excluding all state and federal unemployment taxes), employee benefits, and small tools	27.0%
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Umbrella Liability Insurance Coverage	0.0%
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Overhead and Profit	2.0%
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Total Fee: 29.0%

Contractor shall be paid a markup equal to 8.5 percent of that portion of Contractor's total direct wage cost attributable to the premium portion of wages paid for overtime hours worked by its authorized employees on authorized work hereunder.

At the end of each quarter, beginning December 26, 1988, Contractor shall bill Company at cost for all State and Federal Unemployment taxes applicable to authorized work hereunder.

It is understood that Company may, in the future, wish Contractor to perform similar work at other Company plants. Such other plants may be added to this Agreement using the same conditions and percentage Fee and markups described herein. The annual period for the work performed at such other plant shall be deemed to have the same commencement date as the annual period hereunder.

Hoechst Celanese Chemical Group, Inc.

By: FE Kumpf

Title: VICE PRESIDENT

Date: 1-4-89

Arthur Brothers, Incorporated

By: James J. Hink

Title: Vice-President

Date: 11-22-88

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cc: Bay City: C. R. Pennington; A. C. Enlow; R. E. Allen
S. R. Starks

Bishop: D. G. Pausky D. L. Yancey; D. D. Siemonsma;
R. C. Seawright; J. J. Starks

Corpus Christi: R. R. Graham; L. W. Hartman; S. W. Eason;
W. E. Clark

Pampa: R. G. Guard; L. E. Moore; L. T. Johnston;
C. R. Jones; P. D. Ley

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