MONSANTO PROPERTY PURCHASE PROGRAM

Monsanto Company Anniston, Alabama

DSW 133488

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The information contained in this booklet provides a description of the Monsanto Property Purchase Program. It is not an offer to buy property.

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Letter from Monsanto

Dear Neighbor,

As you may be aware, Monsanto has recently been sampling soils in the area. We have found some polychlorinated biphenyls (PCBs) on our property and on some adjacent areas. PCBs are chemicals which were manufactured at the plant from the 1930s until 1971. We are currently working with the Alabama Department of Environmental Management to develop a plan to manage the situation.

In anticipation of those plans, there are certain residential properties and privately owned vacant lots we would like to purchase, near or adjacent to our property. Monsanto is offering to purchase these properties within the "program area," as shown on the map on page 5. The details of the purchase offer, plus a range of relocation assistance features, are explained fully in the enclosed program handbook.

As you look through the program handbook, please note the eligibility requirements for both property owners and renters who choose to participate in the program and relocate outside the "program area."

The details of the program include:

- a purchase offer for your property
- bonuses, available in certain cases
- assistance for current renters
- miscellaneous expense allowances, and
- relocation services available to you through the new Information Center

We realize that relocating is a difficult decision, and you will want to take time to consider the advantages of the program being offered. Either way, the decision whether or not to participate is yours. To help provide you with any information you may need, we have opened an Information Center with representatives available to review the entire program with you at your convenience. In addition, you may contact our "Answer Line" at 1-800-544-2932 ext. 2711, or contact us at Monsanto at 231-8501.

Sincerely,

Jack Mayausky
Plant Manager

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Introduction

The Monsanto Property Purchase Program (Program) is a program provided by Monsanto to enable you to sell your property and relocate, if you so choose. The details of the Program are contained in this booklet.

Easy access to the Program is provided through our Information Center, staffed by Prudential Residential Services, located in the trailer set up in the Monsanto parking lot. The Information Center will be staffed by a representative who is available to meet with you privately to go over all of the features of the Program and will assist you in understanding Program options available to you.

The Information Center will also provide you with information about homes for rent or purchase in the area. A representative can put you in touch with local real estate professionals who can help you identify your housing options.

A representative will be at the Information Center starting October 6, 1995. Through October 21, the Center will be open Monday through Friday from 8:30am to 5:00pm and evenings and weekends by appointment. Please feel free to contact the Information Center at (205) 231-8508. After October 21, a representative will be available at the Center one day each week and by telephone at other times via the Center number.

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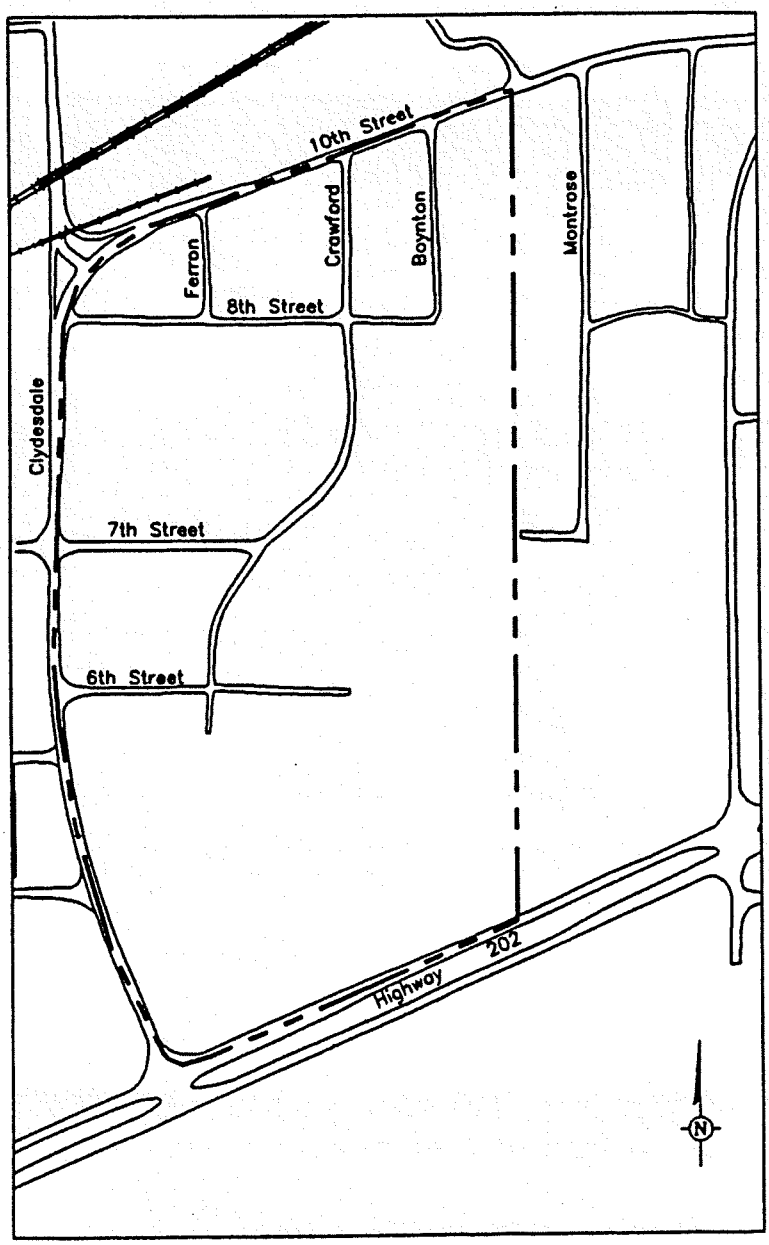
Program Area

The Program applies only to the residential properties and privately owned vacant lots located within the program area. The program area, defined in the map below, is that area generally to the north of Rt. 202; to the east of Clydesdale Road; to the south of 10th Street; and, to the west of the property line depicted on the map below:



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Who is Eligible?

Property owners
You are eligible for the Program if you own residential property (see pages 8-11) or vacant lots (see pages 12-13) in the Program Area (shown on the previous page), as of October 2, 1995.

If you are a property owner, you may sign up for the program until February 2, 1996. To sign up, just contact the Information Center and ask to arrange for an independent appraisal on your property. If you sign up for an appraisal by December 1, and you decide to accept an offer, you will also be eligible to receive an early appraisal sign-up bonus.

Requesting an appraisal ***does not commit you to sell your property.*** Having an appraisal completed simply allows the Information Center to present you with an offer for your property. Once you have received your offer, you can choose whether or not to accept it.

Note: You must sell all property you own in the Program Area to be eligible for Program benefits.

Renters
Renters may be eligible to receive a miscellaneous expense allowance under the Program (see page 14).

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Summary of Program Benefits

Home Owners and Rental Property Owners

- Appraised value for your property
- Premium payment (an amount in addition to the appraised value)
- Miscellaneous expense allowance
- Early appraisal sign-up bonus
- Legal assistance and tax advisor allowance
- Full payment of normal and reasonable closing costs
- An option to remove some property improvements
- Equity advance assistance
- Relocation services

Vacant Lot Owners

- Appraised value for your vacant lot(s)
- Premium payment (an amount in addition to the appraised value)
- Early appraisal sign-up bonus
- Legal assistance and tax advisor allowance
- Full payment of normal and reasonable closing costs

Renters

- Miscellaneous expense allowance
- Relocation services

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Offer for Home Owners & Rental Property Owners

The Offer

The offer applies to home owners living in the program area and landlords owning habitable rental property in the program area. Unoccupied, habitable residences will be treated as rental property. The offer consists of four payments and one potential bonus:

payments

- the appraised value
- the premium over appraised value
  - . 75% of the appraised value for owner-occupied home owners
  - . 50% of the appraised value for rental property owners
- the miscellaneous expense allowance
  - . $4,000 for owner-occupied home owners
  - . $1,000 for rental property owners
- the legal assistance and tax advisor allowance, $150

potential bonuses

- the early appraisal sign-up bonus, $3,500

Appraised Value

If you are a home owner or landlord, the first part of your offer is an "appraised value" for your property and the improvements on it (such as a home, garage, outbuilding, etc.). The appraisals are done by local independent appraisers and are arranged by the Information Center. The list of approved appraisers includes local, actively practicing appraisers who are certified by the Alabama State Real Estate Commission.

The first step is for you to meet with a representative at the Information Center so you can select two appraisers from the approved list. The Information Center will then contact the appraisers and have them visit your property. Each appraiser will independently develop a value for your property using a standard format (URAR 1004 6/93).

When the two appraisal amounts are calculated, your appraised value will equal the average of the two appraisals -- provided the lower appraisal is within 10% of the higher appraisal. If the difference is greater, the Information Center will arrange for a third appraisal. Then, the two highest appraisals will be averaged to make the appraised value offer.

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Offer for Home Owners & Rental Property Owners

Appraisal Process - Examples
In the chart below you can see how sample appraisal calculations are made.

In example #1, the higher appraisal is $16,000. This means that the lower appraisal must be within 10% or $1,600. Since the two appraisals are only $1,000 apart, a third appraisal is not required. The two appraisals are averaged to make the appraised value offer of $15,500.

In example #2, the higher appraisal is $20,000. This means that the lower appraisal must be within 10% or $2,000. But the appraisals are $4,000 apart. This means a third appraisal must be done. Now, out of the three appraisals, the two highest are averaged to make the appraised value offer.

	Appraisal #1	Appraisal #2	Appraisal #3	Appraised Value Offer
Example #1	$15,000	$16,000	not required	$15,500
				Average of $15,000 and $16,000
Example #2	$16,000	$20,000	$18,000	$19,000
				Average of $20,000 and $18,000

Minimum Appraised Value
In order to make the program attractive and practical for all eligible owner-occupied home owners, a minimum appraised value has been set at $10,000. The minimum value applies to any owner-occupied home occupied as of October 2, 1995.

Offer Period
Once the appraised value is calculated, you are presented with a written offer to purchase your property including a premium payment, miscellaneous expense allowance and any applicable early appraisal sign-up bonus. Once you receive an offer, you have 45 calendar days to accept. The offer contains conditions normal and customary to local real estate transactions, including a requirement that you, the seller, have valid title to the property. Only ***written*** offers are valid under the Program. You are encouraged to review the offer with your family and friends, and to obtain advice from any others you wish. A ***legal assistance allowance*** of up to $150 is available to you for attorney and tax advisor fees to review program documents.

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Offer for Home Owners & Rental Property Owners

Premium Payment
The premium payment is made at the closing of the sale and is intended to enable you to purchase property elsewhere. The premium payment equals 75% of the appraised value for owner-occupied home owners, and 50% for rental property owners.

Miscellaneous Expense Allowance
A miscellaneous expense allowance of $4,000 is provided to you at the closing of the sale if you are an owner-occupied home owner living in the Program Area as of October 2, 1995. The miscellaneous expense allowance is intended to cover moving and personal relocation costs for those who own and live on their own properties. In cases of multiple ownership, this payment will be made to the owner who occupies the home.

If you are a landlord, a miscellaneous expense allowance of $1,000 will be paid to you at the closing of the sale. This payment will be made whether the property is vacant or tenant-occupied. (See page 14 for the Miscellaneous Expense Allowance for Renters.)

Early Appraisal Sign-Up Bonus
If you request an appraisal on your property on or before December 1, 1995, you will receive an Early Appraisal Sign-Up Bonus of $3,500 at the closing of the sale.

Obtaining an Equity Advance
The Program will provide assistance in obtaining an advance on the equity in your property when you present a documented need to:

- make a down payment on another property
- close a sale on a new home
- pay moving expenses or other related costs

The Information Center representatives will assist you in obtaining an equity advance in such circumstances. This amount will then be deducted from your final payment upon closing.

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Offer for Home Owners & Rental Property Owners

Closing and Vacating

The Program pays for all normal and reasonable closing costs on the sale of your home. Real estate broker commissions and the cost to correct title problems are not covered.

Closing should be scheduled within four (4) months after you accept the offer. However, by prior agreement, and on a case-by-case basis, you may delay closing. The Information Center staff will arrange a mutually acceptable closing date once you have accepted the offer. You are required to vacate the property prior to closing, removing all possessions and leaving the property "broom clean" and in a neat and safe condition.

Calculating Your Total Offer

Example calculations are provided below for home owners and for owners of rental property.

Home Owner Sample Offer

Appraised Value	$15,000
75% Premium Payment	11,250
Misc. Expense Allowance	4,000
Early Appraisal Sign-Up Bonus	3,500
Total Offer	**$33,750**

Rental Property Owner Sample Offer

Appraised Value	$15,000
50% Premium Payment	7,500
Misc. Expense Allowance	1,000
Early Appraisal Sign-Up Bonus	3,500
Total Offer	**$27,000**

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Offer for Vacant Lot Owners

The Offer

This offer applies to private owners of a vacant lot or a group of contiguous vacant lots (parcel) in the program area. Condemned residences will be treated as vacant lots. The offer consists of three payments and one potential bonus:

payments

- the appraised value
- the premium over appraised value -- 50%
- the legal assistance and tax advisor allowance

potential bonus

- the early appraisal sign-up bonus, $500 per lot or parcel

Appraised Value of Vacant Lot or Parcel

If you own a vacant lot or parcel, the first part of your offer is an "appraised value" for the vacant land. The appraisals are done by local independent appraisers and are arranged by the Information Center. The list of approved appraisers includes local, actively practicing appraisers who are certified by the Alabama State Real Estate Commission.

The first step is for you to meet with a representative at the Information Center so you can select two appraisers from the approved list. The Information Center will then contact the appraisers and have them visit your property. Each appraiser will independently develop a value for your property using a standard format (URAR 1004 6/93).

When the two appraisal amounts are calculated, your appraised value will equal the average of the two appraisals -- provided the lower appraisal is within 10% of the higher appraisal. If the difference is greater, the Information Center will arrange for a third appraisal. Then, the two highest appraisals will be averaged to make the appraised value offer.

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Offer for Vacant Lot Owners

Appraisal Process - Examples
In the chart below you can see how sample appraisal calculations are made.

In example #1, the higher appraisal is $2,100. This means that the lower appraisal must be within 10% or $210. Since the two appraisals are only $100 apart, a third appraisal is not required. The two appraisals are averaged to make the appraised value offer of $2,050.

In example #2, the higher appraisal is $2,500. This means that the lower appraisal must be within 10% or $250. But the appraisals are $500 apart. This means a third appraisal must be done. Now, out of the three appraisals, the two highest are averaged to make the appraised value offer.

	Appraisal #1	Appraisal #2	Appraisal #3	Appraised Value Offer
Example #1	$2,000	$2,100	not required	$2,050
				Average of $2,000 and $2,100
Example #2	$2,000	$2,500	$2,300	$2,400
				Average of $2,500 and $2,300

Premium Payment
The premium payment is made at closing and is intended to help you to purchase property elsewhere. The premium payment equals 50% of the appraised value.

Early Appraisal Sign-Up Bonus
If you request an appraisal on your property on or before December 1, 1995, you are eligible to receive at the closing of the sale an Early Appraisal Sign-Up Bonus equaling $500 per lot or parcel.

Vacant Lot Owner Sample Offer

Appraised Value	$2,400
50% Appraisal Premium Payment	1,200
Early Appraisal Sign-Up Bonus	500
Total Offer	**$4,100**

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Offer for Renters

Miscellaneous Expense Allowance
A miscellaneous expense allowance of $3,000 per property is payable to the tenant whose landlord has accepted a program offer. Only tenants of the rental unit as of October 2, 1995 are eligible for this miscellaneous expense allowance. The miscellaneous expense allowance is paid to the tenant within two weeks of the landlord's acceptance of the offer.

Renter Sample Offer
Miscellaneous Expense Allowance per Property $3,000

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Questions and Answers

Why is Monsanto offering this program?
Monsanto is working with the Alabama Department of Environmental Management to develop a plan to manage the PCBs found on our property and in some adjacent areas. In order to implement the management program we would like to own the properties in the program area.

Does Monsanto have any plans to build operating facilities on the property it purchases?
Monsanto does not plan to build operating facilities in this area. However, we will possibly be constructing a storm water collection basin on or near this area.

How long will the program last?
Eligible program participants will have until February 2, 1996, to request an appraisal on their property. Once the request is received, and appraisals done, they can receive an offer which includes a premium and bonuses. After that date, we will still be interested in purchasing property in the program area at its appraised value, but the premium and bonuses will not be offered.

What if residents decide not to accept Monsanto's purchase offer?
Monsanto intends to be a good neighbor -- to those who wish to leave, and to those who wish to stay. There is no requirement to participate in the program.

How can residents start talking to Monsanto about this?
An Information Center has been set up in a mobile office in the front parking lot of the plant. The first step is to simply fill out an appraisal request form available at the Information Center.

How did Monsanto determine the price offered for the property and homes?
We will pay an appraised value based on comparable properties and homes in the Anniston real estate market plus certain premiums and bonuses for eligible participants.

How will the appraisers estimate property value?
Appraisers estimate value based on the concept of "comparable sales." The appraisers will look at comparable property sales in the Anniston market, taking into consideration: location, property size, number of square feet, bedrooms, baths and other features.

What will the program offer to owners of vacant lots?
Private owners of unimproved parcels of property (vacant lots) who decide to sell their property will receive a $500 early appraisal sign-up bonus if they sign up for an appraisal within the first two months of the Program and a 50% premium payment above the appraised value.

What will the program offer to renters of homes in the program area?
Renters whose landlords accept a Program offer will receive a miscellaneous expense allowance of $3,000 to assist with moving costs and to help the renter get established in the new residence.

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