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July 6, 1971

OFFICE TELEPHONE
DIAL: 333-4183

REFER TO OUR FILE NO._____

CERTIFIED

Monteagle Silo Company
P. O. Box 798
Monteagle, Tennessee 37356

Attention: Mr. Charles Boswell, President

Gentlemen:

We represent Ernest Austin of Route 10, Charlotte, who in June of 1962 purchased from you two 16 by 50 waxed stave silos. You have recently had correspondence with Mr. Fred Flowers, an attorney from Shelby, North Carolina, but Mr. Austin has asked us to assume the representation as local counsel. We understand that Mr. Flowers will, because of the distance from here to Shelby, not be acting in the matter.

Sometime back, Mr. Austin was faced with findings that some contaminant was present in the ensileage, which he was feeding his dairy cattle, and since that time has had periodic checks by three agencies charged with joint, and sometimes overlapping, responsibility as to milk quality. He is now informed that his milk production is threatened with a cut off by reasons of the presence of Aroclor 254 traced by the responsible authorities directly to the silo constructed for him by you. As we understand you are aware from certain cases in Ohio, this constitutes a threat to the continued production by Mr. Austin of saleable milk and milk products and he faces an immediate prohibition by the Mecklenburg County Health Authorities and the Food and Drug Administration.

DSW 379572

One of his two silos is presently almost empty and the second is filled with about two hundred tons of spring ensileage which is being given almost daily tests by these authorities as their reports indicate a marginal approval at the present time.

We understand that the bonding agent between the concrete block walls and the interior wax finish was furnished by Monsanto Chemical Company to you in the course of construction. It is entirely possible that Monsanto should be a party in any action that might be necessary in order to protect the interest of our client.

This letter will serve as formal notice on you of Mr. Austin's intention to hold you responsible in damages for any financial losses which he might sustain by reason of either your negligence in the construction of the silos furnished him or for breach of warranty in representations that such silos were fit for the purposes for which they were sold, to-wit, the containment of cattle feed in a safe manner not detrimental to the public health or the health of the customers of Mr. Austin.

Time is of the essence by reason of the fact that Mr. Austin has been advised that the present silos are no longer acceptable to the authorities as storage for feed for cattle constituting his dairy herd. There is a possibility that he may be able to feed out the present two hundred tons, but even this is not assured.

In order to mitigate damages, Mr. Austin is going to be required within the next seven to ten days to take action to provide new and approved silage facilities. We suggest that you may desire to initiate within such ten day period the construction of a new silo for Mr. Austin equaling the capacity of the two silos presently existent, provided such new silo meets the approval of the Food and Drug Administration, the North Carolina

DSW 379573

Agricultural Extension Service and the Mecklenburg County Public Health Department. Such act of good faith on your part would minimize any loss or damage which Mr. Austin is likely to sustain, but you understand the necessity for his proceeding immediately. Unless, therefore, we have adequate assurances of your intention to follow this suggestion so that the new silo could be completed prior to the time the present two hundred tons is used up, Mr. Austin must elect to obtain such a silo from another source which he will do to your account. For your information he has been quoted a figure somewhere in the neighborhood of $8,000.00 for such capacity silo with adequate equipment, his present auger and loading equipment being inadequate in the proposed new silo by reason of the limited available location.

We are enclosing copy of this letter which we trust you will forward to your source of the Monsanto binder and will thank you to let us know the address of that company in hopes that they can furnish further information about the dangers of Aroclor 254. Additionally, if you have any information with respect to this relatively unknown contaminant that would aid us in dealing with the Health Authorities, we would appreciate your advising us.

Very truly yours,

David H. Henderson

DHH/pal

DSW 379574