CONFIDENTIAL

MEMORANDUM

SUMMARY OF MEETINGS WITH MANVILLE

April 18-19, 1984

Gary Kern, Dennis DeAtley and the undersigned met with various Manville personnel on April 18 and 19, 1984 to review various outstanding issues and unresolved matters related to the acquisition of assets agreements between J-M and Manville (hereinafter the "Agreements"). The issues and matters reviewed were:

1. Retirement program. The Agreements provide, in part, that J-M is to provide its former Manville employees with a retirement program with benefits at least as generous as those provided by Manville. Further, the Agreements also provide that the benefits shall be provided as soon as practical. Upon a plan being qualified by the IRS, Manville is to transfer to J-M money held in trust by it for Manville employees pursuant to an agreed-upon formula. J-M has considered and approved, in principle, a retirement plan. However, this plan differs from that of Manville in that the Manville plan is a defined benefit plan and the J-M plan is a defined contribution plan. Since the new J-M plan will be a termination of the Manville plan for the Manville employees, we have been advised that the Manville employees will immediately have to have fully vested rights under the J-M plan. In any event, the adoption of a new plan is long overdue. Manville is anxious to turn over the funds it presently holds for the Manville employees and approve a plan. Manville admits it would not be appropriate for them to dictate J-M policy and they will not likely unreasonably interfere but will insist on a review the J-M plan. While a failure to provide the plan is a clear breach of the Agreements, Manville's actual damages due to such a breach would be difficult to quantify. The Manville employees may claim they are third party beneficiaries of the Agreements and then claim damages to the extent that the J-M plan is less generous than the Manville plan.

2. Vacation Pay. J-M has paid accrued vacation pay to employees that was owed by Manville in an amount of ap-

PLAINTIFF EXHIBIT

JMM 5569

Reichert

EXHIBIT NO. 20

7-8-11

Rhonda S. Hanson, CSR

DAWES002135

SC-JMM-2075

proximately $800,000. Manville has refused to reimburse J-M for this amount. Manville is withholding payment because they believe there has been a breach of the Agreements in that the same vacation benefits extended by Manville have not been extended by J-M to Manville employees. We should obtain a statement of the Manville vacation policy and compare it to the J-M policy to determine whether or not Manville's view of this matter is correct. Again, Manville employees may make a third party beneficiary claim.

3. Datapoint. Manville has stated that it absolutely needs the Datapoint equipment in early May for locations which are expecting it. Since J-M has no intention of returning the equipment, it is imperative that we examine all agreements with Manville related to this equipment and press Manville for a definitive statement as to the damages, if any, which will result from their not receiving the equipment so that we may determine the size of the Manville claim for the failure to return the equipment. Since J-M has notified Manville that it will not be returning the equipment, they are under a duty to mitigate damages.

4. Asbestos Fiber. J-M agreed to purchase 75% of its requirements for asbestos fiber for a period of 5 years from Manville provided that Manville met any third-party price for such fiber. This is then a "meet or beat" supply contract. Manville is not aware of J-M having provided them with a statement of a third-party price in November of 1983 as called for by the supply contract. Furthermore, Manville is not aware of any inquiry, proper notice or negotiations related to this J-M contractual undertaking. It is unclear as to whether or not J-M did, in fact, contact Manville and, if they did not, what damage, if any, Manville has suffered. To maintain an action for breach of contract and collect actual damages, Manville would, in part, have to demonstrate that they would have been able to supply the asbestos fiber at the contract price obtained by J-M and then would have to show the loss of profit suffered due to a breach by J-M as damages.

There is some question as to whether or not Manville has the right to raise the issue in that they may have sold the equity of the subsidiary or its assets to a third party.

Certain minor discrepancies and disputes related to the amounts due Manville were reviewed and it was agreed that both parties would provide the appropriate documentation to resolve them. The disputes were that Manville claimed that (i)

1900.1 short tons were purchased for a purchase price of $694 per ton while J-M's view is that the purchase price was $660 and (ii) whether or not 345 short tons or 344.52 short tons were purchased at $625 per ton.

5. Rubber Rings. Manville agreed that it could not meet the rubber ring price pursuant to the supply contract for rubber rings but requested that J-M provide documentation to demonstrate that it was able to, in fact, acquire rubber rings at a lower price. Further, Manville is most anxious to have J-M take possession of approximately $20,000 worth of rubber rings presently being held by Manville inventory.

6. Stockton Property. Manville recently requested a J-M board resolution approving the quitclaim deed of the Stockton property inadvertently transferred to J-M with the factory property.

7. Rib Lock. (a) Manville, on behalf of Manville Canada, has agreed, despite its contention that it does not have to pay any royalty that may be due for its use of the license for the rib lock process, to a 3% royalty for a rib lock license agreement with J-M. J-M is responsible for a 2% royalty to the licensor. The additional 1% to be paid by Manville Canada would be for technical assistance required by Manville Canada from J-M. The proposal appears to be in principle reasonable and an agreement should be concluded as soon as possible. Manville has agreed to provide a draft agreement.

(b) As to the royalty payment made by J-M in 1983, an issue is whether or not Manville made any sales subject to royalty, and if so, how much do they owe or was merely the minimum royalty paid for the right to maintain the license for the annual year of the license (August 1982 to August 1983) whereby there should be a split of the payment or was J-M's payment made for royalties which it had to pay which exceeded the minimum royalty which then would result in a J-M obligtion as the minimum would not have been applicable. In addition, it has to be determined whether or not the minimum paid in August 1983 was for the past year or the next year of the license agreement.

8. Accounts Receivable. Manville agreed to provide a detailed accounting of money received by Manville which was intended for J-M. Contrary to Manville's policy of extracting an unilateral setoff, to the extent that J-M has received payments intended for Manville, J-M has reimbursed such sums immediately to the customer.

9. Contract Claims. For contract claims for which both Manville and J-M may be responsible for having supplied

JC

DAWES002137

pipe, Manville designated Michael Kaluza and Kate Richmond as the individuals to contact. In addition, Manville suggested that their expert, Ed Sprimzick coordinate the technical and factual matters with J-M personnel. Presently, the major litigation relates to Shawnee Construction in Kansas and Missouri for claims of defective pipe allegedly supplied by both Manville and J-M.

10. Asbestos Claim. Manville requested that we keep them advised any asbestos claims made by their employees against J-M as a successor in interest under emerging California law. The legal issues related to such claims are of great importance to Manville in that it will not be able to sell assets free and clear if the successor in interest doctrine prevails. Certainly, an interesting legal issue is posed because the Bankruptcy Court's approval of a transfer of assets free and clear of all claims will conflict with the California doctrine that J-M is a successor in interest and therefore subject to such claims.

W.B.Ch.

JOI