

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 30th 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 30th day of January, 1959, at 3:00 o'clock P.M. of said day.

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

Also present at the meeting was ROBERT O. VAUGHAN, Corporation Attorney.

The minutes of the Special meeting of January 27th, 1959, of Wells Rural Electric Company were read and approved.

A report from the committee appointed to meet with MR. H. H. CAZIER was given by ROGER SMITH. MR. SMITH reported that after preliminary discussion with MR. H. H. CAZIER, MRS. NEVA G. CAZIER and MR. MILLER, WELLS POWER COMPANY auditor, our price for the purchase of the WELLS POWER COMPANY of \$345,700.00 was offered to MR. H. H. CAZIER. MR. CAZIER stated that he would let MR. MILLER do the talking for him. Mr. Miller pointed out that the analysis of the WELLS POWER COMPANY by our engineers was too low, as far as replacement costs were concerned, and it left out various unseen assets such as water rights, easement rights in connection with the hydro plant on the Cazier Ranch, and franchises in eastern Elko County. He stated that this price was too low, and when asked what price they would sell at, he stated that \$100,000.00 plus the price we offered plus purchase of unused supplies on hand, would be a price within talking range. We discussed this further, as we had not been authorized to offer a price over \$400,000.00. MR. MILLER stated that if MR. CAZIER was thirty years younger, that he would not advise him to sell at \$445,000.00 plus material, which he estimated would not be over \$5,000.00, which would make a total price of \$450,000.00. The committee stated that they were not authorized to offer the price and would have to take the information back to their Board of Directors. We asked MR. CAZIER for an extension of time for our negotiations. MR. CAZIER stated he would rather leave it as it was and that we should come back to him on February 15th and report what progress had been made, and then we would discuss the extension at that time. MR. MILLER then assured us that they would be willing to accept the price with certain contingents.

1. That they would not go into liquidation until such time as they had definite assurance in writing that the loan was going to be approved.

2. That we would assist them in collection of past due bills to the extent that we would shut off power on delinquent accounts.

3. That we would furnish power to the rural areas.

The committee's report was accepted.

A general discussion was then held on the matter of price. It was generally agreed that in order to keep the project moving along, it would be necessary for us to meet the price offered by MR. CAZIER, as he was firm on his offer and would probably break off negotiations if we did not try to meet it. His offer was \$450,000.00.

A discussion was had with regard to the necessity of purchasing the WELLS POWER COMPANY at a sum not to exceed \$450,000.00. Thereupon, on Motion duly made, seconded and carried, it was unanimously:

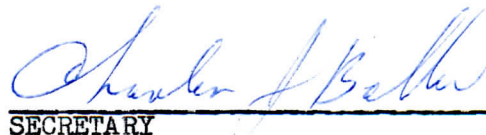
RESOLVED: That the committee heretofore appointed is authorized and directed to negotiate with MR. H. J. CAZIER to purchase the assets and facilities of the WELLS POWER COMPANY, debt free, subject to a maximum purchase price of \$450,000.00, which will include material and supplies on hand.


A further discussion was held on the limits of our service area. It was generally agreed that we would not try to include the Contact area in our plans unless requested to do so by the officers of the Contact group.

Some discussion was held on including Montello and Wendover in our area. The board was not in favor of including these areas unless they could prove themselves economically feasible.

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 30th 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 the 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 30th day of January, 1959, at 3:00 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 30th day of January, 1959.

Robert R. Knight

D. Vernon Dalton

Raymond Smith

Blaine Sharp

Harold W. Yelich

W. E. Reed

James L. Ballard

Charles H. Baker

James B. Wines