

WESTERN RESOURCES, INC.
BOARD OF DIRECTORS
November 8, 2000
3:00 P.M.

CONFIDENTIAL

A special meeting of the Board of Directors of Western Resources, Inc. (the "Company") was held at the general offices of the Company in Topeka, Kansas at 3:00 p.m., on November 8, 2000.

All members of the Board of Directors were present. Mr. David C. Wittig, Chairman of the Board, President and Chief Executive Officer, presided over the meeting. Mr. Larry D. Irick, Corporate Secretary, acted as secretary of the meeting.

The Chairman called the meeting to order and commented that the meeting had been called to consider the approval of the proposed strategic transaction with Public Service Company of New Mexico ("PNM").

The Chairman introduced representatives of the Company's financial advisors, including Mr. Mark Davis, Managing Director, and Mr. Dan Plants, Vice President, of Chase Securities Inc., and Mr. Arthur H. Tildesley, Jr., Managing Director, and Mr. Robert N. Hoglund, Managing Director, of Salomon Smith Barney Inc. They reviewed, among other things, the terms of the proposed transaction, the anticipated value of the transaction to the Company's stockholders, the financial statements of PNM, and the split-off of Westar Industries, Inc. in connection with the PNM transaction.

Mr. Davis then advised the Board that Chase Securities Inc. and Salomon Smith Barney Inc. were of the opinion that the proposed PNM transaction and the exchange ratio for the exchange of Company common stock for PNM common stock are fair, from a financial point of view, to the common stockholders of the Company. The Board asked questions of the financial advisors regarding the terms of the transaction, the exchange ratio, the anticipated value and the structure of the transaction.

The Chairman then introduced Mr. William S. Lamb, partner of LeBoeuf, Lamb, Green & MacRae, LLP, the Company's outside legal counsel. Mr. Lamb reviewed, among other things, the structure of the proposed transaction, the legal responsibilities of the Board, key terms of the merger agreement and other transaction documents, the due diligence review of PNM, and the tax impact of the transaction on the Company's common stockholders.

The Chairman called on Mr. Carl M. Koupal, Jr., Executive Vice President and Chief Administrative Officer, who reviewed the anticipated announcement of the PNM transaction, if approved.

The Chairman and Mr. Koupal reviewed the potential economic effect of the transaction under the employment agreements, change of control agreements and other compensation and benefit plans of the Company. The Chairman also reviewed provisions within the transaction documents which would require Westar Industries, Inc. to indemnify the Company in regard to such agreements and plans in certain events. The Chairman called on Mr. Frank Becker, Chairman of the Human Resources Committee, who reviewed the prior discussions and actions of the committee, including presentations made to the committee by Resources Connection, regarding such agreements and plans. The Chairman called on Mr. Lamb who discussed the definition of a change of control under the employment and change in control agreements and under Section 4449 of the Internal Revenue Code. Following discussion, it was resolved that the Human Resources Committee and the Chairman of the Board were to review the plans and agreements currently in effect and make recommendations regarding the desirability of any modifications to such plans and agreements to provide benefits which conform to the limitations contained in Section 5.01(c) of the Asset Allocation and Separation Agreement between the Company and Westar Industries, Inc., and to report back to the Board.

WS004295

The Chairman called on Mr. Richard D. Terrill, Executive Vice President and General Counsel, who reviewed proposed resolutions approving the PNM transaction.

Whereupon, following discussion, upon motion duly made and seconded, the following resolutions were unanimously approved:

Approval of the Agreement and Plan of Restructuring and Merger

RESOLVED, that the form and terms of, and the consummation of the integrated transaction including the split-off, mergers, and other transactions provided for in the Agreement and Plan of Restructuring and Merger by and among Western Resources, Inc. (the "Company"), Public Service Company of New Mexico ("PNM"), HVOLT, Inc. ("Parent"), Merger Sub-1 and Merger Sub-2, including exhibits and schedules thereto (the "Agreement"), are hereby authorized and approved; and further

RESOLVED, that the Chairman of the Board, President and Chief Executive Officer, any Vice President, the Corporate Secretary and the Treasurer (the "Authorized Officers") be, and they hereby are, and each of them singly hereby is, authorized and directed to execute and deliver, in the name and on behalf of the Company, the Agreement, in or substantially in the form presented to this meeting, with such changes therein as any such Authorized Officer shall deem necessary or desirable, the execution and delivery of the Agreement by any such Authorized Officer to be the conclusive evidence that the same has been approved by this Board, and to take all such other steps as may be deemed necessary or desirable by any such Authorized Officer to consummate the transactions contemplated therein; and further

Approval of the Ancillary Transaction Documents

RESOLVED, that the form and terms of the following agreements and documents relating to the integrated transaction are hereby authorized and approved:

1. Asset Allocation and Separation Agreement ;
2. Stock Purchase Option Agreement;
3. Stockholder Agreement;
4. Power Purchase Agreement;
5. Certificate of Designations for Company Preference Shares;
6. Certificate of Designations for Parent Preferred Shares;
7. Registration Rights Agreement;
8. Shared Services Agreement;
9. Tax Disaffiliation Agreement;
10. Lease Agreement; and
11. Trademark Assignments;

(collectively, the "Ancillary Transaction Documents"); and further

RESOLVED, that the Chairman of the Board, President and Chief Executive Officer, any Vice President, the Corporate Secretary and the Treasurer (the "Authorized Officers") be, and they hereby are, and each of them singly hereby is, authorized and directed to execute and deliver, in the name and on behalf of the Company, the Ancillary Transaction Documents, in or substantially in the form presented to this meeting, with such changes therein as any such Authorized Officer shall deem necessary or desirable, the execution and delivery of the Ancillary Transaction Documents by any such Authorized Officer to be the conclusive evidence that the same has been approved by this Board, and to take all such other steps as may be deemed necessary or desirable by any such Authorized Officer to consummate the transactions contemplated therein; and further

Board Approvals

RESOLVED, that the provisions of the Agreement and the Ancillary Transaction Documents relating to the composition of the Parent Board of Directors following consummation of the transactions contemplated thereby; the individuals to be designated by the Company and Westar Industries, Inc. to the Parent Board of Directors pursuant thereto; and the designation of the current members of the Board of Directors of PNM (and Manzano (as defined in the Agreement) following consummation of the Exchange (as defined in the Agreement)) or their successors as may be nominated by a majority of the members of the current Board of Directors of PNM (and Manzano following consummation of the Exchange (as defined in the Agreement)) are hereby approved; and further

RESOLVED, that the provisions of the Agreement relating to the composition of the Surviving Corporation (as defined in the Agreement) Board of Directors following consummation of the transactions contemplated thereby are hereby approved; and further

Submission of the Agreement to a Stockholder Vote

RESOLVED, that the Agreement be submitted to the stockholders of the Company entitled to vote thereon, for adoption by them pursuant to the applicable provisions of the Kansas Statutes Annotated, at a meeting of such stockholders to be held for such purpose and any other lawful purpose as soon as practicable after execution and delivery of the Agreement; and further

RESOLVED, that the Board of Directors has determined the integrated transaction to be fair, advisable, and in the best interests of the stockholders of the Company and hereby recommends that the stockholders of the Company vote for the adoption of the Agreement and the transactions contemplated thereby; and further

Preparation of the Joint Proxy and Registration Statement

RESOLVED, that the Authorized Officers be, and they hereby are, and each of them singly hereby is, authorized and directed to prepare, or cause to be prepared, in conjunction with PNM, a Joint Proxy and Registration Statement, including all exhibits and amendments thereto, or such other form or forms as may be determined to be appropriate ("Joint Proxy/Registration Statement"), relating to the Agreement and the transactions contemplated thereby, all in such form as any such Authorized Officer may deem necessary or desirable and to file or cause to be filed such Joint Proxy/Registration Statement with the Securities and Exchange Commission (the "SEC"); and further

RESOLVED, that the appropriate officers be, and each of them hereby is, authorized to do any and all other acts and things and to execute any and all instruments which they may deem necessary or advisable to comply with Blue Sky securities laws of any state of the United States of America or any jurisdiction, domestic or foreign, in connection with the conversion of shares of Common Stock of the Company under the Agreement; and further

Regulatory Filings

RESOLVED, that the Authorized Officers be, and they hereby are, and each of them singly hereby is, authorized and directed to execute and deliver, to the extent necessary or desirable, any documents that may be required to be filed with any appropriate state or Federal regulatory agency or governmental body and with the New York Stock Exchange in connection with the Agreement, and the transactions contemplated thereby, including filings with the SEC, the Antitrust Division of the Department of Justice, the Federal Trade Commission, the Federal Energy Regulatory Commission, the State Corporation Commission of the State of Kansas, Nuclear Regulatory Commission, Federal Communications Commission and such other agencies or governmental bodies as deemed advisable by the Authorized Officers, and to file any such amendments, additions, deletions and modifications to such filings as any such Authorized Officer may deem necessary or desirable; and further

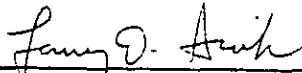
Further Action

RESOLVED, that the Authorized Officers be, and they hereby are, and each of them singly hereby is, authorized and directed to do or cause to be done all such acts and things and to execute and deliver any and all such documents and papers, and to expend such money and pay such filing fees, as they may determine in their sole discretion to be necessary or desirable to effect the purposes of the foregoing resolutions, and any and all actions hereafter taken by or at the direction of said Authorized Officers consistent with the terms, provisions and intent of the foregoing resolutions be and they are hereby approved, authorized and confirmed in all respects; and that all such actions heretofore taken by or at the direction of the Authorized Officers in connection with the subject of the foregoing resolutions be and they are hereby approved, ratified and confirmed in all respects.

CONFIDENTIAL

A special meeting of the Board was scheduled for November 27, 2000 to provide the Board information about requests for rate increases to be filed by the Company and Kansas Gas and Electric Company with the State Corporation Commission of the State of Kansas.

There being no further business to come before the meeting, it was adjourned.



Larry D. Inck
Secretary