

SIERRA TALC COMPANY

Regular Meeting of Board of Directors

September 18, 1963

A regular meeting of the Board of Directors of SIERRA TALC COMPANY, a California corporation, was held at 10:00 o'clock in the morning on September 18, 1963, at the office of the corporation, 1608 Huntington Drive, South Pasadena, California.

Directors George Bagnall, Otis Booth, Otis Booth, Jr., Charles Dodds, George Dodds, Randolph Ingersoll and Henry Mulryan, being all the directors, were present. Mr. H. T. Mulryan also attended the meeting.

Mr. Mulryan, the President, presided and Mrs. De Buys, the Secretary, recorded the minutes.

The minutes of the last meeting of the Board held August 21, 1963, were read and on motion made, seconded and unanimously carried, were approved.

Mr. Mulryan reported on the current financial position of the company. Profit for the eight-month period ending August 31, 1963, was approximately \$585,000. Reserve for taxes was \$193,000, leaving a net profit of about \$392,000.

PLAINTIFF'S
EXHIBIT
CAM-217

Mr. Mulryan advised the Directors that:

1. The American Insurance Company is now taking the position that it has not been materially prejudiced by having received late notice of the Fitzhugh claim and have withdrawn the Reservation of Rights Notice. This corporation now has complete coverage except for punitive damages.
2. Mr. Gaskins' progress report on the installation of the double fluid energy mill at Grand Island indicates the cost will be \$65,000 with completion date of January 31, 1964.

3. Claude Brown has now indicated his interest in selling his four claims known as the Beaverhead Mine. After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED that the officers of this corporation be and they are hereby authorized to proceed with purchase of the Beaverhead Mine for \$30,000 based on \$5,000 cash, \$200.00/monthly payments and \$1.50/ton, all to apply toward the purchase price.

The Directors next considered dividend action. After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED that a distribution of One Dollar and Fifty Cents (\$1.50) per share on all of the issued and outstanding preferred stock of this corporation be made; said distribution to be payable September 30, 1963, out of the surplus earnings of the corporation, to holders of preferred stock of record at the close of business on September 18, 1963.

Mr. H. T. Mulryan advised that Messrs. Goliath and Wernas from Axel Agrens had visited and discussed the erection of a European plant in detail. They expressed their desire to participate in this venture. Mr. J. D. Mulryan gave Messrs. Goliath, Wernas and M. F. Warner an extended tour of the Yellowstone Mine and Three Forks plant.

Mr. H. T. Mulryan next discussed in detail the proposal made to the Paul W. Wood Company. A draft of this proposal has been unanimously approved by the Directors of the Paul W. Wood Company with minor exceptions. The four Directors constitute the stockholders of the company and their contract calls for each stockholder's separate approval for the sale of assets.

Terms of the proposal called for purchase of the current assets and assumption of the known liabilities which automatically eliminates any contingencies inherent in the purchase of capital stock. The Paul W. Wood Realty Company has agreed that leases with the Paul W. Wood Company will be voided and that the Paul W. Wood Realty Company

will warehouse merchandise of the Paul W. Wood Company at public warehouse rates so long as rates and service are mutually satisfactory.

After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED that the purchase of the Paul W. Wood Company under the terms as set forth by H. T. Mulryan be approved and that payment be made in accordance with the draft copy of the proposal; i.e., on November 1, 1963, 80% of the estimated value with 20% held until after actual determination of the book value.

After discussion, on motion duly made, seconded and unanimously carried, it was further

RESOLVED that a wholly-owned subsidiary corporation of Sierra Talc Company be created to receive the assets and liabilities of the Paul W. Wood Company.

Mrs. Shirley Meyers then joined the meeting and explained in detail the need for more up-to-date equipment to handle the increased workload which will be caused by the purchase of the Paul W. Wood Company. Copies of a proposal for the purchase of an IBM 6400 accounting machine were given to the Directors.

After discussion, on motion duly made, seconded and unanimously carried, it was

RESOLVED that the IBM 6400, recommended by Messrs. Davidson and Carder of Lybrand, Ross Bros. & Montgomery, be purchased under the terms of a "lease with option to purchase."