

PIERCEBOARD
PAPER PRODUCTS CORPORATION

EXECUTIVE OFFICES • 475 BRANNAN STREET • SAN FRANCISCO, CALIFORNIA

December 11, 1964

Armstrong Contracting & Supply Corporation
120 North Lime Street
Lancaster, Pennsylvania 17604

Gentlemen:

In consideration of the mutual promises herein contained, we agree to manufacture and sell to you and you agree to purchase from us, the products herein described at the prices and upon the terms and conditions set forth below.

1. Term. The term of this agreement shall commence December 1, 1964 and shall continue until terminated by either party upon not less than six (6) months' prior written notice to the other, except as specifically hereinafter provided.

2. Products. The products to be manufactured and sold hereunder shall be the line of calcium silicate pipe coverings and blocks, and cement as presently marketed by you under the brand name "Armstrong LK Insulation". All such products shall be to the specifications as described in Exhibit A attached hereto and made a part hereof. In addition, we shall fill your orders for 85% magnesia pipe coverings and blocks, and cement, but only to the extent the ingredients thereof are in our inventory and not allocated at the time of such orders.

3. Market Areas and Quantities.

(a) During the term of this agreement we shall furnish your requirements of the products covered by this agreement for shipment to and installation in the states and/or counties specified in Area A of Exhibit B attached hereto and made a part hereof. Said area is hereinafter called the "basic territory".

(b) You may also purchase from us some or all of your purchases of the products covered hereby for shipment to and installation in the states and/or counties specified in Area B of Exhibit B; provided, however, that our

obligation to supply such products for shipment to and installation in said states shall be subject to our confirmation of the availability of such products prior to your ordering the same.

(c) Orders of products for shipment to and installation in states other than those referred to under (a) and (b) above shall be as agreed by the parties.

4. Minimum Purchase Requirement. Notwithstanding anything else contained herein, if in any calendar half-year during the term of this agreement the invoice net value of the products covered by this agreement purchased by you from us for shipment to and installation in the basic territory shall be in the aggregate less than \$100,000, we shall have the right to terminate this agreement by notice given to you at any time during the calendar month next succeeding any such six month period, termination to be effective upon the date specified in such notice, which date shall not be earlier than sixty (60) days following the giving of such notice.

5. Price. The prices to be paid by you for the products covered by this agreement as to products purchased for shipment to and installation in basic territory specified in Area A of Exhibit B and in the territory specified in Area B of Exhibit B shall be those set forth in Exhibit B attached hereto and made a part hereof, less 5%. As to products purchased for shipment to and installation in the territory specified in Area C of Exhibit B, the prices to be paid by you shall be such prices as we may agree upon, less 5%. We shall have the right to revise said prices or any of them from time to time upon at least sixty (60) days' prior written notice to you and such prices shall, subject to the provisions of Paragraph 5A below, apply to all deliveries made after the effective date specified in such notice, until again revised in like manner.

A. Price Protection.

(a) In no event shall any price under this agreement exceed our regular net price for our most comparable "Caltemp" products sold by us to our distributor contractors in the same area.

(b) Your orders placed prior to the effective date of any price increase and shipped within thirty (30) days following the effective date of such price increase shall not be subject to such price increase; and

(c) In the event of a price decrease, such decrease shall be effective immediately and prices in effect at the time of shipment shall apply.

6. Samples. To assist you in the promotion and sale of the products covered hereby, we will furnish without cost to you, a reasonable quantity of samples.

7. Shipment. The time within which any products ordered by you hereunder shall be shipped to you shall in each case be the time we shall designate in the exercise of a reasonable discretion, giving due regard to our inventories, manufacturing schedules and customer requirements. If in any case you shall, in the exercise of a reasonable discretion, determine that such period will not meet your requirements for such order, you may promptly so notify us and, upon receipt by us of such notice, each of us shall be free from our respective obligations under this agreement as to the quantities of products covered by such order.

8. Packaging. Products to be manufactured and sold by us hereunder shall be packaged by us in such sizes and types of cartons as we may determine. We agree to apply to such cartons such labels as you may furnish for the purpose or authorize us to furnish at your cost.

9. Purchase of Inventory on Termination. If, during the term of this agreement, it is agreed in writing by both of the parties hereto that a special inventory of some or all of the products covered hereby should be maintained by us in order better to serve your needs hereunder, then upon the effective date of any termination of this agreement, from whatever cause, you shall be obligated to purchase forthwith any such inventory, including specially printed cartons, if any, up to a maximum invoice value to be included in any such agreement establishing such inventory.

10. Default. If either party hereto shall fail to perform any of the provisions hereof and such failure shall continue for a period of twenty (20) days after notice thereof given by the other party, or if any proceedings under any state or federal insolvency or bankruptcy law be filed by or against a party, or if either party shall make an assignment for the benefit of creditors, or if a receiver of a party shall be appointed, then and in any such event the other party shall have the right to terminate this agreement by written notice, termination to become effective immediately upon receipt thereof.

11. Force Majeure. Our (Fibreboard's) obligations hereunder will be excused if and to the extent that the failure to perform results from a cause beyond our control. "A cause beyond the control" shall mean unavoidable accident, act of God, fire, flood, strike or other labor interference, riot, war, act of governmental authority, inability to obtain materials or any other cause (whether or not similar to the foregoing) beyond our reasonable control.

12. Special Conditions.

A. Patent Infringement. We warrant and agree that all the products to be manufactured and sold hereunder, and the normal use thereof, are free and clear of infringement of any presently issued valid patent and we will, at our own expense, if notified by you, defend or compromise any and all claims, action or suits charging such infringement and will save you harmless in case of any such infringement and indemnify you against all losses.

B. Product Warranties. The insulation products sold hereunder are warranted by us to be free from defects in material and workmanship and to conform with your specifications furnished hereunder. We make no other express or implied warranties. Our sole liability hereunder shall be the replacement of the insulation products found to be defective. We will not be liable to you or to any other person for loss or damage directly or indirectly arising from the use of defective products. You are not authorized to make warranties or representations on our behalf and shall make no such warranties or representations.

C. Claims and Adjustments. Every claim on account of defective goods, short count, or any other cause shall be deemed waived unless notice in writing is received by us within ninety (90) days from the date of shipment hereunder from our factory, but in no event later than thirty (30) days from the date of the discovery of the basis for such claim.

D. Fair Labor Standards Act. We shall comply with the Fair Labor Standards Act of 1938, as amended, and orders and regulations promulgated thereunder; and we agree that the furnishing of goods or services, and invoicing, under this agreement, shall be a certification of such compliance with respect to goods and services covered by our invoices.

E. Routing and Title. We reserve the right to route all shipments. Unless otherwise provided herein, or by a supplement hereto, title to any products shipped hereunder, the entire

risk of damage to or loss of such products, the risk of delay in transportation and/or delivery, and all other risks of whatsoever kind from whatsoever cause arising, all shall pass to and are assumed by you upon delivery by us to a common carrier or, if you have requested shipment by or delivery to a carrier or vehicle other than a common carrier, upon delivery of such products by us to the carrier or vehicle so designated by you, regardless of the form of bill of lading.

F. Taxes. Any sales tax now in force and any tax, impost, levy, duty or other charge hereafter imposed by any governmental or other authority upon the production, use or sale of any goods ordered hereunder or upon the materials, methods or machines for producing the same, and any increase in cost to us in manufacturing, processing or delivering any goods sold hereunder, resulting directly from government supervision, regulation or control, now or hereafter prescribed by law or in force, and affecting our performance of our obligations hereunder, shall be added to the purchase price as herein noted or any revisions thereof, and shall be paid by you.

G. Returns and Allowances. No merchandise shipped to you by us shall be returned to us unless such return is expressly authorized and requested by us. Any allowances for merchandise returned to us will be subject to a charge of 10% of the invoice price to cover the cost of handling and reconditioning, or to the actual cost of handling and reconditioning when such cost exceeds 10% of such invoice price, and to a charge for any transportation costs incurred by us on the original shipment and/or the return, unless such return is duly authorized by us and is necessitated by a cause for which we are properly chargeable.

13. Notices. Notices hereunder shall be sufficiently given if personally delivered or if deposited in the mail in a stamped envelope properly addressed:

If to you -

Armstrong Contracting & Supply Corporation
120 North Lime Street
Lancaster, Pennsylvania 17604

If to us -

Fibreboard Paper Products Corporation
475 Brannan Street
San Francisco, California 94107

or to such other address as either of us shall hereafter designate by written notice to the other.

14. Non-Assignability. This agreement shall not be assignable by either party without the prior written consent of the other, except in connection with a merger, consolidation or other corporate reorganization of a party (including for purposes hereof the sale of assets of the industrial insulation division of a party); provided that, in the event of any such corporate reorganization, either party shall have the right at its option by written notice to the other to terminate this agreement, effective upon the completion of such corporate reorganization.

15. Modifications. This agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all oral or written agreements, orders, understandings, stipulations or negotiations with respect hereto. The terms and conditions hereof cannot be varied, altered, modified, or abandoned, in whole or in part, except by an agreement in writing signed by the parties hereto. No waiver of any of the terms or conditions hereof, or any modification of any of such terms or conditions duly consented to by us shall have the effect of waiving or modifying any of the other terms or conditions hereof.

If this letter correctly sets forth the terms of our agreement, please so indicate by endorsing the carbon copy of this letter in the space provided and returning the same to us.

Very truly yours,

FIBREBOARD PAPER PRODUCTS CORPORATION

By *M. Miller* ✓

ACCEPTED AND AGREED TO AT

LANCASTER, PENNSYLVANIA,
THIS 16TH DAY OF DECEMBER, 1964.

ARMSTRONG CONTRACTING & SUPPLY CORPORATION

BY *J. L. Liddell*

Exhibit A

Armstrong LK Insulation
Manufacturing Specifications

Density, lbs./cu.ft. (dry)	11.5
Temperature Limit - F	1200
Flexural Strength (lbs. per sq.in.)	55-65
Compression Strength (5% deformation) p.s.i.	90-100
Linear Shrinkage (24 hrs. @ 1200 F) %	1.2
Thermal Conductivity (BTU/hr./sq.ft./F/in.)	
Mean Temperature	300 F
	500 F
	0.41
	0.51

NAVAL CASE NUMBER 10305
(Cont.)

Exhibit B

PABCO INDUSTRIAL PRODUCTS DIVISION
FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

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PABCO INDUSTRIAL PRODUCTS DIVISION

FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

CARLOAD DEFINITION

For shipping and pricing purposes, a carload is defined as one shipment consisting of one or more items having a value of \$5000.00 or more.

PRICING PROCEDURE

Invoices shall be priced in accordance with prices applicable to the area where the material is actually shipped.

Prices indicated are for Pipe Covering and Blocks in full 3-foot lengths only, and Cement in 50 lb. bags only.

Multiple layer pipe covering, cemented or uncemented, is priced as one unit for pipe size and nominal thickness involved.

Tubing Pipe Covering is priced the same as for equivalent Standard Iron Pipe sizes.

On all Pipe Covering and Blocks, next higher listed thickness or width will be used for sizes not shown.

ACCESSORIES - EXTRA CHARGES

All sectional Pipe Covering in thicknesses up to and including 6 N 1 and 10 N 1½ will be furnished with standard canvas at no extra charge. Canvas on sectional Pipe Covering in thicknesses of 11 N 1½ and larger and all coverings 2" thick or thicker will be furnished only when requested, and an extra charge will be added, as shown on Price Exhibit for Accessories.

There will be an additional charge for all sectional Pipe Covering supplied with extra weight canvas and/or weatherproof jackets, as shown on Price Exhibit for Accessories.

Apply extra charges for accessories to the pipe size and over-all nominal thickness.

EFFECTIVE 12/1/64

PAGE

PABCO INDUSTRIAL PRODUCTS DIVISION

FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

AREA DEFINITION

AREA "A"

Eleven Western States except for certain counties of Colorado and Wyoming:

Arizona			Montana	
Colorado: Following Counties <u>Only</u> :			Nevada	
Alamosa	Hinsdale	Pitkin	New Mexico	
Archuleta	Lake	Rio Blanco	Oregon	
Chaffee	La Plata	Rio Grande	Utah	
Conejos	Mesa	Routt	Washington	
Delta	Mineral	Saguache	Wyoming - Following Counties <u>Only</u> :	
Dolores	Moffatt	San Juan	Big Horn	Sweetwater
Eagle	Montezuma	San Miguel	Fremont	Teton
Garfield	Montrose		Hot Springs	Uinta
Gunnison	Ouray		Lincoln	Washakie
California			Park	Yellowstone National
Idaho			Sublette	Park

AREA "B"

Eleven Mid-Continent States West of the Mississippi River (and certain Counties of Colorado and Wyoming):

Arkansas			Minnesota	
Colorado - All Counties except:			Missouri	
Alamosa	Hinsdale	Pitkin	Nebraska	
Archuleta	Lake	Rio Blanco	North Dakota	
Chaffee	La Plata	Rio Grande	Oklahoma	
Conejos	Mesa	Routt	South Dakota	
Delta	Mineral	Saguache	Texas	
Dolores	Moffatt	San Juan	Wyoming - All Counties except:	
Eagle	Montezuma	San Miguel	Big Horn	Sublette
Garfield	Montrose		Fremont	Sweetwater
Gunnison	Ouray		Hot Springs	Teton
Iowa			Lincoln	Uinta
Kansas			Park	Washakie
Louisiana				Yellowstone National Park

AREA "C"

All States East of Mississippi River.

PABCO INDUSTRIAL PRODUCTS DIVISION
FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

FREIGHT ALLOWANCES

Area "A" and Area "B"

Carload (CL) F.O.B. Mill, Emeryville, California, with full carload freight allowed to railroad destination.

Charges for cars stopped in transit will be for the buyer's account.

Area "A"

Less Carload (LCL) F.O.B. Mill, Emeryville, California, actual freight allowed not to exceed lowest published rail rate for quantity involved.

Area "C"

Carload (CL) Only F.O.B. Mill, Emeryville, California, subject to terms to be mutually agreed on each order.

FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

ARMSTRONG LK INSULATION

Price Schedule

Pipe Insulation (price per linear foot)

Pipe Size Inches	Nom. 1" Thick	Nom. 1½" Thick	Nom. 2" Thick	Nom. 2½" Thick	Nom. 3" Thick	Nom. 3½" Thick	Nom. 4" Thick	Nom. 4½" Thick
1/2	\$ 0.22	\$ 0.46	\$ 0.75	\$ 1.00	\$ 1.20	\$ 1.55	\$ 1.95	\$ 2.40
3/4	.24	.49	.80	1.05	1.35	1.75	2.15	2.55
1	.27	.52	.85	1.10	1.40	1.80	2.20	2.60
1-1/4	.30	.56	.90	1.15	1.45	1.95	2.35	2.80
1-1/2	.33	.60	.95	1.20	1.55	2.00	2.40	2.90
2	.36	.64	1.00	1.25	1.65	2.10	2.45	3.00
2-1/2	.40	.70	1.05	1.35	1.75	2.25	2.70	3.25
3	.45	.76	1.15	1.50	1.90	2.35	2.85	3.40
3-1/2	.50	.82	1.25	1.65	2.05	2.60	3.15	3.70
4	.60	.88	1.35	1.80	2.20	2.70	3.30	3.80
4-1/2	.65	.94	1.45	1.95	2.35	2.95	3.50	4.10
5	.70	1.00	1.55	2.10	2.50	3.00	3.55	4.15
6	.80	1.10	1.70	2.25	2.70	3.30	3.90	4.50
7		1.20	1.85	2.40	2.90	3.60	4.25	4.85
8		1.35	2.00	2.55	3.15	3.85	4.55	5.25
9		1.50	2.20	2.80	3.40	4.20	4.90	5.60
10		1.65	2.40	3.05	4.65	4.65	5.40	6.15
11		1.75	2.55	3.20	3.90	4.90	5.70	6.50
12		1.85	2.70	3.40	4.10	5.15	6.00	6.85
14		2.10	3.00	3.80	4.60	5.55	6.50	7.45
15		2.25	3.15	4.00	4.85	5.85	6.85	7.85
16		2.35	3.30	4.20	5.10	6.15	7.15	8.15
17		2.50	3.45	4.40	5.35	6.45	7.50	8.50
18		2.60	3.60	4.60	5.60	6.70	7.80	8.85
19		2.75	3.80	4.80	5.80	7.00	8.10	9.25
20		2.85	4.00	5.00	6.00	7.25	8.45	9.55
21		3.00	4.15	5.20	6.25	7.50	8.75	9.90
22		3.10	4.30	5.40	6.50	7.85	9.05	10.25
23		3.20	4.40	5.60	6.75	8.05	9.35	10.70
24		3.30	4.50	5.75	7.00	8.25	9.65	11.00
26		3.55	4.85	6.20	7.50	8.85	10.35	11.80
27		3.65	5.05	6.40	7.70	9.15	10.60	12.05
28		3.75	5.15	6.65	7.95	9.45	11.05	12.45
30		4.00	5.50	6.95	8.40	10.00	11.55	13.00
32		4.30	5.90	7.40	9.10	10.50	12.10	13.85
33		4.40	6.05	7.60	9.20	10.70	12.45	13.95

BLOCKS

Thickness, Inches

1
1-1/4
1-1/2
2
2-1/2
3
3-1/2
4

List Price Per Sq. Ft.

.30
.38
.45
.60
.75
.90
1.05
1.20

PABCO INDUSTRIAL PRODUCTS DIVISION
FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

PRICE EXHIBIT

Area "A"

Table of Discounts

The following discounts are to be applied to the PRICE SCHEDULE
on Page 4 of this Exhibit B:

Terms: 1% 20th Proximo - Net 30th Proximo

	<u>CL</u>	<u>LCL</u>
Pipe Covering		
Sectional - up to and including 15" outside diameter	10%	0+95 (105%)
Sectional - over 15" outside diameter, including Quads	5%	0+90 (110%)
Segmental - in sizes not available in Sectional or Quads	18%	3%
Blocks	23%	8%

	<u>Price per 50-lb. Bag</u>	
	<u>CL</u>	<u>LCL</u>
Cements		
Hydraulic Setting, Insulating and Finishing	\$3.75	\$4.00
Calcium Silicate	3.95	4.20
Magnesia (subject to availability)	4.25	4.50

PABCO INDUSTRIAL PRODUCTS DIVISION
FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

PRICE EXHIBIT

Area "B"

Table of Discounts

The following discounts are to be applied to the PRICE SCHEDULE
on Page 4 of this Exhibit B:

Terms: 1% 20th Proximo - Net 30th Proximo

	<u>CL</u>	<u>LCL</u>
Pipe Covering		
Sectional - up to and including 15" outside diameter	13%	0
Sectional - over 15" outside diameter including Quads	8%	0+95 (105%)
Segmental - sizes not available in Sectional or Quads	21%	6%
Blocks	27%	14%

	<u>Price per 50-lb. Bag</u>	
	<u>CL</u>	<u>LCL</u>
Cements		
Hydraulic Setting, Insulating and Finishing	\$3.40	\$3.50
Calcium Silicate	3.40	3.50
Magnesia (subject to availability)	3.95	4.05

PABCO INDUSTRIAL PRODUCTS DIVISION

FIBREBOARD PAPER PRODUCTS CORPORATION
San Francisco, California

PRICE EXHIBIT

All Areas

Accessories

Table of Extra Charges

<u>Accessory Material</u>	Coverings in Thicknesses up to & Including <u>6N1 & 10N1-1/2</u>	Coverings in Thicknesses of 11N1-1/2 & Larger & <u>ALL</u> Coverings <u>2" Thick or Thicke</u>
<u>Canvas</u>		
Standard	No Charge	6
4 Oz.	5	8
6 Oz.	7	10
8 Oz.	9	12
<u>Weatherproof Jackets</u>		
1 Layer 30 lb. Asphalt Felt	12	16
3 Layers 15 lb. Asphalt Felt	14	18
1 Layer 45 lb. Asphalt Roofing	14	18
1 Layer 55 lb. Asphalt Roofing	16	20
3 Layers 15 lb. Asbestos Felt	18	22
1 Layer 45 lb. Asbestos Felt	16	20
1 Layer 55 lb. Asbestos Felt	18	22
1 Layer Fire Retardent Jacket	9	15

Note: All Weatherproof Jacket Materials is furnished with strips.

Prices for special Weatherproof Coverings will be quoted on request.