

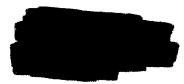
Richard B. Smith, Esq.
Federal Trade Commission
Premerger Notification Office
6th Street and Pennsylvania Ave., N.W.
Washington, D.C. 10580

Dear Mr. Smith:

Enclosed are the first and second pages relating to the H-S-R value of assets issue that we have been discussing.

I very much appreciate your assistance in this matter.

Sincerely,



Enclosure

## 1.0 Purchase Price

- The parties intend that the purchase price ("Purchase Price") to be paid by NEW for the Assets would be an excunt calculated as follows: Purchase Price equals (a) \$14.5 million, less (b) the amount of gross receivables at Closing without offset for bad debt reserves, less (c) \$2.75 per ten multiplied by the number of tons of "Marketable Resduct Inventory" (as defined below.
- 1.2 The Purchase Price would be payable as follows:
  - (a) At Closing, WM will pay to whe following amount ("Downpayment"): (i) \$6 milition, lass (ii) the value at Closing of Marketable Product Inventory, as defined below.
  - (b) The amount remaining after subtracting the Contracting the
  - (5) Interest would accrue on the amount of the outstanding principal balance at a rate of 8.75% annually. Interest payments would be paid quarterly. Whe would have the right without penalty to prepay at any time any or all of the outstanding principal balance. The parties intend to include in the Asset Purchase Agreement a mechanism to adjust the interest rate every five (5) years for changes of two percent (2%) or more in market interest rates.
- 1.3 Product Inventory Immediately prior to Closing the parties would agree upon the number of tons of Marketable Product Inventory (which is defined as inventory which would be expected to move within a one (1) Year period based upon 1990 sales by product). After Closing Ma would act as sales agent on behalf of of for the sale of such inventory. The would use its best efforts to sell such inventory. All product sold by MMA after Closing would be deemed to be sales of Ma Marketable Product Inventory, until the number of tons sold by MMA equals the number of tons of Marketable Product Inventory at Closing. At the end of each month, we would remit to we \$2.75 per ton for tons sold in the pravious month. Hem would be entitled to sell such product at such prices as it doesn advisable, when commission to be the difference between the sale price and the \$2.75 per ton. The \$2.75 per ton price is based upon the assumption that

the weighted average selling price of Marketable Product Inventory, using 1990 prices is equal to at least \$4.50.

- 1.4 Accounts Receivable The would retain all accounts receivable for all material sold and delivered on or before Closing. The parties will include in the contract appropriate provisions to protect accounts ability to collect receivables.
- 2.0 Mon-Compets in addition to the purchase closing, would pay to amount and make the total amount of \$1.5 million as additional consideration for their agreement not to compete period of ten (10) years in the business in and in any county which is contiquous to At Closing, we would only a to sign an agreement not to compete for a period of no more than five (5) years in the ag ng business in Manuar and and in any county which is contiguous to w. Nothing in this Paragraph or in the contract vill prohibit from continued and b operations in the above referenced geographic areas.
- 3.0 Closing Closing of the transaction ("Closing") would be set for May 30, 1991 provided however that Closing may be held earlier, pending completion of due diligence and necessary contract documents.

was of the view that A bull acquered the inventory from B at the time of Joing This view is based of on A's setting the fines of which the sound the west of the words and the ward form of a received to the world one of any 3,75/ton we matter what some from the world form of a property of the country. A convent them obtained the "ward form" of the country (4th care got only 3/ton, it must all they above 3.75 for what the "benefits of messaged value" (it gets according above 3.75 for what it sells the wintery) due wish is that A Is boursen the inventory it sells the winter of 2.75 for a related to the programment of 2.75 for a related to several discussion and should the programment of the second of of the second