2813.

CAPITAL $500,000. SURPLUS & PROFITS $200,000.

Montana National Bank

United States Depository.

C. A. BROADWATER, President.
L. G. PHELPS, Vice Prest.
R. L. McCULLOH, Cashier.
A. L. SMITH, Ass't Cashier.

Helena, Mont. Jany 31" 1893.

James J. Hill Esqr.
St Paul Minn.

Dear Sir.

I have purchased from the several owners of stock in the Great Falls Water Works a 5/6 interest, and propose to re-organize the Company on the following basis. Capital Stock. $ 1.000.000.00

$ 500.000 - Common $ 500.000 Perfered.

Common stock fully paid to be issued to old Shareholders. Perfered stock to remain in Treasury of Co to be sold only at par, proceeds to be used for betterments etc -

Bonded indebtedness will be $ 300.000 = no other debts -

Authorized bonded indebtedness - total $ 500000.00

Shareholders will be N. W. Harris & partners Bankers Chicago -	$ 66.666.67
N. W. Phelps of Helena	16.666.67
L. G. Phelps Great Falls	366.666.66
Sold T. E. Collins & John Lepley out of Phelps stock in new Co.	50.000.00
	$ 500.000.00

The earnings for 1893 - based upon Contracts now in force & extentions ordered by Council will exceed $ 43.000 - with expense of $ 10.500 - for operating & 19.400 - for

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(2) J. J. H.

Helena, Mont. ______ 189

[1-31-93]

Interest on $ 300.000- bonded debt the net profit to shareholders would be $ 13.100#.

On a separate sheet is a tabulated statement by months of earnings & expenses for 1892. upon which I base my figures for 93, also description of plant showing kind & size of pipe etc - On Dec 1st 92 we had 23 4/4 miles of pipe laid - Copy of ordinance under which franchise was granted & other information including report of J. T. Fanning. I would offer you $ 100.000 # of of the stock of the Company for $ 34.000 - which would make it an 8% Investment from the start, but knowing that you would not at the moment have time to gain as much information as you would wish regarding plant, I would be willing to give you a bond or deposit collateral, that I would at the end of say two years take back the stock repaying sum invested with interest at 9% (less any dividends) in this way you could at your convenience learn fully regarding the plant and at the same time <u>Satisfy yourself</u> as to my management. I have delayed filing the new incorporation papers, hoping that bill introduced

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in present legislature, extending the life of corporations to 50 years would pass - therefore if you become interested in company, the plan as outlined could be modified to conform with your ideas - I am on my way east via Denver & will be in Chicago by the 7th where a letter would reach me C/o of Merchants Nat'l Bank, when I would come to St Paul or New York if you so wished -

Very truly
L.G. Phelps

Kindly return to me C/o Merchants Nat'l Bk Chicago - the (4) four enclosures relating to Water Co -