

THIS AGREEMENT by and between J. W. ROBERTS LIMITED, whose head office is located at CHORLEY NEW ROAD, HORWICH, BOLTON, in the COUNTY OF LANCASHIRE, ENGLAND (hereinafter called "the Company") of the one part and ARMSTRONG CONTRACTING AND SUPPLY CORPORATION, whose head office is located at 120 NORTH LIME STREET, LANCASTER, PENNSYLVANIA, in the UNITED STATES OF AMERICA (hereinafter called "the Licensee") of the other part.

WITNESSETH THAT:

WHEREAS, the Company is the owner of United States Patents Nos. 2,604,068, 2,604,416 and 2,964,244 relating to methods of forming coatings by spraying mineral fibers on to the surface to be coated and also relating to machines for use in forming a suspension of such fibers and in spraying such coatings, and

WHEREAS, the Licensee desires to form coatings of specially blended asbestos fibers by such process and with the use of the machines of the kind aforesaid for all purposes.

NOW, THEREFORE, the parties have agreed as follows:

1. The following terms as used herein shall have the following meanings:

(a) "the territory" shall mean the United States of America, its territories and possessions, the Panama

Canal Zone and the Commonwealth of Puerto Rico.

(b) "the process" shall mean the process for forming coatings (for insulation, acoustical, fire-proofing or other purposes) by spraying mineral fibers onto the surface to be coated more fully described in United States Patent No. 2,604,416, but only to the extent such patented process relates to coatings formed by spraying specially blended asbestos fiber.

(c) "the machines" shall mean machines designed by the Company to carry out the process and patented by United States Patents Nos. 2,604,068 and 2,954,244.

2. In consideration of the covenants and agreements by the Licensee hereinafter contained the Company hereby grants unto the Licensee while this Agreement remains in operation the exclusive rights and license to use and operate the process in the territory for the purpose of forming coatings of all descriptions produced by the use of specially blended asbestos fibers, and for such purpose the Company grants unto the Licensee the exclusive right and license to use the machines which are rented by the Company to the Licensee as hereinafter mentioned. The Licensee shall have the right to appoint Sub-Licensees.

3. The Company will rent to the Licensee the machines all in first-class running order capable of forming

a suspension of and spraying specially blended asbestos on the following terms, such rental to begin to accrue on January 1, 1963: for each "EA" type machine and variants thereof, \$140.00 per annum; for each "K" type machine, \$210.00 per annum; and for each "J" type machine, \$250.00 per annum.

The Licensee may sublease any or all of the machines to Sub-Licensees appointed in accordance with the provisions of this Agreement.

The Company undertakes to deliver any machines supplied from Great Britain in good working order, East Coast of the United States port, at the Company's expense, and the Licensee will be entitled to debit the Company with the customs duty payable on such machines. The above-mentioned rentals will apply to all machines in active use in the territory, whether in the possession of the Licensee or in the possession of Sub-Licensees; provided, however, that if Sub-Licensees return to the Licensee from time to time machines surplus to the Sub-Licensees' requirements, these machines shall not involve the Licensee in an obligation for rental from the time of receipt by the Licensee until they are issued or reissued by the Licensee to Sub-Licensees or put into active commission by the Licensee. The minimum period of rental shall be three (3) months, and any lesser period for which a machine shall be used by a Sub-Licensee

shall be charged as though such use were for three months. In consideration of the responsibilities involved in supervising and operating the distribution of the machines to the Sub-Licensees, the Licensee will be entitled to deduct ten percent (10%) of the rental covering the time such machines are rented from Licensee by Sub-Licensees. For the purposes of this subparagraph of Clause 3, all present and future district and branch offices of the Licensee shall be considered Sub-Licensees.

4. The rental of the machines does not cover any equipment required in connection with their operation other than the electric motor and the combined water jet and fiber nozzle with pneumatic clutch control, and the Licensee shall at its own expense provide the necessary source of compressed air and other ancillary equipment.

5. The Licensee shall bear the risk of any loss of or damage to the machines by fire, theft or any cause whatsoever, reasonable wear and tear excepted.

6. The Licensee undertakes at its own expense to keep the said machines in good working condition and, except as otherwise agreed from time to time by the Company, to purchase all replacement parts essential to the proper operation of the machines from the Company. The Company undertakes to supply on request such replacement parts at appropriate prices. The Licensee undertakes not to make

or permit any modification in the design of the machines except as agreed in writing with the Company, nor to cause or permit the removal, defacement or alteration in any way of the name plates fitted to the machines by the Company and to see that such name plates remain properly secured to the machines.

The Licensee undertakes not to use the machines to spray any specially blended asbestos fibers or any special surfacing materials supplied by others than the Company until the Company has had an opportunity to examine and test such fibers or such materials and to make any reasonable objections to the use of such fibers or such materials with the machines, and for such purpose the Licensee shall supply the Company on request with samples of such fibers or of such materials.

The Company at its own expense shall be entitled by its duly authorized representatives or agents at all reasonable times to inspect the machines for the purpose of examining their condition, but such inspections shall only be by previous arrangement with the Licensee and always in the company of a representative or official of the Licensee.

7. The Licensee will use its best efforts to insure that the operation of the machines is undertaken only by properly trained and efficient personnel. Without cost to the Company, Licensee will arrange for its operators and the operators of its Sub-Licensees to be given adequate training by means of periodic training courses to be held in convenient centers, and it will provide a supervisor in the field to carry out this function.

8. The Licensee undertakes to return the machines to the Company in good working order, making allowance for reasonable wear and tear, f.o.b. East Coast of the United States port on the termination of this Agreement for whatever reason. The Company also reserves the right to call at any time during the term of this Agreement for the return of one or more specified machines rented to the Licensee. In such an event, all freight and insurance charges will be paid by the Company, and the Company will, if so requested, make available to the Licensee a replacement machine or machines.

9. While this Agreement or any extensions thereof are in effect or notwithstanding the termination of this Agreement during the currency of the patents for the machines and until all machines leased to the Licensee hereunder have been returned to the Company or otherwise lost or destroyed, the Licensee undertakes not to make or cause or permit to be made any copy or copies of the patented machines. If the Licensee obtains any information with regard to the making of any copy or copies of the patented machines it shall forthwith communicate such information to the Company.

10. The Company is the owner of the trademark **SPRAYED "LIMPET" ASBESTOS** for certain asbestos products useful for thermal insulation, fireproofing and acoustical control; and owns United States Registration No. 440,406 granted with respect to said mark on August 31, 1948.

The Company hereby grants to the Licensee the non-

exclusive right to use the trademark SPRAYED "LIMPET" ASBESTOS upon or in connection with certain asbestos products, said use to be subject to the terms, provisions and conditions of this Agreement.

(a) The said Trademark shall only be used in relation to asbestos products made from certain specially prepared and blended asbestos fibers supplied by the Company under the trademark "LIMPET", provided such asbestos products strictly comply with specifications set up by the Company under subparagraph (e) hereof, to the end that the quality of the products made by or for the Licensee shall be equal to that of the corresponding products made by the Company.

(b) The Company or its authorized representative shall have the right to inspect, at all reasonable times, the method of manufacture or application and the finished products upon which the said Trademark will be used, and Licensee agrees to submit samples to the Company for examination and testing at the Company's request.

(c) Licensee shall submit to the Company for approval the form and manner in which Licensee proposes to use the said Trademark on or in reference to said asbestos products; such submission shall include invoices, labels, advertisements and other material bearing the said mark and shall be made and approved prior to actual use or display of the mark.

(d) Licensee will forthwith cease any use of the said Trademark or of any matter therewith, and any use of any other trademark in connection with said asbestos products, to which the Company may object and which may diminish the distinctiveness of the licensed Trademark, or impair the association thereof with the Company.

(e) The Company will supply to Licensee written specifications and standards governing the quality, workmanship, and properties of the asbestos products to be marketed under or by reference to the said Trademark and also governing the form and manner in which the said Trademark may be used by Licensee, either on or in reference to asbestos products produced under this Agreement. All such standards and specifications shall be faithfully observed by Licensee. The Company may vary such specifications and standards from time to time on 60 days written notice.

(f) It is understood and agreed that this license does not convey to Licensee any title or right of ownership in or to the said Trademark or any registrations thereof. The Licensee specifically recognizes the Company's title and ownership in and to the said Trademark and shall not, at any time, do or suffer to be done, any act or thing which will in any way diminish or impair

the rights of the Company in and to the said Trademark, or in and to the Company's trademark "LIMPET", and this covenant will continue to be observed after the termination of this license and shall be binding on any successors or assigns of the Licensee.

(g) Upon termination of this Agreement, Licensee agrees not to use the said Trademark or a confusingly similar name or mark, in relation to any goods, unless authorized by the Company, in writing, to do so.

(h) In any legal action, or administrative proceeding, involving the Company's rights in its "LIMPET" trademarks, Licensee agrees that it will, at the Company's expense, render all reasonable assistance to the Company and its counsel. If it is or becomes necessary to make a public record of the Licensee's right to use the licensed mark, Licensee will complete any document reasonably necessary and appropriate to that end.

(i) The Company reserves the right to withdraw the authority to use the said Trademark, if in the Company's opinion the standards and requirements demanded by the Company, either as to the production of the asbestos products or the manner of use of the said Trademark, have not been observed. Licensee

shall discontinue any and all use of the said Trademark immediately upon receipt of written notice of withdrawal of the right to use the same.

(j) Licensee may not assign the benefit and/or burden hereof without the written consent of the Company first obtained. Licensee may, however, grant to third persons to whom a sub-license to operate the process and the machines as provided in Clause 13 hereof has been granted a sub-license of the right to use the said Trademark by written instrument binding the Sub-Licensee to the same terms, provisions and conditions as apply to the Licensee with respect to the use of the Trademark, and in such cases, Licensee will use its best efforts to see that its Sub-Licensees comply with the terms and conditions hereof.

11. The Company undertakes to sell to the Licensee (so far as the same are from time to time available) all the specially blended asbestos fibers (suitable for use in the machines and for the use of which the machines have been designed) and all the special surfacing materials which the Licensee may from time to time require for use in forming coatings with the machines in accordance with the process, such asbestos fibers and surfacing materials to be sold at such prices as are from time to time agreed between the

parties. Payment for the said asbestos fibers and the said surfacing materials shall be made on a C.I.F. basis 30 days from the date of the invoice involved, subject to detailed accounting arrangements which will be agreed upon separately between the parties. (~~Subject to the written approval of the Company as to quality and as to their suitability for use in the machines, the licensee shall be entitled to obtain such asbestos and special surfacing materials from suppliers other than the Company or to approve such materials for use by its sub-licensees.~~)

12. Except as permitted by Clause 13 of this Agreement, the Licensee shall not assign this license or part with the possession of any of the machines without the consent in writing of the Company. Inasmuch as the machines will remain the property of the Company, the Licensee shall at all times while this Agreement remains in operation and until, after its termination, all the machines have been returned to the Company, adequately protect the rights of the Company thereto. It shall accordingly take all appropriate steps to insure that none of the machines is claimed by any other person, firm or company by way of distraint or otherwise and shall in particular give all necessary notices to the effect that the machines are the property of the Company. Any loss in respect of the machines caused by Licensee's failure to carry out the terms of this paragraph

shall be the responsibility of, and shall be made good by, the Licensee.

13. The Licensee shall have the right to appoint Sub-Licensees, subject to the confirmation of each Sub-Licensee by the Company, and to sublease any of the machines to such Sub-Licensees on terms approved by the Company. Two copies of each Sub-License granted by the Licensee shall be supplied to the Company. Companies which, on July 31, 1962, were Sub-Licensees of Keasbey & Mattison Company will, unless they request otherwise, be granted Sub-Licenses by the Licensee on substantially the same terms as those in their agreement with Keasbey & Mattison Company (subject to the addition of a rental fee, repair charges and charges for parts).

The Licensee shall also have the right, on terms approved by the Company and subject to the approval by the Company of the industrial company involved, to enter into maintenance agreements with industrial companies under which said companies can operate the patented machinery and practice the patented process within their own plants.

14. All inventions and improvements made during the term of this Agreement which are patented in the United States by the Licensee or its employees and which are dominated by the Company patents, United States Patents Nos. 2,604,068, 2,604,416 and 2,964,244, shall be licensed to

the Company. The license shall be a nonexclusive, royalty-free license with the right to grant sublicenses, and shall terminate on the expiration of the Company patents.

15. Except as otherwise provided herein, this Agreement shall remain in operation for a period of five years from August 1, 1962, and (unless terminated at the end of such five-year period by twelve calendar months' notice in writing by either party) shall continue thereafter from year to year until terminated at any time by either party giving to the other twelve calendar months' previous notice in writing; provided, however, that this Agreement shall not remain in operation after the expiration of United States Patents Nos. 2,604,062 and 2,604,416.

16. This Agreement shall also be terminable by the Company

(a) On a substantial breach by the Licensee of any of the stipulations herein contained, such termination to take effect at the expiration of thirty (30) days after the dispatch by the Company to the Licensee of written notice of such breach if the breach is not remedied during such thirty-day period.

(b) On the Licensee becoming in any way incapacitated for doing business, such termination to take effect at once on notice being given by the Company to the Licensee.

(c) If the Licensee in connection with its performance hereunder willfully adopts any policy or course of conduct which in the opinion of the Company results in injury to the business of the Company or seriously prejudices the Company's good will and refuses to abandon such policy or course of conduct when requested so to do by the Company, such termination to take effect at the expiration of thirty (30) days after the dispatch of such request by the Company if the latter is not complied with during such thirty-day period.

(d) On the bankruptcy or insolvency of the Licensee or upon the appointment of a receiver of any of its assets or on the making of any arrangement for the benefit of its creditors or if the Licensee shall admit in writing its inability to pay or meet its debts as they mature or shall cease to carry on business.

17. The Company shall, at its own expense, save and hold the Licensee harmless against damages and costs recovered in any suits or claims brought against the Licensee for alleged infringement of patents based upon the use of the machines. The Licensee shall promptly inform the Company of any such suit or claim or any threat or probability thereof, coming to the knowledge of the Licensee. The Company shall, upon the written request of the Licensee, defend any such suit or claim unless or until the Company shall elect

to effect a settlement thereof. The Company, or one of its affiliates, shall have the right to take exclusive charge of the defense of any such suit or claim through attorneys of its own selection. In the event the Company takes exclusive charge of the defense, the Licensee shall make available to the Company or such affiliate any relevant records, papers, information, samples, and the like and the testimony of its employees and shall, at the Company's expense, cooperate in such defense as requested by the Company or such affiliate.

In the event the Licensee should learn of any infringement of the patents referred to in the recitals hereof, the Licensee shall call the Company's attention thereto in writing and provide the Company with any available evidence of infringement. In any such infringement suits as the Company may determine to institute to enforce such patents, the Licensee agrees at the request and expense of the Company reasonably to cooperate with the Company to have any of the Licensee's employees testify when requested by the Company, and to make available to the Company any relevant records, papers, information, samples and the like.

Should any injunction issue against Licensee or its Sub-Licensees prohibiting the continued use of the machines, Licensee shall have the option of terminating this Agreement immediately and returning to the Company

all machines as well as all parts, supplies and raw materials applicable to the machines and purchased from the Company which in the Company's opinion are in good and usable condition. The Company shall issue to licensee the necessary refunds.

18. The Licensee shall indemnify and hold the Company harmless from and against any and all claims, actions, suits, judgments, expenses, costs, and attorney fees on account of death of or injury to any person or persons, or damage to property or for any other claim arising out of or in any way connected with the Licensee's use or possession of the machines or any supplementary equipment.

19. The Licensee shall at all times be solely responsible for determining the suitability of the use of the machines and process for work done by it, and shall make no claims against the Company arising out of or connected with any installations or attempted installations, except to the extent that such claims result from faulty specifications supplied by the Company.

20. The Company shall not be responsible for failures or delays in making shipments or deliveries caused by labor conditions, raw material shortages or excessive cost, carrier or supplier delays, fire, the elements, accidents, embargoes, war, insurrection, governmental regulations, riot, or other cause beyond the Company's control,

and in no event for consequential damages. The Company assumes no liability for, and will make no allowance for (a) loss of time in connection with the use of any machine or equipment for any reason whatsoever, (b) damage on account of accidents, (c) delays due to defective machine or machines or equipment or any part thereof, or (d) delays in delivery or return of the machines.

21. In the event any materials supplied to the Licensee by the Company are defective the maximum amount of the Company's liability hereunder shall be the replacement or the replacement value of the defective materials. In no event shall the Company be liable for any consequential damages including, but not restricted to, the expenses of application, removal, or reapplication.

22. The Licensee shall pay any and all excise, sales or use taxes which are or may hereafter be levied or imposed upon any materials sold by the Company to the Licensee and/or on the use of the machines, by any Federal, state or local authority.

23. Any notice to be given by the Company to the Licensee may be given by sending the same by prepaid post or cablegram addressed to the Licensee at its business address and any notice to be given by the Licensee to the Company may be given by sending the same by prepaid post or cablegram to its head office.

24. Any dispute arising out of or relating to this Agreement shall be referred to arbitration under the rules of The American Arbitration Association.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the dates set forth below.

J. W. ROBERTS LIMITED

Date 12/17/62

By (S) G. N. Marshall
Title

ARMSTRONG CONTRACTING AND
SUPPLY CORPORATION

Date 12/10/62

By (S) J. W. Laddell
Title