Johns-Manville
CORPORATION

1947

ANNUAL REPORT TO STOCKHOLDERS

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for stockholders of record at the close of business on May 12. The split had been authorized by the Board of Directors on February 19, subject to approval of holders of two-thirds of the common stock.

Action taken by the stockholders increased the number of shares of common stock, both authorized and outstanding, to three times the former amount and each share of preferred stock became convertible into three shares of common instead of one share as previously.

Preferred Stock

During 1947, 1,099 shares of preferred stock were converted into common stock amounting, on the basis of the split, to 3,297 shares. Upon conversion $16,485 in cash was received.

Of the original issue of 170,000 shares of preferred stock, 95,549 shares have been converted into common stock, and 805 shares have been redeemed, leaving 73,646 shares outstanding at the close of the year.

Borrowing

On July 15, the Company arranged with Metropolitan Life Insurance Company and The Mutual Life Insurance Company of New York for loans up to $25 million at any time before December 31, 1950. For this privilege the Company pays one-half of 1 percent per year on the amount not borrowed, and 2.7 percent on borrowings. Amounts borrowed are repayable at the end of twenty years with appropriate provisions for amortization and for pre-payment at the Company's option.

Pursuant to this arrangement, the Company has borrowed $5 million, leaving $20 million available to it when needed.

This source of funds will enable the Company to undertake new improvements of product and process that may be developed by research and engineering through the next few years.

Fund for Deferred Expenditure

The fund for deferred expenditure is available for capital expenditures and for contingent obligations which may require the expendi-

Johns-Manville Loan Agreements and Notes with Metropolitan Life and Mutual Life (1947), Loan agreement with Mu… Published by AsbestosClaims.Law
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LOAN AGREEMENT

LOANS OUTSTANDING

Date of Loan	Payable to	Amount	Date Pre-Payment Due and Amount
7/15/47	Metropolitan Life Insurance Company	$4,000,000.	7/15/52 $ 200,0
7/15/47	Mutual Life Insurance Company of N.Y.	1,000,000.	7/15/52
			7/15/53
			7/15/53
			7/15/54
			7/15/54
			7/15/55
			7/15/55
			7/
			7/
			7/
			7/

See that proper notation of these payments is made on Notes.

Payments of 5% of original amounts of notes outstanding to be made on anniversary of each note commencing with the 5th year.

7/1/52

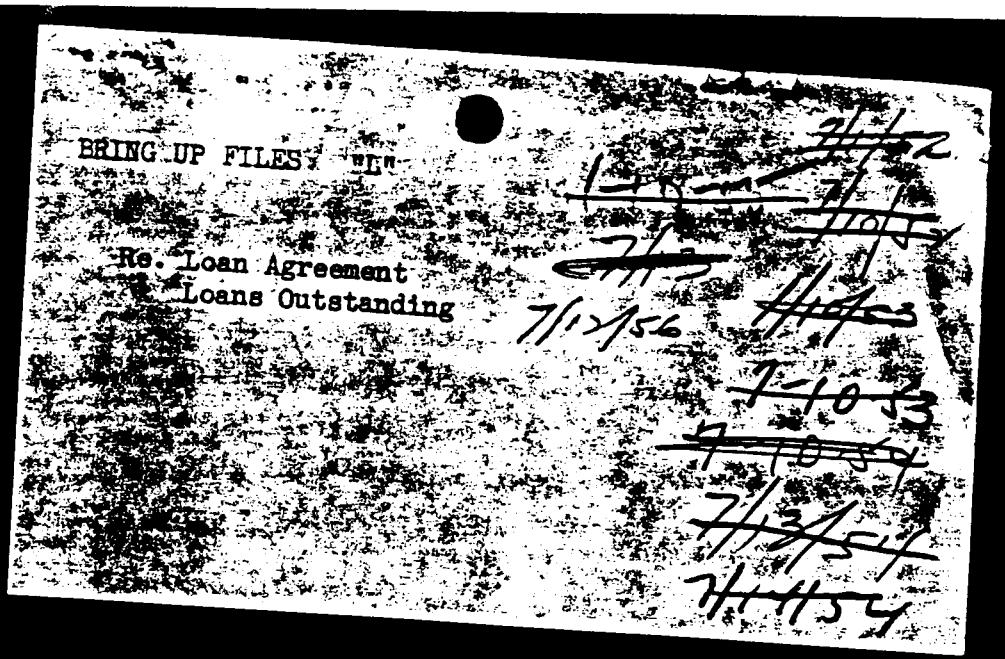
LOAN AGREEMENT

LOANS OUTSTANDING

Date of Loan	Payable to	Amount	Date Pre-Payment Due and Amount
7/15/47	Metropolitan Life Insurance Company	$ 4,000,000.	7/15/52 $ 200,000.
7/15/47	Mutual Life Insurance Company of N.Y.	1,000,000.	~~7/15/52 50,000.~~
			7/15/53 200,000
			7/15/53 50,000
			7/15/54 200,000
			7/15/54 50,000
			7/15/55 200,000
			7/15/55 50,000

See that proper notation of these payments is made on Notes.

Payments of 5% of original amounts of notes outstanding to be made on annual anniversary of each note commencing with the 5th year.


BRING UP FILES "E"
Re. Loan Agreement
Loans Outstanding
7/1/56

BRING UP FILES "L"

Re. Loan Agreement
Letter 1/10 and 7/10

BRING UP FILES "L"

Re. Loan Agreement
Letter 1/10 and 7/10

File Loan Agreement

JOHNS-MANVILLE CORPORATION

July 10, 1947.

The Mutual Life Insurance Company of New York,
34 Nassau Street,
New York 5, N. Y.

Attention: Vice President and Manager of Securities

Dear Sirs:

We agree with you as follows:

1. Subject to the terms and conditions hereof, you will lend to us, and we will borrow from you, the amount of $5,000,000, such loan to be advanced in two or more instalments, the first instalment to be in the amount of $1,000,000, to be advanced on July 15, 1947 (hereinafter called the first closing date) or such date prior thereto as we may designate on five days notice to you, and the other instalments, each of which is to be in the amount of $500,000 or a multiple thereof, to be advanced on or before December 31, 1950 on such date or dates as we may designate on ten days notice to you (hereinafter called the subsequent closing dates). We shall not be obligated to borrow any amounts from you hereunder other than the first instalment. Each instalment of said loan shall be evidenced by and made against delivery at One Madison Avenue, New York, N. Y., of our promissory note, made in the principal amount of such instalment, dated as of the closing date upon which such instalment is advanced, maturing by its terms twenty years from the date of the Note, payable to you or order and duly executed by us in the form attached hereto as Exhibit A. All Notes delivered hereunder shall bear interest at the rate of 2.70% per annum payable semi-annually on January 15 and July 15 in each year and on maturity, if other than January 15 or July 15 in any year.

2. Simultaneously with our entering into this loan agreement with you we are entering into a separate loan agreement substantially similar hereto with one other lender (hereinafter called the other lender) under which the other lender agrees to loan to us and we agree to borrow from it the amount specified in paragraph 1 of the loan agreement with such other lender. The aggregate of the amounts to be loaned by you and by the other lender shall be $25,000,000.

3. The term "Notes" as used herein shall include each promissory note delivered to you pursuant to any provision hereof, each promissory note delivered to the other lender pursuant to the loan agreement with such lender, and each promissory note delivered in substitution therefor, and, where applicable, shall include the singular number as well as the plural. The term "Note" shall mean one of the Notes. Each Note shall be printed and in the form of Exhibit A hereto.

4. Upon receipt of evidence satisfactory to us of the loss, theft, destruction or mutilation of any Note and, in the case of any such loss, theft or destruction, upon delivery of indemnity satisfactory to us, or, in the case of any such mutilation, upon surrender and cancellation of such Note, we will make and deliver a new Note, of like tenor, in lieu of such lost, stolen, destroyed or mutilated Note.

5. So long as any Note shall be outstanding:

(a) We will deliver to you, so long as you shall hold any Note

(i) within 60 days after the end of each of the first three quarterly periods in each fiscal year, a consolidated statement of income and surplus of this Company and its consolidated subsidiaries for that period, and a consolidated balance sheet of this Company and its consolidated subsidiaries as at the end of that period, setting forth in each case in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified by an authorized financial officer of this Company, subject to year-end audit adjustment and correction;

(ii) within 120 days after the end of each fiscal year, a consolidated statement of income and surplus of this Company and its consolidated subsidiaries for such year, and a consolidated balance sheet of this Company and its consolidated subsidiaries as at the end of such year, setting forth in each case in comparative form the corresponding figures of the previous annual audit, all in reasonable detail and accompanied by a report of independent public accountants of recognized standing selected by us;

(iii) promptly upon receipt thereof, copies of all detailed reports, if any, submitted to this Company by independent public accountants in connection with each annual or interim audit of its books or the books of its subsidiaries by such accountants; and

(iv) promptly upon their becoming available,

(1) copies of all financial statements and reports which this Company shall send to its stockholders; and

(2) copies of all regular and periodical financial reports which this Company or any of its subsidiaries shall file with the Securities and Exchange Commission, or any governmental agency or agencies substituted therefor, or any similar or corresponding governmental department, commission, board, bureau or agency, federal or state.

(b) We will furnish to you such other reasonable information as you may, from time to time, request, and will advise you of, and at your request make available for examination copies of, any special or extraordinary reports or statements which this Company or any of its subsidiaries may make to or file with any governmental department, commission, board, bureau or agency, federal or state, which might be helpful to you in evaluating your investment in the Notes.

6. So long as you shall hold any Note, you may visit and inspect any of the properties of this Company or its subsidiaries, examine its and their books of account, and discuss the affairs, finances and accounts of this Company and its subsidiaries with its and their officers, all at such reasonable times and as often as you may desire.

7. We represent and warrant that:

(a) The consolidated balance sheets of this Company and its consolidated subsidiaries as at December 31, 1942, 1943, 1944, 1945 and 1946, respectively, and the related statements of consolidated income and surplus of this Company

and its consolidated subsidiaries for the fiscal years ended on said dates, including in each case the related schedules and notes, if any, all certified by Lybrand Ross Bros. & Montgomery, and the consolidated balance sheet as at March 31, 1947, and the related statement of consolidated income and surplus covering the three months of 1947 ending on said date, prepared by the Company in accordance with its established accounting practice and certified by its Comptroller of Accounts, copies of which have heretofore been delivered to you, are all correct and complete and truly present (i) the financial condition of this Company and its consolidated subsidiaries as at the respective dates of said balance sheets, and (ii) the results of the operations of this Company and its consolidated subsidiaries for such fiscal periods, it being understood of course that the unaudited interim statements are subject to year-end adjustments. All such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis (except as noted therein) throughout the periods involved. There has been no material adverse change in the condition, financial or otherwise, of this Company and its consolidated subsidiaries from that set forth in the consolidated balance sheet of this Company and its consolidated subsidiaries as at March 31, 1947.

(b) Our net earnings available for fixed charges for the period of five fiscal years ended December 31, 1946 have averaged per year not less than one and one-half times our average annual fixed charges applicable to such periods, respectively, and, during the fiscal year ended December 31, 1946 our net earnings available for fixed charges were not less than one and one-half times our fixed charges for such year, in each case on a consolidated basis. As used in this subparagraph the terms "net earnings available for fixed charges" and "fixed charges" have the meaning assigned to them in Section 81(2) of the New York Insurance Law.

(c) The statements contained in the Prospectus, dated February 28, 1947, relating to 170,000 shares of Common Stock of the Company, a copy of which has heretofore been delivered to you, under the headings "Business" and "Property" are true and correct as of the date thereof, and since said date there has been no substantial change in the facts therein stated.

(d) All of the outstanding shares of stock of all classes of each subsidiary of this Company have been validly issued and are fully paid and nonassessable. All of said shares (other than qualifying shares required to be owned by directors and other than 22.225% of the shares of Johns-Manville, Societe Anonyme and 1% of the shares of Asbestos Wood Company) are directly owned by this Company.

(e) Except as hereinafter in this subparagraph set forth, this Company or its subsidiaries has good and marketable fee title to all the real properties and good and marketable title to all other property and assets reflected in the consolidated balance sheet of this Company as at March 31, 1947, or purported to have been acquired by this Company or any subsidiary after said date, excepting, however, property and assets sold or otherwise disposed of in the ordinary course of business subsequent to said date. There are no mortgages, liens, charges or encumbrances of any nature whatsoever on any of the present properties or assets of this Company or its subsidiaries other than minor encumbrances, which do not in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of this Company or of its subsidiaries, except that approximately 40,000

acres of timberland located near Natchez, Mississippi, acquired in 1946, are subject to a vendor's lien to secure payment of balance of purchase price not exceeding $600,000, payable in annual instalments through June 1, 1955.

(f) This Company and its subsidiaries possess all the necessary patents, patent rights, trademarks, trademark rights, trade names, trade name rights and copyrights to conduct their respective businesses as now operated without known conflict with the valid patents, trademarks, trade names and copyrights of others.

(g) There are no actions, suits or proceedings (whether or not purportedly on behalf of this Company or of its subsidiaries) pending or, to the knowledge of this Company, threatened against or affecting this Company or any of its subsidiaries, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which involve the possibility of any judgment or liability, not fully covered by insurance or by agreement with the United States Government, in excess of $100,000 in any one case or $250,000 in the aggregate, or which may result in any material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of this Company or any of its subsidiaries; and neither this Company nor any of its subsidiaries is, to the knowledge of any officer of the Company, in default with respect to any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(h) None of the assets or property reflected in the consolidated balance sheet of this Company as at March 31, 1947, is held by this Company or its consolidated subsidiaries as lessee under any lease or as conditional vendee under any conditional sales contract, except as indicated in subparagraph (e) of this paragraph, and except for certain leasehold improvements located at Nashua, N. H. the net book value of which does not exceed $100,000.

(i) Neither this Company nor any of its subsidiaries is a party to any agreement or instrument or subject to any charter or other corporate restriction or to any judgment, decree or order materially and adversely affecting, in our opinion, the business, property or assets, operations or condition, financial or otherwise, of this Company and its subsidiaries considered as a whole.

(j) Neither the execution and delivery of this loan agreement, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof nor compliance with the terms and provisions hereof and of the Notes will conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which this Company is now a party, or constitute a default thereunder, or contravene any judgment, decree or order to which this Company may be subject, or result in the creation or imposition or any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of this Company pursuant to the terms of any such agreement or instrument.

(k) Since March 31, 1947, the business, properties and assets of this Company and its subsidiaries have not been materially and adversely affected in any way as the result of any fire, explosion, earthquake, accident, strike, lockout, combination of workmen, requisition or taking of property by the United States or any agency thereof, flood, drought, embargo, riot, activities of armed forces, or acts of God or the public enemy.

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(l) This Company is not a "national" of any foreign country designated in Executive Order No. 8389, as amended, of the President of the United States, within the meaning of said Executive Order, as amended, or of any regulations issued thereunder.

8. You represent that you are acquiring the Notes specified in paragraph 1 hereof for your own account for investment and not with a view to, or for sale in connection with, the distribution of Notes, nor with any present intention of distributing or selling Notes, but subject, nevertheless, to any requirement of law that the disposition of your property shall at all times be within your control. Simultaneously with our entering into this loan agreement we are entering into the loan agreement referred to in paragraph 2 hereof with the other lender which has similarly represented to us that it is making its loan to us with the intention of acquiring the Notes evidencing the loan to be made by it as specified in paragraph 2 hereof for its own account for investment and not with a view to, or for sale in connection with the distribution thereof. The aggregate amount of the loans to be made, and the aggregate principal amount of Notes to be made and delivered to evidence such loans, pursuant to this loan agreement and the loan agreement referred to in paragraph 2 hereof is $25,000,000. The loan made by each lender and the delivery of the Notes evidencing such loan is to be a separate loan made to us by such lender. We represent that we have not, either directly or through any agent, offered all or any part of the Notes to, or solicited any offers to acquire any of such Notes evidencing all or any part of any or all of such loans from, or otherwise approached or negotiated or communicated in respect of all or any part of any of the Notes with, any person or persons other than you and the other lender. Neither we nor any agent on our behalf will offer any of the Notes to, or solicit any offers to acquire any of the Notes from, or otherwise approach or negotiate in respect of such Notes with, any person or persons so as thereby to bring the making and delivery of the Notes within the provisions of Section 5 of the Securities Act of 1933, as amended.

9. Your obligation to advance the first instalment of the loan, as provided in paragraph 1 hereof, shall be subject to the performance by us of all our agreements theretofore to be performed hereunder and to the accuracy of our representations and warranties herein contained and to the satisfaction, prior to or concurrently with the making of said advance, of the following further conditions:

(a) You shall have received from Messrs. Root Ballantine Harlan Bushby & Palmer, who are acting as special counsel for you in connection with this transaction, a favorable opinion, in form and substance satisfactory to you,

(i) to the effect that this Company is a duly organized and existing corporation in good standing under the laws of its state of incorporation and has the power and authority to own its properties and to carry on its business as now conducted;

(ii) to the effect that this loan agreement has been duly authorized, and executed and delivered by this Company and constitutes the legal, valid and binding obligation of this Company enforceable in accordance with its terms;

(iii) to the effect that the Note evidencing the first instalment of the loan as specified in paragraph 1 hereof has been duly authorized, executed

and delivered by this Company and constitutes the legal, valid and binding obligation of this Company enforceable in accordance with its terms;

(iv) to the effect that it is not necessary in connection with the making and delivery of the Note evidencing the first instalment of the loan as specified in paragraph 1 hereof to you, under the circumstances contemplated by this loan agreement, to register such Note under the Securities Act of 1933, as amended and as now in effect, or to qualify an indenture in respect thereof under the Trust Indenture Act of 1939, and that if you should in the future deem it expedient to sell any of the Notes, which you do not now contemplate or foresee, such sale would be an exempted transaction under said Securities Act and would not of itself require registration of the Notes under said Securities Act, provided you do not at the time of such sale directly or indirectly control this Company and are not then directly or indirectly controlled by or under direct or indirect common control with this Company;

(v) to the effect that the legal opinions and other evidence of title referred to in subparagraphs (b) and (c) of this paragraph are satisfactory in form and substance to said counsel and that in their opinion you are justified in relying thereon; and

(vi) as to such other matters incident to the transactions contemplated by this loan agreement as you may desire.

(b) You shall have received from Messrs. Davis Polk Wardwell Sunderland & Kiendl, counsel for this Company, an opinion in form and substance satisfactory to you and your special counsel,

(i) as to all matters specified in subdivisions (i), (ii), (iii), (iv) and (vi) of subparagraph (a) of this paragraph; and

(ii) to the effect that the legal opinions and other evidence of title referred to in subparagraph (c) of this paragraph, to the extent that any such opinions are not rendered by said counsel, are satisfactory in form and substance to said counsel and that in their opinion you are justified in relying thereon.

(c) You shall have received at our expense an opinion or opinions of counsel or other evidence, in form and substance satisfactory to you and your special counsel, covering the right, title and interest of this Company in and to its real properties and to the effect that the shares of stock of subsidiaries of this Company referred to in subparagraph (d) of paragraph 7 hereof as owned by this Company are so owned as of the date of closing and are validly issued, fully-paid and non-assessable.

(d) This Company shall not have taken or suffered to be taken any action which it would have been prohibited from taking or suffering to be taken, and shall not have omitted, or permitted the omission of, any action which it would have been required to take or cause to be taken, if the Notes in the form contemplated by this loan agreement had at all times since the date hereof been binding and effective instruments; and we shall have delivered to you on the first closing date a certificate, signed by an authorized officer of this Company to such effect.

(e) The representations and warranties in paragraphs 7 and 8 hereof shall be true on and as of the first closing date with the same effect as though such

representations and warranties had been made on and as of the first closing date; and we shall have delivered to you on the first closing date a certificate signed by an authorized officer of this Company to such effect.

(f) All proceedings to be taken in connection with the transaction contemplated by this loan agreement, and all documents incident thereto, shall be satisfactory in form and substance to you and your special counsel; and you shall have received copies of all documents which you and your special counsel may reasonably request in connection with said transaction and of all corporate proceedings in connection therewith in form and substance satisfactory to you and your special counsel.

(g) Simultaneously with the advance of the first instalment of the loan to be made by you pursuant to this loan agreement, we shall receive the advance of the first instalment of the loan to be made by the other lender pursuant to the loan agreement referred to in paragraph 2 hereof.

10. Your obligation to advance each subsequent instalment of the loan, as provided in paragraph 1 hereof, shall be subject to the performance by us of all our agreements theretofore to be performed hereunder and to the accuracy of our representations and warranties herein contained and to the satisfaction, prior to or concurrently with the making of said advance, of the following further conditions:

(a) You shall have received a favorable opinion, in form and substance satisfactory to you, of Messrs. Root Ballantine Harlan Bushby & Palmer as to the matters specified in clauses (i), (iii) and (iv) of paragraph 9(a) hereof (subject in the case of clauses (iii) and (iv) to such change as may be appropriate to make such opinion applicable to the Note evidencing such subsequent instalment of the loan as specified in paragraph 1 hereof).

(b) You shall have received at our expense from Messrs. Davis Polk Wardwell Sunderland & Kiendl an opinion in form and substance satisfactory to you and your special counsel as to all matters specified in subdivisions (i), (iii) and (iv) of paragraph 9(a) hereof (subject in the case of clauses (iii) and (iv) to such change as may be appropriate to make such opinion applicable to the Note evidencing such subsequent instalment of the loan as specified in paragraph 1 hereof).

(c) You shall have received a certificate of the nature specified in paragraph 9(e), applicable to, and on and as of, each subsequent closing date with respect to the representations and warranties contained in paragraph 7, other than those contained in subparagraphs (b), (c), (d), (e), and (h) thereof, and with respect to the representations and warranties contained in paragraph 8 hereof.

(d) On each subsequent closing date the Company shall not be in default under this loan agreement or under any Notes theretofore made, and the loan to be made by you shall be permitted under the New York Insurance Law.

(e) Simultaneously with the advance of such subsequent instalment of the loan to be made by you pursuant to this loan agreement, we shall receive the advance of the corresponding subsequent instalment of the loan to be made by the other lender, such advances to be in the same proportions as specified for the first instalments of each of the loans.

11. In consideration of your agreement to make the loan hereunder, we agree to pay to you on each January 15 and July 15, commencing January 15, 1948 to and including July 15, 1950 and on December 31, 1950, an amount equal to ½ of 1% per annum on the average unused amount which you are obligated to lend hereunder during the period from the first closing date or from the date of the last previous payment under this paragraph 11, as the case may be.

12. We will promptly and punctually pay the interest on any Note so long as it is held by you without any presentment of the Note and without any notation of such payment being made on the Note.

Notwithstanding any provision to the contrary in the Notes contained, we will pay all amounts payable to you in respect of the principal of, or premium or interest on, any of the Notes at the address shown at the head of this loan agreement; and, in connection with the making of any such payment of principal, you will make available to this Company at any time during your regular business hours on the day such payment of principal is due, if we shall have so requested at least 15 days prior to such day, any Note upon which any such payment of principal is being made, for the purpose of permitting this Company to make appropriate notation, to the extent not theretofore made, thereon of the amount of principal paid thereon. If we shall not make appropriate notation of any payment of principal on any Note held by you at the time such payment is made, you will promptly at our request make such notation.

In the event you shall sell any Note you will notify this Company of such sale and of the address of the transferee of such Note and you will, prior to the delivery of the Note, make a notation on such Note of the date to which interest has been paid on such Note and, if not theretofore made, a notation on such Note of the extent to which any payment has been made on account of the principal thereof.

13. Whether or not the loan herein contemplated shall be consummated, we will reimburse you for any out-of-pocket expenses incurred by you in connection with the transaction herein contemplated, including, but without limitation, charges and disbursements of your special counsel for all services required of them in connection with the transaction herein contemplated.

14. The term "subsidiary" as used herein shall be deemed to have the meaning assigned thereto in the form of Note annexed hereto as Exhibit A.

15. All covenants, agreements, representations and warranties made herein and in certificates delivered pursuant hereto shall survive the making by you of the loan herein contemplated and the execution and delivery to you of the Notes evidencing such loan and shall continue in full force and effect so long as any Note is outstanding and unpaid, and whenever in this loan agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements in this loan agreement contained by or on behalf of this Company, or by or on behalf of you, shall bind and inure to the benefit of the respective successors and assigns of such party hereto, provided, however, that the covenants contained in paragraph 5(b) and in paragraph 6 are for your sole benefit and shall not inure to the benefit of any assignee.

16. All communications provided for hereunder or under the Notes shall be in writing and, if to you, mailed or delivered to you addressed as this loan agreement is addressed, or if to us, mailed or delivered to us at our office at 22 East 40th Street, New York 16, N. Y., or at any other office that we may hereafter designate by written notice to you.

17. This agreement shall be construed in accordance with the laws of the State of New York.

Upon your signing the form of acceptance on the enclosed counterpart of this loan agreement and returning such counterpart to us, this loan agreement shall become a binding agreement between you and this Company.

Very truly yours,

JOHNS-MANVILLE CORPORATION

By ALVIN BROWN
Vice Pres.

The foregoing is hereby accepted.

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

by O. M. WHIPPLE
Vice President

EXHIBIT A.

New York, New York,

$..... .....,19....

JOHNS-MANVILLE CORPORATION (herein called the Company), a corporation duly organized and existing under the laws of the State of New York, for value received, hereby promises to pay to , or order, on the day of , 19 , the principal amount of Dollars in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts, at the principal office of J. P. Morgan & Co. Incorporated in the Borough of Manhattan, The City of New York, State of New York, and to pay interest on the unpaid portion of said principal amount from the date hereof at said office, in like coin or currency, semi-annually on the fifteenth day of January and the fifteenth day of July in each year and on the maturity hereof, at the rate of two and seven-tenths per centum (2 7/10%) per annum until such unpaid portion of such principal amount shall have become due and payable and at the rate of six per centum (6%) per annum thereafter and, so far as may be lawful, to pay interest on any overdue instalment of interest at the rate of six per centum (6%) per annum at said office in like coin or currency.

1. This Note is one of a number of Notes (herein called the Notes), each in the denomination of $500,000 or a multiple thereof, made or to be made by the Company in an aggregate principal amount not exceeding $25,000,000; all the Notes maturing twenty years from their respective dates but not later than December 31, 1970, and bearing interest payable semi-annually at the same rate as the interest on the principal amount of this Note.

2. The Company covenants and agrees that on a date exactly five years from the date of this Note and on the same date each year thereafter (herein called the Mandatory Prepayment Date) it will prepay a principal amount of this Note equal to five per centum (5%) of the original principal amount of this Note (herein called the Mandatory Prepayment) with accrued interest thereon to such Mandatory Prepayment Date, without premium. The Company at its option on each Mandatory Prepayment Date may prepay an additional principal amount of this Note exactly equal to (subject to the provisions of the next succeeding sentence) the Mandatory Prepayment with accrued interest thereon to such Mandatory Prepayment Date, without premium. If the Company shall not exercise any such option on such Mandatory Prepayment Date, such option may be exercised on any one of the four Mandatory Prepayment Dates next succeeding, but not thereafter. No such optional prepayment of any additional principal amount of this Note pursuant to the provisions of this Section shall be credited to, or relieve the Company to any extent from, its obligation thereafter to make any prepayment of this Note required by this Section and no such optional prepayment shall be made in respect of this Note unless a corresponding optional prepayment shall be made in respect of all other Notes then outstanding having the same maturity date.

The Company shall give notice of all prepayments (other than Mandatory Prepayments) of this Note, or any portion thereof, pursuant to this Section 2, as

in Section 4 hereof provided except that such notice may be given not less than fifteen (15) nor more than forty-five (45) days prior to the date fixed for such prepayment.

3. Subject to the provisions hereinafter set forth in this Section and in Section 5 hereof, upon notice given as provided in Section 4 hereof, the Company at its option may call for prepayment and prepay this Note in its entirety or any portion hereof aggregating $1,000 or a multiple of $1,000, at any time, at the following respective percentages of the principal amount hereof or of such portion hereof so called for prepayment, together with the interest accrued hereon or on such portion hereof to the date fixed for prepayment by such notice:

if prepaid within five years from the date of this Note.....	103%
if prepaid thereafter and within ten years from the date of this Note	102¼%
if prepaid thereafter and within fifteen years from the date of this Note	101½%
if prepaid thereafter and prior to the maturity of this Note....	100¾%

The Company covenants and agrees that it will not make a call for prepayment of this Note or any portion thereof pursuant to this Section unless the aggregate principal amount of Notes and portions of Notes at the time being called for prepayment pursuant to this Section, if less than the aggregate principal amount of all Notes at the time outstanding and not theretofore called for prepayment, shall be not less than $250,000.

4. Any call for prepayment of this Note or any portion hereof shall be made by giving written notice not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such prepayment. The notice of a call for prepayment of this Note or any portion hereof and all other notices to be given to any holder of this Note shall be mailed by registered mail to the payee herein named at such address as said payee may have designated to the Company in writing for the purpose; provided, however, that if any subsequent holder of this Note shall have presented it to the Company for inspection at the office of the Company in New York, N. Y., and shall have delivered to the Company written notice of the acquisition by such holder of this Note and designated in writing an address to which notices in respect of this Note shall be mailed, such notices shall be given to such holder at such designated address, instead of to the payee herein named. Upon notice of call for prepayment being given as aforesaid, the Company covenants and agrees that it will prepay on the date therein fixed for prepayment the entire principal amount of this Note or the portion thereof, as the case may be, so called for prepayment at the applicable percentage, hereinabove provided, together with interest accrued to such date fixed for prepayment.

5. If, pursuant to the provisions of Section 3 hereof, less than the entire principal amount of all the Notes of any particular maturity date at the time outstanding shall be called for prepayment at any time, the Company will allocate the principal amount so called for prepayment in units of $1,000 among the Holders of Record of such Notes, as nearly as possible in proportion to the principal amounts thereof, not theretofore called for prepayment.

6. The Company covenants and agrees that, so long as this Note shall be outstanding, it will:

(a) maintain an office or agency in the Borough of Manhattan, New York, N. Y., where notices, presentations and demands to or upon the Company in respect of this Note may be given or made;

(b) promptly pay and discharge or cause to be paid and discharged all lawful taxes, assessments, and governmental charges or levies imposed upon the Company or any of its subsidiaries or upon the income and profits of the Company or any of its subsidiaries, or upon any property, real, personal or mixed, belonging to the Company or any of its subsidiaries, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that the Company shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Company or any of its subsidiaries shall set aside on its books reserves deemed by it adequate with respect to any such tax, assessment, charge, levy or claim so contested;

(c) do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence, rights and franchises of the Company and its subsidiaries and comply with all laws applicable to the Company or its subsidiaries as counsel may advise; provided, however, that nothing in this subsection (c) contained shall prevent a consolidation or merger of, or a sale, transfer or disposition of all or substantially all of the property and assets of, the Company not prohibited by the provisions of Section 7(b) hereof; and provided, further, that nothing in this subsection (c) shall prevent the abandonment or termination of the corporate existence, rights and franchises of any subsidiary if, in the opinion of the board of directors of the Company, such abandonment or termination is in the interest of the Company and not prejudicial in any material respect to the holder of this Note;

(d) at all times maintain, preserve, protect and keep or cause to be maintained, preserved, protected, and kept the property used or useful in the conduct of the business of the Company and its subsidiaries in good repair, working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals and replacements, so that the business carried on in connection therewith may be properly and advantageously conducted at all times;

(e) set up on its books from its earnings, and cause each of its subsidiaries to set up on its books from its earnings, during the fiscal year ending on December 31, 1947, and during each fiscal year thereafter, (A) adequate reserves for depletion and depreciation, and (B) reserves for all other proper charges against income;

(f) keep adequately insured, by financially sound and reputable insurers, all property (including property of subsidiaries) of a character usually insured by corporations engaged in the same or a similar business similarly situated against loss or damage of the kinds customarily insured against by such corporations, and carry such other insurance as is usually carried by corporations engaged in the same or a similar business similarly situated or, at the option

of the Company, in lieu of all or any part of such insurance, maintain, or cause each of its subsidiaries to maintain, by means of adequate insurance reserves currently set aside or maintained out of earnings or surplus, a system of self-insurance with respect to such properties; and

(g) at all times keep true and complete books of record and accounts and cause each of its subsidiaries to keep such records and accounts.

7. The Company covenants and agrees that so long as this Note shall be outstanding:

(a) The Company will not, except as hereinafter in this Section expressly permitted, at any time directly or indirectly create, assume, incur or suffer to exist any mortgage, pledge, charge or other lien or encumbrance of or upon any of its properties or assets, real or personal, or of or upon any income or profits therefrom, without making effective provision, and the Company covenants that in any such case it will make effective provision, whereby this Note shall be secured by such mortgage, pledge, charge, lien or encumbrance equally and ratably with any and all other obligations and indebtedness thereby secured, so long as any such other obligations shall be so secured; provided, however, that the foregoing provisions shall not prevent

(i) the Company from creating or incurring or suffering to exist purchase money mortgages or other purchase money liens upon any of its real property or from acquiring any real property subject to mortgages and liens existing thereon at the date of acquisition, provided that (A) the principal amount of the indebtedness secured by each such mortgage or lien shall not exceed the cost or fair value at the time of the acquisition thereof by the Company, whichever is less, to the Company of the property subject thereto, (B) every such mortgage or lien shall expressly provide that it shall apply only to the property originally subject thereto and fixed improvements erected thereon, and (C) the aggregate principal amount of all indebtedness of the Company at the time outstanding secured by mortgages and liens upon such property (including extensions, renewals and replacements thereof, as permitted by clause (ii) of this subsection, and also including the indebtedness then being incurred) shall not exceed $7,500,000; or

(ii) the Company from extending, renewing or replacing any mortgage or lien permitted by the preceding clause (i) upon the same property theretofore subject thereto, or replacing, renewing or extending the indebtedness secured thereby, provided that in any such case the principal amount of such indebtedness so replaced, extended or renewed shall not be increased; or

(iii) the Company (A) from making pledges or deposits under workmen's compensation laws or similar legislation or good faith deposits in connection with bids, tenders, contracts (other than for the payment of money) or leases to which the Company is a party, or deposits to secure public or statutory obligations of the Company, or deposits to secure surety and appeal bonds to which the Company is a party, or (B) from incurring liens imposed by law, such as carriers', warehousemen's, mechanics', material-men's and vendors' liens, liens on personal

property in course of importation under letters of credit or similar retention of security title contracts, and liens arising out of judgments or awards against the Company with respect to which the Company at the time shall currently be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review; or

(iv) the creation or existence of liens for property taxes not yet subject to penalties for non-payment, or minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties, which encumbrances, easements, reservations, rights and restrictions do not, in the opinion of the Company, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Company.

(b) The Company will not sell, lease, transfer or otherwise dispose of all or substantially all its properties and assets, or consolidate with or merge into any other corporation, or permit another corporation to merge into it, unless

(i) the obligations of the Company under the Notes shall be expressly assumed by such successor corporation (if such successor corporation shall not be the Company), transferee or lessee with provision that all the covenants and conditions in this Note applicable to the Company shall upon and after such assumption be applicable to such successor corporation, transferee or lessee; and

(ii) such successor corporation, transferee or lessee shall be a corporation incorporated within the continental limits of the United States of America.

If upon any such sale, lease, transfer, disposal, consolidation or merger, any of the properties or assets of the Company would thereupon become subject to any mortgage, pledge, charge, encumbrance or lien, the Company, prior thereto, will secure this Note (equally and ratably with any other indebtedness of the Company then entitled thereto) by a direct lien on all such properties and assets of the Company prior to all liens other than any theretofore existing thereon.

8. For the purpose of this Note:

(a) The term "corporation" shall include corporations, associations, companies, and business trusts.

(b) The term "person" shall include an individual, a corporation, a partnership, or a government or an agency or political subdivision thereof.

(c) The term "voting stock" of a corporation shall mean stock at the time entitling the holders thereof to elect a majority of the board of directors, managers or trustees of such corporation.

(d) The term "subsidiary" shall mean any corporation more than 50% of the voting stock of which at the time is owned or controlled directly or indirectly by the Company and/or by one or more subsidiaries.

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(e) The term "indebtedness" shall mean and include (i) all items of indebtedness which in accordance with sound accounting practice would be included in determining total liabilities as shown on the liability side of a balance sheet (excluding reserves) as at the date as of which indebtedness is to be determined, (ii) indebtedness secured by any mortgage, pledge or lien existing on property owned subject to such mortgage, pledge or lien, whether or not the indebtedness secured thereby shall have been assumed, and (iii) guaranties, endorsements and other contingent obligations in respect of, or to purchase or otherwise acquire, indebtedness of others.

(f) The term "Holder of Record" when used in respect of this Note shall mean the person to whom notices are to be given as provided in Section 4 hereof and, when used in respect of any other Note, shall mean the person to whom notices are to be given as provided in such other Note.

9. This Note shall become and be due and payable upon demand made by the holder hereof if one or more of the following events, herein called events of default, shall happen and be continuing:

(a) Default in the payment of the principal of any Note, with the premium thereon, if any, when and as the same shall become due and payable, whether at maturity or at a date fixed for prepayment or by acceleration or otherwise; or

(b) Default in the payment of any instalment of interest on any Note according to its tenor when and as the same shall become due and payable and such default shall continue for a period of thirty days; or

(c) Default in the due observance or performance of any covenant, condition or agreement on the part of the Company contained in Section 2 or Section 7 hereof; or

(d) Default in the due observance or performance of any other covenant, condition or agreement on the part of the Company to be observed or performed pursuant to the terms hereof and such default shall continue for thirty days after written notice thereof, specifying such default and requesting that the same be remedied, shall have been given to the Company by the holder of any Note; or

(e) The Company shall be adjudicated a bankrupt or insolvent, or shall consent to the appointment of a receiver, trustee or liquidator of itself or of any of its property, or shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or a voluntary petition or an answer seeking reorganization in a proceeding, under the federal bankruptcy laws (as now or hereafter in effect), or an answer admitting the material allegations of a petition filed against the Company in any such proceeding, or shall, by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding up of corporations, or the Company or its directors or majority stockholders shall take action looking to the dissolution or liquidation of the Company (except in connection with a consolidation with or a merger of the Company with or into another

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corporation or a sale, transfer or disposition of all or substantially all of the property and assets of the Company, not prohibited by subsection (b) of Section 7 hereof); or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any major property of the Company and such receiver, trustee or liquidator shall not have been removed or discharged within ninety days thereafter, or any major property of the Company shall be sequestered and shall not be returned to the possession of the Company within ninety days thereafter; or

(g) A petition against the Company in a proceeding under the federal bankruptcy laws (as now or hereafter in effect) shall be filed and shall not be dismissed within ninety days after such filing, or, in case the approval of such petition by a court of competent jurisdiction is required, shall be filed and approved by such a court as properly filed and such approval shall not be withdrawn or the proceeding dismissed within ninety days thereafter, or if, under the provisions of any other similar law providing for reorganization or winding up of corporations and which may apply to the Company, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Company or of any major property of the Company and such jurisdiction, custody or control shall not be relinquished or terminated within ninety days thereafter; or

(h) Default shall be made in the payment of any instalment of interest, when the same shall become due and payable, on any bond, debenture, note or other evidence of indebtedness (other than the Notes) of, or assumed or guaranteed by, the Company and such default shall continue for a period of thirty days, or default shall be made in the payment of the principal of any such bond, debenture, note or other evidence of indebtedness when the same shall become due and payable, whether at maturity, by declaration, by call for prepayment, by call for redemption, or otherwise.

10. In case any one or more of the events of default specified in Section 9 of this Note shall happen and be continuing, the holder of this Note may proceed to protect and enforce his rights by suit in equity, action at law and/or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Note or in aid of the exercise of any power granted in this Note, or may proceed to enforce the payment of this Note or to enforce any other legal or equitable right of the holder of this Note.

11. This Note is made and delivered in the City of New York and shall be governed by the laws of the State of New York.

12. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

13. No course of dealing between the Company and the holder hereof shall operate as a waiver of any right of any holder hereof and no delay on the part of the holder hereof in exercising any right hereunder shall so operate.

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IN WITNESS WHEREOF, Johns-Manville Corporation has caused this Note to be signed in its corporate name by an officer thereunto duly authorized and this Note to be dated as of the day and year first above written.

JOHNS-MANVILLE CORPORATION,

By.....

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