PLAINTIFF'S EXHIBIT
USG-1506

0-2073-A (2/86) Contract No. 824-C-053

AGREEMENT

BY AND BETWEEN

Home Insulation Company and
USG Corporation for certain
work at US Gypsum Company Plant, Plasterco, VA

April 28, 1987
(Date)

0820V

USG 168

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AGREEMENT

This Agreement made this 28th day of April, 1987 by and between Home Insulation Company (hereinafter called CONTRACTOR) and USG Corporation (hereinafter called OWNER).

Witnesseth:

1. Description of Work. CONTRACTOR agrees to perform the following work for and upon the premises of OWNER at US Gypsum Company Plant, Plasterco, VA. which work is described as follows:

Furnish all labor, supervision, materials, equipment, tools and supplies necessary to remove and dispose of:
1.) 600 SF of transite siding located on the North wall of the Board Building.
2.) 100 LF of pipe insulation containing crysotile asbestos fiber in the Mill Building area.

All work and materials mentioned in the specifications and not shown in the drawings or shown in the drawings and not mentioned in the specifications are included in the work and materials to be performed and furnished. Also any work and materials not specifically mentioned in the specifications and not shown in the drawings but necessary to complete the entire work in all its details as shown and intended are so included. All workmanship shall be first class and unless otherwise specified all materials and equipment incorporated in the work shall be new and the best of their respective kinds for the purpose.

2. Disposal Services and Disposal Facility. If CONTRACTOR will not be transporting the waste materials

specified in Paragraph 1 of this Agreement, CONTRACTOR agrees to arrange for the proper transportation of the waste materials and accepts responsibility for the transporter's actions under this Agreement. Whether performed by CONTRACTOR or by a person engaged by CONTRACTOR, disposal of the described waste materials shall be only in a manner permitted by law, shall be at the following facility (hereinafter "Disposal Facility"): Washington County Landfill, Permit # 406, Route 5, Box 295, Abingdon, VA (include full address and USEPA or state registration number). Copies of all federal, state and local disposal and transport permits, including but not limited to Disposal Facility permits, are attached and made a part hereof.

At the time the waste materials are placed in containers under the control of CONTRACTOR, or CONTRACTOR'S agents, then title, risk of loss and all other incidents of ownership to the waste materials shall be transferred from OWNER and vested in CONTRACTOR.

3. Documents. In connection with the services provided hereunder, CONTRACTOR shall prepare and execute all shipping documents and manifests required by all valid and applicable laws, rules and regulations and shall maintain all records for the terms and in the manner required by all valid and applicable laws, rules and regulations.

In addition, CONTRACTOR shall secure or create and maintain and furnish copies of the following documents to OWNER. Items a-c should be furnished before work is begun; items d-i should be furnished at the completion of work.

a. Names of CONTRACTOR employees involved in the removal of asbestos-containing materials.

b. Certification of the training received by each CONTRACTOR employee relating to the handling and removal of asbestos-containing materials.

c. Results of the most recent physical examination for each CONTRACTOR employee involved in the removal of asbestos-containing materials.

d. A schedule containing the description and amount of asbestos-containing materials actually removed from the premises.

e. A daily log of activities prepared by the CONTRACTOR.

f. A sign-in/sign-out log indicating the amount of time each CONTRACTOR employee was in the sealed work area.

g. Certification from the contractor that contractor employees were provided proper respirators and other personal protective equipment by the contractor.

h. Disposal documentation, including receipts, manifests and weight tickets.

i. The results of air sampling taken at the completion of work and subsequently by an independent laboratory or consultant. Individual test results should not exceed the current OSHA or other government standards set forth in 29 C.F.R. Section 1910.1001.

4. Work Schedule. Time is of the essence of this contract in each and every provision hereof and CONTRACTOR agrees to perform the work with diligence to furnish a sufficient number of skilled workmen and ample materials, supplies and equipment and, except for any extensions of time granted by OWNER's representative, to perform the work in compliance with the following work schedule:

> Work shall begin on May 11, 1987 and be complete no later than May 15, 1987 unless otherwise directed by the Owner's Representative.

Provided that an appropriate extension of time covering such part of the work as is affected shall be granted if CONTRACTOR shall be delayed at any time in the progress of the work by any act or omission of OWNER or any agent or employee of OWNER or by any separate contractor employed by OWNER or by changes ordered in the work. No extension of time shall be allowed, however, for any such act or omission unless CONTRACTOR shall give OWNER written notice of claim therefor within ten (10) days after the occurrence of such act or omission or for any such changes unless such extension shall be provided in OWNER'S written change order.

5. Responsibility for the Work. CONTRACTOR shall be responsible for the care and protection of all work and materials and upon completion of the contract and final acceptance shall deliver the work to OWNER complete and undamaged with said premises clean and in good order. CONTRACTOR assumes the risk of damage or loss and OWNER shall not be responsible until the final acceptance for any damage to or loss of any part of the work covered by this contract or to any materials, supplies or equipment used or to be used in or about the said work caused by fire, water, wind, theft, vandalism, malicious mischief, negligence, acts of Providence, or any other cause except errors in the Contract Documents or a wrongful act or omission by OWNER, its agents or employees.

6. Separate Contracts. OWNER may award other contracts in connection with the work and CONTRACTOR agrees to cooperate

fully with any other contractors and to coordinate his work with theirs so that all work shall be done in proper sequence and in accordance with the work schedule. CONTRACTOR shall not commit or permit any act or omission which will interfere with the performance of work by any other contractor.

7. Payment. OWNER agrees to pay CONTRACTOR for performance of the work and for all costs and expenses of CONTRACTOR in connection therewith (including all Federal, State and local taxes applicable to such work) the sum of

One Thousand Six Hundred and 00/100 Dollars. ($1600.00)

as follows: Eighty-five per cent (85%) of the value of the work completed and materials delivered at said premises in each calendar month will be paid on or before the fifteenth (15th) day of the succeeding month, provided proper applications for payment are presented to OWNER on or before the fifth (5th) day of such succeeding month, and the final fifteen per cent (15%) balance will be paid forty-five (45) days after completion of the work and final acceptance thereof by OWNER. No payment, partial or final, by OWNER shall be evidence of performance in whole or in part by CONTRACTOR or shall be regarded as acceptance of defective work or materials or relieve CONTRACTOR from liability under any guarantee.

8. Waiver of Lien and Contractor's Affidavit. With each application for either partial or final payment hereunder, CONTRACTOR shall furnish to OWNER a Waiver of Lien and a Contractor's Affidavit to the extent of such payment on OWNER's Form 2369. CONTRACTOR by express stipulation in each of its subcontracts shall require that with each application for either partial or final payment each of its Subcontractors shall furnish to CONTRACTOR a Waiver of Lien and a Contractor's Affidavit in form similar to OWNER'S Form 2369. Upon written request of OWNER, CONTRACTOR shall furnish to OWNER said Waivers of Lien and Contractor's Affidavits of its Subcontractors and upon like request shall obtain and furnish to OWNER Waivers of Lien from all other persons, furnishing any materials or performing any work in connection with Contractor's performance under this Contract.

9. Performance and Breach by Contractor. If CONTRACTOR fails to perform the work according to the work schedule or if at any time it shall appear to OWNER'S satisfaction CONTRACTOR will be unable or is unwilling to so perform, or if CONTRACTOR deviates from the provisions of this contract or the drawings, specifications, general conditions or instructions, or commits or permits any other breach of contract, OWNER, after four (4) days' written notice to CONTRACTOR, may provide, either

directly or by contract, such labor and materials as in its judgment are required to complete performance of the work in accordance with this contract or to correct and supply any errors or omissions in the work, and may charge the costs thereof, including taxes, insurance and overhead, to the account of CONTRACTOR. Said costs, together with any damages sustained by OWNER, may be deducted from any unpaid balance due or to become due under the contract and CONTRACTOR shall remain liable to pay any costs or damages not so deducted. If in the judgment of OWNER any failure or performance by CONTRACTOR shall be deemed material, OWNER at its election may by written notice to CONTRACTOR immediately terminate or rescind the contract and complete the work itself or contract the work to others. If OWNER shall provide labor and materials for the account of CONTRACTOR or shall terminate or rescind the contract as aforesaid, OWNER may take possession of and utilize in completing the work any materials, supplies, tools and equipment of CONTRACTOR as may then be on the job site.

10. Payment After Breach by Contractor. In the event OWNER shall provide labor and materials as aforesaid, no payment shall be made to CONTRACTOR until forty-five (45) days after acceptance of the work by OWNER, at which time the difference between the unpaid balance of the contract price and the sum of the costs charged to the account of CONTRACTOR as aforesaid and of any damages sustained by OWNER as a result of CONTRACTOR'S breach of contract, shall be paid by the party from whom it is due to the party in whose favor it is due.

11. Non-Waiver of Breach. Failure of OWNER to avail itself of any breach of this contract by CONTRACTOR shall not be deemed to be a waiver of any subsequent breach, whether or not of a like kind or nature.

12. Excuse of Performance. The performance of this Agreement, except for the payment of money for services already rendered, may be suspended by either party in the event performance by CONTRACTOR and/or its subcontractors is prevented by a cause or causes beyond the reasonable control of such party. Such causes shall include, but not be limited to, acts of God, acts of war, riot, fire, explosion, accident, flood, or sabotage; lack of adequate fuel, power, raw materials; governmental laws, regulations, requirements, orders or actions, breakage or failure of machinery or apparatus; national defense requirements; injunctions or restraining orders; labor trouble, strike, lockout, or injunction (provided that neither party shall be required to settle a labor dispute against its own best judgement).

13. Performance Bond. CONTRACTOR shall furnish to OWNER a bond in the amount of $ None guaranteeing the full and faithful performance by CONTRACTOR

of all terms and conditions of this contract and the payment of all obligations for labor, materials, supplies and equipment furnished in connection with the work thereunder, the form of such bond and surety thereon to be satisfactory to OWNER. Such bond shall be paid for by N/A.

14. Contractor's Duty to Replace. In addition to any performance guarantee or other guarantee of CONTRACTOR, CONTRACTOR agrees to correct or replace, free of charge or expense to OWNER, any defective labor, workmanship or materials performed or furnished under this contract. Such obligation of CONTRACTOR shall be binding for a period of one year after the work is completed and accepted by OWNER.

15. Contractor Warranties. CONTRACTOR warrants that: it understands the currently known hazards which are presented to persons, property, and the environment in the removal, transportation, storage and disposal of the described waste materials; it will remove, transport, store and dispose of such materials in full compliance with all federal, state, and local statutes, ordinances, regulations, rules, and orders; the Disposal Facility above described is now licensed and permitted to store and dispose of waste materials within the description of Paragraph 1; in the event the Disposal Facility loses its permitted status hereafter during the term of this Agreement, CONTRACTOR will promptly notify OWNER of such loss; and CONTRACTOR is engaged in the business of providing the services specified in Paragraph 2 of this Agreement and has developed the requisite expertise in the conduct of that business.

16. Indemnity. CONTRACTOR agrees to indemnify, defend, and save harmless OWNER from and against any and all suits, actions, claims, damages or costs (including attorney's fees) arising out of the infringement or alleged infringement of any patent by any product or apparatus furnished by CONTRACTOR or any subcontractor and incorporated in the work under this contract or by any product, apparatus, process or design used by CONTRACTOR or any subcontractor in the performance of the work. CONTRACTOR agrees to indemnify OWNER for any and all loss of or damage to the property of OWNER and to indemnify, defend and save harmless OWNER from and against any and all suits, actions, claims, damages or costs (including attorney's fees) arising out of loss of or damage to the property of any other person or persons whomsoever (including but without limitation all materials, supplies, equipment or other property of CONTRACTOR or any subcontractor or any separate contractor) or arising out of injury to or death of any person or persons whomsoever (including but not limited to CONTRACTOR, any subcontractor, any separate contractor or the employees or agents of any of them), or arising out of any contamination of or adverse effects upon the environment or any violation of federal, state, and/or local statutes,

ordinances, regulations, rules or orders, in the event that any such loss, damage, injury or death shall result directly or indirectly from any act or omission, or any breach of any statutory duty, or any breach or nonfulfillment of any provision of this agreement, on the part of CONTRACTOR or of any subcontractor or of the employees or agents of either of them occuring either in the performance of this contract or outside said performance but in, on or about the premises where the work is to be performed.

17. Insurance. CONTRACTOR shall carry insurance as specified below with an insurance carrier or carriers to be first approved by OWNER.

A. Worker's Compensation Insurance covering all employees in any way engaged in the performance of the contract, and Employer's Liability Insurance with statutory limits.

B. Public Liability Insurance with limits of not less than $100,000 per person and $300,000 per occurrence insuring all operations and activities (including automobile) of CONTRACTOR in connection with the performance of this contract naming OWNER as an additional insured.

C. Property Damage Insurance of not less than $50,000 per accident or occurrence (including automobile) insuring all operations and activities of CONTRACTOR in connection with the performance of this contract, naming OWNER as an additional insured.

D. Such other insurance, or the insurance above described, with such higher limits as may be provided in this contract under the description of work.

Before starting work, CONTRACTOR shall furnish to OWNER duly executed certificates stating that the required Insurance is in force with a 30 day cancellation notice provision.

18. Liens and Encumbrances. CONTRACTOR shall not suffer or permit any claim lien, attachment or other encumbrance to be put or remain upon said premises or other property of OWNER by CONTRACTOR or any third person whomsoever or any claim of the third person to be made against OWNER on account of any matter connected with the performance of this contract or any other contract between the parties, including without limitation the furnishing of material, supplies and equipment and the performance of labor or services. CONTRACTOR shall not use in the performance of this contract any materials (except such as are to be furnished by OWNER) to which he does not have absolute title. Any such claim, lien, attachment or

other encumbrance or any such claim of a third person shall preclude all right to any payment whatever under this contract until removed, and in the event the same is not removed OWNER may remove the same at the expense (including costs and attorney's fees) of CONTRACTOR and said expense may be deducted by OWNER from any sums due to CONTRACTOR from OWNER, and if the amount of payments made by OWNER to remove or satisfy any claim, lien, attachment or other encumbrance of a third person exceeds the amount due or to become due CONTRACTOR, CONTRACTOR agrees to reimburse OWNER on demand for the excess amount so paid.

19. Changes and Extras. OWNER may order without notice to sureties extra work or make changes by altering, adding to, or deducting from the work; but, except in emergencies endangering life or property, no extra work or changes shall be done or made and no charge therefor shall be allowed except upon OWNER'S written change order setting forth the agreement of the parties as to extra costs, if any, and extension of time, if any. Such extra work and changes shall be executed in full compliance with all terms and conditions of this Agreement except as modified by said change order.

20. Permits and Regulations. CONTRACTOR shall obtain all necessary permits and licenses, give all notices and comply with all laws, ordinances, rules, regulations or orders affecting the work (including those of the Board of Fire Underwriters), and shall pay all fees and charges in connection therewith. Without limiting the generality of the foregoing, CONTRACTOR must follow all applicable State and Federal regulations that apply to the demolition, handling and disposal of asbestos-containing materials, including but not limited to the regulations of the USEPA entitled "National Emission Standard for Asbestos", 40 C.F.R. Section 61.140 - 61.156 and the regulations of OSHA entitled "Toxic and Hazardous Substances - Asbestos", 29 C.F.R. Section 1910.1001, as from time to time amended. CONTRACTOR shall carefully examine the drawings and specifications and promptly notify OWNER in writing if the same are at variance with such laws, ordinances, rules, regulations or orders. CONTRACTOR agrees to bear all costs, expenses, damages and fines arising out of violation of such laws, ordinances, rules, regulations or orders by CONTRACTOR or any subcontractor including all costs and expenses of conforming the work to the requirements thereof.

21. Safety. It shall be the duty of CONTRACTOR to provide for the safety of, and prevention of accident or injury to, CONTRACTOR, his subcontractors and the employees, agents and invitees of any of them while in, on or about the premises to be occupied or used in the prosecution of the work (including entrances, exits and rights of way) by carefully inspecting said premises before starting work and from time to

time thereafter for any and all dangerous conditions or activities in, on or about said premises and by giving said persons such notice of dangerous conditions and activities, by installing and maintaining at all times such safety devices, guards, barricades and danger signs and by adopting such other measures as shall be necessary to safeguard said persons against all such dangerous conditions and activities however arising; to protect any and all other persons lawfully in, on or about said premises by similar measures against all dangerous conditions or activities arising out of work performed by CONTRACTOR or his subcontractors such as openings in the ground or structures, protuding objects, scaffolding, hoists, derricks, obstructions and falling materials; to comply with and enforce OWNER'S safety rules and directions and all applicable Federal, State and Local safety laws, ordinances, rules, regulations and codes; and upon completion of the contract to leave his work in a condition conforming to all safety requirements. A copy of OWNER'S General Safety Rules for the premises is attached to this contract and incorporated herein. CONTRACTOR shall not load or permit any part of any structure to be loaded with a weight that will endanger its safety and shall take suitable precautions against fire, electrical shock, gas escape and water damage.

Explosives or equipment utilizing open flames or heat sufficient to create combustion such as welding or cutting equipment, torches and heaters shall only be used with the prior written authorization of OWNER'S representative and then only in strict compliance with the rules and regulations of OWNER and the directions of said representative.

22. Hazard Communication. In regard to any hazardous materials or processes expected to be encountered in the areas where CONTRACTOR'S employees will be working, it shall be CONTRACTOR'S responsibility and duty to furnish personal protective equipment as needed by CONTRACTOR'S employees prior to the start of the job. CONTRACTOR further acknowledges that he is familiar with the labeling system used by OWNER to designate the risks associated with hazardous materials. It shall be CONTRACTOR'S responsibility and duty to educate and warn its own agents and employees with respect to OWNER'S labeling system, Hazardous Chemicals List and Material Safety Data Sheets.

It shall also be the responsibility of CONTRACTOR to provide to OWNER Material Safety Data Sheets for any materials to be brought onto the premises by CONTRACTOR.

23. Assignment. CONTRACTOR shall not assign or transfer this contract or any interest hereunder nor subcontract any work hereunder without the written consent of OWNER.

24. Accounting Reference Number. For purposes of accounting and reference this contract is identified by OWNER'S Number _____. All billings and correspondence pertaining to this contract shall carry this number.

25. Severability. If any of the provisions of this Agreement shall contravene or be invalid under state or federal law, such contravention or invalidity shall not invalidate this Agreement or any other provision hereof, but this Agreement shall be construed as if not containing the provision(s) held to be invalid, and the rights and obligations of the parties shall be enforced accordingly.

26. Notice. Any notice to be given under this Agreement shall be in writing and delivered to the respective party below:

OWNER: US Gypsum
Route 1
Saltville, VA 24370

ATTN: JM Crepeau

CONTRACTOR: Home Insulation Company
950 Radford Road
P.O. Box 611
Christiansburg, VA 24073

ATTN: Cyrus Hall

27. Equal Employment Opportunity. On all contracts exceeding a value of $10,000, CONTRACTOR will comply with all applicable Equal Employment Opportunity requirements, including those set forth in Section 202 of Executive Order 11246, as amended.

28. Confidentiality. During and after the term of this Agreement, CONTRACTOR and OWNER shall treat as confidential property and not disclose to others except as necessary to carry out the terms of this Agreement or as required by law, any information regarding either party's plans, programs, plants, processes, products, costs, equipment, operations, or customers which may come within the knowledge of the parties, their officers or employees, without securing the prior written consent of the other party.

29. Successors. This agreement shall bind the respective parties and their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year hereinabove set out.

In the presence of:

USG Corporation (Owner)	Home Insulation Company (Contractor)
By: Joan Crepean	By: Byrne Hall
Title: Project Mgr	Title: Proj. Mgr.
Witness: Don Flora	Witness: Thomas W. Price

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