PLAINTIFF'S EXHIBIT WRG- 1466

Confidential
Vermiculite Products
Strategy Outline #7

License Agreement Issues and Review

Objective - renegotiate license agreement

- Key Issues
  - QC
  - MK royalties
  - Technical trademark changes
- QC
  - Need to strengthen agreement to gain better QC compliance in order to protect Grace and Vermiculite Products from liability

    Example:

    1) Hospital Corp. of America
       Cost CPD over 100M$

    2) Spillman/Solico demand letter
       Exposure to CPD 300M$

    3) Tremolite issue must be managed, by Grace. QC is a tool to insure a clean operation.

    VP may respond that they manufacture quality products

  - Grace must protect itself and VP through proper documentation of this fact.

- Monokote Royalties

Objective - Gain per bag fees on MK. (Intermountain model)

.10/1st 50M bags
.15/thereafter

Strategy - improve VP sales of MK to overcome objection to increased fees.

Implementation
- provide salesman to gain MK specs in Houston.
- Guarantee success of improved business for VP

GEP
3/20/85