FILE NAME: RT Vanderbilt (RTV)

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Johns-Manville

Internal Correspondence

To: M. Harris

Date: June 8, 1976

From: A. B. Perrone

Copies: See Distribution

Subject: WESTERN TALC DIVESTMENT

Based on your decision of 6/7 and our discussion, I have advised the following prospective buyers of our willingness to entertain a sale of the talc operations:

1. Harrisons and Crosfield, Inc. - Newport Beach, Ca. (industrial mineral distributors)

2. Interpace Corp. - Hayward, Ca. (Minerals Division)

3. Marmac Resources - Los Angeles, Ca. (mining company and buyer of Coalingua)

4. Harris Trucking Co. - Victorville, Ca. (ore hauler at Warm Springs)

I outlined to them the following background, terms and conditions of sale:

a. J-M has disclosed and will provide in writing all the reasons for our decision to shut down the operations as of 6/25/76, i.e., all of the current and prospective health problems, legislative, engineering, etc.

b. J-M's liability for potential claims will only apply for service under our employ.

c. Given acceptance of the above disclosures, the buyer will enter into a short-term operating agreement with J-M to continue the business after 6/25 under his full responsibility. While J-M retains title of the assets, the buyer would be given up to 90 days to exercise an option to buy all the assets from us while running the business in the meantime. For the interim, J-M would lease the facilities and mining rights to him for some nominal amount.

d. The option price for all the fixed assets (L. A. mill, Dunn, mining rights and equipment) is $1.3 million in cash.

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e. The prospective buyers have until 6/15 to indicate to me their interest to proceed on the above or some comparable basis with a formal letter of intent to follow.

f. Given our acceptance of the satisfactory buyer and proposal, we would immediately proceed to draft and finalize the interim operating agreement and option contract to be effective as of 6/25.

Obviously, there are a number of details which would have to be worked out relating to the interim operating agreement and option, but the foregoing outlines the basic concept of any deal at this time.

The four prospects contacted are evaluating these terms and conditions and will advise me on or before 6/15 of their position. Based on their initial reactions, I would say the probabilities of completing a deal in the time and under the conditions outlined are low. We shall see what develops.