PLAINTIFF'S EXHIBIT

B&R-244

SPECIAL CONDITIONS

PHASE I PROJECT AT THE

BAYTOWN CHEMICAL PLANT

1. DESCRIPTION OF PROJECT

The project, as a whole, is the construction of the Baytown Chemical Plant (Plant) located in Baytown, Texas for Exxon Chemical Company, U.S.A. (Owner).

2. SALES/USE TAX

Subcontractor shall include all Texas State and local sales/use taxes in his proposal.

3. SAFETY, CLEANLINESS AND SANITATION

The following provisions supplement Article 8 of the General Conditions:

A. Subcontractor shall be responsible for safety related to and during the prosecution of work on Owner's property to protect work, workers, the public and all other people, Owner's property and the property of third parties.

B. Subcontractor shall observe and comply with all safety and health standards promulgated by the Secretary of Labor under Section 107 of the Contract Work Hours and Standards Act, published in 29 CFR Part 1518 and adopted by the Secretary of Labor as Occupational Safety and Health Standards under the Williams-Steiger Occupational Safety and Health Act of 1970. Such Safety and Health Standards shall apply to all lower tier subcontractors and their employees as well as to the Subcontractor and its employees.

C. Subcontractor shall comply and obtain compliance by lower tier subcontractors, with Owner's publication entitled, "Contractor's Responsibilities for Safety, Plant Protection, and Traffic Regulations", latest edition, a copy of which is attached hereto as Exhibit A and made a part hereof.

4. DELAYS

The following provision hereby supplements Article 9 of the General Conditions:

No extension of time shall be granted Subcontractor because of:

a. late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences, or

b. late performance by a subcontractor caused by a shortage of supervisors or labor, inefficiencies, or similar occurrences

unless the delay arises out of a FORCE MAJEURE occurrence (an occurrence other than described in paragraphs a and b above) and is beyond both Subcontractor's and lower tier subcontractor's or supplier's control and an alternate acceptable source of services, equipment or materials is unavailable.

5. WORKMEN AND EMPLOYMENT PRACTICES

The following provisions supplement Article 13 of the General Conditions:

A. Subcontractor is aware of and is fully informed of subcontractor's responsibilities under Executive Order 11246 and shall file compliance reports as required by Section 203 of Executive Order 11246 and otherwise comply with the requirements of such order.

B. Subcontractor shall be bound by and agrees to the following provisions as contained in Section 202 of Executive Order 11246, to wit:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared inelegible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance:

Provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

C. Subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. Subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local customs or otherwise. He further agrees that (except where he has obtained identical certifications from proposed lower tier subcontractors for specific time periods) he will obtain identical certifications from proposed lower tier subcontractors prior to the award of sub-subcontracts exceeding $10,000 which are not exempt from the provisions of Equal Opportunity Clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed lower tier subcontractors (except where the proposed lower tier subcontractors have submitted identical certifications for specific time periods): NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES. A Certification of Nonsegregated Facilities, as required by the May 9, 1967, order on Elimination of Segregated Facilities, by the Secretary of Labor (32 Fed. Reg. 7439, May 19, 1967), must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (e.g., quarterly,

semiannually, or annually). (1968 MAR.) Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001).

D. Requirement for Employment of the Handicapped as written below.

This clause applies to all nonexempt subcontracts which exceed $2,500 as follows: (1) Part A applies to subcontracts which provide for performance in less than 90 days, (2) Part A and B apply to subcontracts which provide for performance in 90 days or more and the amount of the subcontract is less than $500,000, and (3) Parts A, B, and C apply to subcontracts which provide for performance in 90 days or more and the amount of the subcontract is $500,000 or more.

PART A

(a) The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The Contractor agrees that, if a handicapped individual files a complaint with the Contractor that he is not complying with the requirements of the Act, he will (1) investigate the complaint and take appropriate action consistent with the requirements of 20 CFR 741.29 and (2) maintain on file for three years, the record regarding the complaint and the actions taken.

(c) The Contractor agrees that, if a handicapped individual files a complaint with the Department of Labor that he has not complied with the requirements of the Act, (1) he will cooperate with the Department in its investigation of the complaint, and (2) he will provide all pertinent information regarding his employment practices with respect to the handicapped.

(d) The Contractor agrees to comply with the rules and regulations of the Secretary of Labor in 20 CFT Ch VI, Part 741.

(e) In the event of the Contractor's noncompliance with the requirements of this clause, the contract may be terminated or suspended in whole or in part.

(f) This clause shall be included in all subcontracts over $2,500.

PART B

(g) The Contractor agrees (1) to establish an affirmative action program, including appropriate procedures consistent with the guidelines and rules of the Secretary of Labor, which will provide the affirmative action regarding the employment and advancement of the handicapped required by P.L. 93-112, (2) to publish the program in his employee's or personnel handbook or otherwise distribute a copy to all personnel, (3) to review his program on or before March 31 of each year and to make such changes as may be appropriate, and (4) to designate one of his principal officials to be responsible for the establishment and operation of the program.

(h) The Contractor agrees to permit the examination by appropriate contracting agency officials or the Assistant Secretary for Employment Standards of his designee, of pertinent books, documents, papers and records concerning his employment and advancement of the handicapped.

(i) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Assistant Secretary for Employment Standards, provided by the contracting officer stating contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment and the rights and remedies available.

(j) The Contractor will notify each labor union or representative of workers with which he has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Section 503 of the Rehabilitation Act, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(k) The Contractor agrees to submit a copy of his affirmative action program to the Assistant Secretary for Employment Standards within 90 days after the award to him of a contract or subcontract.

(l) The Contractor agrees to submit a summary report to the Assistant Secretary for Employment Standards, by March 31 of each year during performance of the Contract, and by March 31 of the year following completion of the contract, in the form prescribed by the Assistant Secretary, covering employment and complaint experience, accommodations made and all steps taken to effectuate and carry out the commitments set forth in the affirmative action program.

E. Subcontractor shall comply, and secure compliance by its lower tier subcontractors, with the requirements of Fair Labor Standards Act of 1938, as amended.

F. Field employees of subcontractor and its lower tier subcontractors engaged in the performance of sublet work on Owner's property shall be governed by the following provision:

i. Compensation rates for employees up through craft foremen level shall not exceed prevailing rates for the area where work is performed, and policies relative to fringe benefits shall not be more liberal than prevailing practices. Before Subcontractor or any lower tier subcontractor commences any field operations, Subcontractor shall have obtained Owner's approval of its proposed salary and wage ranges and fringe benefits, by job classifications, for such employees. No changes shall be made in said salary and wage ranges and fringe benefits without General Contractor's prior approval it being understood that Subcontractor normally adjusts salaries, salary and wage ranges and wages annually.

ii. If requested by General Contractor, Subcontractor shall furnish General Contractor with name and addresses of its lower tier subcontractors, field employees of Subcontractor or its lower tier subcontractors, or others who have performed or are performing work under subcontract.

6. LAWS

The following provision hereby supplements Article 30 of the General Conditions:

Subcontractor shall defend, indemnify and hold harmless General Contractor and/or Owner from any liability or penalty which may be imposed on General Contractor and/or Owner by reason of any alleged violation or violation of Law by Subcontractor or its

sub-subcontractors and also from all claims, suits or proceedings that may be brought against General Contractor and/or Owner arising under, growing out of, or by reason of work with respect to such alleged violation or violation of Law whether brought by employees of Subcontractor or its sub-subcontractors, by third parties or by any governmental authority.

7. PATENTS AND PROPRIETARY RIGHTS

The following provision supplements Article 25 of the General Conditions:

Subcontractor agrees to abide by and to obtain acceptance of the following patents hold-harmless provision by all lower tier subcontractors and vendors:

> "Except and to the extent that items purchased herein are made to the design, specifications or instructions of Exxon Chemical Company, U.S.A., an operating division of Exxon Chemical Company, a division of Exxon Corporation (herein referred to as Exxon Chemical Company, U.S.A.), seller shall indemnify and hold harmless purchaser and Exxon Chemical Company, U.S.A., their successors, assignees, vendees, and users of said items from and against any and all claims, demands, losses, costs and liabilities arising out of or resulting from the actual or alleged infringement of any rights under patents or any litigation based thereon."

8. TECHNICAL INFORMATION

a. Subcontractor shall hold in confidence and not divulge to third parties or use in any way other than for accomplishing sublet work, any technical information disclosed, directly or indirectly, to Subcontractor by General Contractor and/or Owner or its affiliates in regard to sublet work, including any changes or suggested changes with respect to sublet work or any processes, process data or correlations or any drawings or designs showing the equipment, devices and machinery in which and by which the processing is to be performed or carried out, which are provided by General Contractor and/or Owner or its affiliates, or are prepared for General Contractor and/or Owner by Subcontractor, without General Contractor's and/or Owner's prior approval so long as and to the extent that such information is not in the public domain, or was not prior to receipt from General Contractor and/or Owner or an affiliate of Owner already in the possession of Subcontractor, or is not received by Subcontractor, after receipt from General Contractor and/or Owner or its affiliates, from a third party who does not require Subcontractor to hold it in confidence and who did not acquire such information directly or indirectly, from General Contractor and/or Owner or its affiliates. For the purpose of the provisions of this paragraph, disclo-

sures relating to sublet work which are specific, e.g., as to equipment, products or operating conditions, shall not be deemed to be in the public domain or in the prior possession of Subcontractor merely because they, or individual features thereof, are embraced by general disclosures in the public domain or are in the possession of Subcontractor, unless the combination itself and its principle of operation are in the public domain or in the possession of Subcontractor.

b. Nothing contained herein shall prevent Subcontractor from using information it can show was lawfully disclosed to it in writing by a third party who did not acquire it, directly or indirectly, from General Contractor and/or Owner or its affiliates in accordance with the terms under which such information is disclosed to Subcontractor by said third party.

c. In the event Subcontractor files a patent application in which any of the technical information provided to Subcontractor by General Contractor and/or Owner or by any subsidiary or affiliate of Owner is disclosed, Subcontractor agrees to provide General Contractor with a copy of such application. If such application includes technical information which General Contractor and/or Owner or its affiliates consider proprietary, Subcontractor shall not permit the publication in any country of a patent based on such application without General Contractor's and/or Owner's prior approval.

9. SUBCONTRACTOR'S DRAWINGS, SPECIFICATIONS, ETC.

All drawings, specifications, requisitions, purchase orders and other pertinent documents, and the designs, concepts and technical information contained thereon, prepared by Subcontractor or its lower tier subcontractors pursuant to subcontract may be used by or for General Contractor or Owner or for any subsidiary or affiliate of Exxon Corporation without limitation for: construction, operation, modification, revamp, bottleneck removal, repair and maintenance of Plant; replacing any portion of Plant from any source; duplicating any portion of Plant or the entire Plant; or designing or constructing other plants, subject only to the following exception.

If certain drawings, specifications, requisitions, purchase orders and other pertinent documents are to be prepared by Subcontractor for General Contractor which contain special design or technical information originating with Subcontractor, which special design or technical information should not be divulged to Subcontractor's competitors, Subcontractor shall give notice to General Contractor and supply a descriptive list of the items placed in this category as a part of said notice. Such special design or technical information shall be incorporated into sublet work only with General

Contractor's prior approval, and when so incorporated, General Contractor's and/or Owner's right to use said special design or technical information will be limited for a period of seven (7) years from May 7, 1975 unless otherwise expressly permitted in writing by Subcontractor to purposes of construction, operation, modification, revamp, bottleneck removal, repair and maintenance of Plant so long as and to the extent that said special design or technical information is not in the public domain or was not prior to receipt from Subcontractor already in the possession of General Contractor or Owner or any of its affiliates, or is not received by General Contractor or Owner or its affiliates after receipt from Subcontractor from a third party who did not require such information, directly or indirectly, from Subcontractor. The documents or parts thereof, containing said special design or technical information shall be identified by a special stamp or legend, the wording of which shall be agreed by Subcontractor and General Contractor.

10. INSPECTION AND QUALITY CONTROL

The following provision supplements Paragraph 7 of the General Conditions:

A. Subcontractor shall be responsible to see that inspecting and testing of the component parts of work, including its subcontractors' work, required by Law is provided.

B. General Contractor shall have the right at all times to inspect, or witness the test of, any part of Sublet Work at any place where equipment or materials are located or in preparation or at work site. Inspection or non-inspection, or witnessing or non-witnessing, by General Contractor shall not be construed as acceptance of any part of sublet work nor as relieving subcontractor of its responsibility for said items complying with Job Specification and being free from defects and capable of performing their respective functions.

C. If Law requires inspection or test of any part of Work at any place where equipment or materials are located or in preparation or at work site, Subcontractor shall advise General Contractor, sufficiently in advance, of the arrangements for said inspection or test.

D. General Contractor shall have the right to inspect all construction tools and equipment when they are brought on work site and at any time during the progress of sublet work. If any tool or item of equipment is, in the judgement of General Contractor, unsafe or incapable of doing the work for which it is intended, Subcontractor shall repair or replace it with a safe and capable tool or item of equipment. The foregoing does not relieve Subcontractor of its responsibility for safety related to construction tools and equipment pursuant to Article 8 - Safety.

11. TITLE TO AND RESPONSIBILITY FOR SUBLET WORK AND MATERIALS

The following provision supplements Paragraph 16 of the General Conditions:

Subcontractor shall be responsible for and shall make good to the satisfaction of General Contractor any damage to, or destruction or loss of, existing structures, and other property belonging to Owner or for which General Contractor and/or Owner are responsible arising out of any act or omission of Subcontractor, its officers, employees, agents, representatives or lower tier subcontractors, without regard to whether any acts or omissions of General Contractor and/or Owner or other parties contributed to the property damage. However, Subcontractor shall not be responsible for any property damage caused by sole negligence of General Contractor or Owner.

12. CONFIDENTIALITY

The following provision supplements Paragraph 28 of the General Conditions:

Subcontractor shall not unnecessarily disclose to its lower tier subcontractors and vendors the name or location of Owner. Subcontractor shall also require its sub-subcontractors and vendors to comply with this requirement.

13. CHANGES

The following provision supplements Paragraph 12 of the General Conditions:

If, during the prosecution of Sublet Work, Subcontractor believes that any instruction, interpretation or decision received from General Contractor and/or Owner or that any act of General Contractor and/or Owner or Engineering Contractor affects Subcontractor's work and should be treated as a change pursuant to the provisions of subcontract, then Subcontractor shall give prompt notice to General Contractor prior to proceeding with the sublet work affected. If General Contractor agrees that said instruction, interpretation, decision or act requires a change, General Contractor will authorize said change.

No change will be authorized by General Contractor if Subcontractor has proceeded with the work affected by said instruction, interpretation, decision or act prior to giving the aforesaid notice to General Contractor.

14. LIENS

The following provision supplements Paragraph 15 of the General Conditions:

Subcontractor shall ensure that there is no reservation of ownership or security interest from suppliers of materials or equipment to Subcontractor. If unable to fulfill this obligation Subcontractor shall immediately give written notice to General Contractor.

15. GENERAL CONTRACTOR'S AUDIT RIGHTS

General Contractor's duly authorized representatives shall have access, at all reasonable times, to all Subcontractor's and lower tier subcontractors' personnel, job descriptions, employment and qualification records, books, records, correspondence, instructions, plans, drawings, receipts, vouchers, data stored in computers and memoranda of every description pertaining to sublet work under subcontract for the purpose of auditing and verifying costs of sublet work or for any other reasonable purpose. General Contractor's representatives shall have the right to reproduce any of the aforesaid documents. Subcontractor shall preserve, and shall cause its lower tier subcontractors to preserve, all the aforesaid documents for a period of two years after completion and acceptance or termination of sublet work.

16. CONSTRUCTION TOOLS AND EQUIPMENT

If General Contractor requests, Subcontractor shall issue an itemized tool list giving the quantity and description of all construction tools and equipment at Work Site.