

July 1, 1950

C. A. T. Inc.
1016 Investment Building
15th and K Streets
Washington, D. C.

Dear Sirs:

Pursuant to the terms of Section 3 of an agreement between us dated 24 March 1950, I hereby exercise on behalf of my principal, the option granted to me by said Section 3 to purchase the properties described in said agreement.

In accordance with the terms of a certain "Memorandum of Discussions between R. P. Dunn and Whiting Willauer" dated March 24, 1950 I will cause to be organized CAY Incorporated, (hereinafter called "CAY") a Delaware corporation, and I hereby designate CAY to serve as the purchaser of said properties.

Within thirty days from the date hereof, as provided in a letter from you to me dated June 29, 1950, you will transfer to CAY the aforesaid properties against the payment to you by CAY of the purchase price thereof, namely, \$1,750,000 as provided by the aforesaid agreement dated March 24, 1950.

If this letter is in accordance with your understanding please note your confirmation of the same by your signature at the foot hereof.

Very truly yours,

Richard P. Dunn

Confirmed:
C.A.T. Inc.

By *Whiting Willauer, President*