

REGULAR MEETING OF BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held on March 19, 1965, at the company office in the City of Wells, State of Nevada, at 7:35 o'clock P.M., pursuant to waiver of notice signed by all of the directors of the Corporation.

The meeting was called to order by Robert R. Wright, President, who presided, and C. C. Read, Assistant Secretary, acted as Secretary of the meeting.

Upon calling the roll the secretary reported that the following directors were present: ROBERT R. WRIGHT, JAMES L. BALLARD, CLARENCE C. SWETT, C. C. READ, ARTHUR GROCK, THOMAS ~~XXX~~ ACHURRA, ROGER SMITH, BLAINE SHARP, VERNON DALTON, MATT SMITH and OLIVER SHARP, said persons being all of the directors.

The chairman declared a quorum of the directors to be present.

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

5 The chairman explained that the full principal amount of a certain note 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 repayments of principal in said note had expired or was about to expire, and that the repayment schedule contained in such note is based upon the amount owing by the Corporation on account of such note at the expiration of said period of deferment.

The chairman further stated that in order to provide the repayment schedule with respect to amounts to be advanced to the Corporation in the future on account of the note, it would be desirable for the Corporation to enter into an agreement 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 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 ~~Acti~~ Administrator of 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 identify the form of the agreement as having been acted upon at this meeting and to annex such form to the minutes of this meeting.

President Wright asked for discussion on the audit report. Matt Smith moved that we ask Al Huber to be present at the next meeting to explain and discuss the audit report aznd also to meet with data process representative on March 30th.

Board discussed depreciation rates and margins. Decided to ask REA whether 10% margin was adequate.

Manager Blackett made a financial report and reported on the following: Capital Credits, Boys Ranch at Gerbers, Murphy to be Line Superintendent, office crowded, Wage Salary plan, Building loop circuit in Wells, Ruby Valley to have Youth Corps Camp, line moves made necessary by highway construction and line east of Wendover.

C. C. Read moved that a secretary be hired to take minutes at Board Meetingsx

and type them up. Matt SMITH SECONDED THE MOTION. Motion passed.

Matt Smith moved that cost of power be taken out of gross revenue before computing Capital Credits. Seconded by Vernon Dalton. Motion passed.

President Wright appointed a committee consisting of Clarence Swett, Vernon Dalton and Bob Wright to survey building needs.

C. C. Read moved that the board desires to pay deceased members capital credits and wishes to determine whether REA is in favor of this and if not why.

Oliver Sharp reported on Utah legislation. That bill was passed with "Grandfather Clause" on ~~debt equity ratio~~. That we should file for territorial rights. *presents service area*

Manager Blackett asked about street lights and pumping rate to City of Wells. To be deferred until further data on margins be obtained from REA.

Roger Smith moved that seasonal rates be studied. Clarence Swett seconded.

Roger Smith asked Manager Blackett to report on costs of a yard light program at the next meeting.

Jim Ballard reported on Trailer Committee (as per letter). Ballard moved that plan be accepted retroactive to March 1st. Sharp seconded. Motion passed.

Vernon Dalton presented a report of the committee on Key Indicators. Reported on employees questionnaire. Suggestions were: Merit system, training program, and job descriptions.

It was moved that a merit system be initiated during the Month of October. Passed.

Manager Blackett made salary recommendations. Matt Smith moved that Murphy receive \$615.00 monthly salary, Fred Toombs \$575.00 per month. All other employees receive 4.4% hourly increase. Blaine Sharp seconded. Murphy promoted to line ~~xxx~~ superintendent. Fred Toombs to equalize with commensurate position.

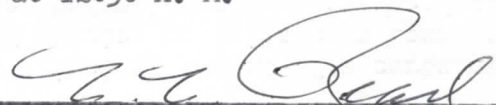
↳ New memberships approved. One from Wells and five from Wendover.

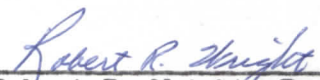
Oliver Sharp moved that Manager's salary be \$825.00 per month. Matt Smith seconded. Manager to receive a manager appraisal. Passed.

Matt Smith moved that we adopt NRECA retirement ~~xxx~~ and security program. Seconded by Vernon Dalton. Motion passed.

Adjourned at 12:30 A. M.

Approved:


C. C. Read, Assistant Secretary.


Robert R. Wright, President.

WELLS RURAL ELECTRIC COMPANY
WELLS, NEVADA

MEMBERSHIPS TO BE APPROVED March 19, 1965

WELLS

Frances Davison

WENDOVER

Eugne P. Stark
Gerald N. Durtsihs
Harold Abernathy
Larry Jervik
Michael M. Waters.

200
2100
2250

Members
Act.
Trust.

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 the company office in the City of Wells, State of Nevada, as the place, and the 19th day of March, 1965, at 7:30 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. All other matters that may come regularly before the meeting.

IN WITNESS WHEREOF we have hereunto set our hands this

19th day of March, 1965.

Robert R. Wright
Robert R. Wright

C. C. Read
C. C. Read

Roger Smith
Roger Smith

Arthur Grock
Arthur Grock

Vernon Dalton
Vernon Dalton

Blaine Sharp
Blaine Sharp

Oliver Sharp
Oliver Sharp

Thomas S. Achurra
Thomas S. Achurra

James Ballard
James Ballard

Clarence Swett
Clarence Swett

Matt Smith
Matt Smith

Being all the Directors of WELLS RURAL ELECTRIC COMPANY without exception.

Basis Date Agreement (Rev. 10/57)
Form C-2
Form T-7a
9-1223

REA Project Designation:

NEVADA 15B WELLS

AGREEMENT

between

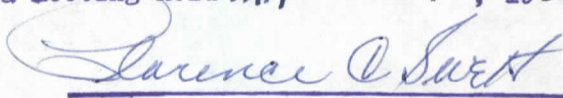
UNITED STATES OF AMERICA

and

WELLS RURAL ELECTRIC COMPANY

Dated as of April 7, 1965

Identified as form of document presented to and approved
by the board of directors trustees of the above named
corporation at a meeting held *MARCH 19, 1965*


Secretary of Meeting

DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

No. A

AGREEMENT, made as of April 7, 1965 - - - - - , 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>
April 6, 1962	\$1,108,000.00	April 6, 1997

and

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,

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

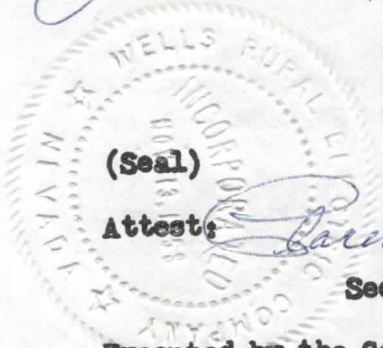
Executed by the Government in the presence of:

James

Witnesses

WELLS RURAL ELECTRIC COMPANY

by *Robert R. Wright*
President



(Seal)

Attest: *Lawrence C. Sweet*
Secretary

Executed by the Corporation in the presence of:

James L. Ballard

George L. Blackett

Witnesses