PLAINTIFF'S
EXHIBIT
CHV-439

Chevron U.S.A. Inc.

Contract

Contract Number C-15-016-81

Chevron U.S.A. Inc. hereafter referred to as COMPANY, and the undersigned, hereafter identified as CONTRACTOR, hereby mutually agree on January 30, , 19 81 , that CONTRACTOR shall perform for COMPANY, at or near the El Paso Refinery , County of El Paso , State of Texas , the work ~~set forth in Specification No.~~ ~~, dated~~ and ~~entitled~~ of coating the floor and 18" on the shell of 191 Tank with fiberglass reinforced Vinyl Ester to a thickness of 125 mils per Engineering Instruction EP-2075. The Terms and Conditions (Pages 1-7), Right to Audit Clause (Page 5), Certificate of Insurance (Page 8), Refinery Instruction No. 1404 (Pages B1-B16) with Appendices BI and BII, and Engineering Instruction EP-2075, attached hereto, are part of this ~~as an improvement to real property of COMPANY by affixing thereto whatever materials are involved therein so as to become an integral part of such real property, under the Terms and Conditions hereof, and in accordance with the above specification, which Terms and Conditions and Specification, attached hereto, are part of this Agreement.~~ agreement.

COMPANY shall pay CONTRACTOR, in accordance with statements prepared by CONTRACTOR a compensation of $47,950.00 (Forty seven thousand, nine hundred fifty and no/100 dollars) including all applicable taxes, profit and overhead.

The work shall be commenced on or before February 14, 1981
diligently prosecuted, and completed on or before March 14, 1981

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

CONTRACTOR
Timmons Construction Co. Inc.

By _____

And _____

Witness _____

CONTRACTOR'S State License No. _____
(Where required by State Law)

Communications to CONTRACTOR should be addressed to the attention of Mr. G. E. Timmons
Timmons Construction Co. Inc.
P. O. Box 27169
El Paso, Texas 79926

Chevron U.S.A. Inc.

By _____

And _____

Send invoices to:
Chevron U.S.A. Inc.
Attn: Invoice Desk-Refinery Accounting
P. O. Box 20002
El Paso, Texas 79998

Communications to COMPANY should be directed to the attention of Mr. L. R. Shanks-Chief Engineer
Chevron U.S.A. Inc.
P. O. Box 20002
El Paso, Texas 79998

Facility Completed				Superintendent or Foreman	
Invoice No.	Date	Amount	Date Received	Charge Account No.	Job No.
				88/02730-A003	48113-437
Remarks					

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

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

CONTRACT NO. C-15-016-81
TIMMONS CONSTRUCTION CO., INC.

TERMS AND CONDITIONS

1. PERFORMANCE OF THE WORK

1.1 Definitions

1.11 The term "work" as used in this Agreement means, unless the context otherwise requires, all work to be performed by CONTRACTOR under this Agreement.

1.12 The term "Facility" as used in this Agreement means the product of the work, such as an improvement to real property, designs or data.

1.13 The term "material" or "materials" as used in this Agreement means all material, supplies and equipment to be incorporated into the Facility.

1.14 The term "affiliate" as used in this Agreement means Standard Oil Company of California or any company in which Standard Oil Company of California owns directly or indirectly at least 51 percent of the shares entitled to vote at a general election of directors.

1.15 The terms "indemnitee" and "indemnitees" as used in this Agreement mean respectively COMPANY, one of its affiliates or the agent or employee of COMPANY or one of its affiliates and all of them.

1.16 The terms "subcontractors" and "vendors" as used in this Agreement mean subcontractors or vendors of any tier.

1.2 Independent Contractor: CONTRACTOR shall be an independent contractor, maintaining complete control over CONTRACTOR's men and operations.

1.3 Specifications: CONTRACTOR shall perform the work, including the provision of materials, in accordance with the specifications and exhibits (if any) which are a part of this Agreement and such additional drawings and explanations as COMPANY may provide to CONTRACTOR from time to time to detail and illustrate the work.

1.4 Permits: Unless otherwise provided in this Agreement, CONTRACTOR shall secure all permits, make all cash and other deposits, provide all bonds and give all notices required by law in connection with the work.

1.5 Items to be Provided by CONTRACTOR: Unless otherwise provided in this Agreement, CONTRACTOR shall provide all materials, utilities, consumable supplies, tools, construction equipment, and labor, including supervision, necessary for the completion of the work.

1.6 Safety Measures: CONTRACTOR shall perform the work in accordance with safe practices, taking all reasonable precautions to protect the Facility and adjacent facilities, workmen and the public and providing, where reasonably necessary, barriers, guards, temporary bridges, lights and watchmen. While on the premises of COMPANY or its affiliates all of COMPANY's safety rules shall be strictly observed; in particular, smoking shall be limited to such locations and occasions as are specifically authorized in writing by COMPANY. CONTRACTOR shall not perform or permit any act on the premises of COMPANY or its affiliates which involves a fire or explosion hazard, including welding, torch cutting and disposal of debris by burning, without prior written consent of COMPANY.

1.7 Suppliers

1.71 COMPANY may nominate bidders for the supply of certain items of material. CONTRACTOR shall request bids on these items from the nominees, and may obtain such other bids as CONTRACTOR may elect.

1.72 COMPANY may have available for sale certain materials not products of COMPANY. CONTRACTOR shall purchase such materials offered by COMPANY and its designated affiliates as long as such material is suitable and is competitively priced.

1.73 When the work includes purchasing certain materials, CONTRACTOR shall be fully responsible for ordering, expediting, receiving and safeguarding (subject to the provisions of Section 5.3 of these Terms and Conditions) all such materials, and for conducting all competitive bidding by and negotiations with the vendors thereof and for paying for materials and enforcing of warranties, unless otherwise provided in this Agreement.

1.8 Labor

1.81 CONTRACTOR shall employ labor from that available in the vicinity of the work, and in accordance with the terms of employment prevailing in that vicinity, to the extent that it is practicable and consistent with the timely and efficient prosecution of the work.

1.82 CONTRACTOR shall use all reasonable efforts to avoid any disturbances in the existing labor situation which will adversely affect the business of COMPANY, its affiliates or other contractors working in the area.

1.9 Carriers: In connection with transportation of purchased materials, CONTRACTOR shall give consideration to, but shall not be limited to, use of carriers recommended by COMPANY.

2. COMPENSATION

2.1 Changes: COMPANY may make "changes" by adding to, omitting or deviating from the requirements of this Agreement. In the event COMPANY issues any written directive which is not identified as a Change but which CONTRACTOR considers to be a Change, CONTRACTOR shall so notify COMPANY in writing within 10 days after receipt of such directive. If no such timely notice is given, CONTRACTOR shall proceed in accordance with such directive without any adjustment in compensation. If COMPANY originally identifies the directive as a Change, or if CONTRACTOR gives such timely notice and COMPANY agrees that such directive is a Change, CONTRACTOR shall within 10 days after giving such notice or after receipt of the directive advise COMPANY of its proposed adjustment in compensation and COMPANY and CONTRACTOR shall attempt to agree in writing on an appropriate adjustment in compensation resulting from the Change. After such agreement is reached, CONTRACTOR shall proceed with the Change. However, if such notice is given or if COMPANY originally identified the directive as a Change, and in either instance COMPANY and CONTRACTOR fail to agree on whether or not such directive is a Change or fail to agree on an appropriate adjustment in compensation, then COMPANY may issue a written request for CONTRACTOR to proceed in accordance with such directive without such agreement. CONTRACTOR shall comply with such written request, but such compliance shall not prejudice either party's claim that the directive is a Change or, as the case may be, claim for an appropriate adjustment in compensation. After the written request to proceed is issued, any adjustment which is to be made to the compensation shall be determined in accordance with the Exhibit–Compensation Adjustment.

2.2 Taxes: CONTRACTOR shall pay, and CONTRACTOR's compensation provided for hereunder includes an allowance for, all State, Federal and other payroll taxes, including contributions and taxes assessed against employees on wages earned in connection with the work, and CONTRACTOR shall make all reports required by governmental authorities. CONTRACTOR shall also pay, and CONTRACTOR's compensation provided for hereunder includes an allowance for, any and all other taxes now or hereafter imposed by any governmental authority upon, measured by or incident to the performance of this Agreement or the purchase, storage, use or consumption by CONTRACTOR of materials, utilities, consumable supplies, tools or construction equipment used in the performance of this Agreement, unless the applicable laws specifically provide that such tax be paid by COMPANY.

2.3 Acceptance of Facility: Where provision is made by law for recording Notice of Completion, COMPANY may indicate its Acceptance of the Facility by recording such Notice; otherwise Acceptance shall be on the date COMPANY gives written notice to

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

2.4 Terms of Payment

2.41 At the end of each calendar month during the progress of the work, and upon completion of the work, CONTRACTOR shall be entitled to receive 85% of the compensation provided herein for that part of the work performed, including provision of materials, during that month. CONTRACTOR shall be entitled to receive the balance 35 days after Acceptance, provided that there are no undischarged or unsecured liens, attachments or claims in connection with the work. COMPANY may require, as a condition to payment of the balance, that CONTRACTOR submit evidence by receipted bills, releases and waivers of lien rights or otherwise, that all costs incurred by CONTRACTOR and his subcontractors (if any) in connection with the work have been paid.

2.42 Whenever CONTRACTOR is entitled to payment as provided above, COMPANY or CONTRACTOR (as specified on the first page [facing sheet] of this Agreement) shall prepare a statement of amounts so payable. Such statement shall be itemized and in such form as COMPANY and CONTRACTOR agree provided that such statement shall show the total compensation for that part of the work performed, including provision of materials, to the date of the statement, less 15% (except in the statement of the balance) and less previous payments. COMPANY shall pay CONTRACTOR the amount so payable, subject to COMPANY's audit of the statement, and subject to the provisions of Section 2.41 of these Terms and Conditions dealing with final payment of the balance, by check mailed within 20 days after the date payable or, when statement prepared by CONTRACTOR is received after the date payable, within 20 days after receiving CONTRACTOR's statement.

3. DELAYS

3.1 Site Readiness: CONTRACTOR shall ascertain from COMPANY that the site is ready before sending materials or workmen thereto.

3.2 Delays, Suspensions and Extensions: COMPANY may require CONTRACTOR to suspend performance hereunder completely or partially for whatever length of time COMPANY may elect. The time for completion shall be extended by each period that CONTRACTOR is delayed by (a) COMPANY or another independent contractor who is directly responsible to COMPANY (unless such delay is due to CONTRACTOR's default, for example, as provided in Sections 4.1 and 4.2 of these Terms and Conditions); (b) an act of God or the elements; (c) any other cause beyond CONTRACTOR's reasonable control; or (d) a labor disturbance.

3.3 Damages Due to Delays and Suspensions: COMPANY shall not be liable for any damages, direct, consequential or otherwise, suffered by CONTRACTOR due to delays and suspensions, but where CONTRACTOR is not in default CONTRACTOR shall be entitled to reimbursement for reasonable direct costs caused by delays and suspensions to the extent such delays and suspensions are caused by COMPANY and other independent contractors who are directly responsible to COMPANY. CONTRACTOR shall be obligated to proceed with the work notwithstanding a dispute on reimbursement; such action shall not prejudice either party's claim with respect to reimbursement.

4. INSPECTION, CONDEMNATION, STOPPING WORK

4.1 Inspection

4.11 Inspection by COMPANY: COMPANY may visit and inspect the work and materials, or any part thereof, at all times, and CONTRACTOR shall provide safe and proper facilities therefor. CONTRACTOR shall at all times during working hours keep a competent man in the immediate vicinity of the work areas to receive communications from COMPANY and to supervise the performance of this Agreement. When COMPANY determines that a work area is unsafe, COMPANY may stop the part of the work affected until the unsafe condition is corrected.

4.12 Inspection by CONTRACTOR: Whenever any part of CONTRACTOR's work depends on existing work or work or material provided by COMPANY or others, CONTRACTOR shall inspect and measure such other work or material and promptly notify COMPANY of each defect or discrepancy in such other work or material which may render it unsuitable for proper execution of CONTRACTOR's work or proper functioning of the Facility. If CONTRACTOR fails to notify COMPANY's representative of any such defect or discrepancy before performing CONTRACTOR's dependent work, and such defect or discrepancy would have been discovered in the course of a reasonably thorough visual inspection and measurement, COMPANY may condemn the work or material involved and CONTRACTOR shall correct such defect or discrepancy on the same basis as if it were defective work by CONTRACTOR under Section 4.2 of these Terms and Conditions

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

4.3 Taking Over and Stopping Work

4.31 Should CONTRACTOR default in any way in the performance of this Agreement, including failing, refusing or neglecting to supply sufficient material to be supplied by CONTRACTOR hereunder, or tools, or properly skilled workmen to complete the work with reasonable diligence, for 5 days after written notice of such default to CONTRACTOR, COMPANY may, at any time thereafter, take over and complete the work. The cost to COMPANY of completing the work shall be deducted from the unpaid part of CONTRACTOR's compensation. If such cost exceeds any such amount, CONTRACTOR shall reimburse COMPANY for such excess cost. The action by COMPANY of taking over and completing the work shall not constitute a waiver of or election among any other rights or remedies that COMPANY may have against CONTRACTOR.

4.32 Should CONTRACTOR or its creditors seek relief under any insolvency law, or CONTRACTOR be adjudged a bankrupt, COMPANY may at any time thereafter terminate this Agreement and take over and complete the work as provided in Section 4.31 of these Terms and Conditions, except that any payments due from CONTRACTOR to subcontractors or vendors in connection with the work may be made by COMPANY to such subcontractors or vendors, and be deducted from the amounts otherwise due to CONTRACTOR.

4.33 COMPANY may, in its absolute discretion, stop the work at any time, but where CONTRACTOR is not in default, COMPANY shall pay CONTRACTOR for all parts of the work done, including materials provided, in conformity with the requirements of

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

5. LIABILITY

5.1 General Liability: CONTRACTOR shall indemnify and save harmless the indemnitees from and against any and all loss, damage, injury, liability, and claims thereof for injury to or death of a person, including an employee of CONTRACTOR or an indemnitee, or for loss of or damage to property (except property subject to Sections 5.2 and 5.3 of these Terms and Conditions), resulting directly or indirectly from CONTRACTOR's performance of this Agreement, including, but not limited to, the use by CONTRACTOR of staging or other equipment provided by COMPANY or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, one or more of the indemnitees, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement and except where such loss, damage, injury, liability or claim is the result of active negligence or willful misconduct of an indemnitee and is not contributed to by any act of, or by any omission to perform some duty imposed by law or contract on, CONTRACTOR, its subcontractor or either's agent or employee.

5.2 Liability for Property of COMPANY and its Affiliate: CONTRACTOR shall be liable to COMPANY and its affiliates for any loss of or damage to the property of COMPANY and its affiliates (other than the property subject to Section 5.3 of these Terms and Conditions) resulting directly or indirectly from CONTRACTOR's performance of this Agreement, regardless of the negligence of COMPANY, its agents, employees, and affiliates, except to the extent that such liability is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement; provided, however, that CONTRACTOR's liability under this Section 5.2 shall be limited to the applicable insurance which CONTRACTOR carries or has others carry and which shall not be less than that provided in Section 6 of these Terms and Conditions.

5.3 Liability for the Facility and Materials: CONTRACTOR shall exercise due care and diligence in the performance of this Agreement and in the care and protection of the Facility and materials. At COMPANY's option, CONTRACTOR shall reconstruct, repair or replace any part of the Facility or materials lost or damaged by any cause whatsoever, including but not limited to those referred to in Section 3.2 of these Terms and Conditions, wherever said loss or damage occurs including loss or damage to materials while in transit. In such event COMPANY shall reimburse CONTRACTOR for the costs of such reconstruction, repair or replacement in excess of $1,000 for each occurrence or in excess of the coverage of any applicable insurance which CONTRACTOR may elect to carry or have others carry, whichever is greater, except costs incurred in reconstruction, repair and replacement of work or materials subject to condemnation by COMPANY prior to loss or damage (whether or not such condemnation was effected) under Section 4.2 of these Terms and Conditions, and except costs incurred in order to meet the guarantee(s), if any, contained elsewhere in this Agreement. CONTRACTOR also shall be paid a reasonable profit on that part of such reconstruction, repair or replacement for which cost reimbursement is made. COMPANY shall not be liable for loss or damage to construction equipment, tools, temporary structures, temporary excavations or supplies owned or used by CONTRACTOR or its subcontractors.

5.4 Compliance with Laws and Regulations: CONTRACTOR shall comply with all laws, regulations, decrees, codes, ordinances, resolutions, and other acts of any governmental authority, including Federal and State labor and tax laws, which are applicable to this Agreement and CONTRACTOR's performance hereunder, and shall indemnify and save COMPANY and its affiliates harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from CONTRACTOR's failure to do so.

5.5 Liens: CONTRACTOR shall discharge at once or bond or otherwise secure against all liens and attachments which are filed in connection with the work and shall indemnify and save COMPANY, its affiliates, and the owners of the premises on which the work is performed harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from such liens and attachments.

5.6 Patent Rights: CONTRACTOR shall indemnify and save COMPANY and its affiliates harmless from and against any and all loss, damage, injury, liability and claims thereof for any patent infringement resulting directly or indirectly from CONTRACTOR's performance of the work, including provision of material and designs by CONTRACTOR, and use of tools and other equipment by or for CONTRACTOR in any connection therewith.

5.7 Costs and Attorneys' Fees: CONTRACTOR shall promptly pay (a) to any indemnitee all costs and attorneys' fees incurred by such indemnitee resulting directly or indirectly from any and all loss, damage, injury, liability and claims for which CONTRACTOR is obligated to indemnify such indemnitee pursuant to Sections 5.1, 5.4, 5.5 or 5.6 of these Terms and Conditions, and (b) to COMPANY all costs and reasonable attorneys' fees in any legal action in which COMPANY or its affiliate prevails, in whole or in part, brought against CONTRACTOR based on a breach of this Agreement.

6. INSURANCE

6.1 Insurance Required: Without in any way limiting CONTRACTOR's liability pursuant to Section 5 of these Terms and Conditions, CONTRACTOR shall maintain the following insurance.

6.11 Worker's Compensation and Employers' Liability Insurance as prescribed by applicable law, including insurance covering liability under the Longshoremen's and Harbor Workers' Act and the Jones Act, if applicable.

6.12 Without in any way affecting CONTRACTOR's obligations pursuant to Section 6.11 of these Terms and Conditions, if marine work is to be performed hereunder, Protection and Indemnity Insurance, including coverage for injuries to or death of masters, mates and crews of vessels used in the performance of this Agreement. The limits of liability of such insurance shall not be less than $500,000 per occurrence.

6.13 Comprehensive General Bodily Injury Liability Insurance. Such insurance shall include the following coverages: Broad Form Contractual Liability, Personal Injury Liability, Completed Operations, and Products Liability. The limits of liability of such insurance shall be not less than $500,000 per occurrence.

6.14 Broad Form Property Damage Liability Insurance. Such insurance shall include the following coverages: Broad Form Contractual Liability, Completed Operations, and Products Liability, and shall expressly cover property of COMPANY and its affiliates other than that referred to in Section 5.3 of these Terms and Conditions. The limits of liability of such insurance shall be not less than $100,000 per occurrence.

6.15 Automobile Bodily Injury and Property Damage Liability Insurance. Such insurance shall extend to owned, non-owned, and hired automobiles used in the performance of this Agreement. The limits of liability of such insurance shall be not less than $250,000 per person/$500,000 per occurrence for Bodily Injury and $100,000 per occurrence for Property Damage.

6.2 Policy Endorsements: The above insurance shall include a requirement that the insurer provide COMPANY with 30 days' written notice prior to the effective date of any cancellation or material change of the insurance. The insurance specified in Section 6.11 o

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

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

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

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

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

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

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

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

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

~~CONTRACTOR shall assist COMPANY in making the above audits.~~

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

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

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

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

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

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

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

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

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

7. CERTIFICATE ON NONSEGREGATED FACILITIES CLAUSE: (Page 6) The Certificate of Nonsegregated Facilities, Form GO-279-2, signed by CONTRACTOR and attached hereto, is part of this agreement

8. UTILIZATION OF MINORITY BUSINESS ENTERPRISES CLAUSE: (Page 7) The Utilization of Minority Business Enterprises, Form GO-279-5, attached hereto, is part of this agreement.

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RIGHT-TO-AUDIT CLAUSE

RCEDES CONTENT IN PARAGRAPH 10 OF CONTRACT TERMS & CONDITIONS

FOR GO-277 SERVICE ORDERS AND
GO-278, GO-279 AND PD-52 CONTRACTS

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

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

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

ONTRACTOR shall assist COMPANY in making the above audits.

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

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CERTIFICATE OF NONSEGREGATED FACILITIES

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

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities as required by the May 9, 1967, order on Elimination of Segregated Facilities, by the Secretary of Labor (32 F.R. 7439, May 19, 1967), and as required by the regulations of the Secretary of Labor set out in 33 F.R. 7804 (May 28, 1968) and as they may be amended, must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clauses. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semi-annually or annually).

DATE: _____

TIMMONS CONSTRUCTION CO., INC.
CONTRACTOR

P. O. BOX 27169
ADDRESS

EL PASO, TEXAS 79926
CITY STATE ZIP CODE

BY: _____

_____
TITLE

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UTILIZATION OF MINORITY BUSINESS ENTERPRISES

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

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

GO-279-5 (10M-CD-7-72)
Printed in U.S.A.

RECEIVED JAN 28 1981 MARILYN O'KEEFE

Certificate of Insurance GO-279-1

To: (Company) Chevron U.S.A. Inc. (Attention) Marilyn O'Keefe
P.O. Box 20002
El Paso, Texas 79998

This is to certify that the (Insurer) Employers Insurance of Texas
has issued policies of insurance as indicated below to (Contractor) Timmons Construction Company, Inc.
and is aware that said policies will apply to work performed under the Agreement between said insured and (Company)
Chevron U.S.A., Inc. dated January 28, 19 81.

Type of Coverage	Amount of Coverage		Policy Number	Expiring
A. Workers' Compensation	Statutory			
Longshoremen's and Harbor Workers' Act	* $ Nil			
Jones Act	* $ Nil			
Employers' Liability	$ 100,000	each person	WC-78367	December 7, 19[illegible]
	$ 100,000	per occurrence		
B. Protection and Indemnity Insurance including coverage for injuries or death of masters, mates and crews. (Name of Vessel)	* $ Nil	per occurrence		
C. Comprehensive General Bodily Injury Liability Insurance, including Broad Form Contractual Liability, Personal Injury Liability, Completed Operations, and Products Liability.	$ 500,000	per occurrence (Min. $500,000)	CGL-564248	December 7, 19[illegible]
D. Broad Form Property Damage Liability Insurance, including Broad Form Contractual Liability, Completed Operations, and Products Liability.	$ 100,000	per occurrence (Min. $100,000)	CGL-564248	December 7, 19[illegible]
E. Automobile Liability Insurance extending to owned, non-owned, and hired automobiles.	Bodily Injury			
	$ 250,000	per person (Min. $250,000)		
	$ 500,000	per occurrence (Min. $500,000)		
	Property Damage			
	$ 100,000	per occurrence (Min. $100,000)	CAF-595687	November 30, 19[illegible]

It is further certified that:

(1) Each of the above policies contains a provision that the policy shall not be cancelled or materially changed without 30 days' prior notice to the holder this certificate.

(2) The policies listed under A above contain a waiver of subrogation against Indemnities.**

(3) The policies listed under B, C, D and E above

(a) name Indemnities as additional insureds;

(b) ~~provide that said insurance is primary coverage with respect to all insureds; and~~

(c) contain a Standard Cross Liability Endorsement or Severability of Interest Clauses.

Upon written request by the holder of this certificate, the Insurer or his agent if indicated below will furnish a copy of any policy cited above, certified to be a true and complete copy of the original.

Insurer Employers Insurance of Texas

By [signature] Title District Manager

Date January 28, 19 81.

CHEV B8 5893

*Do not include data for these items unless Marine work will be performed under the above mentioned Agreement.

**Indemnities is defined to mean Company, one of its affiliates, or the agents or employees of Company, or one of its affiliates and all of them.