

WELLS RURAL ELECTRIC COMPANY

Regular Meeting of the Board of Directors

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held at the company office in Wells; State of Nevada, at 7:30 o'clock P.M. on the 20th day of October, 1961

The meeting was called to order by ROBERT R. WRIGHT, President, who presided, and JOHN W. MOSCHETTI, Secretary, acted as secretary of the meeting.

Upon calling the roll, the secretary reported that the following directors were present: ROBERT WRIGHT, VERNE DALTON, JAMES BALLARD, CHARLES READ, HERBERT UHLIG, CAARENCE SWETT, EYER BOLES; ROGER SMITH, BLAINE SHARP, ARTHUR GROCK and JOHN W. MOSCHETTI, being all of the said directors. Also present were Manager GEORGE BLACKETT and Attorney ROBERT VAUGHAN.

The secretary read the minutes of the last meeting which were approved.

The financial report was given by the Manager and approved.

Following discussion, this motion was duly made, seconded and unanimously adopted: RESOLVED, THAT we amend the contract with the Fish & Wildlife Service at Ruby Valley to permit the individual users to pay their own electric bills and provide meter deposits.

The Manager wanted clarification in case of replacing an electric dryer a member felt he should be given the July incentive payment. The board felt he was entitled to same.

President Wright said that Fred Liquin phoned and hoped to be here with Wendover plans but drafting not completed. Liquin reported that REA had turned down Jiggs-Lee proposal through Northern Nevada Power Company and wanted to know if we were interested in building line and leasing to them. Considerable discussion was had and no action taken.

Attorney Vaughan presented the rancher type contracts that we have been working on for some time to cover the O'Neil and Deeth users. All have been received from the ranchers with the exception of the Shoshone Land & Livestock Company. Following discussion, the following motion was duly made, seconded and unanimously adopted:

RESOLVED, That we approve the following ranch contracts and make every reasonable effort to secure power for these people, and that the President and Secretary execute the agreements in behalf of the company:

R. J. & THELMA AGEE
W. H. GIBBS CO., INC.
HORACE & Irene J. SMITH
MARY'S RIVER RANCH
MARBLE RANCHES
ITCHIANA RANCHES
PAUL B. & RUTH BUTLER
HERB & EDITH BUTLER
W. LESTER & DOROTHY AGEE

Attorney Vaughan reviewed the contract with Bonneville, Ltd showing a minimum of \$3,150. per month and \$108,000 guarantee and alternatives to secure the loan under a bond or security under escrow with a July 1, 1962 date to serve them. Motion was duly made, seconded and unanimously adopted:

RESOLVED, To approve the contract with Bonneville, Ltd. bearing a date of September 5, 1961 executed by Bonneville, Ltd. and that the President and Secretary be authorized to execute the agreement for the company.

Upon motion duly made and seconded the attached resolutions amending the minutes of September 16, 1960 was approved.

Following discussion and explanation of capital credits by Attorney Vaughan, after due consideration and deliberation, on motion duly made and seconded, the following resolutions were adopted by unanimous vote:

RESOLVED: That it is advisable for the corporation to amend its Articles of Incorporation by amending ARTICLE II, ARTICLE VIII, AND ARTICLE IX in such a manner as to permit the establishment and operation of a capital credit program, said amendments as or particularly hereinafter set out.

BE IT FURTHER RESOLVED: That ARTICLE II of the Articles of Incorporation of WELLS RURAL ELECTRIC COMPANY be amended by addition of the following paragraph:

"Nothing herein contained shall prohibit, and the Board of Directors are specifically authorized to account to, and within the discretion of the Board to pay to its patrons and customers, on a patronage basis, all amounts received and receivable from said patrons and customers in excess of operating costs and expenses properly chargeable against the furnishing of electrical energy, sales and service."

BE IT FURTHER RESOLVED: That ARTICLE VIII of the Articles of Incorporation of WELLS RURAL ELECTRIC COMPANY be amended by addition of the following paragraph:

"(a)(1) to receive and accept from its patrons and customers sums of money for sales and/or service, the excess of said sums over and above operating costs and expenses properly chargeable against the furnishing of services, merchandise or other items of value, being considered contributions to capital; and to account for the same on a patronage basis to all of its patrons and customers, and within the discretion of the Board of Directors to pay the same to said patrons and customers."

BE IT FURTHER RESOLVED: That ARTICLE IX of the Articles of Incorporation of WELLS RURAL ELECTRIC COMPANY be amended by addition thereto of the following:

"Upon dissolution of the corporation, and after the assets have been realized upon and the corporate debts have been paid, then, prior to paying or transferring the residue of the property or money of the corporation to the trustees in liquidation, the capital credit accounts of the patrons and customers of the corporation shall be paid in accordance with the by-laws of the corporation. After the payment of said capital credit accounts the residue of the property or money of the corporation shall be transferred or paid over to the three persons who are members and named to act in liquidation, as trustees."

BE IT FURTHER RESOLVED: That these resolutions and particularly the proposed amendments to the Articles of Incorporation be submitted to a vote of the members of the corporation entitled to vote thereon at the regular meeting to be held at 2:00 O'clock P.M., on the 21st day of October, 1961, at the Wells High School Auditorium in the City of Wells, County of Elko, State of Nevada, and the Secretary is hereby directed to give such notice thereof as required by law.

BE IT FURTHER RESOLVED: That the President and Secretary of this corporation be, and they hereby are, authorized and directed to make, execute, and acknowledge a certificate under the corporate seal of this corporation embracing the foregoing resolutions, and to cause such certificate to be filed and recorded in the manner required by law.

The following committee was selected by the President to study the capital credits provisions: Charles Reed, Robert Wright and George Blackett.

Following discussion and reading of the highlights of the agreement with Wandover Power & Light Company by Attorney Vaughan, upon motion duly made, seconded the following resolution was adopted:

RESOLVED: That we approve the price of \$170,000. for the purchase of Wandover Power & Light Company assets and that the President and Secretary be authorized to sign this agreement for the corporation: C. C. Reed dissenting.

After due consideration, the following resolution was unanimously adopted upon motion duly made and seconded:

RESOLVED: That an application or applications be filed on behalf of the Corporation with the Bureau of Land Management office at Reno, Nevada, for all necessary easements and rights of way for the power transmission lines, power distribution lines, and any necessary sub-stations or switching stations, whether the lines or stations are acquired by transfer of existing easements and rights of way or whether the same require the issuance of original easements or rights of way. ROBERT O. VAUGHAN of firm of VAUGHAN AND HULL, Attorneys at Law, Elko and Messrs.

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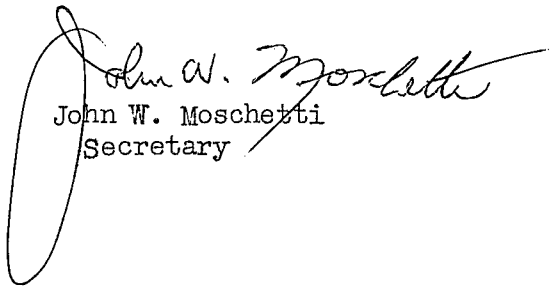
FRED B. LIQUIN and CLARENCE W. LEE of Associated Engineers, Inc., of Billings, Montana, are hereby authorized to sign any and all necessary applications, documents and certificates necessary to support the said applications.

BE IT FURTHER RESOLVED: That it is stipulated and agreed that the Corporation will be bound by the terms and conditions of any of said rights of way acquired by assignment.

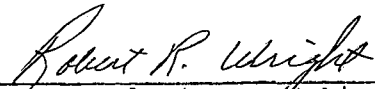
B BE IT FURTHER RESOLVED: That all rights of way or easements acquired in any manner from the Bureau of Land Management will be subject to the terms and conditions of the applicable regulations and rules.

Manager Blackett reported that he had been contacted again by Knoll Creek Experiment Station and that nothing will be done on this until next year as they want to check into materials and may build the line themselves.

Meeting adjourned at 11:45 P.M.


John W. Moschetti
Secretary

Approved:


Robert R. Wright, Pres.

The following resolutions are incorporated in and made a part of the minutes of the Board of Directors meeting held September 16, 1960, as a correction thereto. At the time of the passing of the motions and resolutions on the matters contained in these resolutions it was understood by the Board of Directors that the same would be drafted by counsel for the corporation into appropriate legal form. Said resolutions were adopted by unanimous vote after a motion for adoption, duly seconded.

RESOLVED: That it is advisable for the corporation to amend its Articles of Incorporation so as to change the number of Directors from Nine (9) to eleven (11), and setting the terms of office of all directors.

BE IT FURTHER RESOLVED: That ARTICLE VI of the Articles of Incorporation of WELLS RURAL ELECTRIC COMPANY be amended by deletion of the original ARTICLE VI and by substitution thereof of ARTICLE VI as follows:

"ARTICLE VI

That the corporate powers of the corporation shall be vested in a board of eleven (11) Directors, and that directors shall hold office for a term of three years, except, that to provide for election of only a portion of the board members each year and for continuity of a portion of the board, the schedule of terms as set out in ARTICLE VII shall be followed. Directors shall be elected by popular vote of the members of the corporation at the annual meeting of said members."

BE IT FURTHER RESOLVED: That ARTICLE VII OF THE Articles of Incorporation of WELLS RURAL ELECTRIC COMPANY be amended by deletion of the original ARTICLE VII and by substitution thereof of ARTICLE VII as follows:

"ARTICLE VII

That Directors shall hold office for the terms for which they are elected, and until their successors shall have been elected and shall have accepted office. That the names and residences of the persons who are to act in the capacity of the first Board of Directors, and as Directors for the terms indicated are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM EXPIRES AT ANNUAL MEETING OF:</u>
Robert R. Wright	Clover Valley, Nevada	1962
Charles C. Read	Wells, Nevada	1962
Roger Smith	Arthur, Nevada	1962
James L. Ballard	Clover Valley, Nevada	1961
James B. Wines*	Arthur, Nevada	1961
<i>C.C. Smith</i> Charles J. Ballew	Wells, Nevada	1961
Vernon Dalton	Clover Valley, Nevada	1960
Blaine Sharp	Arthur, Nevada	1960
Herbert M. Uhlig	Metropolis, Nevada	1960

*(Upon the death of James B. Wines, Eyer H. Boies of Contact, Nevada was appointed to fill the vacancy for the balance of the term.)

That at the annual meeting in the year 1960, five directors shall be elected, four for a term expiring at the annual meeting of 1963 and one for a term expiring at the annual meeting of 1962. The Board of Directors shall determine which person elected at the annual meeting, 1960 shall serve the two year terms. Thereafter either four or three directors shall be elected at each annual meeting in accordance with the terms expiring."

BE IT FURTHER RESOLVED: That these resolutions and particularly the proposed amendments to the Articles of Incorporation be submitted to a vote of the members of the corporation entitled to vote thereon at a regular meeting to be held at 2:00 o'clock P.M., on the 8th day of October, 1960, at the Wells High School Auditorium in the City of Wells, County of Elko, State of Nevada, and the Secretary is hereby directed to give notice thereof or secure consent to said meeting, as required by law.

BE IT FURTHER RESOLVED: That the President and the Secretary of this corporation be, and they hereby are, authorized and directed to make, execute, and acknowledge a certificate under the corporate seal of this corporation embracing the foregoing resolutions, and to cause such certificate to be filed and recorded in the manner required by law.

The foregoing correction to the minutes was approved by unanimous vote of the Board of Directors at their regular meeting held October 20, 1961.

APPROVED:

Robert R. Wright
President

John W. Moschetti
Secretary