



Chevron U.S.A. Inc.

Contract

Contract Number C-15-060-83

PLAINTIFF'S
EXHIBIT
CEV-480

Chevron U.S.A. Inc. hereafter referred to as **COMPANY**, and the undersigned, hereafter identified as **CONTRACTOR**, hereby mutually agree on July 26, 1983, that **CONTRACTOR** shall perform for **COMPANY**, at or near the El Paso Refinery, County of El Paso, State of Texas, the work set forth in Specification No. ~~xxxxxx~~ ~~xxxxxx~~ of repairing refractory in the Gas Oil Unit Furnace as outlined in Satco, Inc. memo to Kevin Walker dated 7-25-83; Addendum No. 1 dated October 1981 (Pages A1 to A15, including Appendices BI and BII); the Contract Terms and Conditions (Pages 1-4), Right-to-Audit Clause (Page 5), Certificate of Nonsegregated Facilities (Page 6), Utilization of Minority Business Enterprises (Page 7), attached hereto, are part ~~as an improvement to real property of COMPANY by affixing thereto whatever materials are involved therein so as to become an~~ integral part of such real property, under the Terms and Conditions hereof, and in accordance with the above specification, ~~which Terms and Conditions and Specification, attached hereto, are part of this Agreement.~~

of this Agreement. Reference Contract C-15-033-83 for current Certificate of Insurance. **COMPANY** shall pay **CONTRACTOR**, in accordance with statements prepared by **CONTRACTOR** a compensation of \$3,885.00 (Three Thousand Eight Hundred Eighty-five and no/100 Dollars)

The work shall be commenced July 27, 1983
diligently prosecuted, and completed August 8, 1983

A payment and performance bond in terms and executed by a surety company satisfactory to **COMPANY** shall be furnished to **COMPANY** in the sum of
(No bond required unless an amount is entered above.)

CONTRACTOR

Satco, Inc.

By

And

Witness

CONTRACTOR'S State License No. _____

(Where required by State Law)

Communications to **CONTRACTOR** should be addressed to the attention of Mr. Jimmy Bamber
Satco, Inc.
P. O. Box 80023
Baton Rouge, LA 70898

Chevron U.S.A. Inc.

By

And

Send Invoices to:

Invoice Desk, Refinery Accounting
Chevron U.S.A. Inc.
P. O. Box 20002
El Paso, TX 79998

Communications to **COMPANY** should be directed to the attention of Mr. L. A. Wilson, Chief Engineer
Chevron U.S.A. Inc.
P. O. Box 20002
El Paso, TX 79998

Facility Completed				Superintendent or Foreman	
Invoice No.	Date	Amount	Date Received	Charge Account No.	Job No.
				2122-09-290	
Remarks					

Note: If **CONTRACTOR** is incorporated, execution shall be by an authorized officer of the corporation and corporate seal affixed and attested to by the Secretary. If **CONTRACTOR** is not incorporated, signatures should be witnessed by an employee of **COMPANY**, if practicable; if not, by a disinterested party.

CHEV B8 5650

GO-279-WO1 (CD-1-77)
Printed in U.S.A.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

INTENT

- 1.0 The work shall be performed by CONTRACTOR without delay, in a workmanlike manner, in accordance with the good practice of the trades involved; and completed, ready to serve in the manner indicated or manifestly implied, irrespective of whether or not full details of such workmanship, practices or completeness are contained herein. Unless otherwise provided herein, equipment which CONTRACTOR may be required to furnish for the work, shall be safe and sound and of the most suitable type, size, and quality for the purpose intended. The following provisions shall also be observed throughout the duration of the project.

1.1 Errors and Omissions

The specifications and drawings are not complete in every detail and CONTRACTOR shall comply with their true intent taken as a whole, and shall not avail himself of any errors or omissions to the detriment of the work. Should any error, omission or discrepancy appear in drawings, specifications and instructions, CONTRACTOR shall notify COMPANY at once, and COMPANY will issue instructions to be followed. Anything not indicated on the drawings or specified in the specifications which is necessary for full and faithful completion of the work shall be provided and incorporated at the expense of CONTRACTOR to the same extent as though fully set forth in both the drawings and the specifications.

1.2 Utilities

COMPANY will furnish without charge, in moderate quantities, industrial fresh water and 110 V electricity at nearest point of supply to working site. Connections and extensions from this point to CONTRACTOR'S work area shall be provided and installed by CONTRACTOR.

1.3 Housekeeping

During the performance of the work, CONTRACTOR shall keep a reasonable degree of order by disposing of accumulated rubbish and waste material, and at the completion of the work, the site shall be cleared of all debris, leftover tools, consumable supplies, and material. Where the CONTRACTOR, after due notice, fails to keep the area of his work reasonably clean and safe, or fails to clean this area at the completion of the work, COMPANY may perform this work, the cost of such work shall be for CONTRACTOR'S account and may be deducted from the sums due or to become due CONTRACTOR.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

1.4 Completion

The work will be considered "complete" when CONTRACTOR has performed all work expressly stated or implied in this specifications and is accepted by COMPANY Representative.

COMPANY
REPRESENTATIVE

- 2.0 A COMPANY Representative will be assigned to represent COMPANY in all matters relative to CONTRACTOR'S activities in the Refinery. All questions concerning the performance of CONTRACTOR'S work shall be referred to COMPANY Representative.

2.1 CONTRACTOR'S Representative

CONTRACTOR shall maintain a Construction Representative in the field at all times who shall act in full charge of CONTRACTOR'S work and maintain field liaison between CONTRACTOR and COMPANY'S Representative.

RESPONSIBILITY
FOR INFORMING
EMPLOYEES

- 3.0 CONTRACTOR shall acquaint all of its employees and sub-contractors with all specific instructions pertinent to the work to be performed under this Agreement.

WORKING
HOURS

- 4.0 CONTRACTORS are expected to work the same hours as the COMPANY maintenance force, unless special arrangements are made.

PASSES

- 5.0 Contact the COMPANY Representative prior to the start of work to arrange for Refinery passes for each CONTRACT employee. Badges are assigned to individual employees and are not transferrable.

- 5.1 The CONTRACTOR shall be solely responsible for the badges issued to his employees and final payment on the contract will be delayed until all badges are returned. In the case of loss of a badge, a report should be made to the COMPANY Representative immediately, including badge number, time and place of loss, and circumstances surrounding the loss.

- 5.2 CONTRACTOR shall ascertain from COMPANY Representative the gate through which CONTRACTOR'S employees shall enter and leave the Refinery.

- 5.3 CONTRACTOR'S employees will be admitted to COMPANY'S premises only if they display a badge.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 5.4 Every CONTRACTOR vehicle must display a valid vehicle pass supplied by the main gate guard.
- 5.41 CONTRACTOR'S vehicles will normally be allowed in the Refinery only for the purpose of delivering workmen, equipment, or supplies to the job site. Where work location and circumstances warrant, CONTRACTOR'S vehicles may be allowed in the Refinery to transport CONTRACTOR'S authorized management personnel for inspection of the work. Prior COMPANY approval must be obtained from the COMPANY Representative for the use of any CONTRACTOR vehicle in the Refinery. CONTRACTOR'S vehicles may be searched when entering and leaving Refinery. A vehicle pass will be issued to each vehicle entering the Refinery. This pass serves as vehicle identification.
- 5.42 CONTRACTOR'S vehicles will not leave the Refinery with any COMPANY tools or equipment, color code orange, until the driver has had the vehicle's contents duly inspected by the COMPANY Representative, or the Storehouse Supervisor, and has acquired an approved "Pass Out Slip for Loaned Equipment", Form CW-3031, which permits passage through the Main Gate.
- 5.43 The Main Gate Guard may inspect all CONTRACTOR vehicles' contents prior to leaving the Refinery.
- 5.44 CONTRACTOR shall supply transportation for all of its employees from the gate to the job site and return. The COMPANY Representative will designate the routes and parking areas to be used by CONTRACTOR'S motor vehicles in the Refinery. CONTRACTOR shall observe all the COMPANY'S traffic regulations.
- 5.45 CONTRACTOR shall identify the foremen of any sub-contractors working for CONTRACTOR to the Gate Guard and COMPANY Representative.
- 5.46 A CONTRACTOR employee arriving late must go to the Main Gate Guard as he cannot enter the Refinery without a pass badge. The COMPANY Representative will arrange entry for these people with the guard.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

DRIVING AND
PARKING

- 6.0 CONTRACTOR shall drive carefully and observe posted Refinery speed limits and traffic signs.
- 6.1 Maximum speed limit anywhere within the Refinery is 20 M.P.H. Speed limits will vary from 5 M.P.H. to 20 M.P.H. Be alert for the posted speed limit for each area and drive within the limit at all times.
- 6.2 Stop at all stop signs. A full, complete stop is required.
- 6.3 Stop at all railroad crossings.
- 6.4 Respect barricades and roped-off areas. Do not enter these closed areas.
- 6.5 If vehicle is not equipped with a backup alarm (beeper type), or if CONTRACTOR is unable to obtain a COMPANY Representative to control traffic while backing, CONTRACTOR shall provide a guide to control traffic while backing the vehicle. In addition, backing speed shall be limited to 10 M.P.H. All of these provisions are required to avoid injury to walking personnel who might not hear a vehicle backing.
- 6.6 Be alert for pedestrians. Many areas have heavy foot traffic.
- 6.7 Be alert for emergency vehicles, such as fire trucks, ambulances, and others.
- 6.8 Be prepared to stop for hazards, such as accidental leaks of hazardous vapors or liquids. Do not enter these areas. If a hazardous area is initially discovered when inadvertently entered, turn off the engine immediately, walk quickly out of the area, report the incident to the nearest COMPANY employee, and from a safe distance, restrict others from driving into the hazardous area.
- 6.9 Watch for clearance in restricted or congested areas, and observe proper clearance near overhead pipeways, powerlines, and above ground pipeways.
- 6.10 CONTRACTOR'S motorized equipment shall be parked within the Refinery only within areas designated by the COMPANY Representative. CONTRACTOR'S employees' privately owned vehicles are not permitted within the Refinery.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

MOTORIZED
EQUIPMENT

- 6.11 CONTRACTOR'S employees' privately owned vehicles will be parked in the CONTRACTOR'S parking lot located Southwest of the Refinery Storehouse just off Trowbridge Drive. CONTRACTOR'S employees' privately owned vehicles will not be parked in the angle parking spaces, off Trowbridge Drive, in front of the Refinery proper, unless prior arrangements are made with the Company Representative.
- 6.12 The COMPANY assumes no responsibility for damages to cars, trucks or other vehicles which belong to CONTRACTOR, sub-contractors or CONTRACTOR'S employees when driven or parked on COMPANY property.
- 7.0 CONTRACTOR'S motorized equipment shall be equipped with mufflers in good condition and wiring in good order before the equipment shall be allowed to enter the Refinery. All battery boxes shall be covered and all gasoline lines and carburetors free from leakage.
 - 7.1 Operation of motorized equipment must comply with OSHA Rules and Regulations paragraph 1910.95 entitled "Occupational Noise Exposure". Motorized equipment noise shall be limited so that the equipment cannot be heard over normal background noise, or to a maximum of sixty-five (65) dba at the Refinery periphery, whichever is limiting.
 - 7.2 COMPANY requires that pedestrians and property be protected from trucks and motorized equipment having limited rear vision from the cab, when this equipment is backing up. When equipment such as high body trucks, vacuum trucks, earth moving trucks, cranes, and other heavy motorized equipment is in frequent use in the Refinery, it shall be equipped with a backup alarm (beeper type), automatically actuated when the vehicle is moving backwards. See condition requirement in Section 6.5 of this Instruction if vehicle is not equipped with a backup alarm.
 - 7.3 Unsafe vehicles will not be allowed in the Refinery.
 - 7.4 Vehicles shall never be left unattended with the engine running.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 7.5 CONTRACTOR vehicles that are to remain in the Refinery for the duration of the contract must be permanently and visibly marked for easy identification, from near and far.
- 7.6 Unmarked CONTRACTOR vehicles, including rental units by COMPANY from CONTRACTOR, that are frequently in and out of the Refinery, will receive a window permit from the Main Gate Guard when it enters the Refinery and must display this sign in the window at all times while in the Refinery. These signs will designate a vehicle as CONTRACTOR, Visitor, etc.
- MATERIAL DELIVERIES 8.0 CONTRACTOR shall notify COMPANY Representative in advance of expected material deliveries. If material deliveries are to be made to a job site, a vehicle badge will be issued to the driver to permit entry when he arrives at the Refinery.
- TRUCKING 9.0 Without limiting the generality of any other provision of this Addendum, all trucking on COMPANY'S premises shall be in accordance with all laws covering fastening of loads, use of red warning flags, etc., applicable to such trucking or, in the absence thereof, all such laws which would be applicable to such trucking if it were on public roadways.
- DELINEATING OPERATING FACILITIES 10.0 If planning to use heavy earth moving, trucking or hoisting equipment, CONTRACTOR shall, with the assistance of COMPANY Representative, survey the work area and travel routes to determine any live facilities in or near the areas where heavy equipment will be operating. Piping, electrical poles and guys, pumps, and any other operating facilities shall be delineated by connecting rope strands no closer than 10 feet from such live facilities. If necessary to operate heavy equipment within this designated area, CONTRACTOR shall advise COMPANY Representative of the work required within this area, the type of equipment which will be operating, and the duration of such work, and shall obtain approval of COMPANY Representative before proceeding. The delineator-barricade shall be replaced following these operations if heavy equipment is still operating in the vicinity and shall not be removed until completion of the heavy equipment portions of the work.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 10.1 Under no circumstances may a crane lift and carry men or material to and from a worksite without specific approval from the COMPANY Representative.
- 10.11 When stationary picks are made, CONTRACTOR must have the position of the crane and location of the outriggers approved by the COMPANY Representative. Rigging and hoisting diagrams may be required at COMPANY Representative's discretion in accord with Refinery Instruction No. 1407. (Available upon request).
- ENTERING
OPERATING
UNITS
- 11.0 CONTRACTOR'S employees shall not enter operating areas or operating units other than at the location where work assigned to them is being performed. CONTRACTOR'S vehicle must not leave the main roadways until the vehicle entry permit has been cleared and safety precautions explained by the Company Representative. CONTRACTOR'S employees shall not operate any valves or other equipment in operating areas or units unless advised to do so by COMPANY Representative. When work requires frequent visits in and out of operating areas or units, the Company Representative will advise the Unit Operator of CONTRACTOR activities. For safety reasons, the CONTRACTOR must advise the Unit Operator when he enters an area and when he leaves.
- 11.1 The Sulphur Recovery areas, Plants No. 05, 71, 72, 59, and 75 have special entry and departure requirements, and signs are posted to this effect. Personnel and vehicle entry permit must be obtained from the unit operator in charge everytime the SRU areas are entered or departed. DO NOT walk or drive through the SRU areas to get to the Control House to obtain an entry permit. Return the personnel or vehicle entry permit to the Unit Operator in charge when departing from the SRU areas.
- RAILROAD
CLEARANCES
- 12.0 CONTRACTOR shall maintain a clearance of 10 feet-0 inches on either side of the centerline of all railroad tracks.
- POWER LINES
- 13.0 Underground cables and conduits are covered in most cases with red concrete. CONTRACTOR shall not disturb these facilities without permission of COMPANY Representative.

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ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 13.1 CONTRACTOR shall maintain legal clearance of at least 10 feet from overhead power lines and shall provide warning signs on apparatus as required.
- 13.2 CONTRACTOR shall provide walking guide when moving heavy equipment under electrical power lines.
- DOCTOR,
HOSPITAL, AND
AMBULANCE
- 14.0 CONTRACTOR shall provide all necessary first aid, ambulance, and hospital services in case of accident or injury to its employees, and require that its sub-contractors do likewise.
- 14.1 Appendix BII of this Addendum, "CONTRACTOR'S Hospital, Doctor, and Ambulance Service Designation Forms", shall be completed by CONTRACTOR and returned to COMPANY prior to beginning work. CONTRACTOR shall require that its sub-contractors do likewise.
- 14.2 All injuries sustained by the employees of CONTRACTOR or its sub-contractors while on COMPANY premises shall be reported immediately to COMPANY Representative. If COMPANY Representative cannot be immediately contacted, and the injury sustained requires an ambulance or emergency vehicle, the CONTRACTOR shall find the nearest phone, dial 444, and follow instructions of the dispatcher.
- PROTECTIVE
EQUIPMENT
- 15.0 CONTRACTOR'S employees shall wear long sleeve shirts, ANSI-approved hard hats and ANSI-approved industrial safety glasses when working in operating plants and maintenance or construction areas where COMPANY personnel are required to wear same.
- 15.1 The COMPANY Representative will advise CONTRACTOR of special types of eye protection and other personnel protection required in unusually hazardous areas such as acid and caustic areas. This protective equipment, i.e., goggles, face shields, rubber gloves, etc., will normally be provided by the CONTRACTOR. COMPANY may provide large and/or expensive equipment such as acid suits, rubber boots, etc., or as otherwise directed in the specifications.
- 15.2 If the work to be performed requires coveralls, they will be provided by CONTRACTOR.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 15.3 CONTRACTOR shall require its employees to use other personnel protective equipment wherever specified by the COMPANY Representative or whenever the situation is such that additional protective equipment is necessary.
- USE OF RESPIRATORY EQUIPMENT 16.0 CONTRACTORS, including supervision, who are required to work in areas where respiratory equipment is frequently used, or may be used to perform a specific job, must be reasonably clean shaven. In addition, CONTRACTORS, including supervision, who are required to work in areas where "Escape Paks" are provided for safe exit during an emergency, must be reasonably clean shaven. Reasonably clean shaven, in this sense, means no facial hair shall affect or hinder the tight seal of a gas or "Escape Pak" mask.
- MATCHES AND LIGHTERS 17.0 The carrying of "strike anywhere" matches in the Refinery is prohibited. It is also required that any cigar or cigarette lighter carried within the Refinery must have flint, steel, and operating mechanism enclosed in such a manner as to prevent the possibility of accidental lighting or sparking. Disposable butane lighters are prohibited within the Refinery. CONTRACTOR shall be responsible for strict adherence to these orders by its employees or the employees of its sub-contractors.
- SMOKING 18.0 Smoking is prohibited in the Refinery except in specifically approved areas at established times. COMPANY Representative will designate these areas and advise these times prior to CONTRACTOR'S beginning work in the Refinery.
- FIRES AND FIRE EQUIPMENT 19.0 CONTRACTORS shall not use or move fire fighting equipment, except that which is assigned for CONTRACTOR's use. Keep space around fire hydrants, extinguishers, hose houses, etc., clear at all times.
- 19.1 In case of fire:
- 19.11 Call local 444 and report location of fire.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 19.12 Evacuate the area of a major fire sensibly. Do not panic. Escape routes should not be up-wind or down-wind of the fire or its sources.
 - 19.13 Attempt to extinguish fires in an incipient stage, which were started by CONTRACTORS, using a CONTRACTOR'S firewatch.
 - 19.14 Clear the burning area and move away from fire fighting activities as soon as Refinery personnel arrive to extinguish the fire.
 - 19.15 Remove CONTRACTOR equipment and employees from the area.
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- | | |
|-------------------------------------|---|
| GOOD HOUSE-KEEPING | 20.0 Maintain the premises in which CONTRACTORS are working in a neat and orderly manner. Maintain a general level of cleanliness during the execution of work instead of leaving all cleaning to the end of the job. |
| INCIDENTAL HAZARDS | 21.0 Prevent hazards to others resulting from upturned nails, unguarded excavations, falling objects, etc. |
| SAFETY CODES, STANDARDS, AND LAWS | 22.0 CONTRACTOR shall perform all work in strict conformance with all safety codes, standards and laws which are applicable to the work being done. In case of conflict between safety codes, standards and laws, the most stringent shall apply. |
| LICENSES | 23.0 CONTRACTOR shall conform to all laws, ordinances and regulations relating to taxes and other public charges against his operations or equipment. |
| REFINERY PERMITS, WRITTEN APPROVALS | 24.0 CONTRACTOR shall request a written permit through the COMPANY Representative at least one day before starting certain work. CONTRACTOR employees working as a supplement to COMPANY personnel, under a COMPANY Supervisor, shall request a written permit through the COMPANY Supervisor for whom they are working. An approved copy of the permit must be on the job site during progress of any of the following: <ul style="list-style-type: none">24.1 Smoking permits.24.2 Entering tanks, vessels, other enclosures such as fire-boxes, tank basins, or unauthorized areas. |

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ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 24.3 Walking or working upon tank roofs or windgirders.
- 24.4 Using a torch, welding electrode, melting pot, forge, electric motor, soldering iron, or any open flame.
- 24.5 Working on or adjacent to public streets or highways.
- 24.6 Starting excavations of any kind, including cutting fire-walls, earthen or brick, and placing fill.
- 24.7 Sandblasting, guniting, or spray application.
- 24.8 Closing walkways, roads, or restricting traffic. (Proper warning signs shall be used).
- 24.9 Using radioactive materials.
- 24.10 Using motorized equipment in process areas or tank basins. This includes all types of equipment or activity that could provide a source of ignition.
- 24.11 Disposing of rubbish. Rubbish is segregated and disposed of according to strict guidelines. Prior to all rubbish disposal, contact the COMPANY Representative for permit and disposal instructions.

REMOVING
MATERIAL OR
EQUIPMENT
FROM REFINERY

- 25.0 Except for waste removal, whenever CONTRACTOR'S property, or COMPANY property on CONTRACTOR'S conveyance, is to be taken outside the Refinery, the CONTRACTOR's Representative shall request authorization in writing from COMPANY Representative to remove such material and/or equipment. This authorization or release shall be given to the guard at the gate where exit is obtained. Form CW-2453, "Pass Out Slip for Materials or Equipment", and/or form CW-3031, "Pass Out Slip for Loaned Equipment", permits removal from the Refinery. Company Representative will arrange for the permit through Storehouse Supervisor.

ORAL
APPROVALS

- 26.0 CONTRACTOR shall obtain oral approval from COMPANY Representative before:
 - 26.1 Using gasoline engines.

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ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

- 26.2 Working on existing pipe and drainage lines or equipment.
- 26.3 Connecting to or using utilities such as compressed air, steam, water or electricity.
- 26.4 Moving cranes, tractors or heavy equipment through the Refinery.
- 26.5 Operating cranes or similar equipment near process units and overhead power or pipelines.
- 26.6 Walking or working upon any roofs over buildings or equipment. (Attention is further called to the specific hazard of breaking through roofs or corrugated asbestos construction.)
- 26.7 Fueling gasoline-driven equipment on Refinery property.
- 26.8 Repairing CONTRACTOR'S equipment on Refinery property.
- 26.9 Working any time at variance with a regular schedule.
- 26.10 Starting construction of temporary buildings.
- 26.11 Storing or using inflammables, such as gasoline, oil, paint, oxygen/acetylene bottles, etc.

STOPPAGE
OF WORK

- 27.0 CONTRACTOR shall stop work when so instructed by COMPANY Representative. Work stoppage may be due to CONTRACTOR'S work methods, conditions causing the areas to be unsafe, or for any other reason. CONTRACTOR shall stop work in an emergency situation, or when so instructed by any COMPANY employee who deems a hazardous situation has developed in the CONTRACTOR'S work area.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

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|--------------------------------|------|--|
| QUALIFIED
WELDERS | 28.0 | CONTRACTOR shall use only welders who have been qualified in accordance with COMPANY Engineering and Maintenance Instruction EP-2200, "Qualification of Welders". The COMPANY Representative in conjunction with Inspection Section will arrange for welder qualification tests if required. |
| CRAFT
INSPECTION | 29.0 | CONTRACTOR shall be solely responsible for thorough craft inspection during the work and the quality of the work. COMPANY may inspect the work during its progress to satisfy COMPANY that CONTRACTOR'S employees are properly qualified in their respective crafts and that workmanship of CONTRACTOR'S employees is of an acceptable grade. |
| PHOTOGRAPHS | 30.0 | Only COMPANY photographers are permitted to carry cameras or take pictures within the Refinery. If progress or finished construction photographs are desired, a written request should be made to the Company Representative describing the photograph proposed and the end use of same. |
| DRINKING
WATER | 31.0 | CONTRACTOR shall supply drinking water for its employees. COMPANY Representative will denote potable drinking water sources for CONTRACTOR use. Fire hydrants and wash down stations shall not be used for drinking water. |
| TOILET
FACILITIES | 32.0 | CONTRACTOR shall furnish chemical toilets, or acceptable substitute, for the use of its employees during peak work periods. COMPANY Representative shall decide work which constitutes peak periods. |
| USE OF
COMPANY
EQUIPMENT | 33.0 | If at any time CONTRACTOR desires to use COMPANY owned staging, tools, etc., CONTRACTOR may request in writing the equipment or material desired. The request must state the date, time, location, and length of time the equipment will be needed. CONTRACTOR must also submit a subsequent document stating he has inspected and accepted the equipment, materials, tools, etc., as being of first-class quality, prior to using. CONTRACTOR must also state he assumes full responsibility for the adequacy and safety of such equipment and will reimburse the COMPANY the full replacement cost of the material, equipment, tools, etc., if for any reason it is not returned to COMPANY in the same condition it was when taken out. This includes losses, thefts, damages, breakage, etc. If there is a statement in the CONTRACT and/or SPECIFICATIONS regarding the use of company equipment, it will take precedent over this paragraph. |

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

DAMAGE TO
COMPANY
EQUIPMENT OR
PROPERTY

- 34.0 CONTRACTOR shall promptly notify COMPANY Representative in the event that CONTRACTOR or its sub-contractors damage COMPANY equipment or property.

VISITORS

- 35.0 All visitors must be approved for entry into the Refinery on a "Visitors Approval for Refinery Entrance" pass form, available from the Main Gate Guard or the Receptionist in the Administration Building. Visitors to Contractor shall be escorted while in the Refinery by the CONTRACTOR'S Representative. CONTRACTOR shall arrange the time for the meeting directly with the visitor, shall obtain the COMPANY Representative's approval on the visitors pass form, and shall delivery the approved pass form to the Main Gate Guard or to the Receptionist in the Administration Building, whichever point of entry into the Refinery has been designated. CONTRACTOR'S Representative shall meet the visitor at the designated entry point for accompaniment through the Refinery.

- 35.1 COMPANY will log all visitors in and out of the Refinery. The log will indicate time of entrance, location and nature of business in the Refinery, person visited, and time of exit.

ALCOHOLIC
BEVERAGES
OR CONTAINERS

- 36.0 The possession of or consumption of alcoholic beverages on COMPANY property is prohibited.

- 36.1 The possession of alcoholic beverage containers, even if they are empty, on COMPANY property is prohibited.

LANGUAGE
BARRIER

- 37.0 For safety's sake, and to prevent the possibility of confusion, all CONTRACTOR supervisors must be able to speak English when working with, or in the same area of, COMPANY employees. There must also be at least one English-speaking person in all working crews at all times.

CONTRACT
CHANGES

- 38.0 COMPANY will use "Change" form, GO-283, to request CONTRACTOR to perform work in addition to that work specified by the original contract agreement. The "Change" form requires COMPANY approval at the appropriate authority level prior to the commencement of extra work.

ADDITIONAL PROVISIONS FOR THE PERFORMANCE OF WORK

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| APPENDICES | 39.0 | Appendix BI, "CONTRACTOR Representative's Certificate" form, attached hereto, shall be completed and signed by CONTRACTOR'S Representative and COMPANY'S Representative prior to commencement of work by CONTRACTOR. This form certifies CONTRACTOR'S knowledge and understanding of Addendum No. 1 "Additional Provisions for the Performance of Work", and all other applicable Refinery and Safety rules and regulations relative to CONTRACTOR'S work under the contract agreement. The completed and signed certificate will be kept in the contract file. |
| | 40.0 | Appendix BII, "CONTRACTOR'S Hospital, Doctor, and Ambulance Service Designation Form", attached hereto, shall be completed by CONTRACTOR and returned to COMPANY prior to commencement of work by CONTRACTOR. The signed original will be kept in the Contract File. CONTRACTOR will retain a copy in his possession at all times as will the Company Representative. |
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Chief Engineer

Original Issued 10/81

CHEVRON U.S.A., INC.
EL PASO REFINERY

ADDENDUM NO. 1
APPENDIX BI
PAGE 1 OF 1
OCTOBER 1981

CONTRACTOR REPRESENTATIVE'S CERTIFICATE

CONTRACT NO. C-15-060-83
BETWEEN: CHEVRON U.S.A. INC.

AND

SATCO INC

On this date I personally reviewed with D.W. Jones,
COMPANY Representative for Chevron U.S.A., Inc., on the job covered by the
above contract, the ADDENDUM labeled "Additional Provisions for the Performance
of Work" and received a copy of same. I also received sufficient extra copies
of the said ADDENDUM for each sub-contractor on this job with instructions to
give each sub-contractor a copy and to review the ADDENDUM in detail with each
sub-contractor.

I have specifically reviewed the requirements that all personnel under my
supervision in the Refinery are required to wear ANSI approved safety helmets,
ANSI industrial safety glasses, long sleeves, outer garments and adequate foot-
wear for the work being performed. In addition, I have reviewed the following
safety rules and procedures with the COMPANY Representative.

GENERAL SAFETY RULES

Personal Safety	☒
Good Housekeeping	☒
Traffic Rules	☒
Smoking Areas	☒
First Aid	☒
Fire	☒

EQUIPMENT SAFETY RULES

Electrical Equipment	☒
Furnaces	☒
Confined Spaces	☒
Sandblasting	☒
Hand and Power Tools	☒
Hoists and Rigging	☒
Portable Ladders	☒
Life Lines and Belts	☒
Scaffolds	☒
Storage Tanks	☒
Barricades	☒
Welding & Burning	☒
Warning Signs	☒

(Date) 7-28-88

(Signed) D.W. Jones

Revised 10/81

WORK PERMITS AND WORK PROCEDURES

Purpose	
Types:	
Work	☒
Burning & Welding	☒
Excavation	☒
Road Closing	☒
Hydrant	☒
Fresh Air	☒
Vehicle entry tank basin	☒
Entry Permits Vessels	☒
Hot Taps	☒
Rubbish Disposal	☒

TAGGING PROCEDURES

Purpose	
Types:	
Operators Yellow Tag	☒
Mechanics Blue/Black Tag	☒
Electrician Red/White Tag	☒
Entry Grn/Yellow Tag	☒
Green Gas Test Tag	☒

(Signed) [Signature]
CONTRACTOR Representative

(Forward original to Engineering Steno.
Engineering Steno to place in contract
file.)

CHEV B8 5666

CHEVRON U.S.A., INC
EL PASO REFINERY

ADDENDUM NO. 1
APPENDIX BII
PAGE 1 OF 1
OCTOBER 1981

CONTRACTOR'S HOSPITAL, DOCTOR, AND AMBULANCE SERVICE DESIGNATION FORM

CONTRACT NO. C-15-080-83
BETWEEN: CHEVRON U.S.A., INC.

AND

SARCO INC

In the event of a medical emergency, involving one or more of my employees,
please contact the following:

	<u>HOME</u>	<u>BUSINESS</u>
Name, address, and phone number of hospital:	<u>NOT APPLICABLE</u>	<u>SAM 2</u>
Name, address, and phone number of doctor:		<u>SAM 2</u>
Name, address, and phone number of ambulance service:	<u>NOT APPLICABLE</u>	<u>SAM 2</u>
Name, address, and phone number of CONTRACTOR'S contact:		<u>SAM 2</u>
		<u>JIM SPERISER</u>
		<u>854-6381</u>

Additional instructions or remarks: _____

DATE: 7-28-83

SIGNED: [Signature]
CONTRACTOR'S SIGNATURE

NOTE: CONTRACTOR shall complete information, sign, and return to COMPANY
contract originator along with CONTRACTOR'S signed contract. COM-
PANY contract originator will forward signed form to Engineering
Steno. Engineering Steno will place in contract file.
CONTRACTOR Representative and COMPANY Representative should have
a copy in their possession at all times.

TERMS AND CONDITIONS

1. PERFORMANCE OF THE WORK

- 1.1 Definitions
 - 1.11 The term "work" as used in this Agreement means, unless the context otherwise requires, all work to be performed by CONTRACTOR under this Agreement.
 - 1.12 The term "Facility" as used in this Agreement means the product of the work, such as an improvement to real property, designs or data.
 - 1.13 The term "material" or "materials" as used in this Agreement means all material, supplies and equipment to be incorporated into the Facility.
 - 1.14 The term "affiliate" as used in this Agreement means Standard Oil Company of California or any company in which Standard Oil Company of California owns directly or indirectly at least 51 percent of the shares entitled to vote at a general election of directors.
 - 1.15 The terms "indemnitee" and "indemnities" as used in this Agreement mean respectively COMPANY, one of its affiliates or the agent or employee of COMPANY or one of its affiliates and all of them.
 - 1.16 The terms "subcontractors" and "vendors" as used in this Agreement mean subcontractors or vendors of any tier.
- 1.2 Independent Contractor: CONTRACTOR shall be an independent contractor, maintaining complete control over CONTRACTOR's men and operations.
- 1.3 Specifications: CONTRACTOR shall perform the work, including the provision of materials, in accordance with the specifications and exhibits (if any) which are a part of this Agreement and such additional drawings and explanations as COMPANY may provide to CONTRACTOR from time to time to detail and illustrate the work.
- 1.4 Permits: Unless otherwise provided in this Agreement, CONTRACTOR shall secure all permits, make all cash and other deposits, provide all bonds and give all notices required by law in connection with the work.
- 1.5 Items to be Provided by CONTRACTOR: Unless otherwise provided in this Agreement, CONTRACTOR shall provide all materials, utilities, consumable supplies, tools, construction equipment, and labor, including supervision, necessary for the completion of the work.
- 1.6 Safety Measures: CONTRACTOR shall perform the work in accordance with safe practices, taking all reasonable precautions to protect the Facility and adjacent facilities, workmen and the public and providing, where reasonably necessary, barriers, guards, temporary bridges, lights and watchmen. While on the premises of COMPANY or its affiliates all of COMPANY's safety rules shall be strictly observed; in particular, smoking shall be limited to such locations and occasions as are specifically authorized in writing by COMPANY. CONTRACTOR shall not perform or permit any act on the premises of COMPANY or its affiliates which involves a fire or explosion hazard, including welding, torch cutting and disposal of debris by burning, without prior written consent of COMPANY.
- 1.7 Suppliers
 - 1.71 COMPANY may nominate bidders for the supply of certain items of material. CONTRACTOR shall request bids on these items from the nominees, and may obtain such other bids as CONTRACTOR may elect.
 - 1.72 COMPANY may have available for sale certain materials not products of COMPANY. CONTRACTOR shall purchase such materials offered by COMPANY and its designated affiliates as long as such material is suitable and is competitively priced.
 - 1.73 When the work includes purchasing certain materials, CONTRACTOR shall be fully responsible for ordering, expediting, receiving and safeguarding (subject to the provisions of Section 5.3 of these Terms and Conditions) all such materials, and for conducting all competitive bidding by and negotiations with the vendors thereof and for paying for materials and enforcing of warranties, unless otherwise provided in this Agreement.
- 1.8 Labor
 - 1.81 CONTRACTOR shall employ labor from that available in the vicinity of the work, and in accordance with the terms of employment prevailing in that vicinity, to the extent that it is practicable and consistent with the timely and efficient prosecution of the work.
 - 1.82 CONTRACTOR shall use all reasonable efforts to avoid any disturbances in the existing labor situation which will adversely affect the business of COMPANY, its affiliates or other contractors working in the area.
- 1.9 Carriers: In connection with transportation of purchased materials, CONTRACTOR shall give consideration to, but shall not be limited to, use of carriers recommended by COMPANY.

2. COMPENSATION

- 2.1 Changes: COMPANY may make "changes" by adding to, omitting or deviating from the requirements of this Agreement. In the event COMPANY issues any written directive which is not identified as a Change but which CONTRACTOR considers to be a Change, CONTRACTOR shall so notify COMPANY in writing within 10 days after receipt of such directive. If no such timely notice is given, CONTRACTOR shall proceed in accordance with such directive without any adjustment in compensation. If COMPANY originally identifies the directive as a Change, or if CONTRACTOR gives such timely notice and COMPANY agrees that such directive is a Change, CONTRACTOR shall within 10 days after giving such notice or after receipt of the directive advise COMPANY of its proposed adjustment in compensation and COMPANY and CONTRACTOR shall attempt to agree in writing on an appropriate adjustment in compensation resulting from the Change. After such agreement is reached, CONTRACTOR shall proceed with the Change. However, if such notice is given or if COMPANY originally identified the directive as a Change, and in either instance COMPANY and CONTRACTOR fail to agree on whether or not such directive is a Change or fail to agree on an appropriate adjustment in compensation, then COMPANY may issue a written request for CONTRACTOR to proceed in accordance with such directive without such agreement. CONTRACTOR shall comply with such written request, but such compliance shall not prejudice either party's claim that the directive is a Change or, as the case may be, claim for an appropriate adjustment in compensation. After the written request to proceed is issued, any adjustment which is to be made to the compensation shall be determined in accordance with the Exhibit-Compensation Adjustment.
- 2.2 Taxes: CONTRACTOR shall pay, and CONTRACTOR's compensation provided for hereunder includes an allowance for, all State, Federal and other payroll taxes, including contributions and taxes assessed against employees on wages earned in connection with the work, and CONTRACTOR shall make all reports required by governmental authorities. CONTRACTOR shall also pay, and CONTRACTOR's compensation provided for hereunder includes an allowance for, any and all other taxes now or hereafter imposed by any governmental authority upon, measured by or incident to the performance of this Agreement or the purchase, storage, use or consumption by CONTRACTOR of materials, utilities, consumable supplies, tools or construction equipment used in the performance of this Agreement, unless the applicable laws specifically provide that such tax be paid by COMPANY.
- 2.3 Acceptance of Facility: Where provision is made by law for recording Notice of Completion, COMPANY may indicate its Acceptance of the Facility by recording such Notice; otherwise Acceptance shall be on the date COMPANY gives written notice to

CONTRACTOR that it is satisfied that the Facility has been completed in accordance with all requirements contained in this Agreement. Acceptance by COMPANY or payment hereunder shall in no way relieve CONTRACTOR of any obligation or liability under this Agreement.

2.4 Terms of Payment

- 2.41 At the end of each calendar month during the progress of the work, and upon completion of the work, CONTRACTOR shall be entitled to receive 85% of the compensation provided herein for that part of the work performed, including provision of materials, during that month. CONTRACTOR shall be entitled to receive the balance 35 days after Acceptance, provided that there are no undischarged or unsecured liens, attachments or claims in connection with the work. COMPANY may require, as a condition to payment of the balance, that CONTRACTOR submit evidence by receipted bills, releases and waivers of lien rights or otherwise, that all costs incurred by CONTRACTOR and his subcontractors (if any) in connection with the work have been paid.
- 2.42 Whenever CONTRACTOR is entitled to payment as provided above, COMPANY or CONTRACTOR (as specified on the first page [facing sheet] of this Agreement) shall prepare a statement of amounts so payable. Such statement shall be itemized and in such form as COMPANY and CONTRACTOR agree provided that such statement shall show the total compensation for that part of the work performed, including provision of materials, to the date of the statement, less 15% (except in the statement of the balance) and less previous payments. COMPANY shall pay CONTRACTOR the amount so payable, subject to COMPANY's audit of the statement, and subject to the provisions of Section 2.41 of these Terms and Conditions dealing with final payment of the balance, by check mailed within 20 days after the date payable or, when statement prepared by CONTRACTOR is received after the date payable, within 20 days after receiving CONTRACTOR's statement.

3. DELAYS

- 3.1 Site Readiness: CONTRACTOR shall ascertain from COMPANY that the site is ready before sending materials or workmen thereto.
- 3.2 Delays, Suspensions and Extensions: COMPANY may require CONTRACTOR to suspend performance hereunder completely or partially for whatever length of time COMPANY may elect. The time for completion shall be extended by each period that CONTRACTOR is delayed by (a) COMPANY or another independent contractor who is directly responsible to COMPANY (unless such delay is due to CONTRACTOR's default, for example, as provided in Sections 4.1 and 4.2 of these Terms and Conditions); (b) an act of God or the elements; (c) any other cause beyond CONTRACTOR's reasonable control; or (d) a labor disturbance.
- 3.3 Damages Due to Delays and Suspensions: COMPANY shall not be liable for any damages, direct, consequential or otherwise, suffered by CONTRACTOR due to delays and suspensions, but where CONTRACTOR is not in default CONTRACTOR shall be entitled to reimbursement for reasonable direct costs caused by delays and suspensions to the extent such delays and suspensions are caused by COMPANY and other independent contractors who are directly responsible to COMPANY. CONTRACTOR shall be obligated to proceed with the work notwithstanding a dispute on reimbursement; such action shall not prejudice either party's claim with respect to reimbursement.

4. INSPECTION, CONDEMNATION, STOPPING WORK

4.1 Inspection

- 4.11 Inspection by COMPANY: COMPANY may visit and inspect the work and materials, or any part thereof, at all times, and CONTRACTOR shall provide safe and proper facilities therefor. CONTRACTOR shall at all times during working hours keep a competent man in the immediate vicinity of the work areas to receive communications from COMPANY and to supervise the performance of this Agreement. When COMPANY determines that a work area is unsafe, COMPANY may stop the part of the work affected until the unsafe condition is corrected.
- 4.12 Inspection by CONTRACTOR: Whenever any part of CONTRACTOR's work depends on existing work or work or material provided by COMPANY or others, CONTRACTOR shall inspect and measure such other work or material and promptly notify COMPANY of each defect or discrepancy in such other work or material which may render it unsuitable for proper execution of CONTRACTOR's work or proper functioning of the Facility. If CONTRACTOR fails to notify COMPANY's representative of any such defect or discrepancy before performing CONTRACTOR's dependent work, and such defect or discrepancy would have been discovered in the course of a reasonably thorough visual inspection and measurement, COMPANY may condemn the work or material involved and CONTRACTOR shall correct such defect or discrepancy on the same basis as if it were defective work by CONTRACTOR under Section 4.2 of these Terms and Conditions.

- 4.2 Condemnation: COMPANY may condemn materials provided by CONTRACTOR and all parts of CONTRACTOR's work which are unsound or defective or fail in any way to conform with the requirements of this Agreement. CONTRACTOR shall begin to remove and replace such materials or work within 24 hours after receiving notice thereof from COMPANY. CONTRACTOR shall bear all costs involved in the removal and replacement of such materials and work and in the repair and replacement of any other materials and work necessarily damaged by such removal and replacement. If CONTRACTOR is requested by COMPANY to uncover any part of the Facility for inspection, the cost of uncovering and covering any such part not specifically requiring inspection under this Agreement shall be borne by COMPANY unless the part so uncovered is not in compliance with the requirements of this Agreement.

4.3 Taking Over and Stopping Work

- 4.31 Should CONTRACTOR default in any way in the performance of this Agreement, including failing, refusing or neglecting to supply sufficient material to be supplied by CONTRACTOR hereunder, or tools, or properly skilled workmen to complete the work with reasonable diligence, for 5 days after written notice of such default to CONTRACTOR, COMPANY may, at any time thereafter, take over and complete the work. The cost to COMPANY of completing the work shall be deducted from the unpaid part of CONTRACTOR's compensation. If such cost exceeds any such amount, CONTRACTOR shall reimburse COMPANY for such excess cost. The action by COMPANY of taking over and completing the work shall not constitute a waiver of or election among any other rights or remedies that COMPANY may have against CONTRACTOR.
- 4.32 Should CONTRACTOR or its creditors seek relief under any insolvency law, or CONTRACTOR be adjudged a bankrupt, COMPANY may at any time thereafter terminate this Agreement and take over and complete the work as provided in Section 4.31 of these Terms and Conditions, except that any payments due from CONTRACTOR to subcontractors or vendors in connection with the work may be made by COMPANY to such subcontractors or vendors, and be deducted from the amounts otherwise due to CONTRACTOR.
- 4.33 COMPANY may, in its absolute discretion, stop the work at any time, but where CONTRACTOR is not in default, COMPANY shall pay CONTRACTOR for all parts of the work done, including materials provided, in conformity with the requirements of

this Agreement, plus an amount for reasonable and verified costs of CONTRACTOR incurred in preparation for the parts of the work not yet performed and in shutting down his operations hereunder, plus an amount for a reasonable part of the profit CONTRACTOR would otherwise have earned; provided, that the amounts payable under this Section 4.33 shall in no event exceed the unpaid part of CONTRACTOR's compensation.

LIABILITY

- 5.1 **General Liability:** CONTRACTOR shall indemnify and save harmless the indemnitees from and against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including an employee of CONTRACTOR or an indemnitee, or for loss of or damage to property (except property subject to Sections 5.2 and 5.3 of these Terms and Conditions), resulting directly or indirectly from CONTRACTOR's performance of this Agreement, including, but not limited to, the use by CONTRACTOR of staging or other equipment provided by COMPANY or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, one or more of the indemnitees, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement and except where such loss, damage, injury, liability or claim is the result of active negligence or willful misconduct of an indemnitee and is not contributed to by any act of, or by any omission to perform some duty imposed by law or contract on, CONTRACTOR, its subcontractor or either's agent or employee.
- 5.2 **Liability for Property of COMPANY and its Affiliate:** CONTRACTOR shall be liable to COMPANY and its affiliates for any loss of or damage to the property of COMPANY and its affiliates (other than the property subject to Section 5.3 of these Terms and Conditions) resulting directly or indirectly from CONTRACTOR's performance of this Agreement, regardless of the negligence of COMPANY, its agents, employees, and affiliates, except to the extent that such liability is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement; provided, however, that CONTRACTOR's liability under this Section 5.2 shall be limited to the applicable insurance which CONTRACTOR carries or has others carry and which shall not be less than that provided in Section 6 of these Terms and Conditions.
- 5.3 **Liability for the Facility and Materials:** CONTRACTOR shall exercise due care and diligence in the performance of this Agreement and in the care and protection of the Facility and materials. At COMPANY's option, CONTRACTOR shall reconstruct, repair or replace any part of the Facility or materials lost or damaged by any cause whatsoever, including but not limited to those referred to in Section 3.2 of these Terms and Conditions, wherever said loss or damage occurs including loss or damage to materials while in transit. In such event COMPANY shall reimburse CONTRACTOR for the costs of such reconstruction, repair or replacement in excess of \$1,000 for each occurrence or in excess of the coverage of any applicable insurance which CONTRACTOR may elect to carry or have others carry, whichever is greater, except costs incurred in reconstruction, repair and replacement of work or materials subject to condemnation by COMPANY prior to loss or damage (whether or not such condemnation was effected) under Section 4.2 of these Terms and Conditions, and except costs incurred in order to meet the guarantee(s), if any, contained elsewhere in this Agreement. CONTRACTOR also shall be paid a reasonable profit on that part of such reconstruction, repair or replacement for which cost reimbursement is made. COMPANY shall not be liable for loss or damage to construction equipment, tools, temporary structures, temporary excavations or supplies owned or used by CONTRACTOR or its subcontractors.
- 5.4 **Compliance with Laws and Regulations:** CONTRACTOR shall comply with all laws, regulations, decrees, codes, ordinances, resolutions, and other acts of any governmental authority, including Federal and State labor and tax laws, which are applicable to this Agreement and CONTRACTOR's performance hereunder, and shall indemnify and save COMPANY and its affiliates harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from CONTRACTOR's failure to do so.
- 5.5 **Liens:** CONTRACTOR shall discharge at once or bond or otherwise secure against all liens and attachments which are filed in connection with the work and shall indemnify and save COMPANY, its affiliates, and the owners of the premises on which the work is performed harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from such liens and attachments.
- 5.6 **Patent Rights:** CONTRACTOR shall indemnify and save COMPANY and its affiliates harmless from and against any and all loss, damage, injury, liability and claims thereof for any patent infringement resulting directly or indirectly from CONTRACTOR's performance of the work, including provision of material and designs by CONTRACTOR, and use of tools and other equipment by or for CONTRACTOR in any connection therewith.
- 5.7 **Costs and Attorneys' Fees:** CONTRACTOR shall promptly pay (a) to any indemnitee all costs and attorneys' fees incurred by such indemnitee resulting directly or indirectly from any and all loss, damage, injury, liability and claims for which CONTRACTOR is obligated to indemnify such indemnitee pursuant to Sections 5.1, 5.4, 5.5 or 5.6 of these Terms and Conditions, and (b) to COMPANY all costs and reasonable attorneys' fees in any legal action in which COMPANY or its affiliate prevails, in whole or in part, brought against CONTRACTOR based on a breach of this Agreement.

INSURANCE

- 6.1 **Insurance Required:** Without in any way limiting CONTRACTOR's liability pursuant to Section 5 of these Terms and Conditions, CONTRACTOR shall maintain the following insurance.
 - 6.11 **Worker's Compensation and Employers' Liability Insurance** as prescribed by applicable law, including insurance covering liability under the Longshoremen's and Harbor Workers' Act and the Jones Act, if applicable.
 - 6.12 **Without in any way affecting CONTRACTOR's obligations pursuant to Section 6.11 of these Terms and Conditions, if marine work is to be performed hereunder, Protection and Indemnity Insurance**, including coverage for injuries to or death of masters, mates and crews of vessels used in the performance of this Agreement. The limits of liability of such insurance shall not be less than \$500,000 per occurrence.
 - 6.13 **Comprehensive General Bodily Injury Liability Insurance.** Such insurance shall include the following coverages: Broad Form Contractual Liability, Personal Injury Liability, Completed Operations, and Products Liability. The limits of liability of such insurance shall be not less than \$500,000 per occurrence.
 - 6.14 **Broad Form Property Damage Liability Insurance.** Such insurance shall include the following coverages: Broad Form Contractual Liability, Completed Operations, and Products Liability, and shall expressly cover property of COMPANY and its affiliates other than that referred to in Section 5.3 of these Terms and Conditions. The limits of liability of such insurance shall be not less than \$100,000 per occurrence.
 - 6.15 **Automobile Bodily Injury and Property Damage Liability Insurance.** Such insurance shall extend to owned, non-owned, and hired automobiles used in the performance of this Agreement. The limits of liability of such insurance shall be not less than \$250,000 per person/\$500,000 per occurrence for Bodily Injury and \$100,000 per occurrence for Property Damage.
- 6.2 **Policy Endorsements:** The above insurance shall include a requirement that the insurer provide COMPANY with 30 days' written notice prior to the effective date of any cancellation or material change of the insurance. The insurance specified in Section 6.11 of

these Terms and Conditions shall contain a waiver of subrogation against the indemnitees. The insurance specified in Sections 6.12, 6.13, 6.14 and 6.15 of these Terms and Conditions shall

- (a) name the indemnitees as additional insureds;
- (b) provide that said insurance is primary coverage with respect to all insureds; and
- (c) contain a Standard Cross Liability Endorsement or Severability of Interest Clause.

6.3 Evidence of Insurance: CONTRACTOR shall—before commencing the work—provide COMPANY with certificates or other documentary evidence of the above insurance, satisfactory to COMPANY. Form GO-279-12 may be used for this purpose.

7. ASSIGNMENT: Neither this Agreement nor money due CONTRACTOR hereunder shall be assigned, sublet or transferred in whole or in part by CONTRACTOR, except with the prior written consent of COMPANY, and any attempt to do so without such written consent shall be void.

8. CONTRACTOR'S UNDERSTANDING: Subject to any express provisions elsewhere in this Agreement, it is understood that CONTRACTOR as a result of careful examination, is satisfied as to the nature and location of the work, the conformation and structure of the ground, the character, quality and quantity of the materials to be used, the character of temporary equipment and facilities needed preliminary to and during the prosecution of the work, the general and local conditions, and all other matters which could in any way affect the work under this Agreement. No representations by or oral agreement with any agent or employee of COMPANY, either before or after the execution of this Agreement, shall affect or modify any of CONTRACTOR's rights or obligations hereunder.

9. RENEGOTIATION ACT OF 1951: If Section 104 applies to this Agreement, this Agreement shall be deemed to contain all of the provisions required by said Section. Content of 10 is superceded by Right-to-Audit Clause, Page 5, attached

10. RECORDS: CONTRACTOR and its subcontractors and vendors shall maintain true and correct sets of records in connection with the work and all transactions related thereto. CONTRACTOR and its subcontractors and vendors shall retain all such records for a period of not less than twenty-four (24) months after Acceptance of the Facility.

No director, employee or agent of CONTRACTOR or of any subcontractor or vendor of CONTRACTOR shall give or receive any commission, fee, rebate or gift or entertainment of significant cost or value in connection with the work, or enter into any business arrangement with any director, employee or agent of COMPANY or any affiliate other than as a representative of COMPANY or its affiliate, without COMPANY's prior written agreement. CONTRACTOR shall promptly notify COMPANY of any violation of this paragraph and any consideration received as a result of such violation shall be paid over or credited to COMPANY. Any representative(s) authorized by COMPANY may audit any and all records of CONTRACTOR and any such subcontractor or vendor in connection with the work and all transactions related thereto for the sole purpose of determining whether there has been compliance with this paragraph.

If CONTRACTOR's compensation under this Agreement is determined in whole or in part on a reimbursement of costs basis, the costs to be reimbursed shall be only those reasonably necessary to perform the work in an efficient manner in accordance with the time schedule required. COMPANY may from time to time and at any time after the date of this Agreement until twenty-four (24) months after Acceptance of the Facility, make an audit of all records of CONTRACTOR and its subcontractors and vendors in connection with all costs reimbursable under this Agreement. Such audit may also cover CONTRACTOR's procedures and controls with respect to the costs to be reimbursed. Upon completion of this audit COMPANY shall pay CONTRACTOR any compensation due CONTRACTOR hereunder as shown by the audit. Any amount by which the total payment by COMPANY to CONTRACTOR exceeds the amount due CONTRACTOR as shown by the audit shall be returned to COMPANY. Items not covered by reimbursement but by such compensation as fixed percentages or fixed lump sums shall not be subject to audit under this paragraph.

CONTRACTOR shall assist COMPANY in making the above audits.

CONTRACTOR shall require, and shall require all subcontractors and vendors to require, in all agreements in connection with the work the agreement of the parties to the provisions of this Section.

1. HEADINGS: Headings of Sections and other parts of this Agreement are for quick reference only and are not to be construed as part of this Agreement. In some instances a Section or part contains provisions not covered by the heading thereof; in other instances, a Section or part contains provisions that are described in the heading of another Section or part.

2. LICENSING OF CONTRACTORS: The following applies to any person who engages in the business or acts in the capacity of a contractor within California:

Contractors are required by law to be licensed and regulated by the Contractor's State License Board. Any questions concerning a contractor may be referred to the registrar of the board whose address is:

CONTRACTOR'S STATE LICENSE BOARD
1020 N STREET
SACRAMENTO, CALIFORNIA 95814

3. WAIVER: The right of either party to require strict performance shall not be affected by any prior waiver or course of dealing.

4. CERTIFICATION: CONTRACTOR hereby certifies that it will fully comply with Executive Order 11246, as amended by Executive Order 11375, and the rules and regulations issued thereunder, which are hereby incorporated by reference as appropriate. CONTRACTOR commits itself to such compliance upon execution of this Agreement.

5. AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS: The regulations issued under the Rehabilitation Act of 1973 in Title 41, Chapter 60, Part 60-741 of the Code of Federal Regulations are incorporated herein by reference unless this Agreement is exempted by Federal Law, Rules, Regulations or Orders of the Secretary of Labor issued pursuant to said Rehabilitation Act of 1973.

6. AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA: The regulations issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1974 in Title 41, Chapter 60, Part 60-250 of the Code of Federal Regulations are incorporated herein by reference unless this Agreement is exempted by Federal Law, Rules, Regulations or Orders of the Secretary of Labor issued pursuant to said Vietnam Era Veterans' Readjustment Assistance Act of 1974.

7. Certificate of Nonsegregated Facilities Clause: The Certificate of Nonsegregated Facilities, Form GO-279-2, signed by CONTRACTOR and attached hereto as Page 6, is part of this Agreement.

8. Utilization of Minority Business Enterprises: The Utilization of Minority Business Enterprises, Form GO-279-5, attached hereto as Page 7, is part of this Agreement.

RIGHT-TO-AUDIT CLAUSE

SUPERCEDES CONTENT IN PARAGRAPH 10 OF CONTRACT TERMS AND CONDITIONS
FOR GO-277 SERVICE ORDERS AND
GO-278, GO-279 AND PD-52 CONTRACTS

RECORDS AND AUDITS: CONTRACTOR and its subcontractors and vendors of any tier shall maintain true and correct records in connection with the work and all transactions related thereto and shall retain all such records for at least 24 months after Acceptance.

No director, employee or agent of CONTRACTOR or of any subcontractor or vendor of CONTRACTOR of any tier shall give or receive any commission, fee, rebate, gift or entertainment of significant cost or value in connection with the work, or enter into any business arrangement with any director, employee or agent of COMPANY or any affiliate other than as a representative of COMPANY or its affiliate, without prior written notification thereof to COMPANY. CONTRACTOR shall promptly notify COMPANY of any violation of this paragraph and any consideration received as a result of such violation shall be paid over or credited to COMPANY. Additionally, if any violation of this paragraph occurring prior to the date of this Agreement resulted directly or indirectly in COMPANY's consent to enter into this Agreement with CONTRACTOR, COMPANY may, at COMPANY's sole option, terminate this Agreement at any time and, notwithstanding any other provision of this Agreement, pay no compensation or reimbursement to CONTRACTOR whatsoever for any work done after the date of termination. Any representative(s) authorized by COMPANY may audit any and all records of CONTRACTOR and any such subcontractor or vendor for the sole purpose of determining whether there has been compliance with this paragraph.

COMPANY may from time to time and at any time after the date of this Agreement until 24 months after Acceptance make an audit of all records of CONTRACTOR and its subcontractors and vendors of any tier in connection with payments made on a cost reimbursement basis. Such audit may also cover CONTRACTOR's procedures and controls with respect to such reimbursable costs. Upon completion of this audit, COMPANY shall pay CONTRACTOR any compensation due hereunder as shown by the audit. Any amount by which the total payment by COMPANY to CONTRACTOR exceeds the amount due CONTRACTOR as shown by the audit shall be returned to COMPANY. Items of compensation such as fixed percentages or fixed lump sums shall not be subject to audit under this paragraph.

CONTRACTOR shall assist COMPANY in making the above audits.

CONTRACTOR shall require, and shall require all subcontractors and vendors of any tier to require, in all agreements in connection with the work the agreement of the parties to the provisions of this Section.

CERTIFICATE OF NONSEGREGATED FACILITIES

CONTRACTOR certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. CONTRACTOR understands that the phrase "segregated facilities" includes facilities which are in fact segregated on a basis of race, color, creed, or national origin, because of habit, local custom, or otherwise. CONTRACTOR understands and agrees that maintaining or providing segregated facilities for his employees or permitting his employees to perform their services at any locations, under his control, where segregated facilities are maintained is a violation of the Equal Opportunity Clauses required by Executive Order No. 11246 of September 24, 1965, and the regulations of the Secretary of Labor set out in 33 F.R. 7804 (May 28, 1968). CONTRACTOR further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clauses; that it will retain such certifications in its files, and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS 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 F.R. 7439, May 19, 1967), and as required by the regulations of the Secretary of Labor set out in 33 F.R. 7804 (May 28, 1968) and as they may be amended, must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clauses. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually or annually).

SATCO
CONTRACTOR OR COMPANY
P.O. Box 80023
ADDRESS
Baton Rouge, La. 70898
CITY, STATE, & ZIP CODE

BY *Sam Gowan*
TITLE *Supt.*
DATE *7-28-83*

Return to:

Attention: _____

CHEV B8 5673

UTILIZATION OF MINORITY BUSINESS ENTERPRISES

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The CONTRACTOR agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American-Eskimos, and American Aleuts. CONTRACTORS may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

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