HORSE BUTTE WIND PROJECT
POWER SALES CONTRACT

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

{PARTICIPANT}

DATED AS OF AUGUST 1, 2010
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HORSE BUTTE WIND PROJECT  
POWER SALES CONTRACT

This HORSE BUTTE WIND PROJECT POWER SALES CONTRACT made and entered into as of August 1, 2010, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah and ________________, a ____________________, organized under the laws of the State of ____________.

RECITALS:

WHEREAS, UAMPS was organized by the Members under the Act and the Joint Action Agreement as a separate legal entity to accomplish the Members’ joint and cooperative action, including securing power supply and transmission resources for the Members’ present and future needs;

WHEREAS, UAMPS is organized as an energy services interlocal entity under the Act with the power, among other things, to (i) acquire supplies of electric power and energy by the acquisition or construction of electric generation and transmission facilities or by contracting for the purchase of electric power and energy and (ii) enter into contracts for the sale of the output, services and other benefits provided by such facilities or contracts to public agencies and others inside or outside the State of Utah;

WHEREAS, the Municipal Electric Utility Carbon Emission Reduction Act, Title 10, Chapter 19, Utah Code Annotated 1953, as amended, requires municipal electric utilities in Utah to use electricity from renewable energy sources to serve at least twenty percent of their retail loads by 2025 (subject to a determination of cost effectiveness and other conditions), and municipal utilities in other states are subject to similar or more stringent requirements;

WHEREAS, UAMPS has examined the feasibility of a renewable energy project to be known as the “Horse Butte Wind Project,” a wind-powered electric generating project to be located in Bonneville County, Idaho;

WHEREAS, Project Company has been organized for the purpose of acquiring, constructing, owning, operating and selling the output of the Facility, and proposes to enter into the Development Agreement and the Power Purchase Agreement with UAMPS;

WHEREAS, pursuant to the Development Agreement, Project Company will appoint UAMPS as its agent for purposes of developing, acquiring and constructing the Facility and arranging financing for the development, acquisition and construction costs of the Facility and UAMPS will take all other actions necessary to prepare the Facility for commercial operation and to vest in Project Company title to all of the assets comprising the Facility;

* Capitalized terms used and not defined in the recitals have the meanings assigned to them in Section 1.
WHEREAS, pursuant to the Development Agreement and in order to facilitate the timely and cost-effective construction of the Project, UAMPS (i) will agree to be primarily liable for the repayment of all amounts borrowed under the Construction Loan Agreement, together with the interest thereon and other amounts due thereunder and (ii) may co-sign, or otherwise obligate itself for the payments due under, the Construction Agreements for the initial acquisition and construction of the Facility;

WHEREAS, pursuant to the Power Purchase Agreement, Project Company will agree to sell and UAMPS will agree to purchase all of the Electric Power, Electric Energy and Environmental Attributes from the Facility, and UAMPS will have an option to purchase the Facility at the times and upon the terms set forth therein;

WHEREAS, UAMPS will sell Electric Power, Electric Energy and Environmental Attributes from the Project to the Participant pursuant to this Contract and to the other Participants pursuant to the other Power Sales Contracts;

WHEREAS, UAMPS will issue Bonds to finance the Prepayment required under the Power Purchase Agreement and may issue Additional Bonds to finance the Cost of the Project, with all such Bonds being special and limited obligations of UAMPS, payable solely from a pledge of the revenues derived by UAMPS from the payments to be made by the Participants under the Power Sales Contracts and other amounts pledged pursuant to the Financing Documents;

WHEREAS, the Participant desires to enter into this Contract in order to obtain a long-term, cost-based supply of Electric Power, Electric Energy and Environmental Attributes by the acquisition of an Entitlement Share pursuant to the terms and conditions of this Contract; and

WHEREAS, UAMPS and the Participant are duly authorized under applicable provisions of law, to execute, deliver and perform this Contract and their respective governing bodies have taken all necessary actions and all Required Approvals have been obtained in order to constitute this Contract as the legal, valid and binding obligation of the parties.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties to this Contract as follows:

Section 1. Definitions and Rules of Construction. (a) As used in this Contract and in the recitals set out above:

“Acquisition Date” means the date of the acquisition of the Facility by UAMPS if (i) it elects to exercise its purchase option under the Power Purchase Agreement or (ii) it otherwise acquires ownership of the Facility.

“Act” means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and other applicable provisions of law.
“Additional Bonds” means additional Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 16.

“Additional Facilities” means capital additions, betterments and replacements and other capital items, including electric transmission facilities and other facilities, improvements and properties directly and functionally related to the Facility that may be undertaken and owned by UAMPS. Any additions and improvements to the Facility that may be undertaken by Project Company prior to the Acquisition Date shall not constitute Additional Facilities, but shall be addressed under the provisions of the Power Purchase Agreement. Additional generating facilities located at the Facility site shall not be undertaken as Additional Facilities but may be undertaken as a separate phase of the Project as provided in Section 4(g).

“Annual Budget” means the budget adopted by UAMPS for each Contract Year pursuant to the provisions of Section 14.

“Authorized Officer of UAMPS” means the Chairman or Vice-Chairman of the Board, or the Secretary, Treasurer, General Manager, or other officer or employee of UAMPS authorized or having delegated authority to perform specific acts or duties under the Power Sales Contracts by resolution duly adopted by the Board.

“Billing Period” means such period of time as shall be established from time to time by UAMPS for the preparation, calculation and billing of the amounts payable by the Participant hereunder.

“Board” means the Board of Directors of UAMPS or such other governing body of UAMPS as may be established from time to time pursuant to the Joint Action Agreement and the Act.

“Bond Counsel” means a firm of attorneys of recognized standing in matters relating to the tax status of municipal bonds, experienced in matters relating to public power systems and selected by UAMPS.

“Bond Fund” means the Bond Fund created by the Financing Documents, consisting of a Debt Service Account, a Debt Service Reserve Account and a Capitalized Interest Account.

“Bonds” means (i) bonds, notes and other obligations issued from time to time by UAMPS pursuant to the Financing Documents to finance all or any part of the Cost of the Project, (ii) the payment obligations of UAMPS under the Construction Loan Agreement whether or not evidenced by bonds or notes of UAMPS and (iii) any Additional Bonds and Refunding Bonds.

“BPA” means the Bonneville Power Administration of the United States Department of Energy.
“Capital Contribution” means a payment made to UAMPS by the Participant pursuant to Section 6 in an amount equal to the product of Participant’s Entitlement Share and the Prepayment Amount or in such lesser amount as may be permitted pursuant to Section 6(a).

“Capital Contribution Percentage” means with respect to each series of Bonds, a percentage determined by UAMPS obtained by dividing (i) the dollar amount of the Capital Contribution made by the Participant, by (ii) the Prepayment Amount, all as more fully provided in Section 6.

“Code” means the Internal Revenue Code of 1986, as amended. References to herein to the Code are deemed to include the applicable U.S. Treasury Regulations thereunder.

“Commercial Operation Date” (i) with respect to the Facility, has the meaning assigned to such term in the Power Purchase Agreement and (ii) with respect to any Additional Facilities, means the date on which such Additional Facilities are capable of continuous firm operation, as determined under the applicable Construction Agreements.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any action required to be made, attempted or taken by a party under this Contract or one of the Project Agreements, such efforts as a reasonably prudent business would undertake, consistent with Prudent Utility Practice, for the protection of its own interest under the conditions affecting such action, including without limitation, the amount of notice of the need to take such action, the duration and type of the action, the competitive environment in which such action occurs, the terms and provisions of the Project Agreements and the Financing Documents, the contractual and legal obligations of, and the risk to, such party in connection with such action.

“Construction Agreements” means each contract or agreement providing for the acquisition or construction of any part of the Facility, including each turbine supply agreement, balance-of-plant contract and construction contract, and each contract providing for the acquisition and construction of any Additional Facilities.

“Construction Loan Agreement” means the agreement among Project Company, UAMPS and the lender providing financing for the Cost of the initial acquisition and construction of the Facility.

“Contract” means this Horse Butte Wind Project Power Sales Contract dated as of August 1, 2010 between UAMPS and the Participant and any amendments permitted pursuant to Section 31.

“Contract Resolution” means the resolution of the Participant’s governing body approving and authorizing the execution of this Contract, in substantially the form attached to EXHIBIT III.

“Contract Year” means the Fiscal Year, except that the first Contract Year shall begin on the Effective Date and shall end on the last day of the then-current Fiscal Year. In the event that
UAMPS changes its Fiscal Year for accounting purposes, Contract Year shall, without further action, be amended to conform to such Fiscal Year.

“Cost of the Project,” “Cost of Additional Facilities” or “Cost” means all costs and expenses paid or incurred by UAMPS in connection with the Facility, the Additional Facilities or the Project (as the context requires), whether prior or subsequent to the Effective Date, including but not limited to all costs and expenses incurred by UAMPS in its investigation, negotiation and review of the Project and the Project Agreements and all expenses preliminary and incidental thereto. Cost includes all costs incurred by UAMPS in providing development services under the Development Agreement in connection with the planning, designing, acquisition and construction of the Facility which costs are not otherwise reimbursed by Project Company, and the amounts payable by UAMPS under the Construction Loan Agreement and the Construction Agreements. Cost includes the cost of planning, designing, acquiring, constructing and placing in operation Additional Facilities. As and to the extent properly allocable to the Project at any time, “Cost” also includes, but is not limited to, the following:

1. payments to UAMPS or any Participant to reimburse advances and payments made or incurred for costs preliminary or incidental to the development, acquisition or construction of the Facility or any Additional Facilities;

2. the Prepayment Amount payable by UAMPS pursuant to the Power Purchase Agreement;

3. planning and development costs; engineering and contractors’ fees; fiduciaries’, auditors’ and accountants’ fees; costs of obtaining all Permits and Approvals; the cost of real property, labor, materials, equipment, supplies, training and testing costs; insurance premiums; legal, financial advisory, financing and Bond issuance costs; amounts payable under the Project Agreements during or in connection with the acquisition or construction of the Facility or any Additional Facilities; administrative and general costs; and all other costs properly allocable to the acquisition or construction of the Facility or any Additional Facilities or placing the same in operation;

4. interest on Bonds for such period as may be reasonably necessary for placing the Facility or any Additional Facilities in operation in accordance with the provisions of the Financing Documents;

5. the payment of principal or redemption price of and interest on any Bonds issued as bond anticipation notes;

6. working capital and reserve requirements of the Project, including, without limitation, amounts for deposit into the Reserve and Contingency Fund and those items set forth in the definition of Power Supply Costs;

7. deposits into the Bond Fund and any other fund or account required to be funded by the Financing Documents;
(8) all costs relating to litigation, claims or judgments not otherwise covered by insurance and arising out of the acquisition, construction or operation of the Project or otherwise related to the Project, the Project Agreements, the Power Sales Contracts or the transactions contemplated thereby;

(9) federal, state and local taxes or payments in lieu of such taxes relating to the Project and incurred during the period of the acquisition or construction thereof;

(10) the cost of acquiring the Facility upon UAMPS’ election to exercise its purchase option under the Power Purchase Agreement; and

(11) all other costs incurred by UAMPS, and properly allocable to the acquisition and construction of the Project, including all costs financed by the issuance of Additional Bonds.

“Debt Service Costs” means, for each Billing Period of each Contract Year, an amount equal to the sum of:

(1) the interest accruing on Bonds during such Billing Period, calculated (or estimated) in accordance with the Financing Documents, except to the extent that amounts are on deposit under the Financing Documents to pay such interest, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the interest payments on the Bonds;

(2) the portion of the next due principal installment accruing on Bonds during such Billing Period, calculated in accordance with the Financing Documents, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the principal payments on the Bonds;

(3) the amounts payable during such Billing Period under any Interest Rate Contract;

(4) any amounts required by the Financing Documents to be deposited into the Bond Fund to provide or replenish debt service reserve requirements for Bonds;

(5) the accruing principal of and interest on any obligations subordinate to the Bonds issued by UAMPS pursuant to the Financing Documents and amounts necessary to provide or replenish any necessary reserves in connection with such obligations;

(6) Trustee, paying agent, escrow agent and other fiduciaries’ fees and expenses payable under the Financing Documents; fees and expenses of remarketing agents, broker-dealers, auction agents and others providing services with respect to Bonds; and
(7) the amounts required to be paid to maintain any credit or liquidity facilities for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds.

provided, however, that the additional interest expense on or in respect of any Bonds or subordinate obligations that are subject to federal income taxation (and not eligible for tax credits or interest subsidy payments) may, as determined by the Project Management Committee pursuant to Section 5(b), be allocated to those Participants whose legal status or use of the Project Capability or the Project Output adversely affects the Tax Status of such Bonds. In the event of such allocation, the Debt Service Costs payable by such Participants shall be increased to include amounts sufficient to pay any such additional interest expense.

“Debt Service Percentage” means, with respect to each Participant and as of any date of determination, the percentage obtained by subtracting the Participant’s Capital Contribution Percentage from the Participant’s Entitlement Share. The Participant’s initial Debt Service Percentage is set forth on SCHEDULE I.

“Debt Service Share” means, with respect to each Participant and as of any date of determination, the percentage of Debt Service Costs payable by the Participant, determined by dividing the Participant’s Debt Service Percentage (expressed as a decimal) by the sum (expressed as a decimal) of the Debt Service Percentages of all Participants, including the Participant whose Debt Service Share is being determined. The Participant’s initial Debt Service Share is set forth on SCHEDULE I.

“Development Agreement” means the Horse Butte Wind Project Development Agreement between UAMPS and Project Company.

“Effective Date” means the date on which (i) this Contract has been executed and delivered by UAMPS and the Participant and all Required Approvals have been obtained and (ii) all of the Power Sales Contracts have become effective in accordance with the provisions of Section 2(a).

“Electric Power” means electric power expressed in kilowatts (kW).

“Electric Energy” means electric energy expressed in kilowatt-hours (kWh).

“Environmental Attributes” (i) from the Effective Date to the Acquisition Date, has the meaning assigned to such term in the Power Purchase Agreement, and (ii) from and after the Acquisition Date, means all environmental and renewable energy allowances, benefits, certificates, credits, offsets or reductions resulting from the generation of renewable energy and the resulting displacement of conventional energy generation. Environmental Attributes include avoided emissions of carbon dioxide, methane, sulfur oxides, nitrogen oxides, carbon monoxide, particulate matter or any other gas recognized as a greenhouse gas or gas, solid or liquid recognized as a source of air, water or soil pollution. Units of Environmental Attributes shall be allocated to units of generation from the Project, as determined by the Project Management Committee. Environmental Attributes do not include any tax credits, depreciation or other
deductions, or cash grants available under state or federal law to Project Company or any other owner of the Facility.

“Entitlement Share” means the Participant’s entitlement (expressed as a percentage) to a portion of Project Capability and Environmental Attributes as set forth on SCHEDULE I, as the same may be adjusted pursuant to Section 18 or Section 23.

“Facility” means the real and personal property, facilities, structures, improvements and equipment comprising the wind energy generating facility known as the “Horse Butte Wind Project” and owned by Project Company on the Commercial Operation Date. A description of the Facility is attached as EXHIBIT I to this Contract.

“Financing Documents” means the bond resolution, indenture, trust agreement or other instrument or instruments providing for the issuance of and the security for Bonds and all amendments thereof and supplements thereto.

“Fiscal Year” means the annual accounting period of UAMPS as from time to time in effect, initially a period commencing on April 1, of each calendar year and ending on March 31 of the next succeeding calendar year.

“Interconnection Agreement” means the Large Generator Interconnection Agreement providing for the interconnection of the Facility with the transmission facilities of BPA and all supplements and amendments thereto, together with any successor or replacement agreement providing for the interconnection of the Facility with the transmission grid.

“Interest Rate Contract” means an International Swap Dealers Association, Inc. (ISDA) Master Agreement, together with the schedules and confirmations thereto, or any comparable successor agreement entered into by UAMPS with respect to Bonds pursuant to the provisions of the State Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended.


“Members” means, collectively, the parties to the Joint Action Agreement.

“Month” means a calendar month.

“Operating Agreement” means any agreement providing for the operation and maintenance of all or any portion of the Facility or any Additional Facilities.

“Participant” means the second party named in the preamble of this Contract and its permitted successors and assigns hereunder.

“Participants” means the Participant and the other entities named on SCHEDULE I.
“Participant’s Representative” means (i) the officer, employee or other agent of the Participant designated from time to time by the Participant as the Representative of the Participant for purposes of the Joint Action Agreement, to whom all notices and other communications to be given by UAMPS to the Participant hereunder shall be sent or (ii) in the event that the individual appointed as the Participant’s Representative is unavailable to act on behalf of the Participant, the individual duly appointed or designated by the Participant as its alternate Representative pursuant to the Joint Action Agreement.

“Permits and Approvals” means all certificates, permits, licenses, approvals, rulings, orders or other authorizations from any federal, state or local governmental body, board or agency having jurisdiction over UAMPS, the Project or both that are required to be obtained or maintained in connection with the acquisition, construction, operation, maintenance or repair of the Project or any component thereof.

“Permitted Contract” means (i) a contract with a term (including all renewal options) not longer than three years and (ii) requirements-type contracts, other than requirements contracts providing for electricity sales at wholesale, with retail consumers or other end users of electricity.

“Point of Delivery” means (i) initially, the “Point of Delivery” specified in the Power Purchase Agreement, and (ii) from and after the Acquisition Date, the point or points of physical interconnection of the Facility with the electric transmission grid, as determined pursuant to the Interconnection Agreement.

“Pooling Agreement” means, collectively, the Power Pooling Agreements between UAMPS and the Members and certain other entities providing for the establishment and operation of the UAMPS Pool and related matters, including all supplements and appendices thereto.

“Power Purchase Agreement” means the Power Purchase Agreement providing for the purchase and sale of all of the Electric Energy generated by the Project between Project Company, as seller, and UAMPS, as buyer.

“Power Sales Contracts” means all of the Horse Butte Wind Project Power Sales Contracts dated as of August 1, 2010 between UAMPS and the Participants (including this Contract between UAMPS and the Participant), all of which are uniform in all material respects in their term, conditions and provisions, with the exception of the Entitlement Share, the Capital Contribution Percentage, the Debt Service Percentage and the Debt Service Share for each of the Participants and the other matters set forth in the Exhibits attached hereto.

“Power Supply Costs” means, with respect to each Billing Period, all costs and expenses (other than Transmission Costs and Debt Service Costs) attributable to the Project that are paid, payable, incurred or accrued by UAMPS during each Billing Period resulting from the ownership, operation, maintenance, decommissioning and termination of, and repairs, renewals, replacements, additions, improvements, and betterments and modifications to, the Project, including amounts payable by UAMPS under the Project Agreements.
Without limiting the generality of the foregoing (it being the intention and understanding of UAMPS and the Participants that “Power Supply Costs” shall include all of UAMPS costs with respect to the Project (other than Transmission Costs and Debt Service Costs):

(a) from the Commercial Operation Date to any Acquisition Date, it is expected that Power Supply Costs will consist primarily of the amounts payable by UAMPS under the Power Purchase Agreement (including the cost of “Additional Energy,” as defined therein, but excluding the Prepayment) and under the other agreements described in clause (i) of the definition of “Project Agreements”;

(b) from and after any Acquisition Date, it is expected that Power Supply Costs will consist primarily of the amounts payable by UAMPS under the agreements described in clause (ii) of the definition of “Project Agreements” and the following items of cost:

(1) the costs of operating and maintaining the Facility and any Additional Facilities and of producing and delivering Electric Power and Electric Energy to the Point of Delivery during such Billing Period, including the operation and maintenance expenses of the Project, fees, expenses, incentives and other amounts payable under any Operating Agreement;

(2) any amount which UAMPS may be required during such Billing Period to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, modifications and betterments which arise out of or are required by the Project Agreements for which UAMPS shall be obligated, and amounts necessary to fund or replenish reserves therefor, but only to the extent not funded by Bonds or Capital Contributions;

(3) legally required federal, state and local taxes, including gross receipts taxes and ad valorem taxes or payments in lieu of ad valorem taxes, in each case related to the Project;

(4) the Cost of Additional Facilities, but only to the extent not paid or financed as part of the Cost of the Project; and

(5) the costs of, or reserves for the costs of, decommissioning or removing from service all or any part of the Project; and

(c) at all times, Power Supply Costs will include the following items of cost:

(1) the portion of UAMPS’ administrative and general expenses allocable or directly charged to the Project, working capital and reserves for the payment of operation and maintenance expenses, and all other costs and expenses (but excluding depreciation) not included in the costs specified in the other items of this definition and properly chargeable to the Project;
(2) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 19;

(3) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Project, the Project Agreements, the Power Sales Contracts and the interests and transactions contemplated by the Project Agreements and the Power Sales Contracts, and the costs of technical and advisory services, of all Permits and Approvals and of certifying, qualifying or registering the Environmental Attributes associated with the Project, all to the extent allocable to the Project; and

(4) costs imposed upon the Project by an independent system operator, regional transmission organization or similar entity, costs of ancillary services and other operational costs necessary to comply with reliability requirements.

“Prepayment” means the lump sum advance payment to be made by UAMPS under the Power Purchase Agreement on the Commercial Operation Date of the Facility for a specified quantity of Electric Energy.

“Prepayment Amount” means the dollar amount of the Prepayment with such adjustments as may be approved by the Project Management Committee.

“Project” means the Horse Butte Wind Project undertaken by UAMPS for the use and benefit of the Participants as provided in the Power Sales Contracts. Until the occurrence of the Acquisition Date, the Project shall consist of UAMPS’ rights, interests, obligations and liabilities under the contractual arrangements described in clause (i) of the definition of “Project Agreements,” including particularly the right to purchase and the obligation to pay for all of the Project Capability pursuant to the Power Purchase Agreement. From and after the Acquisition Date, the Project shall consist of the acquisition, ownership and operation of the Facility by UAMPS, the rights, interests, obligations and liabilities of UAMPS under the contractual arrangements described in clause (ii) of the definition of “Project Agreements” and the acquisition, construction, improvement and equipping of any Additional Facilities. This definition may be amended by UAMPS as provided in Section 4(c).

“Project Agreements” means (i) prior to the Acquisition Date, the Development Agreement, the Construction Agreements (to the extent UAMPS is a party thereto), the Construction Loan Agreement, the Power Purchase Agreement, the Security Agreement and the Transmission Agreements, and (ii) from and after the Acquisition Date, any Construction Agreements, any Operating Agreement, the Interconnection Agreement and the Transmission Agreements. This definition may be amended by UAMPS as provided in Section 4(c).

“Project Capability” means (i) prior to the Acquisition Date, all of UAMPS’ right under the Power Purchase Agreement to the Electric Power and associated Electric Energy from the Facility, and (ii) from and after the Acquisition Date, the Electric Power and associated Electric Energy that the Facility and any Additional Facilities are capable of producing. The Project Capability initially available to UAMPS will be the aggregate nameplate rating of the generating
units included in the Facility, which is expected to equal the amount of Electric Power shown on SCHEDULE I, and associated Electric Energy.

“Project Company” means Horse Butte Wind I LLC, an Idaho limited liability company.

“Project Management Committee” means the committee of the Participants initially established under Section 7.

“Project Output” means the amount of Electric Power and Electric Energy, if any, which is generated by the Facility or available under the Project Agreements in any particular hour.

“Prudent Utility Practice” means, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry with respect to wind powered electric generating facilities at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts, having due regard for manufacturers’ warranties and the jurisdiction.

“Qualified Use” means the sale of electricity to retail customers located within the established service area of a municipal utility pursuant to generally applicable and uniformly applied rate schedules or tariffs; provided that Qualified Use shall not include any sale of electricity that gives rise to “private business use” or a “private loan” within the meaning of Section 141 of the Code; and provided further that “Qualified Use” shall include such additional uses of electricity as may be approved by UAMPS with a favorable opinion of Bond Counsel. For purposes of this definition: (i) the established service area of a utility consists of any area that is a “qualified service area” within the meaning of Section 141(d) of the Code and an “electricity service area” within the meaning of U.S. Treasury Regulation Section 1.148-1(e)(2)(iii); and (ii) a municipal utility is a state or local government unit that owns and operates an electric distribution utility. {This definition is removed for electrical cooperative Participants.}

“Refunding Bonds” means refunding Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 16.

“Required Approvals” means all governmental, regulatory and lender approvals, consents and authorizations required or necessary for (i) the execution, delivery and performance of this Contract (or any amendment hereto) by the Participant and (ii) this Contract (or any amendment hereto) to be the legal, valid and binding obligation of the Participant; provided, however, that “Required Approvals” does not include approval by the Participant’s governing board or body.

“Reserve and Contingency Fund” means the fund, if any, established pursuant to Section 19.
“Security Agreement” means the Security Agreement from Project Company to secure the performance of its obligations to UAMPS under the Power Purchase Agreement.

“System Point of Receipt” means (i) the point(s) of interconnection between the Participant’s electric utility system and the transmission facilities of the applicable control area utility or (ii) such other point(s) for the receipt by the Participant of Electric Energy from the Project as may be agreed to by the parties.

“Tax Status” means (i) the exclusion from gross income for federal income tax purposes of the interest on any Bonds issued as tax exempt obligations or (ii) the right of a bondowner (or other investor) to receive tax credits or the right of UAMPS to receive interest subsidy payments on any Bonds issued as tax credit bonds or interest subsidy bonds, respectively, in each case pursuant to the provisions of the Code.

“Transmission Agreements” means each transmission contract, agreement or tariff entered into by UAMPS or the Participant that is used or necessary for the delivery of Electric Power and Electric Energy from the Point of Delivery to the Participant’s System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

“Transmission Costs” means, for each Billing Period of each Contract Year, all capital, operating and other costs and expenses paid, payable, incurred or accrued by UAMPS during such Billing Period for the transmission of Electric Energy from the Point of Delivery to the Participant’s System Point of Receipt pursuant to the Transmission Agreements or otherwise. The Participant shall be responsible for the payment of Transmission Costs to UAMPS hereunder only to the extent that UAMPS has, at the request of the Participant, entered into or utilized Transmission Agreements for the transmission of Electric Energy from the Point of Delivery to the Participant’s System Point of Receipt.

“Trustee” means the bank or trust company acting as the trustee under the Financing Documents.

“UAMPS” means the first party named in the preamble of this Contract. All references to UAMPS in this Contract shall include Authorized Officers of UAMPS and their delegees acting pursuant to specific authorization by the Board.

“UAMPS Pool” means that certain electric power pool established pursuant to the Pooling Agreement under which UAMPS provides certain services with respect to the scheduling, dispatch and the sale of Electric Power and Electric Energy and other matters provided for in the Pooling Agreement.

“Uncontrollable Force” means any cause, event or force beyond the control of the party affected, including, but not restricted to failure, or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, terrorism, acts of a public enemy, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, and restraint by court or public authority and action or non-action by, or inability to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence and
foresight such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Prior to the Acquisition Date, Uncontrollable Force includes events of “Force Majeure” under (and as defined in) the Power Purchase Agreement.

“Uniform System of Accounts” means the Federal Energy Regulatory Commission Uniform Systems of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, 18 C.F.R. Part 101, as the same may be modified, amended or supplemented from time to time or such other system of accounting as may be applicable by law to UAMPS.

(b) References to Sections, Schedules and Exhibits are to the Sections of and Schedules and Exhibits to this Contract, unless otherwise provided. Article and Section headings are included herein for convenience of reference only and shall not constitute a part of this Contract for any other purpose or be given any substantive effect. Any of the defined terms may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use of the word “include” or its derivations shall not be construed as language of limitation.

Section 2. Effectiveness of Power Sales Contracts; Term of Contract. (a) Promptly upon the approval of this Contract by its governing body’s adoption of the Contract Resolution, the Participant shall (i) cause this Contract to be executed by its authorized officers, and (ii) deliver to UAMPS an executed counterpart of this Contract together with its completed certificate and the exhibits to it (in substantially the form attached hereto as EXHIBIT III). Upon the receipt by UAMPS of executed Power Sales Contracts and certificates from Participants that have requested Entitlement Shares totaling 50,000 kW or more of Electric Power, UAMPS shall cause all such Power Sales Contracts to be executed by its authorized officers and the Effective Date of all such Power Sales Contracts shall occur. The Effective Date of executed Power Sales Contracts subsequently received by UAMPS shall occur as provided in the definition of Effective Date.

(b) This Contract shall be in effect on and as of the Effective Date and will, unless this Contract is terminated pursuant to Section 31, continue until the determination of the Project Management Committee to terminate the Project and to cause all of the Power Sales Contracts to expire on a date certain following the last to occur of: (i) the date on which all Bonds have been paid in full as to principal, premium and interest, or sufficient funds shall have been irrevocably set aside for the full defeasance thereof and all other obligations of UAMPS under the Financing Documents and the Project Agreements have been paid or satisfied; and (ii) the date on which the Facility and any Additional Facilities shall be taken out of service and terminated and all decommissioning costs shall have been paid or fully funded.

(c) UAMPS shall give notice to the Participant of the occurrence of the Effective Date and shall prepare and deliver to each Participant a completed SCHEDULE I that shows the Entitlement Shares of all Participants.

Section 3. Sale and Purchase of Entitlement Share; Adjustments to Entitlement Share. (a) From and after the Effective Date, UAMPS shall sell to the Participant, and the Participant shall purchase from UAMPS, the Participant’s Entitlement Share.
(b) In consideration of the sale of its Entitlement Share, the Participant shall, in accordance with and subject to the provisions of Section 8, pay to UAMPS in each Billing Period: (i) from the Effective Date to the date of the first issuance of Bonds, the product of its Entitlement Share and all Costs of the Project associated with the development thereof for such Billing Period, (ii) from and after the first issuance of Bonds, the product of its Debt Service Share and all Debt Service Costs for such Billing Period; (iii) the product of its Entitlement Share and all Power Supply Costs for such Billing Period; and (iv) the Transmission Costs, if any, incurred by UAMPS for the account of the Participant for such Billing Period. The first Billing Period shall commence not sooner than the month in which the Effective Date occurs. Each such payment is to be computed and made as provided in Section 8.

Section 4. Development, Acquisition and Construction of the Facility; Additional Facilities. (a) UAMPS and Project Company shall enter into the Development Agreement to provide for the development, acquisition and construction of the Facility. UAMPS shall act as agent of Project Company and shall develop, acquire and construct the Facility, arrange financing for the development, acquisition and construction costs of the Facility and shall take all other actions necessary to prepare the Facility for commercial operation, all in accordance with Prudent Utility Practice. In order to promote the efficient and economical development and construction of the Facility and the financing for the costs thereof, UAMPS (i) will agree to be primarily liable for the repayment of all amounts borrowed under the Construction Loan Agreement, together with the interest thereon and other amounts due thereunder and (ii) may co-sign, or otherwise obligate itself for the payments due under, the Construction Agreements for the initial acquisition and construction of the Facility

(b) UAMPS shall perform its obligations under the Development Agreement and shall:

   (i) use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Facility to be expeditiously and economically acquired and constructed pursuant to the Construction Agreements;

   (ii) diligently defend and protect the rights of Project under the Construction Agreements;

   (iii) enforce the contractors’ obligations under such Agreement;

   (iv) report monthly to the Project Management Committee regarding the current status of construction of, and any changes to the estimated Commercial Operation Date and cost of construction of the Facility; and

   (v) give prompt notice to the Project Management Committee and the Participant of the occurrence of the Commercial Operation Date of the Facility.

(c) UAMPS has filed a request to interconnect the Facility with the transmission facilities of BPA. As of the date of this Contract, UAMPS expects that either Project Company will enter into the Interconnection Agreement with BPA or that UAMPS will enter into the Interconnection Agreement and will assign its interests thereunder to Project Company. If
contrary to such expectations, UAMPS enters into the Interconnection Agreement but does not assign its rights to Project Company, UAMPS shall provide an interconnection and transmission services agreement to Project Company upon such terms and provisions as shall be approved by the Project Management Committee. UAMPS may, by notice to the Participants, provide revised definitions of “Project,” “Facility” and “Project Agreements” to conform to its ownership of any interconnection facilities and its provision of interconnection and transmission services to Project Company.

(d) A general description of the Facility is attached as EXHIBIT I. This description may be revised from time to time as the components of the Facility are designed, engineered, constructed, installed and tested and to conform to the description of the “Facility” under (and as defined in) the Power Purchase Agreement. UAMPS and the Participant agree that in no event will any revisions to EXHIBIT I (nor any revisions to the definitions referenced in subsection (d) above) alter or affect their respective rights and obligations under this Contract.

(e) As soon as practicable after the Commercial Operation Date of the Facility, UAMPS shall prepare a complete statement and reconciliation of the final (or substantially final) cost of construction of the Facility and submit the same to the Project Management Committee for its review and acceptance. In the event that a substantially final statement of the cost of construction of the Facility is submitted to and accepted by the Project Management Committee, UAMPS shall provide periodic reports to the Project Management Committee regarding the cost of construction of the Facility until a final statement is available for its review and approval.

(f) UAMPS may from time to time recommend the acquisition or construction of Additional Facilities to improve or add to the Facility. Any Additional Facilities shall be approved by the Project Management Committee. The Participant acknowledges and agrees that (i) Additional Facilities shall not include additional generating units, (ii) additional generating units may be developed, constructed, operated and financed as a separate phase of the Project as provided in paragraph (h) below and (iii) such separate Project phase may purchase or use surplus capacity in the gathering system, in other common facilities and under the Interconnection Agreement at such prices as may be determined by the Project Management Committee. Upon the approval of the Project Management Committee, UAMPS may enter into or approve such amendments and supplements to the Project Agreements as it deems necessary or desirable in connection with such separate phase.

(g) UAMPS may from time to time recommend the acquisition and construction of additional generating units as a separate phase of the Project. Any such separate phase, and any amendments and supplements to the Project Agreements in connection therewith, shall be approved by the Project Management Committee. If so approved, UAMPS shall offer the Participants the opportunity to participate in such separate phase under a supplement to this Contract or under a separate agreement, as determined by the Project Management Committee. Each Participant may elect to participate in such separate phase with an entitlement share up to its then-current Entitlement Share. In the event that any Participant elects not to participate in the separate phase or elects a reduced entitlement share, the available entitlement shares shall first be offered by UAMPS to the other Participants and then to such other entities as directed by
the Project Management Committee. The supplement to this Contract for any separate phase of
the Project shall constitute a separate agreement between the parties for all purposes.

Section 5. Financing of the Project. (a) UAMPS shall enter into the Construction
Loan Agreement with Project Company and the construction lender and will be primarily liable
for the payment of the amounts due thereunder. The payment obligations of UAMPS under the
Construction Loan Agreement shall constitute payment obligations on Bonds of UAMPS for all
purposes of this Contract. In addition, UAMPS shall issue Bonds to finance (i) the Prepayment
Amount and other items of the Cost of the Project related thereto and (ii) the Cost of any
Additional Facilities pursuant to plans of financing approved by the Project Management
Committee.

(b) Each Participant may elect to make a Capital Contribution to UAMPS pursuant to
Section 6, and UAMPS shall issue Bonds to the extent necessary and in an amount sufficient to
finance that portion of the Prepayment Amount that is not funded through Capital Contributions.
Prior to the giving by UAMPS of the notice required by Section 6(a), the Project Management
Committee shall determine whether any additional interest expense on or in respect of taxable
Bonds (not eligible for tax credits or interest subsidy payments) shall be allocated to those
Participants whose legal status or use of Project Output requires the issuance of such Bonds. In
the event the Project Management Committee determines to make such allocation, the notice
required by Section 6(a) shall include such information as shall be necessary to generally inform
the affected Participants of the additional Debt Service Costs, if any, that will be payable by
them in the event they elect not to make a Capital Contribution.

Section 6. Capital Contributions; Calculation of Capital Contribution Percentage,
Debt Service Percentage and Debt Service Share. (a) Not less than 90 days prior to the date on
which it is required to make the Prepayment, UAMPS shall give written notice to the Participant
of:

(1) its right to elect to make a Capital Contribution;

(2) the date by which it must notify UAMPS of its election, which shall be not
earlier than 30 days after the date of such notice;

(3) the Prepayment Amount (or an estimate thereof) approved by the Project
Management Committee; and

(4) the amount of the Participant’s Capital Contribution, being the product of
such Prepayment Amount and the Participant’s Entitlement Share.

The Participant may elect to make a partial Capital Contribution equal to the amount of retained
earnings or other legally available funds not derived from any external borrowing that it
determines to apply to the Capital Contribution. In all other circumstances, a Participant may
elect to make a Capital Contribution in whole and not in part.
(b) The Participant’s election to make a Capital Contribution shall be made by written resolution adopted by its governing body, which resolution shall be in substantially the form approved by the Project Management Committee. An original or certified copy of such resolution shall be submitted to UAMPS with the Participant’s notice of its election to make the Capital Contribution. In the event that the Participant does not notify UAMPS of the determination of its governing body by the date specified in the notice provided by UAMPS, the Participant shall be deemed to have elected not to make a Capital Contribution.

(c) Following receipt of the Participant’s election to make the Capital Contribution, UAMPS will provide the Participant with notice of:

1. the date (which shall be not earlier than 30 days after the date of such notice) by which the Participant must make the Capital Contribution;
2. instructions for the deposit of the Capital Contribution into a separate and segregated special escrow account established under the Financing Documents; and
3. a written statement of information regarding UAMPS, the Project and the Project Agreements for the Participant’s use in any offering material for any indebtedness to be issued to finance the Capital Contribution.

The Capital Contribution shall be held and invested in accordance with the provisions of the Financing Documents, which shall provide for the investment of the Capital Contribution, the crediting of any interest earnings for the account of the Participant and the application of the Capital Contribution by the Trustee upon the direction of UAMPS to fund a portion of the Prepayment Amount and for deposit into certain funds and accounts established by the Financing Documents. If the Participant fails to make the Capital Contribution as and when required by the UAMPS’ notice, it shall be deemed to have rescinded its election to make the Capital Contribution.

(d) The Participant acknowledges and agrees that the amount of the Capital Contribution to be made by the Participant may be based upon a substantially final estimate of the Prepayment Amount and, in such event, will be subject to adjustment to reflect the final Prepayment Amount approved by the Project Management Committee. Not more than 30 days following the determination of the final Prepayment Amount, UAMPS shall render a final accounting statement to the Participant showing the final Prepayment Amount, the amount of and interest earnings on the Capital Contribution and any amount payable by or credited to the Participant in respect of the final Prepayment Amount. The Participant agrees that it will pay any additional amount payable by it on or before the 30th day following the date of such final accounting statement, or on such later date as may be approved by the Project Management Committee.

(e) After Capital Contributions have been made by all electing Participants, UAMPS shall complete (or revise, as applicable) SCHEDULE I and provide a copy of the completed or revised SCHEDULE I to each of the Participants. With respect to all Participants and at all times, SCHEDULE I shall show that:
the sum of each Participant’s Capital Contribution Percentage and Debt Service Percentage equals its Entitlement Share;

(2) the sum of the Capital Contribution Percentages and Debt Service Percentages of all Participants equals 100%; and

(3) the sum of the Debt Service Shares of all Participants equals 100%.

UAMPS’ calculation and determination of Prepayment Amount and the Participant’s Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (1), (2) and (3) above shall be conclusive and binding upon UAMPS and the Participant. UAMPS shall revise Schedule I from time to time as provided herein so that it sets forth the correct Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of all Participants.

(f) The Participant acknowledges and agrees with UAMPS that:

(1) its election to make a Capital Contribution shall be irrevocable and under no circumstances whatsoever shall the Participant be entitled to a return or rebate of all or any portion of any Capital Contribution in the event that Uncontrollable Force, termination of any Project Agreements or other circumstances result in the suspension, interruption, interference, reduction, curtailment or termination of the Project or the Project Output;

(2) the Capital Contribution shall not be deemed to constitute an investment by the Participant and the Participant shall not be entitled to any investment earnings or rate of return on the Capital Contribution, except with respect to interest earnings on the Capital Contribution pending its application as provided above; and

(3) any Capital Contribution made by the Participant shall not change or affect UAMPS’ ownership in the Project or any of the rights and obligations of UAMPS and the Participant under this Contract, except as specifically provided herein, including the right of UAMPS to suspend or terminate the Participant’s right to receive the Electric Energy allocable to its Entitlement Share as provided in Section 22.

Section 7. Operation, Maintenance and Management of the Project. (a) UAMPS covenants and agrees that it will use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be operated, maintained and managed in an efficient and economical manner in accordance with Prudent Utility Practice for the joint and ratable benefit of all of the Participants. UAMPS agrees with and covenants to the Participant that UAMPS will vigorously enforce and defend its rights under the Project Agreements. The Participant acknowledges and agrees that UAMPS may, upon the approval of the Project Management Committee, from time to time enter into amendments of and supplements to any or all of the Project Agreements and that, except as otherwise required by Section 28(c), UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.
(b) The Participant hereby acknowledges and agrees that, in order to promote the efficient and economical utilization of the Project and to fully realize the benefits to the Participants of their joint and cooperative undertaking, it is necessary and desirable that UAMPS control the operation of the Project (to the extent provided in the Project Agreements) and schedule the Project Output in accordance with the provisions of the Power Sales Contracts and the directions of the Project Management Committee, and the Participant hereby authorizes UAMPS to take all actions necessary or desirable in this regard.

(c) The Participants hereby establish and confirm the Project Management Committee, which shall consist of one voting representative from each Participant (who shall be the Participant’s Representative) and shall be chaired by a Participant’s Representative elected by the Project Management Committee. Pursuant to the Contract Resolution, the Participant has delegated full and complete authority to its Participant’s Representative to act on all matters and decisions that come before the Project Management Committee.

(d) An Authorized Officer of UAMPS shall attend all meetings of the Project Management Committee and shall cause minutes to be kept of all such meetings. The Joint Action Agreement and the bylaws of UAMPS shall govern the procedures for and the voting rights on the Project Management Committee, provided that:

(1) The Participant’s Representative of any Participant that is in default hereunder shall not be entitled to vote on any matter during the period of such default and the consent or approval of such Participant or such Participant’s Representative shall not be required to obtain any consent or approval required hereunder during the existence of such default or to constitute a quorum of the Project Management Committee;

(2) A unanimous vote of all Project Management Committee Representatives shall be required on all decisions which would result in the termination of the Project; and

(3) All decisions made by the Project Management Committee shall be made by resolution, order or other appropriate action of the Project Management Committee and, before such resolution, order or action of the Project Management Committee shall take effect, the same shall be ratified and approved by resolution, order or action of the Board, acting in accordance with the Joint Action Agreement and the bylaws of UAMPS.

The Participants acknowledge that the Joint Action Agreement provides, among other things, that decisions of the Board with respect to the Project shall be made only upon the recommendation of the Project Management Committee and that weighted votes may be called for on any recommendation or decision to be made by the Project Management Committee or the Board, respectively, all as more fully provided in the Joint Action Agreement.

(e) In addition to its other responsibilities under the Power Sales Contracts, the Project Management Committee shall:
(1) review, provide advice and direction to and consult with UAMPS regarding the Project;

(2) review, approve and provide advice and direction to UAMPS on the Project Agreements and any modifications or amendments thereto, appoint all representatives of UAMPS serving under the Project Agreements and provide such direction to UAMPS as shall be necessary to enable UAMPS to meet timely its obligations and responsibilities under the Project Agreements;

(3) review and approve the plan of financing for all Bonds to be issued by UAMPS;

(4) supervise and provide direction to UAMPS with respect to the construction of the Facility, including approving the construction budget for the Facility and the notices to proceed and notices to construct given under the Development Agreement and the Construction Agreements;

(5) review, modify, and approve or otherwise act on the quarterly estimates of the Cost of the Project by the first day of the month prior to the beginning of each quarter;

(6) review, approve and provide advice and direction to UAMPS regarding the declaration of the Commercial Operation Date of the Facility and any Additional Facilities under the applicable Project Agreements;

(7) determine and declare the Project Capability upon the Commercial Operation Date of the Facility and from time to time thereafter as its deems necessary to reflect the actual capability of the Project;

(8) review and approve the form of the appendix to the Pooling Agreement described in Section 9(b) and any operating and scheduling procedures and procedures or standards for the allocation of Environmental Attributes that may be deemed necessary or desirable in connection with the Project;

(9) review, modify and recommend the Annual Budget and any amendments thereto to the Board;

(10) review, consider and provide direction to UAMPS regarding the exercise of its purchase option under the Power Purchase Agreement, any financing arrangements for the purchase option price and the terms upon which a Capital Contribution option will be made available to the Participants in connection with any financing of the purchase option price;

(11) review, recommend and approve any Additional Facilities to the Board; and
review, recommend and approve any actions or remedies to be taken by UAMPS under Section 22 or 23.

Section 8. Billing Periods, Billing and Payment. (a) The initial Billing Period to be used for the preparation, calculation and billing of the amounts payable by the Participant hereunder shall be a Month. In order to promote the efficient and economic administration of the Project, UAMPS may, at any time after the end of the initial Contract Year and from time to time thereafter, adopt another standard period of time as the Billing Period hereunder. In addition to the foregoing, UAMPS may, upon the approval of the Project Management Committee, from time to time revise the billing and payment procedures provided for in this Section 8 to promote the efficient and economic administration of the Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS. Any change in the Billing Period or in such billing and payment shall be made in the Annual Budget provided for in Section 14 and shall not be effective for at least 15 days after the mailing of notice of such change in the Billing Period or in the billing and payment procedures to the Participant. At the time of the mailing of such Annual Budget, UAMPS shall send to the Participant a revised form of paragraphs (b) and (c) of this Section 8, which shall reflect any changes in the dates of billing and payment and the method thereof that are necessary or desirable to make this Section 8 correspond to the new Billing Period, such changes to become effective on the date the new Billing Period takes effect. In no event shall any such change in the Billing Period or in the billing and payment procedures increase the amounts payable by the Participant pursuant to this Section 8 in respect of Power Supply Costs, Transmission Costs and Debt Service Costs.

(b) For so long as the Billing Period is a Month, on or before the 25th day after the end of each Billing Period beginning with the first Billing Period in the first Contract Year, UAMPS shall render to the Participant a billing statement showing the amount payable by the Participant for such Billing Period in respect of: (i) Power Supply Costs; (ii) Transmission Costs; (iii) Debt Service Costs; and (iv) any other amounts, adjustments or reconciliations payable by or credited to the Participant pursuant to this Contract or the Financing Documents and not otherwise shown, including items of the Cost of the Project not then or not to be financed by the issuance of Bonds or Capital Contributions which have theretofore been incurred or are then due and payable by UAMPS. The Participant shall pay the total of such amounts at the time specified in paragraph (c) of this Section 8, as the same may be revised from time to time. The billing statement for each Billing Period shall be based, to the fullest extent practicable, upon the actual operation of the Project during such Billing Period. To the extent that any billing statement rendered by UAMPS shall have included any estimated amounts in respect of the Participant’s share of Power Supply Costs, Debt Service Costs or the Transmission Costs or other costs allocable to the Participant, such estimated amounts shall be reconciled at least once during each Contract Year with the actual operation and scheduling of the Project and the Participant shall receive a bill or credit, as applicable, to reflect such reconciliations pursuant to clause (iv) of this paragraph (b).

(c) Payments required to be paid by the Participant to UAMPS pursuant to this Section 8 shall be due and payable to UAMPS at the principal office of UAMPS, or by wire transfer to such account as UAMPS shall designate in writing to the Participant, on the 10th day
of the Month following the Month in which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to paragraph (a) above.

(d) If payment in full is not made on or before the close of business on the due date, UAMPS shall impose a delayed payment charge on the unpaid amount due for each day overdue at a rate equal to the lesser of one percent per month, compounded monthly, or the maximum rate lawfully payable by the Participant; provided, however, that UAMPS, acting upon the direction of the Project Management Committee, may elect to waive such delayed payment charge (or portion thereof) but only to the extent that any such waiver will not adversely affect the ability of UAMPS to meet its payment obligations under the Project Agreements or the Financing Documents. If said due date is not a business day, payment shall be made on the next following business day.

(e) In the event of any dispute as to any portion of the billing statement for such Billing Period, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to UAMPS not later than the 60th day after such billing statement was submitted. Such notice shall identify the disputed billing statement, state the amount in dispute and set forth a full statement of the grounds for such dispute. No adjustment shall be considered or made for disputed charges unless such notice is given by the Participant. UAMPS shall give consideration to such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement or determination by the Project Management Committee) of the correct amount, any difference between such correct amount and such full amount shall be accounted for in the billing statement next submitted to the Participant after such determination.

(f) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Power Supply Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of the Power Sales Contracts and the Project Agreements. UAMPS and the Participant acknowledge and agree that certain categories of costs may be financed as a Cost of the Project (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Power Supply Costs, as determined by the Project Management Committee, but without duplication of any item of cost. Transmission Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of this Contract and the Transmission Agreements. The Participant shall pay all such amounts pursuant to this Section 8.

(g) The obligation of the Participant to make the payments for Power Supply Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to this Section 8 is a several obligation and not a joint obligation with those of any other Participant. The obligation of the Participant to make such payments shall constitute an obligation of the Participant and an operating expense of the Participant’s electric system payable solely from the revenues and other available funds of the electric system and shall constitute a cost of purchased Electric Power and Electric Energy, and in no event shall the Participant be obligated or required to levy or collect ad valorem property taxes or assessments
to meet its payment obligations under this Contract. Such payments shall be made whether or not the Project or any portion thereof is acquired, completed, operable or operating and notwithstanding the damage or destruction of the Project, the suspension, interruption, interference, reduction or curtailment of the Project Output, termination of any of the Project Agreements, loss or interruption of transmission from the Point of Delivery or termination of any Transmission Agreement, for any reason whatsoever, in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by UAMPS under this or any other agreement or instrument.

(h) Subject to the provisions of the Project Agreements, UAMPS shall use Commercially Reasonable Efforts to collect or cause to be collected amounts arising from insurance proceeds, condemnation awards, damages due from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project, and shall apply all receipts, revenues and other moneys received by it or credited to it from the foregoing sources to the repair, reconstruction or replacement of the Project, to the retirement or defeasance of Bonds (in whole or in part), by purchase, redemption or other arrangements therefor, to the payment of other costs and expenses of UAMPS in connection with the Project or to the credit, pro rata, of the Participants, based upon their Entitlement Shares in the Project, all as provided in the Financing Documents.

(i) In the event that the failure of a Participant to make its payments in accordance with its Power Sales Contract shall have resulted in the application of amounts in any reserve or working capital funds for the Project, any amounts thereafter paid to UAMPS, including delayed-payment and interest charges, by such defaulting Participant in respect of past due payments (i) shall be used to replenish such fund or (ii) to the extent that the other Participants shall have made up the deficiency created by such application or paid additional amounts into any such funds, shall be credited, pro rata, on the billing statements of such other Participants in the next Billing Period or Billing Periods as shall be appropriate.

Section 9. Scheduling of Electric Energy; Coordination with UAMPS Pool. (a) From and after the Commercial Operation Date of the Facility, the Participant shall be entitled to use pursuant to this Section 9 the Electric Energy allocable to the Participant’s Entitlement Share. UAMPS shall schedule or cause to be scheduled such Electric Energy in accordance with this Contract and the provisions of the Project Agreements. In its discretion, the Project Management Committee may adopt operating and scheduling procedures to promote the efficient utilization of the Project, and UAMPS shall provide a copy of any such procedures to the Participant. The Participant acknowledges and understands that the Project will be a variable resource and that UAMPS’ ability to forecast the schedule of the Project Output will be limited.

(b) The Participant agrees that (i) prior and as a condition to the first delivery of Electric Energy under this Contract, it will execute and deliver to UAMPS the Pooling Agreement and an appendix thereto (in a form approved by the Project Management Committee) that assigns the Electric Energy allocable to the Participant’s Entitlement Share to the UAMPS Pool and (ii) it will perform its obligations under and will not take any action to terminate the Pooling Agreement and such appendix during the term of this Contract. The assignment of the
Electric Energy allocable to the Participant’s Entitlement Share pursuant to the Pooling Agreement and appendix shall be solely for operating and scheduling purposes and shall not constitute an assignment or transfer of the Participant’s right, title and interest in and to such Electric Energy. At any time the Project is operable or operating the Participant shall not be entitled to use in any hour Electric Energy in excess of that which is allocable to the Participant’s Entitlement Share, unless arrangements have been made for a planned purchase of such Electric Energy through the UAMPS Pool. Any surplus Electric Energy attributable to the Participant’s Entitlement Share shall be sold or otherwise disposed of by the Participant only in accordance with the provisions of such appendix to the Pooling Agreement. In addition to any sales of surplus Electric Energy requested by the Participant through the UAMPS Pool, UAMPS will utilize Commercially Reasonable Efforts to sell, exchange or otherwise dispose of any incidental surplus Electric Power and Electric Energy attributable to the Project for the benefit of the Participants.

(c) Prior to the first delivery of Electric Energy under this Contract, the Participant shall provide to UAMPS a written schedule of the Participant’s available electric resources and the order in which such resources are to be applied to meet the Participant’s requirements for Electric Power and Electric Energy. UAMPS shall verify all such resources and promptly notify the Participant of any rejection of such resources. The Participant may revise or modify such schedule upon written notice to UAMPS at least one business day prior to the beginning of any Billing Period.

Section 10. Point of Delivery; Transmission Contracts; Risk of Loss. (a) The Electric Energy allocable to the Participant’s Entitlement Share shall be delivered at the Point of Delivery. The Participant shall be responsible for, and shall pay all costs of, (i) the transmission of Electric Energy from the Point of Delivery to its System Point of Receipt and (ii) the distribution and delivery of Electric Energy from its System Point of Receipt to its customers. The Participant shall give written notice to UAMPS of its System Point of Receipt prior to the Commercial Operation Date of the Facility, and shall give prompt written notice to UAMPS of any change to its System Point of Receipt.

(b) Upon the request of the Participant, UAMPS will use Commercially Reasonable Efforts to enter into one or more Transmission Agreements, or will utilize its transmission rights under existing Transmission Agreements, to provide for transmission service for the Electric Energy allocable to the Participant’s Entitlement Share from the Point of Delivery to the Participant’s System Point of Receipt. Any Transmission Agreements entered into by UAMPS for or on behalf of the Participant shall be approved by UAMPS and the Participant, and the Participant shall pay all Transmission Costs thereunder. The Participant agrees that it shall maintain (or cause UAMPS to maintain) during the term of this Contract, such Transmission Agreements as shall be necessary for the firm transmission of the Electric Energy allocable to its Entitlement Share from the Point of Delivery to its System Point of Receipt, except as may be otherwise approved by the Project Management Committee. The Participant shall provide UAMPS with copies of all Transmission Agreements utilized by it and with such other information regarding its transmission arrangements as UAMPS may reasonably request.
(c) Electric Energy delivered hereunder and risk of loss shall pass from UAMPS to the Participant at the Point of Delivery. As between the parties to this Contract, UAMPS shall be deemed to be in exclusive control and possession of the Electric Energy delivered hereunder, and responsible for any damage or injury caused thereby, prior to the time such Electric Energy shall have been delivered to the Participant at the Point of Delivery. After delivery of Electric Energy to the Participant at the Point of Delivery, the Participant shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. UAMPS assumes all liability for and shall indemnify, defend and hold harmless the Participant (individually) from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it. All costs and expenses incurred by UAMPS under the foregoing indemnity shall constitute a Cost of the Project or an item of Power Supply Costs, as determined by the Project Management Committee. The Participant assumes all liability for and shall indemnify, defend and hold harmless UAMPS and the other Participants from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it. It is the intent of the parties that this indemnity be without regard to the causes thereof, including, without limitation, the negligence of any indemnified party, whether such negligence be sole, joint or concurrent, or active or passive or the strict liability of any indemnified party.

Section 11. Interruption or Reduction of Deliveries. The Participant acknowledges that deliveries of Electric Energy to the Point of Delivery may be interrupted or reduced if: (a) deliveries to UAMPS are interrupted or reduced by Project Company pursuant to the terms of the Power Purchase Agreement; (b) any operator of the Facility determines that such interruption or reduction is necessary in case of emergencies affecting the Facility or any Additional Facilities, in order to install equipment, to make repairs and replacements to, to make investigations and inspections of, or to perform maintenance work on, the Facility or any Additional Facilities or otherwise carry out its obligations in respect of Facility operations; (c) such interruption or reduction is required under the Interconnection Agreement or by any regulatory body, independent system operator, regional transmission organization or similar entity; or (d) Electric Energy from the Project is otherwise unavailable whether due to an event of Uncontrollable Force or otherwise.

Section 12. Availability of Electric Energy; Disposition of Environmental Attributes. (a) Except as provided otherwise by this Contract and subject to the provisions of the Project Agreements, Electric Energy allocable to the Participant’s Entitlement Share shall be made available in accordance with this Contract during the term hereof; provided, however, that nondelivery of Electric Energy hereunder for any reason whatsoever (i) shall not relieve the Participant from its obligation to make its payments under Section 8 and (ii) shall not impose any liability upon UAMPS for any direct or consequential damages suffered by the Participant.

(b) The Participant acknowledges and agrees that deliveries of the Electric Energy allocable to its Entitlement Share to the Point of Delivery are not firm and are contingent upon the operation of the Facility and other factors. The costs of reliability and related requirements imposed upon the Project by an independent system operator, regional transmission organization or other regulatory or administrative body shall be payable by the Participants as an item of
Power Supply Costs. To the extent that such costs are imposed upon individual Participants, they shall be the sole responsibility of the affected Participant(s).

(c) If the Participant determines not to use the Environmental Attributes associated with its Entitlement Share in connection with the operations of its electric utility system for any reason and for any period of time, it shall give UAMPS notice to dispose of such Environmental Attributes for the benefit of the Participant. UAMPS will use Commercially Reasonable Efforts to sell, remarket or otherwise cause such Environmental Attributes to be advantageously utilized. UAMPS and the Participant acknowledge that (i) the Project Management Committee may establish standards and procedures for the disposition of Environmental Attributes, (ii) any disposition of Environmental Attributes may constitute a disposition of Bond-financed property and may be subject to restrictions and limitations necessary to maintain the Tax Status of the Bonds (which may affect the price obtainable upon any sale of such Environmental Attributes), and (iii) the other Participants shall have a right of first refusal to acquire such Environmental Attributes at prevailing market prices or such other prices as the Project Management Committee may determine to be reasonable in its sole discretion.

Section 13. Insurance. UAMPS shall maintain or pursuant to the Project Agreements shall cause there to be maintained, as part of the Cost of the Project or Power Supply Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Facility, including liability insurance and employers’ liability insurance, all to the extent consistent with Prudent Utility Practice and to the extent available at reasonable cost, but in no case less than will satisfy applicable regulatory requirements and requirements of the Financing Documents.

Section 14. Annual Budget; Accounting. (a) On or before 15 days prior to the estimated commencement of the first Contract Year and on or before the beginning of each Contract Year thereafter, UAMPS shall prepare and mail to the Participant an Annual Budget for the Project recommended by the Project Management Committee and approved by the Board, based, to the extent appropriate, on budgets received under the Project Agreements, showing an annual estimate for the following Contract Year of (i) Power Supply Costs and Debt Service Costs, and the Participant’s share of each, and (ii) the Transmission Costs payable by the Participant. The Participant shall, to the extent and in the manner deemed appropriate by the Participant, incorporate the estimates shown on the Annual Budget in its annual budgetary process.

(b) At the end of each quarter during each Contract Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget of Power Supply Costs and Debt Service Costs for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or expenditures of costs substantially affecting Power Supply Costs and Debt Service Costs, UAMPS shall prepare and provide to the Participant’s Representative a revised Annual Budget, recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget. The revised Annual Budget and any written materials that accompany it shall specifically identify the changes from the Annual Budget that was previously in effect.
(c) UAMPS agrees that it will keep accurate records and accounts relating to the Project, the Project Agreements, the Cost of the Project, Power Supply Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and the Uniform System of Accounts, separate and distinct from its other records and accounts; provided that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records adequate to show the amounts in each of such funds allocable to each such project. Said accounts shall be audited annually by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by UAMPS. A copy of each annual audit, including all written comments and recommendations of such accountants, approved by the Members shall be furnished by UAMPS to the Participant not later than 180 days after the end of each Contract Year.

Section 15. Information to Be Made Available. (a) UAMPS shall make available for examination by the Participant (subject to their availability to UAMPS under the applicable provisions of the Project Agreements):

1. all books of accounts, records, documentation and contracts in the possession of UAMPS relating to the operation of the Project;

2. copies of all agreements and data in the possession of UAMPS relating to the financing of the Project;

3. copies of all operating and financial records and reports relating to the Project in the possession of UAMPS;

4. copies of policies of insurance carried pursuant to Section 13; and

5. such other information and documents with respect to the Project as the Participant may reasonably request from time to time.

(b) The Participant acknowledges that the ability of UAMPS to sell the Bonds depends upon, among other things, the credit standing of the Participants and their electric systems and that it will be necessary for UAMPS to provide certain information with respect to the Participants and their electric systems in connection with the sale of the Bonds (whether or not the Participant is making a Capital Contribution). In addition, UAMPS may be required to enter into continuing disclosure undertakings pursuant to Rule 15c2-12 of the Securities and Exchange Commission (or other law or regulation) to provide annual financial and operating information. Consequently, the Participant covenants to and agrees with UAMPS that the Participant will provide to UAMPS all information with respect to the Participant and its electric system, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by UAMPS or its counsel in connection with the financing of the Project, the issuance of the Bonds and compliance with such continuing disclosure undertakings.
(c) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (i) concurrently with its execution and delivery of this Contract and not later than 180 days after the end of each fiscal year of the Participant thereafter (or such earlier date as may be required by law), (A) a copy of the most recent annual financial statements of the Participant and its electric enterprise fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the accountants making such audit, and (B) the information and documents described in EXHIBIT II attached hereto, and (ii) such other information and documents as UAMPS may reasonably request from time to time.

The Participant may notify UAMPS if non-public information is contained in the materials provided under EXHIBIT II. UAMPS agrees to (i) classify any such non-public information as “protected records” within the meaning of the Utah Government Records Access and Management Act and (ii) notify the Participant of any demand for disclosure of such information and will cooperate with the Participant in contesting any such disclosure demand.

(d) Concurrently with its execution and delivery of this Contract, the Participant shall deliver to UAMPS (i) a certificate, together with attached exhibits, in substantially the form attached hereto as EXHIBIT III and (ii) an opinion of counsel in substantially the form attached hereto as EXHIBIT V. In connection with each issuance of Bonds by UAMPS and at such other times as UAMPS may reasonably request, the Participant shall deliver to UAMPS (iii) a bring-down certificate in substantially the form attached hereto as EXHIBIT IV, and (iv) a bring-down opinion of counsel in substantially the form attached hereto as EXHIBIT VI.

Section 16. Additional Bonds and Refunding Bonds. (a) Additional Bonds may be sold and issued by UAMPS in accordance with the provisions of the Financing Documents at any time and from time to time for the purpose of financing the Cost of the Project, including the purchase payable upon the exercise of UAMPS’ purchase option under the Power Purchase Agreement and the Cost of any Additional Facilities. UAMPS may incur other obligations pursuant to the Financing Documents to achieve purposes deemed beneficial to the Project.

(b) Any Additional Bonds shall be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 8, as such payments may be increased and extended by reason of the issuance of Additional Bonds, and of other revenues of UAMPS attributable to the Project. Additional Bonds may be issued in amounts sufficient to pay the full amount of such costs and to provide such reserves as may be determined by UAMPS to be reasonably necessary. In the event that the Project Management Committee approves the issuance of Additional Bonds, it shall determine whether to make a capital contribution option available to the Participants and the procedures therefore.

(c) In the event Debt Service Costs may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of UAMPS, to refund any Bonds, UAMPS may issue and sell Refunding Bonds in accordance with the Financing Documents.
Any Additional Bonds or Refunding Bonds may be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 8 and of other revenues of UAMPS attributable to the Project and may rank on a parity as to the security afforded by the provisions of this Contract with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of the Power Sales Contracts.

Section 17. Disposition or Termination of the Project. (a) Except as provided in Section 23(d) and this Section 17, UAMPS shall not sell, lease or otherwise dispose of the Project or any substantial part of the Project without the consent of all of the Participants. Subject to the provisions of the Financing Documents and the Project Agreements, this Section 17 shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS. For the avoidance of doubt, this Section 17 shall not be deemed to apply to any disposition of membership interests in Project Company.

(b) Subject to the applicable provisions of the Project Agreements, if the Project shall be terminated, UAMPS shall use Commercially Reasonable Efforts to cause the Project to be economically salvaged, discontinued, disposed of or sold in whole or in part. UAMPS shall make accounting statements for each Billing Period to the Participant of all costs and any net proceeds associated therewith. Such accounting statements shall continue for such Billing Periods until the Project has been salvaged, discontinued or finally disposed of, at which time a final accounting statement with respect thereto shall be made by UAMPS at the earliest reasonable time. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the acquisition, construction, operation or maintenance of and renewals and replacements to the Project. Such costs and, subject to the provisions of the Financing Documents, the net proceeds, if any, from the sale or salvage of Project components or assets shall be allocated among the Participants based upon their respective Entitlement Shares.

Section 18. Representations, Warranties, Covenants and Agreements of the Participant. (a) The Participant represents and warrants to UAMPS as follows:

(1) The Participant is a ___________, duly created and validly existing under the laws of the State of __________, and has the corporate power and authority to enter into and perform its obligations under this Contract.

(2) This Contract has been duly authorized, executed and delivered by the Participant and constitutes its legal, valid and binding obligation enforceable in accordance with its terms.

(3) All Required Approvals have been obtained.

(4) As of the date of this Contract, there is no pending or, to the Participant’s knowledge, threatened action or proceeding affecting the Participant which purports to affect the authorization, legality, validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement.
(b) The Participant covenants and agrees with UAMPS as follows:

(1) Maintenance of Rates. The Participant shall establish, maintain, revise, charge and collect rates for electric service rendered by it to its customers so that such rates shall provide revenues which, together with other funds reasonably estimated to be available, will be sufficient to meet the Participant’s obligations to UAMPS under this Contract, to pay all other operating expenses of the Participant’s electric system and to provide revenues sufficient to pay all obligations of the Participant payable from, or constituting a charge or lien on, the revenues of its electric system and, to the extent being paid from the revenues of its electric system, all general obligation bonds of the Participant now or hereafter outstanding.

(2) Maintenance of Revenues. The Participant shall promptly collect all charges due for electric utility services supplied by it as the same become due. The Participant shall at all times maintain and shall exercise Commercially Reasonable Efforts to enforce its rights against any person, customer or other entity that does not pay such charges when due.

(3) Sale or Assignment of Electric System or Power Sales Contract. During the term of this Contract, the Participant shall not sell, lease or otherwise dispose of all or substantially all of its electric system, except upon compliance with the following provisions respecting the transfer or assignment of its Entitlement Share.

The Participant shall not assign or transfer all or any part of its Entitlement Share or any or all of its interests under this Contract, except upon one hundred twenty (120) days’ prior written notice to UAMPS and compliance with the provisions set forth below. Within thirty days after receipt of such notice from the Participant (and if such notice indicates that the Participant proposes to assign its Entitlement Share), UAMPS shall notify all of the other Participants of the proposed assignment or transfer by the Participant of all or part of its Entitlement Share. Each of the other Participants shall have the option of acquiring all or any portion of the Entitlement Share that is proposed to be assigned or transferred and shall notify UAMPS of its exercise of such option within forty-five days of its receipt of the notice from UAMPS referred to in the preceding sentence. In the event that two or more of the other Participants shall exercise their options with respect to the Entitlement Share that is proposed to be assigned or transferred in amounts which exceed the total Entitlement Share proposed to be assigned, UAMPS shall, to the extent necessary, make a pro rata allocation of the such Entitlement Share among the Participants which have exercised their options, based upon the existing Entitlement Shares of the requesting Participants. In the event that less than all of such Entitlement Share shall be acquired by other Participants, UAMPS shall notify the other Members of UAMPS of the proposed assignment of an Entitlement Share and shall provide such Members with an opportunity to acquire the remaining portion of the Participant’s Entitlement Share.

In the event that less than all of the Entitlement Share proposed to be transferred or assigned is to be acquired by other Participants or other Members of UAMPS, the
Participant may proceed to transfer or assign its Entitlement Share and its rights under this Contract upon satisfaction of the following conditions: (A) at the sole option of UAMPS either (i) the purchaser or assignee shall assume all obligations of the Participant under this Contract in such a manner as shall assure UAMPS to its sole satisfaction that the Participant’s Entitlement Share to be purchased hereunder and the amounts to be paid therefor will not be reduced, and if and to the extent deemed necessary by UAMPS in its sole discretion to reflect such assignment and assumption, UAMPS and such purchaser or assignee shall enter into an agreement supplemental to this Contract to clarify the terms upon which the Participant’s Entitlement Share is to be sold hereunder by UAMPS to such purchaser or assignee; or (ii) such purchaser or assignee shall enter into a new contract with UAMPS for the purchase of the Participant’s Entitlement Share at a price and on terms which UAMPS in its sole discretion determines not to be less beneficial to it and the other Participants than this Contract; (B) the senior debt, if any, of such purchaser or assignee, if such purchaser or assignee is not a Participant shall be rated by at least “Baa2” by Moody’s Investors Service or “BBB” by Standard & Poor’s Credit Market Services; (C) the Project Management Committee shall by resolution determine that such sale, lease or other disposition will not adversely affect UAMPS, the other Participants or the security for the payment of Bonds; and (D) UAMPS shall have received an opinion of Bond Counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the Tax Status of Bonds theretofore issued or thereafter issuable. UAMPS shall make the determinations required by this subparagraph (3) within one hundred twenty (120) days of receipt by UAMPS of the notice referred to in the first sentence of this subparagraph and shall provide a written copy of such determinations to the Participant.

In the event any sale, lease or other disposition is permitted pursuant to this subparagraph (3), UAMPS may require as additional security to assure the flow of revenues under this Contract, and the transferring and assigning Participant shall provide or cause to be provided either a prepayment or a security deposit for amounts due under this Contract in such amounts as shall be determined by the Project Management Committee.

Upon the completion of any such sale, lease or other disposition, UAMPS shall prepare and send to each of the Participants a revised SCHEDULE I, setting forth the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the Participants, as revised to reflect such sale, lease or other disposition.

(4) Prudent Utility Practice. The Participant shall, in accordance with Prudent Utility Practice, (A) at all times operate its electric system and the business thereof in an efficient manner, (B) maintain its electric system in good repair, working order and condition, (C) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the electric system, so that at all times the business thereof shall be properly conducted and (D) duly perform its obligations under all power supply and transmission service agreements to which it is a party.
(5) **Operating Expenses.** UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to this Contract (A) will be payable and as an operating expense of the Participant’s electric system and a cost of purchased electric power and energy and (B) will be payable (together with all other operating expenses) as a first charge on the revenues derived from the operation of its electric system. The Participant covenants to and agrees with UAMPS that it will include the annual payments required to be made by it under this Contract as a cost of purchased electric power and energy as an operating expense in the annual operating budget of its electric system and in any resolution, ordinance or indenture providing for future borrowings for the Participant’s electric system.

(6) **Tax Status.** (A) The Participant agrees that it will apply all of the Electric Energy acquired under this Contract to a Qualified Use and that it will not take or omit to take any action (whether with respect to the Electric Energy or Environmental Attributes acquired under this Contract or otherwise) which could, either alone or in conjunction with any other similar actions by the Participant or other Participants, adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. Upon any breach of the foregoing covenants, the Participant shall take and pay the costs of all remedial actions as may be directed by UAMPS in order to maintain the Tax Status of the Bonds.

(B) At the time of execution of this Contract the Participant has no contracts (and has no current expectation of entering into any contracts) to provide electric service to any entity that is not a state or local government, except for Permitted Contracts. At least thirty (30) days prior to entering into any such contract, the Participant shall notify UAMPS of its intent to enter into such contract and provide copies of such contract to UAMPS. Within thirty (30) days after receipt of such notice, UAMPS shall advise the Participant as to whether, in the opinion of Bond Counsel, such contract would result in a violation of the covenant in clause (A) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(C) The Participant agrees to provide such information as UAMPS may request and to comply with such additional instructions as may be provided by UAMPS in order to confirm and maintain the Qualified Use of the Electric Energy sold under this Contract and its use of Environmental Attributes in accordance with the provisions of this Section and Section 12(c). {All of Subsection (6) is removed for electrical cooperative Participants.}

**Section 19. Reserve and Contingency Fund.** (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may establish an additional fund with respect to the Project known as the “Reserve and Contingency Fund” to be funded, held and applied as provided herein. Amounts on deposit in the Reserve and Contingency Fund may be used to pay or provide reserves for unusual or extraordinary Power Supply Costs, renewals, repairs, replacements, additions or betterments of or to any items included in the Project, the cost of any Additional Facilities or the cost of or reserves for decommissioning and termination of the Facility and any Additional Facilities.
The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 14 an amount for deposit into the Reserve and Contingency Fund. This amount may represent either an appropriation of excess revenues from the operation of the Project during the preceding Fiscal Year or amounts to be billed to and collected from the Participants as an item of Power Supply Costs during the Fiscal Year covered by the Annual Budget.

Section 20. Pledge of Payments. All payments required to be made by the Participant pursuant to the provisions of Section 8, together with other revenues of UAMPS attributable to the Project may be pledged by UAMPS pursuant to the Financing Documents to secure the payment of Bonds.

Section 21. Default by Participant. Each of the following shall constitute a “default” by the Participant under this Contract:

(a) failure of the Participant to make to UAMPS any of the payments for which provision is made in this Contract within five business days after the due date of any such payment; or

(b) failure by the Participant to observe any of the covenants, agreements or obligations on its part contained herein and failure to remedy the same for a period of sixty days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given by or on behalf of UAMPS; or

(c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Title 11, Chapter 9, United States Code or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors, are instituted by or against the Participant and, if instituted against the Participant, said proceedings are consented to or are not dismissed within thirty days after such institution.

Section 22. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service. (a) In the event of any default referred to in Section 21, the Participant shall not be relieved of its liability for payment of any amounts in default or its failure to observe its covenants, agreements and obligations hereunder and UAMPS shall have the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, UAMPS may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of the Participant hereunder or the obligation of the Participant to make any payment for which provision is made in this Contract.

(b) In addition to proceeding with its rights against a defaulting Participant pursuant to paragraph (a) above, UAMPS may, upon not less than thirty days’ written notice from UAMPS to the defaulting Participant, suspend or terminate the Participant’s right to receive its Entitlement Share under this Contract. Such notice shall be entitled “NOTICE OF DEFAULT UNDER HORSE BUTTE WIND PROJECT POWER SALES CONTRACT” and shall: (i) describe the
type and amount of payments that are then due and unpaid (in the case of a default under Section 21(a)) or the nature of such default (in the case of a default under Section 21(b) or (c)); and (ii) state that the failure to make full and timely payment of all amounts due and payable hereunder, or otherwise to cure such default, within thirty days from the date such notice is received by the defaulting Participant (as determined pursuant to Section 32) could result in the suspension or termination of its Entitlement Share, in whole or in part. UAMPS shall have no obligation to provide further notice of the default and its consequences to the defaulting Participant.

(c) If the defaulting Participant in good faith disputes the basis for or the validity of the default(s) described in the written notice of UAMPS, including any amounts stated in the notice as being due and unpaid, it shall nevertheless make such payment within said 30-day period under written protest directed to UAMPS specifying the basis upon which the protest is based. Protested payments shall be treated as a dispute in a monthly billing statement and UAMPS shall consider such dispute as provided in Section 8(e). All other disputes shall be addressed as provided in Section 25(b).

(d) In connection with its determination to suspend or terminate a defaulting Participant’s Entitlement Share, UAMPS shall take into account, among such other matters as UAMPS in its sole discretion shall deem relevant, the amounts and due dates of its payment obligations under the Project Agreements and the Financing Documents and the funds and revenues available to UAMPS to enable it to meet its obligations thereunder.

(e) In the event that UAMPS has suspended (but not terminated) a defaulting Participant’s right to receive the Electric Energy allocable to its Entitlement Share, such Participant may restore its right to receive such Electric Energy by (i) taking all actions on its part necessary to cure or remedy the default, (ii) paying all amounts necessary to compensate the nondefaulting Participants and UAMPS for fees, costs, expenses and losses incurred by them as a result of such default, and (iii) taking such other action and paying such amounts, including providing such adequate assurances of performance (such as a prepayment or the posting of a security deposit) as may be reasonably required by the Project Management Committee.

(f) The suspension or termination of a defaulting Participant’s right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 23 shall not terminate, reduce or modify the defaulting Participant’s obligations and liabilities under its Power Sales Contract. The defaulting Participant shall remain liable under all billing statements rendered by UAMPS, whether prior or subsequent to the default, and UAMPS for itself and on behalf of the nondefaulting Participants shall be entitled to recover from the defaulting Participant all damages, legal fees, costs and expenses incurred by UAMPS and the nondefaulting Participants as a result of such default. UAMPS shall exercise Commercially Reasonable Efforts to mitigate the damages resulting from the Participant’s default.

Section 23. Transfer of Entitlement Share Following Default; Other Actions by UAMPS. (a) UAMPS and the Participant acknowledge that a default by any of the Participants under its Power Sales Contract could reduce the revenues available to UAMPS which are necessary in order for UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis. In the event of an insufficiency of revenues and an
inability of UAMPS to meet timely such obligations, the ability of UAMPS to deliver Electric Energy from the Project and the interests of all of the Participants will be materially and adversely affected. The provisions of this Section 23 are intended to provide a means to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract. The Participants agree that the provisions of this Section 23 are reasonable and necessary in order for them to achieve the benefits of their joint and cooperative undertaking with respect to the Project.

(b) In the event of a default by any Participant and suspension or termination of the Participant’s right to receive its Entitlement Share pursuant to Section 22, but only if the Project has not been terminated, UAMPS and the nondefaulting Participants shall take the following actions in the order set forth below:

(1) UAMPS shall immediately allocate all of the defaulting Participant’s Entitlement Share among all of the nondefaulting Participants, pro rata on the basis of their then-current Entitlement Shares, which shall remain in effect only until the completion of the procedures provided for in this paragraph (b). UAMPS shall provide written notice to the nondefaulting Participants of the initial allocation of the defaulting Participant’s Entitlement Share which notice shall (A) set forth the date of the initial allocation, (B) include a revised SCHEDULE I showing the increased Entitlement Shares and (to the extent applicable) the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation, (C) direct each of the nondefaulting Participants to make an election pursuant to subparagraph (2) below, and (D) set forth the date by which each of the nondefaulting Participants must notify UAMPS of such election. The initial allocation of the defaulting Participant’s Entitlement Share and the increased Entitlement Shares and the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation (as shown on the revised SCHEDULE I prepared by UAMPS) shall remain in effect until the completion of the procedures provided for in this paragraph (b). During such period, each of the nondefaulting Participants shall have all of the rights, benefits, obligations and responsibilities associated with its increased Entitlement Share and its revised Capital Contribution Percentage, Debt Service Percentage and Debt Service Share as a result of such allocation.

(2) Within sixty days after the initial allocation of the defaulting Participant’s Entitlement Share, each nondefaulting Participant shall notify UAMPS in writing of its election to: (A) retain all of its initial allocation of the defaulting Participant’s Entitlement Share; or (B) retain none or less than all of such allocation. Any Participant that elects to retain all of its initial allocation of the defaulting Participant’s Entitlement Share shall be deemed to have fully satisfied its step-up obligations under this Section 23 and shall not thereafter be required to accept any additional allocation of the defaulting Participant’s Entitlement Share; provided that any such nondefaulting Participant may give notice to UAMPS of its request to acquire additional amounts of the defaulting Participant’s Entitlement Share as may be available.
(3) Within thirty days after its receipt of the elections of all nondefaulting Participants pursuant to subparagraph (2), UAMPS shall determine whether the nondefaulting Participants have elected to retain all of the defaulting Participant’s Entitlement Share. In the event that one or more of the nondefaulting Participants elected to retain less than all of the initial allocations of the defaulting Participant’s Entitlement Share, UAMPS shall reallocate the remaining amounts of the defaulting Participant’s Entitlement Share proportionally among those nondefaulting Participants that have requested additional amounts of the defaulting Participant’s Entitlement Share. To the extent that any part of the defaulting Participant’s Entitlement Share is then unallocated, UAMPS shall next reallocate the remaining portion of the defaulting Participant’s Entitlement Share proportionally among those Participants that did not elect to retain all of their initial allocations of such Entitlement Share. Proportional reallocations shall be based upon the Entitlement Shares of the nondefaulting Participants in effect immediately prior to the defaulting Participant’s default.

(4) In no event shall the final allocation of a defaulting Participant’s Entitlement Share pursuant to subparagraph (3) (or the total of all such allocations in the event of multiple Participant defaults) cause any nondefaulting Participant’s Entitlement Share to increase by more than 25% over its “Adjusted Entitlement Share” without such Participant’s consent. The “Adjusted Entitlement Share” is the Participant’s Entitlement Share shown on SCHEDULE I on and as of the Effective Date, as such Entitlement Share may have previously been increased upon the Participant’s election pursuant to Section 18(b)(3).

(5) Each allocation or reallocation of a defaulting Participant’s Entitlement Share shall also allocate or reallocate the defaulting Participant’s Capital Contribution Percentage and Debt Service Percentage to the nondefaulting Participants receiving such allocation or reallocation. The Capital Contribution Percentage and the Debt Service Percentage of the defaulting Participant shall be allocated to each of such nondefaulting Participants proportionally based upon the respective amounts of the defaulting Participant’s Entitlement Share that are allocated or reallocated to them. The standards set forth in Section 6(e) shall apply to the foregoing computations.

(6) UAMPS shall deliver, promptly after making the determinations and reallocations required by this paragraph (b), a notice to the nondefaulting Participants which notice shall (A) set forth the final allocation of the defaulting Participant’s Entitlement Share pursuant to subparagraph (3), and the effective date of the final allocation, and (B) include a revised SCHEDULE I showing the revised Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants upon the final allocation pursuant to subparagraph (3). The Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares shown on such revised SCHEDULE I shall thereafter be the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants.
(7) Any portion of the Entitlement Share of a defaulting Participant allocated or reallocated to a nondefaulting Participant pursuant to this paragraph (b) shall become a part of and shall be added to the Entitlement Share of the nondefaulting Participant, and from and after the date of such transfer the nondefaulting Participant shall be obligated to pay for its increased Entitlement Share pursuant to the terms and provisions of this Contract. The defaulting Participant shall remain liable to UAMPS and the nondefaulting Participants for costs incurred and damages suffered by them in connection with the actions taken with respect to the defaulting Participant’s Entitlement Share provided for in this Section 23.

(c) If, as a result of the limitation stated in subparagraph (b)(4) above, any portion of a defaulting Participant’s Entitlement Share remains unallocated or upon the request of any nondefaulting Participant, UAMPS shall use Commercially Reasonable Efforts to sell or dispose of the unallocated or designated Entitlement Share or the associated Project Capability and Environmental Attributes. In the event that UAMPS, based upon the advice of Bond Counsel, determines that any such sale or disposition could adversely affect the Tax Status of any Bonds, UAMPS will, in a Commercially Reasonable manner, take such remedial actions as may be designated by Bond Counsel in order to maintain the Tax Status of such Bonds. The defaulting Participant shall be liable for the costs, fees and expenses incurred by UAMPS in connection with any such sale, disposition or remedial action.

(d) In connection with any action taken by it pursuant to this Section 23, UAMPS shall take into account the proceeds realized or the revenues to be received from such sale or disposition and shall, to the extent necessary, make adjustments to the Entitlement Share, Capital Contribution Percentage, Debt Service Percentage and Debt Service Share of each of the nondefaulting Participants to reflect such sale or disposition and to ensure the receipt of revenues sufficient to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. The Participant acknowledges that such adjustments may, under certain circumstances, result in a change in the Participant’s share of Power Supply Costs and Debt Service Costs without a corresponding change in the Participant’s Entitlement Share. Upon the completion of the procedures provided for in this Section 23, UAMPS shall prepare and send to each of the Participants a final revised SCHEDULE I, setting forth the Entitlement Shares, the Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants reflecting the procedures and actions taken pursuant to this Section 23.

Section 24. Other Default by Participant. In the event of a failure of the Participant to observe, keep and perform any of the covenants, agreements or obligations on its part contained in this Contract, UAMPS may, in addition to its other rights hereunder, bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Contract against the Participant.

Section 25. Default by UAMPS; Dispute Resolution. (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Contract, the Participant’s sole remedy for such default shall be limited to mandamus, injunction, action for specific
performance or any other available equitable remedy as may be necessary or appropriate and in no event shall the Participant withhold or offset any payment owed to UAMPS hereunder.

(b) Prior to and as a condition to the filing of any action with respect to this Contract under paragraph (a) above, the Participant shall first submit the dispute or matter in question to the Project Management Committee for mediation by giving notice in writing to UAMPS and the Chair of the Project Management Committee describing the dispute or matter and the issue or issues to be resolved. The Participant agrees to participate fully and in good faith in all mediation proceedings of the Project Management Committee. In the event that the Project Management Committee is unable to resolve or mediate such dispute or matter within 120 days after UAMPS has received written notice of the dispute, the Participant shall have the right to initiate such proceedings as it may deem necessary pursuant to paragraph (a).

Section 26. Abandonment of Remedy. In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of UAMPS and the Participant shall continue as though no such proceedings had been taken.

Section 27. Waiver of Default. Any waiver at any time by either UAMPS or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Contract, shall not be a waiver with respect to any subsequent default, right or matter.

Section 28. Relationship to and Compliance with Other Instruments. (a) It is recognized by the parties hereto that UAMPS, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Financing Documents, the Project Agreements and all Permits and Approvals necessary therefor, and it is therefore agreed that this Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) The Participant acknowledges that until such time, if any, as the Acquisition Date occurs, (i) Project Company will be the owner of the Facility for all purposes, (ii) UAMPS’ rights and obligations with respect to the Facility will be as set forth in the applicable Project Agreements, including particularly the Power Purchase Agreement, (iii) UAMPS’ rights under the Power Purchase Agreement and the related Project Agreements are limited to those specifically set forth therein, and (iv) upon any default or performance failure by Project Company, UAMPS’ remedies will be limited to those set forth in the applicable Project Agreements, particularly the Power Purchase Agreement and the Security Agreement. Accordingly, the Participant understands and agrees that, prior to any Acquisition Date (v) UAMPS’ control over the Facility will be limited to its contractual rights and remedies under the Project Agreements and (vi) the ability of the Project Management Committee to control and direct the actions of UAMPS with respect to the Project will be similarly limited.
(c) UAMPS covenants and agrees that it will use Commercially Reasonable Efforts for the benefit of the Participant to comply in all material respects with all terms, conditions and covenants applicable to it contained in the Financing Documents, the Project Agreements and all Permits and Approvals, and that it will not, without the consent of the Participant, enter into any amendment or modification of the Financing Documents or the Project Agreements which will change the Participant’s Entitlement Share or which will materially and adversely affect the rights and obligations of the Participant hereunder. To the extent that the Power Sales Contracts provide that UAMPS, the Board or the Project Management Committee has discretion over a particular matter, UAMPS (acting upon the recommendation of the Project Management Committee and the approval of the Board) may agree in the Financing Documents or the Project Agreements to limitations, conditions or restrictions on such discretion.

Section 29. Liability of Parties. UAMPS and the Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall, to the extent permitted by law, indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the negligence of the other party; provided that any liability which is incurred by UAMPS through the acquisition, construction, operation and maintenance of the Project or pursuant to the Project Agreements and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of UAMPS hereunder, and any payments made by UAMPS to satisfy such liability shall, except to the extent paid from proceeds of Bonds or Capital Contributions, become part of Power Supply Costs.

Section 30. Assignment of Power Sales Contract. (a) This Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that neither this Contract nor any interest herein shall be transferred or assigned by either party hereto except as follows:

1. UAMPS may assign its interests under this Contract or all or any portion of the amounts payable by the Participant hereunder pursuant to the Financing Documents as described in paragraph (b) below;

2. UAMPS may sell, transfer or reallocate all or any portion of the Participant’s Entitlement Share following a default by the Participant and a discontinuance of service as provided in Section 23;

3. after such point in time as all Bonds issued under the Financing Documents have been paid or deemed to have been paid as provided in the Financing Documents, UAMPS may, upon the approval of the Project Management Committee, assign this Contract and pledge the amounts payable by the Participant hereunder;

4. the Participant shall assign the Electric Energy allocable to the Participant’s Entitlement Share to the UAMPS Pool as provided in Section 9(b); and
(5) the Participant may assign or transfer all or any portion of its Entitlement Share or its interests under this Contract only as provided in Section 18(b)(3).

(b) The Participant acknowledges and agrees that UAMPS may assign and pledge to the Trustee designated in the Financing Documents all or any portion of its right, title, and interest in and to the payments to be made to UAMPS under the provisions of this Contract, as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and, upon such assignment and pledge, UAMPS may grant to the Trustee any rights and remedies herein provided to UAMPS, and thereupon any reference herein to UAMPS shall be deemed, with the necessary changes in detail, to include the Trustee which on behalf of and together with the owners from time to time of the Bonds shall be third party beneficiaries of the covenants and agreements of the Participant herein contained.

(c) The Participant acknowledges and agrees that it may not pledge, assign, encumber or transfer its interests under this Contract to secure any financing undertaken by or for it to fund any Capital Contribution to UAMPS.

Section 31. Termination or Amendment of Power Sales Contract. (a) This Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Contract or any other instrument or otherwise except as specifically provided in this Contract. The Project Management Committee may establish a date certain for the termination of this Contract upon its determination to terminate the Development Agreement; provided, however, that any such termination date of this Contract shall not occur until the later of (x) the date on which UAMPS shall have made a final accounting for, and shall have recovered from the Participants, all Costs of the Project previously incurred and (y) the date on which the principal of and interest on all Bonds have been fully paid or provision for such payment has been made.

(b) This Contract shall not be amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Contract. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Financing Documents, this Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds. For the avoidance of doubt, any actions taken by UAMPS or the Participant under or pursuant to this Contract that are required or permitted by this Contract shall not be deemed to constitute an amendment, modification or alteration of this Contract within the meaning of this paragraph.

(c) No Power Sales Contract entered into between UAMPS and another Participant may be amended so as to provide terms and conditions that are substantially and materially different from those contained in this Contract except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Power Sales Contracts of any other Participants requesting such amendment after receipt by such
Participants of notice of such amendment. No amendment to this Contract shall become effective until all Required Approvals have been obtained by or on behalf of the Participant.

(d) In connection with any revision or amendment of the billing procedures provided for in Section 8 or of any of the Exhibits attached hereto, UAMPS shall promptly provide a copy of the revision or amendment to the Participant.

Section 32. Notices and Computation of Time. (a) All notices, demands or other communications made pursuant to this Contract (each, a “Notice”) may be sent by facsimile, electronic mail, other mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivery. Notice shall be deemed given when received by the addressee, unless received on a day that is not a business day or received after 5:00 p.m. (receiving party’s local time) on a business day, in which case Notice shall be deemed to have been received on the next following business day. In the absence of proof of the actual receipt date, the following presumptions will apply: (i) Notice sent by facsimile or electronic mail shall be deemed to have been received upon the sending party’s receipt of electronic confirmation of successful transmission; (ii) Notice sent by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving party; and (iii) Notice sent by first class mail shall be deemed to have been received five business days after mailing.

(b) All Notices shall be sent by UAMPS to the business address, facsimile address or e-mail address of the Participant’s Representative. All Notices shall be sent by the Participant to the business address, facsimile address or designated e-mail address of UAMPS. Either party may change its Notice address(es) by Notice to the other party.

Section 33. Relationship of UAMPS and the Participant; Relationship among Participants. (a) This Contract is not intended to create, nor shall it be deemed to create, any relationship between UAMPS and the Participant other than that of independent parties contracting with one another for the purpose of effectuating the provisions of this Contract.

(b) The covenants, obligations, liabilities, rights and benefits of the Participant under this Contract are individual and not joint and several, or collective, with those of any other Participant. Other than giving effect to the joint and cooperative action of UAMPS on behalf of the Participants, the Power Sales Contracts shall not be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on, between or among the Participant and any one or more of the Participants. No Participant shall be or be deemed to be under the control of, nor shall any Participant control or be deemed to control, any or all of the other Participants or the Participants as a group. No Participant shall be bound by the actions of any other Participant, nor shall any Participant be deemed to be the agent of any other Participant or have the right to bind any other Participant.

Section 34. No Recourse Against Officers, Etc. of UAMPS or Participant. No member of the governing body, nor any officer or employee of UAMPS or the Participant shall be individually or personally liable for any payment under this Contract or be subject to any personal liability or accountability by reason of the execution of this Contract; provided,
however, that this Section shall not relieve any officer or employee of UAMPS or the Participant from the performance of any official duty imposed by law.

Section 35. Governing Law; Jurisdiction and Venue. (a) This Contract is made under and shall be governed by the law of the State of Utah; provided, however, that if the Participant is organized or created pursuant to the laws of another state, then the authority of the Participant to execute and perform its obligations under this Contract shall be determined under the laws of such state.

(b) All judicial proceedings brought against either party arising out of or relating hereto shall be brought exclusively in the courts of the State of Utah or of the United States of America for the District of Utah. By executing and delivering this Contract, each party, for itself and in connection with its properties, irrevocably accepts generally and unconditionally the nonexclusive jurisdiction and venue of such courts; waives any defense of forum non conveniens; agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the party at its address provided in accordance with Section 32; and agrees that service as provided above is sufficient to confer personal jurisdiction over the party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect.

Section 36. Severability; No Merger. (a) If any section, paragraph, clause or provision of this Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

(b) This Contract constitutes the entire and complete agreement of UAMPS and the Participant in respect of the Project and shall not be nor shall it be deemed to be modified, amended or superseded by any other agreement or contract between UAMPS and the Participant in respect of any other project or subject.

(Signature pages follows.)
IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day, month and year first above written.

{PARTICIPANT}

By: ________________________________
   Its ______________________________

[SEAL]

ATTEST AND COUNTERSIGN

By: ________________________________
   Title: ______________________________

Date of Execution and Delivery: ______________________________

Approved as to proper form and compliance with applicable law:

By: ________________________________
   Attorney for Participant
UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: __________________________________________
     Chairman

[SEAL]

ATTEST AND COUNTERSIGN

By: __________________________________________
     Secretary

Date of Execution and Delivery: _________________________

Approved as to proper form and compliance with applicable law:

By: __________________________________________
     Attorney for UAMPS
SCHEDULE I

SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES,
CAPITAL CONTRIBUTION PERCENTAGES, DEBT SERVICE PERCENTAGES
AND DEBT SERVICE SHARES

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† Capital Contribution Percentage, Debt Service Percentage and Debt Service Shares will be calculated by UAMPS and this Schedule I will be completed as provided in Section 6(e) of the Power Sales Contracts.
EXHIBIT I

DESCRIPTION OF THE FACILITY

The Facility consists of the acquisition and construction of the following properties, facilities, machinery, equipment, rights and interests:

1. **Real Property.**

2. **Generating Facilities.**

3. **Gathering and Ancillary Facilities.**

4. **Transmission and Interconnection Facilities.**

The foregoing description is preliminary, broad in scope and general in terms, and is subject to the provisions of the Power Purchase Agreement. UAMPS and the Participants acknowledge and agree that this description will be revised by UAMPS to conform to the description of the “Facility” attached to the Power Purchase Agreement to reflect the actual components comprising the Facility upon the Commercial Operation Date, and will be updated thereafter as necessary. No revisions to this description shall affect the rights and obligations of UAMPS and the Participants under the Power Sales Contracts.
PARTICIPANT ____________________
FISCAL YEAR ____________________

EXHIBIT II

FORM OF PARTICIPANT’S ANNUAL INFORMATION REPORT*

SYSTEM DESCRIPTION

Incorporated area of municipality _________________ square miles.

Service area of utility ________________ square miles.

Transmission and distribution lines _______________ miles.

Number of employees in electrical department ________________. (Include sum of shared employees’ time in other city offices to determine equivalent full-time employees.)

Number of customers served outside the city limits ________________.

Service area outside of the city limits ________________ square miles.

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<tr>
<td>Total</td>
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Annual audit will be sent to UAMPS as soon as completed after the fiscal year.

Electric Rate Schedules for the above classes of service are attached hereto.

* Under Section 15(c) of the Power Sales Contract, UAMPS has agreed to classify certain of the information provided by the Participant on this Exhibit II as a “protected record”, pursuant to the Participant’s request. The Participant must also take any actions necessary on its part to appropriately classify and protect such information provided in this Exhibit.
Customer Sales by Class

Total sales to your customers ________________________________ kWh.

Revenues from energy sales to your customers in $_____________________.

<table>
<thead>
<tr>
<th></th>
<th>KWH SALES</th>
<th>REVENUES $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
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<tr>
<td>Commercial</td>
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<tr>
<td>Industrial</td>
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<tr>
<td>Agricultural</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
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<tr>
<td>Total</td>
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</tbody>
</table>
### Generation Produced for System Load

#### Generating Unit Production

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<thead>
<tr>
<th></th>
<th>#1</th>
<th>#2</th>
<th>#3</th>
<th>#4</th>
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<tbody>
<tr>
<td></td>
<td>kW</td>
<td>kWh</td>
<td>kW</td>
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<td>July</td>
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<td>June</td>
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<tr>
<td>TOTAL</td>
<td></td>
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</table>

#### System Peak Including Load Covered by Own Generation

<table>
<thead>
<tr>
<th></th>
<th>kW</th>
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<th>kW</th>
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<tbody>
<tr>
<td>July</td>
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<td>January</td>
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<td>August</td>
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<td>November</td>
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<td>May</td>
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<tr>
<td>December</td>
<td></td>
<td>June</td>
<td></td>
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</tbody>
</table>
### FIVE LARGEST LOADS

<table>
<thead>
<tr>
<th>TYPE OF BUSINESS</th>
<th>KWH SOLD</th>
<th>ANNUAL ELECTRICAL BILLINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
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<tr>
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<td>3.</td>
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<td>4.</td>
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<tr>
<td>5.</td>
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</tbody>
</table>

### ACHIEVEMENTS

Provide below the achievements of your utility for the year.
EXHIBIT III

FORM OF CERTIFICATE OF PARTICIPANT

STATE OF ____________

COUNTY OF ____________

The undersigned hereby certify that they are the [Executive Officer] and [Clerk/Recorder/Secretary] of _______________________________ (the “Participant”), a member of Utah Associated Municipal Power Systems (“UAMPS”), and that as such they are authorized to execute this Certificate on behalf of the Participant and hereby certify as follows:

1. This Certificate has been executed pursuant to Section 15(d) of the Horse Butte Wind Project Power Sales Contract, dated as of ___________ 1, 2010 (the “Power Sales Contract”), between the Participant and UAMPS, in connection with the initial financing of the cost of construction of the Project. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a ______________, duly created and validly existing under the laws of the State of ____________, and is governed by a _____________ (the “Governing Body”) composed of «number» members.

3. Attached hereto as Exhibit A is a true, complete and correct copy of a resolution authorizing the execution and delivery of the Power Sales Contract and related matters (the “Contract Resolution”). The Contract Resolution was duly adopted by a majority of the Governing Body present and voting at a [regular/special] public meeting of the Governing Body held on __________, 2010, at which a quorum was present and acted throughout, all in accordance with law and applicable procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

4. The names of the [Executive Officer] and the [Secretary/Clerk/Recorder] authorized to execute and deliver the Power Sales Contract on behalf of the Participant are as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>OFFICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>«officer»</td>
<td>«office»</td>
</tr>
<tr>
<td>«officer»</td>
<td>«office»</td>
</tr>
</tbody>
</table>

5. The ____________, 2010, meeting of the Governing Body in connection with the authorization of the Power Sales Contract was open to the public at all times and was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body.
6. (a) No petition was filed with the Participant or any of its officers seeking to refer the Contract Resolution to the electors of the Participant in accordance with the provisions of state law; and (b) no litigation has been instituted, is pending or has been threatened to require a referendum election on the Contract Resolution.

7. The Participant owns and operates an electric utility system (the “System”) that distributes and furnishes electric energy to consumers located within the established service area of the System.

8. The Participant has previously executed the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009 and all amendments thereof and supplements thereto (the “Joint Action Agreement”) and that certain Power Pooling Agreement (the “Pooling Agreement”) between the Participant and UAMPS relating to the power pool administered by UAMPS. The Joint Action Agreement and the Pooling Agreement are each in full force and effect and constitute the legal, valid and binding agreements of the Participant.

9. «Rep» has been duly appointed by the Governing Body as the Participant’s representative to UAMPS.

10. The representations and warranties of the Participant in Section 18(a) of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use (as defined in the Power Sales Contract). {This paragraph 11 is removed for electrical cooperative Participants}

12. The information provided by the Participant to UAMPS pursuant to Section 15(b) and (c) of the Power Sales Contract and attached as EXHIBIT II thereto with respect to the Participant and the System is true, correct and complete. The Participant has duly authorized UAMPS to use such information in connection with the preparation of an official statement of UAMPS with respect to the bonds to be issued to provide financing for the costs of acquisition and construction of the Project and to provide such information to interested parties.

Dated: ________________.

[PARTICIPANT]

By ________________________________
[Executive Officer]

By ________________________________
[Clerk/Recorder/Secretary]

[Seal]
EXHIBIT A

[Form of Contract Resolution]

RESOLUTION NO. __________

A RESOLUTION AUTHORIZING AND APPROVING THE HORSE BUTTE WIND PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

*****       *****       *****

WHEREAS, ______________ (the “Participant”) is a member of Utah Associated Municipal Power Systems (“UAMPS”) pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the “Joint Action Agreement”);

WHEREAS, one of the purposes of UAMPS under the Joint Action Agreement is the acquisition and construction of electric generating, transmission and related facilities in order to secure reliable, economic sources of electric power and energy for its members;

WHEREAS, UAMPS proposes to acquire a long-term supply of renewable energy from a wind-powered electric generating facility to be located Bonneville County, Idaho known as the Horse Butte Wind Project (the “Project,” as further defined in the Power Sales Contract), by entering into a Power Purchase Agreement providing for the purchase and sale of all of the electric power, energy and environmental attributes from the Project;

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project, the Power Sales Contract and the Project Agreements (“Project Agreements” and other capitalized terms used and not defined herein shall have the meanings assigned to them in the Power Sales Contract), and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

WHEREAS, the Participant acknowledges that the obligation of the Participant to make the payments provided for in the Power Sales Contract will be a special obligation of the Participant and an operating expense of the Participant’s electric system, payable from the revenues and other available funds of the electric system, and that the Participant shall be unconditionally obligated to make the payments required under the Power Sales Contract whether or not the Project or any portion thereof is acquired, constructed, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output thereof for any reason whatsoever; and
WHEREAS, the Participant now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of __________, as follows:

Section 1. Execution and Delivery of the Power Sales Contract; Participant’s Representative. (a) The Power Sales Contract, in substantially the form attached hereto as Annex A, is hereby authorized and approved, and the [Executive Officer] is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the [Clerk/Recorder/Secretary] is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as Annex A as shall be necessary to conform to the Participant’s legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the [Executive Officer], his execution thereof to constitute conclusive evidence of such approval.

(b) An Entitlement Share representing up to _______ kW of capacity, as such capacity amount may be rounded by the Project Management Committee pursuant to the Power Sales Contract to provide a whole number of turbine generator sets, is hereby authorized and approved.

(c) The appointment of __________ as the Participant’s Representative to UAMPS and of __________ and __________ as alternate Representatives is hereby confirmed. Such Representative (or, in his or her absence, such alternate(s)) is hereby delegated full authority to (i) approve any appendix to the Pooling Agreement between UAMPS and the Participant that may be necessary or desirable in connection with the utilization of the Participant’s Entitlement Share and (ii) act on all matters that may come before the Project Management Committee established by the Power Sales Contract, and shall be responsible for reporting regularly to the Governing Body regarding the activities of the Project Management Committee.

Section 2. Compliance with Tax Covenants. The Participant agrees in the Power Sales Contract that it will apply all of the energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that the energy acquired under the Power Sales Contract shall be used solely to serve retail customers of the Participant located in areas that have been served by the Participant since January 1, 2001, and hereby allocates such energy to such use. {This Section 2 is removed for electrical cooperative Participants}

Section 3. Miscellaneous; Effective Date. (a) This resolution shall be and remain irrepealable until the expiration or termination of the Power Sales Contract in accordance with its terms.
(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(c) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(d) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this ___ day of ________, ______.

[PARTICIPANT]

By ________________________________

______________________________

ATTEST:

______________________________

[Secretary/Clerk/Recorder]

[SEAL]
ANNEX A

[Attach Power Sales Contract]
EXHIBIT IV

FORM OF BRING DOWN CERTIFICATE OF THE PARTICIPANT

STATE OF __________ )
) COUNTY OF «COUNTY» )

The undersigned hereby certify that they are the [Executive Officer] and [Clerk/Recorder/Secretary] of _______________ (the “Participant”), a member of Utah Associated Municipal Power Systems (“UAMPS”), and that as such they are authorized to execute this Certificate on behalf of the Participant and hereby certify as follows:

1. This certificate has been executed in connection with the issuance by UAMPS of its Horse Butte Wind Project Revenue Bonds, ______ Series ____ (the “Bonds”), as more fully described in the Official Statement of UAMPS dated __________ (the “Official Statement”) prepared in connection with the offering and sale of the Bonds.

2. Pursuant to Section 15(d) of the Horse Butte Wind Project Power Sales Contract, dated as of __________ 1, 2010, between the Participant and UAMPS, in connection with the initial financing of the cost of construction of the Horse Butte Wind Project, the undersigned executed and delivered a certificate dated __________ (the “Original Certificate”). The undersigned hereby reaffirm the statements made in the Original Certificate on and as of the date hereof. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Original Certificate.

[3. The undersigned have reviewed the statements and financial and operating information relating to the Participant and its System contained in the Official Statement under the caption “THE PARTICIPANTS” and such statements and information (a) are true and correct in all material respects and fairly and accurately present the financial and operating position of the System for the periods and as of the dates presented and (b) do not omit to state a material fact necessary in order to make such statements and information not misleading. As of the date hereof, there has been no change in the business, financial position, results of operations or condition of the System that would (x) materially affect the accuracy and completeness of such statements and information or (y) materially and adversely affect the ability of the Participant to meet its obligations under the Power Sales Contract.]

Dated this ______ day of ______________.

[PARTICIPANT]

By ________________

Its ________________

[SEAL]

IV-1
Utah Associated Municipal Power Systems
[Address]

Ladies and Gentlemen:

I have acted as counsel to ______________ (the “Participant”) in connection with the Horse Butte Wind Project Power Sales Contract, dated as of __________ 1, 2010, between the Participant and Utah Associated Municipal Power Systems (“UAMPS”). Pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of Electric Power and Electric Energy and Environmental Attributes of the Project to the Participant and others that have executed Power Sales Contracts with UAMPS.

This opinion is being delivered to you pursuant to Section 15(d) of the Power Sales Contract in connection with the initial financing of the cost of construction of the Project. Capitalized terms used and not defined herein have the meanings assigned to such terms in the Power Sales Contract.

As counsel to the Participant, I have examined (i) those documents relating to the existence, organization and operation of the Participant and its System, (ii) all resolutions and proceedings of the Participant relating to the due authorization, execution and delivery by the Participant of the Power Sales Contract, (iii) an executed counterpart of the Power Sales Contract, and (iv) such other documents, information, facts and matters of law as are necessary for me to render the opinions contained herein.

Based upon the foregoing, I am of the opinion that:

1. The Participant is a [municipal corporation and/or political subdivision] of the State of _________ (the “State”), duly created and validly existing under the laws of the State and duly qualified to own, operate and furnish electric service through the System.

2. The Participant has full legal right, power and authority to enter into the Power Sales Contract and to carry out and consummate all of the transactions contemplated thereby,

V-1
and the Participant has complied with the provisions of applicable law which would be a condition precedent to entering into the Power Sales Contract or carrying out and consummating such transactions.

3. Each of the Power Sales Contract, the Joint Action Agreement and the Pooling Agreement has been duly authorized, executed and delivered by the Participant and constitutes the legal, valid and binding obligation of the Participant and is enforceable under the present law of the State in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or usual equity principles in the event equitable remedies should be sought.

4. The Participant’s obligation to make payments to UAMPS under the Power Sales Contract is a special obligation payable solely from the revenues and other available income of the System as a cost of purchased electric energy and an operating expense of the System. The application of the revenues and other available funds of the System to make such payments is not subject to any prior lien, encumbrance or restriction.

5. [The Participant has obtained all Required Approvals] {or} [There are no Required Approvals].

6. There is no pending or, to my knowledge, threatened, action or proceeding affecting the Participant (nor to my knowledge is there any basis therefor), which (a) purports to affect the authorization, legality, validity or enforceability of the Power Sales Contract, the Joint Action Agreement or the Pooling Agreement or (b) involves the possibility of any judgment or liability, not fully covered by insurance, which may result in any material adverse change in the business, affairs, properties or assets, or in the condition, financial or otherwise, of the System.

7. The execution, delivery and performance by the Participant of the Power Sales Contract will not conflict with or constitute a breach of or default under any agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or the properties of the System is bound or affected, or any applicable law, ruling, regulation, ordinance, judgment, order or decree to which the Participant (or any of its officers in their respective capacities as such) or its properties is subject.

8. No event has occurred an is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or the properties of the System is bound or affected, which breach or default would have a material adverse impact on UAMPS’ ownership or operation of the Project or the ability of the Participant to fully perform its obligations under the Power Sales Contract.

9. The Participant has lawful authority to fix and collect rates, fees and charges for the services provided by the System. Such rates, fees and charges for utility services provided to customers located within the corporate boundaries of the Participant are not subject to regulation by any authority of the State or the United States and have been duly and validly adopted by the Participant and are in full force and effect.
10. The Participant has lawful authority to own the System and, to my knowledge, the Participant (a) has good and merchantable title to the properties comprising the System and (b) holds all permits, licenses and approvals necessary for the operation of the System.

I hereby authorize Project Company, [construction lender/other reliance party] and Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to them.

Respectfully submitted,
EXHIBIT VI

FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

____________

Utah Associated Municipal Power Systems
[Address]

Ladies and Gentlemen:

I have acted as counsel to _____________ (the “Participant”) in connection with the Horse Butte Wind Project Power Sales Contract dated as of __________ 1, 2010 (the “Power Sales Contract”) between the Participant and Utah Associated Municipal Power Systems (“UAMPS”). I have been advised that UAMPS has made arrangements for the issuance and sale on the date hereof of its Horse Butte Wind Project Revenue Bonds, __________ Series _____ (the “Bonds”).

Pursuant to Section 15(d) of the Power Sales Contract in connection with the initial financing of the cost of construction of the Horse Butte Wind Project, I rendered to UAMPS an approving legal opinion, dated __________ (the “Prior Opinion”), with respect to the Participant. In connection with the issuance and sale by UAMPS of the Bonds, I hereby reaffirm the Prior Opinion, as though it was dated the date hereof, in the form it was so rendered on ___________.

[In addition to the foregoing, I have examined the material describing the Participant and its electric system contained under the caption “THE PARTICIPANTS” in the Official Statement, dated __________ (together with any supplements or amendments thereto as of the date hereof, the “Official Statement”) of UAMPS relating to the Bonds and such other documents, information, facts and matters of law as are necessary for me to render the following opinion. Based upon the foregoing, I am of the opinion that the statements and information with respect to the Participant and its electric system in the Official Statement under such caption (excluding financial, operating, statistical or accounting data contained or incorporated therein, as to all of which I do not express any opinion or belief) are true and correct in all material respects as of the date of the Official Statement and as of the date hereof, and no facts have come to my attention which would lead me to believe that, as of the date of the Official Statement and as of the date hereof, the statements in the Official Statement under such caption contained or contain any untrue statement of a material fact or omitted or omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading.]
I hereby authorize the reference to this opinion and to the Prior Opinion set forth under the caption, “APPROVAL OF LEGAL PROCEEDINGS,” in the Official Statement. I hereby further authorize [Bond Counsel], [______________, as representative of the underwriters of the Bonds], and [other reliance party] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,