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PLAINTIFF'S EXHIBIT
ETCO-438

BARNARD AND BURK, INC.
INDUSTRIAL DIVISION
ENGINEERS AND CONSTRUCTORS
MAYFAIR DRIVE - PARK PLAZA
BOX 15648
BATON ROUGE, LA. 70815

August 15, 1973

Ethyl Corporation
451 Florida Street
Baton Rouge, Louisiana 70801

Attention: Mr. G. S. Roberts
Chief Engineer

Subject: Ethyl Corporation
Job No. 03981
B&B-CD Job No. 7316

Gentlemen:

When we negotiated and signed the agreement for the above referenced contract, we advised you that we were willing to try the job for a period of time that we felt long enough to determine whether or not it would be profitable to our Company and satisfactory to the Ethyl Corporation.

During the past few months we have found that we are experiencing difficulties in several areas which we cannot seem to overcome and after analyzing our cost vs. income from the beginning of the project through July 31st, we learned that we have incurred approximately a $3,800 loss.

I am advised that at a recent meeting your construction personnel asked for our completion date of the present project and this information was furnished as October 5, 1973.

Therefore, we feel in the best interests of both firms and, in particular, in view of our long association and successful tenure of servicing you, we feel we should terminate our contract effective October 5, 1973.

This will give ample notification in keeping with the thirty (30) day terms in the contract and also give us time to discuss the project or renegotiate it if you so desire.

We have absolutely nothing to hide and our books are open to audit and we are attaching a copy of a report prepared by our Accounting Department since the beginning of the project of costs vs. income through July 31st.

In addition to the monetary loss, other factors entering into this decision are:

1. The high costs and loss of small tools which occurs daily from "in-plant" breakins after our working hours--a situation that has gone on since the job began and is certainly more pronounced during the weekend--and we find there is nothing we can do to stop this. The 3% fee just will not cover or offset this continuous loss.

2. There appears no way that the estimate between our group and yours can easily be accepted and this causes us many manhours of time negotiating and renegotiating.

3. The many scope changes we encounter in which there are no fees paid.

4. When there is an overrun in labor on estimated scope, there is no fee on the overage which again reduces our fee to a minimum.

5. Our Accounting Department reports it takes 25-35% more time to bill this project than any other project we work on--cost-plus or lump sum.

6. The 6% fee is just not adequate in today's market against total labor costs to offset the home office overhead and other expenses.

7. Finally, we cannot afford to have the caliber of superintendents like Landon Varnado, W. M. Johnson and John Fischer assigned to the project which produces a loss to us (perhaps Johnson or Fischer, but certainly not Varnado or all three).

We appreciate the time and effort of your construction and engineering personnel in allowing us the opportunity to service you, but with these facts in mind and with the risk of impairing our relations, we feel it's the best for all concerned to ask either for a renegotiation or termination of this contract.

Yours very truly,

BARNARD AND BURK, INC.

John L. Daniel
Senior Vice President

JLD/sr
Attachment (1)

cc: Mr. J. B. Rhorer
Mr. J. S. Burk
Mr. A. J. Harth

Ethyl Corporation — Costs vs Income

Beginning to — July 31, 1973

	1	Cost Totals	Reimb	Non Reimb			
Total Labor		#4903689	#4838268	65421	Fees:		
Total Material		1773864	1733283	40581	Material 2.5%	1733283	# 86664
Total Subs		780285	780285	-0-	Subs (Out) 3%	780285	23407
Overtime meals		1200	1200	-0-			
					Small Tools 3%	3038056	91143
Payroll Taxes	6.946	427460	417754	9706	Fixed fee		
Payroll Ins.	2.5	154532	154857	<325>	37%	43560	1611.72
					Total Fees		#363383
Welfare Fund		313760	313766	-0-			T 115323
Company Equipment		629211	629211	-0-	2.67% Summary Fees less Non Reimb		#2470.05
					Applied overhead		
		8994807	8879424	#115383	7% #89,948		629636
					<Loss>		#3,22631

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