

VEG INC.  
727 N. Ewing  
Helena, MT 59601

February 7, 1989

Dear Director:

The plan to have two signatures on each check written against Veg Inc's. bank account is not altogether satisfactory. I took the liberty of getting it changed so that any one of the following can sign the check:

Vice President, John F. Baucus  
President, Joseph L. Egan  
Director, Chase T. Hibbard

As indicated in Article VII, Section 2 of the Bylaws, the Executive Committee can authorize Veg Inc. to enter into contracts. (Currently the Committee consists of President and Vice-President only, as the Secretary Treasurer resigned.) Under this authorization and a letter of approval from Vice-President Baucus dated 1/14/89, I intended to do some work for MDFWP in order to put a few bucks into Veg Inc's. bank account. As a private contractor, not affiliated with Veg Inc., I did some other work for MDFWP on December 1, 1988. MDFWP inadvertently made that check out to Veg Inc. Experience has taught me that it was easier to deposit that check in Veg Inc's. account rather than ask MDFWP to re-issue it. Anyway, the check was for \$530.92 and includes \$80.92 worth of expenses I incurred for doing the work.

I will not do the work for MDFWP as intended under a Veg Inc. contract and as authorized by the Executive Committee (Vice-President Baucus letter of 1/14/8).

The 1989 Annual Montana Corporation Report form from the Secretary of State was completed and returned to the Secretary along with the \$10.00 fee.

As mentioned in my letter to you dated January 11, 1989, Veg Inc. has sent the IRS an application for "Recognition of Exemption". IRS responded to the application as per the enclosed. I responded to IRS by sending them what they demanded, including the \$300.00 "User Fee for Exempt Organization Determination Letter Request".

To date, five checks have been written, #101 for \$150.00 to Galusha, Higgins & Galusha Accountants, #102 for \$107.67 to me for 1988 expenses, #103 to the Secretary of State for \$10.00, #104 to the IRS for the "Exempt" filing fee and #105 to me for the \$80.92.

Mr. Walter Reukauf, a rancher from Terry, donated \$100.00 towards the endeavors of Veg Inc. His son Lonnie, who ranches with him, donated \$40.00. I will write them a "thank-you" letter on behalf of Veg Inc. I think it would be fitting and proper to send them a complimentary copy of the video when it is completed.

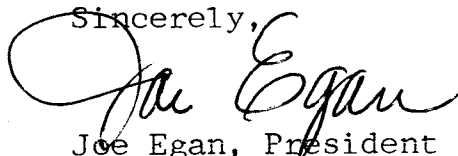
Here's a resume of Veg Inc's finances:

|                                  |           |
|----------------------------------|-----------|
| Balance 12/27/88                 | \$ 452.95 |
| Check #101 to Galusha, et al     | -150.00   |
| Deposit from FWP                 | +530.92   |
| Check #102 to Egan               | -107.67   |
| Bank service charge              | - .50     |
| Check #103 to Secretary of State | - 10.00   |
| Check #104 to IRS                | -300.00   |
| Check #105 to Egan               | - 80.92   |
| Deposit from L.R. Reukauf        | + 40.00   |
| Deposit from W. Reukauf          | +100.00   |
|                                  | <hr/>     |
| Balance 2/1/89                   | \$ 474.78 |

I contacted The Nature Conservancy office in Helena and asked if they were interested in a Director's position with Veg Inc. By letter dated January 21, 1989, they declined our invitation.

Carl L. Wambolt, Professor of Range Science at Montana State University, was also asked to serve on the Veg Inc. Board of Directors, and he accepted. He will fill the unexpired term of Mrs. Ruth Frisina and will start his term upon majority vote of the Board. (Article III, Section 5 and Article VI, Section 4, By-Laws Veg Inc.) Indicate your pleasure regarding Dr. Wambolt filling Mrs. Frisina's unexpired term on the Board.

Sincerely,



Joe Egan, President  
Veg Inc.

Enclosures: Ballot  
R.S. Wintribe letter IRS  
R.S. Wintribe demand (computer) letter

Dear Gus -  
I hope all is well with you. You didn't respond to the ballot in my Jan. 11<sup>th</sup> letter. Was it out of order? I hope we can get together this spring -- maybe on Mt. Maggie.  
Best Regards, Joe

COPY

TO: Board of Directors--Veg Inc.  
FROM: Joe Egan, President  
Veg Inc.  
SUBJECT: Unexpired term--Board of Directors--Veg Inc.  
DATE: February 7, 1989

Ruth Frisina resigned as a member of the Board of Directors of Veg Inc., effective August 15, 1988. Her term expires February, 1991.

I recommend Carl L. Wambolt, Professor of Range Science at Montana State University, to fill Ruth Frisina's unexpired term on the Board of Directors of Veg Inc.

Please indicate your pleasure on this recommendation.

I do not concur with the recommendation to appoint Dr. Carl Wambolt to fill the unexpired term of Ruth Frisina on the Board of Directors of Veg Inc.

✓ I do concur with the recommendation to appoint Dr. Carl Wambolt to fill the unexpired term of Ruth Frisina on the Board of Directors of Veg Inc.

August L. Hermay  
Member, Board of Directors  
Veg Inc.

March 7, 1989  
Date

Richard E. Jones  
Route 3 Box 292  
Dodge City, Kansas 67801

February 21, 1989

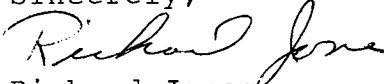
Mr. A.L. Hormay  
101 Acadia  
San Francisco  
Ca. 94131

Dear Mr. Hormay;

I am interested in your book "Principles of Rest Rotation  
and Multiple Land Use Management."

Please send me a copy or tell me where I can acquire a copy.

Sincerely,

  
Richard Jones