

Agreement and Plan of Merger (hereinafter called "Agreement of Merger"), dated as of May 31, 1972, pursuant to Section 252 of the General Corporation Law of the State of Delaware and Section 52 of the General Corporation Act of the State of Michigan, between The Celotex Corporation, a Delaware corporation (hereinafter called "Celotex") and Panacon Corporation, a Michigan corporation, (hereinafter called "Panacon"), and a majority of the directors thereof (Celotex and Panacon being hereinafter collectively called the "Constituent Corporations"),

WITNESSETH THAT:

WHEREAS, Celotex is a corporation organized and existing under the Laws of the State of Delaware, having been incorporated on August 6, 1964; and

WHEREAS, Panacon is a corporation organized and existing under the Laws of the State of Michigan, having been incorporated on November 29, 1909 under the name of Briggs Manufacturing Company (which name was thereafter changed to Panacon by amendment filed April 9, 1970); and

WHEREAS, the authorized capital stock of Celotex consists of 100 shares of preferred stock, no par value and 100 shares of common stock, no par value, all of which on the date hereof have been validly issued and are outstanding, fully paid and non-assessable and owned by Jim Walter Corporation, a Florida corporation (hereinafter called "Walter"); and

WHEREAS, the authorized capital shares of Panacon consists of 25,000,000 shares of Common Stock, \$1.00 par value ("Common Stock"), of which 15,632,158 shares were, as of May 31, 1972, issued and outstanding and of 7,356,000 shares of Class A Common Stock, \$1.00 par value ("Class A Common Stock"), all of which have been issued and converted into Common Stock; and

WHEREAS, the Boards of Directors of Celotex and Panacon have each adopted resolutions approving this Agreement of Merger; and

WHEREAS, the registered office of Celotex in the State of Delaware is located at 100 West Tenth Street in the City of Wilmington, the County of New Castle, and the name of its registered agent at such address is The Corporation Trust Company; and

WHEREAS, the registered office of Panacon in the State of Michigan is located at 615 Griswold Street in the City of Detroit, the County of Wayne, and the name of its registered agent at such address is The Corporation Company; and

WHEREAS, the parties hereto deem it desirable that Panacon be merged into Celotex under and pursuant to the General Corporation Law of the State of Delaware and the Michigan General Corporation Act.

NOW, THEREFORE, Celotex and Panacon, in consideration of the mutual covenants, agreements and provisions hereinafter contained, do hereby prescribe the terms and conditions of such merger and the mode of carrying the same into effect as follows:

Section 1 - Merger. Subject to the approval and adoption of this Agreement of Merger and the merger provided for herein by the vote or the written consent of the holders of the required percentages of the issued and outstanding shares of capital stock or shares of each of the corporations, and subject to the conditions hereinafter set forth, Panacon shall be and hereby is merged into Celotex, which corporation shall continue in existence as the surviving corporation; and thereupon the separate existence of Panacon shall cease, except insofar as its existence shall be continued by operation of Section 12 hereof or by operation of Michigan law.

Section 2 - Certificate of Incorporation. The certificate of incorporation of Celotex as in effect at the Effective Date of the merger shall continue in full force and effect as the certificate of incorporation of the corporation surviving this merger, until it shall have been amended as provided therein or by law.

Section 3 - By-laws. The By-laws of Celotex as in effect at the Effective Date of the merger shall continue in full force and effect as the By-laws of the corporation surviving the merger until they shall have been amended or repealed as provided therein or by law.

Section 4 - Directors. The directors of Celotex in office at the Effective Date of the merger shall continue as the directors of the surviving corporation. Such directors shall hold office until the next annual meeting of stockholders of Celotex and until their respective successors are elected and qualified unless sooner removed or otherwise replaced, in accordance with the certificate of incorporation and the By-laws of Celotex.

Section 5 - Officers. The officers of Celotex in office upon the Effective Date of the merger shall continue as the officers of the surviving corporation.

Section 6 - Celotex Representations and Warranties.
Celotex represents and warrants:

(a) Organization and Standing. That it is a corporation duly organized, validly existing and in good standing under the laws of Delaware, that it has the corporate power to carry on its business as now being conducted, that it is duly qualified to do business and in good standing in each jurisdiction in which the character of the properties owned by it or the nature of the business conducted by it makes such qualification necessary.

(b) Authority Relative to the Agreement.
That the execution, delivery and performance of the Agreement by Celotex, including without limitation, the conveyances, transfers and deliveries contemplated hereby, have been duly and effectively authorized and consented to by Celotex' Board of Directors.

Section 7 - Panacon Representations and Warranties.
Panacon represents and warrants:

(a) Organization and Standing. That it is a corporation duly organized, validly existing and in good standing under the laws of Michigan, that it has the corporate power to carry on its business as now being conducted, that it is duly qualified to do business and in good standing in each jurisdiction in which the character of the properties owned by it or the nature of the business conducted by it makes such qualification necessary.

(b) Authority Relative to the Agreement.

That the execution, delivery and performance of the Agreement by Panaccon, including without limitation, the conveyances, transfers and deliveries contemplated hereby, have been duly and effectively authorized and consented to by Panaccon's Board of Directors.

Section 8 - Manner of Converting Stock. Upon the Effective Date of the merger:

(a) Panaccon Common Stock. Each outstanding share of Common Stock of Panaccon (other than each such share of Common Stock held by Celotex) shall be converted into the right to receive, without interest, \$6.00 (payable by bank check or by certified or cashier's check) from Celotex upon surrender of the certificate representing such share.

(b) Panaccon Common Stock Held by Celotex. Each outstanding share of Common Stock of Panaccon held by Celotex shall be cancelled and no security, cash or other consideration shall be issued or exchanged therefor at the Effective Date or thereafter.

(c) Panaccon Class A Common Stock. Each outstanding share of Class A Common Stock of Panaccon shall be cancelled and no security, cash, or other consideration shall be issued or exchanged therefor at the Effective Date or thereafter.

(d) Treasury Stock. Each outstanding share of Common Stock, and of Class A Common Stock, of Panaccon held by Panaccon shall be cancelled and no security, cash or other consideration shall be issued or exchanged therefor at the Effective Date or thereafter.

(c) Celotex Stock. Each outstanding share of preferred stock, no par value, and of common stock, no par value, of Celotex shall remain unaffected by the merger.

On and after the Effective Date of the merger, no transfer of the shares of Common Stock or Class A Common Stock of Panacon shall be made on the stock transfer books of the surviving corporation.

Section 9 - Warrants. Upon the Effective Date of the merger, each outstanding Common Stock Purchase Warrant ("Warrant") heretofore issued by Panacon under its former name, Briggs Manufacturing Company, shall be cancelled and shall have no further force and effect, and the lawful holder thereof, upon surrender of such Warrant, shall have the right to receive, without interest, \$.50 (payable by bank check or by certified or cashier's check) from Celotex for each share of Common Stock included within such Warrant.

Section 10 - Stock Options. Upon the Effective Date of the merger, each outstanding and unexercised option to purchase Panacon Common Stock theretofore granted pursuant to Panacon's 1967 Qualified Stock Option Plan and then held by an employee of Panacon shall be converted into an option to purchase shares of Walter Common Stock, 16-2/3 cents par value per share, pursuant to Walter's 1968 Employees' Qualified Stock Option Plan. The number of shares of the said Walter Common Stock covered by such an option, the purchase price for the shares of Walter Common Stock, and the other

... terms and conditions of the said option shall be determined in accordance with Section 425(a) of the Internal Revenue Code of 1954, as amended and the applicable regulations thereunder. If at any time after the Effective Date, it appears that one or more of the conditions which are prohibited by Section 425(a) of the Internal Revenue Code of 1954 exist, then the Walter Common Stock options to be issued hereunder may be adjusted by Walter in order to insure compliance with the applicable provisions of the said Internal Revenue Code.

Section 11 - Certain Effects of Merger. At the Effective Date of the merger, the separate existence of Panacox shall cease and Celotex shall possess all of the rights, privileges, powers and franchises both of a public and of a private nature of Panacox, subject to all their restrictions, disabilities and duties, and all and singular, the rights, privileges, powers and franchises of Panacox, and all property, real, personal and mixed, tangible and intangible, and all debts due to Panacox on whatever account, and all other things in action of or belonging to Panacox, shall be vested in Celotex without further act or deed; and all property, rights, privileges, powers and franchises and all and every other interest shall be thereafter as effectively the property of Celotex as they were of Panacox, and the title to any real estate vested by deed or otherwise in Panacox shall not revert or be in any way impaired by reason of the merger herein provided for, provided that all rights of creditors and all liens upon property of

---Panaceon shall be preserved unimpaired, and all debts, liabilities and duties of Panaceon shall upon the Effective Date of the merger attach to Celotex, and may be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by Celotex. Any surplus which Panaceon may have upon the Effective Date of the merger may be carried as surplus by Celotex.

Section 12 - Supplemental Action. If at any time after the Effective Date of the merger Celotex shall consider or be advised that any further conveyances, agreements, documents, instruments and assurances of law or in any other things are necessary or desirable to vest, perfect, confirm or record in Celotex the title to any property, rights, privileges, powers and franchises of Panaceon, or otherwise to carry out the provisions of this Agreement of Merger, the proper directors and officers of Panaceon last in office shall execute and deliver, upon Celotex' request, any and all proper conveyances, agreements, documents, instruments and assurances in law, and do all things necessary or proper to vest, perfect, or confirm title to such property, rights, privileges, powers and franchises in Celotex, and otherwise to carry out the provisions of this Agreement of Merger.

Section 13 - Effective Date of Merger. Celotex and Panaceon shall cause a counterpart of this Agreement of Merger to be filed in the office of the Secretary of State of the State of Delaware and to be recorded as required by the General Corporation Law of the State of Delaware and shall cause a certificate of merger with respect thereto

to be filed in the Office of the Administrator of the State of Michigan as required by the Michigan General Corporation Act. The merger provided for in this Agreement of Merger shall become effective at 9:00 AM, New York City Time, on the day (herein called the "Effective Date" of the merger) following the day that the later of such filing with the Secretary of State of the State of Delaware or such filing in the Office of the Administrator of Michigan shall have been completed.

Section 14 - Covenants. From and after the date hereof and until the Effective Date of the merger, Panacon shall not issue or sell, or issue rights, warrants or options to subscribe to, any shares of any capital stock.

Section 15 - Approval and Filing. After adoption of a resolution of the Board of Directors of each of the Constituent Corporations approving this Agreement of Merger, this Agreement of Merger shall be submitted to Walter, as sole stockholder of Celotex, for its consent, approval and adoption, pursuant to the General Corporation Law of the State of Delaware, and to a vote of the holders of the outstanding capital stock of Panacon for their approval and adoption at a meeting thereof held upon notice in accordance with law. If the merger shall be so consented to, approved and adopted by Walter, as sole stockholder of Celotex, and so approved and adopted by the affirmative vote of not less than two-thirds of the votes cast at such meeting by the holders of each class of Panacon's outstanding stock, the officers of the Constituent Corporations, subject to the

provision of Section 16 hereof, shall take all steps necessary in order to make effective the merger of Panaco into Celotex provided for in this Agreement of Merger.

Section 16 - Termination. By mutual written agreement, the parties hereto, or in the event of the discovery of a material breach of a representation or warranty hereinabove made by a party, the other party hereto, may terminate or abandon this Agreement of Merger at any time prior to the Effective Date. This Agreement of Merger shall terminate, unless extended, in the event that the merger is not consummated on or before September 30, 1972.

Section 17 - Amendment. Celotex and Panaco may, by mutual written agreement, approved by their respective Board of Directors, amend this Agreement of Merger from time to time prior to the Effective Date of the merger to the extent permitted by law, provided however that no such amendment may reduce the amount of the payment for the Panaco stock provided for in Paragraph 8(a) above or the amount of payment for the Panaco Warrants provided for in Section 9 above.

Section 18 - Counterparts. This Agreement of Merger shall be executed simultaneously in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 19 - Limitation of Actions. No representation or warranty herein contained shall survive the Effective Date.

Section 20 - Expenses. If the merger is consummated Celotex will bear all the expenses. If the merger is not consummated, Panaco will bear only its own internal expenses and Celotex will bear all other expenses in connection with the proposed transaction, including the fees and expenses of counsel, and all other expenses.

IN WITNESS WHEREOF, the parties to this Agreement of
Merger, pursuant to the approval and authority duly given by
resolutions adopted by their respective Board of Directors,
have caused these presents to be executed by the Vice President
and attested by the Secretary of Celotex and by the President
and attested by the Secretary of Panaccon, and the corporate
seal affixed, as of the date first above written.

THE CELOTEX CORPORATION

(Corporate Seal)

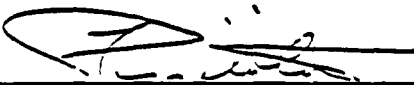
By 
Vice President

ATTEST:

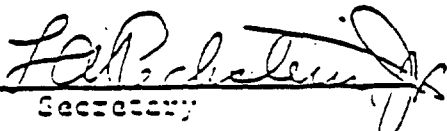
By 
Secretary

PANACON CORPORATION

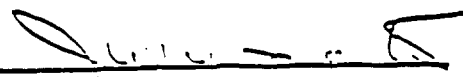
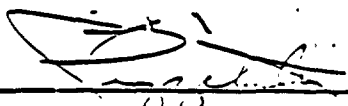
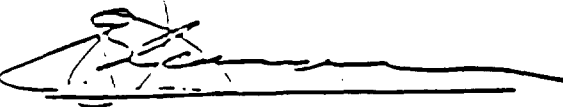
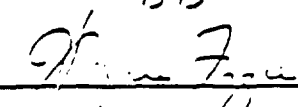
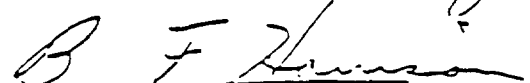
(Corporate Seal)

By 
President

ATTEST:

By 
Secretary

A Majority of the Directors of Panaccon Corporation:

I, RICHARD THOMPSON, Assistant Secretary of The Celotex Corporation, a Delaware corporation, hereby certify as such Assistant Secretary and under the seal of said corporation that the foregoing Agreement and Plan of Merger, after having been first approved by resolution duly adopted by the Board of Directors of said corporation and executed by its officers thereunto duly authorized and by resolution duly adopted by the Board of Directors and signed by a majority of the Directors and executed by the officers of Panacore Corporation thereunto duly authorized, was duly adopted pursuant to Section 228 of Title 8 of the Delaware Corporation Law, by the written consent of the sole stockholder of The Celotex Corporation, which Agreement and Plan of Merger was thereby adopted as the act of the said sole stockholder of the said The Celotex Corporation, and the duly adopted agreement and act of the said corporation.

WITNESS my hand and the seal of The Celotex Corporation this 28th day of June, 1972.


Assistant Secretary

(Corporate Seal)

... We, F. J. PIZZITOLA, President, and L. A. PICH
Secretary, of Panason Corporation, a Michigan corporation,
hereby certify as such President and Secretary and under the
seal of said corporation that the foregoing Agreement and Plan
of Merger, after having been first approved by resolution duly
adopted by the Board of Directors of said corporation and signed
by a majority of said Directors and executed by its officers
thereunto duly authorized and by resolution duly adopted by
the Board of Directors of The Celotex Corporation, a Delaware
corporation, and executed by the officers of The Celotex
Corporation thereunto duly authorized, was duly submitted to
the shareholders of Panason Corporation at a special meeting
of said shareholders in accordance with the requirements of
Section 52 of the Michigan General Corporation Act for the
purpose of considering and voting for or against the approval
of said Agreement and Plan of Merger and held, after due notice
on June 28, 1972; and that at said meeting said Agreement and
Plan of Merger was considered and vote by ballot in person or
by proxy was taken for the adoption or rejection of the same
and that the votes of shareholders of Panason Corporation
representing more than two-thirds (2/3) of the total number
of shares of each class of its outstanding capital stock were
for the adoption of said Agreement and Plan of Merger.

WITNESS our hands and the seal of Panason Corporation
this 28th day of June, 1972.



President

(Corporate Seal)

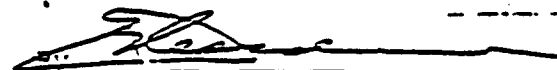


Secretary

The foregoing AGREEMENT AND PLAN OF MERGER having been duly approved by resolutions adopted by the Boards of Directors of The Celotex Corporation and Panakon Corporation, respectively, and said Agreement and Plan of Merger having been duly signed by a majority of the Directors of Panakon Corporation and having been duly executed by the officers of The Celotex Corporation and Panakon Corporation, respectively thereunto duly authorized, and said Agreement and Plan of Merger having been duly adopted by the shareholders of each of said corporations in the manner provided by Section 52 of the Michigan General Corporation Act as to Panakon Corporation and by Section 252 of the General Corporation Law of the State of Delaware as to The Celotex Corporation, the Vice President and the Assistant Secretary of The Celotex Corporation and the President and the Secretary of Panakon Corporation do now execute this Agreement and Plan of Merger under the respective seals of said corporations by the authority of the Board of Directors and shareholders of each, as the act, deed and agreement of each of said corporations, this 28th day of June, 1972.

THE CELOTEX CORPORATION

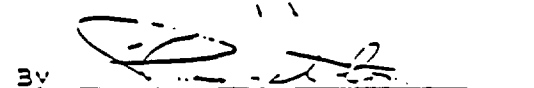
(Corporate Seal)


Vice President

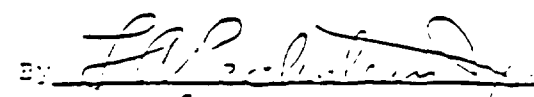
Attest:


Assistant Secretary

PANAKON CORPORATION

By 
President

(Corporate Seal)

By 
Secretary

STATE OF OHIO

COUNTY OF HAMILTON

) ss:

BE IT REMEMBERED that on this 28th day of June, 1972, personally came before me, a Notary Public in and for the County and State aforesaid, J. B. CORDELL, Vice President of THE CELOTEX CORPORATION, a corporation of the State of Delaware and he duly executed said Agreement and Plan of Merger before me and acknowledged the said Agreement and Plan of Merger to be his act and deed and the act and deed of said corporation and the facts stated therein are true; and that the seal affixed to said Agreement and Plan of Merger and attested by the Secretary of said corporation is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

(Notarial Seal)

Richard I. Fleischer

Notary Public

RICHARD I. FLEISCHER Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission has no expiration
Date: September 14, 1971 R. C.

STATE OF OHIO
COUNTY OF HAMILTON

) ss:

On this 28th day of June, 1972, before me appeared F. J. PIZZITOLA and L. A. PECHSTEIN, JR.

to me personally known, who being by me duly sworn, did say to me they are, respectively, the President and Secretary of Panaco Corporation, a Michigan corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and its shareholders, and the said F. J. PIZZITOLA

L. A. PECHSTEIN, JR. acknowledged the execution of said instrument as the act, deed and agreement of said corporation.

(Notarial Seal)

Richard I. Fleischer

Amendment to Agreement and Plan of Merger (hereinafter called "Agreement of Merger"), dated as of May 31, 1972, pursuant to Section 252 of the General Corporation Law of the State of Delaware and Section 52 of the General Corporation Act of the State of Michigan, between The Celotex Corporation, a Delaware corporation (hereinafter called "Celotex") and Panaco Corporation, a Michigan corporation, (hereinafter called "Panaco"), and a majority of the directors thereof,

WITNESSETH THAT:

WHEREAS, Celotex and Panaco did heretofore enter into, subject to shareholder approval, the Agreement of Merger; and

WHEREAS, said Agreement of Merger did provide in Section 17 thereof that, subject to certain specified limitations the parties thereto could, after execution of the said Agreement of Merger and prior to the Effective Date thereof, amend the said Agreement of Merger by mutual written agreement approved by their respective Board of Directors; and

WHEREAS, the parties thereto desire by this mutual written agreement to amend Section 13 of said Agreement of Merger to more precisely fix the Effective Date thereof.

NOW, THEREFORE, Celotex and Panaco, in consideration of the mutual covenants, agreements and provisions contained here and in the Agreement of Merger do hereby agree that the Agreement of Merger shall be amended as follows:

I

Section 13 of the Agreement of Merger shall be amended to read as follows:

Panacorr shall cause a counterpart of this Agreement of Merger to be filed in the office of the Secretary of State of the State of Delaware and to be recorded as required by the General Corporation Law of the State of Delaware and shall cause a certificate of merger with respect thereto to be filed in the Office of the Administrator of the State of Michigan as required by the Michigan General Corporation Act. The merger provided for in this Agreement of Merger shall become effective at 9:00 AM, New York City Time, on June 30, 1972 (herein called the "Effective Date" of the merger).

IN WITNESS WHEREOF, the parties to this Amendment to the Agreement of Merger, pursuant to the approval and authority duly given by resolutions adopted by their respective Board of Directors have caused these presents to be executed by the Vice President and attested by the Assistant Secretary of Celotex and by the President and attested by the Secretary of Panacorr, and the corporate seal affixed.

THE CELOTEX CORPORATION

(Corporate Seal)

By

Vice President

ATTEST:

By

Assistant Secretary

PANACORR CORPORATION

(Corporate Seal)

By

President

ATTEST:

By

Secretary

A Majority of the Directors of Panacorr Corporation:

[Signature] [Signature]
[Signature] [Signature]
[Signature] [Signature]

I, RICHARD THOMPSON, Assistant Secretary of The Celotex Corporation, a Delaware corporation, hereby certify as such Assistant Secretary and under the seal of said corporation that the foregoing Amendment to the Agreement and Plan of Merger, was first approved by resolution duly adopted by the Board of Directors of said corporation and executed by its officers thereunto duly authorized.

WITNESS my hand and the seal of The Celotex Corporation this 28th day of June, 1972.

Richard Thompson
Assistant Secretary

(Corporate Seal)

I, L. A. PECHSTEIN, JR., Secretary of Panacorn Corporation, a Michigan corporation, hereby certify as such Secretary and under the seal of said corporation that the foregoing Amendment to the Agreement and Plan of Merger, was first approved by resolution duly adopted by the Board of Directors of said corporation and executed by its officers thereunto duly authorized.

WITNESS my hand and the seal of Panacorn Corporation this 28th day of June, 1972.

L. A. Pechstein, Jr.
Secretary

(Corporate Seal)

STATE OF OHIO
COUNTY OF HAMILTON

) ss.:

BE IT REMEMBERED that on this 28th day of June, 1972, personally came before me, a Notary Public in and for the County and State aforesaid, J. B. CORDELL, Vice President of THE CELOTEX CORPORATION, a corporation of the State of Delaware, and he duly executed said Amendment to the Agreement and Plan of Merger before me and acknowledged the said Amendment to the Agree and Plan of Merger to be his act and deed and the act and deed of said corporation and the facts stated therein are true; and that the seal affixed to said Amendment to the Agreement and Plan of Merger and attested by the Secretary of said corporation is the common or corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office the day and year aforesaid.

(Notarial Seal)

Richard J. Fleischer

Notary Public

EDWARD I. FLEISCHER Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission No. 1000000000
Exp. 12/31/73 R. C.

STATE OF OHIO
COUNTY OF HAMILTON

) ss.:

On this 28th day of June, 1972, before me appeared
F. J. PIZZITOLA and L. A. PECHSTEIN, JR.

to me personally known, who being by me duly sworn, did say that they are, respectively, the President and Secretary of Panatron Corporation, a Michigan corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said
F. J. PIZZITOLA and L. A. PECHSTEIN, JR.

acknowledged the execution of said instrument as the act, deed and agreement of said corporation.