May 8, 1961

A special meeting of the Elkton Town Council was held in the Court Room on May 8, 1961 at 8:00 with the Mayor, R. K. Babington presiding and the following councilmen present: J. H. Early, Jr., Joe Black, H. L. Coffey, H. A. Workman, R. H. Painter and E. F. Garber.

Guest present were Mr. Douglas, Mr. Douborg and Mr. Hopkins representing The Virginia Electric and Power Company.

The purpose of the meeting was to discuss the survey that the Virginia Electric and Power Company made of the Elkton electrical system and a proposition to buy the system.

Mr. Hopkins made the following proposition to buy the Elkton electrical system on behalf of the Virginia Electric and Power Company:

In accordance with the resolution passed at the March meeting of the Town Council, we have made a survey of your electric distribution system to determine its value and the work necessary to provide good electric service. From this survey and a study of your operations, the Virginia Electric and Power Company hereby offers to purchase the electric and power system of the Town of Elkton on the following terms and conditions:

1. The properties to be purchased shall consist of all property used in and useful to the electric light and power system now owned by the Town or owned at the time of the Closing, including (but not limited to) the distribution system, substations, poles, wires, cables, meters, transformers, switches, street lights, services (overhead and underground) and any underground conduit, and shall, in addition, include all material and supplies held by the Town for the electric business and all automotive equipment customarily used by the Town in conducting its electric business, but shall exclude all traffic lights.

2. The Town shall grant to the Company a franchise for operations within the Town for a period of 30 years in the Company's standard form.

3. The Company will make its regular State-wide rates as filed with the Virginia State Corporation Commission applicable throughout the Town promptly after the Closing.

4. The Town shall enter into a contract with the Company on the Company's standard form of 10-year agreement covering supply of service to municipalities for street lighting, traffic lighting and miscellaneous light and power.

5. All action prerequisite to the valid transfer of the properties to the Company under theprovisions of the Constitution and statutes of Virginia relating to municipal corporations and under the charter of the Town shall have been taken in a manner satisfactory to the Company's counsel.

6. The acquisition of the properties by the Company shall have received the consent and approval, in form and substance satisfactory to the Company, of all requisite regulatory authorities. The Town shall cooperate with the Company in obtaining such consent and approval.

7. Title to the properties shall be free of all liens or defects and shall be transferred to the Company by appropriate deeds and bills of sale satisfactory to counsel for the Company.

8. At the Closing, the Town shall pay to the Company all customer's deposits held by the Town in connection with the electric service, but accounts receivable and accounts payable and other liabilities of the electric system shall not be transferred to the Company but shall remain assets and liabilities of the Town.

9. The Compamy's offer shall remain open for a period of ninety days from the date of this letter. If the Company's offer is accepted by the Town, the Closing shall take place within 30 days after all conditions to the purchase have been satisfied. The Closing shall take place at the Town Hall, Elkton, Virginia, and the purchase price shall then be paid against delivery of instruments of transfer.

10. If the Company's offer is accepted, the Town will operate its electric light and power system in the normal manner until the Closing date and shall not sell any of its electric light and power facilities or contract to buy any such facilities out of the normal course of business without the consent of the company.

11. The purchase price to be paid to the Town shall be $375,000 in cash.

We trust that the council will advise us of its decision as soon as convenient.

After a discussion the Council advised the gentlemen representing the Virginia Electric and Power Company that they would study the survey and the offer to buy the electrical system and give them an answer at the regular council meeting to be held June 9, 1961.

With no further business, a motion was made to adjourn.

Approved: P. B. Belington
Mayor

Recorder: L L Lawson
L. L. Lawson