June 30, 1961

A special meeting of the Elkton Town Council was held in the council room June 30, 1961 at 8:00 P. M. 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.

The purpose of the meeting was to discuss the town's electric system with the Virginia Electric and Power Company.

Guest present representing the Virginia Electric and Power Company were: Walter L. Dolbeane, S. E. Ratcliff, R. C. Hopkins, George Duborg, and R. F. Douglas.

H. A. Workman moved, seconded by Joe Black, and passed that the council enter into an executive session.

The following proposal to purchase the town's electrical system was presented by the virginia Electric and Power Company:

To The Honorable Mayor and
Council of the Town of
Elkton, Virginia

Gentlemen:

By letter dated June 12, 1961, we were advised that the offer of our Company to purchase the Elkton Electric System for $375,000 had been rejected by the Town Council on June 9. However, we were also advised that the sum of $500,000, plus inventory of materials on hand and equipment used in the operation of the system was approved by the Council for further consideration by our Company. We feel that it is desirable to bring this matter to an early conclusion and, accordingly, the virginia Electric and Power Company hereby offers to purchase the electric light and power system of the Town of Elkton on the following terms and conditions:

1. The Company will pay at the Closing Date the sum of $500,000 in cash for 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, but excluding all traffic lights and controls therefor.

2. The Company further agrees to purchase on the Closing Date or as soon thereafter as possible at the fair market value as of the Closing Date all material and supplies held in storage by the Town for the electric business and all automotive equipment customarily used by the Town in conducting its electric business.

3. 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.

4. The Company will make its regular Statewide rates as filed with the Virginia State Corporation Commission applicable throughout the Town promptly after the closing.

5. 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,

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

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

8. Title to the properties shall be free of all liens or defects and shall be transfered to the company by appropriate deeds and bills of sale satisfactory to counsel for the Compnay.

9. At the Closing, all accounts receivable and accounts payable, claims for customer's deposits for electric service and other liabilities of the electric system shall not be transferred to the Compnay but shall remain assets and liabilities of the Town.

10. The Company's offer shall remain open for a period of ten days from the date of this letter. If the Company's offer is accepted by the Town, the Closing shall take place within 60 days from the date of acceptance provided 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.

11. 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.

If the foregoing terms and conditions are satisfactory to the Town, please authorize the Mayor to sign in the space below in behalf of the Town, at which time this letter will become a binding contract between us.

Respectfully yours,

A. H. McDowell, Jr.
President

The foregoing terms and conditions
of purchase are hereby accepted this
_____day of _____1961
by the Town of Elkton.

By_____
Mayor

J. H. Early, Jr. moved to accept the Virginia Electric and Power Compnay's offer as presented June 30, 1961 to purchase the Town's electric system. R. H. Painter seconded the motion. J. H. Early, Jr., R. H. Painter, and Joe Black voted in favor of the motion. H. A. Workman, E. F. Garber, and H. L. Coffey substained. The motion died due to lack of a majority vote.

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H. A. Workman moved that the following resolution be accepted:

BE IT RESOLVED that it is in the best interests of the Town of Elkton to sell the electric system to the Virginia Electric and Power Compnay for the sum of $500,000 upon the terms and conditions set forth in a letter from the Virginia Electric and Power Company to the Town of Elkton dated June 30, 1961, a copy of which is attached to and hereby made a part of the minutes of this meeting and

BE IT FURTHER RESOLVED that the Mayor of the Town of Elkton is hereby authorized to accept the offer of Virginia Electric and Power Company set forth in the letter of June 30, 1961, and is authorized to sign such contracts, agreements, deeds, bills of sale and other documents as may be necessary to carry out and consummate the transactions hereby authorized.

SUBJECT: However, to the holding of a referendum of the voters of the Town of Elkton approving the sale, to be held at the earliest possible legal date.

Joe Black seconded the motion and all voted in favor. The motion was so passed.

Joe Early, Jr. moved that Mayor R. K. Babington and Electrical Committee consult with W.W. Wharton, the Town attorney, to carry out the necessary action concerning the offer to purchase the electrical system made by Virginia Electric and Power Company. H. A. Workman seconded the motion and it was so passed.

J. H. Early, Jr. moved the council go back into open meeting. It was seconded by R. H. Painter and so passed.

With no further business the business was adjourned.

Approved: R. K. Babington
Mayor

Recorder: Leon L. Lawson
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