

August 18th, 1904.

W.W. Cole, Esq.,

Elmira, N. Y.

My dear Mr. Cole:-

We have just talked with you over the 'phone and understand that we are not likely to hear from you until after Mr. Tompkins hears from Mr. Arnot at Newport. We shall continue our work on the mortgage and in the mean time deem it well to call your attention to several things which it will be necessary to discuss with Mr. Tompkins.

First. What shall be the amount paid to the trustee upon the sale of each lot? My recollection is that Mr. Tompkins suggested \$60/00 as the amount to be paid for each lot and this amount might be satisfactory to us except in the case of factory sites and those lots are partly paid for under contracts of sales now outstanding.

It seems a separate must be fixed for these two classes of lots. I would suggest that 20% received by our company on lots partially paid for should be all that is required for a release of those lots when the title is demanded by the purchaser. As to the amount to be paid for factory sites, you are the best judge of that, but a definite figure ought to be reached in order to incorporate it in the Sinking Fund provision of the mortgage. From what I learned from Mr. Frost it is clear that a number of lots partly paid for, which will be finally paid up, is small and that no more than one-half, under the most favorable circumstances, are likely to be fully consummated and paid up. Mr. Frost tells me that the trustees holds 481 lots that are partly paid for, and that the Association has contracts for about 213 lots.

The factory sites have a total acreage of about 100 acres. If you can thrash out the releasing price of these various tracts of land before you come down on Tuesday, it would be a good deal of aid to us in drafting the proposed mortgage. Over the Phone I suggested taking Dill's Registration and Trust Company at New Orange N.J., as trustee in the mortgage. That company is now the New Jersey representative of our new Company and it would be convenient to do all our business there. There are other considerations to be taken into account; and it is possible that a New York Trust company might be preferable, although undoubtedly the expenses would be much higher, and then we might get some accommodation by way of loans which we might not get out there.

These points it might be well, if you find it convenient, to talk over with Messrs. Tompkins and Collin, and report us as soon as get an opportunity, either by letter or when you come down. As a matter of fact we ought to be fully prepared on these points when we present our proposed mortgage. You understand of course that such trust company is a party to this trust deed or mortgage, that we must make a selection and have the trust deed approved by the trustee before we are ready to close the title with the Association. In order to make a clean cut job of this matter we must have our mortgage ready for execution and delivery at the time that we get the deed; and that means we have to get all these

details as to the trustee, and the releasing amounts and all figures determined before that time.

In thinking it over it would seem neither economical nor necessary for us to go to Elmira before all details and the papers are in a completed form and ready for execution; and I think it will be well to try and work on that line on both ends.

Please have an interview with Mr. Tompkins and let us hear from you as soon as you can. Mr. Williams joins with me in kind regards.

Yours truly,

N. W. Naylor