

BECHTEL 2ND ROUNDOUT

Bechtel Corporation

Subcontractor: Thorpe Insulation Company
P.O. Box 4772
Corpus Christi, Texas 78408

Engineers—Constructors

3701 Kirby Drive
Houston, Texas 77006



Contact: W.D. Leonard
Telephone: (512) 882-3671

SUBCONTRACT

#7

Owner: Reynolds Metals Company

Date: July 12, 1971

Location of work: Gregory, Texas

Subcontract No.: 8633-M-70 HBC

Issuing Office: Houston, Texas

200-300-1000
50-10



BECHTEL CORPORATION ("Contractor") and the above-named Subcontractor ("Subcontractor") hereby agree that the work specified below ("Work") shall be performed by Subcontractor in accordance with all the provisions of this Subcontract. Subcontractor understands that the Work is a portion of the work and services to be performed by Contractor for the above-named Owner.

Subcontractor represents that it has examined the location of the Work and is familiar with and has satisfied itself as to the nature, location and amount of the Work, Subcontractor's access thereto and ability to perform the same, the terms of this Subcontract and all incorporated documents as well as the quality, quantity and availability of labor, materials, equipment, facilities and other items required for performance of the Work and the climatic, physical and other conditions which may be encountered in the performance of the Work.

1. WORK TO BE PERFORMED: Except for the items specified in Section 3 hereof, Subcontractor shall supply and furnish at the locations where the Work is to be performed all plant, labor, materials, tools, supplies, equipment, transportation, supervision, technical, professional and other services to perform, and shall perform all operations necessary and required for the satisfactory performance and completion of the following Work:

Insulate all piping in accordance with Material Requisition 8633-M-70, Rev. 1 and all attachments listed therein.

2. DOCUMENTS INCORPORATED: The following documents are by this reference incorporated into and made a part of this Subcontract and are referred to collectively hereinafter as the "Subcontract Documents."

- (a) Exhibit "A" - General Terms and Conditions
- (b) Exhibit "B" - Insurance and Bond Requirements
- (c) Exhibit "C" - Special Provisions
- (d) Exhibit "D" - Material Requisition 8633-M-70, Rev. 1 and all attachments listed therein.

3. CONTRACTOR-FURNISHED ITEMS: Contractor will furnish to or for the use of the Subcontractor only the following items:

See Paragraph 6.2 of Specification G-2, Rev. 1

4. TIME OF COMMENCEMENT AND COMPLETION: Subcontractor agrees to commence the Work on approximately July 12, 1971. Exact scheduling shall be as approved by Contractor's Construction Superintendent. Subcontractor agrees to complete the Work on or before February 29, 1972.

5. COMPENSATION: As full consideration for the satisfactory performance by the Subcontractor of the Work, Contractor shall pay to Subcontractor the following compensation: The firm lump sum price of Sixty Thousand Four Hundred Two Dollars and No Cents (\$60,402.00) as set forth in your quotation of May 28, 1971 signed by Mr. W.D. Leonard.

6. TERMS OF PAYMENT: See Paragraph 24 of Exhibit "A".

APPROVED


George M. Lenham
Reynolds Metals Company

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract as of the day and year first above written.

CONTRACTOR:

BECHTEL CORPORATION

SUBCONTRACTOR:

THORPE INSULATION COMPANY

By

Ralph Childs
Procurement Manager

By

002795

EXHIBIT "A"
GENERAL TERMS AND CONDITIONS

1. ENTIRE AGREEMENT: This Subcontract embodies the entire agreement between Contractor and Subcontractor. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments or modifications of any of the terms and conditions hereof shall be valid unless reduced to writing.

2. CONTRACTUAL RELATIONSHIP: Subcontractor represents that it is fully experienced and properly qualified to perform the class of work provided for herein, and that it is properly licensed, equipped, organized and financed to perform such work. In the performance of this Subcontract, Subcontractor shall operate as an independent contractor and not as the agent of Contractor or Owner.

3. UNEMPLOYMENT INSURANCE, TAXES, CONTRIBUTIONS AND ASSESSMENTS: Subcontractor shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance, old age retirement benefits, life pensions, annuities and similar benefits which may now or hereafter be imposed by law or collective bargaining agreements with respect to persons employed by Subcontractor for performance of the work under this Subcontract whether measured by wages, salaries or remuneration paid or otherwise. Subcontractor shall comply with all laws, statutes, rules and regulations applicable to the compensation paid to its employees, and shall maintain suitable forms, books of account and records. The compensation to be paid to Subcontractor includes, and Subcontractor shall be liable for and shall pay and shall indemnify, defend and save harmless Owner and Contractor from, all such taxes and contributions or any interest accrued and penalties imposed, and all taxes, excises, assessments and other charges levied by any government agency or authority on or because of the work performed hereunder, or any materials, equipment, services or supplies furnished or used in the performance of this Subcontract.

4. AUTHORIZED REPRESENTATIVES AND NOTICES: Subcontractor shall designate a competent superintendent to represent and act for the Subcontractor who shall have authority to make binding and enforceable decisions in the name of Subcontractor and to accept service of all notices which Contractor desires to serve, or which are required by this Subcontract to be served, on

Subcontractor. Subcontractor shall, upon commencement of performance of this Subcontract, advise Contractor in writing of the name, address and telephone number (day and night) of such designated superintendent and of any change in such designation.

Any notices provided for hereunder may be served personally on the superintendent of either party at the jobsite or by registered mail to the address of each party shown on the face hereof.

5. LAWS AND REGULATIONS — PERMITS: Subcontractor, its employees and representatives, shall at all times comply with all applicable laws, ordinances, statutes, rules or regulations including those relating to wages, hours, fair employment practices, anti-discrimination and safety and working conditions.

Subcontractor shall procure and pay for all permits and inspections and shall furnish any bonds, security or deposits required to permit performance of its work hereunder.

6. LABOR CONDITIONS: Subcontractor shall, to the extent permissible under federal law and any applicable state laws, comply with and be bound by such terms and conditions of Contractor's labor agreements as are applicable to the work, including, without limitation, the terms and provisions of any such agreements concerning work rules and providing for the assignment of work or the settlement of jurisdictional disputes. Subcontractor shall pay rates of wages and shall observe hours and conditions of labor equivalent to those paid and observed by Contractor and shall be subject to Contractor's approval. A copy of each of these agreements is available for inspection at the office of Contractor issuing this Subcontract. Subcontractor shall, if requested to do so by Contractor, remove from the jobsite any employee whom Contractor determines to be incompetent or undesirable. Subcontractor agrees that if any portion of the work covered hereby is further subcontracted, such further subcontract shall be bound by and observe the provisions of this clause to the same extent as herein required by Subcontractor, and that a copy of this clause imposing such obligations upon said subcontractor shall be included in any further subcontract.

Subcontractor shall comply with and shall cooperate with Contractor in enforcing jobsite conditions which directly affect the performance

of the work including but not limited to starting and quitting time, smoking regulations, check-in and check-out procedures, jobsite safety regulations and daily clean-up.

7. INDEMNITY: Subcontractor shall indemnify, defend and hold harmless Owner and Contractor, and each of them from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind or nature whether arising before or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, or claimed to be caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive of Subcontractor, or of anyone acting under its direction, control, or on its behalf in connection with or incident to the work performed under this Subcontract. Subcontractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability caused by the sole active negligence of Contractor or Owner.

8. DAMAGES FOR SUBCONTRACTOR'S BREACH OF SUBCONTRACT: Subcontractor shall pay Contractor any and all damages, interest, attorney's fees, costs, losses and expenses of whatsoever kind or nature whether they arise before or after completion of the work hereunder arising out of any default under or breach by Subcontractor of the terms and conditions of this Subcontract.

9. PATENT INDEMNITY: Subcontractor shall indemnify, defend and save harmless Owner, Contractor and their representatives respectively, from and against all claims, losses, costs, damages, and expenses, including attorney's fees, incurred by Owner, Contractor, and their representatives, respectively, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the equipment or materials furnished under the Subcontract by Subcontractor, or out of the processes or actions employed by, or on behalf of Subcontractor in connection with the performance of the work hereunder, and Subcontractor shall, at its sole expense, promptly defend against any such claim or action; provided that Owner or Contractor shall have notified Subcontractor upon becoming aware of such claims or actions, and provided further that Subcontractor's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by Contractor or Owner. Subcontractor shall have the right, in order to avoid such claims or actions, to substitute at its own expense noninfringing equip-

ment, materials, or processes, or to modify at its own expense such infringing equipment, materials and processes so they become noninfringing, provided that such substituted and modified equipment, materials and processes shall meet all the requirements and be subject to all the provisions of this Subcontract.

10. WARRANTY: Unless specifically stated otherwise in the Subcontract, Subcontractor warrants all equipment, materials, and labor furnished or performed under this Subcontract, against defective design (unless furnished by Owner or Contractor), materials and workmanship for a period of eighteen (18) months from and after final acceptance under the Subcontract, or one (1) year from and after final acceptance of the Project as a whole by Owner whichever occurs sooner, regardless of whether the same were furnished or performed by Subcontractor or by any of its sub-subcontractors of any tier. Upon receipt of written notice from Contractor or Owner of any defect in any such equipment, materials, or labor during the applicable warranty period, due to defective design, materials or workmanship, the affected part or parts thereof shall be redesigned, repaired or replaced by Subcontractor who shall perform such tests as Contractor or Owner may require to verify that such redesign, repairs and replacements comply with the requirements of this Subcontract. All costs incidental to such redesign, repair, replacement and testing, including the removal, replacement and reinstallation of equipment and materials necessary to gain access, shall be borne by Subcontractor. As to any defects in the Work which are so redesigned, repaired or replaced, Subcontractor warrants such redesigned, repaired or replaced work against defective design, materials and workmanship for a period of eighteen (18) months from and after the date of acceptance thereof. Should Subcontractor fail to promptly make the necessary redesign, repair, replacement and test, Contractor may perform or cause to be performed the same at Subcontractor's expense. Subcontractor and its surety or sureties, if any, shall be liable for the satisfaction and full performance of the warranties as set forth herein.

11. NON-ASSIGNMENT: Any subletting, assignment or hypothecation of this Subcontract, or any portion of the work, or any amount due and payable hereunder, made by Subcontractor without the prior written consent of Contractor shall be void. If such subletting, assignment or hypothecation is attempted or made, Contractor shall have the right, if it so elects and without prejudice to any other rights it may have, to withhold at any time thereafter, in whole or in

part, payments otherwise due to Subcontractor until the final payment becomes due to Subcontractor hereunder.

12. CHANGES: Contractor may at any time, in writing, without notice to the surety or sureties, if any, make any change in the work to be performed under this Subcontract. Subcontractor shall proceed immediately with performance of the change and shall, within ten (10) days thereafter, if any such change materially affects the cost or time of performance of the Subcontract as a whole, submit written notice of such effect on cost and time of performance. If, as determined by Contractor, any such change materially affects said cost and time of performance of the Subcontract as a whole, an equitable adjustment shall be made. No change or adjustments to the Subcontract shall be binding unless authorized in writing by the Contractor.

13. PERFORMANCE REQUIREMENTS: All work hereunder shall be performed by Subcontractor at the times stated and in accordance with the provisions of this Subcontract. Anything mentioned in the specifications and not shown on the drawings or vice versa shall have effect as if shown in both. In case of conflict or discrepancies among the various Subcontract Documents the matter shall be submitted immediately by Subcontractor to Contractor for decision and such decision shall be final.

14. STANDARDS AND CODES: Wherever references are made in the Subcontract to standards or codes in accordance with which work is to be performed or tested, it is to be understood that the then current edition or revision of the standards or codes shall apply, unless otherwise expressly set forth. Unless otherwise specified, reference to such standards or codes is solely for technical information.

15. ORDER OF PERFORMANCE OF WORK : Contractor, Owner, other contractors and subcontractors may be working at the site during the performance of this Subcontract. Contractor reserves the right to direct Subcontractor to schedule the order of performance of its work in such manner as not unreasonably to interfere with the performance of other work and services by Contractor, Owner or other contractors or subcontractors.

16. RESPONSIBILITY FOR WORK; PRECAUTIONS: Subcontractor shall be responsible for and shall bear any and all risk of loss of or damage to work in progress, all materials delivered to the site and all materials and equipment until completion and final acceptance of the work to be performed under this Subcontract, unless such loss

or damage results from the sole active negligence of Contractor.

Subcontractor shall promptly take all precautions which are necessary and adequate against any conditions created during the progress of Subcontractor's activities hereunder which involve a risk of bodily harm to persons or a risk of damage to any property. Subcontractor shall continuously inspect all work, materials and equipment to discover and determine any such conditions and shall be solely responsible for discovery, determination and correction of any such conditions. Subcontractor shall comply with all applicable safety standards, codes and regulations in the jurisdiction where the work is being performed, and with the Safety and Health Regulations for Construction issued by the Bureau of Labor Standards of the U.S. Department of Labor. Subcontractor assumes all liability for its failure to comply with the provisions of this paragraph.

17. INSPECTION; REJECTION OF MATERIALS AND WORKMANSHIP; ACCEPTANCE: All materials and equipment furnished and work performed in connection therewith shall at all times be subject to inspection by Contractor or Owner. Subcontractor shall, at its own expense, provide safe and necessary facilities and all samples, documents, drawings and lists necessary for such inspection. Owner and Contractor shall be afforded full and free access to the shops, factories or places of business of Subcontractor and its subcontractors and suppliers for such inspection and to determine the general condition and progress of the work. If Subcontractor covers all or any portion of the work prior to any inspection or test by Contractor or Owner, the cost of any necessary uncovering and replacing shall be borne by Subcontractor. Neither the failure to make such inspection nor to discover defective workmanship, materials, or equipment nor approval of, or payment to, Subcontractor for such work, materials or equipment shall prejudice the rights of Owner or Contractor thereafter to correct or reject the same as hereinafter provided.

If any material, equipment or workmanship is determined by Owner or Contractor, either during performance of the work, on final inspection, or during any applicable warranty period, to be defective or not complying with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing that such material, equipment or work is rejected. Thereupon, Subcontractor shall, at its own expense, immediately remove and replace or correct such defective material, equipment or work by making the same comply strictly with all requirements therefor.

As soon as practicable after completion of all work hereunder, inspection and tests will be made by Contractor or Owner. When such inspection and tests have proven that the work is in accordance with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing of final acceptance of its work under this Subcontract.

18. EXPEDITING: The equipment and material furnished under this Subcontract shall be subject to expediting by Contractor or its representatives. Contractor's personnel shall be allowed reasonable access to Subcontractor's plants, and those of its sub-suppliers, for expediting purposes. As required by Contractor, Subcontractor shall supply schedules and progress reports for Contractor's use in expediting.

19. REMOVAL OF DEBRIS AND WASTE MATERIAL: During performance of the Subcontract and upon termination or completion thereof, Subcontractor shall remove all debris and waste material and keep and leave the site in a condition satisfactory to Contractor.

20. EXTENSION OF TIME - SUBCONTRACTOR'S WAIVER OF DAMAGES FOR DELAY:

If Subcontractor's performance of this Subcontract be delayed by any condition beyond the control and without the fault or negligence of Subcontractor and which was not foreseeable by Subcontractor at the time this Subcontract was entered into, Subcontractor shall, within seven (7) days of the commencement of any such delay, give to Contractor written notice thereof and of the anticipated results thereof. Within seven (7) days after the termination of any such delay, Subcontractor shall file a written notice with Contractor specifying the actual duration of the delay. Failure to give either of the above notices shall be sufficient ground for denial of an extension of time. If Contractor determines that the delay was beyond the control and without the fault or negligence of Subcontractor and not foreseeable by Subcontractor at the time this Subcontract was entered into, Contractor shall determine the duration of the delay and shall extend the time of performance of this Subcontract accordingly.

Subcontractor shall not be entitled to, and hereby expressly waives recovery of any damages suffered by reason of the delays herein contemplated and extension of time shall constitute Subcontractor's sole remedy for such delays.

21. SUSPENSION: The Contractor may, at its sole option, by notice in writing to the Subcontractor, suspend at any time the performance of all or any portion of work to be performed under the

Subcontract. Upon such notice of suspension of work, the Subcontractor agrees to permit the Contractor to designate the amount and type of plant, labor and equipment in such a manner as to minimize costs associated with suspension.

Upon receipt of any such notice, the Subcontractor shall, unless the notice requires otherwise:

- (i) immediately discontinue work on the date and to the extent specified in the notice;
- (ii) place no further orders or subcontracts for material, services, or facilities with respect to suspended work other than to the extent required in the notice;
- (iii) promptly make every reasonable effort to obtain suspension, upon terms satisfactory to the Contractor, of all orders, subcontracts and rental agreements to the extent they relate to performance of work suspended, and,
- (iv) unless otherwise specifically stated in the notice, the Subcontractor shall continue to protect and maintain the work theretofore completed, including those portions on which work has been suspended.

As full compensation for such suspension the Subcontractor will be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work.

- (i) A standby charge to be paid to the Subcontractor during the period of suspension of work, which standby charge shall be sufficient to compensate the Subcontractor for keeping, to the extent required in the notice, its organization and equipment committed to the work site in a standby status;
- (ii) all reasonable costs associated with demobilization of the Subcontractor's plant, forces and equipment;
- (iii) an equitable amount to reimburse the Subcontractor for the cost of maintaining and protecting that portion of the work upon which activities have been suspended;

Upon receipt of notice to resume suspended work, the Subcontractor shall immediately resume work on the suspended work to the extent required in the notice. If as a result of any such suspension of work the cost to the Subcontractor of subsequently performing work is increased or decreased, an equitable adjustment will be made in the cost of performing the remaining portion of work. Any claim on the part of the Subcontractor for extension of time shall be made in accordance with the appropriate provisions of this Subcontract. Within ten (10) calendar days after receipt of

notice to resume work, the Subcontractor shall submit for review a revised construction schedule. No compensation or extension of time shall be granted if suspension results from Subcontractor's non-compliance with the requirements of this Subcontract.

22. PROGRESS: Subcontractor shall provide and use on any work only such construction plant and equipment as are capable of producing the quality and quantity of work and materials required by the Subcontract and within the time or times specified. Upon written order of the Contractor the Subcontractor shall promptly remove unsatisfactory equipment and facilities from the site and shall discontinue operation of unsatisfactory plant.

The Subcontractor shall give the Contractor full information in advance as to its plans for carrying on each part of work. If at any time during the progress of work, the Subcontractor's actual progress appears to the Contractor to be inadequate to meet the requirements of the Subcontract, the Contractor may notify the Subcontractor of such imminent or actual non-compliance with the Subcontract. The Subcontractor shall thereupon take such steps as may be necessary to improve its progress and the Contractor may require an increase in the labor force, the number of shifts, and/or overtime operations, days of work and/or the amount of construction plant all without additional cost to the Contractor. Neither such notice by the Contractor nor the Contractor's failure to issue such notice shall relieve the Subcontractor from its obligation to achieve the quality of work and rate of progress required by the Subcontract.

Failure of the Subcontractor to comply with the instructions of the Contractor under these provisions may be grounds for determination by the Contractor that the Subcontractor is not prosecuting its work with such diligence as will assure completion within the times specified. Upon such determination, the Contractor may terminate the Subcontractor's right to proceed with the performance of the Subcontract, or any separable part thereof, in accordance with the applicable provisions of this Subcontract.

23. TERMINATION: (i) Should Subcontractor at any time refuse or neglect to supply sufficient properly skilled workmen or materials of the proper quality or quantity, or equipment necessary properly to perform the work hereunder, or fail in any respect to prosecute the work hereunder or any portion thereof with promptness, diligence or in accordance with any of the provisions set forth herein, or go into liquidation other than as part of a corporate reorganization or enter into composition with its creditors or become insolvent, Contractor may, upon forty-eight (48) hours' written

notice to Subcontractor, terminate Subcontractor's right to proceed with the work or such part of the work as to which such defaults have occurred. In the event of such termination, Contractor may enter upon the premises and into places of manufacture of Subcontractor's suppliers and, for the purpose of completing the work or enforcing these provisions, take possession of all materials, equipment, tools and appliances thereon belonging to or under the control of Subcontractor and may use them or may finish the work by whatever method it may deem expedient including the hiring of another Subcontractor or Subcontractors under such form of subcontract as Contractor may deem advisable, or Contractor may itself provide any labor or materials and perform any part of the work. In such case Subcontractor shall not be entitled to receive any further payment until the work is completed. If the unpaid balance of Subcontractor's compensation hereunder shall exceed the sum of the expense of finishing the work plus compensation for additional managerial and administrative services and such other costs and damages as Contractor may suffer, such excess shall be paid to Subcontractor. If such expense, compensation, costs, and damages shall exceed such unpaid balance, Subcontractor and its sureties, if any, shall be liable for and shall pay, the excess to Contractor. Failure of Contractor to exercise any of its rights hereunder shall not excuse Subcontractor from compliance with the provisions of this Subcontract nor prejudice rights of Contractor to recover damages for such default.

(ii) Contractor may, as its option, terminate this Subcontract in whole, or from time to time in part, at any time by written notice thereof to the Subcontractor, whether or not Subcontractor is in default. Upon any such termination Subcontractor agrees to waive any claims for damages, including loss of anticipated profits, on account thereof, and agrees that the sole remedy of Subcontractor is to receive payment in accordance with Subparagraph (c) below. The provisions of this Subcontract, which by their nature survive final acceptance of the work hereunder, shall remain in full force and effect after such termination to the extent provided in such provisions.

(a) Upon receipt of any such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue work on the date and to the extent specified in the notice; place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary for completion of such portion of the work as is not discontinued; promptly make every reasonable effort to procure cancellation upon terms satisfactory to Contractor of all orders, subcontracts

and rental agreements to the extent they relate to the performance of work discontinued and shall thereafter do only such work as may be necessary to preserve and protect work already in progress and to protect materials, plant, and equipment at the site or in transit thereto.

(b) Upon such termination the obligations of this Subcontract shall continue as to work already performed and as to bona fide obligations assumed by Subcontractor prior to the date of termination.

(c) Upon such termination Subcontractor shall be entitled to be paid the full value, calculated on the basis of the compensation provisions of this Subcontract, for all work properly done on the site by Subcontractor together with reasonable costs occasioned by such termination and not previously paid for, less such sums as Subcontractor had already received on account of the work performed. If at the date of such termination Subcontractor has properly prepared or fabricated off the site any goods for subsequent incorporation at the site, and if Subcontractor delivers such goods to the site or to such other place as the Contractor shall reasonably direct, then Subcontractor shall be paid for such goods or materials. The foregoing amounts shall include a reasonable sum, under all of the circumstances, as profit for any work performed by Subcontractor.

24. PAYMENT: Subcontractor agrees to accept the compensation specified elsewhere in this Subcontract as full compensation for performing all work and services and furnishing all materials, supplies and equipment necessary for satisfactorily performing this Subcontract; for all loss or damage arising out of the nature of the work or from the action of the elements or from any unforeseen or unknown difficulties or obstructions which may arise or be encountered in the prosecution of the work until final acceptance; for all risks of every description connected with the work and for all expenses incurred by or in consequence of any suspension or discontinuance of the work except as may be otherwise provided elsewhere in this Subcontract.

Unless otherwise specified in the Subcontract, progress payments shall be made to Subcontractor by Contractor as follows: At the end of each calendar month or as soon thereafter as practicable. Contractor shall estimate or cause to be estimated the value of the work performed hereunder by Subcontractor. Such estimate shall be conclusive upon Subcontractor for the purpose of progress payments. Within ten (10) days after the making or

receipt and approval by Contractor of such estimate and upon receipt and approval of Subcontractor's invoice, Contractor shall pay to Subcontractor ninety (90) percent of such amount less the aggregate of all payments previously made or credited to Subcontractor.

Payments otherwise payable hereunder may be withheld, in whole or in part, by Contractor on account of (i) claims filed or reasonable evidence indicating the probability of filing thereof; (ii) the failure of Subcontractor to correct defective workmanship or materials; (iii) the failure of Subcontractor to cure any default in any of the conditions hereof to be performed by Subcontractor; (iv) the failure of Subcontractor to pay, satisfy or discharge any claim of Owner, Contractor or any person against Subcontractor arising out of or in any way connected with the work; or (v) a reasonable doubt that this Subcontract can be completed within the time specified or for the balance then unpaid. If the foregoing causes are removed to the satisfaction of Contractor, the withheld payments shall promptly be made. If the said causes are not promptly removed after written notice, Contractor may rectify the same at Subcontractor's expense, and deduct all costs and expenses incurred thereby from such withheld payments. If such withheld payments are insufficient to satisfy the same, or if any claim against Subcontractor shall be discharged by Contractor after final payment is made, Subcontractor and its surety or sureties, if any, shall promptly reimburse and pay to Contractor all costs and expenses incurred thereby, regardless of when such claim arose or whether such claim imposed a lien upon the work or the real property upon which the work is situated.

Contractor may, as a condition precedent to any progress payment to Subcontractor, require Subcontractor to submit complete waivers and releases of any and all claims of any person, firm or corporation in connection with or in any way related to the performance of this Subcontract. Such releases must be submitted covering all such claims as a condition precedent to final payment.

Within thirty-five (35) days following final acceptance of all work performed hereunder the amount then remaining due to Subcontractor shall be paid, provided, that Subcontractor shall have furnished Contractor and Owner with a release of all claims against Contractor and/or Owner arising under or by virtue of this Subcontract, except such claims, if any, as may with the consent of Contractor and Owner be specifically excepted by Subcontractor from the operation of the release in stated amounts to be set forth therein.

EXHIBIT "B"

INSURANCE AND BOND REQUIREMENTS

1. INSURANCE REQUIREMENTS:

Unless otherwise specified in this Subcontract, the Subcontractor shall, at its sole expense, maintain in effect at all times during the performance of the Work insurance coverages with limits not less than those set forth below with insurers and under forms of policies satisfactory to Contractor. Prior to commencing under this Subcontract, Subcontractor shall furnish Contractor with Certificates of Insurance as evidence that policies providing such coverages and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to Contractor prior to cancellation, termination or alteration of said policies of insurance. Such notices shall be sent directly to Contractor's authorized representative as specified elsewhere in this Subcontract.

Coverage:	Minimum Amounts and Limits
(a) Workmen's Compensation	Statutory requirements at location of Work
(b) Employer's Liability	To extent included under Workmen's Compensation Insurance policy.
(c) Comprehensive General Liability	
(i) Bodily Injury	\$250,000 each person \$500,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence
(d) Comprehensive Automobile Liability	
(i) Bodily Injury	\$100,000 each person \$300,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence

The policy of insurance which affords Comprehensive General Liability shall contain a provision or endorsement stating that such insurance, subject to all of its other terms and conditions, applies to the liability assumed by Subcontractor under this Subcontract; any policy exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the "XCU" hazards, are to be deleted.

Should any of the Work be upon or contiguous to navigable bodies of water, Subcontractor shall also carry insurance covering its employees for benefits available under the Federal Longshoremen's and Harbor Workers' Act to the extent required by law. Also, any watercraft used by Subcontractor shall be insured by the Comprehensive General Liability insurance or by equivalent insurance such as Protection and Indemnity Insurance.

The foregoing requirements as to types, limits and Contractor's approval of insurance coverage to be maintained by Subcontractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Subcontractor under this Subcontract.

2. PERFORMANCE BOND AND PAYMENT BOND REQUIREMENTS:

If specifically required in writing by Contractor, Subcontractor shall furnish to Contractor a Performance Bond and Payment Bond in the form shown in this Exhibit "B" and executed as surety by a corporation acceptable to Contractor and authorized to issue such bonds in the jurisdiction where the Work is to be performed. Such Performance Bond and Payment Bond shall each be for one hundred percent (100%) of the compensation payable to Subcontractor under this Subcontract. The cost of such bonds will be paid by Contractor separately from and in addition to, the Compensation specified in Section 5 of this Subcontract.

NOTE: Owner and Contractor do not furnish Builders' Risk Insurance for Subcontractor's material, equipment or work completed. Reference paragraph 16 of General Terms and Conditions.

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EXHIBIT "C"SPECIAL PROVISIONS

1. Subcontractor shall furnish Contractor with Certificates of Insurance evidencing coverage require herein. The certificates shall be mailed to each of the following addresses:

Bechtel Corporation
P.O. Box 2166
Houston, Texas 77001
Attn: Purchasing Department

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E.C. Gavagan

2. Invoice to be submitted in quadruplicate to the following address:

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E.C. Gavagan

Upon completion of work and prior to final payment, Subcontractor is to submit one (1) copy each of completed "Release of Mechanic's Lien", Form HP-101 to both the Houston Office and Bechtel's Field Office.

3. COMPENSATION: Supplemental to Paragraph 5 of Subcontract the following price breakdown is for accounting purposes only:

<u>TASK</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>	<u>ESTIMATED MAN-HOURS</u>	<u>COST CODE</u>
<u>6</u>					
2" and smaller	\$1,156.00	\$1,525.00	\$2,681.00	165	042.060.581.08.5
2½" - 8"	917.00	1,245.00	2,162.00	132	042.060.582.08.5
10" and larger	7,036.00	7,194.00	14,230.00	854	042.060.583.08.5
<u>7</u>					
2" and smaller	670.00	613.00	1,283.00	70	042.070.581.08.5
2½" - 8"	4,086.00	3,647.00	7,733.00	418	042.070.582.08.5
10" and larger	2,578.00	2,284.00	4,862.00	268	042.070.583.08.5
<u>12-1</u>					
2½" - 8"	65.00	62.00	127.00	7	045.120.582.08.5
<u>15</u>					
2" and smaller	22.00	15.00	37.00	2	045.150.581.08.5
2½" - 8"	413.00	296.00	709.00	33	045.150.582.08.5
10" and larger	1,150.00	806.00	1,956.00	94	045.150.583.08.5

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EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION: (Continued)

<u>TASK</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>	<u>ESTIMATED MAN-HOURS</u>	<u>COST CODE</u>
<u>17</u> 2½" - 8"	\$ 515.00	\$ 599.00	\$1,114.00	69	050.170.582.08.5
<u>5-2</u> 2" and smaller	18.00	30.00	48.00	4	024.050.581.08.5
2½" - 8"	220.00	345.00	565.00	39	024.050.582.08.5
<u>22</u> 2" and smaller	585.00	584.00	1,169.00	60	110.220.581.08.5
2½" - 8"	2,387.00	2,386.00	4,773.00	244	110.220.582.08.5
10" and larger	2,998.00	2,997.00	5,995.00	306	110.220.583.08.5
<u>24</u> 2" and smaller	299.00	249.00	548.00	28	110.240.581.08.5
2½" - 8"	2,262.00	1,855.00	4,117.00	210	110.240.582.08.5
10" and larger	3,461.00	2,832.00	6,293.00	320	110.240.583.08.5
TOTALS	\$30,838.00	\$29,564.00	\$60,402.00	3,323	

The prices shown in this Subcontract are firm until February 29, 1972. Any labor expended after the end of the normal work day on February 29, 1972 will be subject to escalation. The escalation shall be paid on the basis of the number of estimated hours per Task as detailed above, which estimated totals represent the maximum extent of escalation liability. The escalation shall re-imburse Subcontractor for any labor cost increase experienced over and above the hourly unit used in this Subcontract as shown below:

Foremen: \$9.52/hr.
 Mechanic: 8.86/hr.
 1st Year Apprentice: 4.70/hr.
 2nd Year Apprentice: 5.54/hr.
 3rd Year Apprentice: 6.37/hr.
 4th Year Apprentice: 7.19/hr.

Daily travel of \$1.75 per day per man or \$.22 per hour is to be added to the above rates.

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EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION: (Continued)

The following are unit prices to be used for additions/deletions to the scope of work. Patch and repair work shall be billed at cost plus 15% for markup.

TABLE "A"

UNIT PRICES PER LIN. FT.
USING J-M THERMOBESTOS PIPE COVERING
AND DOUBLE COATED FLEXTONE

PIPE SIZE	THICKNESS			
	<u>1" THK.</u>		<u>1½" THK.</u>	
	<u>MATERIAL</u>	<u>LABOR</u>	<u>MATERIAL</u>	<u>LABOR</u>
½"	\$.50	\$.97	\$	\$
¾"	.52	.98		
1"	.54	.98		
1½"	.63	.98		
2"			.93	1.05
3"			1.10	1.05
4"			1.30	1.05
6"			1.59	1.16
8"			1.81	1.20
10"			2.19	1.25
12"			2.43	1.25
14"			2.84	1.39
16"			3.16	1.39
18"			3.46	1.54
20"			5.13	1.80
24"			5.76	1.96

EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION: (Continued)

TABLE "B"

UNIT PRICES PER LIN. FT.
 USING JOHNS-MANVILLE THERMOBESTOS
 AND PREMETCO ALUMINUM JACKETING

PIPE SIZE	THICKNESS				
	<u>1"</u>	<u>1½"</u>	<u>2"</u>	<u>2½" dbl.</u>	<u>3" dbl.</u>
½"	\$1.66	\$1.90			
¾"	1.68	1.95			
1"	1.70	1.99			
1½"	1.80		2.51		
2"			2.69		
3"				3.57	
4"				4.28	
6"				4.81	
14"		4.66			
16"					11.13
18"		6.33			11.72
24"					14.45

There will be no "Move-In - Move-Out" charge made in event of force discontinuance of this project.



M-70 R/1

MATERIAL REQUISITION

MATERIAL: **THERMAL INSULATION**

REYNOLDS METALS COMPANY

SHERWIN PLANT **CORPUS CHRISTI, TEXAS**

SHOP INSPECTION ☐ IS ☒ IS NOT REQUIREDCOST CODE: SEE "MATERIAL"JOB SITE DELIVERY DATE: START 15, 1971

M/R STATUS

REV. NO.	DATE	REVISIONS	ORIGINATOR (NAME)	APPROVALS	T/NO.
1	4/23/71	ISSUED FOR QUOTATION	J. SLAJER	J. SLAJER	570 4/29
2	6-29-71	ISSUED FOR PURCHASE (S/C)	J. SLAJER	J. SLAJER	673 7/8

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Job	Requisition No.
8633-M-70	Rev. 1



PURCHASE ORDER NO.

REYNOLDS METALS COMPANY
SHERWIN PLANT ROUNDOUT #2

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		<u>NOTES:</u> 1. All materials, fabrication, and installation shall be in strict accordance with Buyer's drawings and specifications listed under attachments. 2. Any deviation from, or exception to, specifications shall be clearly stated in Seller's proposal. 3. Proposal shall fully describe insulation and material offered. 4. This subcontract is subject to expediting by Bechtel Corporation. 5. This subcontract and attachments are Buyer's entire agreement. Invoices beyond price structure set forth herein will not be honored. 6. Correspondence on Price, Terms, or other Purchasing problems shall be addressed as follows: BECHTEL CORPORATION Post Office Box 2166 Houston, Texas 77001 Attn: Mr. R. Childs 7. All questions regarding SHIPPING, ROUTING, or PACKING shall be addressed as follows: BECHTEL CORPORATION Post Office Box 2166 Houston, Texas 77001 Attn: Mr. R. Carpenter Phone: Area Code 713 - 528-0511 8. Pricing: (a) Tank, vessel, and equipment insulation shall be quoted lump sum by task number. All tank, vessel and equipment drawings required for this lump sum bid are included in this bid package. (b) Lump sum bids on each task shall be broken down into two parts; labor and material, separately stated. State taxes will not be applied to the installation labor.			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		⚠ (c) Piping insulation shall be quoted lump sum by task number. All piping drawings required for this bid are included in this bid package. ⚠ (d) Lump sum bids on each task shall be broken down into two parts; labor and material, separately stated. State taxes will not be applied to the installation labor. ⚠ (e) Attached piping drawings shall have precedence over sketches - Thermal Insulation - Piping Schedule. ⚠ (f) Insulation for additional work, not shown on drawings, or deletions, shall be bid on a unit price basis. Billing shall be by task number. (g) Unit price bids shall be broken down into two parts; labor and material, separately stated. State taxes will not be applied to the installation labor. (h) Subcontractor must indicate his method of calculating cost in the event escalation occurs. (i) Subcontractor must list his moving-out and moving-in costs in event work is not scheduled on a continuous basis. (j) Subcontractor shall include a "Schedule for Additional Work" (Method of calculation for addition or deletion). (k) All taxes and freight, F.O.B. jobsite is to be included in above lump sum prices and in unit prices for piping insulation material. ⚠ (l) Subcontractor shall furnish for final covering (inside power house area) aluminum jacket material as follows: Jacket shall have a vapor barrier of 3 mil polyethelene film, pinhole free and pigmented. The barrier shall not have a paper backing, but shall be attached to the aluminum by heat sealing and shall not utilize adhesive. Above as manufactured by the Preformed			

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REYNOLDS METALS COMPANY
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QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
1	Metal Products Company, or equivalent. The above is as shown in Section II, final covering, paragraph (b) on page 8 of specification 8633-M-70, Rev. 0, and shall replace aluminum jacketing and separate "Sisalkraft" wrapping of insulated pipe, as originally specified. 9. Subcontractor shall submit a tentative job schedule including start and completion of installation following placement of Subcontract. 10. <u>INSTRUCTIONS</u> (a) These instructions set the requirements to be followed for material and application of the thermal insulation required for "Roundout #2" of the Reynolds Sherwin Plant located near Corpus Christi, Texas. (b) The type, thickness and method of application shall be in accordance with specification no. 8633-M-70 attached. (c) Material and work to be furnished by Subcontractor. (1) The Subcontractor shall furnish and install all required non-structural supports which are not part of the shop fabrication for handling insulation on the equipment and piping. (2) The Subcontractor shall furnish and erect at his own expense and risk, all scaffolding that he may require. (3) The Subcontractor shall furnish and install all necessary flashing. Aluminum jacketing, where required will be Premetco as per paragraph 81, furnished in standard mill-run coils by Subcontractor. Accessories, bands, etc., for aluminum jacketing shall be furnished by the Subcontractor.			

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REYNOLDS METALS COMPANY
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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
	1	(4) The Subcontractor shall protect the insulation against injury during all stages of application, including the final weatherproof coat. Any insulation damaged, including damage due to incorrect application or application contrary to manufacturer's recommendation, shall be replaced to the satisfaction of Bechtel. In addition, he shall handle and apply insulation in a manner resulting in the minimum of debris and keep his work area policed at all times. (5) The Subcontractor shall clean all spray and spatter from equipment and machinery and shall make a daily clean-up of the area to remove wrappers, cartons, sacks and other debris. (6) The Subcontractor shall plan and schedule his work as directed by Bechtel and be coordinated with the work of the other crafts. In particular he should schedule insulation sufficiently in advance of required painting to allow the insulation and its finish to completely dry. (7) It will be the Subcontractor's responsibility to furnish a job which will be satisfactory in all respects, and if the Subcontractor for this work believes that any of the requirements of the specification do not permit him to fulfill such responsibility, he must submit with his bid recommendation of changes for approval. Failure to meet this requirement will not relieve the Subcontractor of such responsibilities. (8) When job is completed, Subcontractor shall remove all scaffolding, debris and any other items belonging to Subcontractor and restore premises to its original condition. (9) All bidders must visit jobsite to inspect the work and acquaint themselves with the working conditions prior to submitting a bid. Arrangements for visit should be coordinated by contacting Mr. John Neerhout, Bechtel Corporation,			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		c/o Reynolds Metals Company, Sherwin Plant Gregory, Texas, Telephone No. Area Code 512-643-6562.			
		(d) <u>METHOD OF MEASUREMENT FOR UNIT PRICE ADJUSTMENTS</u>			
		(1) Measurement procedures specified herein shall be considered as part of the Sub- contract conditions unless otherwise specified.			
		(2) The quantities of insulation applied shall be determined by actual measure- ment, and shall not be calculated from drawings or judged by visual gauging. A representative of each interested party shall be present when measurements are made.			
		(3) Measurements shall be recorded on forms M-977-F attached. Certified copies of the record shall be given to all inter- ested parties, and all copies shall be signed by the persons measuring.			
		(4) The basis for payment for patching, repair and replacement due to damage for which Bechtel Corporation is res- ponsible shall be negotiated with Bechtel field supervision.			
		(5) The attached Drawing Sk-M-300-4, out- lining method of measurement, shall be used as a guide in conjunction with this set of rules.			
		(6) Measurements shall be made through all insulated or uninsulated fittings in insulated lines. The length of bent piping shall be measured separately along the outside radius of insulation between tangent points.			
		(7) Hangers, shoe type supports, guides, anchors, brackets, etc., which attach to the insulated lines, shall be considered as normal piping practice and the unit price of line insulation will include same.			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION								
1		(8) Each flange on fittings shall be counted as a flange and not as part of its fittings.											
		(9) All fittings that connect two or more different sizes of pipe shall be counted as part of the largest size involved. Bosses shall be considered fittings and shall be priced at 2 X unit price for size of boss.											
		(10) Unit prices for fittings and flanges listed below shall be the unit price of the adjacent pipe covering multiplied by the factor.											
		<table><thead><tr><th>ITEM</th><th>FACTOR</th></tr></thead><tbody><tr><td>(a) Pipe Bends over 1-1/2 diameters</td><td>2 X length</td></tr><tr><td>(b) Flanges (pair)</td><td>2</td></tr><tr><td>(c) Fittings, incl., tees, reducers, valve bodies, traps std., ells, unions and end caps</td><td>2</td></tr></tbody></table>	ITEM	FACTOR	(a) Pipe Bends over 1-1/2 diameters	2 X length	(b) Flanges (pair)	2	(c) Fittings, incl., tees, reducers, valve bodies, traps std., ells, unions and end caps	2			
	ITEM	FACTOR											
	(a) Pipe Bends over 1-1/2 diameters	2 X length											
	(b) Flanges (pair)	2											
	(c) Fittings, incl., tees, reducers, valve bodies, traps std., ells, unions and end caps	2											
		(e) <u>INSPECTION</u>											
		(1) Inspection will be performed by an inspector authorized by Bechtel's Field Superintendent.											

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REYNOLDS METALS COMPANY
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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		<u>MATERIAL: THERMAL INSULATION</u>			
		<u>FURNISH THE FOLLOWING ITEMS AS PER APPLICABLE DATA SHEETS, SPECIFICATIONS AND NOTES.</u>			
1	1 Job	Furnish labor and material for insulation of SOP Slurry Heater, equipment No. 24-E-4 (as shown on Engineers & Fabricators, Inc. Drawing No. CD-16538) as per Specification 8633-M-70 and sketch SK-M-24-41, attached. Facility 24, Task 5-2 Cost Code: 024-050-659.08.5			
2	1 Job	Furnish labor and material for insulation of <u>SOP Cake Storage Tank</u> , equipment no. 24-T-22 (as shown on Wyatt Division Drawing No. HWE-49310) as per Specification 8633-M-70 and sketch SK-M-24-41, attached. Facility 24, Task 5-2 Cost Code: 024-050-681.08.5			
3	2 Sets	Furnish labor and material for insulation of <u>two sets of liquor evaporator vessels</u> and equipment as shown on P&ID No. 42-K-6001, equipment No. 42-EV-11 and 42-EV-12, all as shown on below listed drawings and as per attached specification No. 8633-M-70 and sketches SK-M-42-5,6&7. Goslin-Birmingham Drawing No.'s: 25295-AR/1 25299-AR/1 25293-AR/1 25297-AR/1 25294- R/2 25300- R/1 25298- R/1 25292- R/2 25301- R/3 25302- R/1 25296- R/1 25309 25307- R/1 25308 25304 25306 25305 25303			

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REYNOLDS METALS COMPANY
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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		Facility 42A, Task 6			
		Cost Code: 042-060-681.08.5			
4	2 Sets	Furnish labor and material for insulation of <u>two sets of SOP Evaporator vessels and equipment as shown on P&ID No. 42-K-6002, equipment no. 42-EV-13 and 42-EV-14,</u> all as shown on below listed drawings and as per attached specification no. 8633-M-70 and sketches SK-M-8 & 9.			
		Goslin-Birmingham, Inc. Drawing No.'s:			
		25274-AR/1			
		25274- R/2			
		25275- R/2			
		25276- R/1			
		25277- R/1			
		25278			
		25275-AR/1			
		Facility 42-A, Task 7			
		Cost Code: 042-070-681.08.5			
5	1 Job	Furnish labor and material for insulation of <u>entrainment separator, (or condensate flash tanks), equipment No. 30-ES-10</u> (as shown on Wyatt Metal and Boiler Works drawing no. HWE-86731) as per specification 8633-M-70 and sketch SK-M-45-33, attached.			
		Facility 45, Task 15			
		Cost Code: 045-150-681.08.5			
6	1 Job	Furnish labor and material for insulation of <u>#9 kiln I.D. Fan, equipment No. 50-TF-60</u> (as shown on Zurn Industries drawing no. D-22896) as per specification No. 8633-M-70 and sketch SK-M-50-25, attached.			
		Facility 50, Task 18			
		Cost Code: 050-180-543.08.5			
7	1 Job	Furnish labor and material for insulation of <u>electrostatic precipitator, including mechanical section, equipment No. 50-X-22 and 50-X-23</u> (as shown on American Air Filter Co. drawing no. 80#1316-101) as per specification 8633-M-70 and sketch SK-M-50-25, attached.			
		Facility 50, Task 18			
		Cost Code: 045-190-542.08.5			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
8	2 Units	Furnish labor and material for <u>insulation of two boiler feed pumps</u> , equipment No. 110-P-78 & 110-P-79 (as shown on Pacific Pumps Co. drawing no. FC-47110-0) as per specification 8633-M-70 and sketch SK-M-110-12, attached. Facility 110, Task 22 Cost Code: 110-220-533.08.5		\$	\$
9	1 Job	Furnish labor and material for <u>insulation of deaerating heater</u> , equipment no. 110-E-52 (as shown on Graver Water Conditioning Co. drawing no. T-15782-A) as per specification 8633-M-70 and sketch SK-M-110-12, attached. Facility 110, Task 22 Cost Code: 110-220-513.08.5			
10	1 Lot	Furnish labor and material for <u>insulation of piping</u> as per specification 8633-M-70, Sketch SK-M-24-42 and attached drawings; 24-P-6021 and 24-P-6023. Facility 24, Task 5-2 Pipe 2" and under Cost Code: 024-050-581.08.5 Pipe 2" through 8" Cost Code: 024.50.582.08.5 Pipe over 8" Cost Code: 024.50.583.08.5			
11	1 Lot	Furnish labor and material for <u>insulation of piping</u> as per specification 8633-M-70, SK-M-42-3, SK-42-M-10 and attached drawings: By Bechtel: 42-P-6008 42-P-6009 42-P-6010 42-P-6011 By Goslin-Birmingham: 25261-A, Rev. 4 25261, Rev. 4 25313-A, Rev. 4 25313, Rev. 4 25317-A, Rev. 1 25317, Rev. 2			

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REYNOLDS METALS COMPANY
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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		Facility 42-A, Task 6			
		Pipe 2" and under			
		Cost Code: 042.060.581.08.5			
		Pipe 2" through 8"			
		Cost Code: 042.060.582.08.5			
		Pipe over 8"			
		Cost Code: 042.060.583.08.5			
12	1 Lot	Furnish labor and material for insulation of piping as per specification 8633-M-70, Sketch SK-M-42-4, and SK-M-42-11 and attached drawings:			
		By Bechtel: 40-P-6001			
		42A-P-6001			
		42A-P-6002			
		42A-P-6003			
		42A-P-6004			
		42-P-6013			
		42-P-6014			
		42-P-6015			
		42-P-6017			
		45-P-6071			
		By Goslin-Birmingham: 25262-A, Rev. 4			
		25262 Rev. 3			
		25284-A, Rev. 4			
		25284 Rev. 4			
		25286-A Rev. 4			
		25286 Rev. 2			
		Facility 42-A, Task 7			
		Pipe 2" and under			
		Cost Code: 042.070.581.08.5			
		Pipe 2" through 8"			
		Cost Code: 042.070.582.08.5			
		Pipe over 8"			
		Cost Code: 042.070.583.08.5			

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REYNOLDS METALS COMPANY
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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
13	1 Lot	Furnish labor and material for insulation of piping as per specification 8633-M-70 and Sketch SK-M-45-31, and attached drawing: By Bechtel: 45-P-6048 Facility 45, Task 12-1 Pipe 2" and under Cost Code: 045.120.581.08.5 Pipe 2" through 8" Cost Code: 045.120.582.08.5 Pipe over 8" Cost Code: 045.120.583.08.5			
14	1 Lot	Furnish labor and material for insulation of piping as per specification 8633-M-70, Sketch SK-M-45-32, and attached drawings: 45-P-1005 45-P-1053 45-P-1122 45-P-4002 45-P-6016 45-P-6032 Facility 45, Task 15 Pipe 2" and under Cost Code: 045.150.581.08.5 Pipe 2" through 8" Cost Code: 045.150.582.08.5 Pipe over 8" Cost Code: 045.150.583.08.5			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
15	1 Lot 	Furnish labor and material for <u>insulation of piping</u> as per specification 8633-M-70 Sketch SK-M-50-24, and attached drawings: 50-P-6021 50-P-6022 50-P-6023 50-P-6024 50-P-6025 50-P-6026 50-P-6028 Facility 50, Task 17 Pipe 2" and under Cost Code: 050.170.581.08.5 Pipe 2" through 8" Cost Code: 050.170.582.08.5 Pipe over 8" Cost Code: 050.170.583.08.5			
16	1 Lot 	Furnish labor and material for <u>insulation of piping</u> as per specification 8633-M-70 SK-M-110-10 and attached drawings: 110-P-1041 110-P-1042 110-P-1048 110-P-6001 110-P-6004 110-P-6005 110-P-6007 110-P-6010 110-P-6012 110-P-6019 110-P-6020 Facility 110, Task 22 Pipe 2" and under Cost Code: 110.220.581.08.5 Pipe 2" through 8" Cost Code: 110.220.582.08.5			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
17	1 Lot	Pipe over 8" Cost Code: 110.220.583.08.5 Furnish labor and material for insulation of piping as per specification 8633-M-70, Sketch SK-M-110-11, and attached drawings: 42-P-6013 42-P-6014 42-P-6015 42-P-6016 110-P-6001 110-P-6004 110-P-6005 110-P-6019 110-P-6020 Facility 110, Task 24 Pipe 2" and under Cost Code: 110.240.581.08.5 Pipe 2" through 8" Cost Code: 110.240.582.08.5 Piping over 8" Cost Code: 110.240.583.08.5			

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		<u>ATTACHMENTS:</u>			
		<u>Specs:</u>			
		8633-G-2 General Specs.			
		8633-M-70 Thermal Insulation			
		<u>Forms:</u>			
		M-9770F Insulation Tabulation			
		<u>Sketches:</u>			
		SK-M-300-3 Rev. 0 Piping Insulation Expansion Joints			
		SK-M-300-4 Rev. 0 Insulation Measurement Diagram for Unit Price Basis			
		SK-M-300-5 Rev. 0 Thermal Insulation Piping - Summary			
		SK-M-24-42 Rev. 0 Thermal Insulation - Piping Task 5-2			
		SK-M-42-3 Rev. 0 Thermal Insulation - Piping Task 6			
		SK-M-42-4 Rev. 0 Thermal Insulation - Piping Task 7			
		SK-M-45-31 Rev. 0 Thermal Insulation - Piping Task 12-1			
		SK-M-45-32 Rev. 0 Thermal Insulation - Piping Task 15			
		SK-M-50-24 Rev. 0 Thermal Insulation - Piping Task 17			
		SK-M-110-10 Rev. 0 Thermal Insulation - Piping Task 22			
		SK-M-110-11 Rev. 0 Thermal Insulation - Piping Task 24			
		SK-M-24-41 Rev. 0 Thermal Insulation - Equipment Schedule Task 5-2			
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REYNOLDS METALS COMPANY
SHERWIN PLANT ROUNDOUT #2

PURCHASE ORDER NO.

REQUISITION NO.

	REV.
8633-M-70	1

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		• SK-M-42-5 Rev. Q Thermal Insulation - Equipment Schedule Task 6, Sht. 1 of 3		\$	\$
		• SK-M-42-6 Rev. Q Thermal Insulation Equipment Schedule Task 6, Sht. 2 of 3			
		• SK-M-42-7 Rev. Q Thermal Insulation Equipment Schedule Task 6, Sht. 3 of 3			
		• SK-M-42-8 Rev. Q Thermal Insulation Equipment Schedule Task 7, Sht. 1 of 2			
		• SK-M-42-9 Rev. Q Thermal Insulation Equipment Schedule Task 7, Sht. 2 of 2			
		• SK-M-45-33 Rev. Q Thermal Insulation Equipment Schedule Task 15			
		• SK-M-50-25 Rev. Q Thermal Insulation Equipment Schedule Task 18			
		• SK-M-110-12 Rev. Q Thermal Insulation Equipment Schedule Task 22			
		<u>DRAWINGS: VESSELS & EQUIPMENT</u>			
		• CD-16538 Engineers and Fabricators, Inc. SOP Slurry Heater			
		• HWE-49310 Wyatt Division SOP Cake Storage Tank			
		• 42-K-6001 Bechtel P & ID - Liquor Evaporators			
		• 25295-AR/1 Goslin-Birmingham, Inc.			
		• 25299-AR/1 Liquor Evaporators			
		• 25293-AR/1 Liquor Evaporators			
		• 25297-AR/1 Liquor Evaporators			
		• 25294- R/2 Liquor Evaporators			
		• 25300- R/1 Liquor Evaporators			
		• 25298- R/1 Liquor Evaporators			
		• 25292- R/2 Liquor Evaporators			

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REYNOLDS METALS COMPANY
CHRYSLER PLANT ROUNDOUT #2

PURCHASE ORDER NO.

REQUISITION NO.

8633-M-70

REV.

1

Page 17 of 18 Pages

ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		• 25301- R/2 Liquor Evaporators		\$	\$
		• 25302- R/1 Liquor Evaporators			
		• 25296- R/1 Liquor Evaporators			
		• 25309- Liquor Evaporators			
		• 25307- R/1 Liquor Evaporators			
		• 25308- Liquor Evaporators			
		• 25304 Liquor Evaporators			
		• 25306 Liquor Evaporators			
		• 25305 Liquor Evaporators			
		• 25303 Liquor Evaporators			
		• 42-K-6002 Bechtel P & ID - SOP Evaporators			
		• 25274-AR/1 Goslin-Birmingham Inc.			
		• 25274- R/2 SOP Evaporators			
		• 25275- R/2 SOP Evaporators			
		• 25276- R/1 SOP Evaporators			
		• 25277- R/1 SOP Evaporators			
		• 25278 SOP Evaporators			
		• 25275-AR/1 SOP Evaporators			
		• HWE-86731 Wyatt Metal and Boiler Works Entrainment Separator			
		△ • D-22896 Zurn Industries			
		REV. I #9 Kiln, I.D. Fan			
		△ • 80-1316-101 American Air Filter Company			
		REV. I Electrostatic Precipitator			
		• FC-47110-0 Pacific Pump Company			
		Boiler Feed Pumps			
		• T-15782A Graver Water Conditioning Co.			
		Deaerating Feedwater Heater			

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REYNOLDS METALS COMPANY
SHERWIN PLANT ROUNDOUT #2

PURCHASE ORDER NO.

REQUISITION NO.

8633-M-70

REV

1

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ITEM NO.	QUANTITY	DESCRIPTION	CODE OR EQUIP. NO.	UNIT PRICE	EXTENSION
		Sketches: 1 , SK-M-42-10 Thermal Insulation-Piping Task 6 SK-M-42-11 Thermal Insulation-Piping Task 7 Drawings: Piping 1 Bechtel Drawings: 1 24-P-6021 1 110-P-1041 1 24-P-6023 1 110-P-1042 1 40-P-6001 1 110-P-1048 1 42-P-6001 1 110-P-6001 1 42A-P-6002 1 110-P-6004 1 42A-P-6003 1 110-P-6005 1 42A-P-6004 1 110-P-6007 1 42-P-6008 1 110-P-6010 1 42-P-6009 1 110-P-6012 1 42-P-6010 1 110-P-6019 1 42-P-6011 1 110-P-6020 1 42-P-6013 1 42-P-6014 1 42-P-6015 1 42-P-6016 1 42-P-6017 1 25261-A, Rev. 4 1 45-P-1005 1 25261, Rev. 4 1 45-P-1053 1 25313-A, Rev. 4 1 45-P-1122 1 25313, Rev. 4 1 45-P-4002 1 25317-A, Rev. 1 1 45-P-6016 1 25317, Rev. 2 1 45-P-6032 1 25262-A, Rev. 4 1 45-P-6048 1 25262, Rev. 3 1 45-P-6071 1 25284-A, Rev. 4 1 50-P-6021 1 25284, Rev. 4 1 50-P-6022 1 25286-A, Rev. 2 1 50-P-6023 1 25286, Rev. 2 1 50-P-6024 1 50-P-6025 1 50-P-6026 1 50-P-6028 1 40-P-6002 Goslin-Birmingham Drawings: </			

1.0 GOVERNING CODES AND LAWS

- 1.1 All equipment, material and services furnished under this order or subcontract must comply with all applicable ordinances, codes and laws of the State of Texas, San Patricio County, and other government authorities having jurisdiction.
- 1.2 When ordinances, codes or laws require approval and/or inspection of the drawings, equipment or materials before installation or operation, it shall be the Supplier's or Subcontractor's responsibility to obtain such approval and to submit one signed original and three copies of the approval for the Contractor's records.

2.0 DRAWINGS

- 2.1 The design drawings listed in the specifications are preliminary and are furnished only for the purpose of defining the scope and nature of the work. Modified or revised design drawings, "Issued for Construction", will be furnished by Contractor in accordance with the requirements of the construction schedule.
- 2.2 Contractor will review the Supplier's or Subcontractor's drawings with respect to arrangement and general conformance with specifications and related design drawings. One copy will be returned to Supplier or Subcontractor approved, or with notations requiring change within 10 calendar days. In the latter case, Supplier or Subcontractor shall make, and clearly mark such corrections and resubmit copies of the drawings for final approval within 10 calendar days.

Contractor will return one transparency to the Subcontractor approved as follows:

- As noted, revise and resubmit for approval.
- As noted, revise, proceed with fabrication and submit final certified transparency.
- Without comments, proceed with fabrication and submit final certified transparency.

Final certified transparency shall be stamped CERTIFIED FOR CONSTRUCTION and be signed by a person authorized to bind the partnership or corporation. Certification warrants material furnished conforms to final drawings.

- 2.3 Immediately upon approval, Supplier or Subcontractor shall furnish to Contractor final certified copies of the drawings in accordance with form 8633-1. Approval of Supplier's or Subcontractor's drawings

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FORM H-292 7-66

△				
△				
△	7-23-70	Revised Paragraph 6.2.3	JCA	SM
△	6/16/70	1 Spec. 6165-G-02 ^{1/2} Retyped & issued for Job 8633	JCA	W.A.7
		REYNOLDS METALS COMPANY	JOB NO. 8633	
		SHERWIN PLANT ROUNDOUT #2	SPECIFICATION	REV
		CORPUS CHRISTI, TEXAS	G-2	1
		SUPPLEMENTARY GENERAL CONDITIONS		

by Contractor will not relieve Supplier or Subcontractor of any of his obligations under the order or subcontract. Any fabrication, installation or construction work done prior to the approval of drawings by Contractor shall be at the Supplier's or Subcontractor's risk.

3.0 SPECIFICATIONS

3.1 The specifications, drawings and instructions, as set forth herein, are complementary and form an integral part of the Requisition or Subcontract.

3.2 In the event of conflict between the provisions of the documents listed below, their order of precedence shall be as follows:

1. Addendum to Specification
2. Specification
3. Drawings
4. Supplementary General Conditions

Notwithstanding the foregoing, if Supplier or Subcontractor discovers any discrepancies between the order of subcontract and the physical conditions at the site, or discovers any errors, omissions or conflicts in the requisition or subcontract; he shall promptly request clarification, in writing, from Contractor. Any work performed by Supplier or Subcontractor after such discovery and before authorized by Contractor, will be at the Supplier's or Subcontractor's risk.

3.3 If Supplier or Subcontractor desires to deviate from any of the requirements of the Requisition or Subcontract, permission for each change must be requested in writing. Changes will be authorized by Contractor only by letter or by revision to the Order or Subcontract and only to the extent specified therein.

4.0 SCHEDULE

4.1 Delivery and completion dates shown in the specific requirement or Subcontract are used by Contractor as the basis of construction schedules. Supplier or Subcontractor warrants that he can meet such dates.

4.2 Subcontractor shall give Contractor full information in a form prescribed by Contractor in advance and during the progress of the work as to its plans for carrying on each part of the work. If at any time during the progress of work it becomes the opinion of Contractor that doubt exists as to the completion of work within the remaining allotted time, the Supplier or Subcontractor upon written orders from Contractor and without any additional compensation therefor, shall increase the amount of equipment and labor used, provide additional shifts, work overtime, and/or perform work on weekends and/or holidays.

FORM H-293 7/66

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5.0 PLANT SITE

- 5.1 Equipment, material and services will be furnished for the expansion of the Reynolds Metals Company alumina plant near Gregory, which is 15 miles north of Corpus Christi, Texas.
- 5.2 The plant is accessible by Highway No. 181 and by the Southern Pacific Railroad.

6.0 SUBCONTRACTOR'S WORK ON SITE

- 6.1 The new construction is adjacent to and contiguous with an operating plant. Subcontractor shall prosecute his work in such a manner that the safe and continuous operation of the plant is in no way impaired at any time. Any interference with plant access roads, railroad trackage and plant utilities shall be subject to Contractor's and Owner's approval.
- 6.2 Contractor will make available at no extra cost to Subcontractor the following construction facilities available and as scheduled by the Contractor's Field Superintendent.
- 6.2.1 Water for construction and testing at existing outlets. Any extensions will be at Subcontractor's expense.
- 6.2.2 440V AC, 3 phase, 60 cycle and 110V AC, single phase electric power at existing outlets or from a switch-house circuit breaker, by Contractor's choice. Any extensions from these points will be at Subcontractor's expense.
- 6.2.3 Sanitary Facilities - Contractor will allow Subcontractor to benefit from price discount on quantity of temporary units. However, number of units and their cost will be the Subcontractor's responsibility.
- 6.2.4 Drinking water at existing outlets.
- 6.2.5 Use of telephone at Contractor's offices only without the privilege of cost-free long distance calls. Plant phones are not to be used by construction personnel.
- 6.3 Subcontractor shall provide, maintain and remove all temporary services not listed in 6.2. above and required for the prosecution of his work.
- 6.4 Subcontractor shall be solely responsible for the protection of his tools, equipment and material and hereby releases Owner and Contractor regardless of negligence, from any and all claims for loss or damage to any tools or equipment including trucks and automobiles used by Subcontractor in connection with the work covered by this Contract.
- 6.5 Subcontractor's equipment, construction methods and layout of temporary facilities shall be subject to the approval of Contractor.
- 6.6 Lots designated as available for the parking of employees' and visitors' vehicles will be provided by Contractor. Private vehicles will be prohibited from the site other than in designated lots or on the roads leading to and from the parking areas.

FORM H-293 7/66

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3. CONTRACTOR-FURNISHED ITEMS: Contractor will furnish to or for the use of the Subcontractor only the following items:

See Paragraph 6.2 of Specification G-2, Rev. 1

4. TIME OF COMMENCEMENT AND COMPLETION: Subcontractor agrees to commence the Work on approximately July 12, 1971. Exact scheduling shall be as approved by Contractor's Construction Superintendent. Subcontractor agrees to complete the Work on or before February 29, 1972.

5. COMPENSATION: As full consideration for the satisfactory performance by Subcontractor of the Work, Contractor shall pay to Subcontractor the following compensation: The firm lump sum price of Eighty-five Thousand Nine Hundred Fifty-five Dollars and No Cents (\$85,955.00) as set forth in your quotation dated July 6, 1971 signed by Mr. W.O. Dailey.

6. TERMS OF PAYMENT: See Paragraph 24 of Exhibit "A".

APPROVED


George M. Lenham
Reynolds Metals Company

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract as of the day and year first above written.

CONTRACTOR:

BECHTEL CORPORATION

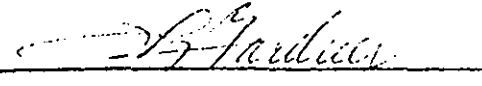
By


Ralph Childs
Procurement Manager

SUBCONTRACTOR:

A C & S INCORPORATED

By


F. L. Gardner - Contract Officer

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EXHIBIT "A"

GENERAL TERMS AND CONDITIONS

1. ENTIRE AGREEMENT: This Subcontract embodies the entire agreement between Contractor and Subcontractor. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments or modifications of any of the terms and conditions hereof shall be valid unless reduced to writing.

2. CONTRACTUAL RELATIONSHIP: Subcontractor represents that it is fully experienced and properly qualified to perform the class of work provided for herein, and that it is properly licensed, equipped, organized and financed to perform such work. In the performance of this Subcontract, Subcontractor shall operate as an independent contractor and not as the agent of Contractor or Owner.

3. UNEMPLOYMENT INSURANCE, TAXES, CONTRIBUTIONS AND ASSESSMENTS: Subcontractor shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance, old age retirement benefits, life pensions, annuities and similar benefits which may now or hereafter be imposed by law or collective bargaining agreements with respect to persons employed by Subcontractor for performance of the work under this Subcontract whether measured by wages, salaries or remuneration paid or otherwise. Subcontractor shall comply with all laws, statutes, rules and regulations applicable to the compensation paid to its employees, and shall maintain suitable forms, books of account and records. The compensation to be paid to Subcontractor includes, and Subcontractor shall be liable for and shall pay and shall indemnify, defend and save harmless Owner and Contractor from, all such taxes and contributions or any interest accrued and penalties imposed, and all taxes, excises, assessments and other charges levied by any government agency or authority on or because of the work performed hereunder, or any materials, equipment, services or supplies furnished or used in the performance of this Subcontract.

4. AUTHORIZED REPRESENTATIVES AND NOTICES: Subcontractor shall designate a competent superintendent to represent and act for the Subcontractor who shall have authority to make binding and enforceable decisions in the name of Subcontractor and to accept service of all notices which Contractor desires to serve, or which are required by this Subcontract to be served, on

Subcontractor. Subcontractor shall, upon commencement of performance of this Subcontract, advise Contractor in writing of the name, address and telephone number (day and night) of such designated superintendent and of any change in such designation.

Any notices provided for hereunder may be served personally on the superintendent of either party at the jobsite or by registered mail to the address of each party shown on the face hereof.

5. LAWS AND REGULATIONS — PERMITS: Subcontractor, its employees and representatives, shall at all times comply with all applicable laws, ordinances, statutes, rules or regulations including those relating to wages, hours, fair employment practices, anti-discrimination and safety and working conditions.

Subcontractor shall procure and pay for all permits and inspections and shall furnish any bonds, security or deposits required to permit performance of its work hereunder.

6. LABOR CONDITIONS: Subcontractor shall, to the extent permissible under federal law and any applicable state laws, comply with and be bound by such terms and conditions of Contractor's labor agreements as are applicable to the work, including, without limitation, the terms and provisions of any such agreements concerning work rules and providing for the assignment of work or the settlement of jurisdictional disputes. Subcontractor shall pay rates of wages and shall observe hours and conditions of labor equivalent to those paid and observed by Contractor and shall be subject to Contractor's approval. A copy of each of these agreements is available for inspection at the office of Contractor issuing this Subcontract. Subcontractor shall, if requested to do so by Contractor, remove from the jobsite any employee whom Contractor determines to be incompetent or undesirable. Subcontractor agrees that if any portion of the work covered hereby is further subcontracted, such further subcontract shall be bound by and observe the provisions of this clause to the same extent as herein required by Subcontractor, and that a copy of this clause imposing such obligations upon said subcontractor shall be included in any further subcontract.

Subcontractor shall comply with and shall cooperate with Contractor in enforcing jobsite conditions which directly affect the performance

of the work including but not limited to starting and quitting time, smoking regulations, check-in and check-out procedures, jobsite safety regulations and daily clean-up.

7. INDEMNITY: Subcontractor shall indemnify, defend and hold harmless Owner and Contractor, and each of them from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind or nature whether arising before or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, or claimed to be caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive of Subcontractor, or of anyone acting under its direction, control, or on its behalf in connection with or incident to the work performed under this Subcontract. Subcontractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability caused by the sole active negligence of Contractor or Owner.

8. DAMAGES FOR SUBCONTRACTOR'S BREACH OF SUBCONTRACT: Subcontractor shall pay Contractor any and all damages, interest, attorney's fees, costs, losses and expenses of whatsoever kind or nature whether they arise before or after completion of the work hereunder arising out of any default under or breach by Subcontractor of the terms and conditions of this Subcontract.

9. PATENT INDEMNITY: Subcontractor shall indemnify, defend and save harmless Owner, Contractor and their representatives respectively, from and against all claims, losses, costs, damages, and expenses, including attorney's fees, incurred by Owner, Contractor, and their representatives, respectively, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the equipment or materials furnished under the Subcontract by Subcontractor, or out of the processes or actions employed by, or on behalf of Subcontractor in connection with the performance of the work hereunder, and Subcontractor shall, at its sole expense, promptly defend against any such claim or action; provided that Owner or Contractor shall have notified Subcontractor upon becoming aware of such claims or actions, and provided further that Subcontractor's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by Contractor or Owner. Subcontractor shall have the right, in order to avoid such claims or actions, to substitute at its own expense noninfringing equip-

ment, materials, or processes, or to modify at its own expense such infringing equipment, materials and processes so they become noninfringing, provided that such substituted and modified equipment, materials and processes shall meet all the requirements and be subject to all the provisions of this Subcontract.

10. WARRANTY: Unless specifically stated otherwise in the Subcontract, Subcontractor warrants all equipment, materials, and labor furnished or performed under this Subcontract, against defective design (unless furnished by Owner or Contractor), materials and workmanship for a period of eighteen (18) months from and after final acceptance under the Subcontract, or one (1) year from and after final acceptance of the Project as a whole by Owner whichever occurs sooner, regardless of whether the same were furnished or performed by Subcontractor or by any of its sub-subcontractors of any tier. Upon receipt of written notice from Contractor or Owner of any defect in any such equipment, materials, or labor during the applicable warranty period, due to defective design, materials or workmanship, the affected part or parts thereof shall be redesigned, repaired or replaced by Subcontractor who shall perform such tests as Contractor or Owner may require to verify that such redesign, repairs and replacements comply with the requirements of this Subcontract. All costs incidental to such redesign, repair, replacement and testing, including the removal, replacement and reinstallation of equipment and materials necessary to gain access, shall be borne by Subcontractor. As to any defects in the Work which are so redesigned, repaired or replaced, Subcontractor warrants such redesigned, repaired or replaced work against defective design, materials and workmanship for a period of eighteen (18) months from and after the date of acceptance thereof. Should Subcontractor fail to promptly make the necessary redesign, repair, replacement and test, Contractor may perform or cause to be performed the same at Subcontractor's expense. Subcontractor and its surety or sureties, if any, shall be liable for the satisfaction and full performance of the warranties as set forth herein.

11. NON-ASSIGNMENT: Any subletting, assignment or hypothecation of this Subcontract, or any portion of the work, or any amount due and payable hereunder, made by Subcontractor without the prior written consent of Contractor shall be void. If such subletting, assignment or hypothecation is attempted or made, Contractor shall have the right, if it so elects and without prejudice to any other rights it may have, to withhold at any time thereafter, in whole or in

part, payments otherwise due to Subcontractor until the final payment becomes due to Subcontractor hereunder.

12. CHANGES: Contractor may at any time, in writing, without notice to the surety or sureties, if any, make any change in the work to be performed under this Subcontract. Subcontractor shall proceed immediately with performance of the change and shall, within ten (10) days thereafter, if any such change materially affects the cost or time of performance of the Subcontract as a whole, submit written notice of such effect on cost and time of performance. If, as determined by Contractor, any such change materially affects said cost and time of performance of the Subcontract as a whole, an equitable adjustment shall be made. No change or adjustments to the Subcontract shall be binding unless authorized in writing by the Contractor.

13. PERFORMANCE REQUIREMENTS: All work hereunder shall be performed by Subcontractor at the times stated and in accordance with the provisions of this Subcontract. Anything mentioned in the specifications and not shown on the drawings or vice versa shall have effect as if shown in both. In case of conflict or discrepancies among the various Subcontract Documents the matter shall be submitted immediately by Subcontractor to Contractor for decision and such decision shall be final.

14. STANDARDS AND CODES: Wherever references are made in the Subcontract to standards or codes in accordance with which work is to be performed or tested, it is to be understood that the then current edition or revision of the standards or codes shall apply, unless otherwise expressly set forth. Unless otherwise specified, reference to such standards or codes is solely for technical information.

15. ORDER OF PERFORMANCE OF WORK : Contractor, Owner, other contractors and subcontractors may be working at the site during the performance of this Subcontract. Contractor reserves the right to direct Subcontractor to schedule the order of performance of its work in such manner as not unreasonably to interfere with the performance of other work and services by Contractor, Owner or other contractors or subcontractors.

16. RESPONSIBILITY FOR WORK; PRECAUTIONS: Subcontractor shall be responsible for and shall bear any and all risk of loss of or damage to work in progress, all materials delivered to the site and all materials and equipment until completion and final acceptance of the work to be performed under this Subcontract, unless such loss

or damage results from the sole active negligence of Contractor.

Subcontractor shall promptly take all precautions which are necessary and adequate against any conditions created during the progress of Subcontractor's activities hereunder which involve a risk of bodily harm to persons or a risk of damage to any property. Subcontractor shall continuously inspect all work, materials and equipment to discover and determine any such conditions and shall be solely responsible for discovery, determination and correction of any such conditions. Subcontractor shall comply with all applicable safety standards, codes and regulations in the jurisdiction where the work is being performed, and with the Safety and Health Regulations for Construction issued by the Bureau of Labor Standards of the U.S. Department of Labor. Subcontractor assumes all liability for its failure to comply with the provisions of this paragraph.

17. INSPECTION; REJECTION OF MATERIALS AND WORKMANSHIP; ACCEPTANCE: All materials and equipment furnished and work performed in connection therewith shall at all times be subject to inspection by Contractor or Owner. Subcontractor shall, at its own expense, provide safe and necessary facilities and all samples, documents, drawings and lists necessary for such inspection. Owner and Contractor shall be afforded full and free access to the shops, factories or places of business of Subcontractor and its subcontractors and suppliers for such inspection and to determine the general condition and progress of the work. If Subcontractor covers all or any portion of the work prior to any inspection or test by Contractor or Owner, the cost of any necessary uncovering and replacing shall be borne by Subcontractor. Neither the failure to make such inspection nor to discover defective workmanship, materials, or equipment nor approval of, or payment to, Subcontractor for such work, materials or equipment shall prejudice the rights of Owner or Contractor thereafter to correct or reject the same as hereinafter provided.

If any material, equipment or workmanship is determined by Owner or Contractor, either during performance of the work, on final inspection, or during any applicable warranty period, to be defective or not complying with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing that such material, equipment or work is rejected. Thereupon, Subcontractor shall, at its own expense, immediately remove and replace or correct such defective material, equipment or work by making the same comply strictly with all requirements therefor.

As soon as practicable after completion of all work hereunder, inspection and tests will be made by Contractor or Owner. When such inspection and tests have proven that the work is in accordance with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing of final acceptance of its work under this Subcontract.

18. EXPEDITING: The equipment and material furnished under this Subcontract shall be subject to expediting by Contractor or its representatives. Contractor's personnel shall be allowed reasonable access to Subcontractor's plants, and those of its sub-suppliers, for expediting purposes. As required by Contractor, Subcontractor shall supply schedules and progress reports for Contractor's use in expediting.

19. REMOVAL OF DEBRIS AND WASTE MATERIAL: During performance of the Subcontract and upon termination or completion thereof, Subcontractor shall remove all debris and waste material and keep and leave the site in a condition satisfactory to Contractor.

20. EXTENSION OF TIME - SUBCONTRACTOR'S WAIVER OF DAMAGES FOR DELAY:

Subcontractor's performance of this Subcontract be delayed by any condition beyond the control and without the fault or negligence of Subcontractor and which was not foreseeable by Subcontractor at the time this Subcontract was entered into, Subcontractor shall, within seven (7) days of the commencement of any such delay, give to Contractor written notice thereof and of the anticipated results thereof. Within seven (7) days after the termination of any such delay, Subcontractor shall file a written notice with Contractor specifying the actual duration of the delay. Failure to give either of the above notices shall be sufficient ground for denial of an extension of time. If Contractor determines that the delay was beyond the control and without the fault or negligence of Subcontractor and not foreseeable by Subcontractor at the time this Subcontract was entered into, Contractor shall determine the duration of the delay and shall extend the time of performance of this Subcontract accordingly.

Subcontractor shall not be entitled to, and hereby expressly waives recovery of any damages suffered by reason of the delays herein contemplated and extension of time shall constitute Subcontractor's remedy for such delays.

21. SUSPENSION: The Contractor may, at its sole option, by notice in writing to the Subcontractor, suspend at any time the performance of all or any portion of work to be performed under the

Subcontract. Upon such notice of suspension of work, the Subcontractor agrees to permit the Contractor to designate the amount and type of plant, labor and equipment in such a manner as to minimize costs associated with suspension.

Upon receipt of any such notice, the Subcontractor shall, unless the notice requires otherwise:

(i) immediately discontinue work on the date and to the extent specified in the notice;

(ii) place no further orders or subcontracts for material, services, or facilities with respect to suspended work other than to the extent required in the notice;

(iii) promptly make every reasonable effort to obtain suspension, upon terms satisfactory to the Contractor, of all orders, subcontracts and rental agreements to the extent they relate to performance of work suspended, and,

(iv) unless otherwise specifically stated in the notice, the Subcontractor shall continue to protect and maintain the work theretofore completed, including those portions on which work has been suspended.

As full compensation for such suspension the Subcontractor will be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work.

(i) A standby charge to be paid to the Subcontractor during the period of suspension of work, which standby charge shall be sufficient to compensate the Subcontractor for keeping, to the extent required in the notice, its organization and equipment committed to the work site in a standby status;

(ii) all reasonable costs associated with demobilization of the Subcontractor's plant, forces and equipment;

(iii) an equitable amount to reimburse the Subcontractor for the cost of maintaining and protecting that portion of the work upon which activities have been suspended;

Upon receipt of notice to resume suspended work, the Subcontractor shall immediately resume work on the suspended work to the extent required in the notice. If as a result of any such suspension of work the cost to the Subcontractor of subsequently performing work is increased or decreased, an equitable adjustment will be made in the cost of performing the remaining portion of work. Any claim on the part of the Subcontractor for extension of time shall be made in accordance with the appropriate provisions of this Subcontract. Within ten (10) calendar days after receipt of

notice to resume work, the Subcontractor shall submit for review a revised construction schedule. No compensation or extension of time shall be granted if suspension results from Subcontractor's non-compliance with the requirements of this Subcontract.

22. PROGRESS: Subcontractor shall provide and use on any work only such construction plant and equipment as are capable of producing the quality and quantity of work and materials required by the Subcontract and within the time or times specified. Upon written order of the Contractor the Subcontractor shall promptly remove unsatisfactory equipment and facilities from the site and shall discontinue operation of unsatisfactory plant.

The Subcontractor shall give the Contractor full information in advance as to its plans for carrying on each part of work. If at any time during the progress of work, the Subcontractor's actual progress appears to the Contractor to be inadequate to meet the requirements of the Subcontract, the Contractor may notify the Subcontractor of such imminent or actual non-compliance with the Subcontract. The Subcontractor shall thereupon take such steps as may be necessary to improve its progress and the Contractor may require an increase in the labor force, the number of shifts, and/or overtime operations, days of work and/or the amount of construction plant all without additional cost to the Contractor. Neither such notice by the Contractor nor the Contractor's failure to issue such notice shall relieve the Subcontractor from its obligation to achieve the quality of work and rate of progress required by the Subcontract.

Failure of the Subcontractor to comply with the instructions of the Contractor under these provisions may be grounds for determination by the Contractor that the Subcontractor is not prosecuting its work with such diligence as will assure completion within the times specified. Upon such determination, the Contractor may terminate the Subcontractor's right to proceed with the performance of the Subcontract, or any separable part thereof, in accordance with the applicable provisions of this Subcontract.

23. TERMINATION: (i) Should Subcontractor at any time refuse or neglect to supply sufficient properly skilled workmen or materials of the proper quality or quantity, or equipment necessary properly to perform the work hereunder, or fail in any respect to prosecute the work hereunder or any portion thereof with promptness, diligence or in accordance with any of the provisions set forth herein, or go into liquidation other than as part of a corporate reorganization or enter into composition with its creditors or become insolvent, Contractor may, upon forty-eight (48) hours' written

notice to Subcontractor, terminate Subcontractor's right to proceed with the work or such part of the work as to which such defaults have occurred. In the event of such termination, Contractor may enter upon the premises and into places of manufacture of Subcontractor's suppliers and, for the purpose of completing the work or enforcing these provisions, take possession of all materials, equipment, tools and appliances thereon belonging to or under the control of Subcontractor and may use them or may finish the work by whatever method it may deem expedient including the hiring of another Subcontractor or Subcontractors under such form of subcontract as Contractor may deem advisable, or Contractor may itself provide any labor or materials and perform any part of the work. In such case Subcontractor shall not be entitled to receive any further payment until the work is completed. If the unpaid balance of Subcontractor's compensation hereunder shall exceed the sum of the expense of finishing the work plus compensation for additional managerial and administrative services and such other costs and damages as Contractor may suffer, such excess shall be paid to Subcontractor. If such expense, compensation, costs, and damages shall exceed such unpaid balance, Subcontractor and its sureties, if any, shall be liable for and shall pay, the excess to Contractor. Failure of Contractor to exercise any of its rights hereunder shall not excuse Subcontractor from compliance with the provisions of this Subcontract nor prejudice rights of Contractor to recover damages for such default.

(ii) Contractor may, as its option, terminate this Subcontract in whole, or from time to time in part, at any time by written notice thereof to the Subcontractor, whether or not Subcontractor is in default. Upon any such termination Subcontractor agrees to waive any claims for damages, including loss of anticipated profits, on account thereof, and agrees that the sole remedy of Subcontractor is to receive payment in accordance with Subparagraph (c) below. The provisions of this Subcontract, which by their nature survive final acceptance of the work hereunder, shall remain in full force and effect after such termination to the extent provided in such provisions.

(a) Upon receipt of any such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue work on the date and to the extent specified in the notice; place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary for completion of such portion of the work as is not discontinued; promptly make every reasonable effort to procure cancellation upon terms satisfactory to Contractor of all orders, subcontracts

and rental agreements to the extent they relate to the performance of work discontinued and shall thereafter do only such work as may be necessary to preserve and protect work already in progress and to protect materials, plant, and equipment at the site or in transit thereto.

(b) Upon such termination the obligations of this Subcontract shall continue as to work already performed and as to bona fide obligations assumed by Subcontractor prior to the date of termination.

(c) Upon such termination Subcontractor shall be entitled to be paid the full value, calculated on the basis of the compensation provisions of this Subcontract, for all work properly done on the site by Subcontractor together with reasonable costs occasioned by such termination and not previously paid for, less such sums as Subcontractor had already received on account of the work performed. If at the date of such termination Subcontractor has properly prepared or fabricated off the site any goods for subsequent incorporation at the site, and if Subcontractor delivers such goods to the site or to such other place as the Contractor shall reasonably direct, then Subcontractor shall be paid for such goods or materials. The foregoing amounts shall include a reasonable sum, under all of the circumstances, as profit for any work performed by Subcontractor.

24. PAYMENT: Subcontractor agrees to accept the compensation specified elsewhere in this Subcontract as full compensation for performing all work and services and furnishing all materials, supplies and equipment necessary for satisfactorily performing this Subcontract; for all loss or damage arising out of the nature of the work or from the action of the elements or from any unforeseen or unknown difficulties or obstructions which may arise or be encountered in the prosecution of the work until final acceptance; for all risks of every description connected with the work and for all expenses incurred by or in consequence of any suspension or discontinuance of the work except as may be otherwise provided elsewhere in this Subcontract.

Unless otherwise specified in the Subcontract, progress payments shall be made to Subcontractor by Contractor as follows: At the end of each calendar month or as soon thereafter as practicable, Contractor shall estimate or cause to be estimated the amount of the work performed hereunder by Subcontractor. Such estimate shall be conclusive upon Subcontractor for the purpose of progress payments. Within ten (10) days after the making or

receipt and approval by Contractor of such estimate and upon receipt and approval of Subcontractor's invoice, Contractor shall pay to Subcontractor ninety (90) percent of such amount less the aggregate of all payments previously made or credited to Subcontractor.

Payments otherwise payable hereunder may be withheld, in whole or in part, by Contractor on account of (i) claims filed or reasonable evidence indicating the probability of filing thereof; (ii) the failure of Subcontractor to correct defective workmanship or materials; (iii) the failure of Subcontractor to cure any default in any of the conditions hereof to be performed by Subcontractor; (iv) the failure of Subcontractor to pay, satisfy or discharge any claim of Owner, Contractor or any person against Subcontractor arising out of or in any way connected with the work; or (v) a reasonable doubt that this Subcontract can be completed within the time specified or for the balance then unpaid. If the foregoing causes are removed to the satisfaction of Contractor, the withheld payments shall promptly be made. If the said causes are not promptly removed after written notice, Contractor may rectify the same at Subcontractor's expense, and deduct all costs and expenses incurred thereby from such withheld payments. If such withheld payments are insufficient to satisfy the same, or if any claim against Subcontractor shall be discharged by Contractor after final payment is made, Subcontractor and its surety or sureties, if any, shall promptly reimburse and pay to Contractor all costs and expenses incurred thereby, regardless of when such claim arose or whether such claim imposed a lien upon the work or the real property upon which the work is situated.

Contractor may, as a condition precedent to any progress payment to Subcontractor, require Subcontractor to submit complete waivers and releases of any and all claims of any person, firm or corporation in connection with or in any way related to the performance of this Subcontract. Such releases must be submitted covering all such claims as a condition precedent to final payment.

Within thirty-five (35) days following final acceptance of all work performed hereunder the amount then remaining due to Subcontractor shall be paid, provided, that Subcontractor shall have furnished Contractor and Owner with a release of all claims against Contractor and/or Owner arising under or by virtue of this Subcontract, except such claims, if any, as may with the consent of Contractor and Owner be specifically excepted by Subcontractor from the operation of the release in stated amounts to be set forth therein.

EXHIBIT "B"

INSURANCE AND BOND REQUIREMENTS

1. INSURANCE REQUIREMENTS:

Unless otherwise specified in this Subcontract, the Subcontractor shall, at its sole expense, maintain in effect at all times during the performance of the Work insurance coverages with limits not less than those set forth below with insurers and under forms of policies satisfactory to Contractor. Prior to commencing under this Subcontract, Subcontractor shall furnish Contractor with Certificates of Insurance as evidence that policies providing such coverages and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to Contractor prior to cancellation, termination or alteration of said policies of insurance. Such notices shall be sent directly to Contractor's authorized representative as specified elsewhere in this Subcontract.

Coverage:	Minimum Amounts and Limits
(a) Workmen's Compensation	Statutory requirements at location of Work
(b) Employer's Liability	To extent included under Workmen's Compensation Insurance policy.
(c) Comprehensive General Liability	
(i) Bodily Injury	\$250,000 each person \$500,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence
(d) Comprehensive Automobile Liability	
(i) Bodily Injury	\$100,000 each person \$300,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence

The policy of insurance which affords Comprehensive General Liability shall contain a provision or endorsement stating that such insurance, subject to all of its other terms and conditions, applies to the liability assumed by Subcontractor under this Subcontract; any policy exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the "XCU" hazards, are to be deleted.

Should any of the Work be upon or contiguous to navigable bodies of water, Subcontractor shall also carry insurance covering its employees for benefits available under the Federal Longshoremen's and Harbor Workers' Act to the extent required by law. Also, any watercraft used by Subcontractor shall be insured by the Comprehensive General Liability insurance or by equivalent insurance such as Protection and Indemnity Insurance.

The foregoing requirements as to types, limits and Contractor's approval of insurance coverage to be maintained by Subcontractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Subcontractor under this Subcontract.

2. PERFORMANCE BOND AND PAYMENT BOND REQUIREMENTS:

If specifically required in writing by Contractor, Subcontractor shall furnish to Contractor a Performance Bond and Payment Bond in the form shown in this Exhibit "B" and executed as surety by a corporation acceptable to Contractor and authorized to issue such bonds in the jurisdiction where the Work is to be performed. Such Performance Bond and Payment Bond shall each be for one hundred percent (100%) of the compensation payable to Subcontractor under this Subcontract. The cost of such bonds will be paid by Contractor separately from and in addition to, the Compensation specified in Section 5 of this Subcontract.

NOTE: Owner and Contractor do not furnish Builders Risk Insurance for Subcontractor's material, equipment or work completed. Reference paragraph 16 of General Terms and Conditions.

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EXHIBIT "C"SPECIAL PROVISIONS

1. Subcontractor shall furnish Contractor with Certificates of Insurance evidencing coverage required herein. The certificates shall be mailed to each of the following addresses:

Bechtel Corporation
P.O. Box 2166
Houston, Texas
Attn: Purchasing Department

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E. C. Gavagan

2. Invoices are to be submitted in quadruplicate to the following address:

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E.C. Gavagan

Upon completion of work and prior to final payment, Subcontractor is to submit one (1) copy each of completed "Release of Mechanic's Lien", Form HP-101 to both the Houston Office and Bechtel's Field Office.

3. COMPENSATION: Supplemental to Paragraph 5 of Subcontract the following price breakdown is for accounting purposes only:

<u>TASK</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>	<u>ESTIMATED MAN-HOURS</u>	<u>COST CODE</u>
5-2	\$ 161.00	\$ 118.00	\$ 279.00	12	024.050.659.08.5
5-2	4,722.00	3,477.00	8,199.00	346	024.050.681.08.5
6	14,384.00	13,218.00	27,602.00	1,359	042.060.681.08.5
7	10,497.00	8,213.00	18,710.00	844	042.070.681.08.5
15	431.00	552.00	983.00	57	045.150.681.08.5
18	332.00	246.00	578.00	30	050.180.543.08.5
18	15,659.00	11,587.00	27,246.00	1,188	050.190.542.08.5
22	42.00	28.00	70.00	4	110.220.533.08.5
22	1,372.00	916.00	2,288.00	105	110.220.513.08.5
	<u>\$47,600.00</u>	<u>\$38,355.00</u>	<u>\$85,955.00</u>	<u>3,945</u>	

The prices shown in this subcontract are firm until February 29, 1972. Any labor expended after the end of the normal work day on February 29 will be subject to escalation. The escalation shall be paid on the basis of the number of estimated hours per Task as detailed above, which estimated totals represent the maximum extent of escalation liability. The escalation shall re-imburse Subcontractor for any labor cost increase experienced over and above the basic mechanic's hourly unit used in this Subcontract as computed below:

Total Direct Cost:

Hourly rate including Fringe Benefits, Insurance and Taxes \$8.237/Hr.

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EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION (CONTINUED)

Overhead Cost:

15.3% of Direct Cost
Total Gross Cost

\$1.260
9.497

Profit:

5% of Total Gross Costs

.475

Total Cost Per Hour

\$9.972

The following are unit prices for additions to the scope of work. Deletions from the scope of work will be at the same rates less a multiplication factor of 0.2. The unit price for scaffolding, which is not a part of the insulation units, including erection and dismantling is \$0.426/square foot of area insulated per item.

() Unit Prices: Vessels w/LW-25 Limpet

<u>THICKNESS</u>	<u>PER SQUARE FOOT</u>
1"	\$1.027
1½"	1.446
2	1.860
2½"	2.275
3"	2.689

There will be no "Move-In : Move-Out" charge made in the event of forced discontinuance of the project.

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Bechtel Corporation

Engineers—Constructors

3701 Kirby Drive
Houston, Texas 77006



Subcontractor: A-C & S, Incorporated
7310 Ardmore
Houston, Texas

Contact: William O. Dailey
Telephone: (713) 747-5530

Owner: Reynolds Metals Company

Location of work: Gregory, Texas

SUBCONTRACT

Date: July 12, 1971

Subcontract No.: 8633-M-70 HA

Issuing Office: Houston, Texas

BECHTEL CORPORATION ("Contractor") and the above-named Subcontractor ("Subcontractor") hereby agree that the work specified below ("Work") shall be performed by Subcontractor in accordance with all the provisions of this Subcontract. Subcontractor understands that the Work is a portion of the work and services to be performed by Contractor for the above-named Owner.

Subcontractor represents that it has examined the location of the Work and is familiar with and has satisfied itself as to the nature, location and amount of the Work, Subcontractor's access thereto and ability to perform the same, the terms of this Subcontract and all incorporated documents as well as the quality, quantity and availability of labor, materials, equipment, facilities and other items required for performance of the Work and the climatic, physical and other conditions which may be encountered in the performance of the Work.

1. WORK TO BE PERFORMED: Except for the items specified in Section 3 hereof, Subcontractor shall supply and furnish at the locations where the Work is to be performed all plant, labor, materials, tools, supplies, equipment, transportation, supervision, technical, professional and other services to perform, and shall perform all operations necessary and required for the satisfactory performance and completion of the following Work:

Insulate all vessels and equipment in accordance with Material Requisition 8633-M-70, Rev. 1 and all attachments listed therein.

2. DOCUMENTS INCORPORATED: The following documents are by this reference incorporated into and made a part of this Subcontract and are referred to collectively hereinafter as the "Subcontract Documents."

- (a) Exhibit "A" - General Terms and Conditions
- (b) Exhibit "B" - Insurance and Bond Requirements
- (c) Exhibit "C" - Special Provisions
- (d) Exhibit "D" - Material Requisition 8633-M-70, Rev. 1 and all attachments listed therein.

3. CONTRACTOR-FURNISHED ITEMS: Contractor will furnish to or for the use of the Subcontractor only the following items:

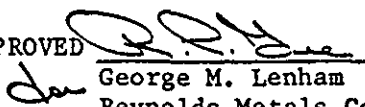
See Paragraph 6.2 of Specification G-2, Rev. 1

4. TIME OF COMMENCEMENT AND COMPLETION: Subcontractor agrees to commence the Work on approximately July 12, 1971. Exact scheduling shall be as approved by Contractor's Construction Superintendent. Subcontractor agrees to complete the Work on or before February 29, 1972.

5. COMPENSATION: As full consideration for the satisfactory performance by Subcontractor of the Work, Contractor shall pay to Subcontractor the following compensation: The firm lump sum price of Eighty-five Thousand Nine Hundred Fifty-five Dollars and No Cents (\$85,955.00) as set forth in your quotation dated July 6, 1971 signed by Mr. W.O. Dailey.

6. TERMS OF PAYMENT: See Paragraph 24 of Exhibit "A".

APPROVED


George M. Lenham
Reynolds Metals Company

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract as of the day and year first above written.

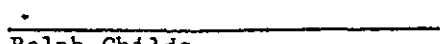
CONTRACTOR:

BECHTEL CORPORATION

SUBCONTRACTOR:

A C & S INCORPORATED

By


Ralph Childs
Procurement Manager

By

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EXHIBIT "A"
GENERAL TERMS AND CONDITIONS

1. ENTIRE AGREEMENT: This Subcontract embodies the entire agreement between Contractor and Subcontractor. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments or modifications of any of the terms and conditions hereof shall be valid unless reduced to writing.

2. CONTRACTUAL RELATIONSHIP: Subcontractor represents that it is fully experienced and properly qualified to perform the class of work provided for herein, and that it is properly licensed, equipped, organized and financed to perform such work. In the performance of this Subcontract, Subcontractor shall operate as an independent contractor and not as the agent of Contractor or Owner.

3. UNEMPLOYMENT INSURANCE, TAXES, CONTRIBUTIONS AND ASSESSMENTS: Subcontractor shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance, old age retirement benefits, life pensions, annuities and similar benefits which may now or hereafter be imposed by law or collective bargaining agreements with respect to persons employed by Subcontractor for performance of the work under this Subcontract whether measured by wages, salaries or remuneration paid or otherwise. Subcontractor shall comply with all laws, statutes, rules and regulations applicable to the compensation paid to its employees, and shall maintain suitable forms, books of account and records. The compensation to be paid to Subcontractor includes, and Subcontractor shall be liable for and shall pay and shall indemnify, defend and save harmless Owner and Contractor from, all such taxes and contributions or any interest accrued and penalties imposed, and all taxes, excises, assessments and other charges levied by any government agency or authority on or because of the work performed hereunder, or any materials, equipment, services or supplies furnished or used in the performance of this Subcontract.

4. AUTHORIZED REPRESENTATIVES AND NOTICES: Subcontractor shall designate a competent superintendent to represent and act for the Subcontractor who shall have authority to make binding and enforceable decisions in the name of Subcontractor and to accept service of all notices which Contractor desires to serve, or which are required by this Subcontract to be served, on

Subcontractor. Subcontractor shall, upon commencement of performance of this Subcontract, advise Contractor in writing of the name, address and telephone number (day and night) of such designated superintendent and of any change in such designation.

Any notices provided for hereunder may be served personally on the superintendent of either party at the jobsite or by registered mail to the address of each party shown on the face hereof.

5. LAWS AND REGULATIONS - PERMITS: Subcontractor, its employees and representatives, shall at all times comply with all applicable laws, ordinances, statutes, rules or regulations including those relating to wages, hours, fair employment practices, anti-discrimination and safety and working conditions.

Subcontractor shall procure and pay for all permits and inspections and shall furnish any bonds, security or deposits required to permit performance of its work hereunder.

6. LABOR CONDITIONS: Subcontractor shall, to the extent permissible under federal law and any applicable state laws, comply with and be bound by such terms and conditions of Contractor's labor agreements as are applicable to the work, including, without limitation, the terms and provisions of any such agreements concerning work rules and providing for the assignment of work or the settlement of jurisdictional disputes. Subcontractor shall pay rates of wages and shall observe hours and conditions of labor equivalent to those paid and observed by Contractor and shall be subject to Contractor's approval. A copy of each of these agreements is available for inspection at the office of Contractor issuing this Subcontract. Subcontractor shall, if requested to do so by Contractor, remove from the jobsite any employee whom Contractor determines to be incompetent or undesirable. Subcontractor agrees that if any portion of the work covered hereby is further subcontracted, such further subcontract shall be bound by and observe the provisions of this clause to the same extent as herein required by Subcontractor, and that a copy of this clause imposing such obligations upon said subcontractor shall be included in any further subcontract.

Subcontractor shall comply with and shall cooperate with Contractor in enforcing jobsite conditions which directly affect the performance

of the work including but not limited to starting and quitting time, smoking regulations, check-in and check-out procedures, jobsite safety regulations and daily clean-up.

7. INDEMNITY: Subcontractor shall indemnify, defend and hold harmless Owner and Contractor, and each of them from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind or nature whether arising before or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, or claimed to be caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive of Subcontractor, or of anyone acting under its direction, control, or on its behalf in connection with or incident to the work performed under this Subcontract. Subcontractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability caused by the sole active negligence of Contractor or Owner.

8. DAMAGES FOR SUBCONTRACTOR'S BREACH OF SUBCONTRACT: Subcontractor shall pay Contractor any and all damages, interest, attorney's fees, costs, losses and expenses of whatsoever kind or nature whether they arise before or after completion of the work hereunder arising out of any default under or breach by Subcontractor of the terms and conditions of this Subcontract.

9. PATENT INDEMNITY: Subcontractor shall indemnify, defend and save harmless Owner, Contractor and their representatives respectively, from and against all claims, losses, costs, damages, and expenses, including attorney's fees, incurred by Owner, Contractor, and their representatives, respectively, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the equipment or materials furnished under the Subcontract by Subcontractor, or out of the processes or actions employed by, or on behalf of Subcontractor in connection with the performance of the work hereunder, and Subcontractor shall, at its sole expense, promptly defend against any such claim or action; provided that Owner or Contractor shall have notified Subcontractor upon becoming aware of such claims or actions, and provided further that Subcontractor's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by Contractor or Owner. Subcontractor shall have the right, in order to avoid such claims or actions, to substitute at its own expense noninfringing equip-

ment, materials, or processes, or to modify at its own expense such infringing equipment, materials and processes so they become noninfringing, provided that such substituted and modified equipment, materials and processes shall meet all the requirements and be subject to all the provisions of this Subcontract.

10. WARRANTY: Unless specifically stated otherwise in the Subcontract, Subcontractor warrants all equipment, materials, and labor furnished or performed under this Subcontract, against defective design (unless furnished by Owner or Contractor), materials and workmanship for a period of eighteen (18) months from and after final acceptance under the Subcontract, or one (1) year from and after final acceptance of the Project as a whole by Owner whichever occurs sooner, regardless of whether the same were furnished or performed by Subcontractor or by any of its sub-subcontractors of any tier. Upon receipt of written notice from Contractor or Owner of any defect in any such equipment, materials, or labor during the applicable warranty period, due to defective design, materials or workmanship, the affected part or parts thereof shall be redesigned, repaired or replaced by Subcontractor who shall perform such tests as Contractor or Owner may require to verify that such redesign, repairs and replacements comply with the requirements of this Subcontract. All costs incidental to such redesign, repair, replacement and testing, including the removal, replacement and reinstallation of equipment and materials necessary to gain access, shall be borne by Subcontractor. As to any defects in the Work which are so redesigned, repaired or replaced, Subcontractor warrants such redesigned, repaired or replaced work against defective design, materials and workmanship for a period of eighteen (18) months from and after the date of acceptance thereof. Should Subcontractor fail to promptly make the necessary redesign, repair, replacement and test, Contractor may perform or cause to be performed the same at Subcontractor's expense. Subcontractor and its surety or sureties, if any, shall be liable for the satisfaction and full performance of the warranties as set forth herein.

11. NON-ASSIGNMENT: Any subletting, assignment or hypothecation of this Subcontract, or any portion of the work, or any amount due and payable hereunder, made by Subcontractor without the prior written consent of Contractor shall be void. If such subletting, assignment or hypothecation is attempted or made, Contractor shall have the right, if it so elects and without prejudice to any other rights it may have, to withhold at any time thereafter, in whole or in

part, payments otherwise due to Subcontractor until the final payment becomes due to Subcontractor hereunder.

12. CHANGES: Contractor may at any time, in writing, without notice to the surety or sureties, if any, make any change in the work to be performed under this Subcontract. Subcontractor shall proceed immediately with performance of the change and shall, within ten (10) days thereafter, if any such change materially affects the cost or time of performance of the Subcontract as a whole, submit written notice of such effect on cost and time of performance. If, as determined by Contractor, any such change materially affects said cost and time of performance of the Subcontract as a whole, an equitable adjustment shall be made. No change or adjustments to the Subcontract shall be binding unless authorized in writing by the Contractor.

13. PERFORMANCE REQUIREMENTS: All work hereunder shall be performed by Subcontractor at the times stated and in accordance with the provisions of this Subcontract. Anything mentioned in the specifications and not shown on the drawings or vice versa shall have effect as if shown in both. In case of conflict or discrepancies among the various Subcontract Documents the matter shall be submitted immediately by Subcontractor to Contractor for decision and such decision shall be final.

14. STANDARDS AND CODES: Wherever references are made in the Subcontract to standards or codes in accordance with which work is to be performed or tested, it is to be understood that the then current edition or revision of the standards or codes shall apply, unless otherwise expressly set forth. Unless otherwise specified, reference to such standards or codes is solely for technical information.

15. ORDER OF PERFORMANCE OF WORK : Contractor, Owner, other contractors and subcontractors may be working at the site during the performance of this Subcontract. Contractor reserves the right to direct Subcontractor to schedule the order of performance of its work in such manner as not unreasonably to interfere with the performance of other work and services by Contractor, Owner or other contractors or subcontractors.

16. RESPONSIBILITY FOR WORK; PRECAUTIONS: Subcontractor shall be responsible for and shall bear any and all risk of loss of or damage to work in progress, all materials delivered to the site and all materials and equipment until completion and final acceptance of the work to be performed under this Subcontract, unless such loss

or damage results from the sole active negligence of Contractor.

Subcontractor shall promptly take all precautions which are necessary and adequate against any conditions created during the progress of Subcontractor's activities hereunder which involve a risk of bodily harm to persons or a risk of damage to any property. Subcontractor shall continuously inspect all work, materials and equipment to discover and determine any such conditions and shall be solely responsible for discovery, determination and correction of any such conditions. Subcontractor shall comply with all applicable safety standards, codes and regulations in the jurisdiction where the work is being performed, and with the Safety and Health Regulations for Construction issued by the Bureau of Labor Standards of the U.S. Department of Labor. Subcontractor assumes all liability for its failure to comply with the provisions of this paragraph.

17. INSPECTION; REJECTION OF MATERIALS AND WORKMANSHIP; ACCEPTANCE: All materials and equipment furnished and work performed in connection therewith shall at all times be subject to inspection by Contractor or Owner. Subcontractor shall, at its own expense, provide safe and necessary facilities and all samples, documents, drawings and lists necessary for such inspection. Owner and Contractor shall be afforded full and free access to the shops, factories or places of business of Subcontractor and its subcontractors and suppliers for such inspection and to determine the general condition and progress of the work. If Subcontractor covers all or any portion of the work prior to any inspection or test by Contractor or Owner, the cost of any necessary uncovering and replacing shall be borne by Subcontractor. Neither the failure to make such inspection nor to discover defective workmanship, materials, or equipment nor approval of, or payment to, Subcontractor for such work, materials or equipment shall prejudice the rights of Owner or Contractor thereafter to correct or reject the same as hereinafter provided.

If any material, equipment or workmanship is determined by Owner or Contractor, either during performance of the work, on final inspection, or during any applicable warranty period, to be defective or not complying with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing that such material, equipment or work is rejected. Thereupon, Subcontractor shall, at its own expense, immediately remove and replace or correct such defective material, equipment or work by making the same comply strictly with all requirements therefor.

As soon as practicable after completion of all work hereunder, inspection and tests will be made by Contractor or Owner. When such inspection and tests have proven that the work is in accordance with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing of final acceptance of its work under this Subcontract.

18. EXPEDITING: The equipment and material furnished under this Subcontract shall be subject to expediting by Contractor or its representatives. Contractor's personnel shall be allowed reasonable access to Subcontractor's plants, and those of its sub-suppliers, for expediting purposes. As required by Contractor, Subcontractor shall supply schedules and progress reports for Contractor's use in expediting.

19. REMOVAL OF DEBRIS AND WASTE MATERIAL: During performance of the Subcontract and upon termination or completion thereof, Subcontractor shall remove all debris and waste material and keep and leave the site in a condition satisfactory to Contractor.

20. EXTENSION OF TIME — SUBCONTRACTOR'S WAIVER OF DAMAGES FOR DELAY: If Subcontractor's performance of this Subcontract delayed by any condition beyond the control and without the fault or negligence of Subcontractor and which was not foreseeable by Subcontractor at the time this Subcontract was entered into, Subcontractor shall, within seven (7) days of the commencement of any such delay, give to Contractor written notice thereof and of the anticipated results thereof. Within seven (7) days after the termination of any such delay, Subcontractor shall file a written notice with Contractor specifying the actual duration of the delay. Failure to give either of the above notices shall be sufficient ground for denial of an extension of time. If Contractor determines that the delay was beyond the control and without the fault or negligence of Subcontractor and not foreseeable by Subcontractor at the time this Subcontract was entered into, Contractor shall determine the duration of the delay and shall extend the time of performance of this Subcontract accordingly.

Subcontractor shall not be entitled to, and hereby expressly waives recovery of any damages suffered by reason of the delays herein contemplated and extension of time shall constitute Subcontractor's sole remedy for such delays.

21. SUSPENSION: The Contractor may, at its sole option, by notice in writing to the Subcontractor, suspend at any time the performance of all or any portion of work to be performed under the

Subcontract. Upon such notice of suspension of work, the Subcontractor agrees to permit the Contractor to designate the amount and type of plant, labor and equipment in such a manner as to minimize costs associated with suspension.

Upon receipt of any such notice, the Subcontractor shall, unless the notice requires otherwise:

- (i) immediately discontinue work on the date and to the extent specified in the notice;
- (ii) place no further orders or subcontracts for material, services, or facilities with respect to suspended work other than to the extent required in the notice;
- (iii) promptly make every reasonable effort to obtain suspension, upon terms satisfactory to the Contractor, of all orders, subcontracts and rental agreements to the extent they relate to performance of work suspended, and,
- (iv) unless otherwise specifically stated in the notice, the Subcontractor shall continue to protect and maintain the work theretofore completed, including those portions on which work has been suspended.

As full compensation for such suspension the Subcontractor will be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work.

- (i) A standby charge to be paid to the Subcontractor during the period of suspension of work, which standby charge shall be sufficient to compensate the Subcontractor for keeping, to the extent required in the notice, its organization and equipment committed to the work site in a standby status;
- (ii) all reasonable costs associated with demobilization of the Subcontractor's plant, forces and equipment;
- (iii) an equitable amount to reimburse the Subcontractor for the cost of maintaining and protecting that portion of the work upon which activities have been suspended;

Upon receipt of notice to resume suspended work, the Subcontractor shall immediately resume work on the suspended work to the extent required in the notice. If as a result of any such suspension of work the cost to the Subcontractor of subsequently performing work is increased or decreased, an equitable adjustment will be made in the cost of performing the remaining portion of work. Any claim on the part of the Subcontractor for extension of time shall be made in accordance with the appropriate provisions of this Subcontract. Within ten (10) calendar days after receipt of

notice to resume work, the Subcontractor shall submit for review a revised construction schedule. No compensation or extension of time shall be granted if suspension results from Subcontractor's non-compliance with the requirements of this Subcontract.

22. PROGRESS: Subcontractor shall provide and use on any work only such construction plant and equipment as are capable of producing the quality and quantity of work and materials required by the Subcontract and within the time or times specified. Upon written order of the Contractor the Subcontractor shall promptly remove unsatisfactory equipment and facilities from the site and shall discontinue operation of unsatisfactory plant.

The Subcontractor shall give the Contractor full information in advance as to its plans for carrying on each part of work. If at any time during the progress of work, the Subcontractor's actual progress appears to the Contractor to be inadequate to meet the requirements of the Subcontract, the Contractor may notify the Subcontractor of such imminent or actual non-compliance with the Subcontract. The Subcontractor shall thereupon take such steps as may be necessary to improve its progress and the Contractor may require an increase in the labor force, the number of shifts, and/or overtime operations, days of work and/or the amount of construction plant all without additional cost to the Contractor. Neither such notice by the Contractor nor the Contractor's failure to issue such notice shall relieve the Subcontractor from its obligation to achieve the quality of work and rate of progress required by the Subcontract.

Failure of the Subcontractor to comply with the instructions of the Contractor under these provisions may be grounds for determination by the Contractor that the Subcontractor is not prosecuting its work with such diligence as will assure completion within the times specified. Upon such determination, the Contractor may terminate the Subcontractor's right to proceed with the performance of the Subcontract, or any separable part thereof, in accordance with the applicable provisions of this Subcontract.

23. TERMINATION: (i) Should Subcontractor at any time refuse or neglect to supply sufficient properly skilled workmen or materials of the proper quality or quantity, or equipment necessary properly to perform the work hereunder, or fail in any respect to prosecute the work hereunder or any portion thereof with promptness, diligence or in accordance with any of the provisions set forth herein, or go into liquidation other than as part of a corporate reorganization or enter into composition with its creditors or become insolvent, Contractor may, upon forty-eight (48) hours' written

notice to Subcontractor, terminate Subcontractor's right to proceed with the work or such part of the work as to which such defaults have occurred. In the event of such termination, Contractor may enter upon the premises and into places of manufacture of Subcontractor's suppliers and, for the purpose of completing the work or enforcing these provisions, take possession of all materials, equipment, tools and appliances thereon belonging to or under the control of Subcontractor and may use them or may finish the work by whatever method it may deem expedient including the hiring of another Subcontractor or Subcontractors under such form of subcontract as Contractor may deem advisable, or Contractor may itself provide any labor or materials and perform any part of the work. In such case Subcontractor shall not be entitled to receive any further payment until the work is completed. If the unpaid balance of Subcontractor's compensation hereunder shall exceed the sum of the expense of finishing the work plus compensation for additional managerial and administrative services and such other costs and damages as Contractor may suffer, such excess shall be paid to Subcontractor. If such expense, compensation, costs, and damages shall exceed such unpaid balance, Subcontractor and its sureties, if any, shall be liable for and shall pay, the excess to Contractor. Failure of Contractor to exercise any of its rights hereunder shall not excuse Subcontractor from compliance with the provisions of this Subcontract nor prejudice rights of Contractor to recover damages for such default.

(ii) Contractor may, as its option, terminate this Subcontract in whole, or from time to time in part, at any time by written notice thereof to the Subcontractor, whether or not Subcontractor is in default. Upon any such termination Subcontractor agrees to waive any claims for damages, including loss of anticipated profits, on account thereof, and agrees that the sole remedy of Subcontractor is to receive payment in accordance with Subparagraph (c) below. The provisions of this Subcontract, which by their nature survive final acceptance of the work hereunder, shall remain in full force and effect after such termination to the extent provided in such provisions.

(a) Upon receipt of any such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue work on the date and to the extent specified in the notice; place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary for completion of such portion of the work as is not discontinued; promptly make every reasonable effort to procure cancellation upon terms satisfactory to Contractor of all orders, subcontracts

and rental agreements to the extent they relate to the performance of work discontinued and shall thereafter do only such work as may be necessary to preserve and protect work already in progress and to protect materials, plant, and equipment at the site or in transit thereto.

(b) Upon such termination the obligations of this Subcontract shall continue as to work already performed and as to bona fide obligations assumed by Subcontractor prior to the date of termination.

(c) Upon such termination Subcontractor shall be entitled to be paid the full value, calculated on the basis of the compensation provisions of this Subcontract, for all work properly done on the site by Subcontractor together with reasonable costs occasioned by such termination and not previously paid for, less such sums as Subcontractor had already received on account of the work performed. If at the date of such termination Subcontractor has properly prepared or fabricated off the site any goods for subsequent incorporation at the site, and if Subcontractor delivers such goods to the site or to such other place as the Contractor shall reasonably direct, then Subcontractor shall be paid for such goods or materials. The foregoing amounts shall include a reasonable sum, under all of the circumstances, as profit for any work performed by Subcontractor.

24. PAYMENT: Subcontractor agrees to accept the compensation specified elsewhere in this Subcontract as full compensation for performing all work and services and furnishing all materials, supplies and equipment necessary for satisfactorily performing this Subcontract; for all loss or damage arising out of the nature of the work or from the action of the elements or from any unforeseen or unknown difficulties or obstructions which may arise or be encountered in the prosecution of the work until final acceptance; for all risks of every description connected with the work and for all expenses incurred by or in consequence of any suspension or discontinuance of the work except as may be otherwise provided elsewhere in this Subcontract.

Unless otherwise specified in the Subcontract, progress payments shall be made to Subcontractor by Contractor as follows: At the end of each calendar month or as soon thereafter as practicable. Contractor shall estimate or cause to be estimated the value of the work performed hereunder by Subcontractor. Such estimate shall be conclusive upon Subcontractor for the purpose of progress payments. Within ten (10) days after the making or

receipt and approval by Contractor of such estimate and upon receipt and approval of Subcontractor's invoice, Contractor shall pay to Subcontractor ninety (90) percent of such amount less the aggregate of all payments previously made or credited to Subcontractor.

Payments otherwise payable hereunder may be withheld, in whole or in part, by Contractor on account of (i) claims filed or reasonable evidence indicating the probability of filing thereof; (ii) the failure of Subcontractor to correct defective workmanship or materials; (iii) the failure of Subcontractor to cure any default in any of the conditions hereof to be performed by Subcontractor; (iv) the failure of Subcontractor to pay, satisfy or discharge any claim of Owner, Contractor or any person against Subcontractor arising out of or in any way connected with the work; or (v) a reasonable doubt that this Subcontract can be completed within the time specified or for the balance then unpaid. If the foregoing causes are removed to the satisfaction of Contractor, the withheld payments shall promptly be made. If the said causes are not promptly removed after written notice, Contractor may rectify the same at Subcontractor's expense, and deduct all costs and expenses incurred thereby from such withheld payments. If such withheld payments are insufficient to satisfy the same, or if any claim against Subcontractor shall be discharged by Contractor after final payment is made, Subcontractor and its surety or sureties, if any, shall promptly reimburse and pay to Contractor all costs and expenses incurred thereby, regardless of when such claim arose or whether such claim imposed a lien upon the work or the real property upon which the work is situated.

Contractor may, as a condition precedent to any progress payment to Subcontractor, require Subcontractor to submit complete waivers and releases of any and all claims of any person, firm or corporation in connection with or in any way related to the performance of this Subcontract. Such releases must be submitted covering all such claims as a condition precedent to final payment.

Within thirty-five (35) days following final acceptance of all work performed hereunder the amount then remaining due to Subcontractor shall be paid, provided, that Subcontractor shall have furnished Contractor and Owner with a release of all claims against Contractor and/or Owner arising under or by virtue of this Subcontract, except such claims, if any, as may with the consent of Contractor and Owner be specifically excepted by Subcontractor from the operation of the release in stated amounts to be set forth therein.

EXHIBIT "B"

INSURANCE AND BOND REQUIREMENTS

1. INSURANCE REQUIREMENTS:

Unless otherwise specified in this Subcontract, the Subcontractor shall, at its sole expense, maintain in effect at all times during the performance of the Work insurance coverages with limits not less than those set forth below with insurers and under forms of policies satisfactory to Contractor. Prior to commencing under this Subcontract, Subcontractor shall furnish Contractor with Certificates of Insurance as evidence that policies providing such coverages and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to Contractor prior to cancellation, termination or alteration of said policies of insurance. Such notices shall be sent directly to Contractor's authorized representative as specified elsewhere in this Subcontract.

Coverage:	Minimum Amounts and Limits
(a) Workmen's Compensation	Statutory requirements at location of Work
(b) Employer's Liability	To extent included under Workmen's Compensation Insurance policy.
(c) Comprehensive General Liability	
(i) Bodily Injury	\$250,000 each person \$500,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence
(d) Comprehensive Automobile Liability	
(i) Bodily Injury	\$100,000 each person \$300,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence

The policy of insurance which affords Comprehensive General Liability shall contain a provision or endorsement stating that such insurance, subject to all of its other terms and conditions, applies to the liability assumed by Subcontractor under this Subcontract; any policy exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the "XCU" hazards, are to be deleted.

Should any of the Work be upon or contiguous to navigable bodies of water, Subcontractor shall also carry insurance covering its employees for benefits available under the Federal Longshoremen's and Harbor Workers' Act to the extent required by law. Also, any watercraft used by Subcontractor shall be insured by the Comprehensive General Liability insurance or by equivalent insurance such as Protection and Indemnity Insurance.

The foregoing requirements as to types, limits and Contractor's approval of insurance coverage to be maintained by Subcontractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Subcontractor under this Subcontract.

2. PERFORMANCE BOND AND PAYMENT BOND REQUIREMENTS:

If specifically required in writing by Contractor, Subcontractor shall furnish to Contractor a Performance Bond and Payment Bond in the form shown in this Exhibit "B" and executed as surety by a corporation acceptable to Contractor and authorized to issue such bonds in the jurisdiction where the Work is to be performed. Such Performance Bond and Payment Bond shall each be for one hundred percent (100%) of the compensation payable to Subcontractor under this Subcontract. The cost of such bonds will be paid by Contractor separately from and in addition to, the Compensation specified in Section 5 of this Subcontract.

NOTE: Owner and Contractor do not furnish Builders' Risk Insurance for Subcontractor's material, equipment or work completed. Reference paragraph 16 of General Terms and Conditions.

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EXHIBIT "C"

SPECIAL PROVISIONS

1. Subcontractor shall furnish Contractor with Certificates of Insurance evidencing coverage required herein. The certificates shall be mailed to each of the following addresses:

Bechtel Corporation
P.O. Box 2166
Houston, Texas
Attn: Purchasing Department

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E. C. Gavagan

2. Invoices are to be submitted in quadruplicate to the following address:

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E.C. Gavagan

Upon completion of work and prior to final payment, Subcontractor is to submit one (1) copy each of completed "Release of Mechanic's Lien", Form HP-101 to both the Houston Office and Bechtel's Field Office.

3. COMPENSATION: Supplemental to Paragraph 5 of Subcontract the following price breakdown is for accounting purposes only:

<u>TASK</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>	<u>ESTIMATED MAN-HOURS</u>	<u>COST CODE</u>
5-2	\$ 161.00	\$ 118.00	\$ 279.00	12	024.050.659.08.5
5-2	4,722.00	3,477.00	8,199.00	346	024.050.681.08.5
6	14,384.00	13,218.00	27,602.00	1,359	042.060.681.08.5
7	10,497.00	8,213.00	18,710.00	844	042.070.681.08.5
15	431.00	552.00	983.00	57	045.150.681.08.5
18	332.00	246.00	578.00	30	050.180.543.08.5
18	15,659.00	11,587.00	27,246.00	1,188	050.190.542.08.5
22	42.00	28.00	70.00	4	110.220.533.08.5
22	1,372.00	916.00	2,288.00	105	110.220.513.08.5
	<u>\$47,600.00</u>	<u>\$38,355.00</u>	<u>\$85,955.00</u>	<u>3,945</u>	

The prices shown in this subcontract are firm until February 29, 1972. Any labor expended after the end of the normal work day on February 29 will be subject to escalation. The escalation shall be paid on the basis of the number of estimated hours per Task as detailed above, which estimated totals represent the maximum extent of escalation liability. The escalation shall re-imburse Subcontractor for any labor cost increase experienced over and above the basic mechanic's hourly unit used in this Subcontract as computed below:

Total Direct Cost:

Hourly rate including Fringe Benefits, Insurance and Taxes \$8.237/Hr.

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EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION (CONTINUED)

Overhead Cost:	
15.3% of Direct Cost	<u>\$1.260</u>
Total Gross Cost	<u>9.497</u>
Profit:	
5% of Total Gross Costs	<u>.475</u>
 Total Cost Per Hour	 <u>\$9.972</u>

The following are unit prices for additions to the scope of work. Deletions from the scope of work will be at the same rates less a multiplication factor of 0.2. The unit price for scaffolding, which is not a part of the insulation units, including erection and dismantling is \$0.426/square foot of area insulated per item.

Unit Prices: Vessels w/LW-25 Limpet

<u>THICKNESS</u>	<u>PER SQUARE FOOT</u>
1"	\$1.027
1½"	1.446
2	1.860
2½"	2.275
3"	2.689

There will be no "Move-In : Move-Out" charge made in the event of forced discontinuance of the project.

Bechtel Corporation

Engineers—Constructors

3701 Kirby Drive
Houston, Texas 77006



Subcontractor: Thorpe Insulation Company
P.O. Box 4772
Corpus Christi, Texas 78408

Contact: W.D. Leonard
Telephone: (512) 882-3671

Owner: Reynolds Metals Company

Location of work: Gregory, Texas

SUBCONTRACT

Date: July 12, 1971

Subcontract No.: 8633-M-70 HBC

Issuing Office: Houston, Texas

BECHTEL CORPORATION ("Contractor") and the above-named Subcontractor ("Subcontractor") hereby agree that the work specified below ("Work") shall be performed by Subcontractor in accordance with all the provisions of this Subcontract. Subcontractor understands that the Work is a portion of the work and services to be performed by Contractor for the above-named Owner.

Subcontractor represents that it has examined the location of the Work and is familiar with and has satisfied itself as to the nature, location and amount of the Work, Subcontractor's access thereto and ability to perform the same, the terms of this Subcontract and all incorporated documents as well as the quality, quantity and availability of labor, materials, equipment, facilities and other items required for performance of the Work and the climatic, physical and other conditions which may be encountered in the performance of the Work.

1. WORK TO BE PERFORMED: Except for the items specified in Section 3 hereof, Subcontractor shall supply and furnish at the locations where the Work is to be performed all plant, labor, materials, tools, supplies, equipment, transportation, supervision, technical, professional and other services to perform, and shall perform all operations necessary and required for the satisfactory performance and completion of the following Work:

Insulate all piping in accordance with Material Requisition 8633-M-70, Rev. 1 and all attachments listed therein.

2. DOCUMENTS INCORPORATED: The following documents are by this reference incorporated into and made a part of this Subcontract and are referred to collectively hereinafter as the "Subcontract Documents."

- (a) Exhibit "A" - General Terms and Conditions
- (b) Exhibit "B" - Insurance and Bond Requirements
- (c) Exhibit "C" - Special Provisions
- (d) Exhibit "D" - Material Requisition 8633-M-70, Rev. 1 and all attachments listed therein.

Reg. No. HOU-312

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3. CONTRACTOR-FURNISHED ITEMS: Contractor will furnish to or for the use of the Subcontractor only the following items:

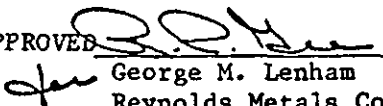
See Paragraph 6.2 of Specification G-2, Rev. 1

4. TIME OF COMMENCEMENT AND COMPLETION: Subcontractor agrees to commence the Work on approximately July 12, 1971. Exact scheduling shall be as approved by Contractor's Construction Superintendent. Subcontractor agrees to complete the Work on or before February 29, 1972.

5. COMPENSATION: As full consideration for the satisfactory performance by the Subcontractor of the Work, Contractor shall pay to Subcontractor the following compensation: The firm lump sum price of Sixty Thousand Four Hundred Two Dollars and No Cents (\$60,402.00) as set forth in your quotation of May 28, 1971 signed by Mr. W.D. Leonard.

6. TERMS OF PAYMENT: See Paragraph 24 of Exhibit "A".

APPROVED

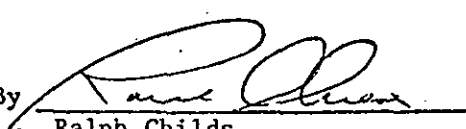

George M. Lenham
Reynolds Metals Company

IN WITNESS WHEREOF, the parties hereto have executed this Subcontract as of the day and year first above written.

CONTRACTOR:

BECHTEL CORPORATION

By


Ralph Childs
Procurement Manager

SUBCONTRACTOR:

THORPE INSULATION COMPANY

By

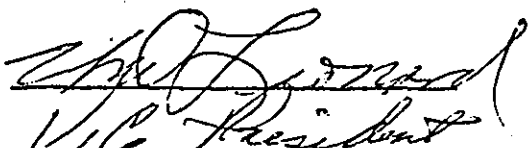

W.D. Leonard
President

EXHIBIT "A"
GENERAL TERMS AND CONDITIONS

1. ENTIRE AGREEMENT: This Subcontract embodies the entire agreement between Contractor and Subcontractor. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments or modifications of any of the terms and conditions hereof shall be valid unless reduced to writing.

2. CONTRACTUAL RELATIONSHIP: Subcontractor represents that it is fully experienced and properly qualified to perform the class of work provided for herein, and that it is properly licensed, equipped, organized and financed to perform such work. In the performance of this Subcontract, Subcontractor shall operate as an independent contractor and not as the agent of Contractor or Owner.

3. UNEMPLOYMENT INSURANCE, TAXES, CONTRIBUTIONS AND ASSESSMENTS: Subcontractor shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance, old age retirement benefits, life pensions, annuities and similar benefits which may now or hereafter be imposed by law or collective bargaining agreements with respect to persons employed by Subcontractor for performance of the work under this Subcontract whether measured by wages, salaries or remuneration paid or otherwise. Subcontractor shall comply with all laws, statutes, rules and regulations applicable to the compensation paid to its employees, and shall maintain suitable forms, books of account and records. The compensation to be paid to Subcontractor includes, and Subcontractor shall be liable for and shall pay and shall indemnify, defend and save harmless Owner and Contractor from, all such taxes and contributions or any interest accrued and penalties imposed, and all taxes, excises, assessments and other charges levied by any government agency or authority on or because of the work performed hereunder, or any materials, equipment, services or supplies furnished or used in the performance of this Subcontract.

4. AUTHORIZED REPRESENTATIVES AND NOTICES: Subcontractor shall designate a competent superintendent to represent and act for the Subcontractor who shall have authority to make binding and enforceable decisions in the name of Subcontractor and to accept service of all notices which Contractor desires to serve, or which are required by this Subcontract to be served, on

Subcontractor. Subcontractor shall, upon commencement of performance of this Subcontract, advise Contractor in writing of the name, address and telephone number (day and night) of such designated superintendent and of any change in such designation.

Any notices provided for hereunder may be served personally on the superintendent of either party at the jobsite or by registered mail to the address of each party shown on the face hereof.

5. LAWS AND REGULATIONS - PERMITS: Subcontractor, its employees and representatives, shall at all times comply with all applicable laws, ordinances, statutes, rules or regulations including those relating to wages, hours, fair employment practices, anti-discrimination and safety and working conditions.

Subcontractor shall procure and pay for all permits and inspections and shall furnish any bonds, security or deposits required to permit performance of its work hereunder.

6. LABOR CONDITIONS: Subcontractor shall, to the extent permissible under federal law and any applicable state laws, comply with and be bound by such terms and conditions of Contractor's labor agreements as are applicable to the work, including, without limitation, the terms and provisions of any such agreements concerning work rules and providing for the assignment of work or the settlement of jurisdictional disputes. Subcontractor shall pay rates of wages and shall observe hours and conditions of labor equivalent to those paid and observed by Contractor and shall be subject to Contractor's approval. A copy of each of these agreements is available for inspection at the office of Contractor issuing this Subcontract. Subcontractor shall, if requested to do so by Contractor, remove from the jobsite any employee whom Contractor determines to be incompetent or undesirable. Subcontractor agrees that if any portion of the work covered hereby is further subcontracted, such further subcontract shall be bound by and observe the provisions of this clause to the same extent as herein required by Subcontractor, and that a copy of this clause imposing such obligations upon said subcontractor shall be included in any further subcontract.

Subcontractor shall comply with and shall cooperate with Contractor in enforcing jobsite conditions which directly affect the performance

of the work including but not limited to starting and quitting time, smoking regulations, check-in and check-out procedures, jobsite safety regulations and daily clean-up.

7. INDEMNITY: Subcontractor shall indemnify, defend and hold harmless Owner and Contractor, and each of them from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs and expenses of whatsoever kind or nature whether arising before or after completion of the work hereunder and in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, or claimed to be caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive of Subcontractor, or of anyone acting under its direction, control, or on its behalf in connection with or incident to the work performed under this Subcontract. Subcontractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability caused by the sole active negligence of Contractor or Owner.

8. DAMAGES FOR SUBCONTRACTOR'S BREACH OF SUBCONTRACT: Subcontractor shall pay Contractor any and all damages, interest, attorney's fees, costs, losses and expenses of whatsoever kind or nature whether they arise before or after completion of the work hereunder arising out of any default under or breach by Subcontractor of the terms and conditions of this Subcontract.

9. PATENT INDEMNITY: Subcontractor shall indemnify, defend and save harmless Owner, Contractor and their representatives respectively, from and against all claims, losses, costs, damages, and expenses, including attorney's fees, incurred by Owner, Contractor, and their representatives, respectively, as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the equipment or materials furnished under the Subcontract by Subcontractor, or out of the processes or actions employed by, or on behalf of Subcontractor in connection with the performance of the work hereunder, and Subcontractor shall, at its sole expense, promptly defend against any such claim or action; provided that Owner or Contractor shall have notified Subcontractor upon becoming aware of such claims or actions, and provided further that Subcontractor's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by Contractor or Owner. Subcontractor shall have the right, in order to avoid such claims or actions, to substitute at its own expense noninfringing equip-

ment, materials, or processes, or to modify at its own expense such infringing equipment, materials and processes so they become noninfringing, provided that such substituted and modified equipment, materials and processes shall meet all the requirements and be subject to all the provisions of this Subcontract.

10. WARRANTY: Unless specifically stated otherwise in the Subcontract, Subcontractor warrants all equipment, materials, and labor furnished or performed under this Subcontract, against defective design (unless furnished by Owner or Contractor), materials and workmanship for a period of eighteen (18) months from and after final acceptance under the Subcontract, or one (1) year from and after final acceptance of the Project as a whole by Owner whichever occurs sooner, regardless of whether the same were furnished or performed by Subcontractor or by any of its sub-subcontractors of any tier. Upon receipt of written notice from Contractor or Owner of any defect in any such equipment, materials, or labor during the applicable warranty period, due to defective design, materials or workmanship, the affected part or parts thereof shall be redesigned, repaired or replaced by Subcontractor who shall perform such tests as Contractor or Owner may require to verify that such redesign, repairs and replacements comply with the requirements of this Subcontract. All costs incidental to such redesign, repair, replacement and testing, including the removal, replacement and reinstallation of equipment and materials necessary to gain access, shall be borne by Subcontractor. As to any defects in the Work which are so redesigned, repaired or replaced, Subcontractor warrants such redesigned, repaired or replaced work against defective design, materials and workmanship for a period of eighteen (18) months from and after the date of acceptance thereof. Should Subcontractor fail to promptly make the necessary redesign, repair, replacement and test, Contractor may perform or cause to be performed the same at Subcontractor's expense. Subcontractor and its surety or sureties, if any, shall be liable for the satisfaction and full performance of the warranties as set forth herein.

11. NON-ASSIGNMENT: Any subletting, assignment or hypothecation of this Subcontract, or any portion of the work, or any amount due and payable hereunder, made by Subcontractor without the prior written consent of Contractor shall be void. If such subletting, assignment or hypothecation is attempted or made, Contractor shall have the right, if it so elects and without prejudice to any other rights it may have, to withhold at any time thereafter, in whole or in

part, payments otherwise due to Subcontractor until the final payment becomes due to Subcontractor hereunder.

12. CHANGES: Contractor may at any time, in writing, without notice to the surety or sureties, if any, make any change in the work to be performed under this Subcontract. Subcontractor shall proceed immediately with performance of the change and shall, within ten (10) days thereafter, if any such change materially affects the cost or time of performance of the Subcontract as a whole, submit written notice of such effect on cost and time of performance. If, as determined by Contractor, any such change materially affects said cost and time of performance of the Subcontract as a whole, an equitable adjustment shall be made. No change or adjustments to the Subcontract shall be binding unless authorized in writing by the Contractor.

13. PERFORMANCE REQUIREMENTS: All work hereunder shall be performed by Subcontractor at the times stated and in accordance with the provisions of this Subcontract. Anything mentioned in the specifications and not shown on the drawings or vice versa shall have effect as if shown in both. In case of conflict or discrepancies among the various Subcontract Documents the matter shall be submitted immediately by Subcontractor to Contractor for decision and such decision shall be final.

14. STANDARDS AND CODES: Wherever references are made in the Subcontract to standards or codes in accordance with which work is to be performed or tested, it is to be understood that the then current edition or revision of the standards or codes shall apply, unless otherwise expressly set forth. Unless otherwise specified, reference to such standards or codes is solely for technical information.

15. ORDER OF PERFORMANCE OF WORK : Contractor, Owner, other contractors and subcontractors may be working at the site during the performance of this Subcontract. Contractor reserves the right to direct Subcontractor to schedule the order of performance of its work in such manner as not unreasonably to interfere with the performance of other work and services by Contractor, Owner or other contractors or subcontractors.

16. RESPONSIBILITY FOR WORK; PRECAUTIONS: Subcontractor shall be responsible for and shall bear any and all risk of loss of or damage to work in progress, all materials delivered to the site and all materials and equipment until completion and final acceptance of the work to be performed under this Subcontract, unless such loss

or damage results from the sole active negligence of Contractor.

Subcontractor shall promptly take all precautions which are necessary and adequate against any conditions created during the progress of Subcontractor's activities hereunder which involve a risk of bodily harm to persons or a risk of damage to any property. Subcontractor shall continuously inspect all work, materials and equipment to discover and determine any such conditions and shall be solely responsible for discovery, determination and correction of any such conditions. Subcontractor shall comply with all applicable safety standards, codes and regulations in the jurisdiction where the work is being performed, and with the Safety and Health Regulations for Construction issued by the Bureau of Labor Standards of the U.S. Department of Labor. Subcontractor assumes all liability for its failure to comply with the provisions of this paragraph.

17. INSPECTION; REJECTION OF MATERIALS AND WORKMANSHIP; ACCEPTANCE: All materials and equipment furnished and work performed in connection therewith shall at all times be subject to inspection by Contractor or Owner. Subcontractor shall, at its own expense, provide safe and necessary facilities and all samples, documents, drawings and lists necessary for such inspection. Owner and Contractor shall be afforded full and free access to the shops, factories or places of business of Subcontractor and its subcontractors and suppliers for such inspection and to determine the general condition and progress of the work. If Subcontractor covers all or any portion of the work prior to any inspection or test by Contractor or Owner, the cost of any necessary uncovering and replacing shall be borne by Subcontractor. Neither the failure to make such inspection nor to discover defective workmanship, materials, or equipment nor approval of, or payment to, Subcontractor for such work, materials or equipment shall prejudice the rights of Owner or Contractor thereafter to correct or reject the same as hereinafter provided.

If any material, equipment or workmanship is determined by Owner or Contractor, either during performance of the work, on final inspection, or during any applicable warranty period, to be defective or not complying with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing that such material, equipment or work is rejected. Thereupon, Subcontractor shall, at its own expense, immediately remove and replace or correct such defective material, equipment or work by making the same comply strictly with all requirements therefor.

As soon as practicable after completion of all work hereunder, inspection and tests will be made by Contractor or Owner. When such inspection and tests have proven that the work is in accordance with the requirements of this Subcontract, Contractor shall notify Subcontractor in writing of final acceptance of its work under this Subcontract.

18. EXPEDITING: The equipment and material furnished under this Subcontract shall be subject to expediting by Contractor or its representatives. Contractor's personnel shall be allowed reasonable access to Subcontractor's plants, and those of its sub-suppliers, for expediting purposes. As required by Contractor, Subcontractor shall supply schedules and progress reports for Contractor's use in expediting.

19. REMOVAL OF DEBRIS AND WASTE MATERIAL: During performance of the Subcontract and upon termination or completion thereof, Subcontractor shall remove all debris and waste material and keep and leave the site in a condition satisfactory to Contractor.

20. EXTENSION OF TIME - SUBCONTRACTOR'S WAIVER OF DAMAGES FOR DELAY: If Subcontractor's performance of this Subcontract is delayed by any condition beyond the control and without the fault or negligence of Subcontractor and which was not foreseeable by Subcontractor at the time this Subcontract was entered into, Subcontractor shall, within seven (7) days of the commencement of any such delay, give to Contractor written notice thereof and of the anticipated results thereof. Within seven (7) days after the termination of any such delay, Subcontractor shall file a written notice with Contractor specifying the actual duration of the delay. Failure to give either of the above notices shall be sufficient ground for denial of an extension of time. If Contractor determines that the delay was beyond the control and without the fault or negligence of Subcontractor and not foreseeable by Subcontractor at the time this Subcontract was entered into, Contractor shall determine the duration of the delay and shall extend the time of performance of this Subcontract accordingly.

Subcontractor shall not be entitled to, and hereby expressly waives recovery of any damages suffered by reason of the delays herein contemplated and extension of time shall constitute Subcontractor's sole remedy for such delays.

1. SUSPENSION: The Contractor may, at its sole option, by notice in writing to the Subcontractor, suspend at any time the performance of all or any portion of work to be performed under the

Subcontract. Upon such notice of suspension of work, the Subcontractor agrees to permit the Contractor to designate the amount and type of plant, labor and equipment in such a manner as to minimize costs associated with suspension.

Upon receipt of any such notice, the Subcontractor shall, unless the notice requires otherwise:

- (i) immediately discontinue work on the date and to the extent specified in the notice;
- (ii) place no further orders or subcontracts for material, services, or facilities with respect to suspended work other than to the extent required in the notice;
- (iii) promptly make every reasonable effort to obtain suspension, upon terms satisfactory to the Contractor, of all orders, subcontracts and rental agreements to the extent they relate to performance of work suspended, and,
- (iv) unless otherwise specifically stated in the notice, the Subcontractor shall continue to protect and maintain the work theretofore completed, including those portions on which work has been suspended.

As full compensation for such suspension the Subcontractor will be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work.

- (i) A standby charge to be paid to the Subcontractor during the period of suspension of work, which standby charge shall be sufficient to compensate the Subcontractor for keeping, to the extent required in the notice, its organization and equipment committed to the work site in a standby status;
- (ii) all reasonable costs associated with demobilization of the Subcontractor's plant, forces and equipment;
- (iii) an equitable amount to reimburse the Subcontractor for the cost of maintaining and protecting that portion of the work upon which activities have been suspended;

Upon receipt of notice to resume suspended work, the Subcontractor shall immediately resume work on the suspended work to the extent required in the notice. If as a result of any such suspension of work the cost to the Subcontractor of subsequently performing work is increased or decreased, an equitable adjustment will be made in the cost of performing the remaining portion of work. Any claim on the part of the Subcontractor for extension of time shall be made in accordance with the appropriate provisions of this Subcontract. Within ten (10) calendar days after receipt of

notice to resume work, the Subcontractor shall submit for review a revised construction schedule. No compensation or extension of time shall be granted if suspension results from Subcontractor's non-compliance with the requirements of this Subcontract.

22. PROGRESS: Subcontractor shall provide and use on any work only such construction plant and equipment as are capable of producing the quality and quantity of work and materials required by the Subcontract and within the time or times specified. Upon written order of the Contractor the Subcontractor shall promptly remove unsatisfactory equipment and facilities from the site and shall discontinue operation of unsatisfactory plant.

The Subcontractor shall give the Contractor full information in advance as to its plans for carrying on each part of work. If at any time during the progress of work, the Subcontractor's actual progress appears to the Contractor to be inadequate to meet the requirements of the Subcontract, the Contractor may notify the Subcontractor of such imminent or actual non-compliance with the Subcontract. The Subcontractor shall thereupon take such steps as may be necessary to improve its progress and the Contractor may require an increase in the labor force, the number of shifts, and/or overtime operations, days of work and/or the amount of construction plant all without additional cost to the Contractor. Neither such notice by the Contractor nor the Contractor's failure to issue such notice shall relieve the Subcontractor from its obligation to achieve the quality of work and rate of progress required by the Subcontract.

Failure of the Subcontractor to comply with the instructions of the Contractor under these provisions may be grounds for determination by the Contractor that the Subcontractor is not prosecuting its work with such diligence as will assure completion within the times specified. Upon such determination, the Contractor may terminate the Subcontractor's right to proceed with the performance of the Subcontract, or any separable part thereof, in accordance with the applicable provisions of this Subcontract.

23. TERMINATION: (i) Should Subcontractor at any time refuse or neglect to supply sufficient properly skilled workmen or materials of the proper quality or quantity, or equipment necessary properly to perform the work hereunder, or fail in any respect to prosecute the work hereunder or any portion thereof with promptness, diligence or in accordance with any of the provisions set forth herein, or go into liquidation other than as part of a corporate reorganization or enter into composition with its creditors or become insolvent, Contractor may, upon forty-eight (48) hours' written

notice to Subcontractor, terminate Subcontractor's right to proceed with the work or such part of the work as to which such defaults have occurred. In the event of such termination, Contractor may enter upon the premises and into places of manufacture of Subcontractor's suppliers and, for the purpose of completing the work or enforcing these provisions, take possession of all materials, equipment, tools and appliances thereon belonging to or under the control of Subcontractor and may use them or may finish the work by whatever method it may deem expedient including the hiring of another Subcontractor or Subcontractors under such form of subcontract as Contractor may deem advisable, or Contractor may itself provide any labor or materials and perform any part of the work. In such case Subcontractor shall not be entitled to receive any further payment until the work is completed. If the unpaid balance of Subcontractor's compensation hereunder shall exceed the sum of the expense of finishing the work plus compensation for additional managerial and administrative services and such other costs and damages as Contractor may suffer, such excess shall be paid to Subcontractor. If such expense, compensation, costs, and damages shall exceed such unpaid balance, Subcontractor and its sureties, if any, shall be liable for and shall pay, the excess to Contractor. Failure of Contractor to exercise any of its rights hereunder shall not excuse Subcontractor from compliance with the provisions of this Subcontract nor prejudice rights of Contractor to recover damages for such default.

(ii) Contractor may, as its option, terminate this Subcontract in whole, or from time to time in part, at any time by written notice thereof to the Subcontractor, whether or not Subcontractor is in default. Upon any such termination Subcontractor agrees to waive any claims for damages, including loss of anticipated profits, on account thereof, and agrees that the sole remedy of Subcontractor is to receive payment in accordance with Subparagraph (c) below. The provisions of this Subcontract, which by their nature survive final acceptance of the work hereunder, shall remain in full force and effect after such termination to the extent provided in such provisions.

(a) Upon receipt of any such notice, Subcontractor shall, unless the notice directs otherwise, immediately discontinue work on the date and to the extent specified in the notice; place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary for completion of such portion of the work as is not discontinued; promptly make every reasonable effort to procure cancellation upon terms satisfactory to Contractor of all orders, subcontracts

and rental agreements to the extent they relate to the performance of work discontinued and shall thereafter do only such work as may be necessary to preserve and protect work already in progress and to protect materials, plant, and equipment at the site or in transit thereto.

(b) Upon such termination the obligations of this Subcontract shall continue as to work already performed and as to bona fide obligations assumed by Subcontractor prior to the date of termination.

(c) Upon such termination Subcontractor shall be entitled to be paid the full value, calculated on the basis of the compensation provisions of this Subcontract, for all work properly done on the site by Subcontractor together with reasonable costs occasioned by such termination and not previously paid for, less such sums as Subcontractor had already received on account of the work performed. If at the date of such termination Subcontractor has properly prepared or fabricated off the site any goods for subsequent incorporation at the site, and if Subcontractor delivers such goods to the site or to such other place as the Contractor shall reasonably direct, then Subcontractor shall be paid for such goods or materials. The foregoing amounts shall include a reasonable sum, under all of the circumstances, as profit for any work performed by Subcontractor.

24. PAYMENT: Subcontractor agrees to accept the compensation specified elsewhere in this Subcontract as full compensation for performing all work and services and furnishing all materials, supplies and equipment necessary for satisfactorily performing this Subcontract; for all loss or damage arising out of the nature of the work or from the action of the elements or from any unforeseen or unknown difficulties or obstructions which may arise or be encountered in the prosecution of the work until final acceptance; for all risks of every description connected with the work and for all expenses incurred by or in consequence of any suspension or discontinuance of the work except as may be otherwise provided elsewhere in this Subcontract.

Unless otherwise specified in the Subcontract, progress payments shall be made to Subcontractor by Contractor as follows: At the end of each calendar month or as soon thereafter as practicable. Contractor shall estimate or cause to be estimated the value of the work performed hereunder by Subcontractor. Such estimate shall be conclusive upon Subcontractor for the purpose of progress payments. Within ten (10) days after the making or

receipt and approval by Contractor of such estimate and upon receipt and approval of Subcontractor's invoice, Contractor shall pay to Subcontractor ninety (90) percent of such amount less the aggregate of all payments previously made or credited to Subcontractor.

Payments otherwise payable hereunder may be withheld, in whole or in part, by Contractor on account of (i) claims filed or reasonable evidence indicating the probability of filing thereof; (ii) the failure of Subcontractor to correct defective workmanship or materials; (iii) the failure of Subcontractor to cure any default in any of the conditions hereof to be performed by Subcontractor; (iv) the failure of Subcontractor to pay, satisfy or discharge any claim of Owner, Contractor or any person against Subcontractor arising out of or in any way connected with the work; or (v) a reasonable doubt that this Subcontract can be completed within the time specified or for the balance then unpaid. If the foregoing causes are removed to the satisfaction of Contractor, the withheld payments shall promptly be made. If the said causes are not promptly removed after written notice, Contractor may rectify the same at Subcontractor's expense, and deduct all costs and expenses incurred thereby from such withheld payments. If such withheld payments are insufficient to satisfy the same, or if any claim against Subcontractor shall be discharged by Contractor after final payment is made, Subcontractor and its surety or sureties, if any, shall promptly reimburse and pay to Contractor all costs and expenses incurred thereby, regardless of when such claim arose or whether such claim imposed a lien upon the work or the real property upon which the work is situated.

Contractor may, as a condition precedent to any progress payment to Subcontractor, require Subcontractor to submit complete waivers and releases of any and all claims of any person, firm or corporation in connection with or in any way related to the performance of this Subcontract. Such releases must be submitted covering all such claims as a condition precedent to final payment.

Within thirty-five (35) days following final acceptance of all work performed hereunder the amount then remaining due to Subcontractor shall be paid, provided, that Subcontractor shall have furnished Contractor and Owner with a release of all claims against Contractor and/or Owner arising under or by virtue of this Subcontract, except such claims, if any, as may with the consent of Contractor and Owner be specifically excepted by Subcontractor from the operation of the release in stated amounts to be set forth therein.

EXHIBIT "B"

INSURANCE AND BOND REQUIREMENTS

1. INSURANCE REQUIREMENTS:

Unless otherwise specified in this Subcontract, the Subcontractor shall, at its sole expense, maintain in effect at all times during the performance of the Work insurance coverages with limits not less than those set forth below with insurers and under forms of policies satisfactory to Contractor. Prior to commencing under this Subcontract, Subcontractor shall furnish Contractor with Certificates of Insurance as evidence that policies providing such coverages and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to Contractor prior to cancellation, termination or alteration of said policies of insurance. Such notices shall be sent directly to Contractor's authorized representative as specified elsewhere in this Subcontract.

Coverage:	Minimum Amounts and Limits
(a) Workmen's Compensation	Statutory requirements at location of Work
(b) Employer's Liability	To extent included under Workmen's Compensation Insurance policy.
(c) Comprehensive General Liability	
(i) Bodily Injury	\$250,000 each person \$500,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence
(d) Comprehensive Automobile Liability	
(i) Bodily Injury	\$100,000 each person \$300,000 each occurrence
(ii) Property Damage Liability	\$100,000 each occurrence

The policy of insurance which affords Comprehensive General Liability shall contain a provision or endorsement stating that such insurance, subject to all of its other terms and conditions, applies to the liability assumed by Subcontractor under this Subcontract; any policy exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the "XCU" hazards, are to be deleted.

Should any of the Work be upon or contiguous to navigable bodies of water, Subcontractor shall also carry insurance covering its employees for benefits available under the Federal Longshoremen's and Harbor Workers' Act to the extent required by law. Also, any watercraft used by Subcontractor shall be insured by the Comprehensive General Liability insurance or by equivalent insurance such as Protection and Indemnity Insurance.

The foregoing requirements as to types, limits and Contractor's approval of insurance coverage to be maintained by Subcontractor are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Subcontractor under this Subcontract.

2. PERFORMANCE BOND AND PAYMENT BOND REQUIREMENTS:

If specifically required in writing by Contractor, Subcontractor shall furnish to Contractor a Performance Bond and Payment Bond in the form shown in this Exhibit "B" and executed as surety by a corporation acceptable to Contractor and authorized to issue such bonds in the jurisdiction where the Work is to be performed. Such Performance Bond and Payment Bond shall each be for one hundred percent (100%) of the compensation payable to Subcontractor under this Subcontract. The cost of such bonds will be paid by Contractor separately from and in addition to, the Compensation specified in Section 5 of this Subcontract.

NOTE: Owner and Contractor do not furnish Builders Risk Insurance for Subcontractor's material, equipment or work completed. Reference paragraph 16 of General Terms and Conditions.

EXHIBIT "C"SPECIAL PROVISIONS

1. Subcontractor shall furnish Contractor with Certificates of Insurance evidencing coverage require herein. The certificates shall be mailed to each of the following addresses:

Bechtel Corporation
P.O. Box 2166
Houston, Texas 77001
Attn: Purchasing Department

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E.C. Gavagan

2. Invoice to be submitted in quadruplicate to the following address:

Bechtel Corporation
P.O. Box NN
Ingleside, Texas 78362
Attn: Mr. E.C. Gavagan

Upon completion of work and prior to final payment, Subcontractor is to submit one (1) copy each of completed "Release of Mechanic's Lien", Form HP-101 to both the Houston Office and Bechtel's Field Office.

3. COMPENSATION: Supplemental to Paragraph 5 of Subcontract the following price breakdown is for accounting purposes only:

<u>TASK</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>	<u>ESTIMATED MAN-HOURS</u>	<u>COST CODE</u>
<u>6</u>					
2" and smaller	\$1,156.00	\$1,525.00	\$2,681.00	165	042.060.581.08.5
2½" - 8"	917.00	1,245.00	2,162.00	132	042.060.582.08.5
10" and larger	7,036.00	7,194.00	14,230.00	854	042.060.583.08.5
<u>7</u>					
2" and smaller	670.00	613.00	1,283.00	70	042.070.581.08.5
2½" - 8"	4,086.00	3,647.00	7,733.00	418	042.070.582.08.5
10" and larger	2,578.00	2,284.00	4,862.00	268	042.070.583.08.5
<u>12-1</u>					
2½" - 8"	65.00	62.00	127.00	7	045.120.582.08.5
<u>15</u>					
2" and smaller	22.00	15.00	37.00	2	045.150.581.08.5
2½" - 8"	413.00	296.00	709.00	33	045.150.582.08.5
10" and larger	1,150.00	806.00	1,956.00	94	045.150.583.08.5

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EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION: (Continued)

<u>TASK</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>TOTAL</u>	<u>ESTIMATED MAN-HOURS</u>	<u>COST CODE</u>
<u>17</u> 2½" - 8"	\$ 515.00	\$ 599.00	\$1,114.00	69	050.170.582.08.5
<u>5-2</u> 2" and smaller	18.00	30.00	48.00	4	024.050.581.08.5
2½" - 8"	220.00	345.00	565.00	39	024.050.582.08.5
<u>22</u> 2" and smaller	585.00	584.00	1,169.00	60	110.220.581.08.5
2½" - 8"	2,387.00	2,386.00	4,773.00	244	110.220.582.08.5
10" and larger	2,998.00	2,997.00	5,995.00	306	110.220.583.08.5
<u>24</u> 2" and smaller	299.00	249.00	548.00	28	110.240.581.08.5
2½" - 8"	2,262.00	1,855.00	4,117.00	210	110.240.582.08.5
10" and larger	3,461.00	2,832.00	6,293.00	320	110.240.583.08.5
TOTALS	\$30,838.00	\$29,564.00	\$60,402.00	3,323	

The prices shown in this Subcontract are firm until February 29, 1972. Any labor expended after the end of the normal work day on February 29, 1972 will be subject to escalation. The escalation shall be paid on the basis of the number of estimated hours per Task as detailed above, which estimated totals represent the maximum extent of escalation liability. The escalation shall re-imburse Subcontractor for any labor cost increase experienced over and above the hourly unit used in this Subcontract as shown below:

Foremen:	\$9.52/hr.
Mechanic:	8.86/hr.
1st Year Apprentice:	4.70/hr.
2nd Year Apprentice:	5.54/hr.
3rd Year Apprentice:	6.37/hr.
4th Year Apprentice:	7.19/hr.

Daily travel of \$1.75 per day per man or \$.22 per hour is to be added to the above rates.

EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION: (Continued)

The following are unit prices to be used for additions/deletions to the scope of work. Patch and repair work shall be billed at cost plus 15% for markup.

TABLE "A"

UNIT PRICES PER LIN. FT.
USING J-M THERMOBESTOS PIPE COVERING
AND DOUBLE COATED FLEXTONE

PIPE SIZE	THICKNESS			
	<u>1" THK.</u>		<u>1½" THK.</u>	
	<u>MATERIAL</u>	<u>LABOR</u>	<u>MATERIAL</u>	<u>LABOR</u>
½"	\$.50	\$.97	\$	\$
¾"	.52	.98		
1"	.54	.98		
1½"	.63	.98		
2"			.93	1.05
3"			1.10	1.05
4"			1.30	1.05
6"			1.59	1.16
8"			1.81	1.20
10"			2.19	1.25
12"			2.43	1.25
14"			2.84	1.39
16"			3.16	1.39
18"			3.46	1.54
20"			5.13	1.80
24"			5.76	1.96

EXHIBIT "C" (CONTINUED)SPECIAL PROVISIONS

3. COMPENSATION: (Continued)

TABLE "B"

UNIT PRICES PER LIN. FT.
 USING JOHNS-MANVILLE THERMOBESTOS
 AND PREMETCO ALUMINUM JACKETING

PIPE SIZE	THICKNESS				
	<u>1"</u>	<u>1½"</u>	<u>2"</u>	<u>2½" dbl.</u>	<u>3" dbl.</u>
½"	\$1.66	\$1.90	\$	\$	\$
¾"	1.68	1.95			
1"	1.70	1.99			
1½"	1.80		2.51		
2"			2.69		
3"				3.57	
4"				4.28	
6"				4.81	
14"		4.66			
16"					11.13
18"		6.33			11.72
24"					14.45

There will be no "Move-In - Move-Out" charge made in event of force discontinuance of this project.

BECHTEL CORPORATION

3701 KIRBY DRIVE
POST OFFICE BOX 2166
HOUSTON, TEXAS 77001

RELEASE OF MECHANICS' LIENS

KNOW ALL MEN that the undersigned for good and valuable consideration to hereby waive and relinquish all liens and claims of liens that we now have or that we may hereafter have against property of the _____ and/or Bechtel Corporation for work performed and materials furnished for the construction of _____ located in the County of _____, State of _____, as Subcontractor, supplier or materialman under that certain principal contract entered into under date of _____ between said _____ as "Owner" and Bechtel Corporation as "Contractor".

We further agree to indemnify and hold and save harmless said _____ and Bechtel Corporation of, and from, and against any and all mechanics' liens that shall or may be filed against the land, buildings and plant constituting said _____ in connection with work _____ and labor performed or materials supplied by us as Subcontractor, supplier or materialman.

Dated: _____

Subcontractor, Supplier or Materialman

By: _____
Title