

WAREHOUSE STOCKS:
LOS ANGELES
EMERYVILLE
SAN FRANCISCO
PORTLAND
SEATTLE

HARRISONS & CROSFIELD (PACIFIC) INC.

1401 PARK AVENUE
EMERYVILLE, CALIFORNIA 94608
(SAN FRANCISCO AREA 415) 658-8333
TELEX 335 386

NEWPORT BEAC
(LOS ANGELES)
EMERYVILLE
(SAN FRANCISCO)

PLAINTIFF'S EXHIBIT

UC-5015

July 31, 1975

Mr. Douglas Merrill
Paco Textures
1057 Commercial St.
San Carlos, Ca. 94070

Dear Mr. Merrill:

To confirm our various discussions, we shall sell to you, and you shall purchase "Calidria" asbestos SG-210 (hereinafter referred to as "material") under the Terms and Conditions contained in Exhibit A attached hereto and under the following provisions:

1. Delivery of a minimum of 80 tons of material shall be made to you during the term of this agreement in approximately equal monthly installments. We will use our best efforts to supply additional material from time to time if requested by you.
2. The term of this agreement shall commence on September 1, 1975 and shall terminate on December 31, 1976 and shall be renewable annually thereafter by mutual agreement.
3. We will have the right to increase or decrease the prices set forth herein by giving you written notice thereof. Said increase or decrease shall be effective as to all deliveries made on and after the date specified in the written notice; provided, however, that in the case of an increase: the effective date shall not be less than thirty (30) days after said notice: and if you, within fifteen (15) days thereafter we do not agree to meet said lower price, you will have the right within ten (10) days thereafter to terminate this agreement by giving us not less than ten (10) days' prior written notice.

KMX 01991



CHEMICALS, MINERALS AND RAW MATERIALS

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OFFICES:
NEWPORT BEACH
(LOS ANGELES)
EMERYVILLE
(SAN FRANCISCO)

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Mr. Merrill

This offer shall terminate within 10 days after the date hereof if we have not received the duplicate copy of this letter signed by you indicating your agreement and acceptance.

Very truly yours,

HARRISONS & CROSFIELD (PACIFIC) INC.

BY Thomas L. Fitch
Title Sales Manager
Date 7/31/75

Agreed to and Accepted:

PACO TEXTURES

By Sam. G. Moore
Title Pres.
Date Aug. 6, 1975

KMX 01992



CHEMICALS, MINERALS AND RAW MATERIALS

EXHIBIT A

TERMS AND CONDITIONS

1. In addition to the purchase price, Buyer shall pay Seller the amount of all governmental taxes, excises and/or other charges (except taxes on or measured by net income) that Seller may be required to pay with respect to the production, sale or transportation of material delivered hereunder, except where the law otherwise provides.

2. Seller warrants that at the time of delivery the material will be of the Seller's standard specifications for the type and grade of the material described herein (unless otherwise specified herein) and will conform to the description thereof on the face of this document. THERE ARE NO EXPRESS WARRANTIES BY SELLER OTHER THAN THOSE SPECIFIED IN THIS PARAGRAPH 2. NO WARRANTIES BY SELLER OTHER THAN A WARRANTY OF TITLE AS PROVIDED BY THE UNIFORM COMMERCIAL CODE SHALL BE IMPLIED OR OTHERWISE CREATED UNDER THE UNIFORM COMMERCIAL CODE, INCLUDING BUT NOT LIMITED TO A WARRANTY OF MERCHANTABILITY AND A WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

3. Buyer's receipt of material delivered hereunder shall be an unqualified acceptance of, and a waiver by Buyer of any and all claims (including, but not limited to, claims arising under the express warranties specified in Paragraph 2) with respect to such material unless Buyer gives Seller written notice of claim within thirty (30) days after such receipt; the damages available in such instance shall be limited to that provided in Paragraph 4.

4. Buyer assumes all risks and liability for use of the material; has full knowledge of all hazards to persons and property involved in handling and using the material; and warrants that employees, independent contractors, and others who handle and use the material for Buyer have been advised of all hazards to persons and property involved in handling and using the material. Buyer hereby assumes and agrees to hold Seller harmless from all liability resulting from the use of the material, whether or not such is in combination with other articles or substances or is used in any manufacturing process. No claim against Seller of any kind, whether as to the material delivered or for nondelivery, and whether or not based on negligence or warranty, shall be greater in amount than the purchase price of the material with respect to which such claim is made. In no event shall Seller be liable to Buyer for any special, indirect or consequential damages, whether or not caused by or resulting from the negligence of, or breach of warranty by, Seller hereunder.

5. In the event Buyer fails to fulfill Seller's terms of payment for the material or in case Seller shall have any doubt at any time as to Buyer's financial responsibility, Seller may decline to make further deliveries of material except upon receipt of cash or satisfactory security.

continued.....

6. Neither party shall be liable for its failure to perform hereunder due to any occurrence beyond its reasonable control, including acts of God, fires, floods, wars, sabotage, accidents, labor disputes or shortages, governmental law, ordinances, rules and regulations, whether valid or invalid (including, but not limited to priorities, requisitions, allocations and price adjustment restrictions), inability to obtain material, electrical power, equipment or transportation, any other similar or different occurrence. The party whose performance is prevented by any such occurrence shall have the right to omit during the period of such occurrence all or any portion of the quantity deliverable during such period, whereupon the total quantity deliverable hereunder shall be reduced by the quantity so omitted. If, due to any such occurrence Seller is unable to supply the total demands for any materials hereunder, Seller shall have the right to allocate its available supply among its customers and its departments and divisions in such a manner as Seller shall deem fair and equitable. In no event shall Seller be obligated to purchase material from others in order to enable it to supply material to Buyer hereunder.

7. Unless otherwise specified by Seller herein, Seller's prices in effect at time of shipment will govern and payment shall be made within thirty (30) days from date of Seller's invoice.

8. Unless otherwise specified by Seller herein, delivery shall be made f.o.b. Seller's plant or warehouse and title and risk of loss of material so delivered shall thereupon pass to Buyer.

9. The validity, interpretation and performance of the terms hereof with respect to any material delivered (or to be delivered) hereunder shall be governed by the law of the State in which such material is (or is to be) manufactured; or in the event that material manufactured in several states is involved herein, such governing law shall be the law of the State in which the majority of such material, determined by invoice price, is (or is to be) manufactured.

10. No modification or waiver of the terms hereof shall be binding upon Seller unless approved in writing by a duly authorized representative of Seller, or shall be effected by the acknowledgment or acceptance of purchase order forms containing other or different terms whether or not signed by an authorized representative of Seller.

11. It is expressly understood that any technical advice furnished by Seller with reference to the use of material is given gratis and Seller assumes no obligation of liability for the advice given or results obtained, all such advice being given and accepted at Buyer's risk.

12. Buyer shall protect and indemnify Seller from and against claims, damages, judgments, expenses and loss arising from infringement or alleged infringement of any patent of the United States or any trade mark, directly or indirectly, arising out of or resulting from Seller's compliance with drawings, specifications or instructions furnished by Buyer to Seller, and Buyer shall defend or settle at its own expense any suit or proceeding brought against Seller for such infringement, provided that Buyer is notified promptly in writing of the commencement of such suit or proceeding and is given authority, information and assistance by Seller for the defense or settlement thereof.

Calidria ASBESTOS

KMX 01990

T. P. NORRIS
SALES MANAGER
WESTERN REGION



UNION CARBIDE CORPORATION
METALS DIVISION
100 OCEANGATE 10TH FLOOR
LONG BEACH, CALIF. 90802
TELEPHONE (213) 435-3721