

June 13, 1974

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Mr. James E. White, Executive Director
Marianas Political Status Commission
P.O. Box #47
Capitol Hill, Saipan
Mariana Islands 96950

Dear Jim:

Please find enclosed the proposal and resume of Maury Selden, a real estate appraisal expert. Selden is a professor at American University and operates a small appraisal firm on the side. Both Howard and I interviewed him and we were both impressed by him. At this point, given our time constraints, we are prepared to make a joint recommendation in favor of retaining him.

Our major problem in bringing Selden on board is money. First, he wants to contract with JRLA (because we are here and he doesn't know anything about MPSC) which is fine with us. However, he also wants cash advances for travel and regular monthly payments. This gives me a bit of trouble because we are a small firm and have our own cash flow problems. I guess that I am prepared to undertake this obligation as a prime contractor, but my own principals (Benham-Blair and Affiliates, Inc.) who will have to put up the money, will surely demand that we take the normal mark up on subcontractors (20 percent). Thus, for Selden, whose billing rate to me will be \$351.00 per day, I will have to charge MPSC \$421.00. The billing rates for others (his associates) who will work with him will be somewhat less. The total cost of the appraisal effort will probably be in the neighborhood of \$15,000 - \$20,000.

You should be aware that the billing rate for Selden is not out of line for appraisers. They often get \$500 - \$600 per day, and our investigation of him revealed that he is one of the best in the country.

The alternative to JRLA retaining Selden as a subcontractor would be for MPSC to specifically set aside \$15,000 - \$20,000 from the money which will become available in July for this work. Even then, it will take some managing to meet his conditions. You will have to review his proposal carefully

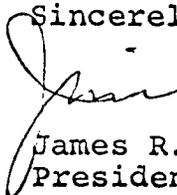
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to see whether you can meet his conditions. Personally, because of the financial difficulties I face, I would prefer for Selden to contract directly with MPSC if it can be worked out.

Regardless of who we get for this work, both Howard and I are convinced that we must monitor and participate in the appraisal process. I intend to remain fully aware of all work and, to some extent, to supervise the work. This is too important a matter to turn it over completely to strangers who are not familiar with the unique characteristics of the Marianas. Also, if JRLA takes responsibility for some of the legwork we can hold down expenses to MPSC. Our billing rates are much lower than Selden's.

After you have studied the enclosed material, please cable your response so we can move expeditiously on this end. The latest word we have from the U.S. delegation is that they want to get the joint land committee underway by July 1.

Sincerely,



James R. Leonard
President

JRL:sl

Enclosure(s): *Resume and proposal of Mawry Selden, (land appraisal)*