A Teleconference General Session of the Board of Directors was held on June 5, 2014. Meeting convened at 11.00 a.m.

BOARD MEMBERS PRESENT: Fred Brog, Peter Cook, Rod R. Jensen, Ted Ladd, Dean S. Lewis, Linda Schmidt and Nancy Winters.

OTHERS PRESENT: James R. Webb, President/CEO; Wade Hirschi, CFO; Brian Tanabe, Communications Manager; and Gay Petersen, Executive Assistant/HR.

James R. Webb discussed the opportunity to refinance several outstanding loans with CFC by financing the discounted prepayment penalty, using a weighted average life and taking advantage of the CFC 100% borrower rate. He also discussed the estimated savings and the impact to Lower Valley’s equity.

A motion was made by Peter L. Cook, seconded by Linda Schmidt, to approve re-financing the CFC debt as discussed by James R. Webb locking in rates as of June 5, 2014. Motion was adopted. Fred Brog abstained.

Meeting adjourned at 11:20 a.m.

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Rod R. Jensen, Chairman                                    Nancy Winters, Secretary/Treasurer