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May 11, 1972

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FILE NO. 3710

John F. Stapleton, Esq.
Monsanto Company
800 North Lindbergh Boulevard
St. Louis, Missouri 63166

Re: Monteagle Silo Company

Dear Mr. Stapleton:

This will confirm our telephone conversation yesterday afternoon, during which I advised that we have carefully reviewed the entire problem which faces both Monteagle Silo Company and the Monsanto Company. It is clear that Monteagle personnel can no longer put off the various claimants and it is in the interest of both companies to get this matter resolved now, one way or another. If repairs are not made quickly, a number of lawsuits will quickly follow.

It is also clear that Monteagle's business reputation and profits are being seriously adversely affected. Moreover, if Monteagle is placed in a position of having to face these claims alone, the Company will go under.

We have also carefully considered the proposal which you outlined on the telephone last week, but we cannot accept it and are convinced that Monteagle should not be asked to contribute anything toward repair costs or other costs or expenses. However, as discussed, in an effort to demonstrate to Monsanto that

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Monteagle would not submit inflated bills or "rubber stamp" any repair bills, Monteagle would be willing to contribute 5% toward repair costs. This is the maximum which Monteagle can contribute, and it should be understood such contribution would relate only to repair costs and not to any judgments or costs resulting from lawsuits which might be filed by any of the claimants.

Finally, as discussed, Monteagle would prefer to have Monsanto deal directly with the claimants, but if an agreement can be reached as set forth above, Monteagle would be willing to continue to deal directly with each claimant. In any event it should be understood that Monteagle has neither the equipment nor the personnel to effect all the repairs, and it would thus be necessary to engage other personnel for this purpose.

In conclusion, we appreciate your consideration, but we must repeat that because of the pressures being brought to bear on Monteagle, it is necessary for us to have an answer on or before May 17, 1972.

Very truly yours,



Edward S. Silber

ESS/tf

ccs: Messrs. C. W. Boswell, Vice President
Monteagle Silo Company, Inc.
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