

July 3, 1969



[Signature]

THIS COPY IS FOR THE

EXX 007227

**BROWN & ROOT, INC.****SUB-CONTRACT**

Page 1 of 7

Job Number 27-5232-7606 (P)Subcontract No. 27-5232-25-1P. O. No. 27-5232-25-2

THIS AGREEMENT, made this 25th day of June, 1968
 by and between BROWN & ROOT, INC., a Texas Corporation, 4100 Clinton Drive, Houston, Texas, (P. O. Box 3)

hereinafter called the "General Contractor", and Enjay Chemical Corp., P. O. Box 72,

Telephone: 214-551-27 (1310 3rd Street)

Name, Street Address and Telephone Number

TEXAS Corporation

with principal offices at:

Give State of incorporation and whether a corporation, partnership, or proprietorship

Galena Park State of Texas

hereinafter called the "Subcontractor". WITNESSETH

WHEREAS, General Contractor has entered into a contract dated _____ with

Enjay Chemical Corp.

Name of Owner

hereinafter

called the "Owner", for the construction of Butyl Plant PHE Compressor Piping Replacement andEmergency Release System

Nature of construction under General Contract

Baytown,Texas

City

State

in strict accordance with the General Contract, specifications, schedules, drawings, and general conditions, which are all collectively hereinafter called the "General Contract", and

WHEREAS, Subcontractor desires to perform that portion of the work as required by the General Contract, which is described below as "The Sublet Work";

NOW THEREFORE, it is agreed by and between General Contractor and Subcontractor as follows:

I. SPECIAL CONDITIONS

1. The Sublet Work consists of: Furnish all labor, supervision, material, tools, equipment, scaffolding, and insurance, to perform fire-proofing in accordance with dwgs. listed in Section I-3, table A, page 1 Thru 11, of job specification and Enjay General Construction Spec. listed on page 16 thru 20, for subject job. Applicable drawings are listed below:

241-221-15	241-222-8	241-222-30	241-222-38
241-221-6	241-222-9	241-222-32	241-222-41
241-221-3	241-222-26	241-222-33	241-222-42
241-221-10	241-222-27	241-222-34	241-222-43
241-221-11	241-222-28	241-222-35	241-241-1
241-221-16	241-222-29	241-222-37	241-241-2
241-221-21	241-222-21		

2. The price for the Sublet Work shall be a firm lump sum TOTAL OF ELEVEN THOUSAND SEVEN HUNDRED TWELVE AND NO/100 DOLLARS (\$11,712.00) which includes Texas State and Local Sales and Use Taxes.

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3. The time of completion of the Sublet Work shall be as provided in paragraph 4 of the General Conditions but not later than the scheduled and/or dates set by the General Contractor's Job Superintendent.

4. The performance bond provided for in the General Conditions must be delivered before any payment becomes due to Subcontractor hereunder, unless delivery at this time is waived. Immediate Delivery of Bond is Waived Required.

5. Other special provisions of this subcontract are: (a) Subcontractor must furnish own warehousing and miscellaneous workmen's supplies.

(b)

All inquiries that the Subcontractor might have concerning this Subcontract must be made through the General Contractor's Job Superintendent and not directly to the Owner.

(c)

Subcontractor to contact the General Contractor's Job Superintendent to schedule and co-ordinate this Subcontract.

(d)

Two copies of the General Contractor's "Affidavit for Subcontractors" are attached. Subcontractor to execute one copy and return with his final and/or retainage invoice.

(e)

Before commencing work and before this Subcontract becomes effective, the Subcontractor shall furnish the General Contractor with his Certificate of Insurance.

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Page 3 is a numbered but otherwise blank page for use as a continuation sheet for paragraph 5, if needed. Insert "3" if it is used; otherwise insert "4" which is the start of General Conditions.

II. GENERAL CONDITIONS

3. If the General Contract has been made and accepted in writing at a time stated in the General Contract, the Subcontractor shall be bound by the terms of the General Contract. If the Subcontractor is a supplier, the Subcontractor represents that he is not a party to the General Contract and that he is not bound by its provisions applicable to the Subcontract. Subcontractor shall be bound by the terms of the General Contract and the availability of labor and materials in the area of the Sublet Work and all other items affecting the performance of the Sublet Work. General Contractor and Subcontractor agree to be bound by the terms of the General Contract which is hereby made a part of this Subcontract with respect to the Sublet Work and all other provisions of this Subcontract. As to the Sublet Work, the Subcontractor agrees to be bound by the General Contract in the terms of the General Contract and to assume toward him all of the obligations and responsibilities that the General Contractor in the General Contract assumes toward the Owner, except as expressly provided herein, and General Contractor shall be bound to the Subcontractor by all of the obligations that the Owner assumes to the General Contractor under the General Contract and by all the provisions thereof affording remedies and redress to the General Contractor from the Owner, except as otherwise expressly provided herein. Subcontractor shall have an opportunity to be present and to submit evidence in any arbitral or other proceeding involving his rights, provided such is agreeable to the Owner. Subcontractor shall make any claim for extras, request for extension of time and claim for damages or otherwise which are authorized by this Subcontract and give any notices provided for in the General Contract or in this Subcontract to the General Contractor in the manner provided in the General Contract for claims, requests and notices by the General Contractor upon the Owner, except that Subcontractor agrees that any such claims, requests and notices shall be made well enough in advance to allow General Contractor to comply with the requirements of the General Contract and Subcontractor agrees to be bound by the Owner's decision thereon.

4. Subcontractor agrees to perform the Sublet Work in a careful and workmanlike manner in accordance with the best construction practices and this Subcontract, and to furnish all supervision, labor, supplies, tools, equipment, facilities, storage, and materials except as Owner or General Contractor specifically agrees herein to furnish, and all other things and services necessary or desirable to perform the Sublet Work.

5. General Contractor agrees to pay Subcontractor for the performance of the Sublet Work the amount specified in Paragraph 2 of Section I and to make payments, both partial and final, to Subcontractor within ten (10) days after such payments for the Sublet Work are received by Contractor from Owner under the provisions of the General Contract, except that General Contractor shall retain ten percent (10%) of the amount of each estimate on the Sublet Work until final completion of Subcontractor's work and the balance shall be paid within thirty (30) days after final completion and acceptance of Subcontractor's work by Owner upon a proper invoice submitted by Subcontractor accompanied by an affidavit that all bills for labor, materials, taxes, services and other costs of the Sublet Work have been paid and indemnifying General Contractor therefor and a release by Subcontractor of any further claims against General Contractor. Payment of any installment may be withheld until Subcontractor furnishes satisfactory proof of payment of all bills for labor, materials, taxes, services and other expenses in connection with the Sublet Work and all claims for changes or extra work have been settled. Until final completion and delivery of the Sublet Work, all funds paid to Subcontractor shall be held in Trust for application solely to payment of laborers, materialmen, fabricators, subcontractors and others furnishing elements of the Sublet Work. Subject to performance by General Contractor of its obligations hereunder, title to all materials, components, fabricated items, and work in process intended for the Sublet Work, and the beneficial interest in all purchase orders or subcontracts therefor shall vest in General Contractor immediately upon delivery to the job site, or identification to this Subcontract, or commencement of fabrication in Subcontractor's or a supplier's shop, or award of a purchase order or subcontract; provided, that this provision shall not relieve Subcontractor of the absolute duty to complete and deliver the Sublet Work in good condition, or any other obligation hereunder.

6. Subcontractor agrees to commence the Sublet Work immediately when instructed and to prosecute same in coordination with the work of others and with sufficient equipment, supervision and manpower to insure completion of each part of the Sublet Work within the time of completion herein provided so as not to cause damage or delay in the work of others. Subcontractor shall perform the Sublet Work at the times and in the sequence directed by General Contractor, or Owner, from time to time, and, in the absence of such instructions from General Contractor or Owner, at the times and in the sequence reasonably necessary to avoid delay in the performance of the work required by the General Contract at whatever rate of progress General Contractor may make in performing the work. In the event Subcontractor be delayed by the Owner, General Contractor or another contractor in performing work on the project or by the ordering of extra work, General Contractor shall owe Subcontractor only an extension of time and then only if written request therefor is made by Subcontractor within forty-eight (48) hours from the beginning of delay.

7. If any part of Subcontractor's work depends, for proper execution or results, upon the work of any other contractor, Subcontractor shall inspect the work of the other contractor and promptly report to General Contractor any defects in such work or the performance thereof that adversely affects the proper execution and the obtaining of the desired results of the Sublet Work. Subcontractor's failure to inspect and report any such defects shall constitute an acceptance of the other contractor's work as fit and properly performed. Subcontractor shall endeavor to settle any agreement or arbitration claims asserted by any other contractor or materialman or other person arising from Subcontractor's own acts or omissions, or in any manner relating to the performance of the Sublet Work, and in the event General Contractor or Owner shall be sued on any such claim, Subcontractor shall defend such suit, and pay or satisfy any judgment rendered thereon against General Contractor or Owner and pay all costs, including attorney's fees, incurred by General Contractor or Owner.

8. Subcontractor shall at its own expense procure all required permits and licenses and pay all fees and charges and give all notices necessary and instant to the full and lawful prosecution of the Sublet Work. Subcontractor shall comply with the requirements of all laws, rules and rights of way, easement restrictions and any permit requirement and any instructions or regulations of all local, state or federal, governmental agency or authority, and with the requirements of any one having the right to control the use and location of the Sublet Work to be performed, provided, however, that the Sublet Work shall be performed to the satisfaction of the General Contractor and Owner.

9. Owner and General Contractor shall have the right to enter upon the site of the Sublet Work for the purposes of supervision, inspection and performing such ancillary work as Owner or General Contractor may desire. Subcontractor agrees to furnish all facilities deemed necessary by the General Contractor and Owner for the proper inspection of the Sublet Work and to accept all materials and General Contractor for any materials furnished by Owner or General Contractor and to be bound by the inspection of Subcontractor. Subcontractor shall protect the Sublet Work and shall be liable for all loss, damage, theft and recording

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damage by the elements or otherwise to the Sublet Work or to materials or other items furnished by Owner or General Contractor to Subcontractor, shall be repaired at any time prior to the time Subcontractor accepts the Sublet Work. Subcontractor shall also be responsible for the repair of any damage to the Sublet Work or to materials or other items furnished by Owner or General Contractor to Subcontractor, which may be caused by the Sublet Work or by materials or other items furnished by Owner or General Contractor to Subcontractor, which may be caused by the Sublet Work or by materials or other items furnished by Owner or General Contractor to Subcontractor.

9. Subcontractor agrees to indemnify and to save General Contractor and Owner harmless from and against all claims, damages, losses, expenses, costs and other expenses of suit, whether or not, judgments and awards in respect of any damage to property, including death to person (including any damage or injury to the property or person of any employee of Subcontractor, General Contractor, or Owner) which may be caused or alleged to have been caused in whole or in part by the Sublet Work or by materials or other items furnished by Owner or General Contractor to Subcontractor, provided that Subcontractor does not hereby assume responsibility for the sole negligence of General Contractor but does assume responsibility where there is no negligence of General Contractor and Subcontractor.

10. Subcontractor, notwithstanding the provisions of Paragraph 9, assumes all risk of loss or damage to Subcontractor's tools, equipment or property from any cause including the negligence of Owner, General Contractor, and other Subcontractor performing work in connection with the work described in the General Contract. In the event General Contractor or Owner loan or furnishes tools or equipment to Subcontractor or permits Subcontractor aboard their vessels in connection with the Sublet Work, Subcontractor agrees (a) to make its own determination before commencing work that such vessels are seaworthy and such tools and equipment are adequate for the safe performance of the work by Subcontractor; (b) that such tools, equipment or vessels are loaned or furnished and accepted by Subcontractor without warranty or representation by General Contractor or Owner as to their condition, fit to return such vessels, tools and equipment to General Contractor or Owner at the conclusion of such use in same condition as when received, ordinary wear and tear excepted; and (c) to indemnify and hold General Contractor and Owner harmless from all claims, demands, causes of action, damages and injuries resulting from Subcontractor's use of said vessels, tools and equipment, including any claims, demands, causes of action, damages or injuries resulting from or alleged to result from negligence of General Contractor or Owner, or from the inadequacy or unseaworthiness of said vessels, tools and equipment for the performance of the Sublet Work.

11. In the event after seven (7) days written notice from General Contractor to Subcontractor, pointing out generally any deficiencies either in respect to the nature of the Sublet Work or in respect to the promptness with which the Sublet Work is being performed, Subcontractor has not corrected such deficiencies to the satisfaction of the individual in charge of this job for General Contractor in the field, General Contractor shall have the right to supplement the work of Subcontractor or to take over completely the performance of the remainder of the Sublet Work either with his own forces or in contract with others. Subcontractor grants General Contractor the option to use all or any part of Subcontractor's tools, equipment, machinery, materials, and supplies then in use in performing the Sublet Work, and in the event General Contractor elects to use all or any part thereof, no rental shall be paid or given therefor and no credit accrues therefrom except insofar as the lack of any rental charge thus reduces the cost of completing the Sublet Work. Subcontractor also expressly waives any claim which he could assert in connection therewith for use of such equipment in whole or in part in other projects and any profits anticipated thereon during the period such equipment or any portion thereof are so utilized by General Contractor in accordance with this provision or any provisions of the General Contract. In the event the cost of supplementing or completing the Sublet Work is more than the amount of money Subcontractor is entitled to on the price basis provided herein, Subcontractor agrees to pay to General Contractor upon demand the amount of such excess cost and in the event such cost of supplementing or completing the Sublet Work is less than the amount of money Subcontractor is entitled to on the price basis specified herein, General Contractor agrees to pay Subcontractor upon demand the amount of such difference between price and cost, provided that if General Contractor shall supplement or complete the work with his own forces, General Contractor may charge Subcontractor with an additional ten (10%) percent of the cost thereof. This right may be exercised from time to time as deemed proper and may be exercised even prior to the time specified for completion of the Sublet Work, and such exercise shall not be treated as a repudiation of this Subcontract or interference with the Subcontractor in the performance of the Sublet Work, and the exercise of such rights shall not be regarded as relieving Subcontractor of his duties in respect to the performance of the Sublet Work, nor shall the exercise or non-exercise of such right prejudice any other remedy the General Contractor or Owner may have, including, without limitation, those specified in the General Contract. Subcontractor agrees that the decision of the person superintending in exercising the rights provided herein shall be final and conclusive but if Subcontractor objects and disputes the judgment of the person superintending he may, within the time specified herein, file a written decision of that designated officer after hearing Subcontractor shall be final absent actual fraud. Subcontractor agrees to cooperate fully with General Contractor and not to complain thereafter of the manner or cost of supplementing or completing the Sublet Work.

12. The employees, representatives and agents of Owner and General Contractor shall not have the power to waive any provision of the agreement between the parties for the performance of the Subcontractor of the Sublet Work in whole or in part, and in no manner as provided herein. No waiver by the Owner or General Contractor of any provision of the Subcontractor of this Subcontractor or of any term or condition thereof, whether oral or written, shall be deemed to constitute a waiver of or consent to any subsequent breach of the same or of any other term or condition of this contract.

13. In the performance of the Sublet Work the Subcontractor is an independent contractor with the right to supervise, manage and control the performance of the duties thereof, General Contractor and Owner, who reserved, but in no event shall be entitled to inspect the performance of the Sublet Work by Subcontractor and in the event the results do not meet such results.

14. Subcontractor shall not subcontract the Sublet Work or any portion thereof, nor assign or purport to assign the performance of the Sublet Work under the Subcontract, without the written consent of General Contractor, and any attempt at such subcontract or assignment without such consent shall be void. No subcontract shall relieve Subcontractor of his responsibility hereunder.

15. All written notices between the parties shall be in plain, properly stamped, addressed and delivered to the proper authorities and any such notice shall be effective at midnight of the day during which the notice is received. Such notice shall be addressed to the address shown on page one of this Subcontract, unless written notice has been given of a new address.

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12. Subcontractor shall comply with all applicable laws, ordinances, codes and regulations, including those relating to the environment, safety, health and welfare of the workers, and shall be responsible for obtaining all necessary permits, licenses, and approvals, and shall be responsible for obtaining all necessary insurance coverage, including but not limited to, liability, property damage, and workers' compensation, and shall be responsible for obtaining all necessary approvals from the applicable regulatory agencies.

13. Subcontractor shall maintain throughout the term of this Subcontract, at its own expense, insurance coverage for the Subcontractor's liability, including but not limited to, liability, property damage, and workers' compensation, and shall be responsible for obtaining all necessary permits, licenses, and approvals, and shall be responsible for obtaining all necessary insurance coverage, including but not limited to, liability, property damage, and workers' compensation, and shall be responsible for obtaining all necessary approvals from the applicable regulatory agencies.

Statutory

14. Workers' Compensation

If marine operations are involved, endorsements shall provide maritime coverage including Voluntary Marine Endorsement, Outer Continental Shelf and U.S. Longshoremen & Harborworkers Act.

15. Comprehensive Public Liability (endorsed to include contractual and completed operations) (see schedule hereunder)

Bodily Injury

\$100,000 per person
\$300,000 per accident
\$100,000 per accident

Property Damage

16. Automotive (Owned or Non-Owned)

Bodily Injury

\$100,000 per person
\$300,000 per accident
\$100,000 per accident

Property Damage

17. If Marine vessels are involved, Hull Protection and Indemnity Insurance

Full Value
Full Value but not less than \$200,000

18. Other

19. There shall be no change in the unit prices, if any, described in paragraph 2 of Section I of this Subcontract due to any variances between estimated and actual quantities of the Sublet Work, and there shall be due and owing from General Contractor to Subcontractor as result from the application of the unit prices, if any, described in that paragraph to the quantities of the Sublet Work performed for which General Contractor received payment from the Owner.

20. Subcontractor shall keep the premises under his control neat and orderly at all times and shall remove all trash and debris daily and at the end of the contract.

21. Subcontractor agrees to furnish a performance bond within ten days should General Contractor so request in writing, together with commencing the Sublet Work or at any time before completing the Sublet Work. Such bond shall be in form and for adequate coverage satisfactory to General Contractor, and in such amount as may be specified by General Contractor as adequate to cover performance of the Sublet Work and any damages that may result from the failure of the Subcontractor to perform.

22. Subcontractor shall, in the Special Provisions, Subcontractor shall pay the premium. If bonded the delivery is waived. The Special Provisions General Contractor shall pay the normal premium if the bond is required by General Contractor at a specified date.

23. Subcontractor shall conform to the highest standards of safety practices in performance of the Sublet Work, and shall comply with all applicable laws, ordinances, codes and regulations, including those relating to the environment, safety, health and welfare of the workers, and shall be responsible for obtaining all necessary permits, licenses, and approvals, and shall be responsible for obtaining all necessary insurance coverage, including but not limited to, liability, property damage, and workers' compensation, and shall be responsible for obtaining all necessary approvals from the applicable regulatory agencies.

24. The entire agreement between the parties with respect to the Sublet Work is contained in the General Contract, including all the terms, conditions, and provisions of the General Contract, and it is agreed that this Subcontract has not been used upon any oral representations or promises made by either party, and that this agreement is therefore based entirely upon the written Sublet Work Order, and that the Sublet Work Order, including this Subcontract, shall govern the parties, and supersede all proposals and negotiations not expressly set forth herein. It is further agreed that this agreement shall not be changed, modified, amended, or superseded by any subsequent agreement unless it is in writing and signed by both parties. In the event a Purchase Order Work Order or other document is issued in connection with this Subcontract, it is understood that any printed provisions of such other document have no application and that the printed provisions of this Subcontract form are controlling, but the typewritten or handwritten provisions of such

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other document shall constitute a part hereof and shall be construed with all of the printed, typewritten and handwritten provisions hereof. Any requirement shown on the drawings but omitted from the specifications, or any requirement shown in the specifications but omitted from the drawings, shall be considered as being required under this agreement as if set forth in both.

12. All work which is manifestly necessary to carry out the intent of the drawings and specifications pertaining to the Sublet Work or which is customarily done in performing this type of work for the Owner or General Contractor shall be performed by the Subcontractor as a part of the Sublet Work.

13. General Contractor may at any time by a "Change Order" in writing signed by General Contractor's authorized representative and without notice to the sureties on any bond, change or issue additional instructions, change or issue additional specifications and plans, and change, omit or require extra or additional work to be performed by Subcontractor. In such event, General Contractor will have full authority to specify the amount and kind of work to be done, of omitted, the materials to be used, and the equipment to be furnished as fully as though such changes had been set forth in this subcontract. When any change order shall authorize extra or additional work, Subcontractor shall make every effort to complete the sublet work as changed within the time originally agreed upon for completion, the time for completion not being extended unless expressly extended by General Contractor in writing. The General Contractor is authorized to make changes in the work which do not substantially increase the cost of the sublet work without the Subcontractor being entitled to any additional compensation therefor. If such change orders substantially increase or decrease the cost of the sublet work to Subcontractor, there shall be an increase or decrease in the consideration to subcontractor (1) in accordance with the unit prices specified in this subcontract agreement or, if General Contractor agrees that the unit prices are not applicable, either (2) pursuant to a lump sum proposal acceptable to General Contractor or (3) by the actual direct cost to Subcontractor of such change in the sublet work plus ten percent thereof, which costs directly related thereto will be supported by approved payrolls and paid invoices on additions to the sublet work and by agreed estimates of labor and materials deleted for decreases in the sublet work. Subcontractor further agrees that no extra work, or changes in the Sublet Work, or in the Subcontract will be recognized paid for unless agreed to in writing and approved by General Contractor and Owner before such work is done or such changes are made.

14. Subcontractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, or sex. Subcontractor agrees that it will comply with all applicable Federal, State and local Fair Employment Practices Act, or similar Act, Rules and Regulations, and whether or not applicable will comply with the Federal Civil Rights Act of 1964. The terms and provisions of Executive Order 11246 and any Executive Order superseding same, are incorporated herein with respect to any Sublet Work subject thereto.

25. Regardless of any provision hereof or of any approval hereof the Owner is not a party to this Subcontract and the Subcontractor agrees that the Owner is under no obligation to Subcontractor.

26. The Pages of this Subcontract consist of Pages 1, 2, 4, 5, 6, 7 and the Safety Regulations.

BROWN & ROOT, INC.

(General Contractor)

APPROVED

Owner

By _____

Title _____

Date _____

By: James L. Worthington

Title: Purchasing Agent

Hardy Gunite of Texas, Inc.

Subcontractor

By: [Signature]

Title: President