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DEC 21 1976

RECEIVED
DEC 17 1976
FRANK J. FATO

EXXON CHEMICAL COMPANY U.S.A.

P. O. Box 4004, Baytown, Texas 77520

EXXON CHEMICALS

December 14, 1976

BAYTOWN CHEMICAL PLANT
J. J. COATES
Manager

AUTHORIZATION OF FOURTH
ASSIGNMENT TO CONTRACT NO. RC-1142

PETROLEUM & CHEMICAL CONSTRUCTION
DATE RECEIVED: DEC 23 1976
☐ CONTRACT; Job No.
☐ PROPOSAL:
☐ FILE:
☐ NEW FILE: Title

PLAINTIFF'S EXHIBIT
B&R-323

Mr. F. J. Fato
Brown & Root, Inc.
P. O. Box 3
Houston, Texas 77001

Dear Mr. Fato:

With reference to our December 13, 1976, telephone conversation, we are pleased to confirm Exxon Chemical Company U.S.A.'s acceptance of Brown & Root's December 7, 1976, proposal for the detailed engineering of the pipe rack and piping crossing the Durham Railroad Yard and San Jacinto River Canal, Baytown Plant. As previously agreed, award of this work will be achieved by establishing the project as the Fourth Assignment under Exxon Chemical Company U.S.A.'s "umbrella" Contract No. RC-1142 with Brown & Root.

Please find attached three copies of Supplement 3 to Contract No. RC-1142, "Authorization of Fourth Assignment to Contract No. RC-1142." If this Supplement 3 is acceptable to Brown & Root, would you please have all three copies executed on behalf of Brown & Root. Please retain one copy and return the other two to the undersigned.

You will note that the fixed fee for this Fourth Assignment has been set at $12,371 per our verbal agreement. This is based on your estimated man-hours of 3,172 multiplied by $3.90/reimbursable man-hour in accordance with Contract RC-1142. If, at any time, Brown & Root determines that total number of man-hours will exceed 3,172 or schedule will exceed twelve weeks, as estimated in your proposal of December 7, 1976, you shall notify Exxon Chemical Company U.S.A. immediately.

Per previous discussions with you, we plan to initiate engineering work on this Supplement No. 3 immediately after approval.

Very truly yours,

J. J. COATES

By: E. H. Busby
E. H. Busby, Purchasing Head

EHB:hhd

cc: JJC
RPO
RGS (w/attachment)

EXX 010984

DEC 21 1976

RECEIVED
DEC 17 1976
FRANK J. FATO

EXXON CHEMICAL COMPANY U.S.A.

P. O. Box 4004, Baytown, Texas 77520

EXXON CHEMICALS

December 14, 1976

BAYTOWN CHEMICAL PLANT
J. J. COATES
Manager

AUTHORIZATION OF FOURTH
ASSIGNMENT TO CONTRACT NO. RC-1142

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

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By: E. H. Busby
E. H. Busby, Purchasing Head

EHB:hhd

cc: JJC
RPO
RGS (w/attachment)

EXX 010985

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

November 12, 1976

Lubrication Systems Company of Texas, Inc.
P.O. Box 19294
Houston, Texas 77024

Attention: Mr. Charles Ehlert

Re: Subcontract No. 34-1232-1076
Oil Mist Lubrication System
Exxon Chemical Co.
Baytown, Texas

Gentlemen:

We enclose herewith one fully executed copy of Subcontract Number 34-1232-1076 dated October 15, 1976 for your permanent file.

Yours very truly,

BROWN & ROOT, INC.

J. R. Gauldén
Sr. Subcontracts Administrator
Subcontracts Department
Procurement Division

JRG/bc

Enclosure

THIS COPY FOR

bcc: D. A. Sadler (w/original attached)
D. H. Dodd (2 w/2 copies attached)
G. W. Wallis
Harold Ellis
Norman Hay
J. Burns
J. R. Daily

EXX 010911

Form P-50 1-76

BROWN & ROOT, INC.

SUBCONTRACT

JRG/yds

Job Number 34-1232

Subcontract No. 34-1232-1076

Exxon Chemical Debottleneck
(Project)

Oil Mist Lubrication Systems
(Sublet Work)

10/15/76
(Effective Date)

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

Lubrication Systems Company of Texas, Inc.,

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

whose address is P. O. Box 19294, Houston, Texas 77024,

"SUBCONTRACTOR," whose contractor's license number under laws of Texas

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 Contract Documents.

3. The Contract Documents constituting this Subcontract consist of:

a. "Subcontract Terms" and exhibits thereto.

b. "Special Conditions" and exhibits thereto.

c. "General Conditions"

d. Affidavit for Subcontractors.

e.

f.

EXX 010912

Subcontract No. 34-1232-1076

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 payments 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: J. M. Frank
For D. E. Newton, Jr.
Title: Vice-President - Procurement

Date: _____

SUBCONTRACTOR:

Lubrication Systems Company of Texas, Inc.

By: Fred Paben

Title: Service Manager

Date: Oct. 27, 1976

EXX 010913

SUBCONTRACT TERMS

EXX 010914

SUBCONTRACT TERMS

SUBCONTRACT NO. 34-1232-1076

1. SUBLET WORK

The Sublet Work, in general, is to furnish and install a Oil-Mist Lubrication System for the Exxon Chemical Company's Debottleneck Project, at Baytown, Texas, as a part of the "Project", which is more fully described in the Special Condition, paragraph 1. More specifically, Subcontractor agrees to perform the Sublet Work which consists of furnishing all labor, materials, tools, equipment, supervision, engineering, fabrication, inspection, testing, cleaning, and all other things necessary to extend and connect the existing distribution and ventilation system to all bearing housing of eleven (11) pieces of new equipment. The Sublet Work must be performed in strict accordance with the drawings and specifications, identified herein, and other provisions of the Subcontract Documents.

2. SUBCONTRACT SPECIFICATIONS

The Sublet Work shall be performed in accordance with the following specifications:

2.1. S-358-OML-4000-2, Rev. 2 dated 9-17-76 pages 1-4

2.2. EXES 3-3-12-1B, Rev. 0, Oil Mist Lubrication Systems

2.3. EXES 2-1-1-1B, Rev. 0, Equipment Noise Level Requirements

2.4. BTES 3-3-50.1C, Rev. 0, Oil Mist Lubrication for Machinery Construction

2.5. EXES 20-1-1-1B, Rev. 1, Inspection of Equipment and Material

3. SUBCONTRACT DRAWING

The Sublet Work shall be performed in accordance with the following drawing:

3.1. SK-2-729-Rev. 1 - Equipment Requiring Oil Mist Lubrication

4. TIME OF PERFORMANCE

The Subcontractor shall complete the Sublet Work within 45 working days after notice of award and instructions to proceed.

5. SUBCONTRACTOR'S REPRESENTATIVE

The Subcontractor shall designate a Jobsite Representative prior to the commencement of the Sublet Work. He, or his designated assistant, shall be in attendance at the Project site from the commencement of the Sublet Work until completion thereof. The Subcontractor's Representative shall be authorized to act on behalf of the Subcontractor. Any instructions given to the Subcontractor's Representative shall be considered as having been given to the Subcontractor.

6. SUBCONTRACTOR REPORTS

The Subcontractor shall submit a daily report to the General Contractor's Project Manager. The report shall show the Brown & Root project and contract number, the number of workmen on the project, the number of hours each worked during the period and the areas of activity.

7. SUBCONTRACT PRICE

General Contractor agrees to pay 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 price which includes all applicable sales/use taxes:

7.1. TEN THOUSAND NINE HUNDRED SEVENTEEN AND 69/100 DOLLARS
(Words)

$ 10,917.69
(Figures)

7.2. The above price includes ten (10) each "Installation, Operating and Maintenance Manuals" to be furnished by Subcontractor.

7.3. PAYMENT AND PERFORMANCE BONDS

In the event General Contractor requires Subcontractor to furnish Payment and Performance Bonds, General Contractor will reimburse Subcontractor the premium cost in the amount of:

EIGHTY-ONE AND 51/100 DOLLARS
(Words)

$ 81.51
(Figures)

8. PAYMENT

Subcontractor shall be paid the firm lump sum price in monthly progress payments in proportion to the value of the Sublet Work performed during the preceding month, less 10% of such value as retainage until final completion and acceptance of the Sublet Work by the General Contractor. Subcontractor shall prepare and submit an invoice for the proposed monthly progress payments with supporting documents and proof of payment of all bills for labor and materials, for approval by General Contractor, and when approved, payment shall be made within 30 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 an affidavit in form prescribed by General Contractor providing proof of payment of all bills for labor and materials and a satisfactory release of all claims against General Contractor and Owner.

9. GENERAL CONTRACTOR WILL PROVIDE

9.1. Drinking Water

9.2. Sanitary facilities

9.3. Electricity

10. DRAWING SUBMITTAL:

Subcontractor shall submit certified drawings for record not later than November 2, 1976, to the following address:

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

Attention: Mr. R. M. Fitzgerald, Project Engineering Manager

11. As of the effective date of this Subcontract, Payment and Performance Bonds are hereby waived. However, General Contract may, at any time, prior to completion and acceptance of the Sublet Work require Subcontractor to furnish bonds.

12. Paragraph 2 of the Special Conditions is hereby deleted in its entirety.

SPECIAL CONDITIONS

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, demotior 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/Owner 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.

GENERAL CONDITIONS

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 with 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 Owner or General Contractor specifically agrees herein to furnish) 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 responsible for latent defects in the work of others.

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

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shall comply with all safety standards, rules and regulations relating to safety, cleanliness and sanitation established by General Contractor for the Project as a whole. Subcontractor shall immediately stop work and take corrective action when directed by General Contractor because of any unsafe condition or practice. Subcontractor shall be responsible for the safety of its workmen and the Sublet Work and shall not create hazards for others or the work of others. Subcontractor shall provide first aid and ambulance facilities for its workmen to the extent sufficient facilities are not provided for the Project as a whole by General Contractor. General Contractor shall be responsible for safety of the Project as a whole. In case of emergency, General Contractor may direct Subcontractor's personnel and resources for the protection of life and property.

9. DELAYS

If Subcontractor's performance of the Sublet Work is delayed by Owner's or General Contractor's failure to perform their obligations hereunder, or by orders of the General Contractor delaying or suspending the work, or by changes in the work, Subcontractor shall be entitled to an equitable adjustment in the price and time for performance in accordance with the provision for Changes in Article 12; but no price adjustment shall be due for delays or inconvenience to Subcontractor from the scheduling and coordination of the Sublet Work with the rate of progress made by all participants in the Project. In the event Subcontractor is delayed by force majeure, Subcontractor shall be entitled to an equitable extension of time but no adjustment in the price; provided, that inadequate manpower or failure of Subcontractor's workmen to prosecute their work because of strikes, boycott, picketing, or other form of labor dispute shall not be deemed force majeure unless there is clear and substantial danger of bodily harm or property damage if the employees undertook to enter the work site and perform their work, as determined by General Contractor or the chief local law enforcement officer. Subcontractor shall notify General Contractor in writing within 48 hours after the commencement of a delay, if Subcontractor claims an extension of time or an adjustment of price because of such delay, or the right to such extension or adjustment shall be waived.

10. SUPPLEMENTING OR TAKING OVER BY GENERAL CONTRACTOR

If, after seven (7) days written notice by General Contractor to Subcontractor specifying any deficiency in the Sublet Work or the promptness with which it is being performed, Subcontractor has not promptly commenced to correct, and within a reasonable time corrected, such deficiency to the satisfaction of General Contractor, General Contractor may supplement the work of Subcontractor, or take over performance of the Sublet Work temporarily or completely, with General Contractor's own forces or by contract with others. General Contractor may use all or part of Subcontractor's construction equipment, tools and facilities at the project site, and any materials, permanent equipment and supplies, in the performance of the Sublet Work, without payment to Subcontractor otherwise than by the extent such use of Subcontractor's items causes a reduction of cost of completing the Sublet Work. All costs incurred by General Contractor in performing all or part of the Sublet Work, including a mark-up of 10% of such cost, shall be deducted from the price payable to Subcontractor and if such sum plus all payments previously made to Subcontractor shall exceed the price, Subcontractor shall refund to General Contractor the excess within ten (10) days after submittal of a properly documented invoice. If the price is on a cost reimbursable basis, Subcontractor will be reimbursed for use of construction equipment at the lowest applicable rate provided for herein or at prevailing rental rates if no rate is specified, and the cost of Subcontractor's materials used. Upon notice from General Contractor to Subcontractor, Subcontractor shall resume and complete the Sublet Work, but this right to supplement or take over the Sublet Work may again be exercised if necessary. The determination of General Contractor's project manager to invoke the provisions of this Article 10 shall be final and conclusive; provided Subcontractor may within said seven day period, appeal to an executive officer designated by the President of General Contractor, whose decision shall be final absent actual fraud, and only the issue of actual fraud shall be subject to arbitration.

11. DEFERMENT OR TERMINATION

In the event the Project is deferred or terminated by Owner, or if General Contractor shall elect to defer or terminate the Sublet Work, Subcontractor shall be paid: (1) the price earned for work completed and accepted, (2) a proportionate part of the price allocated to the portion of the work partially completed, (3) the reasonable cost incurred by Subcontractor in securing and protecting the work in progress against loss, damage or deterioration, and (4) unamortized mobilization and demobilization costs; standby costs, cancellation or deferment charges of suppliers; the cost of materials and equipment not sold or disposed of; and other special costs for terminating or suspending work or preserving the work accomplished and turning it over to General Contractor but (5) no compensation for the portion of the Sublet Work not performed. General Contractor shall notify Subcontractor whether the Sublet work is terminated or deferred to an indefinite or specified date and the deferement shall not exceed six months (or other limits expressed in the Subcontract Terms) without the consent of Subcontractor if deferred, the Sublet Work may thereafter be terminated and shall be terminated upon expiration of the maximum period of deferment without notice to resume. Following deferment and notice to resume given by General Contractor to Subcontractor in writing, Subcontractor shall resume the Sublet Work in accordance with the terms hereof with an equitable adjustment in the price, if required, and time of completion, determined as in the case of changes. Subcontractor shall, as directed by General Contractor, secure, safeguard, remove or deliver to General Contractor all material, equipment, supplies, work in progress, and contract rights.

12. CHANGES

General Contractor reserves the right to make changes in the Sublet Work or the manner of its performance. No change shall be made by Subcontractor in the Sublet Work or its manner of performance, without prior written instructions from General Contractor, in a written Change Order specifying the change in plans, specifications, procedures, time, sequence, or other requirement of this subcontract, and specifying whether there is to be an adjustment in the price or time for performance and how any such adjustment shall be determined. No adjustment in price or time of performance shall be made for changes in arrangement, aesthetics, substitution of equivalent materials or equipment or other changes, unless such changes significantly affect Subcontractor's cost of performing the Sublet Work or extend the time that Subcontractor's equipment and forces are required at the project site. An equitable adjustment will be made in price or time of performance or both, if the change ordered by General Contractor substantially increases the cost to Subcontractor of the Sublet Work or the time that Subcontractor's equipment and forces are required at the project site. The method of determining the equitable adjustment shall be specified, and if possible, the price fixed at the time of the issuance of written direction for the change. Unless a lump sum is established by agreement or another method of pricing is established by agreement, General Contractor may direct determination of the equitable adjustment in price, whether an increase or decrease, by any of the following methods: (a) agreed or established fixed unit prices, (b) force account, or (c) cost plus fee. If the force account method is directed by General Contractor, the force account rates for equipment use, manhour labor rate including payroll burden and markup for overhead and profit, with reimbursement of actual cost of materials, as established in the Subcontract terms or by other agreements, shall be used to determine the ad-

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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, and 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.

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 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 or the Owner or General Contractor. General Contractor may pay directly any such 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 agrees to and hereby indemnifies and holds harmless General Contractor and Owner from any loss, cost, damage or liability from injury or death of any person, including Subcontractor or its employees, or damage or destruction of any property, arising from or in connection with the Sublet Work even though there be concurring negligence by General Contractor or Owner, but Subcontractor does not hereby assume responsibility for the sole negligence of General Contractor or Owner.

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21. INSURANCE

Subcontractor shall provide insurance, with provisions against cancellation without thirty (30) days prior written notice, for the benefit of Subcontractor, General Contractor and Owner and with waiver of subrogation against all participants in the Project, in form and with underwriters satisfactory to General Contractor, with minimum coverages and limits as follows:

(a) Workmen's Compensation	Statutory
(b) Employer's Liability (If marine operations are involved, the limits shall be $250,000 per person and $500,000 per accident)	$ 100,000
(c) Comprehensive General and Automobile Liability	
Bodily Injury - per person	$ 100,000
- per accident	$ 300,000
Property Damage with blanket contractual, products and completed operations liability endorsements, and with xcu exclusion deleted.	$ 100,000
(d) Hull and protection and indemnity for any marine vessels, with General Contractor, Owner and their affiliates	Full Value, but not less than $1,000,000
(e) Such other available insurance or increased limits as General Contractor may request, the premium cost of which shall be directly reimbursable unless otherwise specified in the Subcontract Terms.	

22. INSURANCE ON CONSTRUCTION EQUIPMENT

Subcontractor shall fully insure, or self-insure and assumes all risk of loss of, or damage to, Subcontractor's construction equipment and tools, facilities and structures, however caused, including losses caused by vandals or theft, or by the negligence of others, including General Contractor or Owner. Subcontractor agrees to indemnify and hold harmless Owner and General Contractor from any such loss or liability regardless of any provision for reimbursement of uninsured losses.

23. USE OF GENERAL CONTRACTOR'S OR OWNER'S EQUIPMENT

If any construction equipment, tools, marine vessels, facilities, or services of General Contractor or Owner be furnished to Subcontractor or used by Subcontractor, on an exclusive or joint use basis, Subcontractor shall inspect and satisfy itself as to the safety and condition thereof and shall return same to General Contractor or Owner after such use in good order and condition and in at least as good condition as that in which received, fair wear and use excepted. Subcontractor shall at its own cost and without right of reimbursement, insure or self-insure all risks associated with such use and shall indemnify General Contractor and Owner against any liability or cost for injury to, or death of, persons or damage or destruction of property connected with such use even if General Contractor or Owner should be negligent in relation to such equipment or items used.

24. PERMITS, LICENSES, LAND RIGHTS

General Contractor will provide all licenses and permits required for the Project as a whole to be constructed. Subcontractor shall provide all licenses and permits required for Subcontractor to perform the Sublet Work, including [without limitation], contractors' licenses, specialty permits required by law to be issued to Subcontractor, and transportation permits. General Contractor will provide access to the work site and easements or land rights in the work site, but Subcontractor shall comply with all restrictions, limitations, terms and conditions relative thereto and Subcontractor shall obtain such additional easements and land rights as Subcontractor may require.

25. PATENTS AND PROPRIETARY RIGHTS

Subcontractor shall pay all royalties and obtain all licenses required for items specified to be furnished by Subcontractor, and for all items and methods selected by Subcontractor for the Sublet Work. General Contractor shall pay all royalties and obtain all licenses required for the Project as a whole or for Owner-furnished or General Contractor-furnished items. Subcontractor shall give prompt notice to General Contractor of any claim of infringement of any patent or proprietary right, and Subcontractor and General Contractor shall cooperate in the defense and disposition of any such claim or suit. The party obligated to furnish the license shall defend and indemnify the other party.

26. WARRANTY

Subcontractor guarantees and warrants that all materials furnished by Subcontractor and workmanship furnished by Subcontractor shall comply with the specifications and other requirements of the contract and shall be free of defects for a period of one year after completion and acceptance of the Project as a whole by the Owner. With respect to items of manufactured equipment specified by General Contractor and purchased by Subcontractor from others, Subcontractor warrants that the equipment is as specified, and agrees to pass on and assign to General Contractor (or to Owner if directed by General Contractor) the manufacturer's warranty and Subcontractor shall prosecute the enforcement thereof in cooperation with General Contractor, but Subcontractor shall have no further quality or performance warranty responsibility with respect to such items of manufactured equipment.

27. PARTIAL OCCUPANCY AND USE

General Contractor and Owner shall have access to the Sublet Work at all times. General Contractor and Owner may occupy and use any portion of the Sublet Work which is sufficiently completed to permit such occupancy and use, provided there is no substantial interference with performance of the balance of the Sublet Work. Such partial occupancy and use shall not relieve Subcontractor of the obligation to complete all of the Sublet Work strictly in accordance with the requirements of this Subcontract.

28. CONFIDENTIALITY

Subcontractor shall not publicize, publish, or photograph the Project, the Sublet Work, or this Subcontract, except by consent of General Contractor and in compliance with General Contractor's regulations for the Project. Subcontractor will maintain in confidence and not use or disclose any confidential proprietary information of General Contractor or Owner. Subcontractor will execute, and if requested will cause its employees or agents to execute, such form of written secrecy agreement, further defining this confidentiality agreement, as is required of other participants in the Project. All plans, specifications, data and other material relating to the Project shall be delivered to General Contractor, on request, when no longer required by Subcontractor for performance of the Sublet Work.

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 Subcontrac-

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tor 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, or (b) to an Executive Officer of General Contractor if any other question under the Subcontract is involved. Subcontractor may submit to arbitration for decision in accordance with the provisions of this Subcontract, and the Federal Rules of Evidence, any dispute, other than interpretations of plans and specifications or compliance therewith, which has been unsatisfactorily decided by the project manager and Executive Officer of General Contractor, and such dispute shall be decided by a single, mutually acceptable arbitrator, or a panel of three arbitrators chosen one by General Contractor, one by Subcontractor and the third by the other two. The arbitrators shall be bound by the terms of this Subcontract, and shall have jurisdiction only to decide disputed questions of fact. The decision of the arbitrators by majority vote shall be final.

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. EFFECTIVE DATE AND 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. The price and definition of the Sublet Work are correlated as of the Effective Date and changes in plans, specifications and other requirements made after the Effective Date shall be dealt with as Changes, in accordance with Article 12. Any work performed and payments made pursuant to a preliminary agreement shall be deemed to have been done and paid under the terms 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.

EXX 010936

34-1232 EXXON CHEMICAL, U.S.A. #2
CONTRACT FILES

EXX 010576

[redacted]

PLEASE RETURN TO
GENERAL
ACCOUNTING
DEPARTMENT

01-465-2-19

PLEA[illegible]
RETURN TO CONTRACT FILE [illegible] DAY WITHDRAWN;
OR
LOCK IN FIREPROOF FILE OVERNIGHT;
AND
RETURN PERSONALLY TO CONTRACT FILE AS SOON
AS POSSIBLE.
ADVISE FILE CUSTODIAN IF CONTRACT LEAVES

EXX 010577

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

June 1, 1976

Hollywood Overhead Door Company
P. O. Box 14488
Houston, Texas 77021

Re: Subcontract No. 34-1232-0177
Furnish and Install Vertical Steel Track Doors
Exxon Chemical Co.
Baytown, Texas

Gentlemen:

We enclose herewith one fully executed copy of Subcontract Number 34-1232-0177 dated May 6, 1976 for your permanent file.

Yours very truly,

BROWN & ROOT, INC.

J. M. Franki
Subcontracts Manager
Procurement Division

JMF/RBK/bc

Enclosure

THIS COPY FOR

bcc: W. B. Stuessy (W/origianl attached)
D. H. Dodd (2 w/2 copies attached)
R. M. Fitzgerald, Jr.
F. T. Phillips (Exxon)
L. J. Kern
D. M. Delaitsch
V. J. Sponenberg
J. F. Tracy

Form P-50 1-76

BROWN & ROOT, INC.

SUBCONTRACT

RBK/so

Job Number 34-1232

Subcontract No. 34-1232-0177

Compound and Finishing Expansion - Phase I
(Project)

Furnish and Install Vertical Steel Track Doors
(Sublet Work)

5/6/76
(Effective Date)

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

Hollywood Overhead Door Company,

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

whose address is P. O. Box 14488, Houston, Texas 77021,

"SUBCONTRACTOR," w[redacted] 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 Contract Documents.

3. The Contract Documents constituting this Subcontract consist of:

a. "Subcontract Terms" and exhibits thereto.

b. "Special Conditions" and exhibits thereto.

c. "General Conditions"

d.

e.

f.

EXX 010579

Subcontract No. 34-1232-0177

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 payments 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: J. M. Franklin
For D. E. Newton, Jr.
Title: Vice President, Procurement

Date: _____

SUBCONTRACTOR:

Hollywood Overhead Door Company

By: James White
Title: Commercial Manager
Date: 5-26-76

EXX 010580

SUBCONTRACT TERMS

[redacted]

EXX 010581

BROWN & ROOT, INC.

SUBCONTRACT TERMS

EXXON CHEMICAL COMPANY, U.S.A.

RECEIVED
MAY 28 1976

1. Sublet Work

The Sublet Work, in general, is to furnish and install vertical track steel doors for the Plastics Unit Building 571 on the premises of Exxon Chemical Company at Exxon's Chemical Complex, Baytown, Texas as part of the "Project," which is more fully described in the Special Conditions, Paragraph 1. More specifically, Subcontractor agrees to perform the Sublet Work which consists of furnishing all labor, materials, tools, equipment, supervision and all other things necessary to perform this Sublet Work for the Project. The Sublet Work must be performed in strict accordance with the Project Drawings and Specifications, identified herein and all other provisions of the Subcontract Documents.

2. Subcontract Specifications

The Sublet Work shall be performed in accordance with the following specifications:

2.1 Arch.-Spec.-5, Division 8, Section 8E, entitled "Vertical Track Steel Doors" dated 2-3-76, 3 pages.

2.2 Standard Clauses C-19, C-28, C-29

3. Subcontract Drawings

The Sublet Work shall be performed in accordance with the following drawings:

Drawing No.	Rev.	Title
51-35-451	5	Mezzanine Plan
51-35-452	4	Third Floor
51-35-456	4	Elev. at Col. Lines A1, B3, 6
51-35-458	4	Elev. at Col. Line C9
51-35-460	4	Elev. at Col. Line F8
51-35-464	3	Sections & Details (Steel)
51-35-473	0	First Floor
51-35-493	0	Sections & Details (Concrete)

51-35-485	1	Arch. Ext. Elevations
51-35-486	1	Arch. Ext. Elevations
51-35-487	1	Arch. Ext. Elevations
51-35-488	1	Roof Plan & Door Details

4. Time of Performance

Subcontractor shall commence the Sublet Work immediately upon Notice of Award and instructions to proceed. Subcontractor shall complete the Sublet Work on or before September 31, 1976, which the the last date on which the Sublet Work may be completed without interference with the schedule of performance of the work of others to complete the Project on time.

5. Subcontract Price

General Contractor agrees to pay 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:

5.1 Firm Lump Sum Price which includes all applicable sales/use taxes shall be:

FOUR THOUSAND FIVE HUNDRED NINETY SEVEN AND NO/100 Dollars
(words)

$ 4,597.00
(figures)

5.2 Payment and Performance Bonds

In the event, General Contractor requires Subcontractor to furnish Payment and Performance Bonds, General Contractor shall reimburse Subcontractor the premium cost in the amount of:

FORTY FIVE AND NO/100 Dollars
(words)

$ 45.00
(figures)

If required, Subcontractor shall furnish said bonds in individual documents and also invoice separately for each document.

EXX 010583

6. Payment

Subcontractor will be paid the firm lump sum price in monthly progress payments in proportion to the value of the Sublet Work performed during the preceding month, less 10% of such value as retainage until final completion and acceptance of the Sublet Work by the General Contractor. Subcontractor shall prepare and submit an invoice for the proposed monthly progress payments with supporting documents and proof of payment of all bills for labor and materials, for approval by General Contractor and when approved, payment shall be made within 30 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 an affidavit in form prescribed by General Contractor providing proof of payment of all bills for labor and materials and a satisfactory release of all claims against General Contractor and Owner.

6.1 Subcontractor shall submit three (3) copies of invoices for payment to:

Project Manager
P. O. Box 3836
Baytown, Texas 77521

7. Changes

Additions or Deductions for the price payable for change will be computed in accordance with the Subcontractor's Change Orders issued by the General Contractor pursuant to General Conditions, Paragraph 12.

EXX 010584

SPECIAL CONDITIONS

EXX 010585

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, demotior 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.

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 with 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 Owner or General Contractor specifically agrees herein to furnish) 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 responsible for latent defects in the work of others.

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

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shall comply with all safety standards, rules and regulations relating to safety, cleanliness and sanitation established by General Contractor for the Project as a whole. Subcontractor shall immediately stop work and take corrective action when directed by General Contractor because of any unsafe condition or practice. Subcontractor shall be responsible for the safety of its workmen and the Sublet Work and shall not create hazards for others or the work of others. Subcontractor shall provide first aid and ambulance facilities for its workmen to the extent sufficient facilities are not provided for the Project as a whole by General Contractor. General Contractor shall be responsible for safety of the Project as a whole. In case of emergency, General Contractor may direct Subcontractor's personnel and resources for the protection of life and property.

9. DELAYS

If Subcontractor's performance of the Sublet Work is delayed by Owner's or General Contractor's failure to perform their obligations hereunder, or by orders of the General Contractor delaying or suspending the work, or by changes in the work, Subcontractor shall be entitled to an equitable adjustment in the price and time for performance in accordance with the provision for Changes in Article 12; but no price adjustment shall be due for delays or inconvenience to Subcontractor from the scheduling and coordination of the Sublet Work with the rate of progress made by all participants in the Project. In the event Subcontractor is delayed by force majeure, Subcontractor shall be entitled to an equitable extension of time but no adjustment in the price; provided, that inadequate manpower or failure of Subcontractor's workmen to prosecute their work because of strikes, boycott, picketing, or other form of labor dispute shall not be deemed force majeure unless there is clear and substantial danger of bodily harm or property damage if the employees undertook to enter the work site and perform their work, as determined by General Contractor or the chief local law enforcement officer. Subcontractor shall notify General Contractor in writing within 48 hours after the commencement of a delay, if Subcontractor claims an extension of time or an adjustment of price because of such delay, or the right to such extension or adjustment shall be waived.

10. SUPPLEMENTING OR TAKING OVER BY GENERAL CONTRACTOR

If, after seven (7) days written notice by General Contractor to Subcontractor specifying any deficiency in the Sublet Work or the promptness with which it is being performed, Subcontractor has not promptly commenced to correct, and within a reasonable time corrected, such deficiency to the satisfaction of General Contractor, General Contractor may supplement the work of Subcontractor, or take over performance of the Sublet Work temporarily or completely, with General Contractor's own forces or by contract with others. General Contractor may use all or part of Subcontractor's construction equipment, tools and facilities at the project site, and any materials, permanent equipment and supplies, in the performance of the Sublet Work, without payment to Subcontractor otherwise than by the extent such use of Subcontractor's items causes a reduction of cost of completing the Sublet Work. All costs incurred by General Contractor in performing all or part of the Sublet Work, including a mark-up of 10% of such cost, shall be deducted from the price payable to Subcontractor and if such sum plus all payments previously made to Subcontractor shall exceed the price, Subcontractor shall refund to General Contractor the excess within ten (10) days after submittal of a properly documented invoice. If the price is on a cost reimbursable basis, Subcontractor will be reimbursed for use of construction equipment at the lowest applicable rate provided for herein or at prevailing rental rates if no rate is specified, and the cost of Subcontractor's materials used. Upon notice from General Contractor to Subcontractor, Subcontractor shall resume and complete the Sublet Work, but this right to supplement or take over the Sublet Work may again be exercised if necessary. The determination of General Contractor's project manager to invoke the provisions of this Article 10 shall be final and conclusive; provided Subcontractor may within said seven day period, appeal to an executive officer designated by the President of General Contractor, whose decision shall be final absent actual fraud, and only the issue of actual fraud shall be subject to arbitration.

11. DEFERMENT OR TERMINATION

In the event the Project is deferred or terminated by Owner, or if General Contractor shall elect to defer or terminate the Sublet Work, Subcontractor shall be paid: (1) the price earned for work completed and accepted, (2) a proportionate part of the price allocated to the portion of the work partially completed, (3) the reasonable cost incurred by Subcontractor in securing and protecting the work in progress against loss, damage or deterioration, and (4) unamortized mobilization and demobilization costs; standby costs, cancellation or deferment charges of suppliers; the cost of materials and equipment not sold or disposed of; and other special costs for terminating or suspending work or preserving the work accomplished and turning it over to General Contractor but (5) no compensation for the portion of the Sublet Work not performed. General Contractor shall notify Subcontractor whether the Sublet work is terminated or deferred to an indefinite or specified date and the deferement shall not exceed six months (or other limits expressed in the Subcontract Terms) without the consent of Subcontractor if deferred, the Sublet Work may thereafter be terminated and shall be terminated upon expiration of the maximum period of deferment without notice to resume. Following deferment and notice to resume given by General Contractor to Subcontractor in writing, Subcontractor shall resume the Sublet Work in accordance with the terms hereof with an equitable adjustment in the price, if required, and time of completion, determined as in the case of changes. Subcontractor shall, as directed by General Contractor, secure, safeguard, remove or deliver to General Contractor all material, equipment, supplies, work in progress, and contract rights.

12. CHANGES

General Contractor reserves the right to make changes in the Sublet Work or the manner of its performance. No change shall be made by Subcontractor in the Sublet Work or its manner of performance, without prior written instructions from General Contractor, in a written Change Order specifying the change in plans, specifications, procedures, time, sequence, or other requirement of this subcontract, and specifying whether there is to be an adjustment in the price or time for performance and how any such adjustment shall be determined. No adjustment in price or time of performance shall be made for changes in arrangement, aesthetics, substitution of equivalent materials or equipment or other changes, unless such changes significantly affect Subcontractor's cost of performing the Sublet Work or extend the time that Subcontractor's equipment and forces are required at the project site. An equitable adjustment will be made in price or time of performance or both, if the change ordered by General Contractor substantially increases the cost to Subcontractor of the Sublet Work or the time that Subcontractor's equipment and forces are required at the project site. The method of determining the equitable adjustment shall be specified, and if possible, the price fixed at the time of the issuance of written direction for the change. Unless a lump sum is established by agreement or another method of pricing is established by agreement, General Contractor may direct determination of the equitable adjustment in price, whether an increase or decrease, by any of the following methods: (a) agreed or established fixed unit prices, (b) force account, or (c) cost plus fee. If the force account method is directed by General Contractor, the force account rates for equipment use, man-hour labor rate including payroll burden and markup for overhead and profit, with reimbursement of actual cost of materials, as established in the Subcontract terms or by other agreements, shall be used to determine the ad-

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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, and 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.

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 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 or the Owner or General Contractor. General Contractor may pay directly any such 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 agrees to and hereby indemnifies and holds harmless General Contractor and Owner from any loss, cost, damage or liability from injury or death of any person, including Subcontractor or its employees, or damage or destruction of any property, arising from or in connection with the Sublet Work even though there be concurring negligence by General Contractor or Owner, but Subcontractor does not hereby assume responsibility for the sole negligence of General Contractor or Owner.

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21. INSURANCE

Subcontractor shall provide insurance, with provisions against cancellation without thirty (30) days prior written notice, for the benefit of Subcontractor, General Contractor and Owner and with waiver of subrogation against all participants in the Project, in form and with underwriters satisfactory to General Contractor, with minimum coverages and limits as follows:

(a) Workmen's Compensation	Statutory
(b) Employer's Liability (If marine operations are involved, the limits shall be $250,000 per person and $500,000 per accident)	$ 100,000
(c) Comprehensive General and Automobile Liability	
Bodily Injury - per person	$ 100,000
- per accident	$ 300,000
Property Damage with blanket contractual, products and completed operations liability endorsements, and with xcu exclusion deleted.	$ 100,000
(d) Hull and protection and indemnity for any marine vessels, with General Contractor, Owner and their affiliates	Full Value, but not less than $1,000,000
(e) Such other available insurance or increased limits as General Contractor may request, the premium cost of which shall be directly reimbursable unless otherwise specified in the Subcontract Terms.	

22. INSURANCE ON CONSTRUCTION EQUIPMENT

Subcontractor shall fully insure, or self-insure and assumes all risk of loss of, or damage to, Subcontractor's construction equipment and tools, facilities and structures, however caused, including losses caused by vandals or theft, or by the negligence of others, including General Contractor or Owner. Subcontractor agrees to indemnify and hold harmless Owner and General Contractor from any such loss or liability regardless of any provision for reimbursement of uninsured losses.

23. USE OF GENERAL CONTRACTOR'S OR OWNER'S EQUIPMENT

If any construction equipment, tools, marine vessels, facilities, or services of General Contractor or Owner be furnished to Subcontractor or used by Subcontractor, on an exclusive or joint use basis, Subcontractor shall inspect and satisfy itself as to the safety and condition thereof and shall return same to General Contractor or Owner after such use in good order and condition and in at least as good condition as that in which received, fair wear and use excepted. Subcontractor shall at its own cost and without right of reimbursement, insure or self-insure all risks associated with such use and shall indemnify General Contractor and Owner against any liability or cost for injury to, or death of, persons or damage or destruction of property connected with such use even if General Contractor or Owner should be negligent in relation to such equipment or items used.

24. PERMITS, LICENSES, LAND RIGHTS

General Contractor will provide all licenses and permits required for the Project as a whole to be constructed. Subcontractor shall provide all licenses and permits required for Subcontractor to perform the Sublet Work, including [without limitation], contractors' licenses, specialty permits required by law to be issued to Subcontractor, and transportation permits. General Contractor will provide access to the work site and easements or land rights in the work site, but Subcontractor shall comply with all restrictions, limitations, terms and conditions relative thereto and Subcontractor shall obtain such additional easements and land rights as Subcontractor may require.

25. PATENTS AND PROPRIETARY RIGHTS

Subcontractor shall pay all royalties and obtain all licenses required for items specified to be furnished by Subcontractor, and for all items and methods selected by Subcontractor for the Sublet Work. General Contractor shall pay all royalties and obtain all licenses required for the Project as a whole or for Owner-furnished or General Contractor-furnished items. Subcontractor shall give prompt notice to General Contractor of any claim of infringement of any patent or proprietary right, and Subcontractor and General Contractor shall cooperate in the defense and disposition of any such claim or suit. The party obligated to furnish the license shall defend and indemnify the other party.

26. WARRANTY

Subcontractor guarantees and warrants that all materials furnished by Subcontractor and workmanship furnished by Subcontractor shall comply with the specifications and other requirements of the contract and shall be free of defects for a period of one year after completion and acceptance of the Project as a whole by the Owner. With respect to items of manufactured equipment specified by General Contractor and purchased by Subcontractor from others, Subcontractor warrants that the equipment is as specified, and agrees to pass on and assign to General Contractor (or to Owner if directed by General Contractor) the manufacturer's warranty and Subcontractor shall prosecute the enforcement thereof in cooperation with General Contractor, but Subcontractor shall have no further quality or performance warranty responsibility with respect to such items of manufactured equipment.

27. PARTIAL OCCUPANCY AND USE

General Contractor and Owner shall have access to the Sublet Work at all times. General Contractor and Owner may occupy and use any portion of the Sublet Work which is sufficiently completed to permit such occupancy and use, provided there is no substantial interference with performance of the balance of the Sublet Work. Such partial occupancy and use shall not relieve Subcontractor of the obligation to complete all of the Sublet Work strictly in accordance with the requirements of this Subcontract.

28. CONFIDENTIALITY

Subcontractor shall not publicize, publish, or photograph the Project, the Sublet Work, or this Subcontract, except by consent of General Contractor and in compliance with General Contractor's regulations for the Project. Subcontractor will maintain in confidence and not use or disclose any confidential proprietary information of General Contractor or Owner. Subcontractor will execute, and if requested will cause its employees or agents to execute, such form of written secrecy agreement, further defining this confidentiality agreement, as is required of other participants in the Project. All plans, specifications, data and other material relating to the Project shall be delivered to General Contractor, on request, when no longer required by Subcontractor for performance of the Sublet Work.

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 Subcontrac-

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tor 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, or (b) to an Executive Officer of General Contractor if any other question under the Subcontract is involved. Subcontractor may submit to arbitration for decision in accordance with the provisions of this Subcontract, and the Federal Rules of Evidence, any dispute, other than interpretations of plans and specifications or compliance therewith, which has been unsatisfactorily decided by the project manager and Executive Officer of General Contractor, and such dispute shall be decided by a single, mutually acceptable arbitrator, or a panel of three arbitrators chosen one by General Contractor, one by Subcontractor and the third by the other two. The arbitrators shall be bound by the terms of this Subcontract, and shall have jurisdiction only to decide disputed questions of fact. The decision of the arbitrators by majority vote shall be final.

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. EFFECTIVE DATE AND 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. The price and definition of the Sublet Work are correlated as of the Effective Date and changes in plans, specifications and other requirements made after the Effective Date shall be dealt with as Changes, in accordance with Article 12. Any work performed and payments made pursuant to a preliminary agreement shall be deemed to have been done and paid under the terms 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.

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