



JM Asbestos Inc.

2000, rue Peel
Bureau 750
Montréal (Québec)
H3A 2W5
Télex 055-62277
(514) 288-5917

RECEIVED JUL 6 1984

June 27, 1984.

file
Paul

Mr. Paul Huang,
Manager, Materials Management,
Presidents Office,
J-M Manufacturing Company, Inc.
J-M A/C Pipe Corporation,
1051 Sperry Rd.,
Stockton, CA 95206
U.S.A.

Dear Paul:

It was a pleasure for me to meet you and to have had the opportunity of getting acquainted with William and Wilfred, as well as seeing Ernie again. Thanking you for making available the time and for the luncheon.

In order to clarify past misunderstandings, I am pleased to confirm again that JM Asbestos Inc. is a totally independent Canadian company, purchased in 1983 from Manville Corporation by a small group of senior management people - all residents of Canada. We have acquired all the shares, the property and the know-how of the Jeffrey Mine - which mines and mills asbestos fibre - and of an adjacent manufacturing plant which, among others, produces and markets rubber rings.

At the time of our purchase of the Jeffrey Mine (JM), we were automatically assigned and we accepted all the contractual obligations previously held by Johns-Manville Amiante Canada. Naturally, we never doubted that a similar understanding existed with the other parties to these contracts. Thus, we consider theoretically that there exists an agreement between our two companies regarding your purchases of asbestos fibre.

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JMM 00000201

SC-JMM-2655

Mr. Paul Huang,
Manager, Materials Management,
J-M Manufacturing Company, Inc.
J-M A/C Pipe Corporation

June 27, 1984.

Page 2

However, let me repeat to you once again that this agreement should be understood merely as a basis of our future, long-time association. It will protect you in case of a fibre shortage (for whatever reason - natural disasters, labor problems, etc.) and it affords us the opportunity of selling you our fibre under reasonable competitive conditions.

We wish to be your major supplier of asbestos, we will not hide behind any legal papers, and we will provide you the best service and the best quality that we can produce and on which we have built our reputation. There is no substitute for a satisfied customer, and we look forward to working with you as we would with any important asbestos user.

In closing, let me repeat again our cordial invitation for any of you to visit our mine at any time at your early convenience.

With best wishes.

Sincerely,



D. Poutiatine,
Executive Vice President - Sales.

DP/lg

cc: Mr. William Wong
Mr. Wilfred Wang
Mr. Ernest H. Pronske



JMM 00000202

FIBER SUPPLY CONTRACT

This Agreement is entered into this 30th day of December, 1982 by and between Johns-Manville Amiante Canada, Inc. ("JMAC") and J-M A/C Pipe Corporation ("Purchaser").

In consideration of the mutual covenants to be kept and performed hereunder the parties agree as follows:

1. For the five-year period commencing January 1, 1983 and ending December 31, 1987 JMAC will sell to Purchaser and Purchaser will buy from Seller ^{no less than 75%} ~~100%~~ of its annual requirements by grade of chrysotile asbestos fiber subject to the terms and conditions herein contained.

2. For the calendar year 1983, the purchase price for all such grades of fiber shall be \$800.00 per ton and according to J-M's standard terms. Payment shall be Net thirty (30) days from the date of delivery. The parties shall negotiate and agree on the price and terms for the succeeding calendar year during each November during the life of the Agreement.

3. If for any succeeding ^{year} calendar year during the term of this Agreement, Purchaser shall receive during the negotiation period an offer for asbestos fiber of Canadian origin of the same grade and quality and point value but at a lesser price, Purchaser may request, in writing, JMAC to either meet such price or release an equivalent tonnage from the purchase requirements of this Agreement. In the event that JMAC fails to meet said lesser price within fifteen (15) days after receipt of the request, Purchaser

shall be free to purchase such quantity of asbestos fiber at the lower price subject only to the condition that upon JMSC's request, Purchaser shall provide JMSC with written documentation evidencing that the purchase was completed at the same or better price and terms as contained in the request to JMSC.

The provisions of this Paragraph 3 shall apply only during the annual negotiations hereunder. Once the parties have agreed upon the price, discount and terms of payment for the next year, such obligations shall be firm for that entire year.

4. All asbestos fiber sold to Purchaser shall be delivered f.o.b. rail, Asbestos, Quebec, Canada, according to JMAC's standard terms and conditions in effect at the time of shipment. Payment will be in Canadian dollars and any amounts not paid when due shall earn interest at the rate of 2% per month, without prejudice to any other remedies available to JMAC. All deliveries of asbestos fiber to Purchaser shall be in accordance with a mutually agreed upon schedule.

5. Neither party shall be liable to the other party for any delay or default in the performance under this agreement occasioned by armed conflict or economic dislocation resulting therefrom; embargoes; strikes, shortages of labor, materials, or transportation; labor difficulties; civil disorders of any kind; action of civil or military authorities; fires; floods; earthquakes; volcanic action; or any other cause of any kind or extent whether similar or dissimilar to any of the foregoing beyond the reasonable control of the party alleged to be in default or to have been delayed.

6. In the event JMAC foresees that it will be unable to supply Purchaser's requirements for any calendar year covered by this agreement occasioned by a cessation of production for any reason, JMAC will notify Purchaser no later than July 1 of the preceding year; whereupon, this agreement shall terminate without further liability to either party except for obligations which have accrued to the date of such termination.

7. This Agreement represents the entire understanding between JMAC and Purchaser, and shall not be modified except in writing signed by both parties. Purchaser shall not assign this Agreement without the written consent of JMAC. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec, Canada.

IN WITNESS WHEREOF the parties have executed this Agreement the date first written above.

JOHNS-MANVILLE AMIANTE CANADA INC.

J-M A/C PIPE CORPORATION

By: *J. Power*
Title: President

By: *Charles H. McQuilley*
Title: VICE PRESIDENT

12-07-82



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JMM 00000206

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With best wishes.

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D. Poutiatine,
Executive Vice President - Sales.

DP/1g

cc: Mr. William Wong
Mr. Wilfred Wang
Mr. Ernest H. Pronske



JMM 00000207

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J-M A/C PIPE CORPORATION

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J. Power

Title:

President

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Charles H. McQuillan

Title:

VICE PRESIDENT

12-07-82