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U. S. DEPARTMENT OF JUSTICE

Negotiated Contract No. NOy-7508

CONTRACT
NAVY DEPARTMENT
BUREAU OF YARDS AND DOCKS

Contract for:

Purchase of electric generating, transmission and distribution facilities from Jones-Onslow Electric Membership Corporation

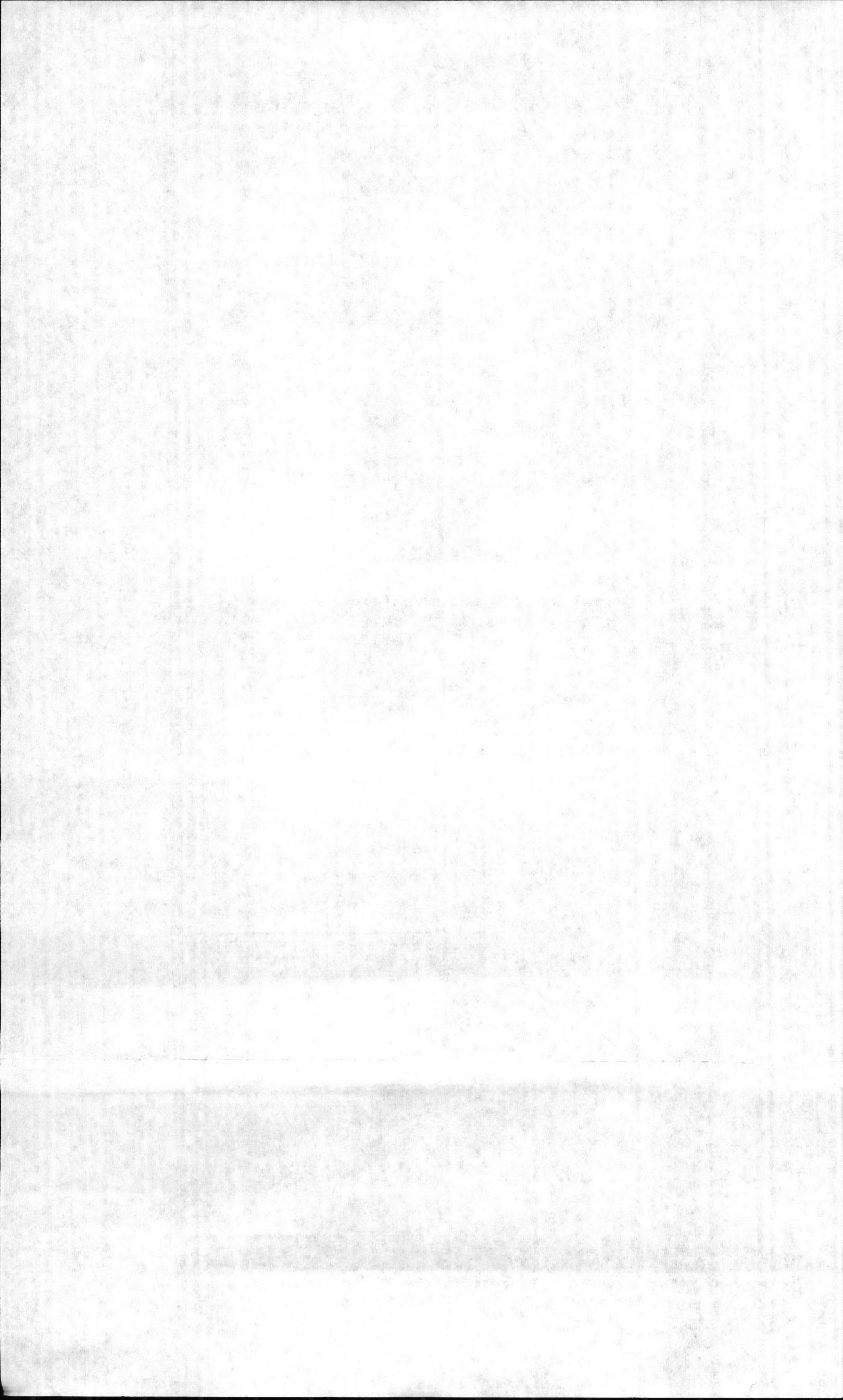
Place:

United States Marine Corps Barracks, Camp Lejeune, North Carolina, and United States Marine Corps Air Station, Cherry Point, North Carolina

Amount:

\$3,615,386.57

CONFORMED COPY



CONTRACT FOR PURCHASE OF ELECTRIC GENERATING,
TRANSMISSION AND DISTRIBUTION FACILITIES FROM
JONES-ONSLow ELECTRIC MEMBERSHIP CORPORATION

THIS NEGOTIATED CONTRACT entered into as of the 1st day of June, 1944, by and between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the Chief of the Bureau of Yards and Docks, Navy Department, (hereinafter called the "Contracting Officer"), and JONES-ONSLow ELECTRIC MEMBERSHIP CORPORATION, a corporation duly organized and existing under the laws of the State of North Carolina of the City of Jacksonville, State of North Carolina, (hereinafter called the "Cooperative"),

WITNESSETH THAT:

WHEREAS, the Cooperative is the owner and operator of certain electric generating, transmission, and distribution facilities and certain other assets constructed, acquired, operated, and maintained for the purpose of furnishing electric energy to the United States Marine Corps Barracks, Camp Lejeune, North Carolina, the United States Marine Corps Air Station, Cherry Point, North Carolina, and certain other Government establishments, and

WHEREAS, the Cooperative desires to sell to the Government and the Government desires to purchase from the Cooperative the aforesaid facilities and assets upon the terms and conditions hereinafter set forth, and

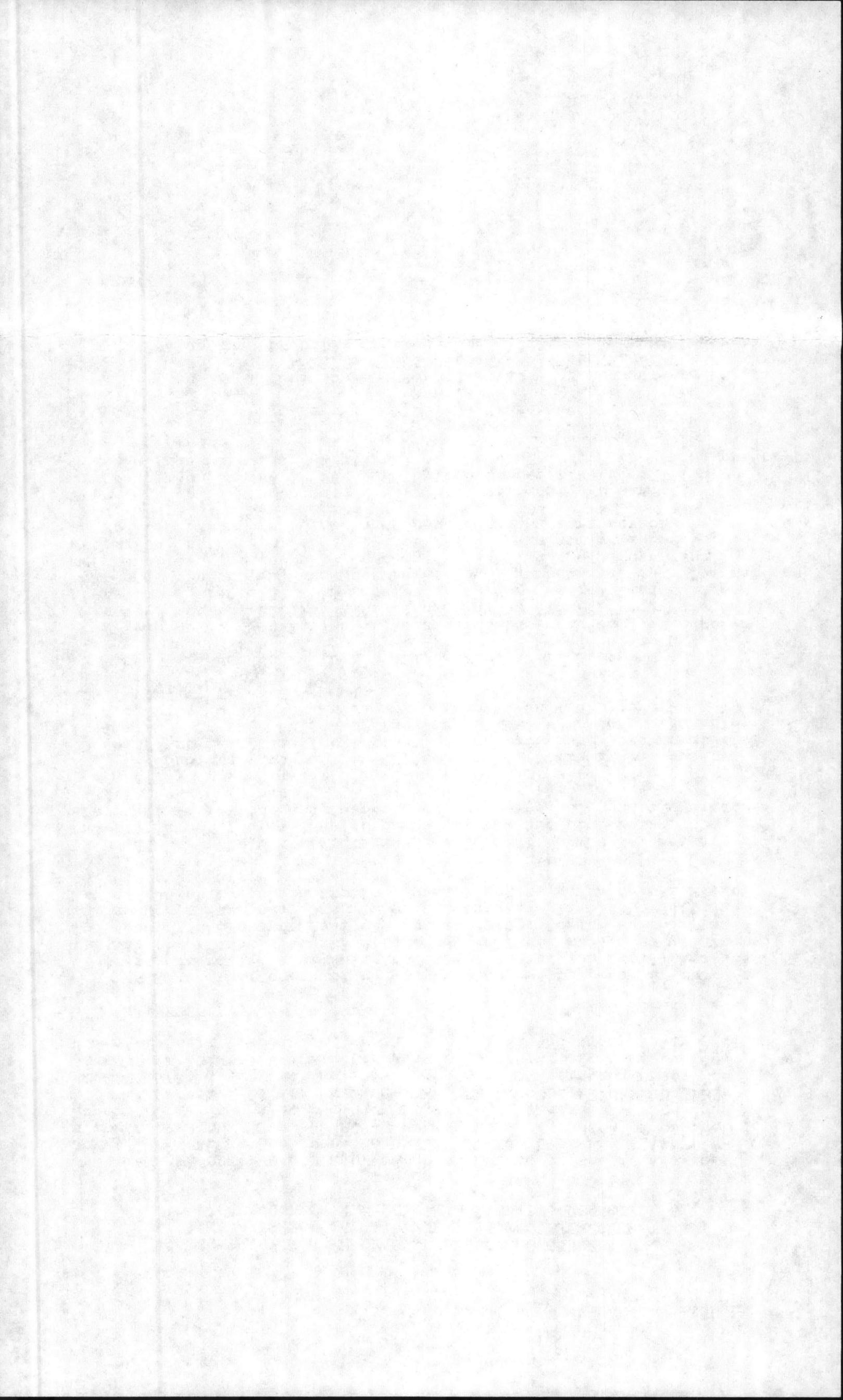
WHEREAS, the Contracting Officer has determined that the purchase of the aforesaid facilities and assets by the Government will facilitate the prosecution of the war and has therefore negotiated this contract under the authority of the First War Powers Act, 1941, and Executive Order No. 9001,

NOW, THEREFORE, it is mutually agreed as follows:

Section 1. Facilities and Assets to be Purchased - The Cooperative, on the closing date of sale as hereinafter defined, shall grant, bargain, sell, assign, transfer, convey, and deliver to the Government and the Government shall purchase and pay for the real and personal property (hereinafter called the "Properties") described in the form of deed and bill of sale attached hereto, marked Exhibit A, and by this reference made a part hereof.

Section 2. Purchase Price - The Government, for and in consideration of the performance by the Cooperative of all its undertakings hereunder, shall pay to the Cooperative the fixed price of *three million six hundred ninety-five thousand three hundred eighty six dollars and fifty-seven cents* (\$3,695,386.57) (hereinafter called the "Purchase Price").

Section 3. Possession and Responsibility of the Government - The Government shall take full and complete possession of the Properties on the effective date of this contract, and shall have



the exclusive right to and shall be solely responsible for the further construction, completion, management, operation, and maintenance of the Properties on and after said date. Except as otherwise provided in this contract, the Government, on and after the effective date of this contract, shall be liable for all loss of or damage to property of third persons or death or bodily injury of third persons arising out of or incident to the further construction, completion, management, operation, and maintenance of the Properties by the Government; provided, that the foregoing provisions shall not create or give rise to any right, privilege, or power in any party or parties except the Cooperative; provided, further, that the Cooperative shall be liable for all such loss of or damage to property of third persons or death or bodily injury of third persons in the event such loss or damage or death or bodily injury either (a) is occasioned by or results from the Cooperative's fault or negligence, or (b) is in fact covered by insurance carried by the Cooperative. Except as otherwise provided in this contract, the Government, on and after the effective date of this contract, shall be liable for all loss of or damage to property owned by the Government or in which the Government has any interest arising out of or incident to the further construction, completion, management, operation, and maintenance of the Properties by the Government; provided, that the Cooperative shall be liable for all such loss of or damage to property owned by the Government or in which the Government has any interest in the event such loss or damage either (a) is occasioned by or results from the fault or negligence of the Cooperative without the concurrence of fault or negligence of the Government in the event that such loss or damage is occasioned by or results from the concurring fault or negligence of both the Cooperative and the Government, such loss or damage shall be borne by them equally, or (b) is in fact covered by insurance carried by the Cooperative.

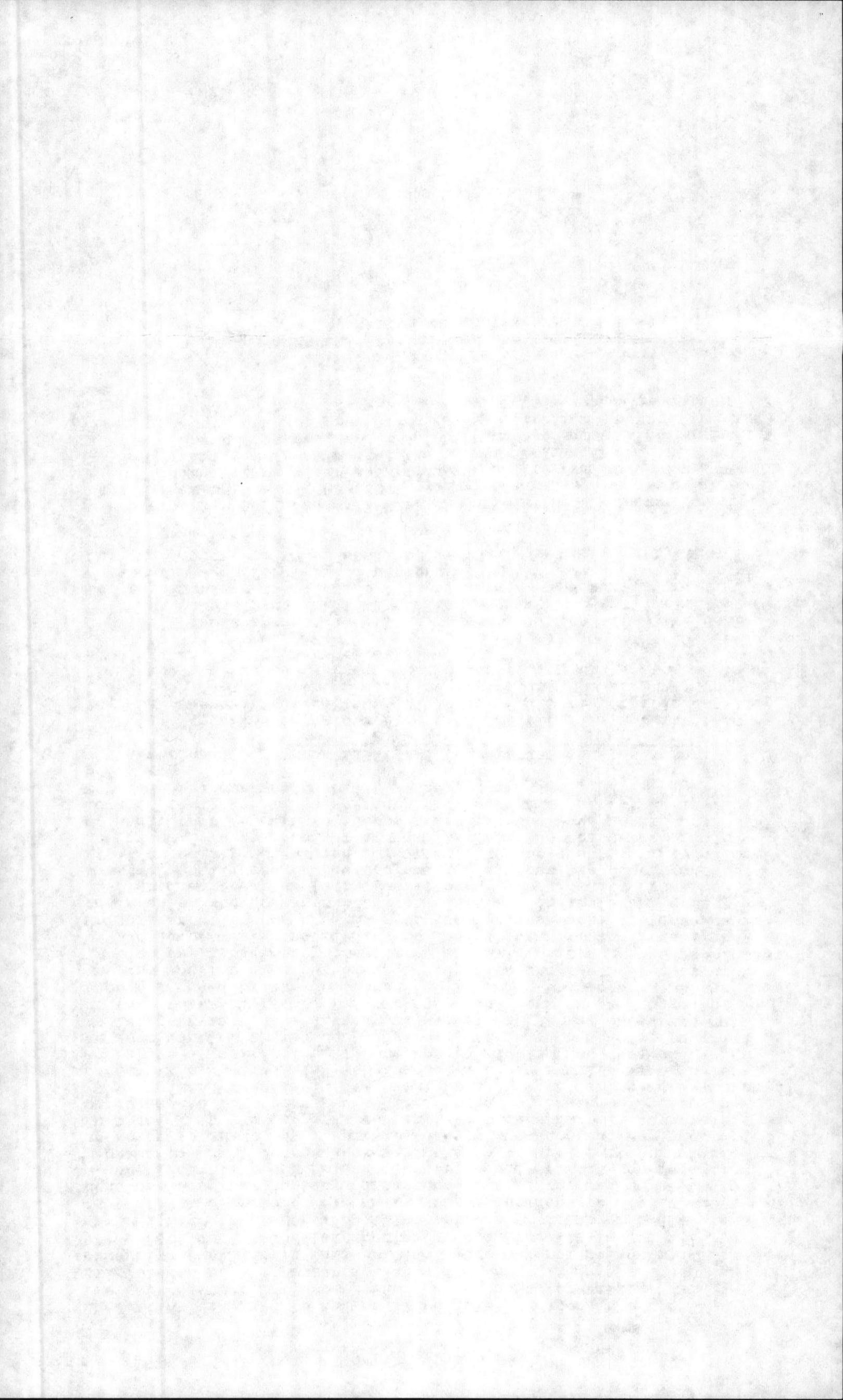
Section 4. Responsibility of Cooperative and Insurance -

(a) Anything in this contract to the contrary notwithstanding, the Cooperative shall be solely and fully responsible for all loss of or damage to the Properties (excepting the Worthington Plant and the two Ready-Power mobile generating units) to and including the closing date of sale;

(b) The Cooperative shall procure as of the effective date of this contract and shall thereafter maintain to and including the closing date of sale the following types and amounts of insurance in such form, with such companies, at such rates and bearing such endorsements as shall be required or approved by the Contracting Officer:

(1) Builders' All-Risk Inland Marine Insurance in the amount of \$1,450,000 covering generally the steam electric generating plant and contents located on the United States Marine Corps Air Station, Cherry Point, Craven County, North Carolina, and the 33 KV transmission line equipment, all as more particularly described in the form of deed and bill of sale attached hereto and made a part hereof;

(ii) Fire and Extended Coverage in the amount of \$1,000,000 covering generally the diesel electric generating plant and contents located on the United States Marine Corps



Barracks, Camp Lejeune, Onslow County, North Carolina, and the 110 KV transmission line, all as more particularly described in the form of deed and bill of sale attached hereto and made a part hereof;

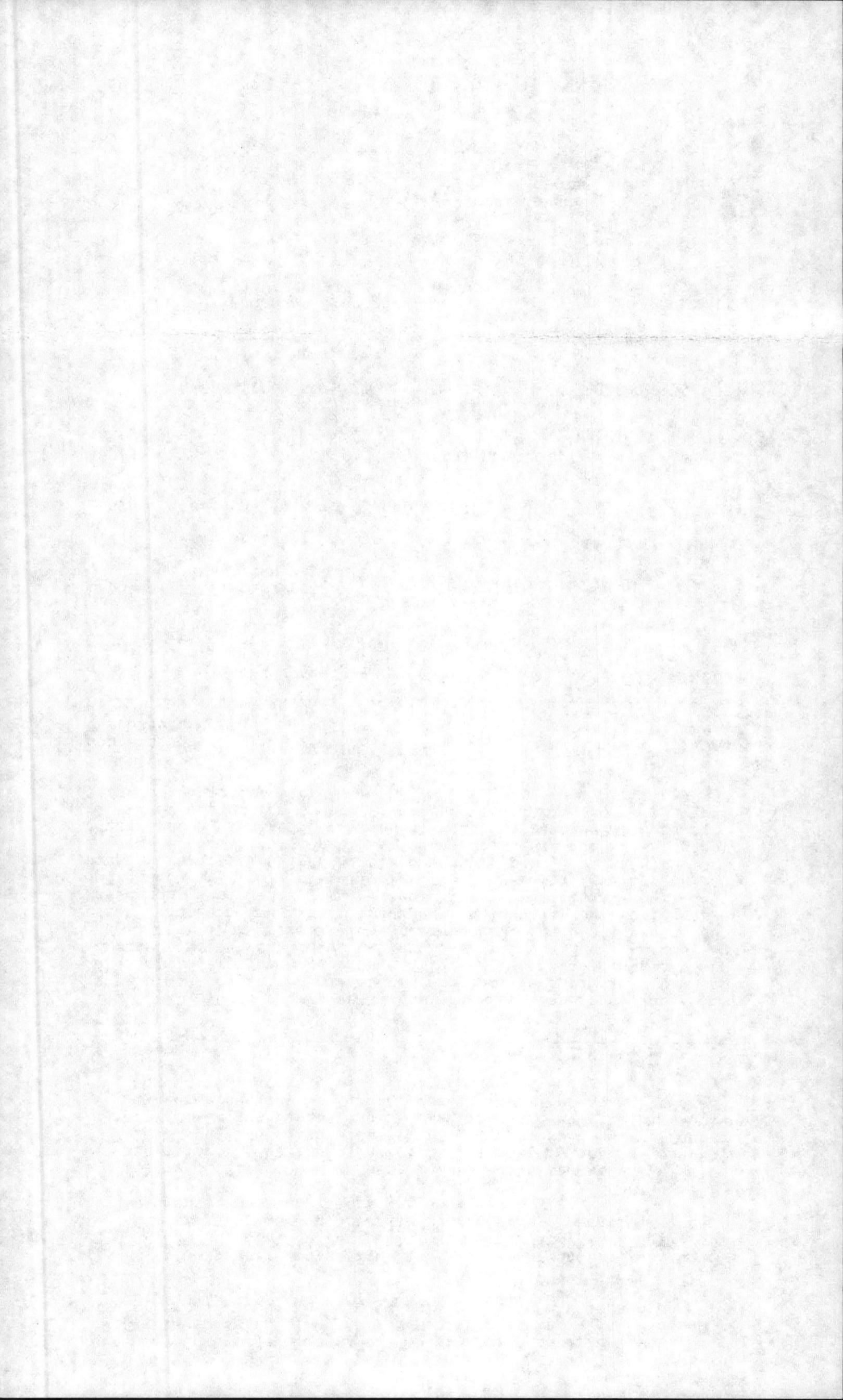
(iii) Owners' Protective Liability Insurance in the amounts of \$25,000/\$50,000 for public liability and \$10,000/\$25,000 for property damage covering the Cooperative against contingent ownership liability; and;

(iv) Boiler and Machinery Insurance in the amount of \$100,000 covering the boilers located in the steam electric generating plant on the United States Marine Corps Air Station, Cherry Point, Craven County, North Carolina, all as more particularly described in the form of deed and bill of sale attached hereto and made a part hereof;

Section 5. Assignment to Government of Contracts and Purchase Orders -

(a) The Cooperative hereby assigns, transfers, and sets over to the Government all of the Cooperative's right, title and interest in, to, and under the following described contracts and purchase orders (including all express or implied warranties, guaranties, or representations thereunder), which contracts and purchase orders are hereby incorporated in this contract, such assignment and transfer to be inclusive of all claims, demands, and causes or rights of action of the Cooperative against any person or party, individual or corporate, public or private, arising out of or in any manner connected with said contracts and purchase orders (including any and all claims, demands, causes or rights of action for breach of express or implied warranty, guaranty, or representation):

<u>Contract or Purchase Order Number</u>	<u>Vendor</u>	<u>Material</u>	<u>Estimated Purchase Price</u>	<u>Partial Payment made by Cooperative</u>
L-193	J. H. H. Voss Co.	Valves	\$443.60	None
L-375	Standard Electric Time Co.	Cycle Counters	160.00	None
L-386	Illinois Testing Laboratories, Inc.	Pyrometer	181.00	None
L-449	Master Electric Co.	Motors	140.26	None
L-529	Cooper-Bessemer Corporation	Engine Parts	155.94	None
403-34	Beaumont-Birch Co.	Coal Handling Equipment	14,010.00	\$11,772.50
L-267	J.M. Tull Metal & Supply Co.	Tools	22.22	15.59
L-351	J.M. Tull Metal & Supply Company	Tools	18.48	8.08
L-371	Westinghouse Electric Supply Company	Meters	108.60	None
L-374	J.M. Tull Metal & Supply Company	Tools	95.80	7.33
L-380	Norfolk Navy Yard	Materials & Services	4,000.00	3,600.00



<u>Contract or Purchase Order Number</u>	<u>Vendor</u>	<u>Material</u>	<u>Estimated Purchase Price</u>	<u>Partial Payment made by Cooperative</u>
L-382	Cooper-Bessemer Corporation	Castings	1,142.56	200.00(cred- it memo)
L-390	Westinghouse Elec- tric Supply Co.	Fittings	61.78	40.78
L-409	Superior Switch- board & Device Co.	Tools and Fittings	32.53	26.88
L-419	J.M. Tull Metal & Supply Company	Gauges	110.90	20.21
L-435	Westinghouse Elec- tric & Mfg. Co.	Tubes	4.50	None
L-447	General Electric Company	Meter and Transformers	48.63	46.23
L-507	Westinghouse Elec- tric & Mfg. Co.	Substation Lights	91.92	76.60
L-538	J.M. Tull Metal & Supply Company	Tools	30.40	1.06
L-540	Wilmington Elec- trical Supply Co.	Solenoids	37.40	None
L-564	Moeschl-Edwards Co.	Door	43.00	None
L-571	Alleghany-Ludlow Steel Corp.	Steel Strip	45.91	None
L-585	Mill & Contractors Supply Company	Tools	68.14	None
L-593	Westinghouse Elec- tric Supply Co.	Substation Lights	61.28	None

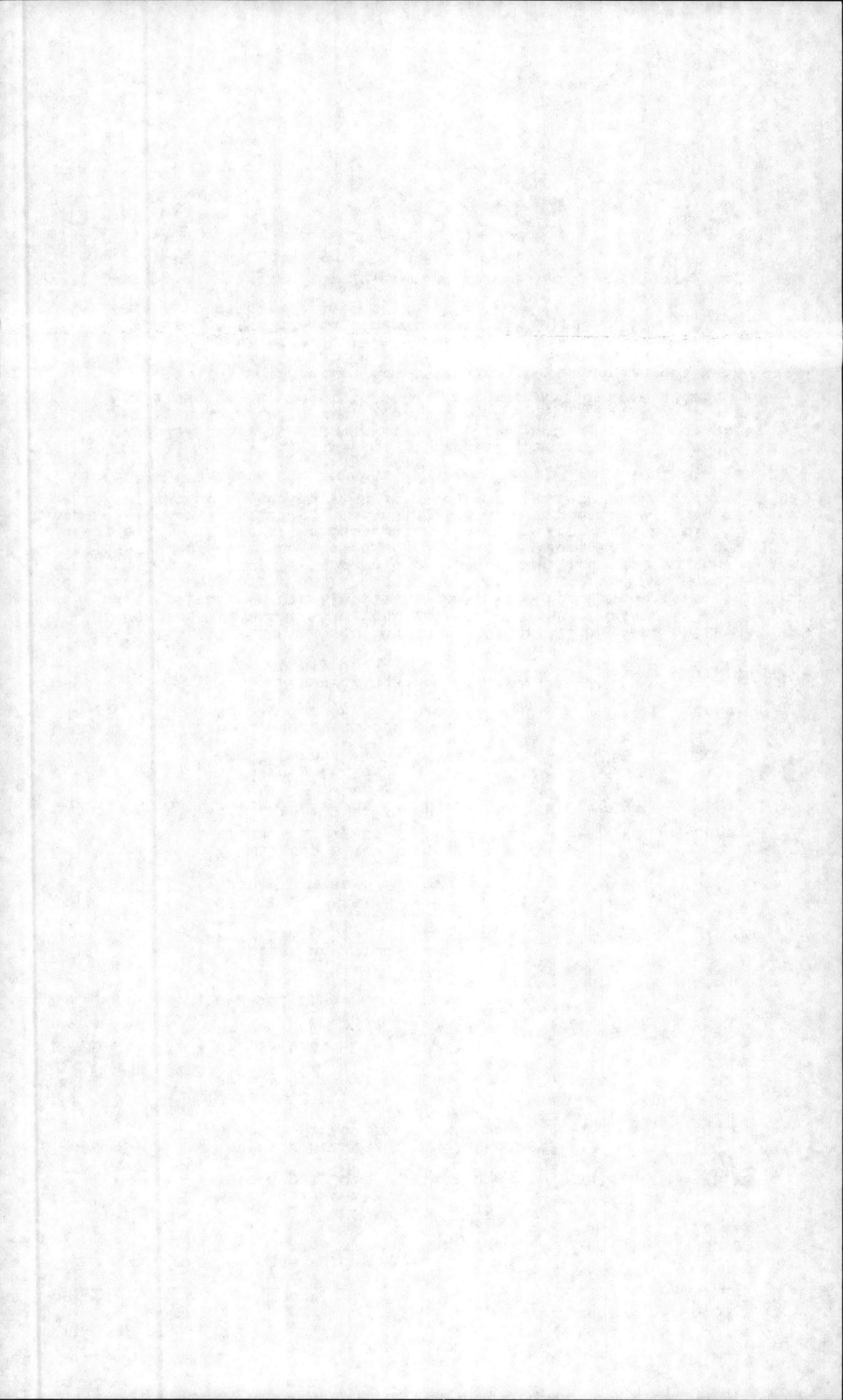
(b) The Government hereby assumes all liabilities and obligations of the Cooperative under said contracts and purchase orders to the extent such obligations and liabilities have been disclosed in writing to the Government by or on behalf of the Cooperative and the Government shall make payments thereon directly to the vendors. To the extent consistent with the provisions of this section, the Government hereby holds and saves the Cooperative harmless from any and all claims, demands and/or liabilities, including costs or expenses, arising out of or in any manner connected with said contracts and purchase orders;

(c) The Cooperative covenants, warrants, and represents that:

(i) The Cooperative has not released nor discharged any claims, demands, causes or rights of action against any person or party, individual or corporate, public or private, arising out of or in any manner connected with said contracts or purchase orders; and

(ii) The Cooperative shall furnish to the Government such records, documents and data in its possession and shall render to the Government such assistance as the Government may reasonably request for the prosecution of any and all such claims, demands, causes or rights of action;

Section 6. Taxes - The Government hereby holds and saves the



Cooperative harmless from any and all claims, demands or liabilities for or on account of:

(a) Ad valorem taxes levied, assessed or imposed against the Properties by the State of North Carolina for the period June 1, 1944, to and including the closing date of sale; and

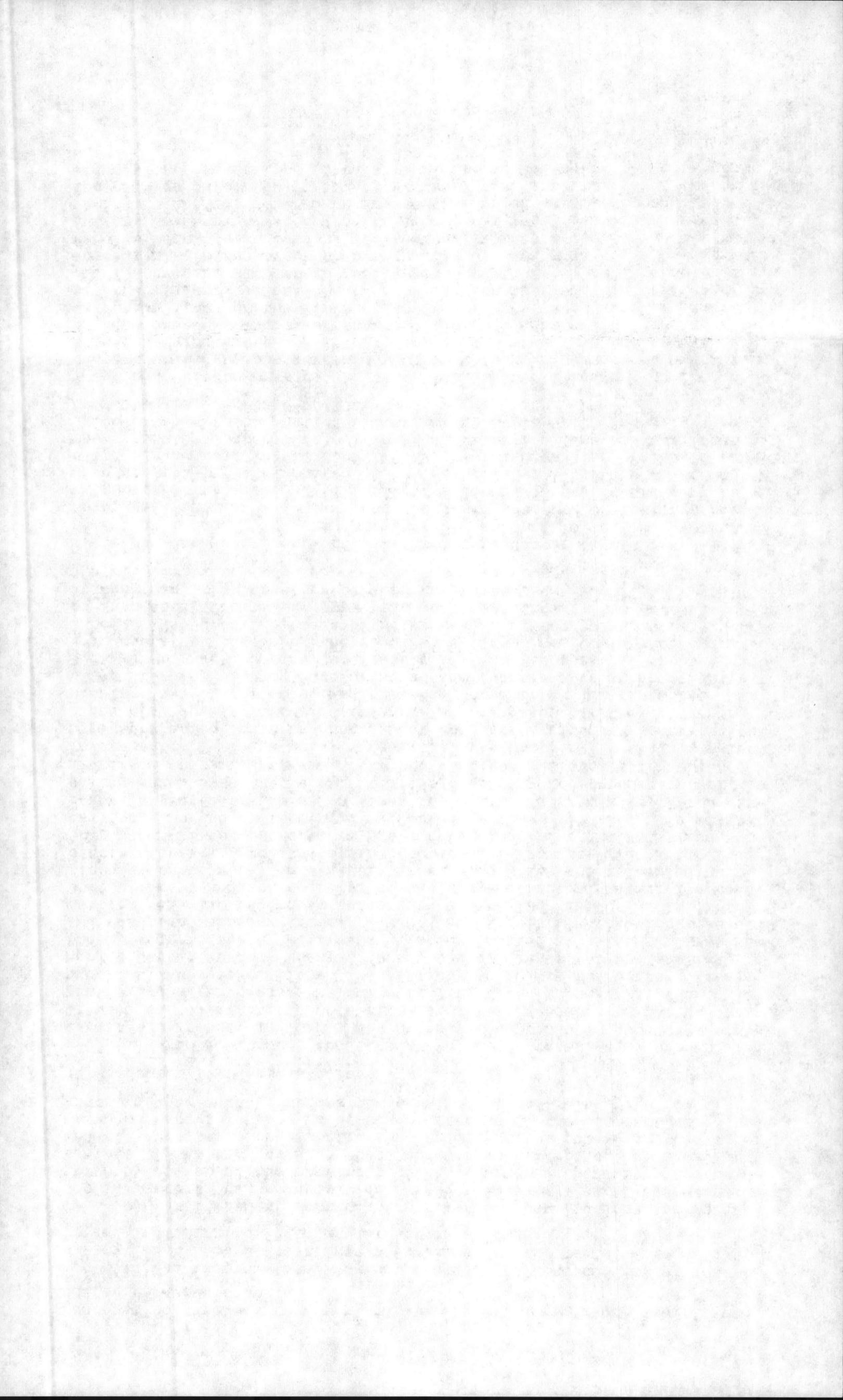
(b) Unemployment Compensation taxes or contributions and Federal Social Security taxes levied, assessed or imposed against the Cooperative by reason of the construction, acquisition, operation, and maintenance of the Properties by the Cooperative, excepting, however, any and all such taxes or contributions paid by or on behalf of the Cooperative or recorded upon the books and records of the Cooperative as an Account Payable on or before the closing date of sale.

Section 7. Revocable Permit -

(a) The Government shall grant to the Cooperative a revocable permit or license, in form and substance acceptable to the Government, to use, on and after the effective date of this contract, the Government's 110 KV transmission line extending from Jacksonville, North Carolina, to the New River Diesel Plant located on the United States Marine Corps Barracks, Camp Lejeune, Onslow County, North Carolina, the Government's 110/12.5/7.2 substation located at said New River Diesel Plant and the Government's 7200/12500 Y volt distribution line connecting said 110 KV transmission line with a 7200/12500 Y volt distribution line owned and operated by the Cooperative and having its terminus at or near said New River Diesel Plant, for the transmission of electric energy purchased by the Cooperative from the Tide Water Power Company until the Cooperative has constructed and connected a new substation at or near Jacksonville, North Carolina, with the Tide Water Power Company's transmission lines at or near Jacksonville, North Carolina, and has thereby eliminated the necessity for further use of the aforesaid transmission and distribution lines and substation of the Government. It is mutually agreed that the Cooperative shall construct said substation and make such direct connection with the transmission lines of Tide Water Power Company within a reasonable time after the closing date of the sale, and that the Cooperative, within a reasonable time after the closing date of sale, shall enter into an agreement with Tide Water Power Company to directly bill the Cooperative for all electric energy purchased by the Cooperative from such Company on and after June 1, 1944 upon the basis of meter readings from suitable meters to be furnished, installed, operated, and maintained by the Cooperative at the point of connection between the respective 7200/12500 Y volt distribution lines of the Government and the Cooperative;

(b) The Government shall grant to the Cooperative a revocable permit or license, in form and substance acceptable to the Government, to operate and maintain over and along the property of the Government the Cooperative's 12.5 KV distribution lines, as now located, which more or less parallel United States Highway No. 17, State of North Carolina Highway No. 24, and the 110 KV transmission line of the Government, and the Cooperative's 12.5 KV distribution line, as now located, which extends to the United States Marine Corps Guard House located near Starling, North Carolina.

(c) The Cooperative shall be liable for all loss of or damage to property owned by the Government or in which the Government has any interest arising out of or in any manner connected with the transmission of said electric energy or the operation and maintenance of said distribution lines of the Cooperative in the event such loss or damage either (a) is occasioned by or results from the fault or negligence of the Cooperative without the concurrence of fault or negligence of the Government (in the event that such loss or damage is occasioned by or results from the concurring fault or negligence of both the Cooperative and the Government, such loss or damage shall be borne by them equally), or (b) is in fact covered by insurance carried by the Cooperative. The Cooperative hereby holds and saves the Government harmless from any and all claims, demands, and causes or rights of action of third persons

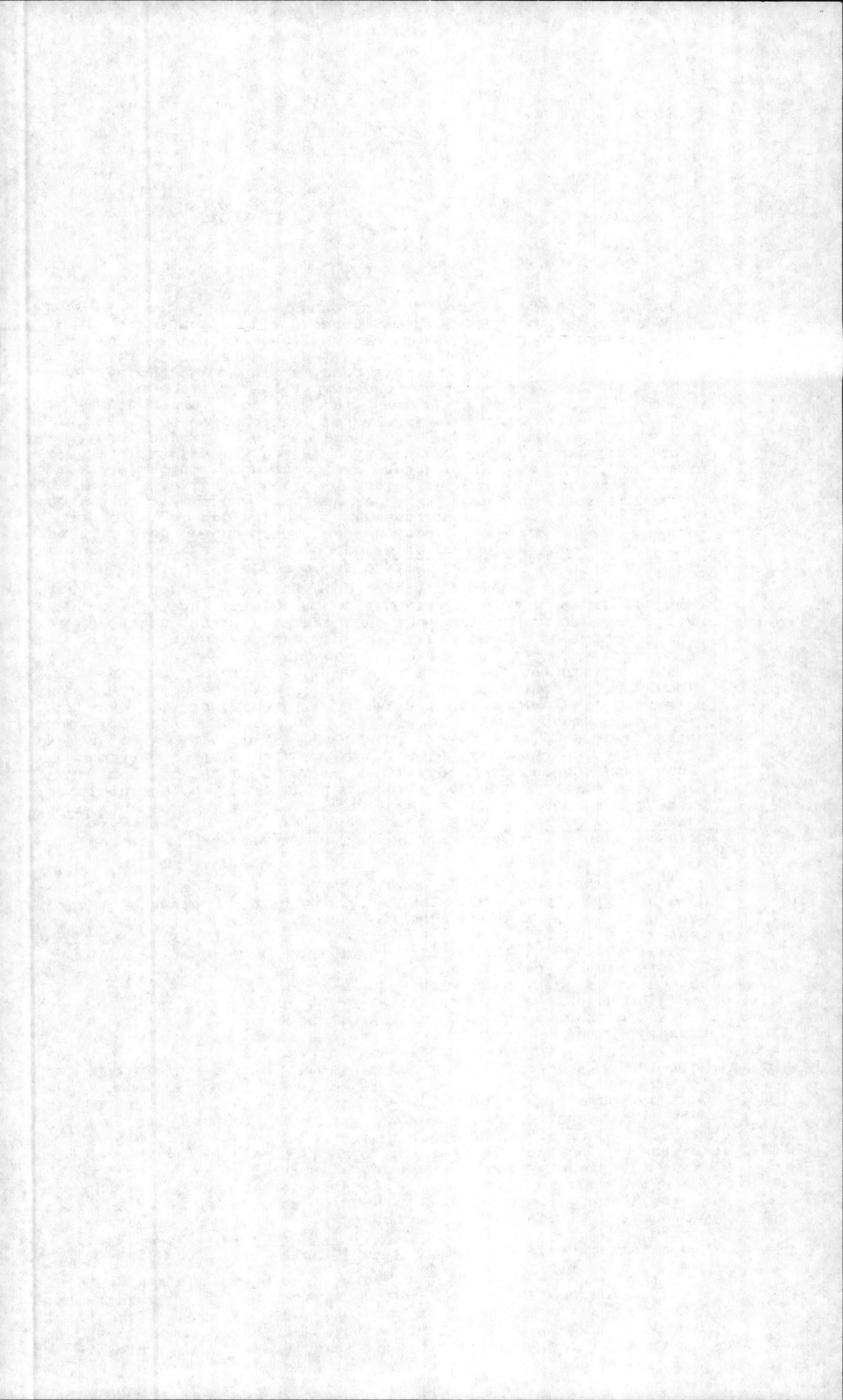


(including costs and expenses) for loss of or damage to property or death or bodily injury arising out of or in any manner connected with the transmission of said electric energy or the operation and maintenance of said distribution lines occasioned by or resulting from the fault or negligence of the Cooperative.

Section 8. Removal of 33 KV Equipment - The Government, within a reasonable time after the closing date of sale, shall remove at its expense all 33 KV equipment included in the Properties and presently forming a part of the abandoned 33 KV transmission line between the New River Diesel Plant and the Jacksonville Substation of the Tide Water Power Company; provided, that the poles presently supporting said equipment and the Cooperative's 12.5/7.2 KV underbuild line shall remain undisturbed; provided, further, that such removal shall be performed in such manner as not to hamper in any way or render more costly the operation and maintenance by the Cooperative of its said 12.5/7.2 KV underbuild line during such removal by the Government. Except as otherwise provided in this contract, the Government shall be liable for all loss of or damage to property and for all death or bodily injury to persons arising out of or in any manner connected with the removal of said equipment which is occasioned by or results from the fault or negligence of the Government; provided, that the foregoing provisions shall not create or give rise to any right, privilege, or power in any party or parties except the Cooperative; provided, further, the Cooperative shall be liable for all such loss of or damage to property or death or bodily injury of persons which is occasioned by or results from the Cooperative's fault or negligence or which is in fact covered by insurance carried by the Cooperative.

Section 9. Recording and Acknowledgment Fees and Documentary Stamp Taxes - The Cooperative shall be liable for and shall pay all acknowledgment and recording fees incurred in connection with the execution, delivery and recordation of all releases or reconveyances of liens, deeds of trust and other encumbrances and the deed and bill of sale required to be executed and delivered by the Cooperative to the Government on the closing date of sale under the provisions of Section 13 hereof. The Cooperative shall further be liable for and shall pay all documentary stamp taxes incurred in connection with the sale and conveyance of the Properties by the Cooperative to the Government on the closing date of sale and shall affix to the aforesaid deed and bill of sale all required stamps evidencing such stamp taxes; provided, that the Government shall hold and save the Cooperative harmless from any and all liability for or on account of said documentary stamp taxes in excess of the sum of eleven (11) dollars.

Section 10. Assignment of Claims, Demands and Rights of Action to Government - The Cooperative hereby assigns, transfers, and sets over to the Government any and all claims, demands, and causes or rights of action of whatsoever nature or kind, legal or equitable, heretofore or hereafter arising out of or in any manner connected with the Properties, including without limitation, (1) any and all claims, demands, and causes or rights of action against (a) Atlantic Coast Line Railroad Company for freight damage to materials, supplies, or equipment shipped or consigned via said carrier to the Cooperative, its agents, employees, or servants, (b) Westinghouse Electric Supply Company for refund of all amounts paid by the Cooperative, its agents, employees, or servants for or on account of materials, supplies, and equipment ordered but not delivered or ordered, delivered and returned to said Company, (c) Beaumont-Birch Company for and on account of defects of material and workmanship or nonconformance in specification requirements of steam plant coal handling equipment sold and delivered



by said Company to the Cooperative for installation and use in connection with the Properties, and (d) State of North Carolina for refund of state sales taxes erroneously paid by the Cooperative, and (2) any and all claims, demands, and causes or rights of action for breach of express or implied warranty, guaranty or representation.

Section 11. Indemnification of Government - Except as otherwise expressly provided in this contract, the Cooperative shall hold and save the Government harmless from and against any and all claims, demands or liabilities, including costs or expenses, of whatsoever nature or kind, heretofore or hereafter arising out of or in any manner connected with the construction, acquisition, installation, management, operation, and maintenance of the Properties by the Cooperative prior to the effective date of this contract.

Section 12. Covenants and Warranties by Cooperative - The Cooperative covenants, represents, and warrants as follows:

(a) The Cooperative is duly authorized under its certificate of incorporation and by-laws and the laws of the State of its incorporation and all other applicable provisions of law to enter into this contract and to perform every act and undertake every obligation required to be performed and undertaken by the Cooperative hereunder, including without limitation, authority to execute and deliver all deeds, conveyances, bills of sale, and other instruments or documents of whatsoever nature necessary to fully effectuate the terms and conditions of this contract;

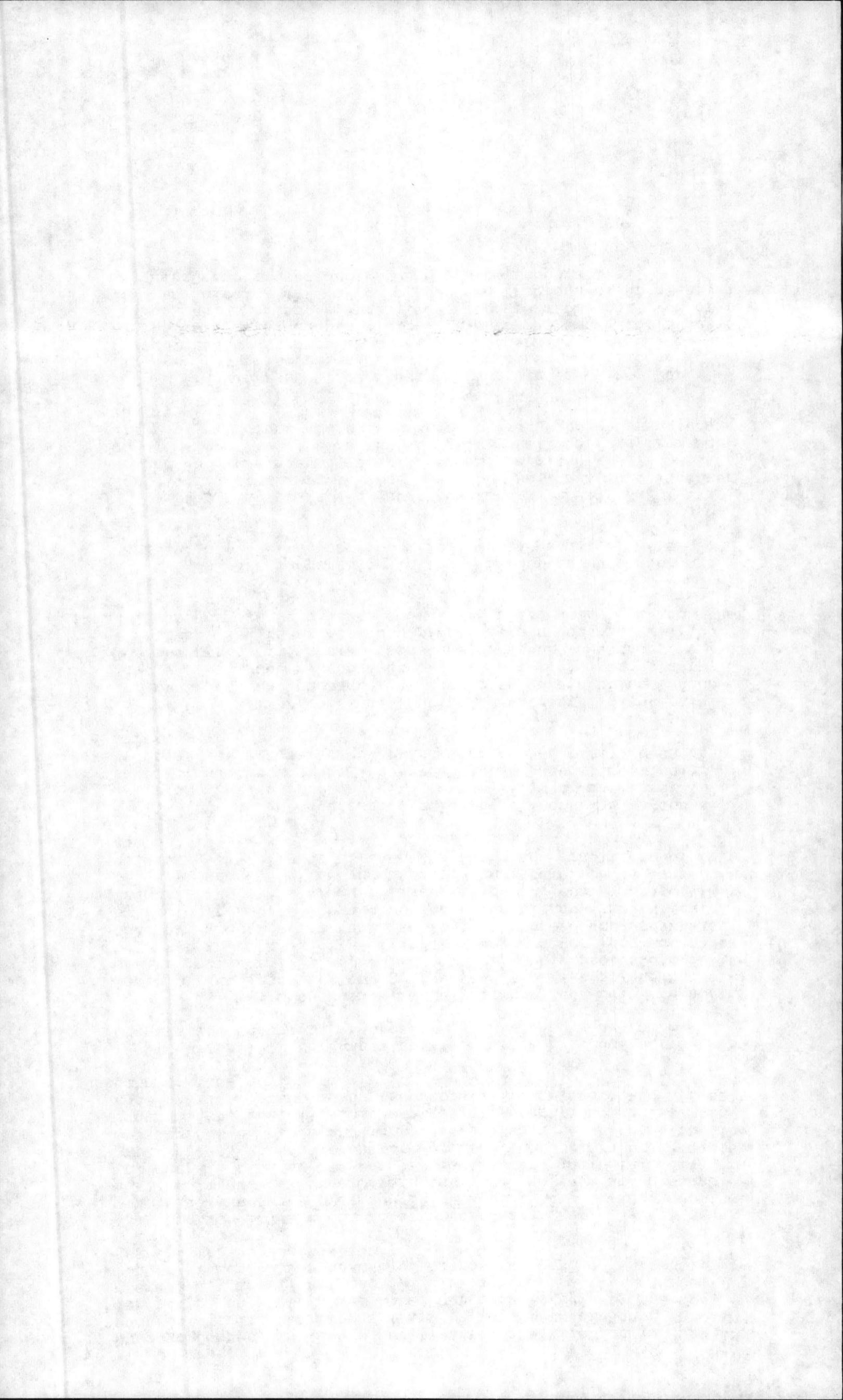
(b) All proceedings (including without limitation all corporate action) prerequisite to the valid execution of this contract by the Cooperative have been duly and effectively taken and all required authorizations therefor have been secured;

(c) All proceedings (including without limitation all corporate action) prerequisite to the valid execution and delivery of all deeds, conveyances, bills of sale, and other instruments or documents of whatsoever nature necessary to fully effectuate the terms and conditions of this contract will be duly and effectively taken and all required authorizations therefor will be obtained;

(d) The Cooperative is the owner of and has good and marketable title to the Properties and is possessed of all of said Properties;

(e) Except in respect of easements and rights of way for electric transmission and distribution lines, and licenses, franchises, ordinances, privileges and permits, the Properties, on or before the closing date of sale, shall be free from and clear of all liens and encumbrances of each and every nature whatsoever;

(f) In respect of easements and rights of way for electric transmission and distribution lines, and licenses, franchises, ordinances, privileges and permits included in the Properties, said easements and rights of way and said licenses, franchises, ordinances, privileges, and permits shall, on or before the closing date of sale, be free from and clear of any liens or encumbrances done or suffered by the Cooperative;



(g) Except in respect of said easements and rights of way for electric transmission and distribution lines, and said licenses, franchises, ordinances, privileges, and permits, the Cooperative will forever warrant and defend the Properties and the title thereto against the lawful claims and demands of all persons whatsoever:

(h) In respect of said easements and rights of way for electric transmission and distribution lines and said licenses, franchises, ordinances, privileges, and permits, the Cooperative will forever warrant and defend the same and the title thereto against the lawful claims and demands of all persons claiming by, through, or under the Cooperative.

Section 13. Delivery and Contents of Deed and Bill of Sale - The Cooperative, on the closing date of sale, shall execute and deliver to the Government a good and sufficient deed and bill of sale in the form of deed and bill of sale attached hereto and made a part hereof. The Cooperative, at any time requested by the Government, whether prior or subsequent to the closing date of sale, shall execute and deliver such further deeds, conveyances, bills of sale, and other documents or instruments of whatsoever nature, make such further assurances of title, and take such other action, as the Government may reasonably demand, to fully effectuate the sale and conveyance of the Properties to the Government.

Section 14. Books, Records, and Other Documents -

(a) The Cooperative, within a reasonable time after the closing date of sale, shall deliver to the Government:

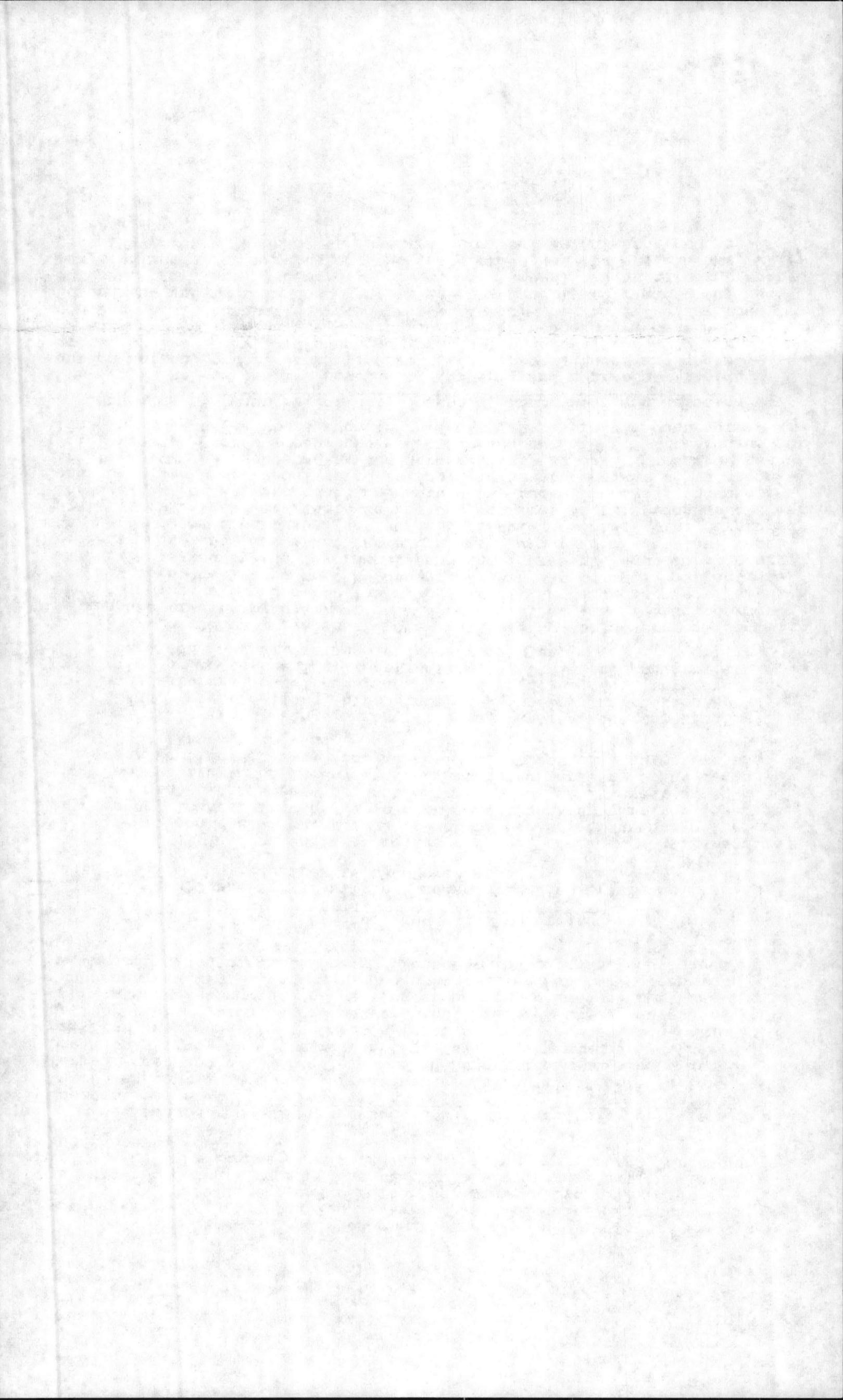
(1) The originals or copies, as the Government shall require, of all contracts, agreements, purchase orders, insurance policies, deeds, leases, franchises, ordinances, licenses, permits, easements, and other instruments or documents of title or interest of the Cooperative which in any manner whatsoever pertain to the design, construction, acquisition, management, operation, and maintenance of the Properties; and

(11) All drawings, maps, surveys, reports, charts, tracings, plans, specifications, blueprints, log sheets, instruction books, manufacturers' catalogues, and similar records, documents or data relating to the design, construction, acquisition, management, operation, and maintenance of the Properties;

(1) The Cooperative shall make available to the Government, at all reasonable times, for examination and reproduction, such data, books, records, documents and other instruments relating to the Properties which are not to be delivered to the Government pursuant to this contract, as may be requested by the Government, and shall preserve such data, books, records, documents and other instruments for a period of not less than three (3) years from the effective date of this contract. The Government shall likewise make available to the Cooperative, at all reasonable times, for examination and reproduction, such data, books, records, documents and other instruments delivered to the Government pursuant to this contract, as may be requested by the Cooperative, and shall preserve such data, books, records, documents and other instruments for a period of not less than three (3) years from the effective date of this contract.

Section 15. Authorizations, Consents, Approvals, and Releases -

(a) The Cooperative covenants, warrants and represents that no authorization, order, consent, permit, or approval under any federal, state, or local law, ordinance, or regulation is required with respect to any act, obligation, or transaction of the Cooperative under this contract or in connection with the purchase of the Properties by the Government and that in the event it is subsequently determined any such authorization, order, consent, permit, or approval was or is required by law, ordinance, or regulation, the Cooperative, at its own expense, will promptly procure the same in form and substance satisfactory to the Government;



(b) The Cooperative shall deliver to the Government, on or before the closing date of sale, evidence of appropriate corporate action authorizing the execution and delivery of this contract and any action to be taken or obligation to be incurred by the Cooperative hereunder, including without limitation, the execution and delivery of all deeds, conveyances, bills of sale, and other documents or instruments of whatsoever nature necessary to fully effectuate the terms and conditions of this contract;

(c) The Cooperative shall, on or before the closing date of sale, obtain and deliver to the Government, a release and reconveyance of the Properties, in form and substance satisfactory to the Government, of and from the trust indentures securing all obligations owed by the Cooperative to the United States of America, represented by the Rural Electrification Administration, for or on account of the construction, acquisition, management, operation and maintenance of the Properties by the Cooperative prior to the effective date of this contract;

(d) The Cooperative shall, on or before the closing date of sale, deliver to the Government such opinion of counsel as shall be required by the Government;

(e) The Cooperative, as a condition precedent to final payment under any of the provisions of this contract, shall, if required by the Contracting Officer, execute and deliver to the Government a release in terms acceptable to the Government of any and all claims, demands, causes or rights of action arising under or by virtue of this contract, except such claims, demands, causes or rights of action that may arise in favor of the Cooperative under sections 3, 5, 6, 7, 8, 9, 14, 20 and 22 of this contract or that are otherwise expressly provided for in this contract.

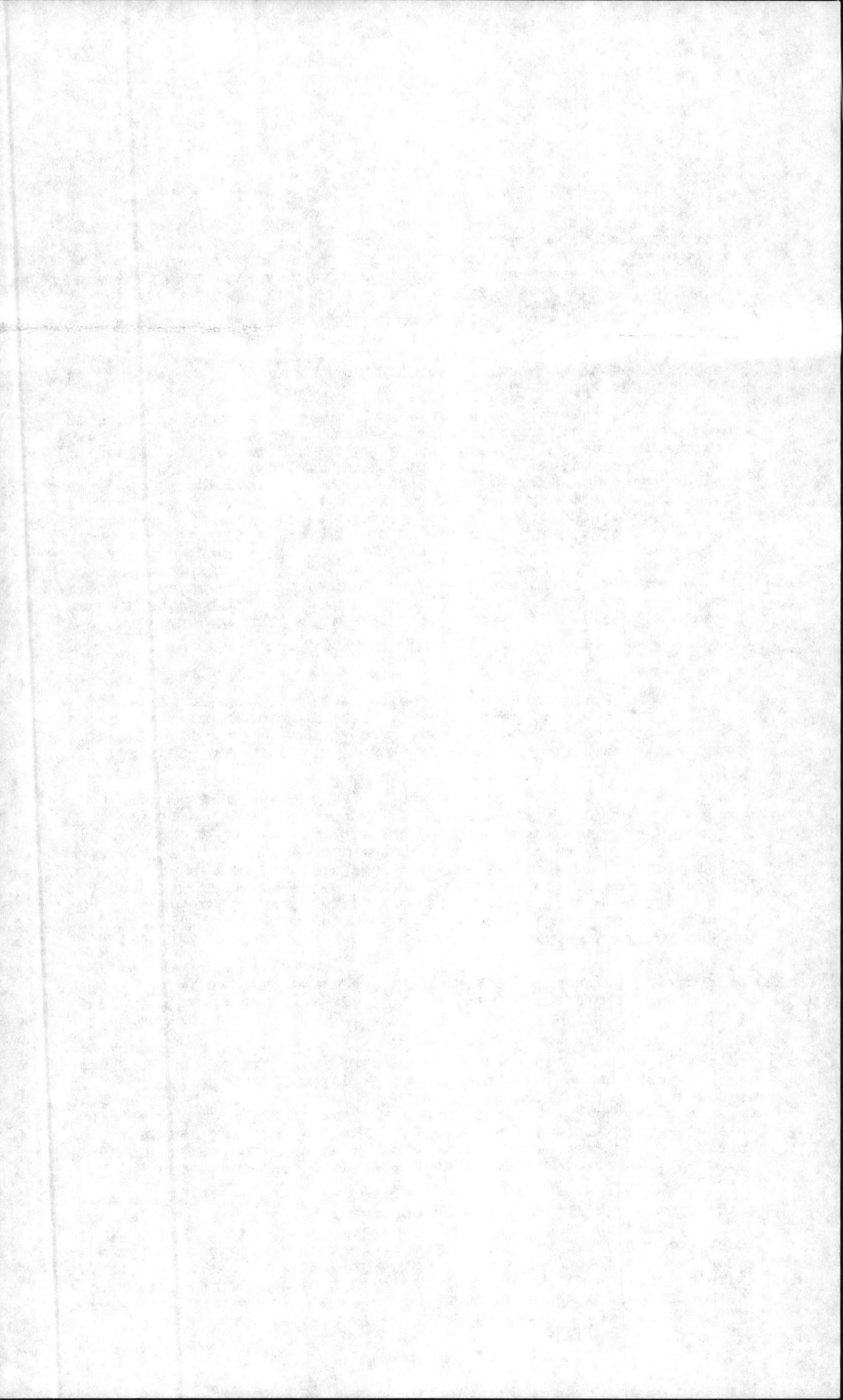
Section 16. Approval by Rural Electrification Administration -
This contract shall be subject to the obtaining by the Cooperative of the written approval thereto of the United States of America, represented by the Rural Electrification Administration.

Section 17. Partial Payments and Lien -

(a) The Government, at any time or times prior to the closing date of sale, may, in its discretion, make partial payments of the Purchase Price to the Cooperative in such amount or amounts as the Power Procurement Officer for the Navy Department may approve; provided, however, that all such payments and the final payment, shall first be applied by the Cooperative to the liquidation of all obligations owed by the Cooperative to the United States of America, represented by the Rural Electrification Administration, for or on account of the construction, acquisition, management, operation, and maintenance of the Properties by the Cooperative prior to the effective date of this contract until said obligations are satisfied and discharged and the Properties are released from all liens, deeds of trust or other encumbrances securing said obligations;

(b) Any and all partial payments made hereunder shall be secured, when made, by a lien in favor of the Government upon the Properties, which lien shall be paramount to all other liens under the provisions of an Act approved August 22, 1911 (Pub. No. 41, 62d Cong.; 37 Stat. 32; 34 U. S. C. Sec. 582).

Section 18. Officials Not to Benefit - No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.



Section 19. Covenant against Contingent Fee - The Cooperative warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul this contract, or, in its discretion, to deduct from the purchase price the amount of such commission, percentage, brokerage, or contingent fee. This warranty shall not apply to commissions payable by the Cooperative upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Cooperative for the purpose of securing business.

Section 20. Disputes - All disputes concerning questions of fact arising under this contract shall be decided by the Contracting Officer, subject to written appeal by the Cooperative within thirty (30) days to the Secretary of the Navy whose decision shall be final and conclusive upon the parties hereto. Pending decision, the Cooperative shall fully comply with the terms and conditions of this contract as directed by the Contracting Officer.

Section 21. Renegotiation -

(a) This contract shall be deemed to contain all the provisions required by subsection (b) of the Renegotiation Act, as amended by Section 701 of the Revenue Act of 1943 (Public Law 235, 78th Congress), enacted February 25, 1944.

(b) In compliance with said subsection (b) of the Renegotiation Act, the Cooperative shall insert in the subcontracts specified in said subsection (b) either the provisions of this section or the provisions required by said subsection (b).

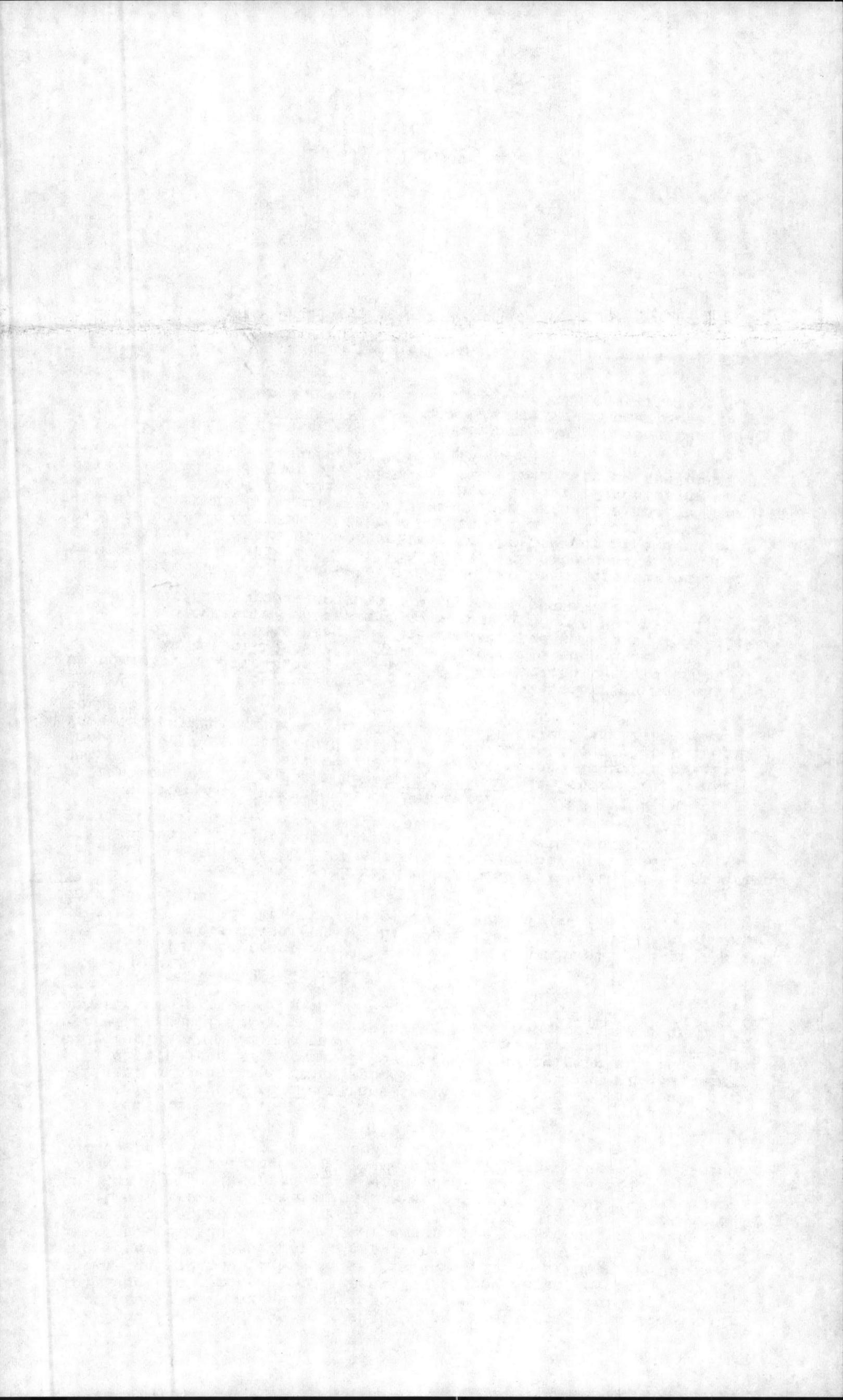
Section 22. Supersedure of Letter of Intent - All rights and obligations of the parties hereto arising under Letter of Intent, dated May 10, 1944, sent by the Government to and accepted by the Cooperative, are superseded by and merged in this contract but acts done and payments made under said Letter of Intent shall be deemed to have been under this contract.

Section 23. Successors and Assigns - This contract and any amendments, modifications, or ancillary agreements thereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto. The Cooperative agrees that it will cause its successors and assigns to assume and be bound by all of the obligations imposed hereunder upon the Cooperative.

Section 24. Closing Date of Sale - The term "closing date of sale" as used in this contract shall mean the date upon which the Cooperative shall execute and deliver to the Government a deed and bill of sale in the form attached hereto and made a part hereof, and the Government, simultaneously with such execution and delivery, shall make payment in full of the Purchase Price. The closing date of sale shall be August 31, 1944, or such other date as the parties hereto may hereafter agree upon in writing.

Section 25. Counterparts - This contract may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

Section 26. Effective Date of Contract - This contract shall be effective as of June 1, 1944.



IN WITNESS WHEREOF, the parties hereto have executed this contract in multiple counterparts as of the day and year first above written.

THE UNITED STATES OF AMERICA

By J. J. Chen
Civil Engineer Corps, U.S.N.
for Chief of the Bureau of
Yards and Docks, Navy Dept.

JONES-ONSLOW ELECTRIC MEMBERSHIP CORPORATION

By E. B. Smith
President

(corporate seal)

Attest: N. H. Hargrett
Secretary

I, _____, certify that I am the Secretary of the corporation named as Cooperative herein; that _____, who signed this contract on behalf on the Cooperative, was then President of said corporation; that such contract was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

N. H. Hargrett

(corporate seal)

APPROVED AND CONSENTED TO: August 31 1944

RURAL ELECTRIFICATION ADMINISTRATION

By William J. Neal
Acting Administrator

Allotment chargeable to: 17X1204(7) - 5 - 296 for \$4,000,000.00

