

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

May 9, 1975

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order by Jim Ballard, President at 1:00 PM on May 9, 1975 in the Wells office of Wells Rural Electric Company.

Those present were: Jim Ballard, Art Grock, Tom Achurra, Ray Crawford, John Krenka, Gene Pengelly, Vernon Dalton, Bill Gibbs, and Clarence Swett. Absent were: Bob Wright, and Jess Urresti. Also present were: Dean Jensen, Architect; Robert Vaughn, Attorney; Don Snyder, Manager; and Darrell Calton, Office Manager.

The minutes of the Special Meeting were approved as written.

Dean Jensen made a presentation on his findings in the reduction of the cost of the new service building. He went over the 11 items that were deleted at a savings of \$18,531.80. GENE PENGELLY MOVED THE BID BE AWARDED TO ORMAZA CONSTRUCTION COMPANY, ELKO, IN THE AMOUNT OF \$168,280.20. ART GROCK SECONDED THE MOTION AND IT WAS APPROVED.

Don reported on the W.P.P.S. 4 & 5 and Skagit. A discussion followed as to the ramifications in our participating in this project. Bob Vaughn reiterated the possible financial responsibilities to the Company. After further discussion VERNON DALTON MOVED THAT WELLS RURAL ELECTRIC COMPANY SIGN THE OPTION TO PARTICIPATE IN W.P.P.S. 4 & 5 AND SKAGIT. GENE PENGELLY SECONDED AND THE MOTION UNANIMOUSLY CARRIED.

Don asked the Board to set up a standing committee to keep abreast of the energy requirements of Wells Rural Electric Company in the future. The Energy Resource Committee was made up of Gene Pengelly, Chairman; Bob Wright, Jim Ballard and Art Grock, Members.

Settlement with Idaho Power Company: Bob Vaughn read the letter we received from Idaho Power. Idaho Power has requested the trial be moved to Reno. He explained the letter and where Wells Rural stands on this matter.

Additions to the Agenda: Retirement Benefits to be discussed with Don Snyder.

Construction: Don reported for Adrian. The Metropolis line is about two weeks from completion. The crew has been working overtime on the street lights.

Devils Gate: The line is mostly staked and crossarms are in. Poles have been ordered and NPSC hasn't sent their approval.

Pine Valley/Carlin: Nothing new.

Tent Mountain: Nothing new.

Street Lights: Jim Ballard and Del Thorne have had a photo taken with the new street lights. An article will be put in the Wells Progress on the new street lights. Wendover will be presented with a similar proposal in the near future.

Raft River: Nothing new.

On May 20th and 21st, Martin Derksema, and Clair Loosli of BPA; Ed Kipp, Darrell Pierce, and Dean Price of REA; a delegation from Raft River Electric Cooperative; and John McCarthy and John Gibbs of Nevada Power Company will meet at Wells Rural Electric Company's office in Wells to discuss future Energy Supply and Requirements for our area. The newly formed Energy Resource Committee of our Board should attend this meeting also.

Hydro: There will be a tour at a future date.

Scholarship Program: We have received seven (7) applications from Wendover. The Scholarship Committee will meet May 16 at 8:30 AM in the Wells Rural office.

R.E.A.: The loan application needs approval of the Nevada Public Service Commission.

CFC Investment: Don explained what he has found out about CFC. A RESOLUTION WAS MADE TO APPLY FOR A LINE OF CREDIT WITH CFC AT \$500,000 BY VERNON DALTON. IT WAS SECONDED BY GENE PENGELLY AND THE MOTION PASSED.

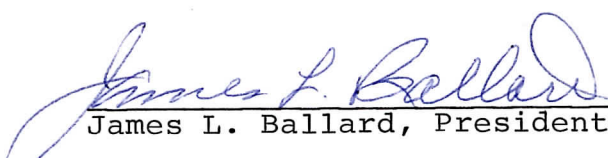
Auditors: The bill from Alexander Grant and Company was received. It was \$9,002.06, the Board would like Alexander Grant and Company to send Wells Rural Electric Company an itemized statement of charges and be present at the next Board meeting with an explanation of charges.


The Public Power Council needs research money for a gas cooled fast breeder reactor. They want 02% of our 1973 revenues which is \$150.90. CLARENCE SWETT MOVED WELLS RURAL ELECTRIC COMPANY CONTRIBUTE \$150.90 TO THE PROJECT. GENE PENGELLY SECONDED AND THE MOTION CARRIED.

Managers Report: Mary Zearing and Ellie Rutherford will attend a Northwest Public Power Finance and Accounting Workshop in Seattle on May 21-23. Don will attend the N.W.P.P. Annual Meeting in June at Vancouver and a BPA Meeting for Managers the day before.

A discussion was held concerning the present NRECA program and it was pointed out that the present policy requires a 3 year waiting period before the employee can participate in the present program. GENE PENGELLY MOVED THE BOARD POLICY ON RETIREMENT BE REVISED FROM A 3 YEAR WAITING PERIOD TO A 3 MONTH PROBATIONARY PERIOD. RAY CRAWFORD SECONDED THE MOTION AND IT WAS UNANIMOUSLY APPROVED. Don will rewrite the present policy pertaining to retirement. Don stated that the present retirement program is being reviewed by various insurance companies. Our employees will have an educational meeting with New York Life to have their retirement program explained.

The meeting was adjourned at 4:30 PM.


James L. Ballard, President


Clarence C. Swett, Secretary

WAIVER OF NOTICE
OF
REGULAR DIRECTORS MEETING
OF
WELLS RURAL ELECTRIC COMPANY

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 Wells Rural Electric Company Offices in the City of Wells, State of Nevada, as the place, and the 9th day of May, 1975, at One O'clock PM as the time for the holding of such meeting for the purpose of action upon:

1. The consideration of bids and proposals for the construction of certain buildings and facilities;
2. The authorization of the execution and delivery of an agreement with the Washington Public Power Supply System relating to its Nuclear Projects Nos. 4 and 5 and Skagit Project, the same being an Agreement for Option to Enter Participants' Agreement, Reservation of Project Capability and Performance of Services; and
3. Such other business as may come before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this 29th day of April, 1975.

James L. Ballard
JAMES L. BALLARD

Jess Urresti
JESS URRESTI

Clarence C. Swett
CLARENCE C. SWETT

Ray Crawford
RAY CRAWFORD

John Krenka
JOHN KRENKA

Robert Wright
ROBERT WRIGHT

Eugene H. Pengelly
EUGENE H. PENGELLY

D. Vernon Dalton
D. VERNON DALTON

Thomas Achurra
THOMAS ACHURRA

William B. Gibbs
WILLIAM GIBBS

Arthur E. Grock
ARTHUR GROCK

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

Form - ELCA, 5/73
Loan Contract Amendment

REA Project Designation

NEVADA 15D4 WELLS

AMENDMENT

Dated as of December 30, 1974

to

AMENDING
LOAN CONTRACT

Dated as of May 8, 1959

between

WELLS RURAL ELECTRIC COMPANY

and

UNITED STATES OF AMERICA

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

No. 2

AGREEMENT, made as of December 30, 1974-----, between
WELLS RURAL ELECTRIC COMPANY-----
----- (hereinafter called the "Borrower"),
a corporation-----existing under
the laws of the State of Nevada-----; and UNITED STATES
OF AMERICA (hereinafter called the "Government"), acting through
the Administrator of the Rural Electrification Administration
(hereinafter called the "Administrator").

WHEREAS, the Government and the Borrower have heretofore entered
into a loan contract or amending loan contract dated as of May 8, 1959
(such agreement as it may have been amended being hereinafter called the
"Loan Contract"), and intend by this agreement to amend the Loan Contract
by providing for an increase of not to exceed \$725,000----- (hereinafter
called the "Loan Increase") in the amount of the loan therein provided for,
and in certain other respects;

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

SECTION 1. The Loan Contract is amended by

- (a) increasing the maximum amount which the Government shall lend and the Borrower shall borrow, as stated in Article I, Section 1 thereof, by the amount of the Loan Increase, and
- (b) adding the following to the counties listed in said Section: None

SECTION 2. Notwithstanding any of the provisions of the Loan Contract, the debt created by the Loan Increase shall be evidenced by additional notes to be executed by the Borrower pursuant to the Loan Contract, as amended hereby, which shall bear interest at the rate of two (2) per centum per annum.

SECTION 3. Notwithstanding anything contained in this agreement or Loan Contract, the Government shall be under no obligation to advance to the Borrower any portion of the Loan Increase, unless and until the Borrower, in addition to complying with all other conditions of the Loan Contract and this agreement which are precedent to the advance of loan funds, shall have delivered to the Administrator, in form and substance satisfactory to him, evidence that the Borrower has authorized, executed, delivered, recorded and filed a supplemental mortgage or other security instrument, in form and substance satisfactory to the Administrator.

SECTION 4. The provisions set forth in Exhibit A, pages i through iii, attached hereto and by this reference made a part hereof, shall amend and supersede all provisions of the Loan Contract inconsistent therewith.

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 Borrower 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, and the Government has caused this agreement to be duly executed, all as of the day and year first above written.

WELLS RURAL ELECTRIC COMPANY

by *James L. Ballard*
President

(Seal)

Attest: *Laraine C. Swett*
Secretary

UNITED STATES OF AMERICA

by *Wesley H. Casky*
Acting Administrator
of

Rural Electrification Administration



EXHIBIT A

1. Non-Discrimination.

The Borrower hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in Executive Order 11246 or in the rules and regulations of the Secretary of Labor, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, dated September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The Borrower further agrees that it will be bound by the above equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

The Borrower agrees that it will cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance. The Borrower further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246. In addition, the Borrower agrees that if it fails or refuses to comply with these undertakings the administering agency may cancel terminate or suspend in whole or in part this contract, may refrain from extending any further assistance under any of its programs subject to Executive Order 11246 until satisfactory assurance of future compliance has been received from such Borrower, or may refer the case to the Department of Justice for appropriate legal proceedings.

2. Environment

The Borrower shall, with respect to all facilities which may be part of the System, comply with applicable water and air pollution control standards and other environmental requirements imposed by federal or state statutes or regulations.

3. Depreciation Rates. Until all amounts owing by the Borrower to the Government on account of the Loan shall have been paid, the Borrower (a) shall adopt as its depreciation rates only those which have been previously approved for the Borrower by the Administrator unless other depreciation rates are required by regulatory bodies having jurisdiction in the premises, and (b) shall not file with or submit for approval of regulatory bodies any proposed depreciation rates which have not previously been approved for the Borrower by the Administrator.

4. Revision of the Loan Advance Period. If the Loan Contract provides in Article II, Section 8, or elsewhere, for a period other than two years within which the Borrower shall comply with all conditions precedent to the advance of the maximum amount of the Loan, such period shall be changed to "two years" in such provision.

5. Deletion of Provisions Relating to the Level of General Funds. If the Loan Contract contains provisions in Article II, Section 9, or elsewhere, relating to the level of the Borrower's general funds, such provisions are deleted.

6. Deletion of Provisions Relating to Construction Schedules. If the Loan Contract contains provisions in Article II, Section 10, or elsewhere, relating to the Borrower's construction schedules, such provisions are deleted.

7. Historic Preservation. The Borrower shall not, without approval in writing by the Administrator, use any portion of the Loan to construct any facilities which will involve any district, site, building, structure or object which is included in the National Register of Historic Places, maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act.

REA Project Designation

NEVADA 15D4 WELLS

AMENDMENT

Dated as of December 30, 1974

to

AMENDING
LOAN CONTRACT

Dated as of May 8, 1959

between

WELLS RURAL ELECTRIC COMPANY

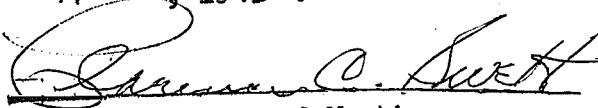
and

UNITED STATES OF AMERICA

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

No. A

Identified as form of document presented to and
approved by the board of directors ~~times~~
of the above named corporation at a meeting held
APRIL 11, 1975.


Secretary of Meeting

AGREEMENT, made as of December 30, 1974-----, between
WELLS RURAL ELECTRIC COMPANY-----
------(hereinafter called the "Borrower"),
a corporation-----existing under
the laws of the State of Nevada-----; and UNITED STATES
OF AMERICA (hereinafter called the "Government"), acting through
the Administrator of the Rural Electrification Administration
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WHEREAS, the Government and the Borrower have heretofore entered
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(such agreement as it may have been amended being hereinafter called the
"Loan Contract"), and intend by this agreement to amend the Loan Contract
by providing for an increase of not to exceed \$725,000------(hereinafter
called the "Loan Increase") in the amount of the loan therein provided for,
and in certain other respects;

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

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- (a) increasing the maximum amount which the Government shall lend and the Borrower shall borrow, as stated in Article I, Section 1 thereof, by the amount of the Loan Increase, and
- (b) adding the following to the counties listed in said Section: None

SECTION 2. Notwithstanding any of the provisions of the Loan Contract, the debt created by the Loan Increase shall be evidenced by additional notes to be executed by the Borrower pursuant to the Loan Contract, as amended hereby, which shall bear interest at the rate of two (2) per centum per annum.

SECTION 3. Notwithstanding anything contained in this agreement or Loan Contract, the Government shall be under no obligation to advance to the Borrower any portion of the Loan Increase, unless and until the Borrower, in addition to complying with all other conditions of the Loan Contract and this agreement which are precedent to the advance of loan funds, shall have delivered to the Administrator, in form and substance satisfactory to him, evidence that the Borrower has authorized, executed, delivered, recorded and filed a supplemental mortgage or other security instrument, in form and substance satisfactory to the Administrator.

SECTION 4. The provisions set forth in Exhibit A, pages i through iii, attached hereto and by this reference made a part hereof, shall amend and supersede all provisions of the Loan Contract inconsistent therewith.

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 Borrower 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, and the Government has caused this agreement to be duly executed, all as of the day and year first above written.

WELLS RURAL ELECTRIC COMPANY

by

President

(Seal)

Attest:

Secretary

UNITED STATES OF AMERICA

by

Administrator
of
Rural Electrification Administration

EXHIBIT A

1. Non-Discrimination.

The Borrower hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in Executive Order 11246 or in the rules and regulations of the Secretary of Labor, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

(a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order 11246, dated September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The Borrower further agrees that it will be bound by the above equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

The Borrower agrees that it will cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance. The Borrower further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246. In addition, the Borrower agrees that if it fails or refuses to comply with these undertakings the administering agency may cancel terminate or suspend in whole or in part this contract, may refrain from extending any further assistance under any of its programs subject to Executive Order 11246 until satisfactory assurance of future compliance has been received from such Borrower, or may refer the case to the Department of Justice for appropriate legal proceedings.

2. Environment

The Borrower shall, with respect to all facilities which may be part of the System, comply with applicable water and air pollution control standards and other environmental requirements imposed by federal or state statutes or regulations.

3. Depreciation Rates. Until all amounts owing by the Borrower to the Government on account of the Loan shall have been paid, the Borrower (a) shall adopt as its depreciation rates only those which have been previously approved for the Borrower by the Administrator unless other depreciation rates are required by regulatory bodies having jurisdiction in the premises, and (b) shall not file with or submit for approval of regulatory bodies any proposed depreciation rates which have not previously been approved for the Borrower by the Administrator.

4. Revision of the Loan Advance Period. If the Loan Contract provides in Article II, Section 8, or elsewhere, for a period other than two years within which the Borrower shall comply with all conditions precedent to the advance of the maximum amount of the Loan, such period shall be changed to "two years" in such provision.

5. Deletion of Provisions Relating to the Level of General Funds. If the Loan Contract contains provisions in Article II, Section 9, or elsewhere, relating to the level of the Borrower's general funds, such provisions are deleted.

6. Deletion of Provisions Relating to Construction Schedules. If the Loan Contract contains provisions in Article II, Section 10, or elsewhere, relating to the Borrower's construction schedules, such provisions are deleted.

7. Historic Preservation. The Borrower shall not, without approval in writing by the Administrator, use any portion of the Loan to construct any facilities which will involve any district, site, building, structure or object which is included in the National Register of Historic Places, maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act.

PROJECT DESIGNATION:

NEVADA 15-D4 WELLS

MORTGAGE NOTE

made by

WELLS RURAL ELECTRIC COMPANY

to

UNITED STATES OF AMERICA

Identified as form of document presented to and approved
by the board of directors ~~trustees~~ of the above named
corporation at a meeting held APRIL 11, 1975

Darlene C. Smith

Secretary of Meeting

A

Note: 3-6 Year Basis Dates - 5/73

7=7557

MORTGAGE NOTE

Wells, Nevada
_____, 19____

WELLS RURAL ELECTRIC COMPANY -----(hereinafter called the "Corporation"), a corporation organized and existing under the laws of the State of Nevada -----, for value received, promises to pay to the order of UNITED STATES OF AMERICA (hereinafter called the "Government"), acting through the Administrator of the Rural Electrification Administration, at the United States Treasury, Washington, D. C., at the times and in the manner hereinafter provided, the sum of seven hundred twenty-five thousand ----- dollars (\$ 725,000 -----), with interest on the amount thereof advanced by the Government, pursuant to a certain -----loan contract, dated as of May 8-----, 19 59, between the Government and the Corporation, as the same may have been amended from time to time (said loan contract, as it may have been amended, being hereinafter called the "Loan Contract"), and remaining unpaid from time to time, at the rate of two (2) per centum per annum.

Interest on principal advanced pursuant to the Loan Contract and remaining unpaid shall be payable quarterly, on the last day of March -----, June -----, September -----, and December -----, of each year for a period ending on a date three (3) years after the date hereof. Thereafter, to and including a date thirty-five (35) years after the date hereof, the Corporation shall make a payment on each of said quarterly dates in each year at the rate of \$ 10.60 per \$1,000 of the principal amount hereof advanced pursuant to the Loan Contract and unpaid three (3) years after the date hereof.

Interest on principal advanced pursuant to the Loan Contract between a date three (3) years and a date six (6) years after the date hereof and remaining unpaid shall be payable on each of said quarterly payment dates for a period ending six (6) years after the date hereof. Thereafter, to and including a date thirty-five (35) years after the date hereof, the Corporation shall make a payment on each of said quarterly payment dates at the rate of \$ 11.38 per \$1,000 of the principal amount advanced pursuant to the Loan Contract between three (3) and six (6) years after the date hereof and unpaid six (6) years after the date hereof. This payment shall be in addition to the payment made on the principal amount advanced and unpaid three (3) years after the date hereof.

Each payment made on this Note shall be applied first to the payment of interest on principal and then on account of principal. Thirty-five (35) years after the date hereof, the principal hereof advanced pursuant to the Loan Contract remaining unpaid, if any, and interest thereon, shall become due and payable.

The Corporation on any payment date, as hereinabove provided, may pay all or any part of the principal hereof then advanced pursuant to the Loan Contract and remaining unpaid, but so long as any of the principal hereof advanced pursuant to the Loan Contract shall remain unpaid, the Corporation shall be obligated to make the quarterly payment on account of principal and interest, in the amount hereinabove provided, unless the Corporation and the holder of this Note shall otherwise agree.

This Note has been executed and delivered pursuant to and is secured by a certain mortgage, dated as of even date herewith, made by the Corporation to the Government, -----

as the same may have been amended or supplemented by any supplemental mortgage or supplemental mortgages (said mortgage and any such supplemental mortgage or supplemental mortgages being hereinafter collectively called the "Mortgage"), and is one of several notes (hereinafter called the "notes") permitted to be executed and delivered by the Corporation pursuant to the Mortgage. The Mortgage provides that all notes shall be equally and ratably secured thereby and reference is hereby made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security and the rights of the holders of notes with respect thereto.

Note: 3-6 Year Basis Dates - 5/73

7-7557

In case of default by the Corporation, as provided in the Mortgage, all principal advanced pursuant to the Loan Contract and remaining unpaid, on this Note and any other notes at the time outstanding, and all interest thereon, may be declared or may become due and payable in the manner and with the effect provided in the Mortgage.

This Note evidences indebtedness created by a loan made under the Rural Electrification Act of 1936, as amended, including Public Law 93-32.

If the Government shall at any time assign this Note and insure the payment hereof, the Corporation shall continue to make payments hereunder to the Government as collection agent for the insured holder, and, for purposes of the Mortgage, the Government, and not such insured holder, shall be considered to be, and shall have the rights of, the noteholder.

If the Government, at any time prior to the advance of the entire principal amount hereof on account of this Note, shall make a written endorsement hereon stating the amount advanced on account of the principal hereof, and shall notify the Corporation, in writing, of such endorsement, then the principal amount of this Note shall be deemed to be and shall become reduced to the amount specified in such endorsement, and the Corporation shall then execute and deliver to the Government one or more additional notes, in an amount or amounts designated by the Government which in the aggregate shall be equal to the then unadvanced portion of the original principal amount of this Note, such additional notes to be dated currently when executed, to be in the same form, and to bear the same interest rate, as this Note. The Corporation, upon the request therefor in writing by the Government, shall execute and deliver to the Government two or more notes, in substitution for this Note, in the same form and bearing the same interest rate and date (except that any such substitute note which will evidence only an unadvanced portion of this Note may, at the discretion of the Government, be dated currently when executed), in an aggregate principal amount which shall be equal to the principal amount of this Note, but in such individual principal amounts as the Government shall request; provided that (i) all payments which shall have been made on account of the principal of and interest on this Note shall be credited on account of such substitute notes and (ii) the Government shall return this Note to the Corporation upon receipt of such substitute notes.

IN WITNESS WHEREOF the Corporation has caused this Note 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.

WELLS RURAL ELECTRIC COMPANY

by

President

(SEAL)

Attest:

Secretary