

File - Chas. E. Mathews

11 May 1948

Charles E. Mathews & Cia.,
615 S.W. Second Avenue,
Miami, Florida.

Attention: Mr. Charles E. Mathews

Dear Sirs:

This will confirm the verbal agreement reached at the meeting held at our Washington Office this morning between H. L. Richardson representing Civil Air Transport (herein called C.A.T.) of Shanghai, China, and Charles E. Mathews representing Charles E. Mathews & Cia. (herein called Mathews) of Miami, Florida, as follows:

1. Mathews agrees to sell and C.A.T. agrees to buy 91 new Pratt & Whitney R-2800-31 engines warranted to be in first class condition, complete except for magnetos, ignition harness assembly, and spark plugs, now located at Burbank, California. Mathews represents that it has a firm contract for the purchase of these engines from War Assets Administration.
2. Title to each engine shall pass upon acceptance by C.A.T.
3. The purchase price of the engines shall be \$2,100 each, or a total of \$191,100, subject to adjustment as provided below, payable as follows:
 - (a) As down payment upon the engines, C.A.T. has delivered to Mathews its check for \$20,000, the receipt of which is hereby acknowledged by Mathews.
 - (b) Upon acceptance and delivery of each engine, C.A.T. shall pay to Mathews \$2,100, provided however, that when the unpaid balance of the total purchase price, adjusted as below, shall equal or be less than \$20,000, the said down payment shall be applied by Mathews to satisfy the said balance remaining due.

Upon delivery of the last engine hereunder final adjustment shall be made between the parties.

- (c) Payment shall be made in New York, Washington, or Miami, as C.A.T. may elect. C.A.T. proposes to make payment by opening in favor of Mathews a letter or letters of credit, payment at the National City Bank of New York, 51st Street Branch, New York City, funds thereunder to be released to Mathews against presentation of delivery receipts executed by C.A.T. C.A.T. may, however, at its option make any payment hereunder by check, and in such event Mathews agrees to collect at the request of C.A.T. the amount of any such payment against any letter or letters of credit available therefor and to pay over without further consideration funds so collected to C.A.T. or its order.
- (d) Subject to timely inspection and delivery, C.A.T. agrees to complete payment of the total purchase price adjusted as provided below, on or before June 20, 1948. If, for reason beyond the control of C.A.T., final payment shall not be completed by that date, Mathews agrees to grant such reasonable extension or extensions of time for final payment as C.A.T. may request, provided that C.A.T. shall agree to reimburse Mathews for any out-of-pocket loss, e.g. on account of interest, which Mathews may sustain because of such extension.

4. C.A.T. shall have the right to reject any engine offered to it hereunder, if in its opinion such engine is not, or may reasonably be expected not to be, in first class condition. C.A.T. shall also have the benefit of any further right of rejection upon more detailed inspection of the engine after delivery which Mathews may be entitled to in its agreement with W.A.A. Upon such rejection, the total sales price hereunder shall be reduced by \$2,100. It is understood that if Mathews shall renegotiate thereafter the purchase of any such rejected engines from W.A.A., C.A.T. shall have the option for a reasonable period of time to purchase such engines from Mathews at the renegotiated W.A.A. sales price plus 10%.

5. C.A.T. agrees at its expense to remove from the engines purchased by it hereunder all magnetos, ignition harness assemblies, and spark plugs, and to preserve and box the magnetos and ignition harness assemblies. Suitable containers therefor shall be provided by Mathews at the expense of Mathews. C.A.T. will then hold the said items for the account of Mathews. Mathews shall have the exclusive right to sell

these items during the first 120 days after delivery to C.A.T. of the last engine hereunder and shall use its best efforts during this period to sell these items at the best prices obtainable. Out of the proceeds of all such sales by Mathews, Mathews shall retain an amount equivalent to \$90 multiplied by the total number of engines accepted by and delivered to C.A.T. (which amount is herein called "Mathews equity"), and the balance shall be divided between C.A.T. and Mathews in equal shares. Upon expiration of the 120 days after delivery of the last engine to C.A.T., C.A.T. shall have the exclusive right to sell on behalf of Mathews any of such items remaining unsold at that time at any price which C.A.T. in its sole discretion shall deem reasonable. The proceeds of such sales by C.A.T. shall be applied as follows:

- (a) If Mathews shall have realized out of sales made by it during the said 120 day period an amount not less than Mathews equity, then all of the proceeds of any such subsequent sales by C.A.T. shall be retained by C.A.T.
- (b) If Mathews shall have realized out of sales made by it during the said 120 day period an amount less than Mathews equity, then C.A.T. shall pay to Mathews out of the proceeds of any such subsequent sales by CAT an amount sufficient, when added to amounts theretofore realized by Mathews from sales made by it during the said 120 day period, to equal Mathews equity, and C.A.T. shall retain any balance thereafter.
- (c) Mathews right to be paid the amount of Mathews equity shall in any event be limited to the available proceeds of sales of items under this paragraph.

If the foregoing is in accordance with your understanding, will you kindly indicate your confirmation on the copy of this letter.

Civil Air Transport

by: H.L. Richardson

Confirmed and Accepted
Charles E. Mathews & Cia.

by: Charles E. Mathews - President

10 May 1948

Charles E. Mathews & Cia.,
615 S. W. Second Avenue,
Miami, Florida.

Attention: Mr. Charles E. Mathews

Dear Sirs:

With reference to the letter of agreement executed by us this day, this is to confirm our further understanding that should C.A.T. find that it does have need of the spark plugs, magnetos, and ignition harness assemblies with which the engines are presently equipped, it may at its option purchase them at any time before sale to other parties upon the payment to you of \$90 for each set of such items. By each set is meant the full complement of spark plugs, magnetos, and ignition harness assemblies with which each engine is equipped.

It is of course understood that C.A.T. will only exercise this option if it requires these items for its own use. This letter is prompted by the fact that it may be that we shall receive instructions from our head office in Chinato acquire the scintilla magnetos because of the uncertainty as to whether the GE magnetos will be available.

Yours sincerely,

Civil Air Transport

by: H. L. Richardson
H. L. Richardson

Confirmed and Accepted
Charles E. Mathews & Cia.

by: Charles E. Mathews
Charles E. Mathews - President

Telephones: { 82-2683
82-2684
82-2685

Cable Address: CEMCOL MIAMI
CEMCOL SAOPAULO
CEMCOL HAVANA

Charles E. Mathews & Cia., Inc.

Offices In All Principal Cities

615 S. W. 2nd Avenue

Miami 36, Florida

June 21, 1948

Miss Doreen Londberg
Civil Air Transport
Suite "B", Hotel Washington
Washington, D.C.

Dear Miss Londberg:

Enclosed is our amendment to Sub-Paragraph (d)
of the original agreement, which we rushed through to catch the
evening mail. Should there be any changes, please telephone me.

I have also called our inspector, Mr. R. B. Hall,
in California, and told him to get your inspector from Grand Central
Air Terminal and go through the inspection of the next forty-six
engines just as rapidly as possible.

I am looking forward to the pleasure of meeting
you.

Best regards.

Very truly yours

CHARLES E. MATHEWS & CIA., INC.


Charles E. Mathews
President

CEM:bmo

Enc a/s

Telephones: { 82-2683
82-2684
82-2685

Cable Address: CEMCOL MIAMI
CEMCOL SAOPAULO
CEMCOL HAVANA

Charles E. Mathews & Cia., Inc.

Offices In All Principal Cities

615 S. W. 2nd Avenue
Miami 36, Florida

June 21, 1948

Civil Air Transport
Suite "B", Hotel Washington
Washington, D.C.

Attention: Miss Doreen Londberg

Dear Miss Londberg:

Confirming telephone conversations between Charles E. Mathews and Doreen Londberg today, Charles E. Mathews & Cia. agrees to amend Sub-Paragraph (d) of Agreement dated May 10, 1948, as follows:

Upon the provision that Mathews receives from C.A.T. the sum of \$46,375.00 not later than June 22, 1948, Mathews agrees to hold a total of forty-six (46) R 2800-31 engines until June 30, 1948. Should, however, C.A.T. fail to accept and pay the balance due upon said forty-six engines not later than June 30, 1948, Mathews' obligation to C.A.T. shall cease upon delivery of R 2800-31 engines in a total value of \$66,375.00.

Mathews further agrees that they will endeavor to deliver to C.A.T. an additional twenty-five (25) R 2800-31 engines if their claim against War Assets Agents is successful, provided however, that C.A.T. shall produce an additional deposit upon these engines immediately upon receipt of notice from Mathews that such is due and payable.

All other conditions of the agreement dated May 10, 1948, remain unchanged.

CHARLES E. MATHEWS & CIA.

By: 
Charles E. Mathews

Confirmed and Accepted
CIVIL AIR TRANSPORT

By: 
Washington Representative