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COALINGA ASBESTOS COMPANY, INC.

POST OFFICE BOX 1045

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REGISTERED MAIL
AIR MAIL

June 18, 1974

Johns-Manville Sales Corporation
Greenwood Plaza
Denver, Colorado 80217

Attention: Mr. F. H. May, Jr., Vice President

Gentlemen:

Enclosed for your information is a copy of the minutes of the Special Meeting of Stockholders of Coalinga Asbestos Company, Inc. held in Houston, Texas on May 30, 1974.

Since that time, Huxley Development Corporation has indicated that it has no interest in any acquisition of the Company or its assets. No other potential buyer of the Company or its assets has made an offer in writing.

You have been furnished the audited financial statements of the Company; and Management discussed with your representatives at the meeting on May 30, 1974, as well as previously, the financial condition and prospects of the Company and of its operations.

Management has been advised that, under the circumstances, there is no appreciable likelihood that the Fresno County Air Pollution Control District Board would consider favorably any petition to extend the variance which expired on May 31, 1974.

Therefore, operations of the Company at Coalinga are being closed down immediately.

Very truly yours,

W. L. VanDerbeek
President

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COALINGA ASBESTOS COMPANY, INC.

MINUTES OF A SPECIAL MEETING OF STOCKHOLDERS

May 30, 1974

A Special Meeting of Stockholders of COALINGA ASBESTOS COMPANY, INC was held at the Chamber of Commerce Building, Room 1721, 914 Main Street, Houston, Texas, on Thursday, the 30th day of May, 1974, at 10:00 o'clock in the forenoon, pursuant to a written notice thereof fixing said place, date and time therefore and the purposes thereof dated and mailed May 20, 1974 to the holders of all of the shares of the issued and outstanding capital stock of the Corporation.

The following shareholders were present:

Johns-Manville Sales Corporation, represented at the meeting by its proxies, Messrs. R. E. Sampson and A. R. Dennis;

Tenneco West, Inc. represented at the meeting by its proxy, Mr. Robin M. Pate;

Estate of Herbert Hoover, Jr., represented at the meeting by its proxy, Mr. Robin M. Pate; and

Mr. Edward A. Peilemeier, represented at the meeting by his proxy, Mr. Robin M. Pate.

Mr. R. E. Sampson, proxy for Johns-Manville Sales Corporation acted as Chairman of the meeting and presided thereat, and Mr. A. R. Dennis, proxy for Johns-Manville

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Sales Corporation, acted as Secretary of the meeting and kept the minutes thereof.

The Secretary presented a Notice of Special Meeting, together with an affidavit that a copy of said notice had been mailed on May 20, 1974 to each Stockholder of record at that date.

Upon motion duly made and seconded, said affidavit was ordered filed with the minutes of the meeting.

The Secretary reported to the meeting that the holders of One Thousand (1,000) shares of the issued and outstanding capital stock of the Corporation were represented at the meeting by their proxies [and in person]. He further stated that the proxies filed for the meeting had been examined by him and found to be correct.

Thereupon, on motion duly made and seconded, the following resolution was unanimously adopted.

RESOLVED that the proxies of the holders of One Thousand Shares (1,000) shares of the issued and outstanding capital stock of the Corporation be placed in the minute book of the Corporation following the minutes of the meeting.

The Chairman then reviewed the history of the air pollution difficulties and the Coalinga operation has encountered,

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specifically with reference to action taken by the Federal Environmental Protection Agency and the Fresno County Air Pollution Control District Board. The Chairman noted that on or about January 16, 1974, the Fresno County Air Pollution Control District Board granted the Corporation a variance to operate its facility at Coalinga until May 31, 1974 at which time the Coalinga operation would be shut down permanently. The Chairman then noted that on May 15, 1974 the mine manager, at the request of Management, appeared before the Fresno County Air Pollution Control District Board to request an extension of the variance beyond the May 31, 1974 termination date. The Board by a unanimous vote, refused to grant such an extension. Therefore, the variance previously granted terminated on May 31, 1974. Since May 15, 1974, Management has been actively investigating the possibility of legal or other steps in an effort to obtain an extension of the variance. However, it is not anticipated that any such steps would be successful and it must be contemplated that the Company's operations may be closed May 31, 1974.

The Chairman then advised the meeting that during the last nine months, Management had actively been seeking to find a purchaser of all or substantially all of the assets of the Corporation. In this connection, Management had been in touch with likely potential purchasers, including Vinnel Corporation, GAF Corporation and Union Carbide Corporation,

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but none, including the foregoing, had indicated any definite interest in acquiring the Corporation or its assets. However, late in April, 1974, Huxley Development Corporation through its President, Mr. Adam Novak, indicated a possible interest in acquiring a 60-day option to purchase the net operating assets of the Corporation at Coalinga. While an offer has not been received in writing from Huxley, the terms discussed included an initial payment of $25,000 for the 60-day option which would be applied against the price if the option were to be exercised. Upon exercise of the option, Huxley proposed to pay $250,000 down with further annual payments of $100,000 each, or 60% of the operating profit, whichever is greater, until the aggregate amount paid reached $1,100,000. The unpaid balance of the annual payments would not be subject to interest. The Chairman then reminded the meeting that under the provisions of the Exploration and Development Agreement of May 1, 1960, the shareholders of the Corporation were entitled to a first refusal of any such offer. Accordingly, Management had not yet granted an option to Huxley.

The Chairman then reviewed the financial condition of the Corporation disclosed in the audited financial statements thereof which had been furnished to the stockholders.

The Chairman then confirmed to the meeting the previous oral advice to the shareholders regarding the above matters.

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Thereupon, after discussion of the foregoing, on motion, duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED that Management of the Corporation be, and it hereby is, authorized and directed to continue negotiations with Fresno County Air Pollution Control District Board and in the course thereof and in connection therewith to take such action as Management in the exercise of its discretion, may deem in the best interests of the Corporation in connection with extension of the variance and/or closing the operations of the Corporation; and

RESOLVED that Management of the Corporation be, and it hereby is, authorized and directed to continue discussions with Huxley Development Corporation and/or Mr. Adam Novak, as well as with other potential purchasers of the Corporation or of all or part of its assets, and in connection therewith, to endeavor to obtain firm offers in writing at such price or prices and/or such terms and conditions

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as Management in the exercise of its discretion, may deem in the best interests of the Corporation.

A.R. Dennis,
Secretary.

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(1) To carry on the business of mining and quarrying asbestos, magnesia, limestone, diatomaceous earth and all other minerals of every kind, and to acquire by purchase, lease or otherwise, and to hold, operate or dispose of mines and quarries of every sort in the United States and in any foreign country, which the Corporation shall deem necessary, proper or expedient to be acquired, operated or disposed of by it.

(2) To manufacture, purchase or otherwise acquire, hold, use, assign, pledge, mortgage, sell, exchange or otherwise dispose of, import, export and generally deal in and deal with, either as principal or agent, goods, wares and merchandise of every kind and description and grants, options, concessions, franchises and contracts and all kinds of personal and real property or any interest therein without limit as to amount.

(3) To manufacture, process and sell all classes of products in which asbestos, magnesia, limestone or diatomaceous earth are used and also to manufacture, process and sell all such other classes of goods and merchandise as the Corporation shall find it necessary or desirable to manufacture, process or sell.

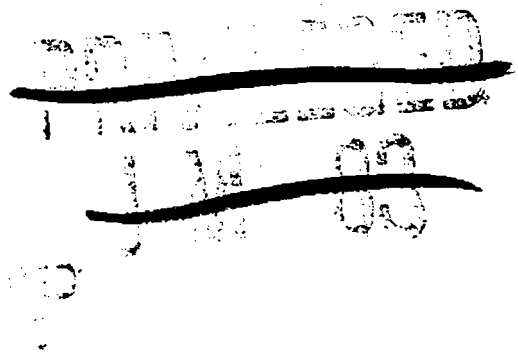
(4) To contract for the construction, alteration, improvement, removal and destruction of buildings of every kind and description and generally to carry on the business of roofing, flooring and walling contractors, and to perform all work

appertaining thereto; to construct, lay, alter, improve, repair and renew roofs, floors and walls of every description.

(5) To purchase, lease or otherwise acquire, construct, equip, hold, own, maintain, manage, improve, develop, operate, use, sell, mortgage, lease or otherwise dispose of and generally deal in and with and turn to account any and all kinds of property whether real, personal or mixed and wheresoever situated, including without limiting the generality of the foregoing, plants, factories, warehouses, stores, shops and delivery stations, garages, furniture, fixtures, machinery, parts, supplies, appliances and appurtenances that may be necessary, useful, proper or expedient in connection with the foregoing or with any of the businesses or enterprises of the Corporation.

(6) To act as commercial or business agents or representatives, general or special, of any corporation, domestic or foreign, association, firm, syrdicate, body politic, individual or other, and as such to develop, improve and extend the property, trade and business interests thereof and to aid any lawful enterprises in connection therewith in any manner.

(7) To apply for, obtain, register, purchase or otherwise acquire any trademarks, trade names, patents, licenses, concessions, copyrights, inventions, improvements, processes and the like, or any secret or other information as to, any invention, formula, recipe or process conferring upon the Corporation any exclusive or non-exclusive or limited or unlimited right to use the same and to use, exercise, introduce, assign or otherwise



dispose of, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired.

(8) To purchase or otherwise acquire, underwrite, obtain an interest in, subscribe for, invest in, hold for investment or otherwise, pledge, mortgage, sell, exchange or otherwise dispose of, turn to account or realize upon and generally deal in securities of every kind, including shares, stocks, bonds, debentures, notes, scrip, evidences of indebtedness, certificates of indebtedness, commercial paper, mortgages, voting trust certificates, claims, choses in action and other similar instruments and rights, issued or created by corporations, either public, quasi public or private, domestic or foreign, associations, firms, trustees, syndicates, individuals, governments, provinces, colonies, states, districts, territories, municipalities or other political subdivisions in the United States of America or in any foreign country whatsoever, or issued or created by others and also to issue in exchange therefore stocks, bonds or other securities, or evidences of indebtedness of the Corporation, and to exercise in respect thereof any and all rights, powers and privileges of individual ownership or interest therein, including the right to vote thereon for any and all purposes, or otherwise to act with respect thereto, to receive, collect and dispose of the interest, dividends and income therefrom and to do any and all acts and things for the preservation, protection, improvement and enhancement in value

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of such securities or designed to accomplish any such purpose.

(9) To purchase, acquire or otherwise become interested in any of such securities as aforesaid by original subscription, underwriting, participation or otherwise and irrespective of whether or not such securities be fully paid or subject to further payment, and to make further payments thereon as called for or in advance of calls or otherwise, and to underwrite or subscribe for the same conditionally or otherwise, either with a view to investment or for resale or for any other lawful purpose.

(10) To promote, finance, aid or assist, financially or otherwise, in any manner, whether by loan, subsidy, guaranty or otherwise, those issuing or having power to issue, creating or responsible for any such securities or those in whose business affairs the Corporation shall have any interest and in connection therewith to guarantee or become surety for the performance of any undertaking or obligation, or the payment of principal or interest on obligations and dividends on stocks or any other payments whatsoever, and by endorsement or otherwise to guarantee the payment of principal and interest on bonds, debentures, notes, drafts and other securities or evidences of indebtedness.

(11) To inspect and report with respect to, institute, enter into, establish, promote, conduct, become a party to, perform or participate in the conduct, the reorganization or liquidation of all kinds of financial, commercial, mercantile,

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manufacturing, industrial, mining, transportation or other business concerns, firms, corporations, works, contracts, undertakings, ventures or associations in the United States or in any territory thereof or in any foreign country and for any such purpose to take over the properties, manage the affairs and conduct the business of such, and in the course thereof to take over, hold, sell, liquidate or dispose of any and all kinds of real estate, plants, equipment, inventory, merchandise, materials and other assets, stock, good-will, rights, franchises, patents, trademarks and trade names and other properties; and to consolidate, reorganize or amalgamate with any other corporation having objects similar in whole or in part to those of the Corporation.

(12) To pay for any property, rights or interests acquired by the Corporation in cash or other property, rights or interests held by the Corporation; or by issuing or delivering in exchange therefor, or in payment thereof, its own stocks, bonds, debentures, notes, certificates of indebtedness or other obligations or any of them however evidenced, and to purchase or otherwise acquire, hold, own, sell, pledge, transfer or otherwise dispose of, and to reissue, any shares of its own capital stock (so far as may be permitted by law) and its bonds, debentures, notes or other securities or evidences of indebtedness.

(13) To borrow money without limit and upon any terms, for any purpose of the Corporation or of any corporation, association, firm, syndicate or individual having a business or property which the Corporation determines to finance, promote or become inter-

ested in; and for moneys borrowed or in payment for property acquired, to issue bonds, debentures, notes and other obligations, secured or unsecured, and to make, pledge or hypothecate any or all of its property or assets, whether owned by it at the time or thereafter acquired, as security therefor.

(14) To do any and all things herein set forth to the same extent and as fully as a natural person might or could do, and in any part of the world and as principal, agent, contractor, or otherwise, and either alone or in conjunction with any other individuals, firms, associations, corporations, syndicates or bodies politic, and to conduct its business in any and all of its branches and maintain offices in any and all States of the United States of America and in any and all territories, dependencies, colonies or possessions thereof, in the District of Columbia, and in any and all foreign countries and places and to acquire by purchase or otherwise hold, possess and mortgage, sell, convey or otherwise dispose of real and personal property therein without limitation in all thereof to the extent that may be permissible under their laws.

(15) To have all the rights, powers and privileges now or hereafter conferred by the laws of the State of Delaware upon corporations organized under the General Corporation Law of the State of Delaware or under any act amendatory thereof, supplemental thereto or substituted therefor.

The foregoing clauses shall be construed as powers as well as objects and purposes. It is the intention that, except