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PLAINTIFF'S EXHIBIT

CAP-1118

April 9, 1982

APR 12 1982
MARKETING
CAPCO

TO: MESSRS. AMBLER
CRAN
TAYLOR
JACKSON
WELCH

FROM: MR. KAHN

RE: PROPOSED AGREEMENT BETWEEN AACPP AND INTER-ASSOCIATES, INC.

I am enclosing a draft of a proposed agreement between AACPP and Inter-Associates, Inc., a new corporation owned by Joe Jackson and John Welch, which would provide services and operate AACPP for the balance of 1982 and all of 1983.

I have attempted to set forth what I believe to have been the agreement reached at the recent Executive Committee meeting in Washington. With respect to specifics that were not discussed, I have tried to handle them in a manner I believe to be consistent with the spirit of the overall agreement reached in Washington.

It is essential that each of you carefully review the enclosed draft as promptly as possible. If any provision of the proposed agreement is not clear or if it is not clear to you how various provisions interrelate, please do not hesitate to call me.

It is essential that we have an agreement in final form which can be approved and executed at the Board meeting in Cancun on May 6.

If we are to be in a position to have an agreement to submit to the Board for final approval on May 6, everyone must sign off not later than the early part of the week of April 26. This means that we have the next two weeks to resolve any questions or make any revisions that may be required. I would like to hear from each of you not later than Monday April 19. We will then have the balance of that week to resolve any questions that may require further discussion so that we can have a final agreement by the early part of the week of April 26. It is imperative that we keep to this schedule for the reasons I have already indicated.

In drafting the agreement, I have tried to adequately protect all parties. I have tried to accomplish this without unduly complicating the agreement. The arrangement is unique, and it would not be difficult to double or triple the size of the document by attempting to write in all of the boiler plate that normally appears in agreements for the purchase of assets. I have strived mightily not to fall into that trap since time is short and, most importantly, I don't think that the sort of detail to which I am referring is necessary in this situation.

I urge you to review the enclosed draft as quickly as possible and obtain the approval of any other officials in your company that may be required for you to be in a position to finally approve and execute the agreement at the meeting of the Board of Directors in Cancun.

Please let me hear from you by April 19.

With kindest regards.

AHK:ph
Enc.

AGREEMENT

The undersigned, Association of Asbestos Cement Pipe Producers ("AACPP"), a nonprofit Pennsylvania corporation, Inter-Associates, Inc. ("IAI"), a Virginia corporation, Joseph C. Jackson, a resident of McLean, Virginia, and John F. Welch, a resident of Arlington, Virginia, hereby agree as follows:

ARTICLE I

TRANSFER OF ASSETS

1. Subject to the terms and conditions of this Agreement, at the Closing AACPP will convey, transfer, assign and deliver to IAI and IAI will acquire the following assets of AACPP existing on the Closing Date (all of which assets are hereinafter collectively referred to as "Assets"):

a. Personal Property. All equipment, vehicles, furniture, fixtures, books, supplies and other similar personal property owned by AACPP, which shall include, without limitation, all of the personal property listed in Exhibit A attached hereto; provided, however, that all financial and accounting records and other permanent files and records of AACPP shall remain the property of AACPP.

b. Cash; Accounts Receivable. All cash on hand, bank deposits and interest bearing instruments owned by AACPP at the Closing Date, except for the sum of one hundred thousand dollars ($100,000.00), and all accounts receivable owing to AACPP as of the Closing Date including, without limitation, all such accounts receivable reflected in its April 30, 1982 balance sheet, attached hereto as Exhibit B, or thereafter created and not in either case collected by AACPP or otherwise liquidated prior to the Closing Date.

c. Contracts. All right, title and interest of AACPP in, to and under all executory contracts and other agreements of AACPP relating to its business, excluding however, contracts which are nonassignable, as to which AACPP shall use its best efforts to obtain any consents necessary to effect an assignment.

d. Unpaid Dues. All right, title and interest to all dues received by AACPP from Associate and Affiliate members during 1982 subsequent to the Closing; provided, however, that if the total dues received by AACPP from International members during the year 1982 exceeds the amount budgeted on Exhibit C, AACPP shall be entitled to a credit in the amount of such excess.

2. IAI will acquire no title to, rights in, or authority to use, other than with AACPP's approval, any trademarks, trade names, logos or copyrights owned by AACPP.

3. At the Closing AACPP shall deliver to IAI appropriate documents of such kind and character as may be necessary to effect or evidence the conveyance, assignment and

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transfer of the Assets. Said documents, if required or permitted to be recorded, shall be in appropriate form for recording under the laws of the states where the Assets are located. AACPP, on the Closing date, shall place IAI in full possession and enjoyment of the Assets.

4. Prior to or immediately following the Closing, AACPP will purchase a certificate of deposit or other interest bearing instruments in the amount of one hundred thousand dollars ($100,000.00) and will maintain such amount in a certificate of deposits or other interest bearing instruments during the period from the Closing through January 3, 1983, at which time such amount and all interest accrued thereon shall be paid by AACPP to IAI in payment for services to be provided by IAI in 1983 as provided in this Agreement.

5. Following the Closing, each party shall deliver to the other party, such other instruments, documents and consents, duly executed, as may be necessary to evidence and effectuate the assignments and transfers to be made hereunder.

ARTICLE II

ASSUMPTION OF LIABILITIES AND OBLIGATIONS

1. IAI hereby agrees, effective upon the Closing, to assume and pay or discharge the following liabilities and obligations of AACPP to the extent that they have not been satisfied prior to the Closing:

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a. all liabilities and obligations of AACPP which are shown on or reserved against in Exhibit B;

b. all liabilities and obligations of AACPP in respect to contracts and commitments which, consistent with generally accepted accounting practice, would not properly be shown on or reserved against in Exhibit B, but are recorded in the conventional financial records of AACPP;

c. all liabilities and obligations of AACPP arising after April 30, 1982 and prior to the Closing Date and recorded in the conventional financial records of AACPP;

d. any and all state, federal and local taxes for all periods prior to the Closing Date and all taxes and transfer costs payable as a result of the transactions contemplated herein.

2. IAI, Joseph C. Jackson and John F. Welch warrant that they are not aware of any pending or threatened litigation, claims, assessments or other actual or potential liabilities or obligations of AACPP that are not recorded in the financial records of AACPP and have not been disclosed in writing to the Executive Committee of AACPP.

3. At the Closing, IAI will provide proof that AACPP has been relieved of all duties, responsibilities and obligations under the lease dated April 22, 1981 covering the

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present offices of AACPP and that IAI has assumed such lease or entered into a new lease for said premises extending at least through December 31, 1982.

4. All liabilities and obligations of AACPP that are to be assumed by IAI under this Agreement which cannot be assigned or that IAI chooses not to assume shall be discharged by IAI prior to the Closing.

5. IAI agrees to indemnify and hold AACPP harmless for loss or damage in the event IAI fails to pay any liabilities or perform any contractual obligations assumed hereunder.

6. All liabilities and obligations created by IAI subsequent to the Closing shall be the responsibility of IAI unless AACPP agrees in writing to assume such liabilities and obligations, and IAI agrees to indemnify and hold AACPP harmless for loss or damage sustained as a result of IAI's failure to pay such liabilities or to perform such obligations.

ARTICLE III

TRANSFER OF PERSONNEL

1. All personnel employed by AACPP shall become employees of IAI as of the Closing, and IAI will on such day assume full responsibility for the payment of all salaries and wages owing to or thereafter accruing to such personnel and all taxes in connection with such employment, it being

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understood that IAI shall not be under any obligation to continue any of such personnel in its employment.

2. Within ___ days following the Closing, AACPP will terminate its existing pension plan in such manner so as to immediately vest in the participants therein all amounts heretofore contributed to the plan by AACPP and all interest thereon, which amounts shall be transmitted to the participants by the Trustees of the plan upon receipt by the Trustees of such amounts.

3. At the Closing, AACPP and Joseph C. Jackson will release each other from all duties and obligations under the Employment Agreement between AACPP and Joseph C. Jackson, effective July 1, 1981.

4. During the balance of 1982, Joseph C. Jackson and John F. Welch agree to devote not less than seventy-five percent (75%) of their time to the work of AACPP. During 1983, Joseph C. Jackson and John F. Welch will provide management and administrative services as outlined in Article V in the manner heretofore provided.

ARTICLE IV

1982 PROGRAMS AND SERVICES

1. Following the Closing and during the remainder of 1982, IAI will provide the services, conduct the programs and carry on the regular activities of AACPP in the manner and

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at the funding levels reflected in the Revised Budget for 1982 attached hereto as Exhibit C. IAI will carry on such activities and programs and will provide such management and administrative services as were provided prior to the Closing and as they would have been provided during the balance of 1982 had this Agreement not been entered into.

2. IAI will keep records of all AACPP research, education and promotion ("REP") program costs and expenses during 1982. If the total costs and expenses of these programs during 1982 are less than the amount budgeted for such programs on Exhibit C, the difference shall be credited by IAI to AACPP.

3. IAI shall be entitled to offset against any amounts credited to AACPP under paragraph 2 of this Article and under paragraph 1d of Article I all amounts paid by AACPP for special legal services rendered prior to the Closing; any amount that remains after such offset shall be credited by IAI toward REP costs authorized by AACPP for 1983 or toward payment for any other services during 1982 or 1983 that are authorized by AACPP and for which it would otherwise be billed under this Agreement.

4. During the remainder of 1982 IAI will provide and maintain association professional liability insurance for AACPP in the form and amount attached hereto as Exhibit D.

5. During the remainder of 1982, IAI will maintain its present offices at 1600 Wilson Boulevard, Arlington, Virginia, and will continue the staffing levels maintained by AACPP prior to the Closing.

ARTICLE V

1983 PROGRAMS AND SERVICES

1. During 1983, IAI will provide the following services, which will be in the form and manner provided prior to the Closing unless otherwise indicated:

a. Statistical reporting program, including monthly reports of domestic shipments of pressure pipe and nonpressure sewer pipe, annual report of production and capacity and annual statistical summary.

b. Accounting services as may be required, including preparation of all federal, state and local tax forms.

c. Association professional liability insurance in the form and amount attached hereto as Exhibit D.

d. Meetings management (out-of-pocket expenses to be billed to AACPP at cost with revenues applied in full as credit toward out-of-pocket expenses).

e. Management information systems (i.e., SOP, standards update, regulatory affairs field problem report).

f. General communications regarding matters of interest to the industry as provided prior to the Closing.

g. Representation in AWWA and ASTM, including, when appropriate, attendance at meetings.

h. Liaison with federal, state and local governments and regulatory bodies.

i. Coordination of field problems and development of action plans with respect thereto.

j. Attendance and participation at company meetings upon request of Board Member and approval of Executive Committee of AACPP.

k. General legal services, including attendance of counsel at meetings of AACPP, Board of Directors and Executive Committee.

l. Liaison with allied groups, i.e., AIA.

m. Monitoring, evaluation and circulation of relevant technical and medical literatures as provided prior to the Closing.

n. Management of REP programs.

o. Travel and associated expenses of IAI personnel up to a limit of $18,000.

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2. During 1983 IAI will conduct, at the request of AACPP, one or more of the following REP programs, the cost of which shall be borne by AACPP (including travel and associated costs for IAI personnel and counsel), except that there will be no charge for the time or services provided by IAI personnel:

a. Municipal Market Program (designated PAC-01-82 during 1982)

b. State Monitoring Program (designated PAC-02-82 during 1982)

c. San Antonio Flexural Evaluation (designated TAC-02-82 during 1982)

3. AACPP shall determine the scope and content of such programs and the levels at which they are to be funded.

4. IAI will conduct any other REP programs requested by AACPP on terms agreed to by the parties.

ARTICLE VI

1983 DUES FROM CANADIAN, MEXICAN, ASSOCIATE AND AFFILIATE MEMBERS

1. Dues for Canadian and Mexican members during 1983 will be determined by the Board of Directors of AACPP. AACPP will receive ninety percent (90%) and IAI will receive ten percent (10%) of such dues.

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2. Dues from Associate and Affiliate members during 1983 will be determined by the Board of Directors of AACPP. AACPP will receive seventy percent (70%) and IAI will receive thirty (30%) of such dues.

3. During 1983, IAI will provide similar programs and services to Canadian, Mexican, Associate and Affiliate members as were provided prior to the Closing Date; all expenses, including travel and associated expenses of IAI personnel, incurred in connection with such programs and services shall be borne by IAI.

ARTICLE VII

GENERAL PROVISIONS

1. Nothing in this Agreement shall be deemed to prevent IAI from representing any other associations or providing services to any association or business entity; provided, however, that IAI agrees that it will not represent or provide services to any association of water or sewer pipe manufacturers or provide services to any manufacturer of water or sewer pipe prior to December 31, 1983 without the approval of AACPP.

2. IAI will not change the location of or materially alter the arrangement or appearance of its offices (presently the offices of AACPP) prior to December 31, 1982 without approval of AACPP, which approval shall not be unreasonably

withheld. During the remainder of 1982 following the Closing and during 1983, IAI will continue to display "A/C Pipe Producers Association" on its door; however, the name "INTER-ASSOCIATES, INC." may appear above it and the names of other clients of IAI shall appear below it.

3. In the event AACPP is dissolved or terminates operations prior to January 3, 1983, the payment provided for in Paragraph 3 of Article I of this Agreement shall become due immediately and the amount of one hundred thousand dollars ($100,000.00) and all interest earned thereon from the Closing shall be paid to IAI; if dissolution or termination of operations occurs subsequent to January 3, 1983, IAI shall be under no further obligation to provide services under this Agreement or to refund or return any assets or amounts transferred or paid under this Agreement.

4. In the event AACPP should desire to retain the services of IAI after December 31, 1983, IAI will negotiate in good faith the terms and conditions under which such services shall be provided.

5. The Closing under this Agreement shall take place at 11:00 A.M., E.S.T., on June 1, 1982 (herein referred to as the "Closing" or "Closing Date"), at the offices of Schnader, Harrison, Segal & Lewis, 1719 Packard Building, Philadelphia, Pennsylvania, or at such other time or place as the parties hereto shall agree upon in writing.

6. This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

7. No modification of this Agreement shall be valid unless executed in writing.

8. This instrument contains the entire understanding of the parties hereto, and there are no representations, warranties, inducements, promises or conditions of any kind or nature not set forth herein, whether made as an inducement to the delivery hereof or otherwise.

9. Any controversy arising out of or relating to this Agreement, or any modification thereof or the breach thereof shall be settled by arbitration in the City of Philadelphia, Commonwealth of Pennsylvania. In the event of a dispute, AACPP shall select one arbitrator and IAI will select one arbitrator. These two arbitrators and a third arbitrator selected by them shall decide the matter, and judgment upon

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any award rendered in such arbitration may be entered in any court of appropriate jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers.

		ASSOCIATION OF ASBESTOS CEMENT PIPE PRODUCERS
ATTEST:		
________________ Secretary	By:	________________ Chairman of the Board
		INTER-ASSOCIATES, INC.
ATTEST:		
________________ Secretary	By:	________________ President
WITNESS:		
________________		________________ Joseph C. Jackson
WITNESS:		
________________		________________ John F. Welch

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