CONTRACT

Contract No. 3543-A Order No. 169 Contract No. 3552-A Order No. 170

BUREAU OF AIR CRAFT PRODUCTION

UNITED STATES ARMY

United States of America, hereinafter called the "Contractor" party of the first part, and the United States of America, hereinafter called the "Government", party of the second part, represented by F. D. Schnache, 'aptain, A.S.A.P. hereinafter referred to as the "Contracting Officer", acting under the authority and by the direction of the Secretary of war,

WITNESSETH, WHEREAS, the parties hereto did heretofore enter into a contract, No. 3548, on order No. 169, said contract being dated April 23, 1918; and Contract No. 3552, on order No. 170, said contract being dated April 23, 1918, for (a) the sale to the government of the entire production of a plant to be erected by the contractor for the government at Shelby, Alabama, after its erection and construction up to a maximum of four thousand two hundred tons (4,200) of acetate of lime and four hundred forty thousand gallons (440,000) of methyl alcohol; and (b) the erection and construction for the government at Shelby, Alabama, of a plant for the production of the said acetate of lime and methyl alcohol; and

WHEREAS, said plant is now only partially completed; and

WHEREAS, none of the said acetate of lime and methyl alcohol has as yet been produced by the contractor; and

WHEREAS, the government has now no need for the acdtate of lime and methyl alcohol therein contracted for, and it is therefore in the public interest and in the interest of the government to terminate said contracts as herein provided; and

WHEREAS, the Contractor, in pursuance and in the performance of said contracts has incurred expenses and obligations in a total sum of approximately four hundred ninety thousand dollars; and

WHEREAS; the Contractor in pursuance and in the performance of said contracts has also incurred expenses for freight paid on material already delivered and freight to be paid on material yet to be delivered, but all purchased prior to December 1, 1918; and

whereas, the Government, under the terms of said contracts, is legally bound to pay unto the Contractor by way of reimbursement, all of said sums (less such sums as have been heretofore paid to it or for it by the Government on account thereof); and

WHEREAS, the Contractor is relinquishing the prospective profits on the production and sale of the acetate of lime and methyl alcohol contracted for in said contracts; and

WHEREAS, the present fair commercial value of the said partially completed plant is not in excess of Two Hundred Sixty Thousand Dollars (\$260,000); and

WHEREAS, the Contractor is willing to accept from the Government in full and final settlement of all its rights, claims and demands against the Government under or growing out of said contracts

(a) a lease to the contractor by the government of the said partially completed plant until the contractor has fully paid for the same as hereinafter provided, and thereafter a sale and conveyance to the contractor by the government of the

said partially completed plant and the government's rights, title and interest in and to the tract of land upon which the same is erected for the sum of Two Hundred Sixty

Thousand Dollars (\$260,000) in the manner and upon the terms and conditions hereinafter described; and

the payment by the government to the contractor of the sum of Four Hundred Ninety Thousand Dollars (\$490,000) plus freight charges which have heretofore been made by the contractor on account of the transportation of material necessary for the construction of said plant, and which the contractor may hereafter pay on account of the transportation of such material purchased by the contractor prior to Pecember 1, 1916, less such sums as the Government has heretofore paid to or for the contractor on account of said contracts, including payments on account of said freight charges: and the government, for the purpose aforesaid, is willing to value such lease, sale, conveyance and payment unto the contractor:

NOW THEREFORE, in consideration of the premises and the mutual undertakings herein contained, the parties hereto agree as follows:

ARTICIE 1

The parties hereto expressly agree hereby that the execution of this present contract shall, ips facto, suspend, terminate, and cancel said contracts No. 3548 and No. 3552, together with any and all rights, obligations, claims and demands whatsoever thereunder or growing thereout, and that this present contract shall provide for and constitute a full and final settlement of all rights and obligations, claims and demands of either party against the other, and of all questions under or growing out of said contracts No. 3548 and No. 3552.

ARTICLE LI

- (1) The government shall forthwith pay unto the Contractor the net difference between (a) Four Hundred Ninety Thousand Dollars (\$490,000) plus such freight charges as have heretofore been paid by the contract on account of the transportation of materials necessary for the construction of said plant at Shelby, Alabama, and which the contractor may hereafter may on account of the transportation of such material purchased by the contractor prior to December 1, 1918, and (b) the total of such sums as the Government has heretofore paid to or for the contractor on account of contracts No. 3548 and No. 3552 or either of them, including all freight charges which the government has heretofore paid to or for the account of the contractor on account of materials transported for the construction of said plant.
- (2) Immediately upon the payment unto the contractor by the government of the sum described in the last preceding section of this article, the government shall forthwith become and be the absolute owner, free of all liens and claims whatsoever, of
- (a) the aforementioned partially completed plant situated as aforementioned at Shelby, Alabama; and the tract of land upon which the same is located; and
- (b) all other property real, personal and or mixed that shall then have been paid for by the government; all of which items of property (described in (a) and (b) supra are enumerated in the inventory marked "Exhibit A" which is attached hereto and made a part hereof.
- (3) As soon as the same can be conveniently done, the contractor shall provide and deliver to the government, such evidence as shallsatisfy the government that the con ractor has in fact paid and or satisfied all legally binding debts, claims and or obligations incurred or contracted by it in connection with said contracts No.

3548 and No. 3552, or either of them.

ARTICIE III

- (1) Immediately upon the payment unto the contractor by the government of the sums described in Article II, Section (1) of this contract, the government shall and will lease (and the execution of this contract shall be understood to be and treated as constituting such conclusive evidence by the government and the acceptance by the Contractor) unto the contractor for a term of years beginning forthwith and ending three years from the date of this contract, all of the property, real, personal and or mixed, described in Article II, Section (2) of this contract, upon the following terms and donditions, viz:
- the contract the sum of Fifty Thousand Pollars (\$50,000) to apply on account of the rental of the plant during said period, and in one year from the date of this contract the contractor shall pay the further sum of Fifty Thousand Pollars (\$50,000); and two years from the date of this contract the further sum of Seventy Five Thousand Pollars (\$75,000); and in three years from the date of this contract, the further sum of eighty five thousand dollars (\$85,000); all of which sums shallapply as rental for the said property during said period;
- (b) In addition to the afore-described rent, and as additional rental all taxes of every kind whatsoever, if any, levied or assessed upon said roperty, or any of it, by any taxing power, during the period of the time beginning with the date of this contract, and ending three years thereafter, shall be paid by the contractor at its hwm expense; and
- (c) The contractor shall, at its own expense, complete said plant as early as possible, and in no event later than June 1, 1919, and shall keep and maintain all of the said property, including saidplant, in good condition and repair.
- (2) At the expiration of three years from the date of this contract, the government for the consideration of the sum of one dollar (\$1) shall and will sell and convey unto the contractor by proper instrument or instruments of conveyance and the contractor shall and will purchase from the government for said sum all of the government's right, title and interest in and to the property described in Article II, Section (3) of this contract, in its then state of repair and condition, whatever the same may be. Should the contractor not then being in default for any unpaid payments required to be paid by it under the terms of this contract, desire at any time prior to that date, to purchase said property in its then state of repair and condition, it is expressly agreed that the government shall and will forthwith sell and convey the same unto the contractor for a sum equal to the difference between (a) the sum of two hundred sixty thousand dollars (\$260,000) and (b) the total sum of all rents (exclusive of amounts for taxes previously paid by the contraftor) then previously paid unto the government by the contractor.
- (3) It is expressly agreed that should the contractor at any time default in any of the payments required by it to be made unto the government under the provisions of this Article III, the government may, at its election,
- (a) waive such default; or
- (b) treat and regard the hereby given lease and obligation and privilege to purchase as forfeited; or (c) treat and regard the hereby given lease as a continuing legal and binding obligation, but the obligation and privilege to purchase as forfeited.

In the event of the government making election (b) or election (c) supra, any and all payments made prior thereto by the contractor, shall, ipso facto, be forfeited to and become the absolute property of the government, free from any and all claims and/or equities of the contractor.

ARTICIE IV

- (1) The contractor for itself, its successors and/or assigns, hereby expressly remises, releases and forever discharges the government of and from any and all manner of debts, obligations, rights of action, claims and demands whatsoever due or to become due, either at law, or in equity, under or by reason of, or growing out of the hereby cancelled contracts No. 3548 and No. 3552, or either of them.
- 1) The contractor shall, at any and all times, and whenever hereafter requested by the government, execute in due form and manner, and deliver unto whom the government shall require, any and all instruments in writing that may, in the judgment of the contracting officer, be necessary or desirable to carry into effect and/or evidence the intents and purposes of this present contract.

ARTICLE V

The term "Contracting Officer" as used in this contract, shall mean the contracting Officer executing this contract, also his successor or successors, his duly authorized agent or agents, or any one whom the Director of Aircraft Production shall designate to act as Contracting Officer hereunder.

ARTICLE VI

The Government may, at its option, instead of requiring a deed to the land on which saidplant is situated, pursuant to Article II of this contract, elect to become satisfied with the present lease to the said land now in force, and in such case the Contractor agrees to give renewals of said lease from time to time as demanded by the government in order to carry out the terms of this contract, and this instrument shall operate as renewals of said lease in case such deed is not given and in case such renewals are not otherwise given to the satisfaction of the government.

ARTICLE VII

It is expressly agreed that this present contract shall not become a valid and binding obligation of the government unless and until it has been first approved by the Board Review for the Air Service.

IN WITNESS WHERE OF, the party of the first part has caused this contract to be executed by its proper officers duly aut orized so to do, and the government has caused this contract to be executed by the undersigned contracting officer, duly authorized so to do.

Phelby Chemical Company
By V. H. Matthews -- President

By M. A. Borsen--Secretary

United States of America
By F. D. Schmache-Captain A.S.A.P.

Witnesses

Edgar Lee Jr.

Irene Handley

This will certify that the Board Review for the Air Service duly approved the foregoing contract on the 26th day of March 1919.

#. T. Zowley
Captain A.S.A.P. Secretary, Board
Review for the Air Service

CERTIFICATE

Pursuant to the Army regulations in such cases made and provided, I hereby certify that I have satisfied myself of the power of the officers of the Shelby

Chemical Company, executing the foregoing Contract No. 3548-A--3552-A, dated January 25, 1919, to bind said corporation on contracts, and I hereby waive filing with this contract of the usual evidence of such authority.

F. D. Schnache
Captain A.S.A.P. Contracting
Officer

EXHIBIT "A"

Inventory of Wood Distillation Plant at Shelby, Shelby County, Alabama, and to be attached to contract between the Shelby Shemical Company and the United States of America.

DESCRIPTION OF RETORT BUILDING SITE

REAL PROPERTY

Beginning at an iron stake in the NW of the SE of Section 13, township 22 south, range 1 west, Shelby County, Alabama, said point being sixteen hundred and fifty five (1655) feet west of the Huntsville Meridian and fourteen hundred and twenty seven (1427) feet north of the south line of Section 13, township 22 south range 1 west, and running thence south 64°41' east five hundred and fifty (550) feet, thence north 25°41'east seven hundred and ten (710) feet, thence north 64°19' west five hundred and fifty (550) feet; thence south 25°41' west seven hundred and ten (710) feet to the beginning containing 8.96 acres.

DESCRIPTION OF STILL HOUSE SITE

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Beginning at an iron stake in the NW1 of the SE1 of Section 13, township 22 south, range 1 west, Shelby County, Alabama, said point being two thousand and forty eight (2048) feet west of the Huntsville Meridian and thirteen hundred and forty two (1342) feet north of the south line of Section 13, township 22 south, range 1 west, and running thence south 43°46' east two hundred and four and 4/10 (204.4) feet; thence south 1°41' west two hundred and seventy one and 2/10 (271.2) feet; thence south 69°54' west one hundred and seventy five and 7/10 (175.7) feet; thence north 66°52' west two hundred and twenty three and 2/10 (223.2) feet; thence north 31°11' east four hundred and fifty eight (458) feet to the beginning containing two and one half (2.50 acres).

DESCRIPTION OF STRIP CONNECTING RETORT SITE WITH STILL HOUSE SITE.

Beginning at a point in the south line of the Retort Building Site, heretofore described, said point being one hundred and fifty eight (158) feet south east
of the southwest corner of said tract and running thence with south line of Retort
Building Site south 64 19' east fifteen and one half (15.5) feet; thence south 68 40'
west four hundred and fifty five (455) feet to the north line of the Still House Site,
heretofore described, said point being thirty three (33) feet north west of the
north east corner of saidtract and running thence north 43 46' west with north line
of Still House tract twelve and one half (12.5) feet; thence north 68 40' east four
hundred and forty nine (449) feet to the beginning, containing one-eighth (1/8) of an
acre.

ADDITION TO THE RETORT BUILDING SITE

Beginning at an iron stake marking the N.W. corner of the 8.96 A Retort Building Site same being in the NW_{4}^{\perp} of the SE_{4}^{\perp} of Section 13-T-22-S-R-1-", Shelby County, Alabama, and running thence with the north line of the Retort Building Site;

South 64°19' east (250) two hundred and firty feet, thence north 42°11' east seven hundred (700) feet, thence north 77°49' west one hundred (100) feet, thence south

62 41' west three hundred (300) feet, thence south 48 25' west four hundred and forty two and 6/10 (442.6) feet to the beginning. Containing in all 3.07 acres.

BUILDINGS AND PERSONAL PROPERTY

- 1. Complete Concrete, brick, steel and asbestos composition roof building containing 10 retorts and all equipment.
- 2. 20 steel charcoal coolers.
- 3. Transfer tables complete with motors and all necessary equipment connected with the operation thereof.
- 1 Concrete and steel with asbestos composition aiding and roofing stillhouse building and all stillhouse equipment, dryers and machinery of every nature and description connected with the operation thereof.
- 5. l one story::wooden frame office builsing, furniture and equipment,
- 1 two story wooden frame 16 sixteen room bunk-house, with all equipment and furniture connected therewith, excepting that part now stored in one corner of the colored dining room which contains articles as fol ows: 100 blankets, 100 folding canvas cots; 100 pil ows, 200 pillows cases, said articles being the property of the signal corps of the United States army.
- 7. l one story frame storage warehouse and all material and machinery and parts thereof.
- 8. 2 cement sheds and all cement stored therein
- All railroad tracks, rails, switches atterial, etc., in and about said plant, and necess ry to the operation thereof, and any and all future extensions thereof located on the above described property.
- 10. All steel and wooden tanks of every nature and description in and about said plant, and used in the operation thereof.
- 11. All pipe lines, sewage system drainage ways, underground and tunnels etc., located on the above described premises.
- All and every part of any machinery, tools or equipment of any kind used in connection with said plant, or in the operation thereof, not specifically detailed whether located in any of the buildings above enumerated, or otherwise in and about said plant.
- 13. All temporary buildings, lumber, brick piping, cement and material of any nature or description, in and about said plant, to be used as the contractor sees fit, either temporarily or permaneatly and to be torn down, or removed and all material used for any purpose the contractor may see fit.
- Any and all additional temporary or permanent buildings on said land which the contractor may erect from time to time at his own expense.
- 15. Lese to use all buildings, equipment and machinery of every description in the operation of the plant during the term of the lease and any destruction repairs or replacements to be at the expense of the lessee.

LIST OF UNCOMPLETED PURCHASE ORDERS AND SUB-CONTRACTS

Order No.	DESCRIPTION OF MATERIAL	MAKER OR VENDOR
13	Asbestos cement	Johns-Manville Co.
15	One 5x8 Copper tank	Forest Products Chemical Co.
20	One Still Boiler	Muskegon Boiler Works
21	One triple effect Evaporator	Zaremba & Co.
25	240 2½ Cord retort cars	Lake Shore "ngine Works

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26	20 Condensor Tubs	W. A Case Mfg. Co.	
33	Common Brick (Blanket Order)	Brick Selling Co.	
34	20 Copper Tubes	W. A. Case Mfg. Co.	
36	1 Steel Bldg. complete	Forest Products Chemical Co.	
38	4 iron Stills	Ohio Machine and Boiler Co.	
247 254	Sand (blanket order (639 tons automatic punps (bronze ends)	Underwood Walker Co. American Pteam Ptimp Co	
274	Hot Air Mains	Muskegon Boiler "orks	
302	Steel Plates	Gage Structural Steel Co.	
337	Pipe and Fittings	-Central Foundry Co- ordered cancelled	
361	Spiral Pipe (shipment enroute)	Vulcan Supply Co.	
373 377	Cement (blanket order) 441 bbls.	Fisher lime and cement Co.	
384	Sight Feeds for lime stills Sub-contract; Koff trusses, girts	Vulcan supply co. purlins, stairways, gage structural steel co.	
378	Pipe Covering	Johns-Manivlle	
	James G. Lowe	SHELBY CHEMICAL CO.	
•	Plant Approvals Officer	By R. W. Dunnett, Mgr.	
THE STATE OF ALABAMA)			
SHELBY COUNTY)			

I, L. B. Riddle, Judge of robate for said Younty hereby certify that the within instrument was filed in this office for record April 4th 1923 at 9 oclock A.M. and recorded in Vol. 76 record of deeds pages 123 et seq. and examined.

L. B. middle--Judge of Probate