

WELLS RURAL ELECTRIC COMPANY

Adopted:

Reviewed: August 21, 1998

Revised: August 21, 1998

POLICY NO. 4-5

LEASING OF GENERAL PLANT

I. OBJECTIVE:

To establish sound principles and practices concerning the leasing of general plant: ie: office or warehousing space that has been deemed to be surplus for an extended period of time, and to ensure the benefits of leasing this plant flow to the members of Wells Rural Electric Co.

II. POLICY:

The board of directors recognize the benefits of leasing surplus office or warehouse space to other parties in order to provide a revenue stream from those facilities that will assist with the expenses of those facilities.

The board has directed the chief executive officer to lease surplus space under the following principles.

- A. All lease contracts for surplus building space will be reviewed and approved by the board of directors. Leases will be authorized by the president or other WREC official authorized by the board of directors.
- B. At the discretion of management the ability to or not to sublease space can be included on a case by case basis. If subleasing is allowed an additional requirement will be included in the lease that all subleasing parties will be approved by the board of directors before the sublease begins.
- C. The lease payments, including payment from subleases will be developed to insure that the maximum revenues from these leases will be returned to Wells Rural Electric Company.

III. RESPONSIBILITY:

It will be the responsibility of the chief executive officer to assure compliance with this policy.