

TARGA RESOURCES LLC
PURCHASE ORDER TERMS AND CONDITIONS

THE TERMS AND CONDITIONS CONTAINED HEREIN SHALL APPLY ONLY IN THE EVENT THAT CONTRACTOR AND TARGA RESOURCES LLC OR ANY TARGA AFFILIATE (COLLECTIVELY REFERRED TO HEREIN AS “TARGA”) ARE NOT PARTIES TO ANY OTHER AGREEMENT IN EFFECT BY WHICH CONTRACTOR SUPPLIES TARGA WITH THE MATERIALS AND/OR SERVICES DESCRIBED IN A PURCHASE ORDER BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO, ANY MASTER SERVICES AGREEMENT OR ALLIANCE AGREEMENT BETWEEN CONTRACTOR AND TARGA (HEREINAFTER, EACH A “SUPPLY AGREEMENT”). IN THE EVENT ANY SUCH SUPPLY AGREEMENT EXISTS, SUCH SUPPLY AGREEMENT SHALL GOVERN CONTRACTOR’S SUPPLY OF SERVICES AND/OR MATERIALS TO TARGA. CAPITALIZED TERMS NOT OTHERWISE DEFINED SHALL HAVE THE MEANING SET FORTH IN EXHIBIT “A”.

PURCHASE ORDER TERMS AND CONDITIONS

1. PARTIES AND TERMS

- A. A “Purchase Order” is a written request for Services from the Targa entity named on page one of the Purchase Order, to an entity named as Contractor on page one of the Purchase Order (the “Contractor”). Each Purchase Order together with (i) these Purchase Order Terms and Conditions and the Exhibits referenced herein, (ii) any documents attached to the Purchase Order at the time of the issuance of the Purchase Order and expressly referenced therein, and (iii) any Change Orders to the Purchase Order, shall constitute the entire agreement for the purchase of Services, including Materials, specified in the Purchase Order (the “Agreement”). The Agreement requires Contractor to provide Services, including Materials, on a non-exclusive basis solely under the written terms contained in the Agreement which shall determine the rights of the Parties regardless of contrary or additional terms in any rate schedules, work orders, invoices, receipts or other documents which may flow from performance under the Agreement.
- B. Special Provisions. Special provisions applicable to Services performed outside of the State of Texas are set forth in Exhibit “C”.

2. COMPENSATION, PAYMENTS AND INVOICING

- A. Compensation. As compensation for the satisfactory performance of the Services, Targa shall pay Contractor in accordance with the method of payment set forth in the Purchase Order, which shall be either a lump sum method (“Lump Sum”), a time and materials method (“Time and Materials”) or an alternative mutually agreed upon method of payment.
- B. Lump-Sum: If the compensation to Contractor is based on a Lump Sum payment method, then such Lump Sum amount shall be set forth in the Purchase Order and shall be the maximum compensation payable to Contractor for the performance of Services requested under such Purchase Order. Payment of the Lump Sum shall be by either (i) the payment of one Lump Sum amount at the final completion of the Services requested under the Purchase Order, or (ii) progress payments determined on a monthly basis. The amount of any such progress payments shall be based upon the percentage of the value of the Services completed during the applicable month.
- C. Time and Materials:
- i. If the compensation to Contractor is based on a Time and Materials payment method, then Targa shall reimburse Contractor for the following fees and expenses (collectively, “Fees and Expenses”):
- a. the number of hours worked by Contractor, its employees and/or Subcontractors performing the Services multiplied by the applicable hourly rates;
 - b. if expressly agreed by Targa in the Purchase Order, Contractor’s reasonable overhead expenses which are solely and directly attributable to the Services;
 - c. unless expressly agreed otherwise by Targa in the Purchase Order, reasonable allowable expenses without markup, including charges for travel and living expenses, supplies, reproduction and equipment rental if necessary for performance of the Services, provided that mileage shall be reimbursed at the then-current per mile rate allowed by the Internal Revenue Services and living expenses (hotel accommodations and meals) may not exceed US\$150.00/day without prior written approval from Targa;
 - d. the cost of Materials; and
 - e. any other charges agreed to in the Purchase Order.
- In the event the Parties have agreed to specific rates which apply to a Time and Materials payment method, such rates shall be set forth in Purchase Order. Rates set forth in the Purchase Order, if any, shall only be modified by the written acceptance of Targa.
- ii. If the Parties agree in a Purchase Order that the total Fees and Expenses for the Services shall not exceed a Not-To-Exceed Value, then such Not-To-Exceed Value shall be the maximum compensation payable to Contractor for the performance of the Services under such Purchase Order. In such case, all fees and expenses in excess of the Not-To-Exceed Value shall be paid or incurred by Contractor without reimbursement by Targa.

3. INVOICING AND PAYMENT

- A. Invoicing. Contractor shall submit invoices to Targa for Services performed on a Time and Materials basis and for progress payments under a Lump Sum payment method on a monthly basis on or before the fifteenth (15th) day of each month for all Services performed by Contractor during the prior month. Contractor shall submit invoices to Targa for all other Services performed under a Lump Sum payment method upon final completion of the Services under the Purchase Order. Each invoice (i) shall identify the Purchase Order number and shall include sufficient line item detail for Targa to reasonably verify the basis of the charges, including the Services performed and applicable quantities and pricing, (ii) shall be accompanied by any supporting information or documentation reasonably requested by Targa, and (iii) shall be reviewed and approved by an authorized Targa representative prior to submittal. Invoices submitted for Fees and Expenses charged on an hourly basis shall be supported by documents, time sheets or work tickets showing description; date and location of Services performed; and the names of employees and hours each worked. Invoices submitted for Fees and Expenses charged as allowable expenses shall be supported by copies of the actual receipts forming the basis of reimbursement.
- B. Payment. Payment terms are net thirty (30) days from Targa's receipt of an invoice unless otherwise specified in the Purchase Order. In the event of a dispute regarding any invoice submitted by Contractor, (i) all amounts not disputed shall be paid by Targa as required by this Section 3, (ii) Targa shall promptly notify Contractor of such dispute, and (iii) payment of any withheld and disputed amount shall be made within ten (10) days following resolution of the dispute.
- C. Withholding. In addition to any other right to withhold payments under the Agreement, Targa shall have the right to withhold from payments due Contractor such sums as necessary to protect Targa against any loss or damage which may result by reason of: (i) any willful misconduct or wanton or negligent act, error or omission by Contractor or Contractor's Representatives which gives rise to a claim by Targa or by any Person against Targa; (ii) Contractor's breach of any of its obligations under the Agreement; or (iii) liens filed or threatened in writing against the Site or the Services which are brought by any Subcontractor or any other Person claiming entitlement to money through Contractor.

4. PACKAGING, SHIPMENT AND DELIVERY OF MATERIALS

- A. Packaging, shipment and delivery of all Materials shall be in strict accordance with Applicable Law and the Agreement.
- B. Contractor shall: (i) efficiently and timely prepare Materials for pick up by the transportation carrier; (ii) be responsible for proper packaging, labeling and preparation for shipment in full compliance with Applicable Law; (iii) include with each shipment or delivery a Material Safety Data Sheet for each item if required by Applicable Law; and (iv) include with each shipment itemized packing slips or other identifying documents. Contractor shall not charge Targa for packaging (including crating, lumber and other packaging materials) unless otherwise specified in the Purchase Order.
- C. All shipments of Materials shall be made either "F.O.B. Destination" or "F.O.B. Shipping Point" as designated in the Purchase Order. Partial shipments are not allowed unless expressly stated otherwise in the Purchase Order or otherwise authorized by Targa. Freight shall be paid by Contractor, at its sole expense, unless expressly stated otherwise in the Purchase Order.
- D. Targa reserves the right (payment notwithstanding) to reject and return, at Contractor's risk and expense, that portion of any shipment of Materials that may be defective or otherwise fail to comply with the Agreement. Contractor shall not substitute any Materials specified by Targa in the Purchase Order without Targa's prior written approval.

5. TERM OF AGREEMENT

The Agreement shall commence upon delivery to Targa of the Purchase Order signed by Contractor or upon commencement of any Services specified in the Purchase Order, whichever occurs first, and continue in effect until completion of the Services or termination by Targa in accordance with the applicable termination provisions of the Agreement (the "Term").

6. INSURANCE

During the Term of the Agreement (or for such longer period required in Exhibit "B"), Contractor, at its sole cost and expense, shall procure and maintain, and shall require its Subcontractors to procure and maintain, insurance coverage with the minimum coverages, levels, limits and conditions set forth in Exhibit "B". Contractor's liability under the Agreement, or otherwise at law, shall not be limited by the amount or type of insurance required under the Agreement.

7. NOTICES

Notices to Contractor shall be addressed to the address set forth in the Purchase Order. Invoices and Notices to Targa shall be addressed to the addresses set forth below. Statements and reports to Targa that are required of Contractor hereunder shall be addressed to the individual designated on the Purchase Order.

Address for Notices to Targa:
811 Louisiana St, Suite 2100
Houston, TX 77002-1400
Attention: Procurement & Supply Chain Mgmt.
Phone No. 713-584-1116

Address for Invoices to Targa:

811 Louisiana St, Suite 2100
Houston, TX 77002-1400
Attention: Accounts Payable
Facsimile No. 713-584-1130
Phone No. 713-584-1543

8. ENTIRE AGREEMENT

The Agreement constitutes the entire agreement between the Parties in relation to the Services and supersedes all prior agreements, understandings and commitments, whether oral or in writing, between the Parties. The Agreement may not be amended or modified in any manner except by a written document signed by both Parties that expressly amends the Purchase Order. All additional and/or conflicting terms and conditions that may appear on Contractor written documents including delivery tickets, service order tickets, daily time sheets, invoices or any other document shall be null and void, and Targa's signature on any Contractor written document shall not constitute Targa's consent to any terms or conditions set forth in such document.

EXHIBIT A –PURCHASE ORDER TERMS AND CONDITIONS

GENERAL TERMS AND CONDITIONS

A.1. DEFINITIONS

As used in the Agreement, except in those certain instances where the context expressly states another meaning, the following terms and expressions shall have the following meanings:

- A. "Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Person. For purposes of this definition, "control" shall mean (i) ownership, directly or indirectly, of either the outstanding voting stock of the controlled Person or any other ownership interest in the controlled Person if such interest has, directly or indirectly, the power to direct or cause the direction of the management and policies of such relevant Person or (ii) operational control of the controlled Person pursuant to an operating agreement, management agreement or other contractual rights.
- B. "Applicable Law" means all applicable laws, regulations, ordinances, statutes, codes, regulations and other rules, as amended, of any international, federal, state, municipality, territory, parish, county, local government or political subdivision thereof or any other duly constituted public authority having jurisdiction over Contractor, the Facilities or the performance of the Services and all codes, standards or requirements necessary to perform the Services in accordance with accepted industry practices prevailing at the time and place where the Services are being rendered.
- C. "Change Order" means a writing by Targa authorizing a deletion or modification to a Purchase Order.
- D. "Claims" means all liabilities, judgments, costs (including court costs, reasonable attorneys' fees and costs of investigation), losses, fines, penalties, expenses, damages, claims, suits and demands.
- E. "Contractor Indemnified Parties" means Contractor and its directors, officers, employees and agents.
- F. "Contractor's Representatives" shall mean (i) Contractor's directors, officers, employees and agents, and (ii) each Subcontractor and its directors, officers, employees and agents.
- G. "Event of Default" shall have the meaning set forth in Section A.11.A.
- H. "Facilities" and "Site" are used interchangeably to mean the facilities and/or location where the Services are performed.
- I. "Fees and Expenses" shall have the meaning set forth in Section 2.C.i of these Purchase Order Terms and Conditions.
- J. "Force Majeure" means catastrophic storms or floods, lightning, tornadoes, hurricanes, earthquakes and other acts of God, wars, civil disturbances, terrorist attacks, revolts, insurrections, sabotage, commercial embargoes, epidemics, fires, explosions, and actions of a federal state or local governmental agency with jurisdiction over the Services that were not requested, promoted, or caused by the affected Party; provided that such act or event (i) delays or renders impossible the affected Party's performance of its obligations under the Agreement, (ii) is beyond the reasonable control of the affected Party and not due to its fault or negligence, and (iii) could not have been prevented or avoided by the affected Party through the exercise of due diligence, including the expenditure of any reasonable sum.
- K. "Insolvency Event" means the Party (i) makes a general assignment for the benefit of its creditors; (ii) commences a proceeding under applicable bankruptcy law or other Applicable Law for the relief of debtors; (iii) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts; (iv) a trustee, custodian, conservator, receiver or similar official is appointed for it, or for a substantial part of its property; (v) becomes insolvent or is unable to pay its debts as they become due; or (vi) any involuntary bankruptcy, reorganization, debt arrangement, or other proceeding under any applicable bankruptcy, insolvency or other similar law for the relief of debtors or any dissolution or liquidation proceeding is instituted against such Party.
- L. "Lump Sum" shall have the meaning set forth in Section 2.A of these Purchase Order Terms and Conditions.
- M. "Materials" means all materials, parts and/or goods provided to Targa or incorporated into the Site as part of the Services.
- N. "Notice" means all notices, consents, approvals, certifications, requests, demands and authorizations.
- O. "Not-To-Exceed Value" means the dollar amount, if any, specified in the Purchase Order as the maximum compensation to Contractor for the Services to be performed under such Purchase Order.
- P. "Person" means an individual, corporation, limited liability company, partnership, joint venture, unincorporated organization or any other legal entity.
- Q. "Purchase Order" shall have the meaning set forth in Section 1.A of these Purchase Order Terms and Conditions.

- R. "Services" means those obligations to be performed by Contractor for Targa pursuant to the Purchase Order.
- S. "Subcontractors" means a Person of any tier (including vendors, suppliers and renters) who performs any part of the Services and who is not a direct, full-time employee of Contractor.
- T. "Targa Indemnified Parties" means Targa, its parent, Affiliates, and all of their respective co-owners, partners, joint venturers, members, officers, directors, employees and agents; provided, however, if the Services are performed for the direct or indirect benefit of Venice Energy Services Company, L.L.C., then the definition of "Targa Indemnified Parties" shall also include: Venice Energy Services Company, L.L.C. and its members, and all of their respective Affiliates, employees, officers, directors, agents, successors and assigns; provided, further, that if the Services are performed for the direct or indirect benefit of Versado Gas Processors, L.L.C., then the definition of "Targa Indemnified Parties" shall also include Versado Gas Processors, L.L.C. and its members, and all of their respective Affiliates, employees, officers, directors, agents, successors and assigns.
- U. "Targa's Policies and Procedures" means Targa's applicable safety, security and similar work-related policies, procedures, controls and rules, which shall be available on Targa's website or otherwise provided to Contractor from time to time and as may be updated or modified by Targa, including: (i) Targa's minimum contractor safety requirements, (ii) the contractor orientation checklist, (iii) minimum drug and alcohol and random security search policies, and (iv) contractor's pre-selection questionnaire.
- V. "Term" shall have the meaning set forth in Section 5 of these Purchase Order Terms and Conditions.
- W. "Time and Materials" shall have the meaning set forth in Section 2.A of these Purchase Order Terms and Conditions.
- X. "Work Product" shall have the meaning set forth in Section A.16.A.

A.2. CONTRACTOR'S GENERAL OBLIGATIONS

- A. General. Contractor shall furnish all Materials, labor, supervision, tools, equipment, facilities, services and transportation necessary to perform the Services. All personnel furnished by Contractor shall be duly trained, qualified and experienced in their respective capacities. All tools and equipment provided by Contractor shall be repaired and maintained by Contractor in a good, safe working order at Contractor's cost. Unless otherwise specified in the Purchase Order, Contractor shall obtain all permits and licenses required by Applicable Law and necessary for the performance of the Services.
- B. Scheduling. TIME IS OF THE ESSENCE in the performance of the Services. Contractor shall perform the Services in accordance with the completion date(s) and/or period(s) set forth in the Purchase Order. Contractor shall immediately notify Targa, in writing, of any event or circumstance that may, immediately or in the future, impede the proper and timely execution of any Services so that remedial action, as is appropriate under the circumstances, may be taken.
- C. Monitoring of Services. Contractor shall provide, and shall cause its Subcontractors to provide Targa and its representatives the right to inspect and monitor, at any time, Contractor's and its Subcontractors operations and facilities including tools, equipment, Materials, Services and inventory thereof. Inspections or failure to report any deficiency noted therein shall not relieve Contractor of its obligations hereunder or constitute a waiver by Targa of any rights hereunder.

A.3. CONTRACTOR'S EMPLOYEES AND SUBCONTRACTORS

- A. Subcontractors. Contractor may retain any Subcontractor necessary to assist Contractor in the performance of the Services that is qualified and capable of performing its portion of the Services in accordance with the Agreement and its subcontract. The creation of any Subcontractor relationship shall not relieve Contractor of any of its obligations under the Agreement and Contractor shall be responsible for the acts or omissions of any Subcontractor as if they were the acts or omissions of Contractor.
- B. Approval and Removal of Employees and Subcontractors. Ten (10) business days prior to the execution of any subcontract, or such other period of time as agreed to by Targa, Contractor shall notify Targa of any proposed Subcontractor to be used in the performance of the Services and furnish to Targa all information reasonably requested by Targa with respect to such proposed Subcontractor. Targa shall notify Contractor within such period of time if Targa rejects such Subcontractor. If Targa fails to respond to Contractor within such time period, said Subcontractor will be deemed approved by Targa. Upon request by Targa, in its sole discretion, Contractor shall immediately remove any Subcontractor or any employee of Contractor or any Subcontractor performing the Services or present at the Site. **CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM ANY AND ALL CLAIMS ARISING OUT OF OR RESULTING FROM SUCH REMOVAL.**

A.4. USE AND CONDITION OF THE FACILITIES AND EQUIPMENT

Targa makes no representation or warranty as to the condition of the Facilities or any equipment, machinery, tools or other items furnished by Targa that are employed in the performance of the Services. Contractor shall rely solely on Contractor's own examination and investigation to determine the condition of the Facilities and any such equipment. If apparent defects are found therein sufficient to make the use of such Facilities or items unsuitable or unsafe, Contractor shall immediately notify Targa. Contractor shall confine its tools, equipment and operations to the areas indicated by Targa, and shall not interfere with the use or operation of the Facilities. Contractor shall keep stored Material in good order. Contractor shall promptly remove and properly dispose of, in accordance with Applicable Law and Targa's Policies and Procedures, all rubbish and non-hazardous waste material, including all non-hazardous samples and by-products, resulting from the performance of the Services.

A.5. SAFETY AND WORKPLACE POLICIES

Contractor shall be responsible for providing a healthy and safe work place and working environment for Contractor's Representatives during performance of Services. Contractor shall comply with all safety requirements imposed by Applicable Law for the safety of Persons or property, including the U.S. Department of Transportation requirements under 49 C.F.R. Parts 191, 192, 195 and 199, and shall conduct all Services in a safe and responsible manner. Contractor shall provide all properly functioning personal protective equipment and other safety equipment as appropriate and necessary for the performance of the Services. In addition, Contractor shall fully comply with Targa's Policies and Procedures and shall coordinate the performance of the Services with Targa's on-Site environmental, health and safety ("EH&S") coordinator. Contractor shall also provide to Targa its OSHA statistics and any annual updates thereto. If required by Targa, Contractor shall participate in Targa's safety orientation program prior to commencing the performance of any Services requested under a Purchase Order. Contractor shall immediately notify Targa of any loss of or damage to property or injury to persons, including the employees of Contractor and its Subcontractors. Contractor's failure to comply with the obligations set forth in this Section A.5 shall constitute a material breach of the Agreement.

A.6. WARRANTIES

- A. General Warranties. Contractor represents and warrants that (i) it has the power, authority and right to enter into the Agreement and to carry out and perform the terms hereof; (ii) the Services shall be performed in a good and workmanlike manner, in accordance with all specifications for the Services set forth in the Agreement and in accordance with accepted industry practices prevailing at the time and place where the Services are being rendered; and (iii) any Materials furnished under the Agreement are (a) free from liens and encumbrances, (b) free from defects in material, design (to the extent such design is performed by Contractor or its Subcontractors as part of the Services) and workmanship, (c) in compliance with all specifications for Materials set forth in the Agreement and (d) new and have not been previously used, unless otherwise specified in the Purchase Order.
- B. Correction of Services. If prior to final completion of the Services under the Purchase Order or within one (1) year thereafter, Targa shall reasonably determine that: (i) Contractor has not performed the Services, including provision of Materials, in accordance with the warranties set forth in this Section A.6, or (ii) Contractor has made an error or omission in the performance of the Services, then Contractor, at its own expense, shall promptly undertake and complete such corrective action as is necessary to remedy the error, omission or non-conformance. If Contractor does not complete such required corrective action within five (5) days following receipt of written notice from Targa that such corrective action is required, then Targa may (in addition to any other rights under the Agreement, at law or in equity) correct such error, omission or non-conformance, and Contractor shall be liable to Targa for all costs and expenses incurred by Targa in connection with such corrective action. Notwithstanding the foregoing, if any error, omission or non-conformance materially affects the use of the Facilities or presents an imminent threat to the safety or health of any person, Targa may take corrective action immediately without giving such written notice to Contractor, and Contractor shall be liable to Targa for all costs and expenses incurred by Targa in connection with such corrective action and arising out of or relating to the error, omission or non-conformance. Contractor shall pay Targa on demand all costs and expenses for which Contractor is liable under this Section A.6. No acceptance or payment by Targa shall constitute a waiver of any of the foregoing warranties or Contractor's obligations hereunder.
- C. Assignment of Warranties. All manufacturer's warranties and remedies applicable to Materials shall be assigned and transferred to Targa upon final completion of the Services under the Purchase Order, and Contractor agrees to fully assist and cooperate with Targa in the enforcement of such warranties, provided, however, no such warranty shall in any way relieve Contractor from its obligations to Targa with regard to any warranty under this Section A.6.

A.7. MECHANICS' LIENS

To the extent that Targa has paid all undisputed amounts due and owing to Contractor for the Services, Contractor shall keep the Site and the Services free of all mechanic's and materialmen's liens and encumbrances in favor of its Subcontractors and other Persons claiming through Contractor with respect to Services provided under the Agreement. If such a lien or encumbrance is filed on the Site or the Services by a Subcontractor or other Persons claiming through Contractor, Contractor shall notify Targa in writing and shall, at its own cost and expense, take whatever steps are necessary to have the lien or encumbrance satisfied, removed or otherwise discharged, by bond or otherwise, within thirty (30) days of the date the lien or encumbrance was filed. If Contractor fails to satisfy or remove the lien or encumbrance within such time, Targa may, without any obligation to do so, satisfy, remove or discharge, by bond or otherwise, the lien or encumbrance, and Contractor shall be liable to Targa for all costs and expenses (including reasonable attorneys' fees) in connection with such satisfaction, removal or discharge. **CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ALL CLAIMS FOR SUCH LIENS OR ENCUMBRANCES ARISING OUT OF THE PERFORMANCE OF THE SERVICES.**

A.8. HAZARDOUS SUBSTANCE DISPOSITION

Contractor's Representatives shall not bring any substance on Site that under Applicable Law is considered to be hazardous or toxic or is or may be required to be remediated, including hazardous wastes, radioactive wastes or hazardous substances ("Hazardous Substances"), provided, however, that Contractor may bring Hazardous Substances on Site to the extent necessary to perform the Services so long as the same is done in compliance with Applicable Law and the Agreement, and Contractor shall be fully responsible and strictly liable for all such Hazardous Substances. Prior to bringing any chemical on Site (whether a Hazardous Substance or otherwise), Contractor shall provide Targa with a Material Safety Data Sheet for such chemicals, notify Targa of the nature of the use of such chemicals and otherwise assist Targa in registering the chemicals at the Site. Contractor shall be responsible for packaging and disposing of, in accordance with Applicable Law, any and all Hazardous Substances that Contractor uses or generates in performing the Services or brings onto the Site or creates at the Site. In addition, Contractor shall advise Targa's on-Site EH&S coordinator of any material, including Hazardous Substances, discovered by Contractor's Representatives on Site that cannot be introduced back into the environment under Applicable Law without additional treatment. At Targa's request, Contractor shall assist Targa in identifying appropriate alternatives for off-Site treatment, storage, or disposal of any such

material. Contractor shall make no independent determination relating to the selection of treatment, storage, or disposal of any such material, nor shall Contractor subcontract for the treatment, storage, or disposal of any such material through transporters or others.

A.9. INDEMNIFICATION

- A. **INJURIES TO CONTRACTOR INDEMNIFIED PARTIES.** CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO INJURY TO, ILLNESS OR DEATH OF ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR, REGARDLESS OF THE CAUSE OF SUCH CLAIMS, INCLUDING THE SOLE OR JOINT NEGLIGENCE OR GROSS NEGLIGENCE OF ANY TARGA INDEMNIFIED PARTY (EXCLUDING ONLY THE WILLFUL MISCONDUCT OF ANY TARGA INDEMNIFIED PARTY).
- B. **CONTRACTOR RESPONSIBILITY FOR DAMAGE TO PROPERTY.** CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO LOSS OF OR DAMAGE TO ANY PROPERTY OF ANY TARGA INDEMNIFIED PARTY, ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR, OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR, TO THE EXTENT CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER FAULT OF ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR.
- C. **INJURIES TO TARGA INDEMNIFIED PARTIES.** TARGA SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CONTRACTOR INDEMNIFIED PARTIES FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO INJURY TO, ILLNESS OR DEATH OF ANY TARGA INDEMNIFIED PARTY, REGARDLESS OF THE CAUSE OF SUCH CLAIMS, INCLUDING THE SOLE OR JOINT NEGLIGENCE OR GROSS NEGLIGENCE OF ANY CONTRACTOR INDEMNIFIED PARTY (EXCLUDING ONLY THE WILLFUL MISCONDUCT OF ANY CONTRACTOR INDEMNIFIED PARTY).
- D. **TARGA RESPONSIBILITY FOR DAMAGE TO PROPERTY.** TARGA SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CONTRACTOR INDEMNIFIED PARTIES FROM AND AGAINST ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO LOSS OF OR DAMAGE TO ANY PROPERTY OF ANY TARGA INDEMNIFIED PARTY OR ANY CONTRACTOR INDEMNIFIED PARTY TO THE EXTENT CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER FAULT OF ANY TARGA INDEMNIFIED PARTY.
- E. **CONTRACTOR RESPONSIBILITY FOR THIRD PARTY INJURIES AND PROPERTY DAMAGE.** CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO INJURY TO, ILLNESS OR DEATH OF ANY THIRD PARTY OR LOSS OF OR DAMAGE TO ANY PROPERTY OF ANY THIRD PARTY, ARISING OUT OF OR RELATED TO THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT OR THE SERVICES, TO THE EXTENT CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR. "THIRD PARTY" SHALL MEAN, FOR PURPOSES OF THIS SECTION A.9.E, ANY PERSON OTHER THAN A CONTRACTOR INDEMNIFIED PARTY, A TARGA INDEMNIFIED PARTY, A SUBCONTRACTOR OR AN EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF A SUBCONTRACTOR.
- F. **ENFORCEABILITY.**
- i. THE INDEMNITY, DEFENSE AND HOLD HARMLESS OBLIGATIONS IN THIS SECTION A.9 ARE LIMITED TO THE EXTENT NECESSARY TO COMPLY WITH APPLICABLE LAW AND THIS SECTION A.9 SHALL BE DEEMED TO BE AMENDED TO THE MINIMUM EXTENT NECESSARY SO AS TO COMPLY WITH APPLICABLE LAW TO THE EXTENT SUCH REQUIREMENTS ARE AT VARIANCE WITH THESE TERMS AND CONDITIONS.
- ii. TARGA AND CONTRACTOR AGREE THAT THE TEXAS OILFIELD ANTI-INDEMNIFICATION ACT, TEX. CIV. PRAC. & REM. CODE ANN. §§ 127.001-005, AND TEX. CIV. PRAC. & REM. CODE ANN. §§ 130.001-005 ARE INAPPLICABLE TO THIS AGREEMENT AND THE PERFORMANCE OF THE SERVICES. APPLICATION OF THESE CODE SECTIONS TO THIS AGREEMENT WOULD BE CONTRARY TO THE INTENT OF THE PARTIES, AND EACH PARTY HEREBY IRREVOCABLY WAIVES ANY CONTENTION THAT THESE CODE SECTIONS ARE APPLICABLE TO THIS AGREEMENT OR THE SERVICES. IN ADDITION, EACH PARTY HEREBY AGREES TO PROVIDE INSURANCE TO COVER THE LOSSES CONTEMPLATED BY SUCH CODE SECTIONS AND ASSUMED BY EACH SUCH PARTY UNDER THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT, AND CONTRACTOR AGREES THAT THE AMOUNTS PAID CONTRACTOR FOR THE PERFORMANCE OF ITS SERVICES COMPENSATES CONTRACTOR FOR THE COST OF PREMIUMS FOR THE INSURANCE PROVIDED BY IT UNDER THE AGREEMENT. THE PARTIES AGREE THAT EACH PARTY'S AGREEMENT TO SUPPORT THEIR INDEMNIFICATION OBLIGATIONS BY INSURANCE SHALL IN NO RESPECT IMPAIR THEIR INDEMNIFICATION OBLIGATIONS.
- iii. BOTH PARTIES AGREE THAT THE AGREEMENT COMPLIES WITH THE REQUIREMENT KNOWN AS THE EXPRESS NEGLIGENCE RULE TO EXPRESSLY STATE IN A CONSPICUOUS MANNER TO AFFORD FAIR AND ADEQUATE NOTICE THAT THIS AGREEMENT HAS PROVISIONS REQUIRING ONE PARTY (THE INDEMNITOR) TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF ANOTHER PARTY (THE INDEMNITEE). BOTH PARTIES REPRESENT TO EACH OTHER THAT (A) THEY HAVE CONSULTED AN ATTORNEY CONCERNING THESE TERMS AND CONDITIONS AND THE AGREEMENT OR, IF THEY HAVE NOT CONSULTED AN ATTORNEY, THAT THEY WERE PROVIDED THE OPPORTUNITY AND HAD THE ABILITY TO SO CONSULT, BUT MADE AN INFORMED DECISION NOT TO DO SO, AND (B) THEY FULLY UNDERSTAND THEIR RIGHTS AND OBLIGATIONS UNDER THESE TERMS AND CONDITIONS AND THE AGREEMENT.
- G. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED ELSEWHERE IN THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY INDEMNITEE FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, REMOTE, OR SPECULATIVE DAMAGES, WHETHER SUCH DAMAGES ARISE IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE; PROVIDED HOWEVER, THAT IF ANY INDEMNITEE IS HELD LIABLE TO A THIRD PARTY FOR ANY DAMAGES WHICH ARE WITHIN THE SCOPE OF ANY INDEMNITY GIVEN BY A PARTY UNDER THIS AGREEMENT, THE PARTY OBLIGATED UNDER THE APPLICABLE INDEMNITY WILL BE LIABLE FOR SUCH DAMAGES.

A.10. TITLE AND RISK OF LOSS

Title to all or any portion of the Services (other than Work Product) shall pass to Targa upon the earlier of (i) payment by Targa therefor, or (ii) incorporation of such Services into the Facility. Transfer of title to Services shall be without prejudice to Targa's right to reject any defects, errors or omissions in the Materials or any other right in the Agreement. Notwithstanding passage of title as provided in this Section A.10 and unless otherwise set forth in the Purchase Order with respect to Materials, Contractor shall bear the risk of loss and damage with respect to the Services until final completion of such Services under the Purchase Order.

A.11. TERMINATION FOR DEFAULT

A. Event of Default. Each of the following shall constitute an event of default under the Agreement ("Event of Default"):

- i. Contractor shall fail in any material respect to comply with, observe, or perform, or shall default in any material respect, in the performance of the Services or any of the terms and conditions of the Agreement;
- ii. Any certification or representation made by Contractor hereunder shall be false or incorrect in any material respect when made; or
- iii. The occurrence of an Insolvency Event with respect to Contractor.

B. Notice and Cure for Default. If an Event of Default as defined in Section A.11.A.i or A.ii occurs, Targa shall provide Contractor with notice of the Event of Default. Contractor shall have ten (10) days following receipt of such notice to cure the Event of Default, provided that if such Event of Default is not capable of being cured within such ten (10) day period with the exercise of reasonable diligence, then such cure period shall be extended for an additional reasonable period of time, not to exceed thirty (30) days, so long as Contractor is exercising reasonable diligence to cure the default.

C. Termination for Default. If the notice was given by Targa as provided for in Section A.11.B and the Event of Default is not cured by the expiration of the corresponding period for cure or if an Event of Default as defined in Section A.11.A.iii occurs, Targa, by notice in writing to Contractor, may, in addition to any other rights and remedies available to it under the Agreement or at law or in equity, terminate the Agreement and/or any part of the Purchase Order. In such event, Targa shall have no further obligation to Contractor with respect to the Agreement or terminated part thereof, except with respect to Services already performed by Contractor in accordance with the Agreement. Contractor shall remain liable to Targa for any and all Claims that Targa may have against Contractor under the Agreement and/or any part of the Purchase Order, including the difference between the cost of completing the Services required under a terminated Purchase Order or part thereof by a substitute contractor and the unpaid balance remaining under the Lump Sum or Not-to-Exceed amount (if applicable), which Claims shall be promptly paid by Contractor upon demand. This obligation of payment shall survive termination of the Agreement or any terminated part thereof.

A.12. TERMINATION FOR CONVENIENCE

Termination for Convenience by Targa. Targa may terminate the Agreement and/or any part of the Purchase Order at any time for its sole convenience by giving Contractor at least thirty (30) days prior written notice to such effect. In the event of any such termination, Contractor shall immediately stop all terminated Services and, unless notified by Targa to the contrary, shall immediately cause all Subcontractors to cease performance of all Services related to the Agreement and/or terminated part of the Purchase Order. In the event of such termination for convenience, Targa shall pay Contractor that portion of the total consideration specified in the Purchase Order equal to the portion of the Services completed in accordance with the Agreement prior to such termination, less any payments made prior to such termination. In no event shall Targa be liable for Services performed after the effective date of termination or anticipated fees or lost profits on account of a termination under this Section.

A.13. RIGHT TO AUDIT

Contractor shall, and shall ensure that its Subcontractors, maintain complete and accurate records pertaining to all transactions and activities relating to the performance of the Services in a manner which is commercially reasonable and in accordance with industry best practices. Contractor further agrees, and shall ensure that its Subcontractors agree, to retain all such records for a period of not less than three (3) years after the completion of Services under the Purchase Order or for such longer period as may be required by Applicable Law. Contractor agrees that such records shall be subject to audit by Targa or its representatives; provided, however, with respect to any Lump Sum amounts, Targa shall not have the right to audit or have audited Contractor's records in connection with the internal composition of such Lump Sum amount, such as the composition of any markups, fixed percentages or multipliers. Targa and its representatives shall have access to Contractor's facilities and shall be provided adequate and appropriate workspace in order to conduct audits. Targa shall have the right to interview current and former Contractor employees as part of any such audit.

A.14. FORCE MAJEURE

In the event Contractor's performance under the Agreement is delayed as a result of a Force Majeure and Contractor provides notice and full particulars of such Force Majeure in writing to Targa as soon as possible but in no event later than three (3) days after the occurrence of the cause relied on, then Contractor shall be entitled to an extension to any completion date(s), period(s) or schedule set forth in the Purchase Order, provided Contractor takes all reasonable actions to mitigate the effect of such Force Majeure. The Parties agree that such extension shall be Contractor's sole remedy for such delay and that such extension shall be set forth in a Change Order. Targa's obligations under the Agreement shall be suspended to the extent that Targa's performance of such obligations is delayed by Force Majeure.

A.15. CONFIDENTIALITY

- A. Confidential Information. During the term of the Purchase Order and for a period of three (3) years after the completion or termination of Services under such Purchase Order, Contractor shall maintain in strictest confidence all proprietary business or technical information concerning Targa, including Work Product, notes, analyses, studies and other documents prepared by Contractor or its Subcontractors that contain or otherwise reflect such information (collectively, the "Confidential Information") and shall not disclose Confidential Information to Contractor's Representatives or any third party, except as otherwise permitted under the terms of this Section A.15. Contractor shall not use Confidential Information for any purpose other than the performance of the Services and shall disclose the Confidential Information only to Contractor's Representatives as necessary to provide the Services, each of whom shall be informed of the confidential nature of the Confidential Information and shall be bound to comply with the terms of this Section A.15. Contractor shall be responsible for any breach of this Section A.15 by Contractor's Representatives.
- B. Exceptions. The provisions of this Section A.15 shall not apply to any portion of the Confidential Information that (i) was developed by Contractor and in Contractor's possession prior to Contractor's first receipt thereof directly or indirectly from Targa; (ii) is now or hereafter becomes generally available on a non-confidential basis to the public through no act or failure to act on Contractor's or any of Contractor's Representative's part; (iii) was heretofore or hereafter furnished to Contractor on a non-confidential basis by a source other than Targa (directly or indirectly), provided that, to Contractor's knowledge, after due inquiry, such source is not subject to any obligation prohibiting the source from disclosing such information to Contractor; or (iv) is required by Applicable Law to be publicly disclosed by Contractor; provided, however, that Contractor timely notifies Targa of any such requirement in order to provide Targa a reasonable opportunity to seek an appropriate protective order, and, in the event such protective order or other remedy is not obtained, Contractor agrees to furnish only that portion of the Confidential Information that Contractor is legally required to furnish.
- C. Return of Confidential Information. Contractor shall, upon Targa's request, return all Confidential Information to Targa within thirty (30) days following receipt of Targa's request or certify in writing by an officer or authorized agent of Contractor that the Confidential Information has been destroyed.
- D. Equitable Relief. Contractor acknowledges that disclosure of any Confidential Information by it or Contractor's Representatives will give rise to irreparable injury to Targa, and such persons or entities will not be adequately compensated by damages. Accordingly, Targa may seek and obtain injunctive relief against the breach or threatened breach of the undertakings in this Article, in addition to any other legal remedies which may be available, without the requirement of posting bond.

A.16. INTELLECTUAL PROPERTY; CLAIMS FOR INFRINGEMENT

- A. Work Product. Targa and Contractor acknowledge that during the course of, and as a result of, the performance of the Services, Contractor or its Subcontractors will create written materials, plans, drawings, specifications, reports, studies, computer files, or other tangible manifestations of Contractor's efforts under the Agreement, including architectural work, as that term is defined in the Architectural Works Copyright Protection Act of 1990 ("Work Product"). Work Product prepared by Contractor or its Subcontractors pursuant to the Agreement shall be "works for hire," and all rights, title and interest to the Work Product, including any and all copyrights in the Work Product, shall be owned by Targa irrespective of any copyright notices or confidentiality legends to the contrary which may have been placed in or on such Work Product by Contractor or others. If, for any reason, any part of or all of the Work Product is not considered work for hire for Targa or if ownership of all right, title and interest in the Work Product shall not otherwise vest in Targa, then Contractor agrees that such ownership and copyrights in the Work Product, whether or not such Work Product is fully or partially complete, shall be automatically assigned from Contractor to Targa (including all moral rights), without further consideration, and Targa shall thereafter own all right, title and interest in the Work Product, including all copyright interests.
- B. Contractor's Use and Return of Work Product. All Work Product, including all copies thereof, shall be returned to Targa upon the termination or expiration of the Agreement. The Work Product and copies thereof are not to be used by Contractor or its Subcontractors for any purpose other than the performance of the Services.
- C. Infringement Claims. Contractor warrants that the Services and Work Product will not infringe on any copyright, patent, trade secret or other proprietary interest of any third party. **CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES AGAINST ALL CLAIMS FOR ANY COPYRIGHT, PATENT OR OTHER PROPRIETARY RIGHT INFRINGEMENT OR MISAPPROPRIATION OF A TRADE SECRET, ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE SERVICES OR WORK PRODUCT DELIVERED BY CONTRACTOR UNDER THE AGREEMENT, AND CONTRACTOR SHALL REIMBURSE THE TARGA INDEMNIFIED PARTIES FULLY FOR ANY ROYALTIES, DAMAGES OR OTHER PAYMENTS THAT A TARGA INDEMNIFIED PARTY SHALL BE OBLIGATED TO PAY.** In the event Targa's use of any Services is interrupted as a result of such a claim, then Contractor shall, at its sole cost and expense and Targa's option, either (i) procure for Targa the right to continue using the infringing Services as though it were non-infringing, or (ii) replace or modify the infringing portion of the Services to make such Services non-infringing without materially impairing their usefulness or performance.

A.17. TAXES

- A. General. Unless otherwise expressly set forth in the Purchase Order, Contractor shall be fully responsible for all state and federal income taxes, pension benefits, social security taxes, employment, disability and other customary insurance and for any other taxes (except sales, use, excise and gross receipts taxes addressed below) or payments which may be due and owing by Contractor or which are the result of fees or amounts paid by Targa to Contractor under the Agreement. **CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM ANY CLAIMS RESULTING FROM CONTRACTOR'S FAILURE TO PAY ANY TAXES THAT ARE CONTRACTOR'S RESPONSIBILITY UNDER THIS SECTION.**

- B. Local sales, use, excise and gross receipts taxes. WITH RESPECT TO STATE AND LOCAL SALES, USE, EXCISE AND GROSS RECEIPTS TAXES, CONTRACTOR IS RESPONSIBLE FOR ALL TAXES STATUTORILY IMPOSED ON CONTRACTOR AND SHALL INCLUDE SUCH TAXES IN ITS PRICES AND RATES. TARGA IS RESPONSIBLE FOR STATE AND LOCAL SALES, USE, EXCISE AND GROSS RECEIPTS TAXES STATUTORILY IMPOSED ON THE CONSUMER, AND AS SUCH, CONTRACTOR'S PRICES AND RATES SHALL NOT INCLUDE THESE TAXES, BUT RATHER CONTRACTOR SHALL INVOICE THESE TAXES AS A SEPARATE ITEM UNLESS TARGA PRESENTS EVIDENCE OF EXEMPTION FROM THE APPLICABLE TAX. BOTH CONTRACTOR AND TARGA AGREE TO PROVIDE THE OTHER WITH THE NECESSARY INFORMATION TO DETERMINE THE TAXABILITY OF THE CHARGES INCURRED PURSUANT TO THE AGREEMENT, WHICH MAY INCLUDE, BUT IS NOT LIMITED TO, PROVIDING SUPPORT FOR THE BREAKOUT OF MATERIALS FROM LABOR WHEN REQUESTED.

A.18. CHANGES

Targa may, from time to time, order changes in the Services consisting of deletions or modifications, with the Lump Sum, Not-To-Exceed Value or completion date(s), as applicable, being adjusted accordingly. Such changes in the Services shall be authorized in writing using a Change Order. The value of Services to be deleted or modified shall be determined by agreement between the Parties and set forth in the Change Order. A Change Order executed pursuant to this Section or accepted upon commencement of the Services therein, whichever occurs first, shall constitute a full and final settlement and accord and satisfaction of all effects of the change as described in the Change Order and shall be deemed to compensate Contractor fully for the change. All Change Orders shall become a valid and binding part of the Purchase Order. All Change Orders shall be subject to and be in accordance with the terms and conditions of the Agreement.

A.19. GOVERNING LAW, JURISDICTION AND VENUE

The Agreement shall be governed and construed in accordance with the laws of the State of Texas, without regard to its conflicts of law principles. Application of the United Nations Convention on Contracts for the International Sale of Goods is hereby excluded. The Parties consent to personal jurisdiction in any action brought in any court, federal or state, within Harris County, Texas, having subject matter jurisdiction arising under the Agreement and with respect to any such claim the Parties irrevocably waive, to the fullest extent permitted by Applicable Law, any claim, or any objection they may now or hereafter have, that venue is not proper. **EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL CLAIMS OR RIGHTS THAT SUCH PARTY MAY HAVE TO ANY TRIAL BY JURY ON ANY ISSUE ARISING OUT OF ANY LITIGATION OR DISPUTES OR CLAIMS UNDER THE AGREEMENT OR ANY PURCHASE ORDER, SUCH PARTY INTENDING TO WAIVE AND FOREVER RELINQUISH ANY RIGHT UNDER APPLICABLE LAW PROVIDING FOR A RIGHT OF TRIAL BY JURY.**

A.20. COMPLIANCE WITH APPLICABLE LAW

- A. General. Contractor represents and warrants that it shall fully comply and shall cause its Subcontractors to fully comply with all Applicable Laws, including:
- i. Laws pertaining to the employment of Contractor's employees including payment of all federal, state and local taxes or contributions and making all required withholdings;
 - ii. Laws relating to the training, health and safety of Contractor's employees including all regulations and standards promulgated under the Occupational Safety and Health Act of 1970, as amended;
 - iii. Laws relating to the protection of the environment including those related to the transportation, use or disposal of Hazardous Substances or waste;
 - iv. Laws relating to compliance with U.S. Department of Labor requirements relative to required treatment of and notices to employees of Contractor and its Subcontractors;
 - v. Laws relating to the collection and remittance of sales, use, excise and gross receipts taxes; and
 - vi. Laws relating to the packaging, marking, handling and transportation of Materials.
- B. Immigration Reform and Control Act. Contractor certifies, represents and warrants that none of its employees, or employees of its Subcontractors who perform Services under the Agreement are unauthorized aliens as defined in the Immigration Reform and Control Act of 1986 ("IRCA"). Contractor further agrees to obtain a similar certification from its Subcontractors performing Services.
- C. Incorporation of Applicable Law. Contractor certifies, represents and warrants that it is an equal opportunity employer and to the extent required by Applicable Law, shall comply with, and require its Subcontractors to comply with, the following: 42 U.S.C. § 7414 (Clean Air Act); 33 U.S.C. §1318 (Clean Water Act); 15 U.S.C § 637(d)(2) and (3) (Utilization of Small and Disadvantaged Business Concerns); 41 C.F.R. § 60 - 1.8 (Certification of Non-Segregated Facilities); 48 C.F.R. § 52.203-6 (Subcontractor Sales to Government); 48 C.F.R. §§ 22.804-1 and 52.222-26 and 41 C.F.R. § 60-1.4 (Equal Opportunity) (E.O. 11246); 48 C.F.R. §§ 52.222-35 and 52.222-37 and 41 C.F.R. § 60-250.4 (Disabled and Vietnam Era Veterans); 48 C.F.R. § 52.222-36 and 41 C.F.R. § 60-741.4 (Handicapped Workers); and all other sections contained in 41 C.F.R. Chapter 60, and 29 CFR Part 470. To the extent required by Applicable Law, the foregoing executive orders, statutes, rules and regulations are incorporated herein by reference as if set forth in full. Contractor also agrees (i) that no portion of the Services required by the Agreement will be performed in a facility listed on the U.S. Environmental Protection Agency ("EPA") List of Violating Facilities as of the effective date of the Purchase Order unless and until the EPA eliminates the name of such facility or facilities from such listing and (ii) to insert the substance of this Section A.20.C into any nonexempt subcontract or purchase order as required by Applicable Law.

- D. **INDEMNIFICATION.** IN ADDITION TO ANY OTHER OBLIGATIONS UNDER THE AGREEMENT, CONTRACTOR SHALL, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO CONTRACTOR'S BREACH OF ANY REPRESENTATION, WARRANTY, CERTIFICATION OR OBLIGATION PROVIDED FOR IN SECTIONS A.20 OR A.21.

A.21. CONFLICTS OF INTEREST AND PROHIBITED PAYMENTS

Contractor represents that no unrecited consideration, kickbacks, fees, payments or things of value above what is ordinarily encountered in usual and customary business practices and what is permitted by any Applicable Law, including applicable anti-kickback law, were given to or requested by any Targa employee, Contractor employee, Subcontractor or government official as an inducement to enter into or continue the Agreement or any subcontract. If Contractor has actual knowledge of any such request, demand or occurrence or has reasonable grounds to believe any such request, demand or occurrence has occurred, Contractor further agrees to immediately report any such incident to: (i) Office of General Counsel, Targa Resources LLC, 811 Louisiana St, Suite 2100, Houston, Texas 77002-1400; Telephone (713)584-1000; Facsimile (713) 584-1110, and (ii) if required by Applicable Law, the appropriate government agency.

A.22. RELATIONSHIP OF THE PARTIES

Nothing contained in the Agreement shall be construed to constitute Contractor as a partner, employee or agent of Targa, nor shall either Party have the authority to bind the other in any respect, it being intended that each shall remain responsible for its own actions. Contractor is retained only for the purposes and to the extent set forth in the Agreement and Contractor's relationship to Targa shall be that of an independent contractor. Contractor's and Subcontractor's employees, agents and representatives shall not be considered under the provisions of the Agreement, or otherwise, as having a status as an employee of Targa nor shall they be entitled to participate in any plans, arrangements, or distributions by Targa relating to any pension, deferred compensation, bonus, hospitalization, insurance or other benefits extended by Targa to its employees. **TO THE EXTENT PERMITTED BY LAW, CONTRACTOR SHALL FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF, RESULTING FROM, BASED ON, OR RELATED TO THE EMPLOYMENT RELATIONSHIPS OF ANY PERSON WITH ANY OF THE CONTRACTOR INDEMNIFIED PARTIES OR ANY SUBCONTRACTOR, OR THE JOINT EMPLOYMENT OR CO-EMPLOYMENT RELATIONSHIPS THAT ARE ALLEGED OR FOUND TO EXIST BETWEEN ANY EMPLOYEES OF THE CONTRACTOR INDEMNIFIED PARTIES OR ANY SUBCONTRACTOR, AND ANY OF THE TARGA INDEMNIFIED PARTIES BY VIRTUE OF THE SERVICE PERFORMED BY SUCH EMPLOYEE PURSUANT TO THIS AGREEMENT.**

A.23. MISCELLANEOUS

- A. **Assignment.** Contractor shall not assign the Agreement or any of Contractor's rights or obligations under the Agreement without the prior written approval of Targa and any attempt to make such an assignment shall be void. Subject to the foregoing, the Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.
- B. **Survival.** Sections 6, A.3.B, A.4, A.6, A.7, A.8, A.9, A.10, A.11, A.12, A.13, A.15, A.16, A.17, A.19, A.20, A.21, A.22 and this Section A.23 of these Purchase Order Terms and Conditions, shall survive termination or expiration of the Agreement and any part thereof, in addition to any provisions which by their nature should, or by their express terms do, survive or extend beyond termination or expiration of the Agreement.
- C. **No Waiver.** No waiver by either Party of the performance of any provision, condition or requirement of the Agreement shall be deemed to be a waiver of, or in any manner release the other Party from, performance of any other provision, condition or requirement of the Agreement; nor shall it be deemed to be a waiver of, or in any manner release the other Party from future performance of the same provision, condition, or requirement; nor shall any delay or omission of a Party in exercising any right hereunder in any manner impair the exercise of any such right or any like right accruing to it thereafter. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.
- D. **Severability.** If any provision of the Agreement is held to be illegal, invalid, or unenforceable and such invalidity or unenforceability does not have a material and substantial negative impact on the rights, duties and obligations of either Party hereto (i) such provision will be fully severable, (ii) the Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of the Agreement, and (iii) the remaining provisions of the Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from the Agreement.
- E. **No Publicity.** Contractor shall not reveal any information concerning details of the Agreement to the press or a news-disseminating agency or use the details of the Agreement within any advertising, promotional material, publicity or other printed material without Targa's prior written approval in each instance. In addition, Contractor may not take photographs of the Services or the Site without Targa's prior written approval.
- F. **Construction.** Article and Section headings and numbers are provided for convenience only, and shall not affect the construction or interpretation of the Agreement. References to "days" or a "day" shall mean a calendar day, unless otherwise stated. The term "include," "includes" and "including" means "including, without limitation," or variant thereof.
- G. **Notices.** Any Notice provided for in the Agreement shall be duly given if delivered by (i) hand, (ii) registered or certified mail, return receipt requested, postage pre-paid, or (iii) facsimile. The Parties may change their respective addresses for receipt of notices upon reasonable advance notice to the other. Any Notice given by hand delivery or registered mail shall be deemed given at the time of delivery and facsimile transmission shall be deemed to be given at the time transmission has been confirmed; provided, however, that when the time of transmission falls outside the normal business hours of the recipient, delivery shall be deemed to be given at 0900 hours (recipient's local time) on the next business day at the location of receipt.

EXHIBIT B - PURCHASE ORDER TERMS AND CONDITIONS

INSURANCE REQUIREMENTS

- A. All insurance policies procured and maintained by Contractor must be written with insurance companies licensed to do business in the state where the Services will be performed, and carry a rating of A- VII or better as shown in the most current issue of A.M. Best's Key Rating Guide, under forms of policies satisfactory to Targa, in the type and amounts as set forth below:
- i. Worker's Compensation Insurance, including Alternate Employer endorsement occupational disease coverage, in accordance with the benefits afforded by the statutory worker's compensation acts applicable to the state, territory or district of hire, supervision or place of accident and including, when applicable, full coverage for maritime obligations, the United States Longshoremen's and Harbor Worker's Compensation Act, Outer Continental Shelf Lands Act, the Jones Act, and Death on the High Seas Act. (Sole proprietorships with no employees falling within the jurisdiction of any statutory worker's compensation act must so certify to Targa in writing.)
 - ii. Employer's Liability Insurance with minimum limits of: bodily injury by accident, \$1,000,000 each accident; bodily injury by disease, \$1,000,000 policy limit; bodily injury by disease, \$1,000,000 each employee. With respect to offshore work or other work pertaining to maritime exposures, the Jones Act, or Death on the High Seas Act, a maritime coverage employer's liability endorsement with minimum limits of: bodily injury by accident, \$1,000,000 each accident; bodily injury by disease, \$1,000,000 aggregate.
 - iii. Commercial General Liability Insurance with a single limit of liability for bodily injury or property damage of \$1,000,000 each occurrence, \$1,000,000 personal and advertising injury, \$2,000,000 general aggregate, and \$2,000,000 products and completed operations aggregate, on ISO Coverage Form CG 00 01 (or equivalent), such coverage to include products/completed operations liability, premises/operations, independent contractors, broad form bodily injury and property damage, personal injury, in rem (if applicable), explosion, collapse and underground damage liability (xcu), and sudden and accidental pollution liability with respect to Contractor and its Subcontractors. The Employer's Liability exclusion shall not apply to Targa as an Additional Insured.
 - iv. Business Automobile Liability Insurance covering all owned, non-owned (including Targa vehicles), leased, rented, and hired motor vehicles, including coverage for loading and unloading, used in the performance of the Agreement, with limits of not less than \$1,000,000 combined single limit.
 - v. Unless otherwise specified in the Purchase Order, Excess Liability Insurance with limits of not less than \$2,000,000 per occurrence and in the aggregate providing additional limits of insurance to the coverage described in subsections ii, iii, and iv above.
 - vi. If the Services require the use of aircraft by Contractor, Aircraft Liability Insurance covering all owned, non-owned, or hired aircraft used in connection with the performance of the Agreement, as well as Guest Voluntary Settlement, and passengers and crew, shall be procured, with policy limits of not less than:
 - \$50,000,000 per occurrence for services providing fixed wing transportation of Targa executives;
 - \$20,000,000 per occurrence for offshore rotorcraft operations;
 - \$5,000,000 per occurrence for activities by fixed wing aircraft providing services such as: pipeline inspections, coal pile inventory inspections and aerial photography; and
 - \$5,000,000 per occurrence for all other services not listed above.
 - vii. If Contractor uses marine craft in performing Services hereunder:
 - **Hull & Machinery Insurance:** Hull and Machinery insurance to the full market value of each vessel and its equipment.
 - **Collision and Tower's Liability Insurance:** Collision and Tower's Liability insurance on each vessel with a limit of not less than the full market value of such vessel. Such insurance may be placed through Hull and Machinery Insurance, P&I insurance, or other commercial insurance, or any combination of the foregoing.
 - **Protection & Indemnity (P&I) Insurance:** P&I Insurance with a limit of not less than five million dollars (\$5,000,000) per occurrence. Such insurance shall include coverage for: injury to or death of master, mates and crew; tower's liability; excess collision liability; cargo legal liability; pollution liability, and contractual liability. Said P&I Insurance shall not include any "As Owner" clauses or any other language that purports to limit coverage to the liability of an insured "as Owner of the Vessel" or that limits coverage based on any statute providing for limitation of liability. Contractor may cover its obligation for loss of life or bodily injury to the crew of the vessel by extension of the Workers' Compensation Insurance under A.i above. If there is cargo on the marine vessel, Cargo Marine Insurance coverage covering the value of the cargo.
 - **Cargo Insurance:** If there is cargo on the marine vessel(s), All Risks Cargo Marine Insurance coverage covering the full value of the cargo.

- **Hull and Machinery (H&M) and Protection & Indemnity (P&I) War Risk Insurance:** H&M and P&I War Risk Insurance on each vessel provided for the use in the performance of this Agreement with a limit of not less than the full market value of each such vessel.
 - **Ship Repairer's Legal Liability Insurance** (if applicable): Ship Repairer's Liability Insurance under the American Institute Ship Repairer's Liability Clauses (November 3,1977) with a combined bodily injury and property damage limit of not less than \$1,000,000 each occurrence and shall include: P&I and Collision/Tower's Liability during sea trials or otherwise, while vessel is in the water; strikes, riots and civil commotion; Pollution Liability; and removal of wreck coverage.
- viii. If Contractor will be providing any kind of professional, engineering or design services, Professional Liability Insurance with limits of not less than \$1,000,000 per act, error or omission.
- ix. Targa also reserves the right, in its discretion, to require higher limits with respect to Services having a greater risk exposure. If so, such higher limits shall be set forth in the Purchase Order.

B. THE INSURANCE REQUIREMENTS SET FORTH IN THIS EXHIBIT "B" SHALL IN NO WAY LIMIT CONTRACTOR'S LIABILITY OR RESPONSIBILITY UNDER THE AGREEMENT NOR SHALL THEY BE CONSTRUED TO BE THE ULTIMATE TYPES AND AMOUNTS OF INSURANCE CONTRACTOR SHOULD MAINTAIN TO ADEQUATELY INSURE ITSELF.

- C. It is further expressly agreed by Contractor that any and all premiums and deductibles and/or any other charges due with respect to such policies of insurance shall be assumed by and for the account of Contractor. Contractor shall carry deductibles acceptable to Targa. In the event Contractor has a self-insured retention or is a self-insurer for any one or more of the risks to which coverage is herein required, Contractor shall provide Targa with written evidence of such self-insurance for Targa's review and acceptance which shall be given by written consent by an authorized representative of Targa. Furthermore, if the Contractor, or any of its Subcontractors, self-insures a risk as set forth in this Section, the Contractor or Subcontractor waives any claim for damage or loss as to that risk in favor of the indemnitees.

Documents evidencing self-insurance, including and not limited to company financial information, must be provided prior to consent being given by Targa to accept self-insurance in lieu of insurance, and Contractor expressly understands and acknowledges that any such self-insurance does not contemplate the revocation of any State Workers' Compensation Act and does not relieve the Contractor or any Subcontractor of their statutory obligations under such Act. Similarly, acceptance of self-insurance by Targa, as referenced above, does not invalidate any other obligations or responsibilities under this Agreement, it being expressly understood by both Parties that any such accepted self-insurance shall serve only as a substitution for the specifically identified insurance requirement in this Agreement. Any self-insured retention attached to the required Commercial General Liability policy required herein shall be specifically amended to expressly allow payments by the Additional Insured to satisfy the named Insured's self-insured retention amount.

- D. All such policies of insurance (with the exception of Workers' Compensation, Employer's Liability, and if required to be provided, Professional Liability Insurance) shall name the Targa Indemnified Parties as an Additional Insured on such policies with Additional Insured Endorsement (CG 2010 0704 and CG 2037 0704 or equivalent) such that the Additional Insured protection provides coverage for both Ongoing Operations and Products/Completed Operations, and shall provide for contractual liability covering the obligations assumed by Contractor herein. Further, all of the above insurance policies shall contain provisions that no cancellation or material change shall become effective except on thirty (30) days prior written notice to Targa (ten (10) days for non-payment of premiums). The certificate of insurance issued by Contractor shall include a copy of the following specific endorsements in favor of Targa: Additional Insured, Waiver of Rights of Subrogation, and Notice of Cancellation. Renewal certificates shall be delivered to Targa within ten (10) days of policy expiration. Contractor's insurance policies shall not contain exclusions for claims arising out of the negligence of the Targa Indemnified Parties as an Additional Insured. Receipt of any certificate of insurance by Targa that does not meet the requirements set forth herein does not constitute a waiver of such requirements or acceptance of non-conforming certificates.
- E. All policies of insurance referred to herein must be written on an "Occurrence" Basis and (except for Workers' Compensation and Employer's Liability) maintain an endorsement to be Primary and Non-Contributory to any other insurance policies carried by Targa with respect to Contractor's operations. In the event a 'Claims-Made' coverage form is used, Contractor shall ensure that a minimum three-year extended reporting period is obtained from the end of the services performed. Contractor shall provide to Targa a certified copy of any and all applicable insurance policies within ten (10) business days upon request by Targa. Targa must be notified immediately upon knowledge of possible damage claims that might cause a reduction below seventy-five percent (75%) of any aggregate limit of any policy.
- F. Except where prohibited by Applicable Law, all policies of insurance pertaining to the Agreement which are procured, held or maintained by Contractor and each of its Subcontractors, whether required by the Agreement or not, shall be endorsed to provide that the underwriters or insurers waive any and all rights of subrogation against the Targa Indemnified Parties.
- G. Prior to Services commencing under the Purchase Order, Contractor shall provide to Targa certificates of insurance for itself and each of its Subcontractors on standard ACORD form signed by an authorized representative evidencing the coverages, limits, deductibles, self-insured retentions (as approved by Targa), endorsements and extensions required herein for Targa and each entity required to be named as an Additional Insured. Notwithstanding Contractor's obligation to provide, and Targa's right to receive, proof of insurance in compliance with this Exhibit "B", any failure of Targa to require, or to insist that Contractor comply with its obligations to provide, proof of insurance prior to the commencement of any Services, or at any other time, shall not operate as a waiver of Contractor's obligations to provide insurance.
- H. Targa may also require that Contractor provide a payment and/or performance bond with respect to certain Services based on Targa's review of Contractor's financial strength. If so, such requirements shall be set forth in the Purchase Order.

EXHIBIT C –PURCHASE ORDER TERMS AND CONDITIONS

SPECIAL PROVISIONS

Services Performed in Louisiana:

A. For Services performed under the Purchase Order for the benefit of Facilities located in Louisiana, **TARGA AND CONTRACTOR AGREE THAT THE LOUISIANA OILFIELD ANTI-INDEMNITY ACT, LA. REV. STAT. § 9:2780, ET. SEQ., IS INAPPLICABLE TO THE AGREEMENT AND THE PERFORMANCE OF THE SERVICES. APPLICATION OF THESE CODE SECTIONS TO THE AGREEMENT WOULD BE CONTRARY TO THE INTENT OF THE PARTIES, AND EACH PARTY HEREBY IRREVOCABLY WAIVES ANY CONTENTION THAT THESE CODE SECTIONS ARE APPLICABLE TO THE AGREEMENT OR THE SERVICES. IN ADDITION, IT IS THE INTENT OF THE PARTIES IN THE EVENT THAT THE AFOREMENTIONED ACT WERE TO APPLY THAT EACH PARTY SHALL PROVIDE INSURANCE TO COVER THE LOSSES CONTEMPLATED BY SUCH CODE SECTIONS AND ASSUMED BY EACH SUCH PARTY UNDER THE INDEMNIFICATION PROVISIONS OF THE AGREEMENT, AND CONTRACTOR AGREES THAT THE COMPENSATION SET FORTH UNDER THE AGREEMENT (AS MAY BE ADJUSTED BY CHANGE ORDER IN ACCORDANCE WITH SECTION A.18) COMPENSATES CONTRACTOR FOR THE COST OF PREMIUMS FOR THE INSURANCE PROVIDED BY IT UNDER THE AGREEMENT. THE PARTIES AGREE THAT EACH PARTY'S AGREEMENT TO SUPPORT THEIR INDEMNIFICATION OBLIGATIONS BY INSURANCE SHALL IN NO RESPECT IMPAIR THEIR INDEMNIFICATION OBLIGATIONS.**

B. For Services which are subject to LA. REV. STAT. § 9:2780.1 and which are performed under an applicable Purchase Order for the benefit of Facilities located in Louisiana, Targa and Contractor agree that Sections A.9.A, A.9.B, A.9.C, A.9.D and A.9.E shall not apply and shall be replaced by the following:

CONTRACTOR SHALL FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO PERSONAL INJURY, ILLNESS OR DEATH OR LOSS OF OR DAMAGE TO PROPERTY ARISING OUT OF OR RELATED TO THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT OR THE SERVICES, TO THE EXTENT CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR. CONTRACTOR'S LIABILITY HEREUNDER SHALL APPLY REGARDLESS OF WHETHER ANY TARGA INDEMNIFIED PARTY WAS CONCURRENTLY NEGLIGENT (WHETHER ACTIVELY OR PASSIVELY), IT BEING AGREED BY THE PARTIES THAT IN THIS EVENT, THE PARTIES' RESPECTIVE LIABILITY OR RESPONSIBILITY FOR SUCH CLAIMS UNDER THIS SECTION SHALL BE DETERMINED IN ACCORDANCE WITH THE PRINCIPLES OF COMPARATIVE NEGLIGENCE.

C. In all cases where Contractor's employees (defined to include direct, borrowed, special, or statutory employees of Contractor and its Subcontractors) are performing Services in or offshore the state of Louisiana or are otherwise covered by the Louisiana Workers' Compensation Act, La. Rev. Stat. § 23:1021, et. seq., Targa and Contractor agree that the Services performed by Contractor, its Subcontractors, and Contractor's and its Subcontractor's employees pursuant to the Agreement are an integral part of and are essential to the ability of Targa to generate Targa's goods, products and services for the purpose of La. Rev. Stat. § 23:1061(a)(1). Furthermore, Targa and Contractor agree that Targa is the statutory employer of Contractor's and its Subcontractors' employees solely for purposes of La. Rev. Stat. § 23:1061(a)(3) for the applicable Services, and that Targa shall be entitled to the protections afforded a statutory employer under Louisiana law. Regardless of Targa's status as the statutory or special employer (as defined in La. Rev. Stat. § 23:1031(c)) of the employees of Contractor or its Subcontractors, and regardless of any other relationship or alleged relationship between such employees and Targa, Contractor shall be and remain at all times primarily responsible for the payment of all worker's compensation and medical benefits to Contractor and its Subcontractors, and neither Contractor, its Subcontractors, nor their respective insurers or underwriters shall be entitled to seek contribution or indemnity for any such payments from Targa or any Targa Indemnified Party. **NOTWITHSTANDING THE FOREGOING, UNDER NO CIRCUMSTANCES SHALL THIS SECTION BE INTERPRETED TO RELIEVE CONTRACTOR FROM ITS FULL RESPONSIBILITY AND LIABILITY TO TARGA UNDER THE AGREEMENT FOR THE EMPLOYEES OF CONTRACTOR OR ITS SUBCONTRACTORS (WHETHER OR NOT SUCH EMPLOYEES ARE A STATUTORY, SPECIAL OR BORROWED EMPLOYEE, OR OTHERWISE), INCLUDING CONTRACTOR'S OBLIGATIONS TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST INJURY OR DEATH TO SUCH EMPLOYEES OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF SUCH EMPLOYEES, AS PROVIDED IN SECTIONS A.9.A AND A.9.B.**

D. Notwithstanding Section A.19, with respect to Services performed under the Purchase Order (i) which would cause such Purchase Order and the Agreement to be considered a construction contract, subcontract or purchase order for a public or private works project, and (ii) when one of the Parties is domiciled in the State of Louisiana, and (iii) the Services to be performed under Purchase Order involve construction projects within the State of Louisiana, the Purchase Order and the Agreement shall be governed by the laws of the State of Louisiana and any suits or proceedings arising out of, relating to or in connection with the Purchase Order shall be brought in any court, federal or state, within the State of Louisiana.

Services Performed in New Mexico:

A. To the extent that this Agreement, in conjunction with any applicable Purchase Order, is (i) a "construction contract" (as defined in N.M. STAT. ANN. § 56-7-1E (Michie 2006)) and (ii) for Services to be performed in the State of New Mexico, the following shall apply to this Agreement and such applicable Purchase Order:

i. The indemnification obligations in Sections A.9.A, A.9.B, A.9.C, A.9.D and A.9.E shall not apply and, in lieu of such indemnification obligations, but in addition to the other indemnification obligations contained elsewhere in the Agreement, CONTRACTOR SHALL FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ANY

AND ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO PERSONAL INJURY, ILLNESS OR DEATH OR LOSS OF OR DAMAGE TO PROPERTY ARISING OUT OF OR RELATED TO THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT OR THE SERVICES, TO THE EXTENT CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR. CONTRACTOR'S LIABILITY HEREUNDER SHALL APPLY REGARDLESS OF WHETHER ANY TARGA INDEMNIFIED PARTY WAS CONCURRENTLY NEGLIGENT (WHETHER ACTIVELY OR PASSIVELY), IT BEING AGREED BY THE PARTIES THAT IN THIS EVENT, THE PARTIES' RESPECTIVE LIABILITY OR RESPONSIBILITY FOR SUCH CLAIMS UNDER THIS SECTION SHALL BE DETERMINED IN ACCORDANCE WITH THE PRINCIPLES OF COMPARATIVE NEGLIGENCE.

- ii. The sentence immediately preceding the last sentence of Section D of Exhibit "C" shall be deleted and the first sentence of such Section D shall be replaced with, "All policies of insurance (with the exception of Workers' Compensation, Employer's Liability, and if required to be provided, Professional Liability Insurance) shall, to the extent of Contractor's contractual indemnification obligations under the Agreement, name the Targa Indemnified Parties as an Additional Insured with Additional Insured Endorsement (CG 2010 0704 or equivalent)."
- B. To the extent that this Agreement, in conjunction with any applicable Purchase Order, is (i) a contract for "construction" (as defined in N.M. STAT. ANN. § 57-28-2A (Michie 2006)) and (ii) for Services to be performed in the State of New Mexico, the following shall apply to this Agreement and such applicable Purchase Order:
- Notwithstanding the payment terms, if any, listed in the applicable Purchase Order or as otherwise stated in Section 3.B of this Agreement, Targa shall make payment to Contractor of undisputed invoiced amounts within twenty-one (21) days of Targa's receipt of an undisputed request for payment. If Targa receives an improperly completed invoice, Targa shall notify Contractor thereof, along with the nature of the incompleteness, within seven (7) days of Targa's receipt of such incomplete invoice. Within ten (10) days of final completion of the Services under the applicable Purchase Order, and upon otherwise fulfilling the requirements under this Agreement and N.M. STAT. ANN. § 57-28-8 (Michie 2006), Targa shall pay Contractor any remaining amounts due under such Purchase Order.
- C. To the extent Services are performed under the Agreement, pursuant to the Purchase Order, in the State of New Mexico, the Parties agree that the New Mexico Oilfield Anti-Indemnity Act, N.M. STAT. ANN § 56-7-2 (Michie 2006) is inapplicable to the Agreement and the performance of the Services. Application of this statute to the Agreement or the Purchase Order would be contrary to the intent of the Parties, and each Party hereby irrevocably waives any contention that this statute is applicable to the Agreement, the Purchase Order or the Services. If such statute is applied to the Agreement or the Purchase Order against the intent of the Parties (as stated herein), then the Parties' indemnification obligations and insurance coverage under the Agreement shall apply to the fullest extent permitted by N.M. STAT. ANN. § 56-7-2.

Services Performed in Florida:

- A. To the extent Services are performed under the Agreement, pursuant to the Purchase Order, in the State of Florida and such Services include the improvement of any real property or recommencing completion of any improvement of real property after default or abandonment, Contractor shall prepare, post, file and maintain a notice of commencement in accordance with FLA. STAT. ch. 713.13 (2006).
- B. To the extent that the Agreement, pursuant to the Purchase Order, is subject to FLA. STAT. ch. 713.13, the following shall apply to the Agreement:
 - i. The indemnification obligations in Sections A.9.A, A.9.B, A.9.C, A.9.D and A.9.E shall not apply and, in lieu of such indemnification obligations, but in addition to the other indemnification obligations contained elsewhere in the Agreement and to the fullest extent permitted by Applicable Law, **CONTRACTOR SHALL FULLY INDEMNIFY, DEFEND AND HOLD HARMLESS THE TARGA INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RESULTING FROM OR RELATED TO PERSONAL INJURY, ILLNESS OR DEATH OR LOSS OF OR DAMAGE TO PROPERTY ARISING OUT OF OR RELATED TO THE PERFORMANCE OR NONPERFORMANCE OF THE AGREEMENT OR THE SERVICES, TO THE EXTENT CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY CONTRACTOR INDEMNIFIED PARTY, ANY SUBCONTRACTOR OR ANY EMPLOYEE, OFFICER, DIRECTOR OR AGENT OF ANY SUBCONTRACTOR. CONTRACTOR'S LIABILITY HEREUNDER SHALL APPLY REGARDLESS OF WHETHER ANY TARGA INDEMNIFIED PARTY WAS CONCURRENTLY NEGLIGENT (WHETHER ACTIVELY OR PASSIVELY), IT BEING AGREED BY THE PARTIES THAT IN THIS EVENT, THE PARTIES' RESPECTIVE LIABILITY OR RESPONSIBILITY FOR SUCH CLAIMS UNDER THIS SECTION SHALL BE DETERMINED IN ACCORDANCE WITH THE PRINCIPLES OF COMPARATIVE NEGLIGENCE.**
- C. Notwithstanding Section A.19, with respect to any Services performed under the Purchase Order which are for an improvement to real property within the State of Florida, any suits or proceedings arising out of, relating to or in connection with the Purchase Order, which involve a Contractor or Subcontractor that is a resident of Florida, shall be brought in a court, federal or state, within the State of Florida.
- D. To the extent Services are performed under this Agreement or any applicable Purchase Order in the State of Florida, Targa shall provide the applicable Contractor and Subcontractor lien waivers for submission by Contractor with its invoices to Targa.