

June 10, 1946

Re: Southern Alkali Corporation Removal
Program Contract - Lake Charles, La.

Mr. A. Kingsley Ferguson, President
H. K. Ferguson Company
1650 Hanna Building
Cleveland 15, Ohio

Dear Mr. Ferguson:

I am forwarding to you herewith for your approval and execution the following documents:

- (a) Five copies of Contract between Southern Alkali Corporation and your Company as Contractor covering the initial phase of the Lake Charles Removal Program. This form of Contract and the form and contents of Exhibit A have been tentatively approved by War Assets Administration;
- (b) Three copies of an Agreement between Southern Alkali Corporation and your Company under which Southern Alkali Corporation agrees to pay to your Company upon completion of the removal Contract the sum of \$21,000 unless the removal Contract, originally limited by its terms to two cell buildings, shall have been extended to include the specified removal work in connection with the third cell building, said sum to be in addition to the price provided in the removal Contract.

Four copies of the Contract and two copies of the Agreement have been executed by Southern Alkali Corporation. The unexecuted copies are for your files.

I also enclose for your information in connection with the removal Contract two copies of an extract from the Agreement of Lease dated March 22, 1946 containing the lease provisions relating to the "Removal Program".

You will recall that your bid covering this Removal Program was in the amount of \$218,000 for the specified work with respect to three

BB 0003201

June 10, 1943

cell buildings with an alternative bid of \$171,000 if the contract were to be limited to two cell buildings. You will note from the enclosed copies of extract of lease provisions that the Removal Program is initially limited to two cell buildings with an option in Southern to extend it to include additional cell buildings in connection with an agreement by Southern to enlarge its chlorine-caustic production capacity beyond the capacity initially specified. Although Southern contemplates the expansion, it has not yet committed itself to such expansion by agreement with War Assets Administration such as would permit an initial removal program involving three cell buildings under the terms of the lease. Rather than delay the commencement of the Removal Program pending such agreement, it was decided to limit the Contract initially to two cell buildings, reserving the right to extend it during the progress of the work thereunder to a third cell building.

You will also note that paragraph TEN of the lease places a maximum limit of \$150,000 on the amount that War Assets Administration may be required to pay for a removal program involving two cell buildings. It was this limitation which prompted us to specify \$150,000 as the contract price in ARTICLE II of the enclosed Contract and to provide for the payment of the remaining \$21,000 of your bid by separate agreement, in the event the Contract is not extended to cover the third building, which sum is not subject to reimbursement from War Assets Administration under the removal Contract or the Agreement of Lease.

If these documents meet with your approval, will you kindly sign all four partially executed copies of the removal Contract, have your corporate Secretary or Assistant Secretary sign opposite your signature and affix your corporate seal to each copy. Will you then have the performance bond incorporated in the Contract at the end thereof completed by inserting the full amount of your bid for three buildings (\$216,000) in the blank space on page 6, of all executed copies and secure the signature, attestation and seal thereto of the bonding company you customarily use in such matters. When the Contract has been fully executed by your Company and your Surety, kindly forward all four executed copies thereof to:

Cannon D. Clark, Acting Chief
Real Property Section
New Orleans Regional Office
War Assets Administration
7020 Franklin Avenue
New Orleans, Louisiana

BB 0003202

and send a copy of your transmittal letter to me at Pittsburgh.

Upon completion of the execution of the Agreement referred to in (b) above, please return one executed copy to me at Pittsburgh, retaining the other executed copy for your files.

Very truly yours,

"E. T. Asplundh"

Vice President