

RESOLUTION

2013-03

WHEREAS, on February 13, 2013, the Board of Directors of La Plata Electric Association (“LPEA”) held its regular monthly meeting of the Board of Directors, duly called at which a quorum was present and voting.

WHEREAS, on February 13, 2013, Western Energy Services of Durango, Inc. (“WESODI”) verbally requested a loan, in the form of a line of credit, from La Plata Electric Association (the “Loan”);

WHEREAS, on February 13, 2013, the Board of Directors of La Plata Electric Association received, in executive session, advice: (a) from Laura Hokanson, CPA with FrederickZink & Associates, PC regarding the finances of WESODI; and (b) from Ann Bruzzese of Crane, Leake, Ehlers, Bruzzese, & Ehlers, PC regarding the Loan;

WHEREAS following full discussion and upon motion duly made, seconded and unanimously approved, it was:

RESOLVED that the Board of Directors of La Plata Electric Association, Inc. resolves that its CEO, Greg Munro, is authorized to negotiate and execute, on behalf of LPEA and with advice of legal counsel, the following:

1. A loan agreement for a loan together with covenants for weekly reporting of finances to the WESODI Board, with copy to LPEA, regarding various matters related to cash flow, accounts receivable, accounts payable, and report of funds requested by WESODI from the line of credit to pay WESODI expenses;
2. A promissory note for a line of credit in an amount not to exceed \$750,000;
3. Security for the promissory note in the form of a deed of trust on real property of WESODI and security agreements for UCC liens on personal property collateral held by WESODI and its subsidiary, BWR.

FURTHER RESOLVED, that the Board of Directors of La Plata Electric Association, Inc. resolves that its CEO, Greg Munro, is authorized to take such other related actions as necessary to accomplish all of the foregoing.

I, Ken Fox, Secretary of La Plata Electric Association, Inc., do hereby certify that the above is true and correct copy of a resolution adopted by the Board of Directors of La Plata Electric Association, Inc., at a regular meeting held in Durango, Colorado, on February 13, 2013, at which meeting a quorum of directors was present and voting.



Ken Fox, Secretary

Dated at Durango, Colorado this 13th day of February 2013