

January 23, 1961

Johns-Manville Corporation
22 East 40th Street
New York, N. Y.

Gentlemen:

We are delivering to you herewith two copies of an agreement dated January 1, 1961 between Johns-Manville Sales Corporation and Bestwall Gypsum Company with respect to gypsum products, each of which has been properly signed and sealed on behalf of Bestwall Gypsum Company and which has been signed by a Vice President of Johns-Manville Sales Corporation but does not bear the attestation of the Secretary of Johns-Manville Sales Corporation nor its corporate seal.

Both copies are to be duly attested by the Secretary of Johns-Manville Sales Corporation and its corporate seal is to be affixed thereto, whereupon one fully executed copy is to be returned to Bestwall Gypsum Company in Ardmore, Pennsylvania, together with the following:

1. A duly executed and sealed guarantee of Johns-Manville corporation guaranteeing the performance by it of the obligations of Johns-Manville Sales Corporation under the agreement of January 1, 1961 with Bestwall Gypsum Company.
2. Certified copy of the Charter or By-law provision of Johns-Manville Corporation that authorizes said written guarantee.
3. Certified copy of the resolution of the Board of Directors of Johns-Manville Corporation authorizing the guarantee by it of the performance by Johns-Manville Sales Corporation of its obligations under said agreement of January 1, 1961.

The execution and delivery of said agreement of January 1, 1961 is subject to ratification by the Board of Directors of both Bestwall Gypsum Company and Johns-Manville Corporation.

Yours very truly,

BESTWALL GYPSUM COMPANY

By

Malcolm Meyer,
Executive Vice President

MM:L

SGP 0029465

1/19/61

Section 15

exp. at least 1 year notice
by each party to other

Section 16 - what contract year

What is situation on cancellation for default
and re-purchase

- 1) cancellation by Jantzen for non-payment of part
- 2) non-payment by Jantzen

Section 16 -

Provision for cumulative application of penalties

Are there penalties cumulative with penalties
in Section 15 for cancellation by Jantzen

Warranted by J. L. Munnell Corporation

supported by certified copies of by-laws or charter from
and directors resolution

Subject to ratification by directors of J. L. Munnell Corporation

CCF

P15

(a) up to at least one (1) year ~~from~~
noted by the parties in the order

(b) same as second P

(c) In addition to the right of cancellation provided
to the party in ^{sub-}paragraph (a) of this paragraph
15, the party

provided that in the event of cancellation by the
for default of Manufacturer the provisions of
paragraph (a) of this paragraph 15 shall not be
applicable

P16

it is agreed that the following shall be the

"The payments specified in this paragraph
to be made by the Manufacturer shall be
cumulative of and in addition to the payments, where
applicable required to be made by the Factor as specified
in paragraph (b) of Paragraph 15 of this agreement

Arthur -

1/10/61

My office advises
N.Y. much preferable
to Lima. Please change.
DE

1/16/61

#9 - Rules of law by fire insurance - spell out who has rule

#15 Spell out rules of employment ^{union} cooperation assumption etc

#16 Right of cancellation

1) intent as "contract year" - year in which cancellations become effective

2) Spell out cancellation at end of year after 10th yr

#17 Make clear that there are no cancellation notices

#21) - Consider case of Board of directors company matters in local union

#22) consideration laws of New York State

Consider getting out of Board of directors company - covering section of time for the agreement - if not before / after

2

CONVERSION FACTOR

THE MINIMUM AND MAXIMUM QUANTITIES ARE DETERMINED ON 3/8" BASIS.
DURING PERIODS WHEN ALLOCATIONS ARE IN LATER QUANTITIES ARE
IN EFFECT.

IN VIEW OF THE ABOVE, IS IT ADVISABLE TO HAVE CONVERSION
FACTORS FOR EACH BRAND PRODUCT AND VARIANTS INDICATED
IN CONTRACT.

PAGE-5

PAR-

WE DO NOT FEEL THE NEED OF COMMITTING TO INVOICE
FACTOR ON DAILY SHIPMENT

PAGE 6

PAR-

I ALWAYS UNDERSTOOD THAT WHEN A PRODUCT IS SOLD F.O.B.
SHIPMENT POINT (WHICH FOR THE MOST PART - WITH MINOR EXCEPTIONS
IS OUR GYPSUM MERCHANDISING PLANT) AFTER IT LEAVES THE
SHIPMENT PLANT THE TITLE OR OWNERSHIP TRANSFERS TO BUYER.
IF WE ARE GOING TO INVOICE 3/4" FOR ALL SHIPMENTS THEN
WHY WOULDN'T THE SAME INTERPRETATION APPLY.

PAGE 8

PAR-

SGP 0029470

THIS CANCELLATION PROVISION -

IT READS IN PART, FACTOR SHALL PAY MANUFACTURER A PENALTY FOR
EACH 1% OF IT FACTOR IS OVERTAKEN TO SELL IN A CONTRACT
YEAR. I WOULD FEEL THE MINIMUM QUANTITY FOR
CANCELLATION SHOULD BE 10% OF THE CONTRACT QUANTITY.
IT SHOULD BE 10% OF THE CONTRACT QUANTITY.

3

AGAIN — AUTHORIZED TO SELL IN A CONTRACT YEAR
DOES THIS MEAN IF 3/4 CANCELLED CONTRACT IN 5TH CONTRACT
YEAR THEY WOULD PAY \$2.00 PER MT ON MINIMUM QTY FOR 1 YR
OR REMAINING 6 YRS.

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PAR 17

HERE AGAIN THE EXPRESSION CONTRACT QUANTITY IS USED,
IN THIS CASE — EXPLAINED ON PAGE 13
QUANTITY —

Price PR

TR/E J/M Contract

PAGE 2

PAR - 3

I HAVE PREPARED A SCHEDULE TIE IN MINIMUM & MAXIMUM
AS IT RELATES TO PERCENTAGES, ALSO INCLUDE EFFECT ON
JULY AND ABSORPTION.

QUESTIONS

IT HAS NOT BEEN THE PRACTICE OF THE INDUSTRY AND THE TREATMENT
OF THE - IS CLEARLY SPECIFIED J/M

IT SEEMS TO ME THE CONTRACT SHOULD INDICATE THAT WE
WILL INVOICE J/M BASED ON OUR ^{ESTABLISHED} ~~PREVIOUS~~ MILL BASE PRICES
FOR THE PLANT PRODUCING TO THE POINT.

FREIGHT WILL BE ON COLLECT OR PREPAID BASIS - WITH

RESPECT TO PREPAID SHIPPING WE - ADD THE FREIGHT -
TO THE INVOICE AT THE TIME OF RECEIVING THE J/M.

BY HANDLING IN ABOVE MANNER J/M AUTOMATICALLY ASSUMES THE
FREIGHT ABSORPTION EXPENSE - IS THAT TO BE THE INTENT
OF THE CONTRACT?

IF IT IS AGREED THAT WE STAND THE FREIGHT ABSORPTION, THEN
WE - IN LOCAL SHIPPING AREA J/M CAN SEND OUT TO
EACH PLANT - IF THE - THEN WHY NOT
WE ISSUE BILLING TO J/M ON EACH SHIPMENT AS TO IT
WAS OUR CUSTOMER, THEN J/M COULD -
AND ISSUE BILLING TO THEIR CUSTOMER BY MERELY COPYING
ON THEIR INVOICE FORM.