PLAINTIFF'S EXHIBIT

ETCO-816

Brown & Root, Inc. Post Office Box Three, Houston, Texas 77001

January 3, 1980

Bowen Industries, Inc.
612 Berry Road
Houston, TX 77022

Attn: Mr. R. T. Bowen

Subject: Subcontract No. 27-4060-5040
HVAC
Ethyl Corporation
Pasadena, Texas

Dear Mr. Bowen:

The attached fully executed copy of subject Subcontract No. 27-4060-5040 is for your files.

Very truly yours,

BROWN & ROOT, INC.

D. L. Seyfert
Subcontract Administrator
Subcontracts Department
Procurement Division

DLS/jaa

Enclosure

bcc: E. Kernan (w/original)
R. Cadwell (w/o copy)
J. Morrow (w/copy)
J. Brooks (w/copy)
RF/RMB
RF/CIRC
File - S/C 27-4060-5040
File - Alphabetical

00391

Form P-160 (1-79)

Brown & Root, Inc.

/fs

SUBCONTRACT

Job Number 27-4060

Subcontract No. 27-4060-5040

Ethyl Corporation
Miscellaneous Construction Work
Pasadena, Texas
(Project)

Heating, Ventilation and Air Conditioning Systems (HVAC)
(Sublet Work)

November 13, 1979
(Effective Date)

THIS SUBCONTRACT, by and between BROWN & ROOT, INC., a Texas Corporation, P. O. BOX 3, HOUSTON, TEXAS 77001, "GENERAL CONTRACTOR" and,

Bowen Industries, Inc.

a Corporation (Corporation, Proprietorship, Partnership) under laws of Texas (State)

whose address is 612 Berry Road, Houston, TX 77022 (713) 694-5883

"SUBCONTRACTOR," whose contractor's license number under laws of N/A

is N/A, entered into as of the EFFECTIVE DATE stated above,

WITNESSETH:

In consideration of the mutual promises herein contained General Contractor and Subcontractor agree, promise, and obligate themselves as follows:

1. Subcontractor promises to perform the Sublet Work for the Project in accordance with the Contract Documents.

2. General Contractor promises to pay Subcontractor, for full, accurate and timely performance of the Sublet Work in accordance herewith, the Price and other payments, and promises to perform all of the other obligations of General Contractor, as set forth in the Contrac. Documents.

3. The Contract Documents constituting this Subcontract consist of:

a. "Subcontract Terms" and exhibits thereto.

b [illegible]

c. "General Conditions"

d. "Affidavit for Subcontractor"

e.

f.

Project Account Code 27-4060
Vendor Code No. 02664407
Price: $ 39,341.00
Terms: Payment #7

00392

Subcontract No. 27-4060-5040

The foregoing constitutes the entire contract, and supersede all prior proposals, negotiations, agreements, awards, letter of intent and written or oral statements, representations or agreements.

4 The Effective Date set forth above is the date as to which all Contract Documents and provisions thereof have reference for purposes of coordination of their meaning and effect. The price relates to the Sublet Work as described in drawings, specifications and other Contract Documents in their condition on that date. Changes after the effective date will be dealt with in accordance with the provision for changes. Any work commenced and any payment made pursuant to an Award or Letter of Intent prior to the execution hereof shall be deemed to have been done and paid after the Effective Date under the terms of this Subcontract.

GENERAL CONTRACTOR:

BROWN & ROOT, INC.

By: _____
D. E. Newton, Jr.

Title: Vice President - Procurement

Date: 1/2/80

SUBCONTRACTOR:

Bowen Industries, Inc.

By: _____

Title: S.V.P.

Date: 12-28-79

SUBCONTRACT TERMS

SUBCONTRACT NO. 27-4060-5040

1. SUBLET WORK

1.1 The Sublet Work in general is to design, furnish, deliver and install the heating, ventilating and air conditioning (HVAC) systems for the JF-4 Control Room at the Ethyl Corporation plant in Pasadena, Texas.

1.2 More specifically, the Subcontractor agrees to perform the Sublet Work which consists of furnishing all labor, materials, equipment, tools, scaffolding, rigging, warehousing, supervision, transportation, taxes, insurance, accounting, management, administration and all other things necessary (except for those items described in items 1.5, 1.6 and 3 hereunder) to perform the Sublet Work described herein for the Project at the above described location. All Sublet work shall be performed in accordance with and pursuant to the requirements of the drawings and specifications described hereunder, and all other provisions of the Subcontract documents.

1.3 Sublet Work shall include installation of all sheet metal including ducts, access doors, casings, plenum chambers, joints, reinforcing hangers, insulation, refrigerant piping, controls and mechanical equipment.

1.4 Sublet Work shall include the calibration and air balancing of the HVAC system.

1.5 Sublet Work shall not include the following:

1.5.1 Air inlet stack supports

1.5.2 Concrete pads and pad flashings

1.5.3 Wall and roof penetrations

1.5.4 Painting

1.5.5 Setting major equipment in place

1.5.6 Power wiring

1.5.7 Piping (other than refrigerant piping as stated in item 1.3 above)

1.6 HVAC controls and mechanical equipment will be furnished by Owner for installation by Subcontractor.

2. DRAWINGS AND SPECIFICATIONS

2.1 The Sublet Work shall be performed in accordance with, and all Bill of Material quantities developed by the Subcontractor shall comply and conform to the requirements, of, the project drawings and specifications identified hereunder, all of which are hereby incorporated into this Subcontract by reference.

2.1.1 SP-92-1 (Hot Insulation)

2.1.2 SP-92-2 (Cold Insulation)

2.1.3 SP-59-1 (HVAC Sheetmetal Duct)

2.1.4 SP-41-1 (Built up Roofing)

2.1.5 HG-2-7 Round Duct Flanged with Companion Angle

2.1.6 HC-1-10 Interior Insulation for Duct Work

3. SERVICES AND MATERIALS PROVIDED BY GENERAL CONTRACTOR

General Contractor will furnish to Subcontractor the following items:

3.1 Potable water

3.2 110 volt electrical supply for small tools

3.3 Parking for employees (outside the gate)

3.4 Sanitary facilities to be shared with others

4. TIME OF PERFORMANCE

4.1 Subcontractor shall perform all Sublet Work in accordance with the schedule of the General Contractor's Project Manager or his duly authorized representative. The current construction schedule is shown in Subcontract Term No. 4.2 hereunder.

4.2 Subcontractor shall commence with all activities related to performance of the Sublet Work as of the effective date of this Subcontract. That portion of the Sublet Work which is to be performed by the Subcontractor at the jobsite shall commence on or about December 15, 1979 and all aspects of the Sublet Work shall be completed on or about February 15, 1979.

4.3 Subcontractor shall maintain contact with the General Contractor's Project Manager, or his duly authorized representative, for the purpose of scheduling and coordinating this Subcontract.

5. SUBCONTRACT PRICE

5.1 General Contractor agrees to pay the Subcontractor for complete, satisfactory, and timely performance of the Sublet Work strictly in accordance with the drawings, specifications, and requirements of all the Subcontract Documents the following Firm Lump Sum Price, inclusive of all sales and use taxes:

THIRTY-NINE THOUSAND, THREE HUNDRED FOURTY-ONE DOLLARS AND NO CENTS
(Words)

$39,341.00
(Figures)

6. PAYMENT AND PERFORMANCE BONDS

As of the effective date of this Subcontract, there is no requirement to furnish separate 100% Payment and Performance Bonds. However, at General Contractor's option, this requirement may at any time be re-instated in accordance with the provisions of General Condition 19 herein.

7. PAYMENT

7.1 The following paragraph supplements Paragraph Number 32 of the General Conditions:

Subcontractor shall be paid in monthly progress payments the value of the Sublet Work satisfactorily performed during the preceding month based upon the firm lump sum price detailed and described in Subcontract Term NO. 5 less 10% of such value as retainage until final completion and acceptance of the Sublet Work by General Contractor. Subcontractor shall prepare and submit an invoice for the proposed monthly progress payments and shall submit supporting documents and proof of payment of all bills for labor and materials, as may be requested by General Contractor. Subcontractor's invoice for proposed monthly progress payments with requested supporting documents and proof of payment of all bills will be submitted for approval by General Contractor and when approved, payment shall be made within thirty days thereafter. Final payment and release of retainage shall be made when the Sublet Work has been satisfactorily completed and accepted and Subcontractor has submitted the affidavit as called for in Subcontract Term No. 8.

8. AFFIDAVITS

Two copies of the General Contractor's "Affidavit for Subcontractor" (Form P-7) are attached. Subcontractor shall execute and return one copy with his final invoice.

9. INVOICES

9.1 Subcontractor shall render all invoices in quadruplicate to the following address:

Brown & Root, Inc.
209 N. Main St.
Pasadena, Texas 77506

Attn: Accounts Payable

10. LABOR RELATIONS

The following supplements paragraph number 14 of the General Conditions.

Subcontractor represents that its pre-hiring collective bargaining agreements, if any, contain or will contain provisions that, or Subcontractor has entered into or will enter into a project agreement modifying such collective bargaining agreements to provide that, there shall be no strikes, slowdowns, picketing, secondary boycotts, or work stoppages during the performance of the Sublet Work. Subcontractor will further subcontract only to lower tier Subcontractors having a similar provisions in their collective bargaining agreements, if any.

11. COMPLIANCE WITH PRESIDENT'S COUNCIL GUIDELINES

In accepting this subcontract the Subcontractor warrants that the Guidelines established by the President's Council on Wage and Price Stability have been adopted voluntarily, and that the prices shown are in compliance therewith.

12. INSURANCE

Subcontractor shall forward his Certificate of Insurance stating the names of its Insurance Carriers and certifying that its insurance coverages meet the requirements set forth in General Condition No. 21 herein to the following address:

Brown & Root, Inc.
P. O. Box 3
Houston, TX 77001

Attn: D. L. (Don) Seyfert
(01-115) (676-8452)

NOTE: This Affidavit is to be ex ted and returned with final or retainar nvoice.

BROWN & ROOT, INC.

P.O. Box 3 Houston, Texas 77001

"AFFIDAVIT FOR SUBCONTRACTOR"

RE: SUBCONTRACT
NO. 27-4060-5040

Name of Subcontractor: _____

Date of Subcontract: _____

Name of Owner under General Contract: _____

WHEREAS, The above-named Subcontractor, heretofore, entered into the above-referenced Subcontract with BROWN & ROOT, INC., as a General Contractor for performance by Subcontractor of Sublet Work under the above-referenced General Contract; and

WHEREAS, Under said Subcontract certain monies are not due and payable unto Subcontractor until all bills for labor, material and other charges arising in the performance of the Sublet Work have been fully paid by the above Subcontractor;

NOWTHEREFORE, For the purpose of inducing BROWN & ROOT, INC., to pay over such monies unto the above Subcontractor, the undersigned affiant does depose, say, affirm and represent to BROWN & ROOT, INC., that all bills for labor, material, re-sublet work, equipment rental, taxes, insurance and all other charges arising in the performance of the Sublet Work have been fully paid by or for the above Subcontractor, except as follows:

_____

Title: Name:
For Subcontractor

SUBSCRIBED AND SWORN TO before me this the _____ day of _____, 19 _____, to certify which witness my hand and seal of office.

_____
NOTARY PUBLIC

County of _____

State of _____

00398

NOTE: This Affidavit is to be ex[illegible] ted and returned with final or retaina[illegible] nvoice.

BROWN & ROOT, INC.

P.O. Box 3 Houston, Texas 77001

"AFFIDAVIT FOR SUBCONTRACTOR"

RE: SUBCONTRACT
NO. 27-4060-5040

Name of Subcontractor: _____

Date of Subcontract: _____

Name of Owner under General Contract: _____

WHEREAS, The above-named Subcontractor, heretofore, entered into the above-referenced Subcontract with BROWN & ROOT, INC., as a General Contractor for performance by Subcontractor of Sublet Work under the above-referenced General Contract; and

WHEREAS, Under said Subcontract certain monies are not due and payable unto Subcontractor until all bills for labor, material and other charges arising in the performance of the Sublet Work have been fully paid by the above Subcontractor;

NOWTHEREFORE, For the purpose of inducing BROWN & ROOT, INC., to pay over such monies unto the above Subcontractor, the undersigned affiant does depose, say, affirm and represent to BROWN & ROOT, INC., that all bills for labor, material, re-sublet work, equipment rental, taxes, insurance and all other charges arising in the performance of the Sublet Work have been fully paid by or for the above Subcontractor, except as follows:

_____

Title: Name:

For Subcontractor

SUBSCRIBED AND SWORN TO before me this the _____ day of _____, 19 _____, to certify which witness my hand and seal of office.

_____

NOTARY PUBLIC

County of _____

State of _____

GENERAL CONDITIONS

1. INVESTIGATION OF SITE AND PROJECT CONDITIONS

Subcontractor represents that he is familiar with the site and the physical conditions, the availability of labor and materials and all other matters at the site or in the vicinity of the site which affects the Sublet Work. Subcontractor represents that he has examined the subcontract document and familiarized himself with the Project, the laws, rules and regulations relating to the Project; the environmental considerations affecting the Project and the Sublet Work; the participants in the Project; and the contractual and regulatory provisions of governmental agencies, the Owner and General Contractor affecting the participants in the Project and the Sublet Work. No allowance will be made to Subcontractor for not having made such examination and review or for requirements which a reasonable examination, inquiry and review would have disclosed.

2. RESPONSIBILITY

a. Subcontractor agrees to perform the Sublet Work in accordance with good construction practices and the plans, specifications and other requirements of this Subcontract, and to furnish all supervision, labor, supplies, tools, construction equipment, facilities, storage, permanent equipment and materials (except as specified herein to be furnished by Owner or General Contractor) and all other things and services necessary or desirable to perform the Sublet Work.

b. Subcontractor shall be responsible for the correctness of the positions, levels and dimensions of the Sublet Work, notwithstanding the Subcontractor may have been assisted by the General Contractor or any other Contractor in setting out the same; and if at any time during the performance of the Sublet Work, any error shall appear or arise therein, the Subcontractor shall immediately advise the General Contractor's Site Representative and await instructions for removal and replacement or performance of corrective work, before proceeding with that portion of the Sublet Work.

c. All work which is manifestly necessary to carry out the intent of the drawings and specifications pertaining to the Sublet Work, or which is customarily done in performing this type of work for the Owner or General Contractor, shall be performed by the Subcontractor as a part of the Sublet Work.

3. COORDINATION OF THE PROJECT

General Contractor is charged with the responsibility of accomplishing the work of the entire Project, or a significant portion thereof, in accordance with drawings, specifications, permits, licenses, rules and regulations, laws and ordinances, and requirements of the Owner. The contract price provisions, and the definition of requirements of the Sublet Work, as of the effective date, are coordinated and identified in the Subcontract Terms. General Contractor is charged with the responsibility of coordinating the efforts of all, or a significant portion of, the participants in the Project, including various subcontractors, specialty service contractors, suppliers, and other workmen, and the direct employees of General Contractor. Subcontractor agrees to perform the Sublet Work as part of the team of participants in the Project in cooperation with all other participants, and subject to all reasonable rules, regulations, and directives of General Contractor (a) for the coordination of the work of all participants, (b) for the maintenance of safety, efficiency, security and good order on the Project as a whole, (c) for compliance with the terms hereof, and (d) for the protection of the environment and the rights of the public.

4. SCHEDULING SUBLET WORK

Subcontractor agrees to commence the Sublet Work promptly when directed by General Contractor and to prosecute the Sublet Work diligently to completion. Subcontractor agrees to provide adequate number and types of: (a) laborers, skilled craftsmen and technicians, supervisors, administrators, and managers, (b) construction equipment in good condition, (c) materials, permanent equipment, and supplies, except for items specified to be supplied by General Contractor or Owner, to accomplish the work and maintain the Schedule or restore the Sublet Work to the Schedule. Subcontractor shall provide General Contractor a detailed Schedule for performance of the Sublet Work and shall revise and update such Schedule from time to time as the work on the Project progresses. The Schedule for the Sublet Work shall be subject to revision or approval by General Contractor to coordinate the Sublet Work with the over-all rate of progress of General Contractor and other participants in the Project as a whole, and to expedite performance of critical items of work on the schedule. General Contractor will schedule and coordinate the use by Subcontractor and others of jointly used facilities, construction equipment, and space, and Subcontractor shall accomodate its Schedule to such shared use. General Contractor will determine the normal working hours for the Project as a whole, and any special working hours for the Sublet Work on a normal shift or overtime basis will be subject to prior approval of General Contractor.

5. INTEGRATION WITH WORK OF OTHERS

Subcontractor shall inform itself regarding the nature, condition and state of progress of work of others which affects or connects with the Sublet Work. Before connecting Sublet Work to work of others, Subcontractor shall ascertain that such work of others is ready, properly aligned, and in suitable condition for such connection and integration with the Sublet Work, and shall report any discrepancies to General Contractor for adjustment prior to proceeding. Subcontractor is not charged with notice of latent defects in the work of others of which he has no actual knowledge.

6. ALLOCATION OF FACILITIES

General Contractor will designate for use by Subcontractor, entrances, parking areas, storage areas, office and work areas, and such facilities and construction equipment as General Contractor is to provide. General Contractor will allocate, and schedule the use of, such common facilities and utilities as are provided by General Contractor for use of Subcontractor and other participants in the Project. Temporary interruption of services, utilities and use of facilities are anticipated and shall not justify a claim for additional compensation.

7. INSPECTION AND QUALITY CONTROL

The Sublet Work shall be performed to the specified standards of workmanship and strictly in accordance with drawings, specifications, procedures, and other requirements of this Subcontract. General Contractor shall have the right to inspect the Sublet Work and Subcontractor's equipment, tools, records and facilities at all times. No work shall be covered until inspected and released in accordance with established inspection procedures, and any work improperly covered shall be uncovered and exposed by Subcontractor for inspection on request. Inspection and approval shall not relieve Subcontractor of the obligation to complete the entire Sublet Work in strict compliance with the requirements of this Subcontract. Any defective Sublet Work shall be discontinued, removed and replaced or corrected in accordance with specifications and directions of General Contractor. Subcontractor shall furnish for the Sublet Work all Quality Assurance and Quality Control documentation, as required by General Contractor for the Project as a whole or for the specific part thereof affected by the Sublet Work.

8. SAFETY, CLEANLINESS AND SANITATION

Subcontractor shall comply with all applicable laws, rules and regulations relating to safety. Subcontractor

justment. If the cost plus fee method is directed by General Contractor the adjustment will be based on the direct cost of the change in the work using the formula established in the Subcontract Terms or by other agreement. In the absence of agreement, Subcontractor shall be paid all actual, direct additional cost incurred, without allocation of home office general and administrative expense, plus 10% of such costs, and Subcontractor shall maintain and furnish General Contractor accurate and detailed records daily segregating the cost of the change in the Sublet Work. In case of deletion or reduction of the Sublet Work by such change, Subcontractor shall not be entitled to anticipated contribution to home office overhead and profit from any portion of the Sublet Work not performed.

13. WORKMEN AND EMPLOYMENT PRACTICES

Subcontractor shall provide competent and adequately trained and skilled personnel. Subcontractor shall, on request, remove from the Project any person found by General Contractor to be incompetent, unsafe, disorderly, unreliable, or unwilling to comply with regulations. Subcontractor shall provide badges, color codes, or other symbols or identification for its employees, tools and equipment, in accordance with the system specified by General Contractor. Subcontractor shall cooperate in security measures for the prevention of theft, pilferage, and waste. Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, age, or for any reason prohibited by law. Subcontractor agrees to participate and cooperate in the implementation of any Affirmative Action Plan for equal employment opportunity adopted for the Project as a whole. To the extent applicable to the Sublet Work on this Project, Subcontractor shall comply with Executive Order 11246, or any amendment, replacement or counterpart thereof, and the parties mutually represent that they are familiar with such provisions and agree that a full copy thereof may be incorporated herein by either party by attachment at any time.

14. LABOR RELATIONS

Subcontractor shall comply with the National Labor Relations Act, any applicable Right to Work law, and any other applicable law related to labor relations. Subcontractor shall give General Contractor notice and full information regarding any existing or impending labor dispute affecting the Sublet Work or any part of the work on the Project as a whole. Subcontractor shall cooperate in any effort by General Contractor to mediate or otherwise attempt to resolve work stoppages, slowdowns, boycotts, disturbances, strikes, picketing or labor disputes affecting any participant in the Project or affecting any part of the Project as a whole, but Subcontractor shall have exclusive control and responsibility for its own labor relations. No such condition shall excuse Subcontractor from the obligation to diligently prosecute the work, unless, in the opinion of General Contractor, or if so determined by the chief local law enforcement officer, there is clear and substantial danger of bodily harm or property damage to Subcontractor's employees if they should undertake to enter the project site and perform their work. If Subcontractor has pre-hiring collective bargaining agreements, Subcontractor represents that they contain or have been modified to contain provisions prohibiting any strike, slow down, picketing, secondary boycotts or work stoppage during performance of the Sublet Work, and that the acceptance of the Sublet Work from General Contractor on this project does not violate such agreement.

15. LIENS

To the extent permitted by law, Subcontractor, for itself and all of its lower tier subcontractors and all laborers, mechanics and materialmen hereby waive and agree not to claim any lien against the Sublet Work, but shall rely solely upon the general credit of General Contractor. Subcontractor shall pay or cause to be paid when due, all bills for labor, materials, equipment or services connected with the Sublet Work, and shall not itself assert any lien or permit any lien to be asserted or maintained against the Project or any funds or land involved in the Project. General Contractor may pay directly any such valid obligation of Subcontractor, and Subcontractor shall indemnify General Contractor against any such obligation.

16. TITLE TO AND RESPONSIBILITY FOR SUBLET WORK AND MATERIALS

The Sublet Work in progress and all of the Owner and General Contractor-furnished items and all of Subcontractor-furnished material, equipment, plant, facilities, fabricated items, supplies, drawings, data, and contract rights intended for the Sublet Work shall be the property of General Contractor from the earliest moment of identification to the Sublet Work, subject to General Contractor's obligation to pay the price in accordance with the Subcontract. Notwithstanding General Contractor's or Owner's title thereto, Subcontractor shall be responsible for the care, custody, control and safekeeping and preservation of all Owner-furnished, General Contractor-furnished, or Subcontractor-furnished labor, materials, plant equipment, supplies and other things to promptly repair or replace any such which is damaged or lost, and to complete the Sublet Work and to deliver the Sublet Work complete and in accordance with all provisions and requirements hereof at the time specified. Except as otherwise provided in the Subcontract Terms or the Special Conditions, Subcontractor shall bear, without right of reimbursement, the full risk of loss or damage to the Sublet Work and all materials, equipment and other things.

17. SUBCONTRACTING OR ASSIGNMENT

Subcontractor shall not assign this subcontract or any funds due hereunder. Subcontractor shall not subcontract any portion of the Sublet Work without the prior written approval by General Contractor of the lower tier subcontractor and of the form, terms and conditions of the lower tier subcontract. No assignment or subcontracting, even with General Contractor's approval, shall relieve Subcontractor of any obligations hereunder, or create any contractual relationship between such sub-subcontractor and General Contractor or Owner. Any lower tier subcontractor shall assume unto General Contractor all of the obligations of Subcontractor as they relate to such portion of the Sublet Work.

18. RECORDS AND ACCOUNTS

Subcontractor shall maintain good accounting and personnel records reflecting performance of the Sublet Work and shall preserve such records for a period of two years after completion and acceptance of the Project as a whole. General Contractor shall have the right to inspect and audit such part of the records as relate to cost reimbursement or performance of labor related provisions. Copies of documents and records supporting requests for payment or compliance with labor related provisions shall be furnished General Contractor with such request or at such other times as General Contractor directs.

19. BONDS

If instructed by General Contractor in writing, Subcontractor shall provide a Performance Bond and a Payment Bond in form and with corporate surety satisfactory to General Contractor, at any time required by General Contractor, whether before commencement of the Sublet Work or at any time prior to completion and acceptance of the Sublet Work. General Contractor will separately reimburse Subcontractor the premium cost thereof set forth in the Subcontract Terms unless otherwise expressly provided. General Contractor may terminate this Subcontract for default or exercise the rights provided in Paragraph 10 of these General Conditions if Subcontractor should fail to provide such bond when requested.

20. INDEMNITY

Subcontractor hereby indemnifies and holds harmless General Contractor and Owner from any loss, cost, damage

29. INDEPENDENT CONTRACTOR

Subcontractor shall perform the Sublet Work as an independent contractor with exclusive control of the manner and means of performing the Sublet Work in accordance with the requirements of the Contract, unless an agency or other relationship is specified in the Subcontract Terms. Subcontractor has no authority to act or make any agreements or representation on behalf of General Contractor or Owner, and no contractual relationship exists between Subcontractor and Owner. No employee or agent engaged by Subcontractor shall be, or shall be deemed to be, an employee or agent of General Contractor or Owner. In the event General Contractor should, at the request of Subcontractor, furnish workmen to Subcontractor for any purpose to work under the direction and supervision of Subcontractor, such employees of General Contractor shall be deemed to be the borrowed servants of Subcontractor and Subcontractor shall be responsible for their actions while so engaged.

30. LAWS

This Subcontract is entered into in Houston, Texas, and shall be construed and governed by the laws of the State of Texas. Subcontractor shall comply with all laws, statutes, ordinances, rules and regulations of any governmental entity, having jurisdiction, and Subcontractor shall indemnify and hold harmless the Owner and General Contractor from any fines, penalties, costs or liability arising from Subcontractor's failure to comply therewith.

31. DISPUTES

All questions arising under this Subcontract shall be resolved in the first instance by General Contractor's project manager. No claim for additional compensation or extension of time shall be considered unless presented to General Contractor's project manager in writing within ten (10) days after the occurrence giving rise to the dispute. Any claim not satisfactorily resolved by General Contractor's project manager in the first instance, and which is presented in writing within the time provided, may be appealed by notice in writing to the project manager within ten (10) days after the project manager's initial decision, (a) to the engineer for the Project if the issue is interpretation of the drawings or specifications, or compliance of the Sublet Work therewith, in which event the engineer's decision shall be final, (b) to an Executive Officer of General Contractor as provided under Article 10 if the claim arises under Article 10, or (c) to an Executive Officer of General Contractor if any other question under the Subcontract is involved. Such review shall be a prerequisite to any further relief.

32. PROGRESS PAYMENTS AND FINAL PAYMENT

Progress payments will be made by General Contractor to Subcontractor monthly or at other intervals specified, in accordance with the Subcontract Terms. All progress payments are Trust Funds to be applied by Subcontractor to payment for labor, materials, equipment, services and supplies for the Sublet Work. With each request for progress payment, Subcontractor shall submit proper evidence, including affidavits and certificates, as may be requested by General Contractor showing: (a) the portion of the Sublet Work completed, (b) compliance with all requirements of this Subcontract, (c) payment of all bills, and (d) that no lien exists or could be claimed arising from the Sublet Work. General Contractor may withhold from progress payments ten percent (10%) of the amount earned, as retainage until final completion and acceptance (unless otherwise provided in the Subcontract terms), and in addition may withhold such amount as may be reasonably required to assure compliance by Subcontractor with the terms of this Subcontract. General Contractor may pay directly any obligation of Subcontractor arising under this Subcontract and withhold such payment from amounts otherwise due Subcontractor. Subcontractor shall submit with his request for final payment similar evidence and such expressions of warranty and indemnity as are required herein and a release of further claims against Owner or General Contractor. Subcontractor indemnifies General Contractor and Owner against any cost or liability, including attorney's fees, for failure of Subcontractor to perform all its obligations and pay all of its bills as required by this Subcontract.

33. APPLICATION TO COST REIMBURSEMENT TERMS

These General Conditions define the obligations, responsibilities and relationships of Subcontractor and General Contractor, and apply without change whether the terms for payment are fixed price or cost reimbursable or a combination thereof. The price and other payments to be made to Subcontractor for performance of the obligations of these General Conditions are provided for in the Subcontract Terms or other portions of this Subcontract.

34. NOTICES

Notices of changes, deficiencies, delays, claims or disputes shall be in writing, and shall furnish full information to the extent available. The party notified will acknowledge receipt by endorsement of a copy if requested, or will otherwise confirm receipt in writing. Ordinarily, notice will be given by delivery to the General Contractor's project manager, or Subcontractor's designated representative at the site, respectively, and mailing a copy to the address shown in the Subcontract Terms. To avoid difficulty in delivery of Notice, sufficient Notice shall be deemed to have been given by mailing by Registered or Certified Mail or equivalent, to the address shown in the Subcontract Terms.

35. INTEGRATION

The entire agreement between General Contractor and Subcontractor and all negotiations, proposals, representations and interpretations have been integrated into and superseded by the written provisions of this Subcontract. This Subcontract shall be valid and in force when signed by both parties and delivered and the parties understand that thereafter no person is authorized to amend this Subcontract except by agreement in writing and signed with equal formality. These General Conditions may be modified by the Special Conditions for the Project or by the Subcontract terms; and the Special Conditions for the Project may be modified by the Subcontract Terms, and as so modified it is intended that all terms and provisions of this Subcontract shall be construed in harmony and with equal dignity and effect.