

WELLS RURAL ELECTRIC COMPANY

Regular Meeting of Board of Directors

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held at the company office, in Wells, State of Nevada, at 7:30 o'clock P.M., on the 21st day of April, 1961, pursuant to waiver of notice signed by all of the directors; and previous resolution of the board.

The meeting was called to order by ROBERT R. WRIGHT, President, who presided, and JOHN MOSCHETTI, secretary, acted as secretary of the meeting.

Upon calling the roll, the secretary reported that the following directors were present: ROBERT WRIGHT, VERNE DALTON, JIM BALLARD, CHARLES READ, HERBERT UHLIG, CLARENCE SWETT, EYER BOIES, ROGER SMITH, BLAINE SHARP, ARTHUR GROCK, AND JOHN MOSCHETTI. ALSO PRESENT were ROBERT O. VAUGHAN, FRED LIQUIN, GEORGE BLACKETT, PETE MARBLE, F. T. MURHPHY, HARVEY HALE. said persons being all of the directors.

The chairman directed the secretary to annex to the minutes of this meeting the waiver of notice thereof.

The chairman then outlined a proposal that the Cooperative borrow funds from the United States of America, through the Administrator of the Rural Electrification Administration, to assist persons served or proposed to be served with electric energy by the Cooperative, to wire their premises and to acquire and install in such premises electrical, pumping and plumbing appliances and equipment. The chairman then presented to the meeting a form of a proposed installation loan contract between the Cooperative and United States of America, providing for a loan to the Cooperative in an amount not to exceed \$75,000.00 and prescribing the terms and conditions upon which such loan would be made. The chairman further explained that the proposed contract also provides that the amount of the loan therein provided for may be increased from time to time by amendments thereto.

The chairman stated that pursuant to the proposed installation loan contract the Cooperative would be required to execute and deliver to United States of America a note in the principal amount of \$75,000.00, to evidence such loan. He pointed out that such note would be secured by the Deed of Trust, dated as of July 10, 1959, heretofore made by and between the Cooperative and First National Bank of Nevada, as trustee, and that if at any time the Administrator of the Rural Electrification Administration may direct, the Cooperative would also be required to assign to United States of America, as security for such note, the consumer obligations purchased by the Cooperative pursuant to the installation loan contract.

The chairman then stated that the form of the proposed contract and note had been approved by counsel for the Cooperative, and the secretary then read said forms to the meeting. A full discussion was then had with respect to the proposed plan, and the proposed contract and note. Thereupon, on motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Cooperative borrow not to exceed \$75,000.00 from United States of America to finance the wiring of premises of persons (hereinafter called "Consumers"), served or proposed to be served with electric energy by the Cooperative, and the acquisition and installation in the premises of Consumers of electrical, pumping, and plumbing appliances and equipment; and

RESOLVED; That the president is authorized on behalf of the Cooperative to execute and deliver under its corporate seal, which the secretary is directed to affix and attest;

1. As many counterparts as shall be deemed advisable of an installation loan contract (hereinafter called the "Contract") with United States of America (hereinafter called the "Government"), acting through the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), substantially in the form of the proposed contract submitted to this meeting, with such changes as the president shall deem advisable; and

2. A note (hereinafter called the "Note") payable to the order of the Government, in the principal amount of \$75,000.00, bearing interest at the rate of 2% per annum, to be issued under and pursuant to, and to be secured by, the Deed of Trust, dated as of July 10, 1959, heretofore executed and delivered by the Cooperative to First National Bank of Nevada, as trustee, substantially in the form of the note submitted to this meeting, with such changes as the president shall deem advisable; and

RESOLVED, that the president, secretary and treasurer, and each of them (with full power to act without the others), are authorized, on behalf of the Cooperative to sign and deliver any and all contracts, endorsements, assignments and other instruments, and to make such pledges and generally to perform all such acts as they or any one of them shall deem advisable to carry out the intent of these resolutions and to perform the terms of the Contract; and

RESOLVED, that the president is authorized to appoint a Credit Committee, consisting of not less than three persons, a majority of whom shall be members of the Cooperative, and at least one of whom shall be a member of the Board of Directors of the Cooperative, to determine the amount of credit to be extended by the Cooperative to any Consumers applying for financing from the Cooperative in connection with the wiring of their premises or the acquisition and installation in their premises of electrical, pumping, and plumbing appliances and equipment, and that all information which said Committee may acquire in the performance of its duties shall be confidential except as to the Board of Directors and the Administrator and his representatives.

~~The secretary was ordered to identify the forms of the installation loan contract and note as having been acted upon at this meeting, and to annex such forms to the minutes of this meeting.~~

The president then appointed JAMES BALLARD, CHAIRMAN

CLARENCE SWETT

and GEORGE BLACKETT

as members of the Credit Committee.

The chairman then stated that it would be necessary to take action concerning the opening of the necessary bank accounts in connection with the proposed program, and, pursuant to the proposed contract, to designate the bank or banks in which the Installation Loan and Collection Account will be maintained.

After a full discussion the following resolutions were

unanimously adopted:

RESOLVED: that a separate account (hereinafter called the "Installation Loan and Collection Account"), designated "(Wells Rural Electric Company, TRUSTEE, INSTALLATION LOAN AND COLLECTION ACCOUNT", be opened in First National Bank of Nevada, Wells Branch, Wells, Nevada, subject to the written approval of such bank by the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), and all moneys received by the Cooperative from the United States of America pursuant to the _____ NEVADA 15C WELLS installation loan contract (hereinafter called the "Contract") heretofore at this meeting authorized to be executed, and the principal portion of all moneys collected or realized by the Cooperative on account of Consumer Obligations held, sold or negotiated by the Cooperative pursuant to the Contract shall be deposited in such account; and

The Manager read the financial report which show good operating results for last month.

Letter from Idaho Power Company gave a breakdown of their total costs on project in accordance with our agreement. They total 1,531,975.54.

The inspection report signed by Harold Dangerfield, REA engineer, was read and discussed. The faults in the line were small and primarily covered the ties of wire not being long enough. Upon motion duly made and seconded, it was RESOLVED, that we accept the job as submitted and while we do not like the fault in the ties and other minor items, it would be worse to discontinue service and make corrections, so the President and Secretary were ordered to execute necessary documents for final approval and payment to the Contractor.

HARVEY HALE, rancher near Jackpot appeared before the board and said he would like to be considered for power and line would take about 8 miles of construction and pick up section houses of UP railroad. Also that he was interested in pumping. The manager was instructed to check with railroad and determine feasibility and costs.

PETE MARBLE, rancher of Deeth area appeared before the board and stated that he objected to two main provisions of Agreement form. Thought the mortgage principle was too rough and he would like the line not reapportioned again if new hookups are made in that area. Attorney Vaughan thought the agreement could be rewritten to satisfy REA and Deeth ranchers so was instructed to do this for both Deeth and O'Neill areas.

Add a phase for Darryl Rytting pumping was approved and manager ordered to secure.

Attorney Vaughan presented a number of problems to the Board and some were acted upon and some were not.

No action was taken on retainer for attorney at present time.

No action was taken on mobile telephones or radio.

California Pacific have presented a proposal for \$1.25 per year per pole for joint use in the Ruby valley area but have not presented a proposal for any other areas. Attorney Vaughan was instructed to explore this further and no action was taken at present time.

Attorney Vaughan stated that White Pine had lost their suit before Supreme Court and motion to dismiss same is still before the Court.

Work on rights of way is nearing completion.

A lot of good work was done in state Legislature this year primarily to prevent groups like White Pine power group to cause trouble.

Vaughan is checking into the possibility of capitol credits for the company and will submit this more in detail later. He also thought we should consider the possibility of claim against General Electric for overcharging. We have time on this as other suits are completed.

WAIVER OF NOTICE

We, the directors of WELLS RURAL ELECTRIC COMPANY (hereinafter called the "Cooperative"), waive all notice of the time, place and purpose of a regular meeting of the Board of Directors and fix the company office at Wells, State of Nevada, as the place, and the 21st day of April, 1961, at 7:30 o'clock P.M., as the time for the holding of such meeting for the following purposes:

1. To authorize the execution of an installation loan contract with United States of America (hereinafter called the "Government"), acting through the Administrator of the Rural Electrification Administration, with respect to a loan by the Government to the Cooperative of not to exceed \$75,000.00, for the purpose of financing the wiring of premises of persons served or proposed to be served with electric energy by the Cooperative and the acquiring and installing in the premises of such persons of electrical, pumping, and plumbing appliances and equipment;

2. To authorize the execution and delivery by the Cooperative of a note payable to the order of the Government, in the principal amount of \$75,000.00, and bearing interest at the rate of 2% per annum, to be issued under and pursuant to, and to be secured by the Deed of Trust, dated as of July 10, 1959, heretofore executed and delivered by the Cooperative to First National Bank of Nevada;

3. To authorize the giving to the Government of additional security for the payment of said note, if and when directed by the Administrator of Rural Electrification Administration;

4. To authorize the appointment of a Credit Committee, the opening of certain special bank accounts, and such other action as the officers of the Cooperative may deem advisable pursuant to the said contract; and

5. Other matters of business that may come before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this 21st day of April, 1961.

<u>Robert R. Knight</u>	<u>W. L. Bond</u>
<u>James L. Ballard</u>	<u>James Smith</u>
<u>John W. Monteth</u>	<u>Vernon Nelson</u>
<u>Walter M. Wiley</u>	<u>Eugene H. Boney</u>
<u>Laurence A. Sweet</u>	<u>Arthur E. Trach</u>
	<u>Blaine Sharp</u>

being all of the directors of

WELLS RURAL ELECTRIC COMPANY