



Florida Tire Recycling, Inc.

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March 23, 1995

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WEST PALM BEACH

Mr. Carlos Rivero-deAguilar
Director of District Management
Department of Environmental Protection
1200 South Congress Avenue
West Palm Beach, FL 33406

Dear Sir,

Thank you for taking time from your busy schedule today to spend a few minutes with us. We also thank you for being able to schedule a regular meeting for April 10, 1995. As we stated this morning, we have a commitment letter from a local bank for an SBA guaranteed loan. This funding will enable us to complete the MSSW construction required for final permitting and expand production facilitating removal of the inventory of shredded material.

The loan proposal was submitted to SBA this past Tuesday. The package has already been discussed at some length with SBA and they are inclined toward granting their approval. SBA's processing will require four to six weeks. Once issued, our bank will expect us to provide evidence that the remaining issues between FTR and DEP have been resolved before funding the loan. If we are not able to satisfy this condition to closing in a timely manner, the funding will be lost. At that point FTR will find it very difficult to complete the terms of the Stipulation Agreement.

The outline for resolving the remaining issues had been outlined in some detail six months ago. These terms will need to be reviewed in light of rapidly changing conditions in the tire recycling market. Other than that, the basic parameters for final agreement appear to be in place. For your ready reference, we have enclosed a copy of our correspondence of December 9, 1994 discussing those parameters along with Jim Brindell's letter of January 20, 1995 to Janet Bowman.

This morning we sensed a willingness on your part to deal quickly and constructively with the matter. We appreciate your personal involvement and look forward to working with you.

Sincerely,


David L. Quarterson
FLORIDA TIRE RECYCLING, INC.

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