AMERICAN BILTRITE (CANADA) LTD.

SHERBROOKE, QUEBEC

AREA CODE 819
TELEPHONE 567-4823
P. O. BOX 310
J1H 5J1

Please execute and return one copy.

RECEIVED
SEP 26 1975
UCC-CALIDRIA

RECEIVED
SEP 30 1975

September 22, 1975.

9/25/75

PLAINTIFF'S EXHIBIT
UC-2218

Union Carbide Corp.,
Mining & Metals Division,
P.O. Box 579,
Niagara Falls, N.Y. 14302

Attn: Mr. John L. Myers,
Marketing Manager

Dear John:

Further to our discussions, it is our intention to purchase "Calidria" asbestos grade SG 104 from you on a continuing basis.

To this end, please find copies of your contract enclosed. It is our understanding that, through conversation with you, the signing of this agreement constitutes a mutual gentlemen's agreement between us inclusive of flexibility of delivery arrangements.

We wish to take this opportunity to thank you for your continued help and support, especially during this crucial period of shortage.

Best personal regards,

W. Hall Masterson
Purchasing Manager

WHM/cg
encl.

AFFILIATES: AMERICAN BILTRITE CO. INC. CHELSEA, MASS. • HEELS & SOLES • GARDEN HOSE • AMERICAN BILTRITE CO. INC. TRENTON 2, N.J. • VINYL, VINYL ASBESTOS & RUBBER FLOORINGS
BOSTON WOVEN HOSE & RUBBER CO., CAMBRIDGE, MASS. • INDUSTRIAL RUBBER PRODUCTS • HOSE • BELTING • TAPE • MATTING

Calidria ASBESTOS

THE DISCOVERY COMPANY

UNION CARBIDE CORPORATION • MINING & METALS DIVISION • P.O. BOX 579 • NIAGARA FALLS, N. Y. 14302 • TEL: 716-278-3376

September 3, 1975

Mr. Hall Masterson
American Biltrite Canada, Ltd.
255 Jencks Lane
Sherbrooke, Quebec
Canada

Dear Mr. Masterson:

To confirm our various discussions, we shall sell to you, and you shall purchase "Calidria" asbestos SG-104 under the Terms and Conditions contained in Exhibit A attached hereto and under the following provisions:

1. Delivery of a minimum of 675 tons of SG-104 shall be made to you during the term of this agreement according to the schedule in Exhibit B attached hereto.

2. The term of this agreement shall commence on October 1, 1975 and shall terminate on December 31, 1976 and shall be renewable annually thereafter by mutual agreement.

3. We reserve the right to increase prices by giving you 30 days written notice thereof and said increase shall be effective as to shipments made on and after the date specified in the written notice. If you can, within 15 days after said notice, furnish evidence that you can purchase from another responsible supplier asbestos of ~~the same~~ similar quality, under similar conditions and at a lower delivered price, and if we do not agree within 15 days to meet said lower price, you will have the right to terminate this agreement within 10 days thereafter.

4. This offer may be terminated within 15 days after the date hereof if we have not received the signed copies of this letter indicating your agreement and acceptance.

Agreed to and Accepted:		Approved:	
AMERICAN BILTRITE CANADA, LTD.		UNION CARBIDE CORPORATION	
BY:	[signature]	BY:	[signature]
TITLE:	Purchasing Manager	TITLE:	Vice President - Metals Div.
DATE:	Sept. 22, 1975	DATE:	October 10, 1975

[signature]

EXHIBIT A

TERMS & CONDITIONS

1. The purchase price for material sold hereunder shall be Union Carbide's standard list price in effect at the time of shipment. 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. Terms of payment are net cash 30 days from date of invoice. 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.

3. 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.

4. 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.

5. 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.

6. 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. THERE ARE NO EXPRESS WARRANTIES BY SELLER OTHER THAN THOSE SPECIFIED IN THIS PARAGRAPH 6. 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.

7. 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 6) with respect to such material unless Buyer gives Seller written notice of claim within thirty (30) days after such receipt. 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 negli-

gence of, or breach of warranty by, Seller hereunder.

8. 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.

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 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 acknowledgement or acceptance of purchase order forms containing other or different terms whether or not signed by an authorized representative of Seller.

11. 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, or 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.

EXHIBIT B

SUPPLY SCHEDULE FOR AMERICAN BILTRITE-SHERBROOKE

Period	Approx. Tons per Month	Total Tons
October 1975 through December 1976	45	675