

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF

WELLS RURAL ELECTRIC COMPANY

JUNE 25, 1971

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held in the Company Office in Wells, Nevada on June 25, 1971.

The meeting was called to order by D. Vernon Dalton, President, who presided and Clarence C. Swett, Secretary, acted as Secretary of the meeting.

Upon calling the roll the Secretary reported the following directors present: ARTHUR GROCK, RAY CRAWFORD, LOURINDA WINES, ROBERT WRIGHT; JESS URRESTI, JOE QUILLICI, VERNON DALTON, CLARENCE SWETT and THOMAS ACHURRA.

Absent were James Ballard and William Gibbs.

Also present were Manager Blackett and F. T. Murphy.

The minutes of the May meeting were approved as written.

Vernon Dalton asked that the Scholarship Committee Report and hospital room rate on insurance be added to the Agenda. These were approved.

Federal Power Commission Hearing: No news. Vernon Dalton talked to Attorney Vaughan who in turn talked to Bill Wise, and they said nothing had been done. At this time, they did not think it would hurt to apply some pressure to the Commission for a decision. It was decided that this would be looked into.

Construction: Maintenance work on Line Four tightening hardware is being done. Poles and arms being changed due to lightning damage. New services installed. Rephasing of Line Six going good. Nine and a quarter miles of wire completed and ten and one half miles of arms put up. Will cost between \$1400 and \$1500 per mile. The work is to be completed by July 12.

Power Use: Lime quarry at Moor being worked on. We hear that they will be wanting power.

Sale of Diesel Engine: Nothing new.

North Fork Tuscarora Area: They are ready to go ahead.

Doug Mitchell Line Extension: Are going to look at Cass House Peak to make estimate for State on line to serve it.

New Power Source: Nothing heard.

Landscaping: Will be ready to start when curb and gutter installed.

JUNE 1971 BOARD MINUTES

Utah Power and Light request for Wheeling: Nothing has been heard from them.

Kaiser request for Reduction of Pump Minimum: Bob Vaughan has contracts for amending.

Tent Mountain: Lamont Stuart came in and reported that the area is being promoted, but he cannot say who it is. The Ski Association is still active and working on it, but they have no money. Lamont expects something to happen soon. The road is to be improved this summer. He asked that the Board go along with them a little longer.

Scholarship Committee: Clarence Swett reported that the Scholarship was awarded to Robyn Pettit of Wendover. Discussion was had, and it was proposed that a notice should be posted on the school bulletin boards. Also, alternates should be selected in case the first choice does not use it. Scholarship Committee should work up set of rules. Principal of Wendover School should be on Scholarship Committee.

Fred Blanchard and Ted McPhee presented and reviewed the audit report. They reported the books and financial condition good.

Lourinda Wines moved that the audit report be approved.
Arthur Grock Seconded the motion. Motion passed.

Hospital Insurance Room Rates: A Board resolution was previously passed. This is to be looked up and the insurance adjusted accordingly.

Manager's Report: Basis Date Agreements to be approved. Other items in hands of Attorney Vaughan that should be completed. Have received no replies to letters on member insurance.

Thomas Achurra moved that the 14 memberships from Wells and the 17 from Wendover be approved. Seconded by Jess Urresti: Motion passed.

Mr. Manley from Vaughan, Hull and Marfisi arrived with the Basis Date Agreements.

The chairman explained that the full principal amount of a certain note dated April 6, 1962, issued by the corporation to the United States of America to evidence a loan made to the corporation by the United States of America had not yet been advanced to the Corporation, and that it was desirable to provide a schedule for the repayment of amounts not yet advanced to the Corporation by the Government.

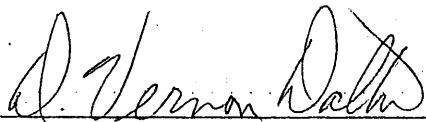
The chairman called attention to the fact that the period of deferment of repayment of principal in said note had expired or was about to expire, and that the repayment schedule contained in said

WAIVER OF NOTICE

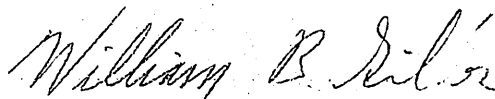
We, the directors of Wells Rural Electric Company (hereinafter called the "Corporation") waive all notice of the time, place and purpose of a regular meeting of the Board of Directors and fix 510 Lake Avenue, in the City of Wells, State of Nevada, as the place, and the 25th day of June, 1971, at 1:00 o'clock P.M., as the time for the holding of such meeting for the purpose of acting upon:

1. The authorization of the execution of an agreement with United States of America (hereinafter called the "Government") acting through the Administrator of the Rural Electrification Administration, adjusting, with respect to a certain note dated April 6, 1962, issued by the Corporation to the Government, the repayment schedule with respect to amounts which may hereafter be advanced to the Corporation by the Government.
2. Such other business as may regularly come before the meeting.

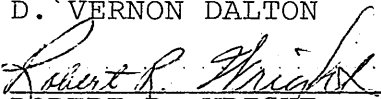
IN WITNESS WHEREOF we have hereunto set our hands this
25th day of June, 1971.



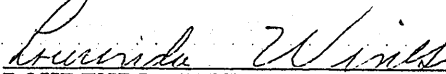
D. VERNON DALTON



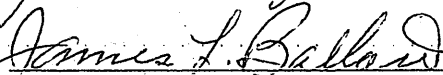
WILLIAM GIBBS



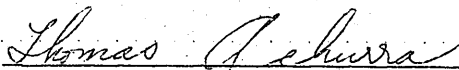
ROBERT R. WRIGHT



LOURINDA WINES



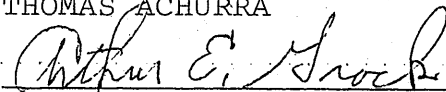
JAMES L. BALLARD



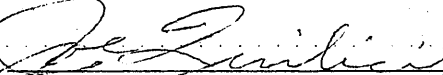
THOMAS ACHURRA



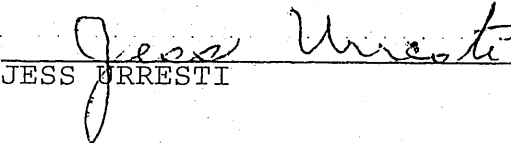
CLARENCE C. SWETT



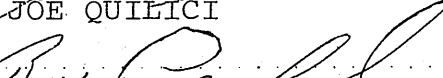
ARTHUR GROCK



JOE QUILICI



JESS URRESTI



RAY CRAWFORD

being all the directors of WELLS RURAL ELECTRIC COMPANY
without exception.

EXCERPT FROM MINUTES OF MEETING

JUNE 25, 1971

The chairman explained that the full principal amount of a certain note dated April 6, 1962, issued by the corporation to the United States of America to evidence a loan made to the corporation by the United States of America had not yet been advanced to the Corporation, and that it was desirable to provide a schedule for the repayment of amounts not yet advanced to the Corporation by the Government.

The chairman called attention to the fact that the period of deferment of repayment of principal in said note had expired or was about to expire, and that the repayment schedule contained in said note is based upon the amount owing by the Corporation on account of said note at the expiration of said period of deferment.

The chairman further stated that in order to provide the repayment schedule with respect to amount to be advanced to the Corporation in the future on account of the note, it would be desirable for the Corporation to enter into agreements with United States of America which would provide for such repayment. The chairman then presented the form of a proposed agreement and stated that the form of the proposed agreement had been approved by counsel for the Corporation. The secretary then read to the meeting the form of the proposed agreement. The proposed agreement was then fully discussed and, on motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the president, with regard to REA Project Designation Nevada 15B Wells and the note dated April 6, 1962, is hereby authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest, as many counterparts as shall be deemed advisable of an agreement (hereinafter called the "Agreement") by and between the Corporation and United States of America, acting through the Administrator of the Rural Electrification Administration, substantially in the form of the Agreement submitted to this meeting, with such insertions, changes and variations in the form of the Agreement as the president of the Corporation shall in his discretion deem necessary or expedient.

The secretary was then directed to indentify the form of the agreements as having been acted upon at this meeting and to annex such form to the minutes of this meeting.

MEMBERSHIPS TO BE APPROVED

JUNE 25, 1971

WELLS

1. Ed Avery
2. Josephine Castro
3. Rickie Crago
4. John Fay
5. Jeffrey W. Fleischer
6. Harry Howell
7. Edward P. Killip
8. Ray Miller
9. Al Montrose
10. Joe P. Moudy
11. John Ross
12. Jose Salazar
13. Antje Seaton
14. Colleen Williams

WENDOVER

1. Mary Bahe
2. Larry Burk
3. Deborah Byers
4. Joe Carlos
5. Richard O. Chatterton
6. John Coleman
7. Jack Diamonds
8. Robin Gentry
9. John Pap
10. Martha Kerr
11. Don Lewis
12. Kenneth Linares
13. Maxine Stewart
14. Ray Swensen
15. Jerry Taylor
16. Glena Turner
17. Jerry Withrow

Basis Date Agreement (Rev. 10/57)

Form C-2

Form T-7a

7-6161

REA Project Designation:

NEVADA 15B WELLS

AGREEMENT

between

UNITED STATES OF AMERICA

and

WELLS RURAL ELECTRIC COMPANY

Dated as of February 19, 1971

Identified as form of document presented to and approved
by the board of directors ~~trustees~~ of the above named
corporation at a meeting held JUNE 25, 1971


Secretary of Meeting

DEPARTMENT OF AGRICULTURE

RURAL ELECTRIFICATION ADMINISTRATION

No. B

AGREEMENT, made as of February 19, 1971, pursuant to the Rural Electrification Act of 1936, as amended (7 U. S. C. 901 et seq.), between UNITED STATES OF AMERICA (hereinafter called the "Government"), acting through the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), and WELLS RURAL ELECTRIC COMPANY (hereinafter called the "Corporation"), a corporation existing under the laws of the State of Nevada

WHEREAS, the Corporation, to evidence a loan made by the Government to the Corporation pursuant to a loan contract (hereinafter called the "Loan Contract") between the Government and the Corporation, executed and delivered the following-described mortgage note or bond payable to the order of the Government:

<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>FINAL MATURITY DATE</u>
and April 6, 1962	\$1,108,000.00	April 6, 1997

WHEREAS, the terms of payment of the said note or bond may have been extended by an agreement or agreements entered into by and between the Corporation and the Government and other parties (the above-mentioned mortgage note or bond, as heretofore extended by any such agreement or agreements being hereinafter called the "Note"); and

WHEREAS, a portion of the principal amount of the Note has not been advanced to the Corporation as of the date of this Agreement (such portion of the principal amount of the Note not advanced to the Corporation prior to the date of this Agreement being hereinafter called the "Principal Balance"); and

WHEREAS, it is desired that the Principal Balance, when advanced to the Corporation, shall be repayable, with interest thereon, in installments as hereinafter provided, within thirty-five (35) years from the date of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, the Government and the Corporation agree as follows:

SECTION 1. Interest on the Principal Balance advanced pursuant to the Loan Contract and remaining unpaid shall be payable quarterly in each year for a period ending on a date three (3) years after the date of this Agreement. Thereafter, to and including a date thirty-five (35) years after the date of this Agreement, the Corporation shall make quarterly payments in each year at the rate of \$10.60 per \$1,000 of the Principal Balance advanced pursuant to the Loan Contract and unpaid three (3) years after the date of this Agreement. Each such payment shall be applied first to the payment of interest on the Principal Balance and then on account of the Principal Balance. Thirty-five (35) years after the date of this Agreement, the Principal Balance advanced pursuant to the Loan Contract remaining unpaid, if any, and interest thereon, shall become due and payable.

SECTION 2. This Agreement shall not be effective unless and until the Corporation has obtained all authorizations required by law in order to permit the Corporation validly and lawfully to execute this Agreement.

SECTION 3. All of the terms and conditions of the Note, of any mortgage, deed of trust or other instrument securing the Note, and of any other agreement to which the Government and the Corporation are parties, shall stand and remain unchanged and in full force and effect except only as specifically varied or amended by this Agreement.

SECTION 4. The invalidity of any one or more phrases, clauses, sentences,

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paragraphs, or provisions of this Agreement shall not affect any remaining portions thereof.

SECTION 5. This Agreement may be simultaneously executed and delivered in two or more counterparts, each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

IN WITNESS WHEREOF the Government has caused this Agreement to be duly executed and the Corporation has caused this Agreement to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

UNITED STATES OF AMERICA

by

Administrator
of
Rural Electrification Administration

Executed by the Government in the presence of;

_____ Witnesses

WELLS RURAL ELECTRIC COMPANY

by

President

(Seal)

Attest;

Secretary

Executed by the Corporation in the presence of;

_____ Witnesses

Basis Date Agreement (Rev. 10/57)
Form C-2
Form T-7a
7-6161

REA Project Designation:

NEVADA 15B WELLS

AGREEMENT

between

UNITED STATES OF AMERICA

and

WELLS RURAL ELECTRIC COMPANY

Dated as of February 19, 1971

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

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and April 6, 1962	\$1,108,000.00	April 6, 1997

WHEREAS, the terms of payment of the said note or bond may have been extended by an agreement or agreements entered into by and between the Corporation and the Government and other parties (the above-mentioned mortgage note or bond, as heretofore extended by any such agreement or agreements being hereinafter called the "Note"); and

WHEREAS, a portion of the principal amount of the Note has not been advanced to the Corporation as of the date of this Agreement (such portion of the principal amount of the Note not advanced to the Corporation prior to the date of this Agreement being hereinafter called the "Principal Balance"); and

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UNITED STATES OF AMERICA

by *Elmer Kilson*
Deputy Assistant Administrator
of
Rural Electrification Administration

Executed by the Government in the presence of:

Walter J. ...
Carl M. ...
Witnesses



WELLS RURAL ELECTRIC COMPANY

by *W. Vernon ...*
President

Attest: *Lucas C. ...*
Secretary

Executed by the Corporation in the presence of:

W. ...
George ...
Witnesses

JUNE 1971 BOARD MINUTES


note is based upon the amount owing by the Corporation on account of said note at the expiration of said period of deferment.

The chairman further stated that in order to provide the repayment schedule with respect to amount to be advanced to the Corporation in the future on account of the note, it would be desirable for the Corporation to enter into agreements with United States of America which would provide for such repayment. The chairman then presented the form of a proposed agreement and stated that the form of the proposed agreement had been approved by counsel for the Corporation. The secretary then read to the meeting the form of the proposed agreement. The proposed agreement was then fully discussed and, on motion duly made and seconded, the following resolution was unanimously adopted:

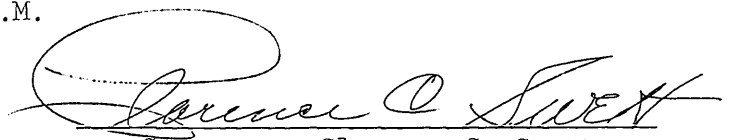
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The secretary was then directed to identify the form of the agreements as having been acted upon at this meeting and to annex such form to the minutes of this meeting.

Meeting adjourned at 3:40 P.M.



President, D. Vernon Dalton



Secretary, Clarence C. Swett