JULY 2, 1980

RECEIVED
7- 198
J. R. HOPPER

Mr. Frederick W. Brown
Dow Chemical U.S.A.
14955 Sprague Road
P.O. Box 8800
Strongsville, Ohio 44136

Dear Fred:

Following the most recent contract discussion with you and Edgar Smith last week, we of Firestone have reviewed it again in detail. As you will recognize, the discussions have all been based upon Dow drafts, prepared as your company believes desirable, and with Firestone making comments and changes which we consider equitable and important. There is nothing wrong with this procedure but I believe the comment is important to keep the discussions in perspective for all of us.

The attached is the draft which you delivered to us last week and on which we have now made Firestone's changes in red. These put it in what we consider equitable terms and reasonably competitive with other VCM agreements which Firestone has.

You will note some of the insertions are requests we have previously made and which Dow attorneys have viewed as unnecessary or which Dow Marketing personnel would prefer not be included. We have repeated these because Firestone does consider them important. We do not consider them unfair.

Firestone recognizes, and we know Dow does also, that a contract should be a "two way street" and should be written in the light of the realities of the market place. We trust Dow personnel will conclude this is a proper approach and respond with your acceptance at an early date.

Very truly yours,

W. P. BRAY

WPB:mm
Attachment

CC: Mr. J. R. Hopper
Mr. I. S. Wilson

Pc: Mr. J. J. McCoskey 8/1/80

OCC 017103

CONTRACT NO. 56667

AGREEMENT made this ________ day of ________, 1980, between Dow Chemical U.S.A., an operating unit of The Dow Chemical Company, with executive offices in Midland, Michigan, herein called "Seller" and The Firestone Tire and Rubber Company, an Ohio corporation with offices in Akron, Ohio, herein called "Buyer".

W I T N E S S E T H:

WHEREAS, Seller a manufacturer of vinyl chloride monomer complying with the ~~Dow~~ specification ~~number/91575~~ set forth in Exhibit A attached hereto, hereinafter called "VCM", wishes to sell same to Buyer upon the terms and conditions hereinafter set forth; and

WHEREAS, Buyer desires to purchase same from Seller upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, it is agreed between the parties as follows:

1. Term - The term of this agreement shall be the period commencing January 1, 1981 through December 31, 1985 according to the terms and conditions below.

2. Quantity,

A. Seller's maximum obligation shall be ~~25%~~ 20% of Buyer's requirements for consumption at its plants at Pottstown, PA. and Perryville, MD, not to exceed 9,400,000 lbs. in any month without further agreement.

B. Buyer's obligation shall be ~~25%~~ 20% of its requirements for consumption at its plants at Pottstown, PA and Perryville, MD each month (estimated to be 8.5 million lbs. per month).

C. Add here from attached page.

OCC 017104

C. In the event Buyer expands its Plaquemine (also referred to as Baton Rouge), Louisiana PVC plant and if in that event Seller is chosen by Buyer, either by new contract or amendment to contract No. 26898 dated December 14, 1976, to supply at least 100 million lbs. per year of VCM to be used in that expanded capacity, Buyer may terminate this contract No. 56687, that termination to be effective as of the beginning date of said new contract or amendment. Buyer shall give notice of such termination not less than ninety (90) days prior to its effective date.

3. Seller shall be obligated to supply from and Buyer shall be obligated to take at, their respective facilities stated herein. Seller's obligation to supply and Buyer's obligation to take may be reduced proportionately to any reduction of operation at such respective facility in response to any governmental action or any government failure to act relating to environmental matters.

4. Buyer shall place orders by the 15th day of the month preceding delivery, and shall endeavor to take deliveries in approximately equal monthly quantities except as may be otherwise provided herein. If Buyer shall fail during any month to order such monthly quota, the quantity not ordered may be deducted from Seller's maximum obligation to supply.

5. Price

A. $0.22 per pound.

B. ~~Seller may increase the price at any time, including January 1, 1981, with 30 days prior written notice. Seller shall be limited to one increase in any 90-day period, with the exception that if Seller decreases the price charged for any reason, Seller may subsequently at any time with 30 days written notice to Buyer, during said 90-day period, increase the price to the level charged prior to the price decrease. Seller may decrease the price at any time.~~

Substitute 5.B and C from attached page.

OCC 017106

B. Seller may increase the price at any time. including January 1, 1981, with 30 days prior written notice. Seller shall be limited to one increase in any 90-day period. Seller shall be free to reduce the price at any time and without advance notice. Unless Buyer gives Seller written notice of objection to a price change on or prior to the effective date of the change, Buyer shall be deemed to have accepted the change. If Buyer gives such notice of objection and Buyer and Seller fail to agree on such change or a modification thereof within fifteen (15) days after the effective date of price change, Buyer may terminate this agreement by written notice to Seller. Such notice shall specify a termination date which shall be no more than ninety (90) days subsequent to the effective date of such adjustment. In this event, any VCM shipped during the ninety (90) day period following the effective date of price change will be purchased at Seller's new price. If Buyer does not send Seller a termination notice, Buyer shall be deemed to have accepted Seller's new price and shall pay such price for product until subsequent price adjustment in accordance with the terms hereof.

C. Seller's use of word "temporary" or "voluntary" or any other word or phrase to indicate such intent in connection with a price reduction, or as an offset against some portion of a price increase notified to Buyer, shall not serve to alter the restriction on price increase frequency and price change notice times and responses thereto which are specified herein.

L.
~~C.~~ Favored Nations - Seller hereby agrees that if during the term of this agreement, specifically excluding one contract executed prior to June 6, 1969, and excluding contracts which may be terminated and are in the termination period, it sells or delivers vinyl chloride monomer to any of its U.S.A. VCM ~~contract~~ customers under terms and conditions that result in an FOB Seller's U.S.A. VCM producing plant price lower than the price in effect hereunder, it will promptly offer to sell Buyer the same quantity, or Buyer's quantity obligation in paragraph ~~2A~~ 2B herein, if lower, of vinyl chloride monomer under the same terms and conditions.

6. FOB Seller's facility at Freeport, Texas or Plaquemine, Louisiana at Seller's option.

7. Transportation Terms - Freight ~~collect~~ prepaid by Seller and added to monomer invoice.

8. Method of Shipment - Seller's tankcars

9. Demurrage and Detention - Buyer will use all reasonable effort to unload and return Seller's delivery equipment to carrier within the tariff or contracted period free of demurrage and/or detention charges. Unloading demurrage and/or detention charges on such equipment are to be paid by Buyer.

During periods when Seller's cars are in the possession of Buyer, Buyer is responsible for cars and shall be liable to Seller for any or all damage to or destruction thereof which is directly attributable to Buyer. Buyer shall unload and then tender cars to the railroad, in accordance with routing instructions given by Seller, within Seller's then allowable time for the product involved beginning on the first 7:00 a.m. following placement ("actual" or "constructive", as defined in freight tariff PHJ60041 and subsequent tariffs). For days held in excess of this allowable detention time, Seller shall have the right to collect from Buyer as liquidated damages Seller's then generally applicable daily rate for each day, or part thereof, in accordance with demurrage/detention lease agreement in effect at the time of shipment.

If any of Seller's cars arrive at destination in damaged condition, Buyer shall immediately notify railroad agent at destination of such damage, and also make immediate report thereof to Seller. All repairs to cars shall be made under the supervision or the direction of Seller and at Seller's expense.

10. Title and risk of loss in all goods sold hereunder shall pass to Buyer upon Seller's delivery to carrier at shipping point and execution of the bill of lading.

11. Terms of Payment - omitted in error. (Weekly invoices, net 30 days.)

12. Competitive Offer - If Buyer receives a written offer from a domestic producer not controlled by or controlling Buyer to supply at an for at least 24 months, annual rate, in place of Seller, at least 50% of the goods to be supplied hereunder ~~all goods remaining to be supplied hereunder~~, which are of like quality, for a like use and deliverable in like quantities, at a delivered cost less than the then effective delivered USA origin cost hereunder, upon Buyer's notice stating all the terms and conditions including the quantity the Buyer intends to purchase of the competitive offer, Seller shall by written notice within thirty days of receipt of Buyer's notice (a) meet the competitive price and amend this contract accordingly, (b) choose not to meet and deduct from the Seller's maximum obligation to supply the quantity that the Buyer intends to purchase from the competitive source or (c) cancel the competitive quantity from the contract if agreement cannot be reached under (a) or (b) above.

13. Credit - Seller may defer shipments or alter payment terms if Buyer fails to pay invoices in accordance with terms of this agreement; provided, however, that Buyer is first given fifteen (15) days within which to cure said failure upon written notice from Seller.

14. Non-Assignability - The rights and duties of this contract are not assignable or transferable by either party without the other's written consent. This document constitutes a complete statement of the contract between the two parties.

15. Uniform Commercial Code - This contract shall be governed by and construed in accordance with the Uniform Commercial Code as in effect in Michigan except as the provisions of such code are herein modified.

16. Amendments - Any modification of this document by the Buyer, and any additional or different terms included in Buyer's purchase order, any other document responding to this offer, or subsequent documents, purchase orders or acknowledgment requests provided by Buyer relating to this contract after its execution, shall be null and void whether or not signed by Seller. The terms and conditions herein may only be modified by an amendment, expressly stated as such, signed by both parties. By ordering for shipment the goods herein, Buyer agrees to all the terms and conditions contained in this document.

17. Patent Infringement - If suit is brought against Buyer alleging that the manufacture or sale of any staple commodity of commerce sold hereunder infringes any U.S. Patent, then Seller, at its own expense, will defend Buyer and pay any awards against Buyer for such infringement, provided Buyer gives Seller prompt written notice and permits Seller to defend.

18. Warranties - Seller warrants that the goods supplied hereunder shall conform to the description stated on attached sales specification, that it will convey good title thereto and that such goods shall be delivered free from any lawful security interest or lien or encumbrance. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, NOR IS THERE ANY OTHER EXPRESS OR IMPLIED WARRANTY.

19. Limitation of Seller's Liability - In no event shall the Seller be liable for any incidental or consequential damages, whether or not arising out of negligence except such damages resulting from Seller's gross or will~~ing~~ful negligence. Seller's liability and Buyer's exclusive remedy for any cause of action arising out of this contract, including negligence except such damages resulting from Seller's gross or willful negligence, is expressly limited at Buyer's option to replacement or repayment of the purchase price for, the goods with respect to which damages are claimed except as noted herein. All claims of whatsoever nature shall be deemed waived unless made in writing within 30 days of Buyer's receipt of the goods

OCC 017110

20. Force Majeure - In the event of war, fire, flood, strike, labor trouble, breakage of equipment, accident, riot, act ~~of~~ or failure to act l governmental authority, acts of God, or contingencies beyond the reasonable control of Buyer or Seller, interfering with the production, supply, transportation, or consumption practice of the party at the time respecting the ~~goods~~ VCM covered by this contract, or in the event of inability to obtain on terms deemed by the Seller to be practicable any raw material (including energy source) used in connection therewith, quantities so affected shall be eliminated from this contract without liability, but the contract shall otherwise remain unaffected. Seller ~~may~~ shall, during any period of shortage due to any of said causes, allocate its supply of such raw material among its various uses therefor, (e.g., manufacturing and sales) in ~~such~~ an equitable manner ~~as Seller deems practicable~~ and allocate its supply of ~~such goods~~ VCM among such various uses therefor in any manner which is fair and reasonable.

21. Non-Waiver - Failure of Seller or Buyer to exercise any rights under this agreement upon one occasion shall not waive a party's right to exercise the same on another occasion.

22. Canadian Shipments - In the event shipments are made from Seller's plants at Sarnia, Ontario or Fort Saskatchewan, Alberta, freight charges will be prepaid by Seller and only Plaquemine to destination freight will be added to the invoice. All duty or border crossing expenses will be for the account of Seller. Buyer agrees that it will apply for duty drawback on PVC exports up to the quantity of Seller's VCM imports to Buyer and Buyer, if successful, shall retain $.0075/lb and remit the balance to Seller.

Title and risk of loss on material shipped from Canada will pass to Buyer when the VCM reaches the shipping destination.

ACCEPTED by the parties of the date first entered above by their respective corporate officers.

THE FIRESTONE TIRE & RUBBER COMPANY	DOW CHEMICAL U.S.A.
By: ______________________	By: ______________________
Title: ______________________	Title: ______________________
Date: ______________________	Date: ______________________

DOW CHEMICAL U.S.A.
AN OPERATING UNIT OF THE DOW CHEMICAL COMPANY
MIDLAND MICHIGAN 48640

EXHIBIT A

SALES SPECIFICATION

REPLACE WITH
FIRESTONE SPECIFICATI

THE DOW CHEMICAL COMPANY QUALITY ASSURANCE 91575
SALES SPECIFICATION

DATE PRINTED: 15 NOV 76 PAGE: 1
PRODUCT CODE: 91575 EFFECTIVE: 22 MAR 76

NAME:

VINYL CHLORIDE MONOMER
DESC:COLORLESS. FLAMMABLE COMPRESSED GAS

TEST ITEM	UNIT	LIMITS	TEST METHODS
PURITY. MIN	%	99.9	
N-ACETYLENE. MAX	PPM	2	VC-19;VC-1
1.3-BUTADIENE. MAX	PPM	5	VC-17;VC-19
METHYL CHLORIDE. MAX	PPM	50	VC-19;VC-17
ETHYLENE DICHLORIDE. MAX	PPM	5	VC-18
WATER CONTENT. MAX	PPM	100	VC-11
ACIDITY (AS HCL) MAX	PPM	2	VC-2
IRON.NON-FILTERABLE. MAX	PPM	0.15	VC-5
NONVOLATILE RESIDUE. MAX	PPM	50	VC-6
OXYGEN IN VAPOR PHASE. MAX (SEE NOTE 1)	PPM BY VOL	1000	VC-21

PI:1190396 BULK

NOTE:
(1) 1000 PPM BY VOLUME = 500 PPM BY WEIGHT.

~~LAST/PAGE/~~

OCC 017113