

OFFICE

OF

The Kanawha City Company,



KANAWHA CITY, WEST VA., July 15, 1891.

To the Stockholders of the Kanawha City Company :

GENTLEMEN :—Your Board of Directors beg leave to herewith transmit to you copies of the reports made to said Board by the President and Secretary and Treasurer as fully setting forth the affairs and conditions of this company, which said reports your Board adopts as its regular annual report to the stockholders ; all of which is respectfully submitted.

T. O. M. DAVIS,
Secretary.

A. C. BRAXTON,
PRESIDENT.



July 15, 1891.

To the Board of Directors of the Kanawha City Company:

GENTLEMEN :—You are now at the end of the first fiscal year of your company. This covers the most difficult and critical period of its existence. It has indeed had many ups and downs since its organization, and has had many more difficulties to contend with than you were probably aware of, but it has surmounted them all, and is to-day, I believe, firmly established on such sure foundations as to make its future success dependent only upon the prudent and vigorous management of the officers to be elected hereafter, in completing the work which has been so well begun. I accepted the Presidency of your company on the 15th of last July, with the understanding that I was not to be charged with the immediate management of its affairs, but only with the general supervision, such as could be given by attending Board or Committee meeting once or twice a month. The direct management of the Company's business, it was then contemplated, was to be lodged with a General Manager, whom it was understood at the time would be Mr. D. B. Taylor, of Baltimore. Shortly after my election, Mr. Taylor found that by reason of dangerous illness of several members of his family, he would be unable to accept the position, and we were left without a General Manager. After much difficulty, Mr. Thomas S. White, of Lexington, was secured, at a salary of \$5,000, but about a month thereafter, he left us without a moment's notice, and as we believed, without a shadow of excuse. It was a month or more then before we succeeded in securing the services of your present Manager, Mr. B. D. Avis, who took charge about October the first, we having been practically without an Executive head up to that time. When I took charge of the Company, it had been in operation for about three months, during which time, its efforts had been limited almost entirely to the placement of its stock, in which it had not been very successful, having placed only some \$25,000, up to that date. It was supposed that the reason for this difficulty in obtaining subscribers, was due principally to certain objectionable features in the organization of the Company, as it then existed, the assignment of only one lot with every five shares of stock, being one of the principal objections. It was deemed advisable to change the original organization, so as to eliminate these objectionable features. For this purpose, the meeting of the then-stockholders, at the White Sulphur Springs, was called last July, and the present plan of organization, was unanimously adopted. It then became necessary to complete the placement of our stock before being able to do anything else. As is well known, the latter part of 1890, and up to the present time, has been a most unpropitious time with sale of stocks such as ours; this being due principally to the fact that the market had been greatly over-loaded heretofore with stocks of a similar character; this,

compled with our difficulty in obtaining a General Manager, delayed us a long time in placing sufficient of our stock to enable us to go to work. In the early part of January last there still remained \$60,000 of stock unsold; and the Board after carefully considering the matter, concluded that it was best to take this off the market, and close the books, without further delay. Certain parties were then negotiating for that \$60,000 and, it was supposed, had reached such a stage in their arrangements as to make it reasonably certain that they would take it; provisions was therefore made for receiving their subscriptions for this amount should they be tendered within a certain time; they failed however, to take more than \$3,300 of it consequently, there remains now in the Treasury, unsold \$57,700.00 of the company's original issue of \$50,000.00. Of the remaining \$482,300.00 dollars of stock, \$225,000.00 was issued in part payment of the Company's lands, according to the contract of purchase; and \$257,300.00 was sold. Of this \$257,300.00, \$168,811.66 has been collected- Out of this amount of money received by the Company, \$78,500 has been paid on the land, leaving a balance of \$31,500.00 due thereon; \$17,512.14 has been paid for commissions; \$4,780.08 has been paid for engineering; \$22,389.65, clearing up, grading and other improvements on the land; \$3,000.00 has been paid on account of loans and other expenses of locating industries; \$8,618.00 on account of salaries, and \$5,521.89 on account of advertising and incidental operating expenses. The Company has located upon its lands, the following industrial enterprises; Chair Factory, Wheelbarrow and Truck Factory, Picture frame and Moulding Factory, and Brick and Tile Works, and numerous others are now being negotiated with, with a good prospect of success in having them established on our lands

The Company's lot sales and lot drawing took place about the middle of June, and, it is believed, gave very general satisfaction. The beautifully graded streets, lined with trees, as well as the general condition and appearance of the property, was greatly admired and reflects great credit upon both the taste and enterprise of Mr. B. D. Avis our General Manager. Great care was taken to see that no indifferent lots were put in the drawing, and, it is believed, that no stockholder drew a lot to which he could not drive immediately on a well graded street, and which was not in a condition to be built upon at once. The lot sale aggregated \$47,800.00, which although not so large as some of the extravagant sales made during the last two years by land companies, is believed to be much more substantial and satisfactory, inasmuch, as almost every lot has been paid for in full already, and the prices obtained, although, such as to afford the Company a handsome profit, were low enough to leave ample margin for increase in value and profitable handling by the purchasers. All of the lots sold or distributed, were released before the sale by the holders of lien thereon for undue purchase money owed by this Company, so that the company has been able to give clear titles to all lots sold or drawn. When I took charge of the Company last summer, an abstract of the title to its lands showed several flaws therein, but they were of such character as to be susceptible of correction; for this purpose the services of Mr. W. W. Adams, a prominent attorney of Charleston, were engaged some months ago, and through his efforts, all of said flaws have been removed, except a contingent right of dower on a small parcel of 17 or 18 acres outstanding, in a lady, who I am informed, is much advanced in years; the value of this interest however, is many times covered by what the Company still owes on the land, so that the Company has in its control ample means of protecting itself therefrom.

For reasons which I have explained to the Board, more at length, I think it very desirable that the Company should open up some of its coal lands, and mine and sell some of its coal, of which it has a large, and I believe, valuable deposit; and I also recommend that the Company, in addition to industrial plants owned by outsiders, establish some manufacturing enterprises of its own. I think action should be taken on these suggestions without delay. The affairs of the Company have been conducted up to this time, principally by the Executive Committee; other members of the Board having very rarely, and some of them never, attended any of the Board meetings; in fact, the Board was called together as seldom as possible, owing to the great expense it was to the Company to bring members from such a distance as they lived. This has indeed been one of the greatest difficulties and draw-backs we have had to contend with, to-wit: That our Board was scattered over almost the entire face of the earth, and could never assemble, consult or act, without great expense to the Company, and inconvenience and loss of time to themselves. In the case of none has this been more patent than my own. Living nearly two hundred and fifty miles from the scene of action, with my time greatly engrossed by my private business, it has been simply impossible for me to give the attention I would have desired to the affairs of the Company. I was aware of this when I accepted the position, and as I have stated, I

expressly stipulated that I was not to give it more attention than what I could do by attending Board meetings once or twice a month, but I soon became aware that a Company, of the character and dimensions of this, requires a man at its head who can give much more attention to it than I, situated as I am; and I am free to confess, that the Company has suffered no little during the past year for want of such a man in my place. I should long since have resigned my position, but for other considerations which convinced me that it was more to the interest of the Company that I should hold on till my official year had expired. I have been greatly assisted, and the Company benefited by Mr. Fred Colburn, the Vice President of the Company, who has been acting president during my absence, which has of course, been most of the time. I think it but just to the Executive Committee to mention to you the laborious service they have rendered this Company during past year, frequently at the utmost inconvenience to themselves, and for which they have received a mere nominal compensation; nor can I refrain from commending to you your most faithful, energetic and efficient secretary and treasurer. His services to this Company have been simply invaluable, and I do not believe this Company could possibly have a more faithful and competent officer in his position. As to myself, I have been long since convinced for the reasons stated above, that it was to the interest of the Company to have some person as president who could give more attentions to its affairs than I, to say nothing of the fact that men, much more capable than I, could, I am sure, be readily found to fill the position. I find also, that my business engagements are such as to make it impossible for me to render proper service to the Company in any official capacity, the principal trouble being the great distance from Kanawha at which I reside. In terminating therefore, my official connection with the Company, I beg to thank the stockholders and officers for the many expressions of confidence they have been pleased to give me, and to assure them of my high appreciation of their kind regard.

Very Respectfully,

A. C. BRAXTON.

To the Board of Directors of the Kanawha City Company:

I respectfully submit herewith a statement of the assets and liabilities of this Company to which I invite your attention.

I feel sure every stockholder will feel gratified to learn of the excellent condition of the Company, and the large excess of the assets over liabilities. Perhaps a few words of explanation in regard to some of the items in the accompanying statement may assist in a clearer conception of the facts stated therein.

Under the heading of "Real Estate," you will find enumerated the various sub-divisions of the Company's lands, with the values of each. In the case of the lots the prices given are below the average figures obtained for the lots sold at auction on June 17th and 18th ultimo. The prices given for the coal and timber land which this Company owns are such as are obtained for similar property adjoining ours. The benefits which this Company will receive from the disposal of its manufacturing sites are of course indirect, as free sites are offered to all industries who will locate among us. The increase in value of the Company's lots by the location of a manufacturing plant and a free donation of sites, is, however, much greater than the price fixed in the statement.

The Hotel will be pushed to completion as rapidly as possible, and the total cost will be about \$10,000.00.

There are a number of dwellings on the property whose first cost far exceeded the estimate given. Some of the best of them have been repaired and painted, and are occupied by tenants from whom the Company receives a regular income as rents.

Of the Office Furniture it is unnecessary to speak. The Personal Property consist of horses and mules, all first class stock, of a number of wagons, carts etc., etc.

All stock sold, and upon which regular instalments are collected, is treated as Subscribed Stock, and this item represents the amount unpaid upon such stock. Much of this balance is not due yet. Redeemed Stock is the stock received by the company in part payment of lots sold at the lot sale; the conditions being a payment of one fourth cash and the balance in stock.

Bills Receivable consists of notes given by subscribers for instalments on their stock, which they could not pay when due; and for notes given by purchasers for the deferred payments on lots bought at the sale. These latter notes are secured by a deed of trust on the lots themselves.

T. O. M. DAVIS,

SECY. AND TREAS

The Kanawha City Company,



STATEMENT, JULY 11, 1891.

ASSETS.



REAL ESTATE.

1289 Residence Lots @	\$150.00	\$193,350.00	
1492 Business "	200.00	298,400.00	
97 Villa Sites "	200.00	19,400.00	
2250 Acres Coal and Timber Land, @	100.00	225,000.00	
29 Manufacturing sites av. value	2,500.00	72,500.00	
Hotel—in construction—cost to date		3,964.70	
16 Dwelling Houses		12,000.00	
		<hr/>	\$824,614.70
Personal Property			3,601.07
Office Furniture and Fixtures			529.75
Subscribed Stock—Due from Stockholders			88,488.34
Treasury Stock	\$57,700.00		
Redeemed Stock taken in part payment for lots	22,900.00		
		<hr/>	80,600.00
Cash on hand	\$ 586.12		
" In Bank	12,470.83		
		<hr/>	13,056.95
Bills Receivable			4,077.05
Personal Accounts			3,537.67
			<hr/>
			\$1,018,505.53

LIABILITIES.



Capital Stock	\$540,000.00	
Bills Payable—Balance due on property	31,500.00	
Commissions	792.86	
		<hr/>
		\$572,292.86
Net Assets		<hr/>
		\$446,212.67
Cash Receipts		\$203,448.81
Disbursements		190,391.86
		<hr/>
Balance on hand		\$13,056.95

