

MINUTES OF SPECIAL MEETING OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

Pursuant to written consent executed by members of the Board of Directors of WELLS RURAL ELECTRIC COMPANY on the 27th day of January, 1959, — a special meeting of the Board of Directors was held at the El Rancho Hotel in the City of Wells, County of Elko, State of Nevada, on the 27th day of January, 1959, at 7:30 o'clock P.M. of said day.

Present were directors ROBERT R. WRIGHT, CHARLES C. READ, ROBERT SMITH, CHARLES BALLEW, VERNON DALTON, BLAINE SHARP and HERBERT UHLIG. Absent were directors JAMES B. WINES and JAMES L. BALLARD.

Also present at the meeting was MR. HARVEY DAHL, Starr Valley Rancher; MR. KIPP and MR. DANGERFIELD, representatives of the Rural Electrification Administration; and ROBERT O. VAUGHAN, Corporation attorney.

The minutes of the first meeting of the Directors of WELLS RURAL ELECTRIC COMPANY, dated December 2, 1958, were read and approved.

Messrs. Kipp and Dangerfield reported upon the progress of the matter to date, and particularly with regard to the several meetings held in Washington D. C. with Mr. Kimball and Mr. Hoag and with regard to the work done by Mr. Liquin.

A discussion was had concerning the feasibility of the project, prospective rates, prospective service areas, prospective sources of power and the matter of the acquisition of the existing facilities. Messrs. Kipp and Dangerfield reported that the project appears to be feasible and the chances are quite favorable of obtaining an REA loan, all dependent upon whether or not the existing facilities of Wells Power Company can be acquired at a reasonable price.

It was determined that the next step would be for the Board to decide at what price they should attempt to negotiate an option to purchase the assets and facilities of the Wells Power Company. It was decided that it would be to the advantage of the corporation to purchase the assets and facilities of Wells Power Company rather than attempt to purchase the Wells Power Company stock. Considerable discussion was had with regard to the matter of a reasonable price for

the assets and facilities. Reference was made to the report of the engineer concerning the value of the assets. Thereupon on motion duly made, seconded and carried, it was unanimously

RESOLVED: That the President of the Corporation appoint a committee to meet with Mr. H. H. CAZIER in an attempt to negotiate an option to purchase the facilities and assets of the Wells Power Company.

Be it further RESOLVED, that the aforementioned committee is authorized to negotiate for an option at a minimum price of \$345,000.00 and a maximum price of \$400,000.00, for the assets and facilities, debt free.

That thereafter, the President appointed a committee to accomplish the aforementioned meeting with MR. CAZIER, consisting of ROBERT R. WRIGHT, CHARLES BALLEW and ROGER SMITH. The President also requested the corporation attorney to attend the meeting. An appointment was made to meet with MR. CAZIER at 7 o'clock P.M. on Wednesday January 28th, 1959, and the committee members were so advised.

It was brought to the attention of the Board that representatives of Utah Power and Light Company and Idaho Power Company were willing to meet with someone representing the corporation to discuss possible rates. Thereupon on motion duly made, seconded and carried, it was unanimously

RESOLVED: That Associated Engineers, Inc., be authorized to investigate detailed power rates with representatives of Utah Power and Light Company and Idaho Power Company; provided, that such services on the part of the engineers would be under the terms of the original Contract entered into with said engineers on October 30th, 1958.

A discussion was had with regard to the necessity of obtaining an REA loan if the project is to proceed. Thereupon on motion duly made, seconded and carried, it was unanimously

RESOLVED: That the Wells Rural Electric Company recognizes that if it becomes an operating organization it will have the responsibility to provide central station electric service to unserved persons within its service area, where economically feasible. It neither can nor will become an operating organization and it neither can nor will provide electricity to said unserved persons unless loan funds are made available to it by the Rural Electrification Administration for its purchase of the assets and facilities of the Wells Power Company.

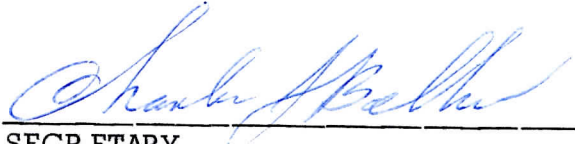
A discussion was had concerning the fact that considerable work had been done on this matter, there has been no official authorization for the officials of the company to proceed to make application for a REA Loan. Thereupon on motion duly made, seconded and carried, it was unanimously

RESOLVED: That WELLS RURAL ELECTRIC COMPANY hereby makes application to the Rural Electrification Administration for a loan in the amount of \$2,000,000.00⁰⁰ for such other amount as may be deemed necessary or available by the Rural Electrification Administration, to be used for the purpose of acquiring the physical assets and facilities of the Wells Power Company and for constructing distribution and transmission lines;

BE IT FURTHER RESOLVED: That the officers or manager are hereby authorized to furnish the Rural Electrification Administration such information and data as it may require in connection with the said application.

There being no further business to come before the meeting, upon motion duly made and seconded, the meeting was adjourned.

I, the undersigned, the duly elected and acting Secretary of the corporation do hereby certify that the within and foregoing are the Minutes of the Board of Directors meeting held on the 27th day of January, 1959.



SECRETARY



PRESIDENT

WRITTEN CONSENT TO TIME AND PLACE OF
SPECIAL MEETING OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

THE UNDERSIGNED, being the Directors of the Wells Rural Electric Company, do hereby unanimously give their consent to holding of a special meeting of the Directors of the Wells Rural Electric Company, to be held at the El Rancho Hotel, in the City of Wells, County of Elko, State of Nevada, on the 27th day of January, 1959, at 7:30 o'clock P. M. of said day, and do hereby further waive any and all notice of any name or nature of said date and place of meeting.

DATED this 27th day of January, 1959.

Robert R. Wright
Herbert W. Hille
O. Vernon Dalton
Blaine Sharp
Ray Smith
Charles C. Lead
Charles J. Ball
James L. Ballard
James B. Wines