

AGREEMENT

made by and between

WELLS POWER COMPANY


and

WELLS RURAL ELECTRIC COMPANY

COUNTERPART

NO. _____

Identified as the form of Agreement approved by the Board of Directors of WELLS RURAL ELECTRIC COMPANY at meeting on the 25th day of September, 1959.



SECRETARY OF MEETING

AGREEMENT

AGREEMENT, made as of September 25th, 1959, between WELLS POWER CO., a corporation organized and existing under and by virtue of the Laws of the State of Nevada, (hereinafter called "Seller"), and WELLS RURAL ELECTRIC COMPANY, a non-profit corporation organized and existing under and by virtue of the Laws of the State of Nevada, (hereinafter called "Purchaser"),

WHEREAS, Seller desires to sell and purchaser desires to buy certain physical properties and other assets of seller, located in Elko County, Nevada,

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, the parties hereto covenant and agree as follows:

I

SALE OF THE SYSTEM

SECTION 1.1. Properties included in Sale. Seller shall grant, bargain, sell, convey, warrant, assign, transfer and deliver to purchaser, and purchaser shall purchase from seller, the properties (hereinafter called the "System") described in the form of deed and bill of sale attached hereto, marked Exhibit A and made a part hereof, with covenants of warranty as set forth in said Exhibit.

SECTION 1.2. Payment of Purchase Price. In consideration of the sale and conveyance of the system, purchaser shall simultaneously pay to seller a base purchase price (hereinafter called the "base price") of FOUR HUNDRED FIFTY THOUSAND AND 00/100 (\$450,000.00), subject to adjustment as provided in article III hereof.

Any amount to be paid by purchaser to seller or by seller to purchaser pursuant to the terms of this agreement shall be paid by certified check drawn on a First National Bank of Nevada, which is a member of the Federal Reserve System, by certified check drawn on a

Federal Reserve bank, by endorsement and transfer of one or more checks drawn on the Treasurer of the United States, by any combination of the foregoing, or by such other method as the parties hereto may agree.

SECTION 1.3. Concerning the Closing. Delivery by seller to purchaser of the instruments of sale and conveyance herein provided for (hereinafter called the "closing") shall take place at the offices of Vaughan and Hull, Wells, Nevada, or at such other place as the parties hereto may agree, on a date (hereinafter called the "closing date") thirty (30) days after the last of the requirements specified in section 4.1 hereof shall have been satisfied; provided, however, that seller and purchaser may agree upon any other date not more than ninety (90) days after the last of the said requirements shall have been satisfied. If all of the said requirements shall not have been satisfied on or before May 31, 1960, either party hereto may terminate this agreement upon thirty (30) days written notice to the other party hereto. Thirty (30) days after the date of such notice, if any, this agreement shall terminate unless, prior to the expiration of such thirty (30) day period, (a) all of the said requirements shall have been satisfied, or (b) seller and purchaser shall have agreed in writing to an extension of time, or (c) such of the said requirements as shall not have been satisfied shall have been waived in writing by purchaser and by the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"). For the purposes of this section 1.3, the written waiver of any of the said requirements by purchaser and the Administrator shall constitute satisfaction of the requirement or requirements so waived. Time is of the essence of this agreement.

Neither of the parties hereto shall be obligated to convey any property or to make any payment pursuant to the terms of this agreement unless, on the closing date, the other party hereto shall be prepared simultaneously to tender performance of all acts required by

this agreement to be performed by it on the closing date.

At the closing, seller shall deliver to purchaser as many counterparts as purchaser may reasonably request of a duly authorized and executed deed and bill of sale, substantially in the form of Exhibit A, with revenue stamps in the amount required by law affixed thereto, the cost of which shall be paid by seller. A title insurance policy in the principal sum of TWENTY-FIVE THOUSAND DOLLARS ----- (\$25,000.00) shall be provided at seller's expense, insuring the purchaser; said policy shall insure the title to the real property subject of this sale without exceptions, unless said exceptions are approved by the Administrator, and said policy shall be in the form approved by the Administrator. Seller and purchaser, respectively, shall also execute and deliver, or cause to be executed and delivered, such releases, opinions of counsel and other instruments, and shall make such further assurances of title consistent with the provisions and intent hereof, as seller or purchaser, as the case may be, may reasonably demand to effectuate fully the terms hereof.

SECTION 1.4. Assumption of Liabilities. There shall be no general assumption by purchaser of seller's liabilities of any nature, but from and after the closing date, purchaser shall, in addition to the obligations to be assumed by it pursuant to sections 3.4 and 3.6 hereof, assume the following liabilities, in so far as they shall have been incurred by seller in connection with the normal operation of the system:

(a) Service contracts: subject to the provisions of section 2.3 hereof, all obligations to be performed subsequent to the closing date under all contracts relating to electric service to the ultimate consumer from, through or by the electric lines or facilities included in the system, provided that the rates specified in such contracts shall have been

duly filed with and approved by the appropriate regulatory commission prior to September 25th, 1959, (hereinafter called the "Adjustment Date");

(b) Insurance policies: All obligations to be performed subsequent to the closing date under such insurance policies of seller, relating to the system, as shall be assigned and transferred to purchaser, at purchaser's request, on the closing date; and

(c) Other Liabilities: All obligations to be performed subsequent to the closing date under all leases, easements, crossing agreements, joint use, right-of-way and encroachment agreements, and governmental licenses, franchises, ordinances, authorizations, privileges and permits included in the system.

Seller shall deliver to purchaser on the closing date a list of all obligations of seller which will become obligations of purchaser pursuant to the provisions of this agreement and shall indemnify purchaser and hold it harmless against any liability, loss or damage by reason of any contractual obligations incurred by seller prior to the closing, and not set forth on such list.

SECTION 1.5. Books and Records. Promptly after the execution of this agreement, seller shall deliver to purchaser all original deeds, abstracts, assignments and other instruments evidencing seller's title to the system, together with all original contracts and other instruments referred to in section 1.4 hereof. During the period between the execution of this agreement and the closing date, seller shall permit the duly authorized attorneys, accountants, and other representatives of purchaser to make all reasonable inspections of the system and of seller's books and records pertaining thereto; and during such period, seller shall, as soon as possible after the first day of each month, transmit to purchaser and to the Administrator true and

correct operating reports showing all revenues and expenses of the system during the preceding month. On the closing date, seller shall deliver to purchaser originals, or certified copies of all its meter, customer, property, operating, accounting and financial books and records, abstracts, deed, maps, drawings, charts, tracings, blueprints, diagrams, engineering and accounting data, and other records pertaining to the system or the operation thereof; provided, however, that seller may retain its minute books, investment records, stock certificate books, stock transfer books, voucher registers, evidence of accounts receivable retained by seller, income tax records and documents relating exclusively thereto. In the event that the sale and conveyance herein provided for is not effected within the period specified in this agreement or in any amendment thereto, purchaser shall return to seller, on demand, all instruments delivered to purchaser by seller pursuant hereto. Purchaser shall preserve all original books, records, and other documents delivered to purchaser by seller pursuant hereto, for a period of not less than five (5) years from the closing date, and during such period shall make available to seller and its successors and assigns at all reasonable times, for examination and reproduction, such original books, records and other documents delivered hereunder as may be requested by seller, its successors or assigns.

II

OPERATION OF THE SYSTEM

SECTION 2.1. Conduct of the System Prior to the Closing.

Between the date of execution of this agreement and the closing date, seller shall not enter into any contracts relating to the system or the operation thereof, other than such as are incidental to the normal current operation thereof, nor shall seller, during such period, sell or otherwise dispose of any part of the system, except such part or parts of the system as may be retired from service in the usual course

of business. Upon the retirement from service of any such part or parts of the system, seller shall, in so far as possible, forthwith make replacements thereof which will maintain the value of the system, and its capacity to render service.

Seller represents and covenants that the system has been operated and maintained since the Adjustment date, and will continue to be operated and maintained to and including the closing date, in substantially the same manner in which the system was operated and maintained during the twelve (12) months immediately preceding the Adjustment Date, and that it will be preserved as a going business, pending conveyance pursuant hereto.

Seller also represents and covenants that there has been no change since the adjustment date in any of the rates charged to any of the consumers receiving service from the system, or in any of the wages or salaries paid to any employee of seller employed in connection with the system, and that seller will not make any change in any of such rates, wages or salaries between the date of execution of this agreement and the closing date.

SECTION 2.2. Labor Relations. Seller further represents and covenants, with respect to the system;

(a) That to the best of its knowledge, it has at all times complied with all applicable provisions of the Fair Labor Standards Acts of 1938, as amended, and the Labor Management Relations Act, 1947, as amended, and all State Acts pertaining to wages, hours and labor relations, as amended, (said Acts, as amended, and all such State Acts being hereinafter collectively called the "Acts");

(b) That no charge or proceeding involving seller is pending before the National Labor Relations Board, the Wage and Hour and Public Contracts Divisions of the Department of Labor or any

State Board or commission having jurisdiction over wages, hours and labor relations (hereinafter collectively called the "Boards"), and

(c) That no suit against seller under section 16 (b) of the Fair Labor Standards Act of 1938, as amended, is pending before any court.

Seller shall promptly notify purchaser in writing in the event of the institution of any change, proceeding or suit on or prior to the closing date, and shall indemnify and save purchaser unharmed against any liability which has arisen or which may arise by reason of any breach by seller of any of the provisions of either of the Acts, or by reason of any decision or order involving or affecting seller, issued by any of the Boards.

SECTION 2.3. Membership in Purchaser. Purchaser shall admit to membership all consumers receiving service directly from the system on the closing date, who shall make application for membership in purchaser; provided, however, that each such consumer shall agree to comply with the provisions of the articles of incorporation and bylaws of purchaser, together with such rates and regulations as may from time to time be adopted by purchaser, and shall pay the regular membership fee of purchaser in accordance with its bylaws. The deposits to be paid to purchaser pursuant to section 3.5 hereof may be applied to the payment of such membership fees, subject to the consent of the respective consumers.

SECTION 2.4. Interconnection. In order to permit interconnection of the electric lines and facilities of purchaser with the system, without interruption of service or inconvenience to consumers, seller shall permit purchaser, at any time after the execution of this agreement, to construct such facilities and to install such equipment in connection with the system or any part thereof, as purchaser may

reasonably consider necessary or desirable with respect to such inter-connection; provided, however, that purchaser shall not make any changes in the system or undertake any construction in connection therewith, which would duly interfere with the rendition of service prior to the closing date to consumers now receiving service from the system. In the event that this agreement is cancelled or terminated after the construction or installation by purchaser of any such equipment or facilities, purchaser may remove the same. Such removal shall be effected without damaging the system, and without unduly interfering with the rendition of service to consumers receiving service from the system.

SECTION 2.5. Non-competition. The sale and conveyance herein provided for shall include the exclusive right as between the parties hereto to serve consumers receiving service from the system at any time prior to the closing date. Seller shall discontinue the operation of the system on the closing date, and shall not thereafter, without purchaser's written permission, sell electric energy in the territory served by the system at any time prior to the closing date, or in the territory then served by purchaser, nor have any interest, directly or indirectly, in the business of distributing or selling electric energy within any part of said territories, so long as purchaser shall continue to serve consumers within said territories.

III

ADJUSTMENT OF THE BASE PRICE

The base price shall be subject to adjustment as provided in this article III. All such adjustments shall be made on the closing date on an exact basis so far as possible. To the extent that this is impossible, adjustments shall be made on the closing date on the basis of the most accurate estimates then available, and final adjust-

ment shall be made in each such case immediately upon ascertainment of

the necessary facts. Unless seller and purchaser shall otherwise agree, all adjustments shall be made, and purchaser shall take possession of the system, as of midnight of the closing date. Adjustments may be made either by separate payment, or by increase or reduction (as the case may be) in the base price, as purchaser may elect.

SECTION 3.1. Capital Additions. The base price shall be increased by an amount equal to the actual cost of all capital additions to the system made between the Adjustment Date and the closing date, provided that such capital additions are properly constructed and are reasonably necessary or helpful in connection with the operation of the system. Seller represents and covenants that it has heretofore notified purchaser in writing of all capital additions made to the system since the adjustment date, and that it will not, at any time after the execution of this agreement, make any capital addition to the system involving an expenditure of more than ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00), without the written consent of purchaser, unless required to do so by law, public authority or emergency.

Purchaser may elect to furnish any or all of the materials or supplies which seller would otherwise be required to purchase for capital additions, in which event the cost (defined for the purpose of this section 3.1 as actual delivered cost plus five per cent (5%) for purchasing overhead) of materials and supplies thus furnished by purchaser shall be deducted in making adjustment for such capital additions. In the event of cancellation or termination of this agreement, seller shall reimburse purchaser for the cost of such materials and supplies.

SECTION 3.2 Retirements, Loss and Damage. The base price shall be reduced by an amount equal to the depreciated replacement cost of any part of the system which has been or shall be retired from service lost or damaged between the Adjustment date and the closing date,

whether or not such property shall have been removed; and seller shall promptly notify purchaser with respect to each such retirement, loss or damage. Seller represents and covenants that it has heretofore notified the purchaser in writing of all retirements, losses and damage to the system since the adjustment date and covenants that it will not, at any time after the execution of this agreement, retire any part of the system, the book cost of which exceeds TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00), without the written consent of purchaser unless required to do so by law, public authority or emergency.

In the event that, prior to the closing date, the system is entirely or substantially destroyed, or seriously damaged, by any cause other than the fault of purchaser, either seller or purchaser may terminate this agreement forthwith by written notice to the other party without any further obligation or liability of either of the parties hereunder.

SECTION 3.3. Depreciation. Seller and purchaser shall use their best efforts to effect the closing by February 1st, 1960. In the event that the closing does not take place by said date, the base price, adjusted as provided for in the preceding sections of this article III, shall be decreased by an amount equal to three per cent (3%) per year of the base price, for the period between said date and the closing date, both inclusive.

SECTION 3.4. Taxes. Seller shall pay all taxes of every kind and nature on or relating to the system or the operation thereof, to and including the closing date, and shall also pay any and all transfer and other taxes which may accrue by reason of the conveyance of the system. Seller and purchaser shall prorate, as of the closing date, all property taxes on the system for the tax year in which the closing date occurs (such taxes being hereinafter called the "current taxes"),

so that seller shall bear 1/365 of the current taxes for each day of

such tax year to and including the closing date. The base price shall be reduced by an amount equal to seller's prorata share of the current taxes, which shall be paid by purchaser; or seller may pay said share of taxes direct, at seller's option. Seller and purchaser shall each indemnify the other and save the other unharmed against any liability with respect to its own share, as herein defined, of all taxes referred to in this section 3.4.

SECTION 3.5. Prepaid and Deferred Accounts. Seller and purchaser shall prorate, as of the closing date, any and all prepayments theretofore made by or to seller, and any and all deferred payments then due or to become due by or to seller, under any of the agreements, the obligations of which are to be assumed by purchaser pursuant to this agreement.

SECTION 3.6. Consumer's Deposits and Contributions. Seller shall deliver to purchaser, on or before the closing date, a complete list of all consumers' deposits and refundable contributions, together with accrued interest (if any), which, on the closing date, seller is obligated to refund to consumers then receiving service directly from the system. The base price shall be decreased by an amount equal to the aggregate amount shown on such list, and purchaser shall assume seller's liability with respect to refunding of such deposits and contributions provided, however, that the liability thus assumed by purchaser shall be limited to the persons shown on such list, and to the respective amounts shown thereon and applied against the base price.

SECTION 3.7. Seller shall comply with all requirements of the laws of the State in which the system is located, with respect to sales in bulk.

SECTION 3.8. Employment Security Account. On the closing date the seller shall assign and transfer to the purchaser, federal and State statutes, rules and regulations permitting all right, title and interest,

its account with the Employment Security Department.

SECTION 3.9. Unbilled Service. Electric service rendered seller to consumers served by the system, and remaining unbilled on the closing date, shall be billed by purchaser to the respective consumers thereof at seller's rates, and after deduction of any taxes applicable thereto, purchaser shall pay to seller ninety-five per cent (95%) of seller's prorata share of the amounts collected on such billings.

SECTION 3.10. Consumer and Merchandise Accounts Receivable. Save and except the accounts hereinbefore mentioned in Section 3.9, seller shall retain its consumer and merchandise accounts receivable.

IV

CONSENTS AND APPROVALS

SECTION 4.1. Conditions Precedent to Closing. The obligations of purchaser to purchase the system shall be conditioned upon;

(a) The obtaining by purchaser, within ninety (90) days after the date of execution of this agreement, of the written approval therefor by the Administrator;

(b) The obtaining by seller and purchaser of all authorizations, orders, consents, permits and approvals, to the extent required by law, from all federal, state and local authorities having jurisdiction in the premises, with respect to any of the acts or transactions provided for in this agreement;

(c) The obtaining by purchaser of all governmental licenses, franchises, certificates, privileges and permits, and all easements, crossing agreements, joint use, right-of-way and encroachment agreements not included in the conveyance herein provided for, but required by law, or reasonably necessary in connection with the operation by purchaser of all or any part of the system;

(d) The obtaining by purchaser of reasonable assurances that seller has title to, and power to sell and convey the system in accordance with the covenants and warranties set forth in Exhibit A;

(e) The obtaining by seller of proper and valid releases from all liens of any kind on or relating to the system or any part thereof; except lines for current taxes;

(f) The obtaining by purchaser of a loan from the Rural Electrification Administration, in an amount sufficient to finance the purchase of the system pursuant to this agreement;

All agreements, authorizations, orders, consents, privileges, permits, approvals, licenses, franchises, certificates and releases required pursuant to the provisions of this section 4.1 shall be reasonably satisfactory in form and substance to purchaser and to the Administrator.

SECTION 4.2. Petitions and Applications. Seller and purchaser, respectively shall promptly file or cause to be filed such requests, petitions and applications as may be necessary or proper to satisfy all requirements set forth in section 4.1 hereof, shall prosecute with diligence all such requests, petitions and applications and proceedings pursuant thereto to final conclusions, and shall render to each other all such assistance in connection therewith as seller or purchaser, as the case may be, may reasonably request.

SECTION 4.3. Failure to Satisfy Requirements. This agreement shall become binding upon the parties hereto immediately upon the execution hereof; provided, however, that notwithstanding anything herein contained, the closing shall not take place until all of the requirements set forth in Section 4.1 hereof are satisfied except to the extent that any of such requirements shall have been waived in writing by purchaser and by the Administrator. Subject to the provisions of this agreement (including, without limitation, the provisions of section 4.2), neither seller nor purchaser shall incur any liability hereunder by reason of failure or inability in good faith to satisfy any of such requirements.

V

Administrator shall be deemed to mean the Administrator of the Rural Electrification Administration, or his duly authorized representative, or any other person or authority in whom may be vested the duties and functions which such Administrator is now or may hereafter be authorized by law to perform.

SECTION 5.2. Uniform System of Accounts. Except to the extent that some other standard is expressly provided herein, accounting terms such as "capital Additions", "retirements", "book cost", "stores", "materials and supplies" and the like shall be interpreted in accordance with the standards set forth in the Uniform System of Accounts of the Federal Power Commission.

SECTION 5.3. Notices. All notices hereunder to seller shall be sufficient if sent by registered mail or telegram, addressed to

Mr. H. H. Casier, President
Wells Power Company
Wells, Nevada

All notices hereunder to purchaser shall be sufficient if sent by registered mail or telegram, addressed to

Mr. Robert R. Wright, President
Wells Rural Electric Company
Clover Route, Wells, Nevada

provided, however, that true and correct copies thereof are simultaneously sent by the same method to the Administrator, in care of the Rural Electrification Administration, U.S. Department of Agriculture, South Building, Washington 25, D.C.

Either party hereto may, by notice to the other party hereto, specify a different address for purposes of notification, and in each such case, all notices thereafter sent to such party shall be sufficient if sent to such address by the method prescribed above. All notices shall be deemed to have been given on the date of posting, if sent by mail, or of delivery to the sending office of the telegraph company, if sent by telegram.

SECTION 5.4. Successors and Assigns. This agreement and any ancillary agreements entered into pursuant hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, or of the successors and assigns of the parties to such ancillary agreements, as the case may be, and any reference to either party hereto shall be deemed to include all such successors and assigns. Purchaser agrees that it will cause any transferee of all or any part of the system to assume and be bound by all of the obligations imposed upon purchaser hereunder with respect to the properties acquired by such transferee.

SECTION 5.5. Descriptive Headings. The descriptive headings of the various articles and sections of this agreement were formulated and inserted for convenience only, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 5.6. Counterparts. This agreement may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Seller, and purchaser have caused this instrument to be signed, sealed and delivered by the respective duly authorized officers, all as of the day and year first above written.

SELLER: WELLS POWER COMPANY

BY _____
PRESIDENT

ATTEST:

SECRETARY

Executed by the Corporation in the presence of:

WITNESSES

**PURCHASER: WELLS RURAL ELECTRIC
COMPANY**

**BY _____
PRESIDENT**

ATTEST:

SECRETARY

**Executed by the Corporation in the
presence of:**

WITNESSES

**STATE OF NEVADA) ss.
COUNTY OF ELKO)**

On this _____ day of _____, A.D., 1959, personally
appeared before me, _____, a Notary Public,
in and for Elko County, Nevada, _____, known to me to
be the President of Wells Rural Electric Company, that executed the
foregoing instrument, and upon oath did depose that he is the officer of
Wells Rural Electric Company as above designated; that he is acquainted
with the seal of Wells Rural Electric Company that the seal affixed to
said instrument is the corporate seal of Wells Rural Electric Company;
that the signatures to said instrument were made by the officers of
Wells Rural Electric Company as indicated after their signatures; and
that Wells Rural Electric Company executed the said instrument freely
and voluntarily and for the uses and purposes therein mentioned.

**NOTARY PUBLIC In and for Elko
County, Nevada.**

" EXHIBIT A "

DEED

and

BILL OF SALE

made by

WELLS POWER COMPANY

to

WELLS RURAL ELECTRIC COMPANY

THIS DEED AND BILL OF SALE, made this _____ day of _____, 19___, by WELLS POWER COMPANY, a Corporation, duly created, organized and existing under and by virtue of the Laws of the State of Nevada, (hereinafter called the "Grantor"), to WELLS RURAL ELECTRIC COMPANY, a Corporation, duly created, organized and existing under and by virtue of the Laws of the State of Nevada, (hereinafter called the "Grantee").

WITNESSETH:

That the grantor, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable considerations paid to the grantor by the grantee, receipt whereof is hereby acknowledged, has granted, bargained, sold, conveyed, warranted, transferred, and assigned, and does by these presents, grant, bargain, sell, convey, warrant, transfer and assign to the grantee, its successors and assigns, the following described properties in the State of Nevada, together with all the rights, interests, privileges, appurtenances and facilities to said properties in anywise appertaining or belonging (all of the properties, rights, privileges, appurtenances and facilities mentioned, described or referred to in this Deed and Bill of Sale as being included in this sale and conveyance, being hereinafter collectively called the "System"), to-wit:

I

All electric transmission and distribution lines and facilities and appurtenances thereto, owned or operated by the grantor, or under its direction, in Elko County, State of Nevada, including, without limitation, the following:

- (1) Approximately 32 miles of 7200 volt distribution/transmission line in the County of Elko, beginning at Wells, Nevada, and proceeding in a westerly direction through Starr Valley, Nevada, to Deeth, Nevada;
- (2) Approximately 21.5 miles of 7200 volt distribution/transmission line in the County of Elko, beginning

at Wells, Nevada, and proceeding in an Easterly direction to Pequop, Nevada;

- (3) Approximately 3 miles of 7200 volt distribution/ transmission line in the County of Elko, beginning at Wells, Nevada, and proceeding in a Northerly direction; and
- (4) Distribution/ transmission lines throughout the City of Wells, Nevada, and from the City of Wells to the hydro-electric plant in Starr Valley, Nevada; and

II

All substations, extensions, taps, laterals, underbuild and service and connecting lines, and all poles, posts, crossarms, wires, cables, conduits, mains, pipes, tubes, transformers, insulators, meters, switches, meter bases, electrical connections, lamps, fuses, junction boxes, fixtures, appliances, street lighting, equipment, machinery, tools, hardware and other equipment which are incorporated in or attached or connected to any of the electric lines or facilities included in the System, and owned by grantor, all of which shall be deemed to be a part thereof; and

III

All stores, materials, supplies, tools, machinery, motor vehicles, office equipment, and other facilities and equipment used, useful, held for use or acquired in connection with any part of the system hereinabove or hereinafter described or referred to, including, without limitation, the following:

- 1 - 1952 Ford Truck, Motor No. F4R2KC24285; and
- 1 - 1957 Pontiac Sedan, Motor No. K757H67577; and

IV

All Leases, easements, rights of way, rights of ingress and egress and other interests in land, and all contracts and privileges granted to or owned or held by the grantor, giving to or vesting in the grantor the right (inchoate or complete), license or privilege to construct, operate or maintain upon lands owned or held by others any

of the physical properties included in the system; including, without limitation the land uses, water, water uses, and other rights used in connection with the hydro electric plant; and

V

All agreements and contracts granting privileges for railroad, power line, telephone or telegraph line crossings or parallels, and all joint use or occupancy of poles, right-of-way and encroachment agreements granted to or owned or held by the grantor with respect to any of the physical properties included in the system; and

VI

All licenses, franchises, ordinances, authorizations, privileges and permits owned or held by the grantor, or heretofore granted, issued or executed to the grantor or its assignors by United States of America, or by the State of Nevada, or by any county, municipality, township or other political subdivision thereof, or by any agency, board, commission or department of any of the foregoing, authorizing the construction, operation or maintenance of any of the physical properties included in the system, in so far as such licenses, franchises, ordinances, authorizations, privileges and permits, permit of such conveyance or assignment, including, without limitation, the following:

- (1). License, authorization, privilege and permits represented by License No. 738 issued by the Federal Power Commission designated as Contract No. 738, Project No. 848; and
- (2) Franchise, authorization, privileges and permits granted under and by virtue of Chapter 207 of 1953 Statutes of Nevada; and

VII

All existing contracts relating to the purchase or sale of electric energy by the grantor from, through or for any of the electric lines or facilities included in the system; and

VIII

All books, records, contracts, abstracts, deeds, maps, drawings, charts, tracings, blueprints, diagrams, engineering and accounting data, correspondence and memoranda, books and periodicals, and bookkeeping systems and equipment relating wholly or in part to any part of the system hereinabove or hereinafter described or referred to, excepting only the grantor's minute books, investment records, stock certificate books, stock transfer books, voucher registers, vouchers, general ledgers, and documents relating exclusively thereto; and

IX

All leases, easements, privileges, rights-of-way and other interests in land (including, without limitation, the right to cut and trim trees and shrubbery), in respect of land owned or held by the grantor, to the extent necessary to give or vest in the grantee the right, license or privilege to operate and maintain upon such lands owned or held by the grantor, and in or upon all streets, roads and highways abutting such lands, any part of the electric lines or facilities presently owned or operated by the grantee, or included in the system; and

X

All materials, merchandise, appliances, supplies and equipment acquired or held by the grantor for sale in connection with the operation of the system; and

XI

All electric generating plants owned or operated by the grantor in the County of Elko, including, without limitation, the following:

- 1 - Worthington 500KW;
- 2 - Caterpillars 314 KW (each);
- 1 - Caterpillar 90 KW;
- 3 - Caterpillar 90 KW (each) (in storage);
- 1 - Hydro 120 KW;

also including all buildings, structures, generators, dynamos, boilers,

engines, motors, switchboards, switchracks, and other generating facilities, and all supplies and equipment, fixtures, tools, machines and appliances, and lands, easements, leases, rights-of-way, rights of ingress and egress, water and flowage rights, including, without limitation, the following:

- (1) Water rights in and to Trout Creek, as represented by Permit No. 7038, Certificate No. 2132 issued by the office of the State Engineer, State of Nevada; and
- (2) All of grantors right, title and interest in and to Applications Nos. 12719, 12720, and 12721 on file in the office of the State Engineer, State of Nevada;

and other rights and interests in land used, useful, held for use or acquired in connection with any of such generating plants, and

XII

All tracts of land owned by the grantor in the County of Elko, including, without limitation, the following:

PARCEL ONE

A parcel of land located in the City of Wells, County of Elko, State of Nevada, more particularly described as follows, to-wit:

Beginning at street line of Pacific One about forty (40) feet north of 1/4 corner common to Sections four (4) and nine (9), running thence north to where this line intersects the extended alley line through Block number seventeen (17), thence easterly to I Street, thence along I Street to intersection with Pacific Avenue, thence along Pacific Avenue to the starting point;

Lots One (1) and Two (2) of Block P of the City of Wells, as plotted or delineated on the official map or plat thereof on file in the office of the County Recorder, Elko County, Nevada;

Together with the tenements, hereditaments and appurtenances thereunto belonging, or otherwise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

together with all buildings, structures and improvements erected or constructed on any of such tracts of land, including, without limitation,

the generating plants described in Paragraph XI above, and also including all appurtenances and facilities, supplies and equipment, machinery, tools and appliances, and all leases, easements, rights-of-way, rights of ingress and egress, and other rights and interests in land located in or on, or used, useful, held for use or acquired in connection with any of such tracts of land.

TO HAVE AND TO HOLD the system and every part thereof, whether real, personal or mixed, and whether tangible or intangible, to the grantee, its successors and assigns forever.

The grantor, for itself, its successors and assigns, covenants with the grantee and the grantee's successors and assigns in respect of the system, as follows:

(a) That the grantor has title to the system in fee simple, and is the lawful owner and possessor of the system, and every part thereof;

(b) That the system, and every part thereof, is free and clear of all liens and encumbrances of any nature whatever, except taxes not yet due;

(c) That the grantor has good and lawful right to grant, bargain, sell, convey, warrant, transfer, and assign the same;

(d) That except in respect of easements and rights-of-way along and over private properties, the grantor will forever warrant and defend the system and every part thereof, and the title thereto, against the lawful claims and demands of all persons whomsoever;

(e) That in respect of easements and rights-of-way along and over private properties, the grantor will forever warrant and defend such easements and rights-of-way and title thereto against the lawful claims and demands of all persons claiming by, through or under the grantor;

(f) That all acts, conditions and things required by law

to exist, happen or be performed precedent to the execution and delivery of this Deed and Bill of Sale, have happened or have been performed in due time, form and manner as required by law; and

(g) That except in respect of easements and rights-of-way along and over private properties the interests in land, contracts, and other rights, privileges, and permits described or referred to in paragraphs IV, V and VI hereof are reasonably adequate to permit the continued and lawful operation of the physical properties included in the system, at the respective locations and in the manner in which such properties are now being operated.

All covenants, stipulations, promises, undertakings, agreements and warranties herein contained by or on behalf of the grantor shall bind the grantor, and its successor and assigns, whether so specified or not.

The grantor agrees to make, execute, acknowledge and deliver or cause to be made, executed, acknowledged, and delivered all such further instruments and conveyances, and to take or cause to be taken all such further action as may reasonably be requested by the grantees to effectuate the intention of these presents.

This Deed and Bill of Sale may be simultaneously executed in any number of counterparts, and all of said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the grantor has caused this instrument to be signed in its name, and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all on the day and year first above written.

WELLS POWER COMPANY,
A Corporation

BY _____

PRESIDENT

ATTEST:

SECRETARY

**EXECUTED BY THE CORPORATION IN THE
PRESENCE OF:**

WITNESSES

STATE OF NEVADA)
) SS.
COUNTY OF ELKO)

On this _____ day of _____, A.D., 19____, personally
appeared before me, _____ a Notary Public, in and
for Elko County, Nevada, _____, known to me to
be the President of WELLS POWER COMPANY, that executed the foregoing
instrument, and upon oath did depose that he is the officers of WELLS
POWER COMPANY as above designated; that he is acquainted with the seal
of WELLS POWER COMPANY that the seal affixed to said instrument is the
corporate seal of WELLS POWER COMPANY; that the signatures to said
instrument were made by the officers of WELLS POWER COMPANY as indicated
after their signatures; and that WELLS POWER COMPANY executed the said
instrument freely and voluntarily and for the uses and purposes therein
mentioned.

**NOTARY PUBLIC in and for Elko
County, State of Nevada.**