

SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

November 30, 1977

A special meeting of the Board of Directors of Wells Rural Electric Company was called to order by President Vernon Dalton in the Board Room.

Board members present were Gene Pengelly, Ray Crawford, Tom Achurra, Ferris Brough, Jesse Larsen, Daryl Eriksen, Ester Quilici, Jim Ballard and Vernon Dalton. Vernon called this meeting to bring the directors up-to-date on Pine Valley/Carlin.

Vernon called Charles Fitch and explained the situation with Carlin and their need for energy. He asked him, if we went ahead and served Carlin at our earliest date to the point of building our transmission line and then did apply for a combination loan on Pine Valley and Carlin for acquisition, would that in anyway jeopardize our chances of getting 2% money? He indicated that he did not think there would be any problem in that area. He did, however, commit himself that he would go all the way with us and support us 100% as far as obtaining the 2% money, even for the Carlin acquisition.

We have a wheeling agreement that would terminate on December 31 with Nevada Power Company for 1500 KW. That is enough energy to serve Carlin at the present time. If we do serve Pine Valley, we have to negotiate that wheeling agreement upward. It will be at least a year and a half before we could get the lines built.

Jim Copenhaver suggested that we put "subject to the REA Administrator" on the wheeling agreement. He also suggests that we originally sign two copies so that we will have an original copy and they will have an original copy, as long as the signatures are original.

Clarence Lee and Robert Vaughan have gone over the wheeling agreement and everything looks good.

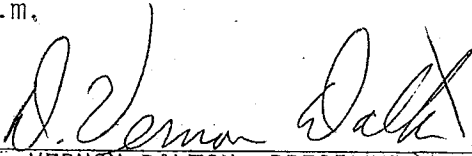
GENE PENGELLY MOVED THAT WE APPROVE THE WHEELING AGREEMENT WITH NEVADA POWER AND WELLS RURAL ELECTRIC COMPANY SUBJECT TO THE APPROVAL OF THE REA ADMINISTRATOR. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

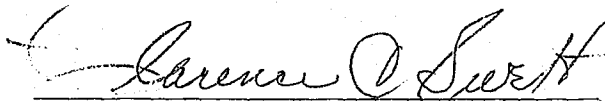
JIM BALLARD MOVED THAT WE CONTINUE OUR NEGOTIATIONS WITH THE PINE VALLEY PEOPLE TO TRY TO DERIVE FROM THEM A DESIRE AND A CONTRACT TO BUILD A LINE INTO PINE VALLEY AND TO IMMEDIATELY BEGIN NEGOTIATIONS WITH NEVADA POWER CO. OR CALIFORNIA PACIFIC UTILITIES, WHICHEVER IS APPLICABLE FOR MORE ENERGY FOR CARLIN AND FOR WHAT WE WOULD CONSIDER AMPLE ENERGY FOR PINE VALLEY AND AT THE SAME TIME EXPLORE FURTHER ANY POSSIBILITY OF GETTING A POINT OF DELIVERY FROM BPA IN THAT AREA FOR THOSE PEOPLE. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Paul Henson suggested that we have our attorney draw up a letter of intent and take it to the Pine Valley people at the next meeting. The Pine Valley people want to see something in writing.

Paul told the board that he has been selected to receive an award for outstanding service to the REA Program. He will be receiving this award on December 7, 1977.

The meeting adjourned at 6:05 p.m.

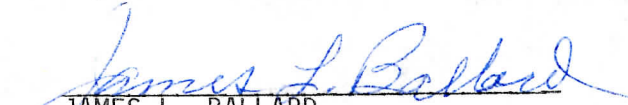

D. VERNON DALTON, PRESIDENT

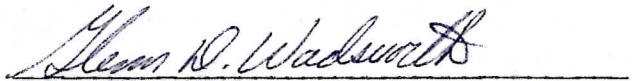

CLARENCE C. SWETT, SECRETARY

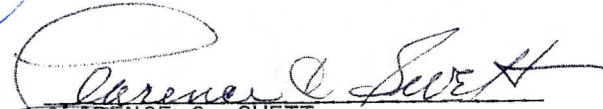
WAIVER OF NOTICE
OF
SPECIAL DIRECTORS MEETING
OF
WELLS RURAL ELECTRIC COMPANY

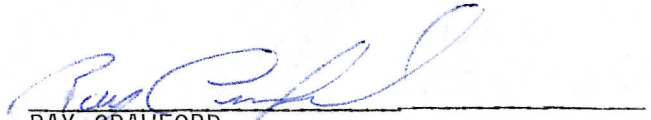
We, the directors of WELLS RURAL ELECTRIC COMPANY, (hereinafter called the "Cooperative"), waive all notice of the time, place, and purpose of a special meeting of the Board of Directors to be held at the Wells Rural Electric Company Offices in the City of Wells, State of Nevada, the 30th day of November, 1977, at 8:35 a.m.

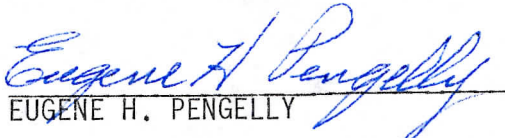
IN WITNESS WHEREOF, we have hereunto set our hands this 30th day of November, 1977.



JAMES L. BALLARD


GLENN WADSWORTH

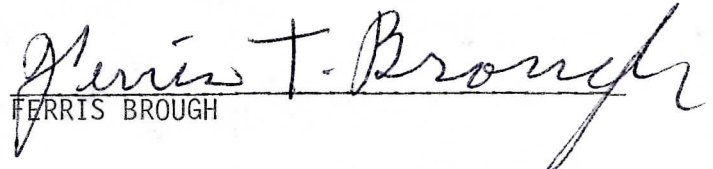

CLARENCE C. SWETT

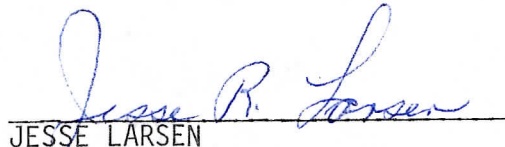

RAY CRAWFORD


EUGENE H. PENGELLY

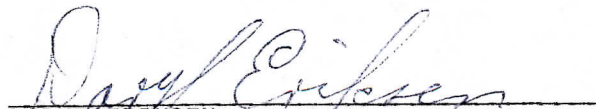

D. VERNON DALTON


THOMAS ACHURRA


FERRIS BROUGH


JESSE LARSEN


ESTER QUILICI


DARYL ERIKSEN


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

RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Approval of the Wheeling Agreement

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does approve the Wheeling Agreement with Nevada Power and Wells Rural Electric Company subject to the approval of REA Administrator.

I, Gene Pengelly, Acting Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 30th day of November, 1977, at which meeting a quorum was present.



GENE PENGELLY

RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Pine Valley/Carlin

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors continue the negotiations with the Pine Valley people to try to derive from them a desire and a contract to build a line into Pine Valley and to immediately begin negotiations with Nevada Power Co. or California Pacific Utilities, whichever is applicable for more energy for Carlin and for what we would consider ample energy for Pine Valley and at the same time explore further, any possibility of getting a Point of Delivery from BPA in that area for those people.

I, Gene Pengelly, Acting Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 30th day of November, 1977, at which meeting a quorum was present.


GENE PENGELLY