NOTICE AND AGENDA
SANTA CLARA CITY COUNCIL MEETING
Wednesday, November 20, 2024
Time: 6:00 P.M.
AGENDA

Public Notice is hereby given that the Santa Clara City Council will hold a Regular Meeting in the City Council Chambers, located at 2603 Santa Clara Drive, Santa Clara, Utah on Wednesday November 20, 2024, commencing at 6:00 PM. The meeting will be broadcast on our website at https://santaclarautah.gov

1. **Call to Order:**

2. **Opening Ceremony:**
   - Pledge of Allegiance: Christa Hinton
   - Opening Comments: Dana Moody, The Church of Jesus Christ of Latter-day Saintes, St. George Interfaith Council.

3. **General Citizen Public Comment:**

4. **Conflicts and Disclosures:**

5. **Working Agenda:**

A. Public Hearing(s) 6:00 pm. (None)

B. Consent Agenda:

1. Approval of Claims & Minutes:
   - Oct. 9, 2024 Executive Session
   - Oct. 16, 2024 City Council Work Meeting
   - Oct. 16, 2024 City Council Special Meeting
   - Oct. 23, 2024 City Council Regular Meeting
   - Claims through Nov. 20, 2024

2. Calendar of Events:
   - Nov. 27, 2024 City Council Regular Meeting (Cancelled)
   - Nov. 28, 2024 Thanksgiving Day (Offices Closed)
   - Nov. 29, 2024 (Offices Closed)
   - Dec. 11, 2024 City Council Regular Meeting
   - Dec. 18, 2024 City Council Work Meeting
   - Dec. 25, 2024 City Council Regular Meeting (Cancelled)
   - Dec. 25, 2024 Christmas Day (Offices Closed)
   - Dec. 26, 2024 (Offices Closed)

C. General Business:

1. Audit Presentation. Presented by Steve Palmer, Hinton Burdick.

2. Discussion and action to approve Amended Site Plan, located at 3003 Santa Clara Drive. Presented by Jim McNulty, City Planner.

3. Discussion and action Special Event and liquor License adoption. Presented by Jim McNulty, City Planner. Ord 2024-16

4. Discussion and action to approve a Power Sales Contract for two New Natural Gas Power Plants. Presented by Gary Hall, Power Director.

6. **Reports:**
   a. Mayor / Council Reports:

7. **Executive Session:**

8. **Adjournment:**

Note: In compliance with the Americans with Disabilities Act, individuals needing special accommodation during this meeting should notify the city no later than 24 hours in advance of the meeting by calling 435-673-6712. In accordance with State Statute and Council Policy, one or more Council Members may be connected via speakerphone or may by two-thirds vote to go into a closed meeting.

Zoom Meeting Participants: Participants on the Zoom call is limited to City Staff, Council Members, and applicants on the agenda. Email calendar invitations will be sent out in advance of the meeting. Instructions for each meeting will include the meeting ID, and password to join. When joining the meeting your screen name must show your full name. Each applicant will be accepted into the meeting when their item is up for discussion. Please contact Chris Shelley at (435)673-6712 Ext. 203 with any questions regarding public meetings.

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Santa Clara City limits on this 14th day of November 2024 at Santa Clara City Hall, on the City Hall Notice Board, at the Santa Clara Post Office, on the Utah State Public Notice Website, and on the City Website at http://santaclarautah.gov. The 2024 meeting schedule was also provided to the Spectrum on January 1, 2024.

_____

Selena Nez – Deputy City Recorder

SANTA CLARA CITY COUNCIL WORK MEETING
WEDNESDAY, OCTOBER 16, 2024
MINUTES

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Work Meeting on Wednesday, October 16, 2024, at 5:00 p.m. in the Downstairs Executive Board Room located at 2603 Santa Clara Drive, Santa Clara, Utah. The meeting was broadcast on the City website at https://santaclarautah.gov.

Mayor:	Rick Rosenberg
Council Members:	Janene Burton Christa Hinton Dave Pond
City Manager:	Brock Jacobsen
Others Present:	Selena Nez, Deputy City Recorder Jim McNulty, Planning and Economic Development Manager Lance Haynie, Government Affairs Director Ryan VonCannon, Parks and Trails Director Cody Mitchell, Building Official Dustin Mouritsen, Public Works Director Kristelle Hendrickson, Executive Assistant Dan Cazier, Fire Chief Jaron Studley, Police Chief
Excused:	Ben Shakespeare Jarett Waite

1. Call to Order.

Mayor Rick Rosenberg called the meeting to order at 5:00 p.m. and welcomed those present.

2. Working Agenda.

A. Recognition of the Certified Municipal Clerk (CMC) Certificate for Selena Nez, Deputy City Recorder. Presented by the Utah Municipal Clerks Association ("UMCA") Board.

UMCA Board President, Colleen Mulvey, reported that she serves as the City Recorder for Cedar Hills, Utah. UMCA Board Secretary, Alicia Fairbourne, is the City Recorder for Hideout, Utah. Ms. Mulvey reported that the Certified Municipal Clerk Certificate requires 120 hours of class time through the International Institute of Municipal Clerks and Southern Utah University and normally takes three to four years to complete. She expressed her appreciation for Mayor Rosenberg and the City Council for being pro-education and providing Ms. Nez with the budget

and time to complete the training. She congratulated Deputy City Recorder, Selena Nez, for obtaining her certification. Photographs were then taken with the City Council.

The CMC certificate reads, "The Certified Municipal Clerk program was designed to enhance the job performance of clerks in small and large municipalities. Core duties and responsibilities consist of general management, records management, meetings administration, and elections. The CMC program prepares applicants to meet the challenges of the complex role of municipal clerks. This program provides them with quality education in partnership with institutions of higher learning as well as state and national associations. The CMC program has been assisting acceleration of clerks since 1970. To earn the CMC designation, Selena has attended executive education programs while gaining administrative experience as the Deputy City Recorder for Santa Clara City for the last four years."

B. Discussion Regarding a Single Event Liquor License and Special Events. Presented by Jim McNulty, City Planner.

Planning and Economic Development Manager, Jim McNulty provided an update on the PGA event held October 7 through October 13, 2024, and noted that several similar events are planned including the LPGA tournament April 28 through May 4, 2025. Attendance at the event was as follows:

Thursday:

- 4,790 tickets and credentials were scanned.
- 1,024 people traveled via bus from Tech Ridge. The remainder walked, bicycled, or parked at Tuacahn or onsite.

Friday:

- 7,055 tickets and credentials were scanned.
- 1,688 people traveled via bus from Tech Ridge. The remainder walked, bicycled, or parked at Tuacahn or onsite.

Saturday:

- 7,716 tickets and credentials were scanned.
- 1,680 people traveled via bus from Tech Ridge. The remainder walked, bicycled, or parked at Tuacahn or onsite.

Sunday:

- 6,874 tickets and credentials were scanned.
- 1,461 people traveled via bus from Tech Ridge. The remainder walked, bicycled, or parked at Tuacahn or onsite.

DRAFT

Mr. McNulty reported that it is good practice to review and improve processes as needed, and Staff believed it was necessary to update the Special Event Permit process to include Single Event Liquor Licenses. The proposed Code updates would allow for a Single Event Liquor License to be submitted and processed concurrently with a Special Event Permit application. Applicants are also required to obtain State Alcoholic Beverage Control approval prior to the special event and once local consent is granted by the City.

Mr. McNulty reviewed the proposed additions and changes.

Chapter 12.22, Special Events

12.22.010 Definitions:

Single Event Liquor License: A liquor license associated with a special event that includes the sale of beer, heavy beer wine, flavored malt beverages, and liquor for a period not to exceed seven (7) consecutive or non-consecutive days.

12.22.030: Application Requirements and Procedures:

F. Single Event Liquor License: An applicant for a single event liquor license under Chapter 5.08 of the City Code may be submitted concurrently with a Special Event Permit application. Additionally, a local consent form must be signed by the City allowing for the State Alcoholic Beverage Control Commission to grant approval as per Utah Code 32B-9-201 prior to the special event.

Chapter 5.08.060, Licenses and Local Consent

G. Single Event Permits, including a Single Event Liquor License associated with a Special Event Permit, may be approved by the City Manager or designee(s) without reference to or effect upon the quotas herein provided. Local consent must also be approved by the City as outlined in Chapter 12.22 of the City Code.

Chapter 5.08.010, Definitions

Single Event Permit: A permit entitling the permittee to store, sell, serve, and allow consumption of alcohol on specifically designated premises for a period not to exceed seven (7) consecutive or non-consecutive days, and by connection with a bona fide convention, civic or charitable, or local economic enterprise.

In response to a question from Council Member Burton, Mr. McNulty confirmed that the changes will make the process easier for applicants. The recent PGA event required two applications and City Council approval, after which Utah Department of Alcoholic Beverages Services approval took another two to three weeks to obtain. True Grit will be held over two weekends, and the changes would allow them to have a beer garden on Friday and Saturday of each weekend. Staff's intention was to simplify the process while still allowing the City Manager or Staff to refer an application to the Council if any questions or issues arise.

In response to a question raised by Council Member Hinton, Mr. McNulty clarified that the current City Code states that City Council approval may be required. That section is outside of the revision area and will not change. Applicants will apply for the liquor license at the same time as the Special Event Permit, at costs of $50 and $100 respectively. He suggested discussing increasing the fees for larger events and noted that Public Safety is reimbursed for some of their costs separately.

Mr. McNulty reported that more information about the PGA event will be available after the coordination meeting the following week. Police Chief, Daron Studley reported that he was unaware of any alcohol-related incidents at the PGA event and was not opposed to streamlining the process. Mr. McNulty indicated that proposed the Code Amendments would be brought back before the City Council at a future meeting.

3. <u>Staff Report.</u>

Parks and Trails Director, Ryan VonCannon reported on the following:

- A total of 60 applications were received for the two open positions. They were able to contact 24 applicants and of those, eight were interested in interviewing. Out of the eight applicants scheduled, only four showed up for their interviews. Offers were made to two candidates, but at the time of the meeting, neither candidate had accepted the position. They may have to conduct additional interviews.
- Senior Games are ongoing and the Parks Department has had two staff members on the field each day.
- Approximately 35 Biology students from the university helped replace the sod in the cemetery the previous Saturday. Two additional classes will assist with replacing the trees along Santa Clara Drive with crepe myrtles, which are unaffected by secondary water.
- Tournaments begin next weekend after the Senior Games are completed, so the next several weeks will be very busy at the ball fields.

Fire Chief, Dan Cazier reported on the following:

- Their main focus has been the PGA. In addition to the approximately 7,000 attendees, there were 1,500 to 2,000 staff members each day. Fire Department staff used medical carts to navigate the golf course, and additional staff were on bikes and in the medical tents. They were very busy. At times, they were dealing with two to three patients at a time. Most were heat-related incidents. A doctor and nurse were also onsite. He did not have data on the total number of calls, but they were busy throughout the event.
- The Baxter Medical facility in South Carolina was damaged by Hurricane Helene. The facility produces over 1,000 bags of saline each day and there is now a nationwide shortage. They were instructed to only give saline in cases of immediate threats to life safety. The expiration date on saline has also been extended by six months.
- There was a rollover in Snow Canyon. Of the three people in the car, two were transported to the hospital and there was one fatality. They were traveling at approximately 100 miles per hour, and the vehicle traveled 500 to 600 feet off the roadway. If two pedestrians had

not seen the accident and called 911, it would have been much more serious. He visited the scene with a parent of one victim last week.
- The department responded to 205 incidents in the previous 30 days, 174 of which were medical in nature. Other calls were fire-related or citizen assists.

Public Works Director, Dustin Mouritsen reported on the following:

- The sanitary survey was recently completed by the Division of Drinking Water and the City passed with no violations. The inspector has been performing water system inspections for five years and stated that it was the first time he had not issued a violation. Mr. Mouritsen is very proud of the Public Works staff for how well they maintain the facilities.
- The pump has been installed at Crestview Elementary School and will be functional by spring. It is currently tied into the existing pump for the little league fields and Canyon View Park.
- Vineyard Drive Phase 3 is nearly complete. Once sidewalks are finished, they will begin work at East Vernon Street.
- The traffic signal at Pioneer Parkway and Redwood Road is functional. Some minor items still need to be installed, but the project should be fully completed within one week.
- He has ordered maintenance materials for Wells 6 and 7. Annual maintenance will be performed on the pumps as soon as the materials arrive.
- The Snow Canyon Annual Reconciliation was finalized in September. Santa Clara's total water usage for the year was 710 million gallons, of which 541 million gallons were pumped from City wells and 137 million came from the Snow Canyon Compact. Regional water usage was 109 million gallons, or approximately 15%, which is an increase from 13% the previous year.
- Work is continuing on the new shop at the City Yard. They are ready to pour footings.

Council Member Hinton thanked Mr. Mouritsen for installing the crosswalk lights at Lava Ridge. Mr. Mouritsen reported that the project cost is $8,000 so he can only do one crosswalk per year. Council Member Hinton requested that lights be installed at the intersection of Santa Clara Drive and Old Farm Road next.

Police Chief, Jaron Studley reported on the following:

- Three new officers were sworn in.
- K-9 Copper has retired. His replacement, K-9 Rosko, is now in training. K-9 handler, Jessie Hall will begin patrol shifts in January of 2025.
- The PGA tournament was a great experience. He was grateful to work with Chief Cazier at the event. He asked for input from the City Council on how the department handled the event.
- There is a state mandate for P25-compliant radios, and they hope to incorporate the requirements by the following Friday.

Building Official, Cody Mitchell reported on the following:

- Permits have slowed down, with 18 issued thus far this fiscal year and one in review. He is hopeful that they will meet the estimate of 60 permits for the year.
- They hosted an Independent Alliance of the Electrical Industry seminar at City Hall.
- He completed additional repairs at the Relief Society building.
- They will be updating the fountains; one at each station will have a bottle filler.
- They are working to separate the IT room and mechanical chamber.

Government Affairs Director, Lance Haynie reported on the following:

- Neil Walter has been making progress and he believes it is okay to sit back and wait on the Transient Room Tax. They are pushing for basis points.
- There is some pushback on the transportation utility fee from a religious organization that wishes to be exempt from the fee, which would impact Santa Clara.
- The Legislature is listening to cities about what does not work regarding affordable housing regulations.

Community and Economic Development Manager, Jim McNulty reported on the following:

- Josh Westbrook will be appointed to the Planning Commission the following week.
- The next Planning Commission Meeting will be held on Thursday, October 24, 2024.
- The Heritage Commission meeting is also scheduled for October 24, 2024.
- The General Plan amendment was awarded at the previous City Council Meeting, and he planned to meet with the contractor the following week.

Council Member Burton reported on the following:

- She introduced Railey Madrid who works for Congress Woman Celeste Maloy and also does photography. She has offered to take each Council Member's portrait to display at City Hall.
- They are set up for the display at the County Fair.
- She met with the Veterans Coalition, and they are going to provide her with a list of all the veterans in Santa Clara so they can be recognized during Swiss Days.
- She visited the Santa Clara Museum to gather information to possibly find a sister city in Switzerland. Saint Gallen Switzerland is where many Santa Clara families are from. Zurich was identified as a possibility.

DRAFT

4. Adjournment.

The City Council Work Meeting adjourned at 5:44 p.m.

_____
Selena Nez
Deputy City Recorder

Approved: _____

DRAFT

SANTA CLARA CITY COUNCIL SPECIAL MEETING
WEDNESDAY, OCTOBER 16, 2024
MINUTES

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Special Meeting on Wednesday, October 16, 2024, at 5:450 p.m. in the Downstairs Executive Board Room located at 2603 Santa Clara Drive, Santa Clara, Utah. The meeting was broadcast on the City website at https://santaclarautah.gov.

Mayor:	Rick Rosenberg
Council Members:	Janene Burton Christa Hinton Dave Pond
City Manager:	Brock Jacobsen
Others Present:	Selena Nez, Deputy City Recorder Jim McNulty, Planning and Economic Development Manager Lance Haynie, Government Affairs Director Ryan VonCannon, Parks and Trails Director Cody Mitchell, Building Official Dustin Mouritsen, Public Works Director Kristelle Hendrickson, Executive Assistant Dan Cazier, Fire Chief Jaron Studley, Fire Chief
Excused:	Ben Shakespeare Jarett Waite

1. Call to Order.

Mayor Rick Rosenberg called the meeting to order at 5:48 p.m. and welcomed those present.

2. Working Agenda.

A. General Business.

i. Discussion and Possible Action to Approve Resolution 2024-12 Supporting the State Lawsuit of the Federal Government for Control of BLM Land within the State of Utah.

Mayor Rosenberg reported that the State of Utah has submitted an amicus brief to the Supreme Court to consider their request to manage unappropriated federal lands, which are federal lands that are not part of a national park, maintained by the forest service, or a federal-designated area. Those lands are currently managed by the Bureau of Land Management ("BLM"). He discussed

the issues with gaining rights-of-way for the Northern Corridor and indicated that it is becoming increasingly difficult to obtain rights-of-way for road and power transmission corridors.

Mayor Rosenberg reported that Alan Gardner approached all affected mayors about passing a Resolution to join with the American Lands Council on the amicus brief so municipalities will not incur the cost of preparing their own. It is a lengthy, time-consuming legal process. Washington City, Saint George, and Hurricane passed the resolution. Ivins turned it down by a vote of three to two.

Mr. Gardner provided some background on the lawsuit. Approximately 12 years ago, the Legislature passed a bill demanding that the federal government turn the land in question over to the State of Utah. A number of bills and resolutions have been passed since, including one forming an organization similar to BLM to take charge of the lands once the State takes over management.

He read the following from the lawsuit's Prayer for Relief:

A. Declare that the United States' policy and practice of indefinitely retaining its unappropriated lands in Utah over Utah's objection is unconstitutional.

B. Declare that the United States' official policy of indefinitely retaining its unappropriated public lands and the extent to which it implements that policy are unconstitutional.

C. Order the United States to begin the process of disposing of its unappropriated federal lands within Utah consistent with existing rights and state law.

D. Grant to the State of Utah such other relief as the Court deems just and proper.

The lawsuit was filed on August 12, 2024, and the amicus brief will be sent to the Supreme Court requesting that they hear the case. If they accept it, another brief will be filed in support of the case. Mayor Rosenberg expressed his support for the action. He has dealt with the frustration of trying to coordinate with the BLM to provide necessary services to Santa Clara residents, and he is hopeful that the Supreme Court will consider the case.

In response to a question raised by Council Member Burton, Mayor Rosenberg stated that if the lawsuit is successful, the state agency administering the lands will be much easier to work with as it will be under local control. Mr. Gardner stated that environmental groups sue to stop projects and then get reimbursed for their expenses, and this should stop most of those lawsuits because they will not be reimbursed.

Council Member Hinton asked if cities all over the state are signing the resolution or if it was specific to Washington County. Mr. Gardner stated that the American Lands Council has been focusing their efforts on this area of the state. They are also working with counties in New Mexico, Nevada, and Arizona. Idaho is working on a separate measure. The brief is not yet complete and some municipalities are waiting for its completion prior to expressing support.

Council Member Pond moved to APPROVE Resolution 2024-12 Supporting the State's Lawsuit of the Federal Government for Control of BLM Land within the State of Utah. Council Member Burton seconded the motion. Vote on motion: Council Member Burton-Yes, Council Member Pond-Yes, Council Member Hinton-Yes. The motion passed unanimously.

3. Executive Session.

There was no Executive Session.

4. Adjournment.

Council Member Hinton moved to ADJOURN. Council Member Burton seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at 5:59 p.m.

_____
Selena Nez
Deputy City Recorder

Approved: _____

DRAFT

SANTA CLARA CITY COUNCIL MEETING
WEDNESDAY, OCTOBER 23, 2024
MINUTES

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Regular Meeting on Wednesday, October 23, 2024, at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah. The meeting was broadcast on the City website at https://santaclarautah.gov.

Mayor: Rick Rosenberg

Council Members: Ben Shakespeare
Janene Burton
Christa Hinton
Dave Pond
Jarett Waite

City Manager: Brock Jacobsen

Others Present: Selena Nez, Deputy City Recorder
Jim McNulty, Planning and Economic Development Manager
Lance Haynie, Government Affairs Director
Gary Hall, Power Director
Ryan VonCannon, Parks and Trails Director
Cody Mitchell, Building Official
Kristelle Hendrickson, Executive Assistant
Dan Cazier, Fire Chief
Dustin Mouritsen, Public Works Director
Debbie Bannon, Finance Director
Jaron Studley, Police Chief

1. Call to Order.

Mayor Rick Rosenberg called the meeting to order at 5:03 p.m. and welcomed those present.

2. Opening Ceremony.

A. Pledge of Allegiance: Council Member Ben Shakespeare

B. Opening Comments: Major Bob Schmig, Salvation Army, St. George Interfaith Council.

DRAFT

3. Conflicts and Disclosures.

There were no conflicts or disclosures.

4. Working Agenda.

A. Public Hearing

i. Public Hearing to Receive Public Input Regarding the Transportation Utility Fee Study.

Public Works Director, Dustin Mouritsen presented the Transportation Utility Fee and reported that at the September Work Meeting, the City Council indicated their preference to adopt a six-year Maintenance Plan. The plan includes an increase from $3.83 to $5.40 per month for each residential unit and a slightly higher increase for commercial units, as well as a 5% annual increase for the next five years. The increase would take effect November 1, 2024.

In response to a question raised by Council Member Shakespeare, Mr. Mouritsen stated that another study would be conducted at the end of the five-year period to determine if additional modifications were needed. The Transportation Utility Fee funds street maintenance including slurry seal, chip seal, striping, and crack seal.

Mayor Rosenberg stated that the fee was implemented in 2010 and it has helped fund street maintenance and enabled the City to keep its streets in very good condition. The routine maintenance that is funded by the fee significantly extends the useful life of the streets, and it costs approximately ten times more to replace a street than to maintain it. He believes it has been a good program for the City.

Mayor Rosenberg opened the public hearing. There were no public comments. The public hearing was closed.

B. Consent Agenda.

i. Approval of Claims and Minutes:

- **October 9, 2024, City Council Regular Meeting Minutes**
- **Claims through October 23, 2024**

ii. Calendar of Events:

- **November 11, 2024, Veterans Day (Offices Closed)**
- **November 13, 2024, City Council Regular Meeting**
- **November 20, 2024, City Council Work Meeting**
- **November 27, 2024, City Council Regular Meeting**

DRAFT

Mayor Rosenberg reported that he and Council Member Shakespeare would be attending the National League of Cities and Towns Conference on November 13, 2024. After discussion, it was decided that the November 13, 2024, City Council Regular Meeting would be combined with the Work Meeting on November 20, 2024. As it is the night before Thanksgiving, November 27, 2024, Regular City Council Meeting will be canceled.

Council Member Hinton moved to APPROVE the Consent Agenda, as amended to move the November 13, 2024, City Council Regular Meeting to November 20, 2024, immediately following the City Council Work Meeting, and cancel the November 27, 2024, City Council Regular Meeting. Council Member Burton seconded the motion. Vote on motion: Council Member Shakespeare-Yes, Council Member Burton-Yes, Council Member Hinton-Yes, Council Member Pond-Yes, Council Member Waite-Yes. The motion passed unanimously.

C. General Business.

i. Discussion and Action to Approve the Transportation Utility Fee Study and Resolution 2024-09. Presented by Dustin Mouritsen, Public Works Director.

Council Member Shakespeare moved to APPROVE the Transportation Utility Fee Study and Resolution 2024-09, as presented. Council Member Pond seconded the motion. Vote on motion: Council Member Waite-Yes, Council Member Pond-Yes, Council Member Hinton-Yes, Council Member Burton-Yes, Council Member Shakespeare-Yes. The motion passed unanimously.

ii. Discussion and Action to Approve the Washington County Water Conservancy District ("WSWCD") Re-Use Agreement. Presented by Dustin Mouritsen, Public Works Director, WCWCD.

Mr. Mouritsen presented the Staff Report and stated that the City Council reviewed the agreement at a previous Work Meeting. He has since had discussions with City Attorney, Matt Ence; City Manager, Brock Jacobsen; and Mayor Rosenberg about the agreement. Terms were reached on everything that was requested, including the main request that Santa Clara not be required to pay reuse rates on its water shares. As agricultural land is developed, the City will still be able to acquire water shares without paying the reuse rate. Secondary water metering was also added to the agreement, which Santa Clara already has in place.

Mr. Mouritsen provided a brief overview of the procedure for determining the depletion rate, which is handled by the Division of Water Rights. Communities of comparable size to Santa Clara have a rate of approximately 38%, which would provide approximately 1,000 acre-feet of reuse water. He noted that the depletion rate has not been calculated and is not part of the agreement with WCWCD.

The WCWCD Fee is approximately $4.00 per 1,000 gallons. In response to a question from Council Member Shakespeare, Mr. Mouritsen stated that the fee will be $3 higher than the City currently pays for irrigation water but there may be a fee increase for that as well. As long as water conservation continues to be a priority he does not believe Santa Clara will need to install a secondary water system, but in the future, some high-water users like Homeowners Associations and vacation rentals may need to be moved to secondary water. Mayor Rosenberg stated his belief that at some point irrigation water will be purchased by the WSWCD, at which point the City would be on the higher reuse water rate.

In response to a question from Council Member Burton, Mr. Mouritsen confirmed that a previous attachment related to Recital H was removed. The City will retain its existing water rights and will not pay reuse rates on the approximately 50 shares it currently owns or any shares it acquires in the future.

Council Member Shakespeare moved to APPROVE the Washington County Water Conservancy District ("WSWCD") Re-Use Agreement. Council Member Hinton seconded the motion. Vote on motion: Council Member Burton-Yes, Council Member Shakespeare-Yes, Council Member Hinton-Yes, Council Member Pond-Yes, Council Member Pond-Waite. The motion passed unanimously.

iii. Discussion and Action to Appoint Josh Westbrook to the Planning Commission. Presented by Jim McNulty, City Planner.

Planning and Economic Development Manager, Jim McNulty introduced Josh Westbrook. Mr. Westbrook was born in Santa Clara to Doug and Cindy Westbrook and graduated from Snow Canyon High School. After graduating, Josh served in the Canada Winnipeg Mission for the Church of Jesus Christ of Latter-day Saints. After returning, he enrolled in and graduated from then-Dixie State University and married Mickell Hafen Westbrook, who was also raised in Santa Clara by her parents, Ernie and LeAnn Hafen. They have been married for 20-plus years and have five beautiful children that range in age from 19 to 8. After being married for several years and bouncing between Saint George and Hurricane, they finally moved back to Santa Clara at the end of 2008, and they have lived here since that time. Mr. Westbrook started working for Dixie Title Company in 2001 and purchased the company in the fall of 2007, where he currently remains.

Mayor Rosenberg stated that he has known Mr. Westbrook since he was very young and he appreciates his willingness to serve on the Planning Commission. He is a previous President of Snow Canyon Little League and a valuable asset to the community. Mr. Westbrook looked forward to working with the City Council and Planning Commission. He loves Santa Clara and is grateful to be able to raise his family in the community.

Council Member Hinton moved to APPOINT Josh Westbrook to the Planning Commission. Council Member Waite seconded the motion. The motion passed with the unanimous consent of the Commission.

iv. Review and Discussion of the Financial for the First Quarter of Fiscal Year 2025. Update Presented by Finance Director, Debbie Bannon.

Finance Director, Debbie Bannon reviewed the financials for the first quarter of Fiscal Year 2025 and reported that Sales tax revenue was at 19%, slightly less than budgeted for the quarter, and total revenue was approximately 20%. City Manager, Brock Jacobsen reported that property taxes are the largest revenue generator and do not come in until the second and third quarters.

Ms. Bannon reported that the Administration budget may need to be reviewed, and some expenses moved to other departments. Police Department expenditures were higher because they purchased vehicles in the first quarter and insurance was also due. Swiss Days expenditures show as over budget because they are mostly incurred at the beginning of the Fiscal Year, but spending is currently under the yearly budget.

Mr. Jacobsen noted that there will be a large increase in Fire Department expenditures at the next review due to the PGA event but there will be a revenue offset that was not budgeted. The PGA was invoiced approximately $90,000 for the recent event.

With regard to the General Impact Fee Fund, Ms. Bannon indicated that the budget rarely lines up because it is dependent on Impact Fee-eligible projects and the General Impact Fee Plan. In response to a question from Mayor Rosenberg, Building Official, Cody Mitchell stated that 23 Building Permits were issued in the first quarter, and 60 were budgeted for the year. The Capital Projects Fund includes the BMX Park and Vineyard Drive projects.

The Water Fund received $150,000 from Washington County School District to cover their portion of the costs for an irrigation pump, but those funds were received in October and were not included in the first quarter figures. The Water, Sewer, and Storm Water Funds are on track with revenue and expenses. Due to issues with the generators, Electric Fund expenditures are over budget. Ms. Bannon presented graphs of actual versus budgeted expenses for each department.

Council Member Shakespeare asked about the interest-bearing accounts for certain funds. Mr. Jacobsen stated that the Impact Fee funds are in the Public Treasurer's Investment Fund ("PTIF") at 5.324%. General reserves were moved to Mountain America, which guaranteed an interest rate of at least 0.25% higher than PTIF. There have been no indications that the rates will be lowered in the near future.

v. UTOPIA Fiber Annual Update. Presented by Roger Timmerman, Executive Director for UTOPIA Fiber.

UTOPIA Fiber Executive Director, Roger Timmerman provided the annual update. The network buildout was completed in October of 2023. There was then a competitive response from TDS and Century Link/Quantum, which offered service through door-to-door marketing. The UTOPIA subscriber base is growing and is currently at 180 residential and business customers. Business customers include churches, Harmons Grocery, and the Point at Snow Canyon. Their goal is 1,100 connections, and they are increasing marketing efforts to bring in more subscribers.

Mr. Timmerman reported that they recently contracted with a direct sales team in Boseman, Montana with great success so they are planning to do direct, door-to-door sales in Santa Clara as well. They are working through the licensing and approval process and expect the sales team to begin working in Santa Clara soon. They will also be running promotions for referrals. Additionally, a local provider, Kayenta Technologies, will be starting on the network within the week. Through those efforts, they are confident they will be able to ramp up subscriber rates and revenues within one year. The direct sales team in Boseman generated up to 300 new subscribers per month, and their goal is to have 50 to 100 new subscribers per month in Santa Clara.

Mr. Timmerman provided updates on the service levels as follows:

- The 10-gigabyte tier has dropped in price from $300 to approximately $50.
- They have a new 2.5 gigabyte service tier in the $100 to $120 range.
- The 250-megabyte and 1-gigabyte tiers are also still available.

Governmental partnerships continue to grow, and they are also working with developers. Their goal of 1,100 connections or its equivalent gets easier over time as more property is developed. They need significantly more connections in Santa Clara, but they believe their sales efforts combined with the City's growth will provide those results within the next year.

Council Member Burton asked why a City would want to go into business with a company like UTOPIA Fiber and what advantages the partnership provides the City. She mentioned a conversation with someone from Provo who stated that they sold their contract for $1.00 to get out from under their bond. Mr. Timmerman stated that it brings competition to the City. Century Link and TDS would not have upgraded their equipment if Santa Clara had not signed up with UTOPIA Fiber, and those services are substantially more expensive in other cities. What is available in Santa Clara is the best broadband in any city in the region because of the competitive response. Whether a resident is a customer of UTOPIA or one of its competitors, they are saving money.

Another distinction is that UTOPIA Fiber builds the infrastructure and lets other companies use it, although some choose to compete with it instead. Local companies benefit from their infrastructure. National companies like Quantum and TDS have a goal of extracting as much money as they can from the community to enrich their shareholders, whereas UTOPIA Fiber drives benefits to the local communities and provides critical infrastructure for the City's systems. They have historically been able to provide that infrastructure at no cost to the city.

In Provo's case, they had a successful project that was sold to a company called BroadWave, which then drove it into the ground and defaulted on their contract with the city. The city got the contract back, but they did not have many options, so they gave it to Google. It was not the city's project that failed, but rather BroadWave failed and stuck the city with the bill.

UTOPIA Fiber is an interlocal partnership. It is an independent governmental agency that enters into partnerships with other governmental agencies. UTOPIA Fiber owns the debt for the project, but it is not a company. The infrastructure is owned by the public. They have an agreement with the City regarding financing. There are two different entities, UTOPIA Fiber and the Utah

Infrastructure Agency ("UIA"), which are both referred to as UTOPIA Fiber. Santa Clara is a partner of UIA, which also partners with 20 other cities.

Mayor Rosenberg indicated that the questions posed by Council Member Burton were asked when the City decided to enter into the agreement. Santa Clara did not have broadband at that time. The City approached TDS, Comcast, and others and asked them to bring in broadband, but the companies were unwilling to provide that service to the community. None of those companies came into the area until after Santa Clara entered into the agreement UTOPIA Fiber started making a financial investment in the community to bring broadband to every home in the City. Private companies like TDS will install fiber in high-density areas, but they will not install it in areas with a lower number of connections because it is not economical for them to do so. The City Council researched the matter, asked questions, and made the decision to move forward with the agreement. They did so due to a large outcry from residents during Covid when people were working from home and did not have access to broadband. Mayor Rosenberg is confident they made the right decision. Subscriptions are down, but there is a plan to increase subscriptions. He believes that if people evaluate the options, they will choose UTOPIA Fiber.

Council Member Waite stated that the City researched many different options and it was determined that this was the best choice. He recognized that there are some prominent former politicians in the state who are against municipal fiber. Santa Clara did not build the project. Rather, it partnered with UIA, which used Santa Clara's finances to obtain better financing on the bond they used to pay for it. UIA owns the debt and Santa Clara cosigned the loan. The only risk is that if there are not enough subscribers, the City would have to make up the difference from its budget. It would then be written into UIA's books as a loan, so the City would eventually be paid back. Santa Clara got amazing service for its residents. The contract includes two years of no payments to ramp up subscriptions so that when the payments come due, the money should be available to make them.

Council Member Shakespeare added that they pursued private industry but were told that they would not bring broadband to the City. As soon as the agreement with UIA was approved, those same companies brought it into Santa Clara. He believes the marketing has been poor and is glad that they will be expanding those efforts. People need to know that it is there and understand how to sign up. He believes they will have great success once the sales team is in place. Mr. Timmerman stated that they tried to allow space for service providers to market and differentiate themselves, but the contractors did not come in as strongly as they had hoped. They are confident that actively marketing the service will dramatically increase the subscription rate.

Mr. Timmerman reported that they are meeting with other cities in the area, and they are very jealous of Santa Clara because they are in the position of trying to determine what it will take to get fiber in their cities. They are being told the same thing Santa Clara was told, that private companies will only cherry-pick the most profitable areas and there is nothing the City can do, but at the same time, they should not sign on with UTOPIA Fiber. After an agreement is reached with those cities, the private companies will likely have the same competitive response as they did in Santa Clara. He believes Santa Clara is in a good position because costs and interest rates have increased, but they are keeping a $30 infrastructure fee while new projects will likely be $40 per

connection. They are grandfathered into that better structure, and they will never have to worry about not having a competitive structure or being beholden to a private company.

Council Member Shakespeare stated that if they were to try to do this today it would be very difficult because of the increased costs and interest rates, which changed just a few months after the agreement was approved. He believes the marketing will get the take rate to where it needs to be. Council Member Waite added that he works with TDS and InfoWest on a regular basis and asking them to do a $7 million project for 3,000 homes does not line up with their profit and loss goals, but an interlocal can spread that cost over a 25-year period and make it work. Santa Clara is in a unique situation because it is almost built out, and it is more expensive to put fiber in a city that is already built. This agreement made sense. Everyone now has more options and excellent service.

Council Member Waite asked about the discussion at a recent UIA board meeting about raising rates. Mr. Timmerman stated that the wholesale rate to service providers increased by $4.00 per month on the 250 megabyte and 1 gigabyte tiers. Some providers absorbed the increase, some passed it through to customers, and others used it as an excuse to increase their rates more. UIA does not set the retail rate. There was a small increase to the wholesale rate related to operations, but there is no plan to increase the $30 fiber infrastructure fee. That fee is intended to cover bond expenses, which do not change.

Mr. Timmerman reported that UTOPIA is doing better financially every year. They do not have investors or shareholders. If they are able to be more profitable, they may pay down bonds faster or lower rates. Their trajectory is positive. Across all systems, they are adding 900 to 1,000 subscribers each month. The organization is in good shape. The Santa Clara bond is currently in a shortfall position, but they are making the payments and will continue to do so. It is possible that they could come back to the City and ask for a loan on the deficit, but they are confident that their marketing efforts will get the take rate to where it needs to be. They will make the payments for the next year and reevaluate at that time. They have never had a project that did not reach its revenue goal and do not believe it will happen with Santa Clara. They are confident that it will be another successful project.

Mr. Timmerman asked for the Council Members' feedback on the service and indicated that they monitor social media for complaints and send surveys to customers. There was some disruption as the system was built, but most of the complaints they received were about other companies' work. UTOPIA installs its equipment subsurface in most areas, and it is a clean installation. They are very sensitive to complaints and believe they are responsive, but if the Council Members believed otherwise, he would welcome their feedback.

Mayor Rosenberg stated that he was impressed with the contractor. They damaged his driveway when they bored under it but they came back and repaired it immediately. He was very happy with their response. Council Member Waite stated that there was a sinkhole in front of his house; they repaired it, but it came back a couple of months later. They repaired it again, and it has not reappeared. They were very responsive and did a great job. Mr. Timmerman thanked them for their feedback.

5. Reports.

A. Mayor/Council Reports.

Council Member Shakespeare reported on the following:

- He attended the Council of Governments meeting in Mayor Rosenberg's absence. They are working on the Northern Corridor. The easements and property purchase for the Western Corridor were approved, and Ivins intends to begin their portion of the project quickly.

Council Member Burton reported on the following:

- She has been speaking with Destiny Skinner about the Youth City Council. They are trying to recruit members for this year's Youth Council. Some members of the Santa Clara Royalty have expressed an interest.
- She was grateful that Raelie Madrid would take photos for the City Council.
- She has been researching what part of Switzerland Santa Clara's main settlers came from, and they primarily came from two cities. She hopes to work with the mayor of one of those cities to become international Sister Cities. Mayor Rosenberg suggested that she speak with the Historical Society. If the community expresses support, they can pursue it.
- She has signed on as a substitute teacher at the high school.

Council Member Pond reported on the following:

- He has received complaints from residents about the Jacob Drive entrance to Gubler Park. There is a lot of traffic coming out of the park through the one-way entrance, and there is not a stop sign on that side because it should be an entrance only. People are going through the intersection without stopping, primarily in the evening.

  Mr. Mouritsen stated that there has been construction for the new subdivision on Patricia Drive. Rather than taking the detour, people have been cutting through the park. The road is open now, so hopefully the issue will resolve itself.

  Police Chief, Jaron Studley stated that he will have a marked car posted at the entrance to address the issue.

Council Member Waite reported on the following:

- He attended the Black Desert Championship as a spectator. It was great to be there. It was set up well. He did not hear any complaints from residents.

Mayor Rosenberg reported on the following:

DRAFT

- He attended the Flood Control meeting. The draft budget is ready and will be presented at the next City Council Meeting. They approved the design and engineering for the Pioneer Crossing culvert upsize. When Congresswoman Malloy requests projects again, they will be designed, permitted, and ready for construction.
- He sat on the Leadership Dixie Panel with other local mayors. Two Council Members were also in attendance.
- He and Council Member Waite went to the Box House Distribution Center in Hurricane. They manufacture affordable, prefabricated housing units. They invited the Council and City Staff to do a walkthrough of the facility and provide feedback on how to make the units available in the community.
- He recommended that everyone read the Letter to the Editor of Saint George News submitted by Government Affairs Director, Lance Haynie.

City Manager, Brock Jacobsen reported on the following:

- He will ask Kristelle to check everyone's schedule and coordinate the Box House site visit.
- The City Council Work Meeting will begin at 4:00 p.m. on November 20, 2024. The Regular Meeting will begin at 5:30 p.m.
- The ballot drop box is located at the Santa Clara Library.
- Christmas dinner will be held on Thursday, December 5, 2024.
- He asked the Council Members to meet at the front of the building after the meeting to verify the location of the bison statue. They will choose an artist at the next Work Meeting.

Parks Director, Ryan VonCannon reported on the following:

- The pickleball courts at Gubler Park are shut down and locked due to issues with a group of people who were using the courts. They received complaints about the condition of the court but found no issues with it. It has normal wear and tear, but no safety issues. The same group of people filed another complaint a few months later, but staff again found no issues. Between 8:30 and 9:00 a.m. on October 22, 2024, someone resurfaced the court and painted it blue without speaking to the City. They were caught on camera but could not be identified. Staff spoke with the group earlier in the day, but they denied painting the court and alleged that people have been injured on it. No such reports have been made to the City. One individual then threatened a lawsuit. After all players had left, the Parks Department reinstalled the gates and locked the courts. Signs were posted that due to vandalism, the courts will be closed until further notice.

  Mr. VonCannon indicated that resurfacing the courts was not in the current year's budget. It was planned for next year. They will have the courts inspected to determine if there is a safety concern and obtain an estimate to resurface them. Mayor Rosenberg stated that the courts are closed by his order until the investigation is completed. Witnesses are encouraged to come forward with any

reports. Council Member Shakespeare stated that having a third party inspect the courts and provide something in writing is the right way to handle the issue.

6. Executive Session.

There was no Executive Session.

7. Adjournment.

Council Member Burton moved to ADJOURN. Council Member Shakespeare seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at 6:27 p.m.

_____
Selena Nez
Deputy City Recorder

Approved: _____

DRAFT

City of Santa Clara
Check Register
Checking 1889 - 10/22/2024 to 10/22/2024

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account	Activity Code
ALPHA ENGINEERING	71548	38164	07/13/2024	10/22/2024	238.00	HILLS AT SC PHASE 2B	104652-320 - ENGINEERING	
ALPHA ENGINEERING	71548	38261	07/13/2024	10/22/2024	1,115.00	SC CAYMAS LANE - PARCELS BOUNDARY	104652-320 - ENGINEERING	
					$1,353.00			
CITY OF ST GEORGE-IMPACT	71549	JUL-SEP 24	09/30/2024	10/22/2024	22,064.00	SEWER IMPACT FEES JAN-MAR 2024	522411-000 - SEWER IMPACT - ST G	
CRAVINGS GOURMET BAKERY &	71550	804080	10/07/2024	10/22/2024	869.40	COOKIES FOR SWISS DAYS DINNER	104610-214 - DINNER	
ENVIRONMENTAL SYSTEMS RES	71551	94769406	07/24/2024	10/22/2024	325.00	ARCGIS IMAGE ANALYST SUBSCRIPTION	104230-310 - IT SERVICES	
GCS BILLINGS	71552	3872	09/30/2024	10/22/2024	2,839.82	SEPTEMBER 2024 BILLING SVCS	104230-370 - PROFESSIONAL SERVI	
M&T ENTERPRISES LLC	71553	VINYARD #3 PR	10/07/2024	10/22/2024	53,960.67	VINEYARD DRIVE PHASE 3 PROJECT	494410-730 - STREETS IMPROVEME	105
M&T ENTERPRISES LLC	71553	VINYARD #3 PR	10/07/2024	10/22/2024	60,000.00	VINEYARD DRIVE PHASE 3 PROJECT	545410-730 - IMPROVEMENTS	105
					$113,960.67			
MEGAPRO	71554	83727	09/25/2024	10/22/2024	181.00	OFFICE CLOTHING ORDER	104130-240 - OFFICE SUPPLIES	
SAFETY-KLEEN SYSTEMS, INC.	71555	CI38871	10/10/2024	10/22/2024	382.50	USED ANTIFREEZE COLLECTION	535310-260 - BUILDING MAINTENAN	
STATE OF UTAH / BLDG	71556	JUL-SEP 24	09/30/2024	10/22/2024	688.39	BUILDING SURCHARGE APRIL - JUNE 2024	104240-940 - INTERGOVT CHARGES	
UPPER CASE PRINTING INK.	71557	2266	10/04/2024	10/22/2024	242.25	BACK OF BILL PRINTING	104130-370 - PROFESSIONAL SERVI	
WASH. COUNTY WATER CONSER	71558	53848	09/30/2024	10/22/2024	6,224.60	WATER DEVELOPMENT SURCHARGE	513714-000 - REGIONAL WATER SUR	
WASH. COUNTY WATER CONSER	71558	53871	09/30/2024	10/22/2024	21,373.20	EXCESS CONSERVATION SURCHARGE	513714-000 - REGIONAL WATER SUR	
WASH. COUNTY WATER CONSER	71558	53843	10/01/2024	10/22/2024	4,515.57	REG.PIPELINE BOND PAYMENT	515110-822 - DEBT PAYMENT TO WA	
					$32,113.37			
WASHINGTON COUNTY TREASUR	71559	SC-PTAX-1 - 202	10/21/2024	10/22/2024	4,035.98	SC-PTAX-1 - 2721 SANTA CLARA DRIVE - 2022	104130-510 - INSURANCE AND SURE	
WASHINGTON COUNTY- HCP	71560	JUL-SEP 24 HCP	09/30/2024	10/22/2024	14,009.52	HCP IMPACT FEES JAN-MAR 2024	102260-000 - HCP IMPACT FEES - CO	
PUBLIC EMPLOYEE HEALTH PRO	EFT	0124109730	10/22/2024	10/22/2024	70,347.04	HEALTH INSURANCE	102250-000 - HEALTH INSURANCE P	
PUBLIC EMPLOYEE HEALTH PRO	EFT	0124109730	10/22/2024	10/22/2024	1,110.71	LIFE INS & AD&D	102252-000 - LIFE-AD&D PAYABLE	
					$71,457.75			
					$264,522.65			

City of Santa Clara
Check Register
Checking 1889 - 10/29/2024 to 10/29/2024

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account	Activity Code
BERT'S PLUMBING, INCORPORAT	71561	10724	10/09/2024	10/29/2024	1,700.00	FIRE STATION #31 REPLACED 50 GALLON GAS	104230-260 - BUILDING MAINTENAN	
BERT'S PLUMBING, INCORPORAT	71561	102424	10/25/2024	10/29/2024	5,500.00	PLUMBING WORK - DRINKING FOUNTAIN REPL	104240-260 - BUILDING MAINTENAN	
					$7,200.00			
BLACK DESERT OIL SUPPLY LLC	71562	214	07/08/2024	10/29/2024	320.59	55 GAL DRUM DEF - CASE RED - OIL ABSORBEN	104230-253 - REPAIRS & MAINTENA	
BLACK DESERT OIL SUPPLY LLC	71562	436	10/03/2024	10/29/2024	209.95	55 GAL DRUM DEF	104230-253 - REPAIRS & MAINTENA	
					$530.54			
EMERGENCY VEHICLE SYSTEMS	71563	5237	10/16/2024	10/29/2024	3,686.00	RADIO SYSTEMS - VEHICLES	104230-250 - OPERATING SUPPLIES	
GET TRAINED UTAH	71564	562	10/16/2024	10/29/2024	810.00	BLS, ACLS & PALS COURSE	104230-360 - TRAINING	
HEDMAN ENGINEERING, LLC	71565	3154	10/10/2024	10/29/2024	1,000.00	FIRE STATION #31 NEW HEADER ENGINEERING	104230-260 - BUILDING MAINTENAN	
IPSA	71566	3586	09/26/2024	10/29/2024	400.00	HOTLINE SCHOOL FOR REG NAGEL GRADILLA	535310-360 - TRAINING	
JACKIE TOMLINSON	71567	2024 SWISS DAY	10/28/2024	10/29/2024	100.87	SWISS DAYS DINNER & BREAKFAST	104610-209 - LITTLE SWISS MISS &	
LINS SUPERMARKETS INC	71568	377430	09/27/2024	10/29/2024	212.78	SWISS DAYS SWISS MISS & MISTER	104610-209 - LITTLE SWISS MISS &	
NEW WAVE CONSTRUCTION	71569	Refund: 2003922	10/22/2024	10/29/2024	140.75	Refund: 2003922 - NEW WAVE CONSTRUCTION	531311-000 - ACCOUNTS RECEIVABL	
SIDDONS-MARTIN EMERGENCY	71570	321-0000022854	09/30/2024	10/29/2024	795.00	LUBE OIL & FILTER CHANGE	104230-253 - REPAIRS & MAINTENA	
SUNRISE ENGINEERING, INC.	71571	147289	10/11/2024	10/29/2024	138.00	TRANSPORTATION FEE STUDY	104410-320 - ENGINEERING SERVIC	
SUNRISE ENGINEERING, INC.	71571	147289	10/11/2024	10/29/2024	240.00	SC MISC ON CALL ENGINEERING	515110-320 - ENGINEERING SERVIC	
SUNRISE ENGINEERING, INC.	71571	147289	10/11/2024	10/29/2024	2,682.00	SEWER MANAGEMENT PLAN	525210-320 - ENGINEERING SERVIC	
SUNRISE ENGINEERING, INC.	71571	147289	10/11/2024	10/29/2024	1,762.00	WASTE WATER MASTER PLAN 2024	525210-320 - ENGINEERING SERVIC	
					$4,822.00			
SUNRISE ENVIROMENTAL SCIENT	71572	149719	10/04/2024	10/29/2024	746.44	LEMON TWIST - TRAILBLAZER - INSECT KILLER	104410-260 - BUILDING MAINTENAN	
SYSCO LAS VEGAS, INC	71573	417622405	09/24/2024	10/29/2024	3,617.85	SWISS DAYS DINNER & BREAKFAST	104610-202 - BREAKFAST	
SYSCO LAS VEGAS, INC	71573	417622405	09/24/2024	10/29/2024	3,989.72	SWISS DAYS DINNER & BREAKFAST	104610-214 - DINNER	
					$7,607.57			
TRI-STATE ELECTRIC AND UTILITY	71574	2452	10/04/2024	10/29/2024	157,224.80	PROJECT #5 RED MTN & PIONEER PKWY TRAF	484100-730 - IMPROV OTHER THAN	
VALLEY UNDERGROUND, INC.	71575	CRESTVIEW PY	10/28/2024	10/29/2024	100,446.73	CRESTVIEW IRRIGATION LINE PYMT 1	515110-730 - IMPROVEMENTS	2
WEIDNER FIRE	71576	65224	07/20/2024	10/29/2024	2,012.44	FIREDEX 4 ALARM PIONEER SET 2-22-2023	104230-250 - OPERATING SUPPLIES	
WEIDNER FIRE	71576	65227	07/20/2024	10/29/2024	169.56	FIREDEX H41 HOOD 2-22-2023	104230-250 - OPERATING SUPPLIES	
WEIDNER FIRE	71576	65232	07/20/2024	10/29/2024	2,886.74	FIREDEX 4 ALARM PIONEER SET 2-23-2023	104230-250 - OPERATING SUPPLIES	
WEIDNER FIRE	71576	65445	07/20/2024	10/29/2024	469.91	FIREDEX BOOTS - 3-15-2023	104230-250 - OPERATING SUPPLIES	
WEIDNER FIRE	71576	65763	07/20/2024	10/29/2024	300.00	FIT TESTING MACHINE RENTAL - 4-20-23	104230-250 - OPERATING SUPPLIES	
					$5,838.65			
WESTERN UNITED ELECTRIC SU	71577	6126732	10/15/2024	10/29/2024	821.66	CHAIN POLE SLINGS	535310-250 - OPERATING SUPPLIES	
WESTERN UNITED ELECTRIC SU	71577	6126447	10/07/2024	10/29/2024	395.49	CABLE PULLING LUBE FOR SOUTH VILLAGE @	535310-254 - NEW SUBDIVISION EXP	
WESTERN UNITED ELECTRIC SU	71577	6126007	10/07/2024	10/29/2024	746.40	PROJECT CODE 4 CONDUIT FOR PUBLIC WORK	535310-730 - IMPROVEMENTS	4
					$1,963.55			
White, Elbert & Pat	71578	PARK DEPOSIT	10/12/2024	10/29/2024	25.00	CANYON VIEW PARK DEPOSIT RENTAL	103474-000 - B ROCK & CANYONVIE	
					$293,550.68			

City of Santa Clara
Check Register
All Bank Accounts - 10/31/2024 to 10/31/2024

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account	Activity Code
CHILD SUPPORT SERVICES	71579	10-31-24 873789	10/31/2024	10/31/2024	206.77	CASEY-C000873789 PAY PERIOD 10/31/2024	102595-000 - GARNISMENTS PAYABL	
					$206.77			

City of Santa Clara
Check Register
Checking 1889 - 11/05/2024 to 11/05/2024

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account	Activity Code
BADGER METER INC	71580	80167767	08/05/2024	11/05/2024	4,803.75	CELLULAR SUBSCRIPTION	515110-461 - WATER METERS	
BURROW, CHRIS	71581	10-22-24 INTER	10/22/2024	11/05/2024	79.62	INTERPRETER SVCS 10-22-24	104120-330 - LEGAL SERVICES	
CITY OF ST GEORGE - S	71582	OCTOBER 2024 -	10/31/2024	11/05/2024	43,751.80	3092 SEWER CONNECTIONS @14.15	525210-945 - SEWER TREATMENT -	
DR. ROBERT R. FOSTER, D.O. P.C.	71583	NOV 2024 - MED	11/04/2024	11/05/2024	1,200.00	MEDICAL SERVICES DIRECTOR	104230-370 - PROFESSIONAL SERVI	
ERICKSON, M. RICK	71584	OCTOBER 2024	11/04/2024	11/05/2024	1,850.00	CITY PROSECUTOR OCTOBER 2024	104120-330 - LEGAL SERVICES	
ESO SOLUTIONS, INC	71585	ESO-151140	11/04/2024	11/05/2024	3,076.25	THIRD PARTY BILLING SOFTWARE	104230-210 - SUBSCRIPTIONS & ME	
FIAAVAE S FAFAI DBA FAFAI INTE	71586	626	10/24/2024	11/05/2024	110.00	INTERPRETING SERVICES (SAMOAN)	104120-330 - LEGAL SERVICES	
JACKSON PEST CONTROL	71587	091124 - SC YAR	11/05/2024	11/05/2024	90.00	CITY YARD PEST CONTROL	104410-260 - BUILDING MAINTENAN	
MEHR'S GARAGE DOORS INC.	71588	58528 -DEPOSIT	11/05/2024	11/05/2024	14,209.50	PORVENE COMMERCIAL ROLLING STEEL ROLL	484100-730 - IMPROV OTHER THAN	
MEHR'S GARAGE DOORS INC.	71588	58528 -DEPOSIT	11/05/2024	11/05/2024	14,209.50	PORVENE COMMERCIAL ROLLING STEEL ROLL	535310-730 - IMPROVEMENTS	
					$28,419.00			
PINETOP ENGINEERING, LLC	71589	5385	10/31/2024	11/05/2024	3,984.15	PROJECT #5	484100-730 - IMPROV OTHER THAN	
ROBERT SMITH	71590	103124 - WARRA	10/31/2024	11/05/2024	199,402.65	COYOTE LANDING & QUAIL CROSSING @ DESE	102585-000 - SUBDIVISION SECURIT	
SLADEN D MARKHAM, LLC	71591	10363	11/05/2024	11/05/2024	4,434.43	E-31 DASHBOARD / COMPUTER REPAIR	104230-253 - REPAIRS & MAINTENA	
THOMPSON, RYAN BRADLEY	71592	#235201850	10/29/2024	11/05/2024	590.00	BAIL / BOND REFUND	102560-000 - BAIL & RESTITUTION	
TX CHILD SUPPORT SDU	71593	100824 - #00133	11/04/2024	11/05/2024	131.54	CASE #0013382173	102595-000 - GARNISHMENTS PAYA	
UTAH STATE TREASURER / FINES	71594	OCTOBER 2024	11/04/2024	11/05/2024	7,777.30	OCTOBER 2024 COURT SURCHARGES	104120-905 - STATE FINE COLLECTI	
VALLEY UNDERGROUND, INC.	71595	692	11/02/2024	11/05/2024	10,500.00	SEWER LINE REPAIR @ GUBLER PARK	525210-370 - PROFESSIONAL SERVI	
VLCM	71596	IN144777	10/07/2024	11/05/2024	786.50	DOOR ACCESS REPAIR	104410-260 - BUILDING MAINTENAN	
WASH. CO. FLOOD CONTROL DIS	71597	OCTOBER 2024 -	11/04/2024	11/05/2024	4,945.50	OCTOBER 2024 FLOOD CONTROL	545410-770 - FLOOD CONTROL DIST.	
WATTS STEAM STORE / WATTS H	71598	7256263	11/05/2024	11/05/2024	375.00	PRESSURE WASHER REPAIR	104410-260 - BUILDING MAINTENAN	
					$316,307.49			

City of Santa Clara
Check Register
Checking 1889 - 11/13/2024 to 11/13/2024

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account	Activity Code
BUCKS ACE SANTA CLARA	71599	4983	11/12/2024	11/13/2024	89.98	GFCI PLUGS FOR VENDOR BOOTHS	104610-203 - VENDOR'S BOOTHS	
BUCKS ACE SANTA CLARA	71599	4946	11/12/2024	11/13/2024	5.28	FASTENERS	535310-250 - OPERATING SUPPLIES	
BUCKS ACE SANTA CLARA	71599	5079	11/12/2024	11/13/2024	19.76	MISC CLEANING SUPPLIES	535310-250 - OPERATING SUPPLIES	
BUCKS ACE SANTA CLARA	71599	5105	11/12/2024	11/13/2024	101.96	2 STROKE FUEL & OIL FOR SAWS	535310-250 - OPERATING SUPPLIES	
BUCKS ACE SANTA CLARA	71599	4706	11/12/2024	11/13/2024	31.99	MISC.SHOP SUPPLIES	535310-260 - BUILDING MAINTENAN	
BUCKS ACE SANTA CLARA	71599	4991	09/25/2024	11/13/2024	63.92	AIR FILTERS FOR SHOP	535310-260 - BUILDING MAINTENAN	
					$312.89			
CHILD SUPPORT SERVICES	71600	11-12-24 873789	11/12/2024	11/13/2024	206.77	11-15-24 PAYROLL #C000873789	102595-000 - GARNISHMENTS PAYA	
CITY OF ST GEORGE - UTILITIES	71601	OCT 2024 - SC	11/12/2024	11/13/2024	10,517.13	OCTOBER 2024 SC WELL 6	515110-271 - WELLS UTILITY COSTS	
CITY OF ST GEORGE - UTILITIES	71601	OCT 2024 - SC	11/12/2024	11/13/2024	7,270.55	OCTOBER 2024 SC WELL 7	515110-271 - WELLS UTILITY COSTS	
CITY OF ST GEORGE - UTILITIES	71601	OCT 2024 - MES	11/12/2024	11/13/2024	7,267.74	OCTOBER 2024 MESA TRAILS	515110-275 - SNOW CANYON OP CO	
CITY OF ST GEORGE - UTILITIES	71601	OCT 2024 - WTR	11/12/2024	11/13/2024	29,207.50	OCTOBER 2024 WT TANK @ MOUITH	515110-275 - SNOW CANYON OP CO	
					$54,262.92			
FELLER ENTERPRISES	71602	PROJECT #4 - P	11/12/2024	11/13/2024	14,677.10	LEGAL SERVICES	484100-730 - IMPROV OTHER THAN	
FELLER ENTERPRISES	71602	PROJECT #4 - P	11/12/2024	11/13/2024	14,677.10	LEGAL SERVICES	535310-730 - IMPROVEMENTS	4
					$29,354.20			
FREEDOM MAILING SERVICES, IN	71603	48736	09/13/2024	11/13/2024	776.22	SWISS DAYS CALENDAR	104130-370 - PROFESSIONAL SERVI	
GRANICUS	71604	192867	11/12/2024	11/13/2024	314.37	CLEARCASTER SOFTWARE/LIVECAST	104130-310 - IT SERVICES	
HUB INTERNATIONAL INSURANCE	71605	3843046	11/12/2024	11/13/2024	100.00	SECTION 125 POP DOC. FOR PLAN YEAR 24-25	104130-370 - PROFESSIONAL SERVI	
HUB INTERNATIONAL INSURANCE	71605	3843048	11/12/2024	11/13/2024	250.00	WRAP SUMMARY PLAN DESC. DOC.24-25	104130-370 - PROFESSIONAL SERVI	
					$350.00			
PROTECT YOUTH SPORTS	71606	1215948	11/12/2024	11/13/2024	22.15	BACKGROUND CHECK BROWN, CATTERSON, L	104230-370 - PROFESSIONAL SERVI	
PROTECT YOUTH SPORTS	71606	1215948	11/12/2024	11/13/2024	44.30	BACKGROUND CHECK BROWN, CATTERSON, L	104510-370 - PROFESSIONAL SERVI	
PROTECT YOUTH SPORTS	71606	1215948	11/12/2024	11/13/2024	22.15	BACKGROUND CHECK BROWN, CATTERSON, L	535310-370 - PROFESSIONAL SERVI	
					$88.60			
STELLA-JONES CORPORATION	71607	90302135	11/12/2024	11/13/2024	28,091.63	POLE WRCS 35/4 43/3 50/3 & 75/HI	535310-466 - POWER LINES/POLES/	
TREVOR DOUGLAS TERRY	71608	02-23 TO 12-23	11/12/2024	11/13/2024	7,035.00	LEGAL SERVICES FEB 2023 TO DEC 2023	104120-330 - LEGAL SERVICES	
TREVOR DOUGLAS TERRY	71608	JAN 24 TO JUNE	11/12/2024	11/13/2024	4,140.00	LEGAL SERVICES JAN 2024 TO JUNE 2024	104120-330 - LEGAL SERVICES	
					$11,175.00			
UNITED RENTALS, INC.	71609	239386747-001	11/12/2024	11/13/2024	2,190.00	LIGHT TOWERS	104610-216 - RENTALS	
UPPER CASE PRINTING INK.	71610	2419	11/12/2024	11/13/2024	237.75	BACK OF BILL PRINTING	104130-370 - PROFESSIONAL SERVI	
WASH. COUNTY WATER CONSER	71611	53891	11/12/2024	11/13/2024	4,515.57	REG. PIPELINE BOND PAYMENT	515110-822 - DEBT PAYMENT TO WA	
WESTERN UNITED ELECTRIC SU	71612	6128109	11/12/2024	11/13/2024	3,858.78	MISC POLE HARDWARE STOCK	535310-466 - POWER LINES/POLES/	
WESTERN UNITED ELECTRIC SU	71612	6125286	09/30/2024	11/13/2024	18,857.50	TRANSFORMERS F CANYON VIEW UPGRADE	535310-730 - IMPROVEMENTS	
					$22,716.28			
MCGEHEE, BRITTANY	Void	CREDIT: 2005171	08/07/2024	11/13/2024	-35.68	Check returned after address validation	103600-000 - MISCELLANEOUS REV	
MCGEHEE, BRITTANY	Void	Refund: 2005171	08/07/2024	11/13/2024	35.68	Refund: 2005171 - MCGEHEE, BRITTANY	531311-000 - ACCOUNTS RECEIVABL	
					$0.00			
					$154,592.20			

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF
SANTA CLARA
FOUNDED 1854

City Council
Jarett Waite
Ben Shakespeare
Christa Hinton
David Pond
Janene Burton

CITY COUNCIL

Meeting Date: 20/Nov/24 **Agenda Item:** 1

Applicant: Debbie Bannon **Requested by:** Brock Jacobsen

Subject: Hinton Burdick Financial Review for Fiscal Year 2023_2024

Description:

Hinton Burdick's presentation is a high level review on the City's Audited Financials for Fiscal Year 2023_2024

Recommendation: Discussion **Attachments:** N/A

Cost: 0

Legal Approval: N/A

Finance Approval: N/A

Budget Approval: N/A

2603 Santa Clara Drive, Santa Clara, Utah 84765

Phone (435) 673-6712 Fax (435) 628-7338



HINTON BURDICK

CPAs & ADVISORS

HINTON BURDICK
CPAs & ADVISORS

Santa Clara City Fiscal Year 2024 Audit Presentation

Presented November 20, 2024

Audit Reports

Independent Auditors Report

Unmodified or “clean opinion”

Report on Internal Control over Financial Reporting and on Compliance

No material weaknesses noted.

No significant deficiencies noted.

Audit Reports

State Compliance Report

- Unmodified or “clean opinion”
- No compliance findings

Government Wide Financial Highlights

Total net position (equity) was $58,435,606 at June 30, 2024.

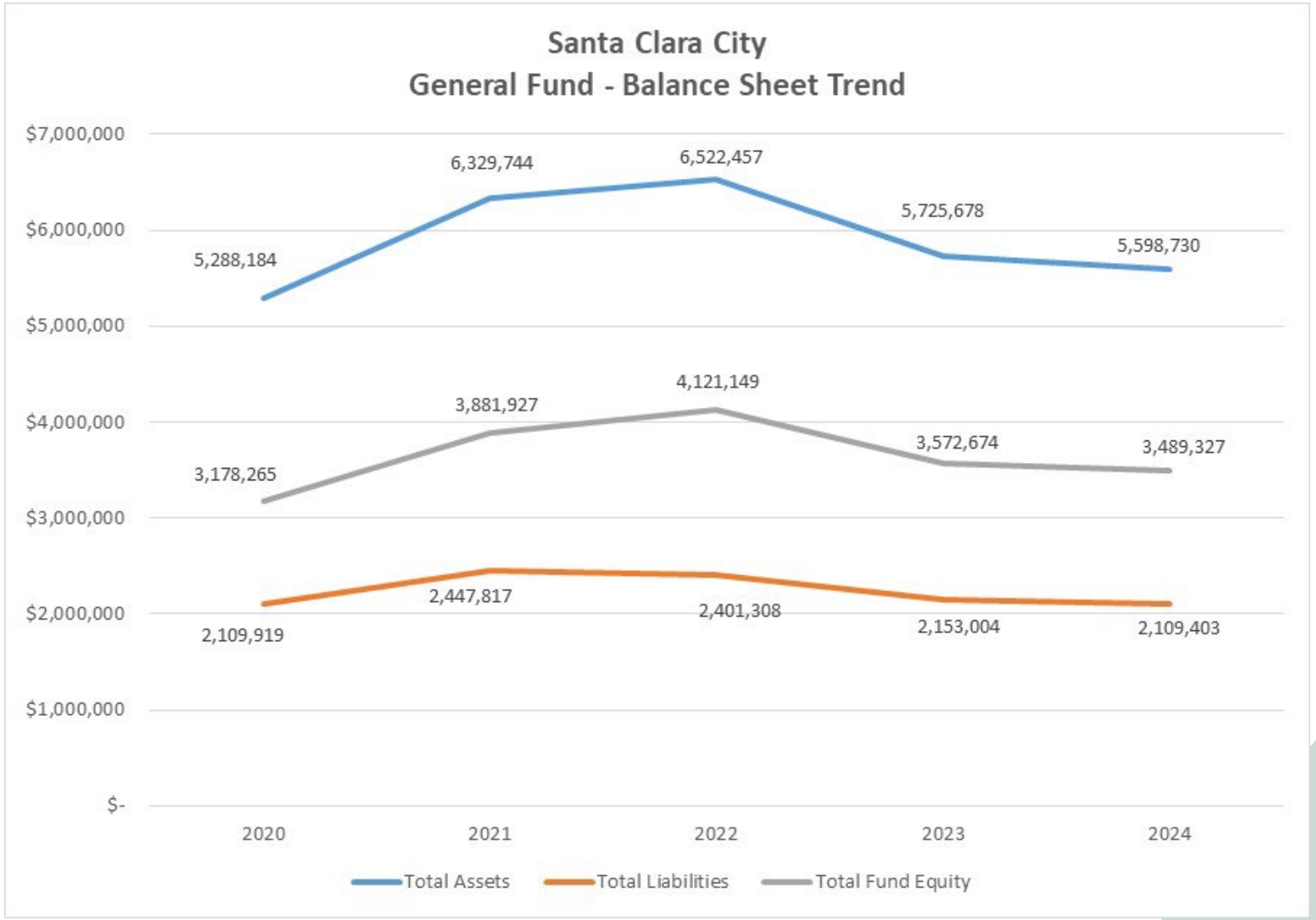
Over time, increases or decreases in net position are an indicator of whether the financial health of the City is improving or deteriorating.

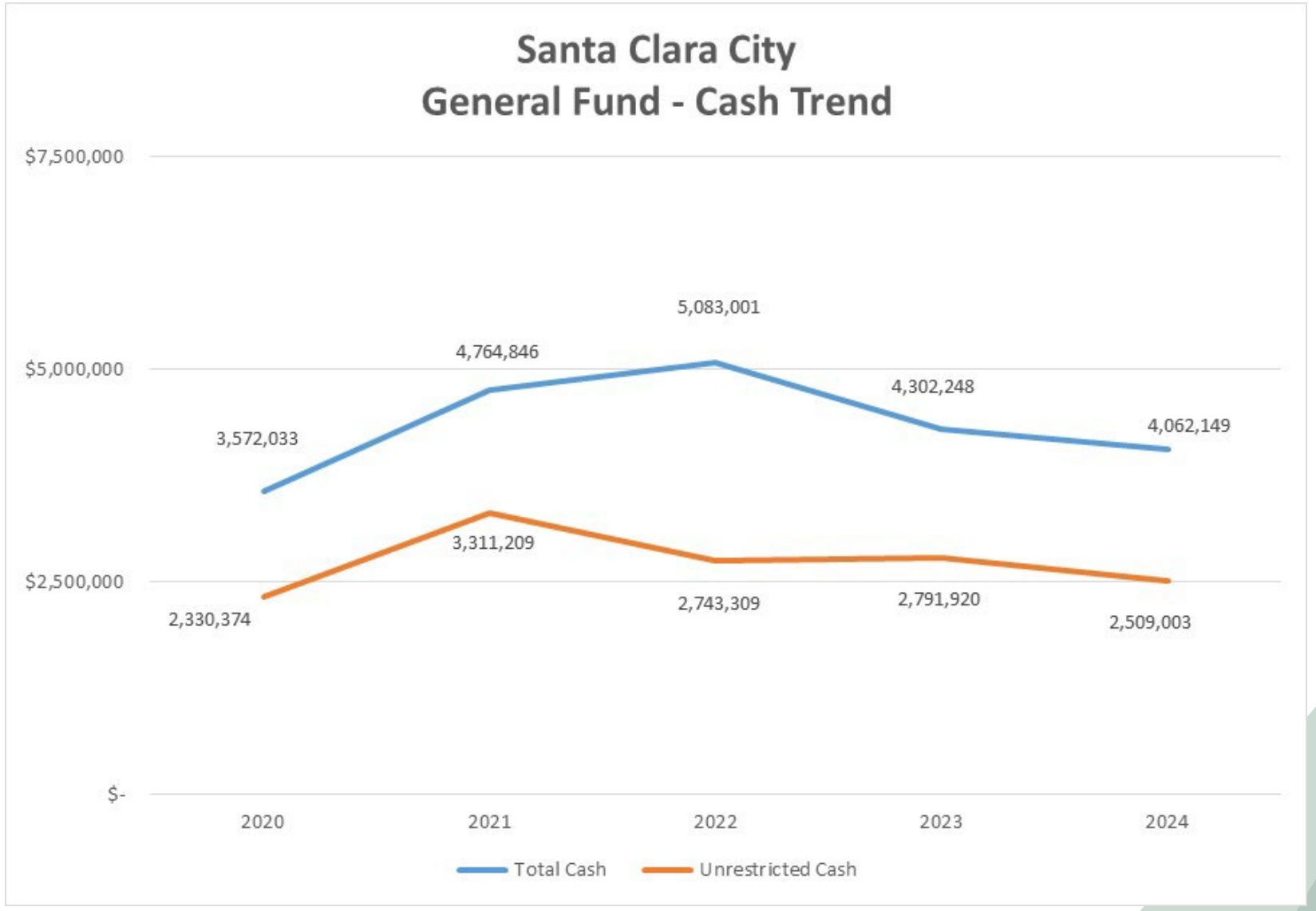
Government Wide Financial Highlights

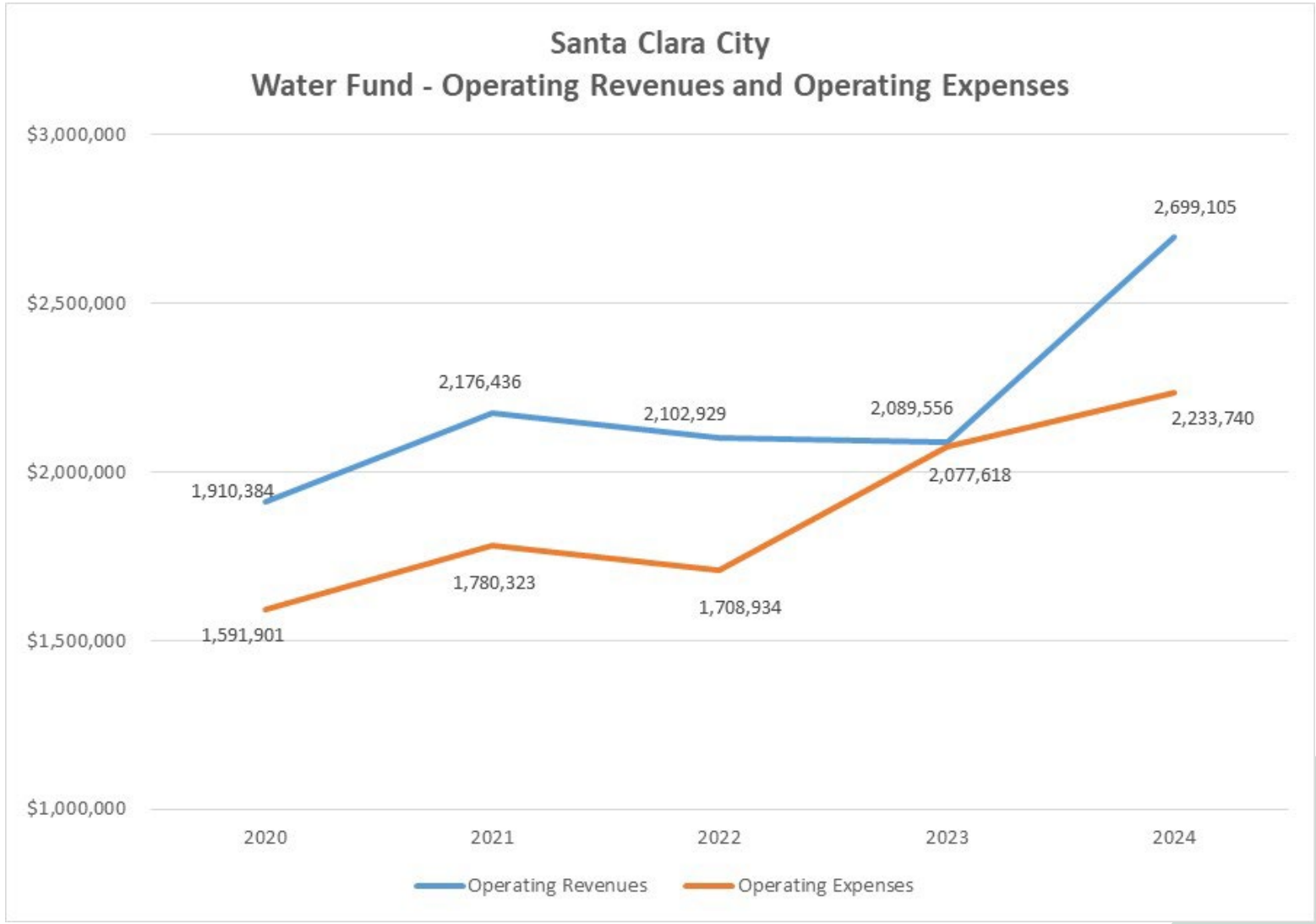
Net position increased by $8,765,555 during fiscal year 2024.

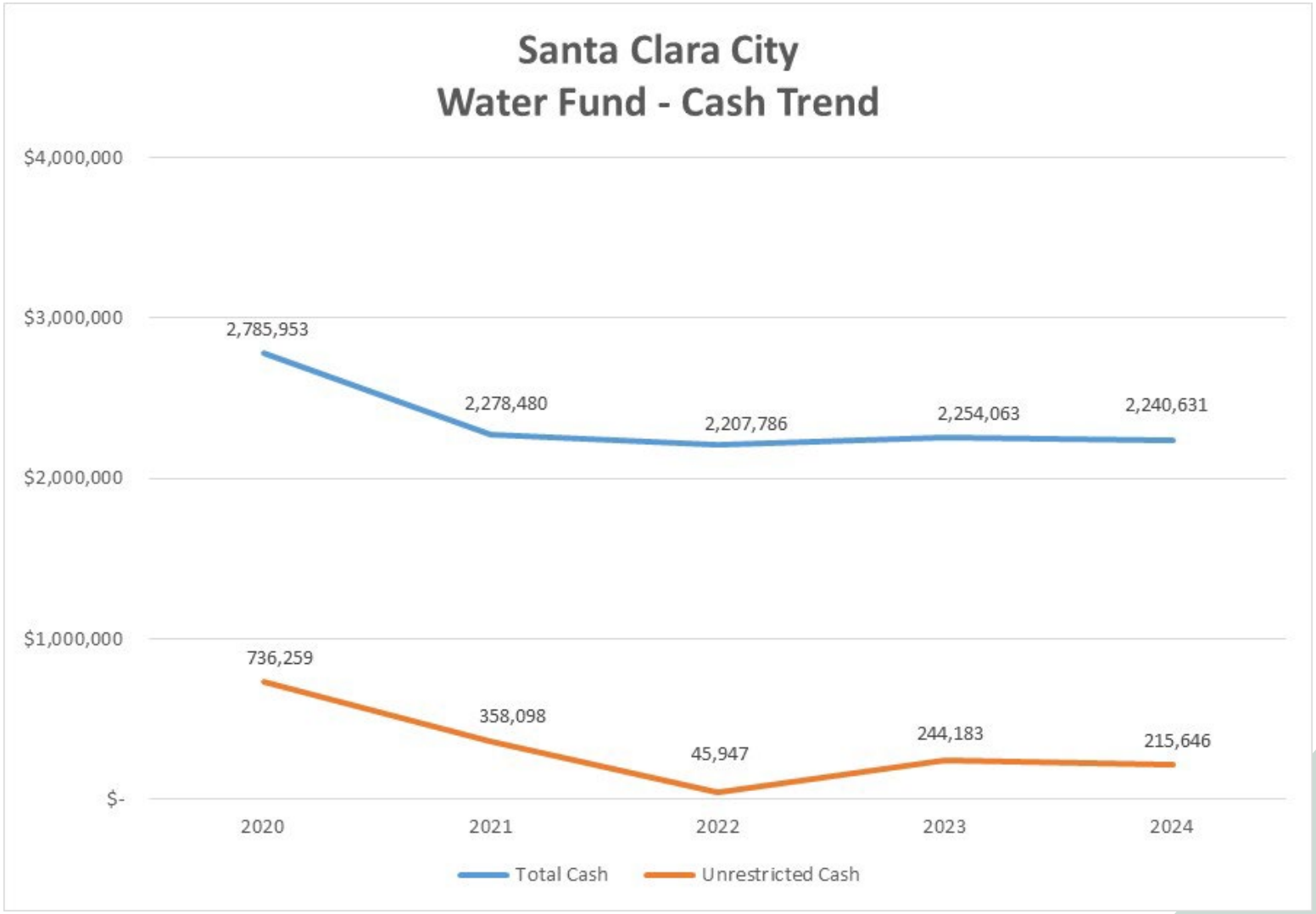
The net position of governmental activities increased by $3,671,226.

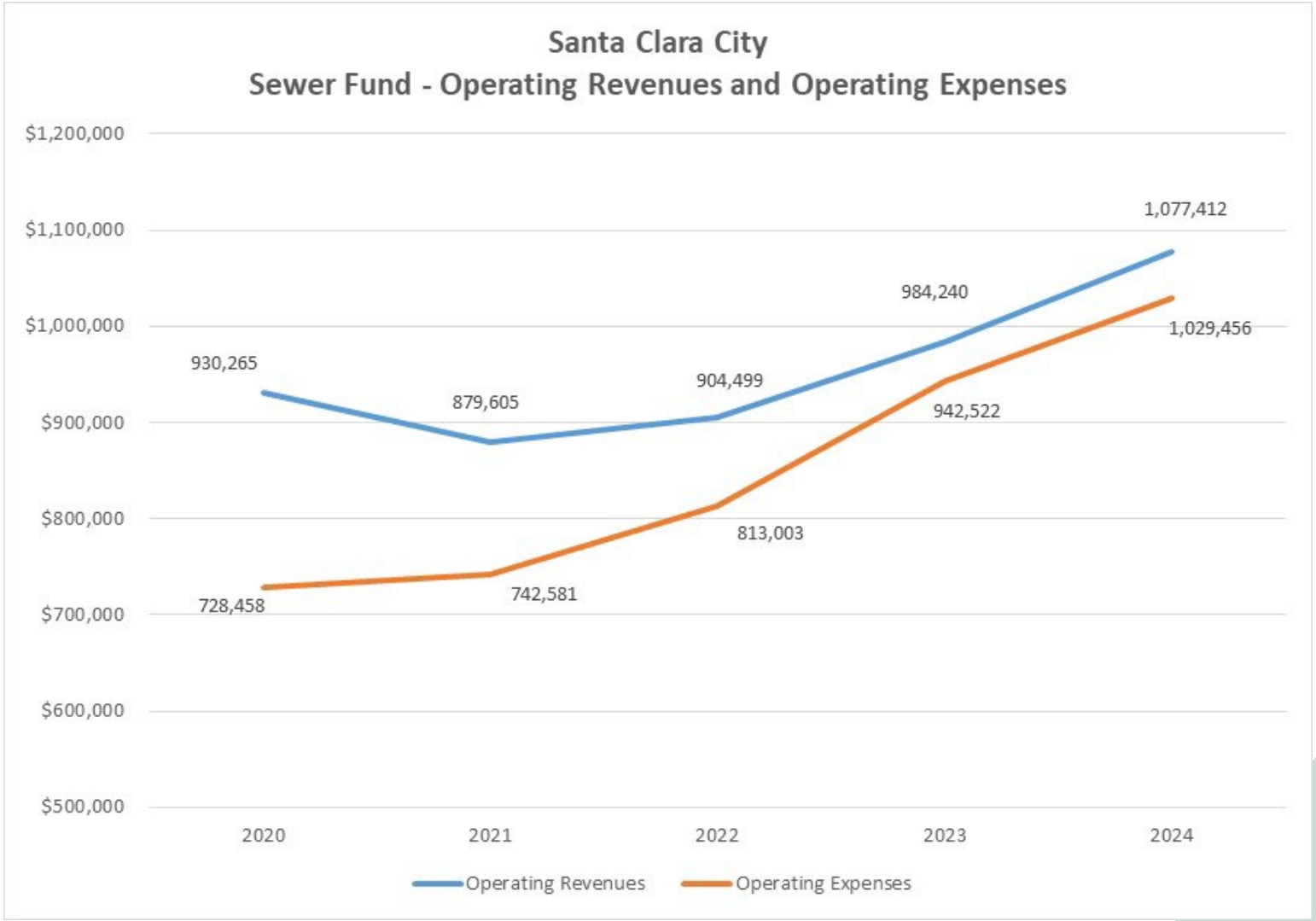
The net position of business-type activities increased by $5,094,329.

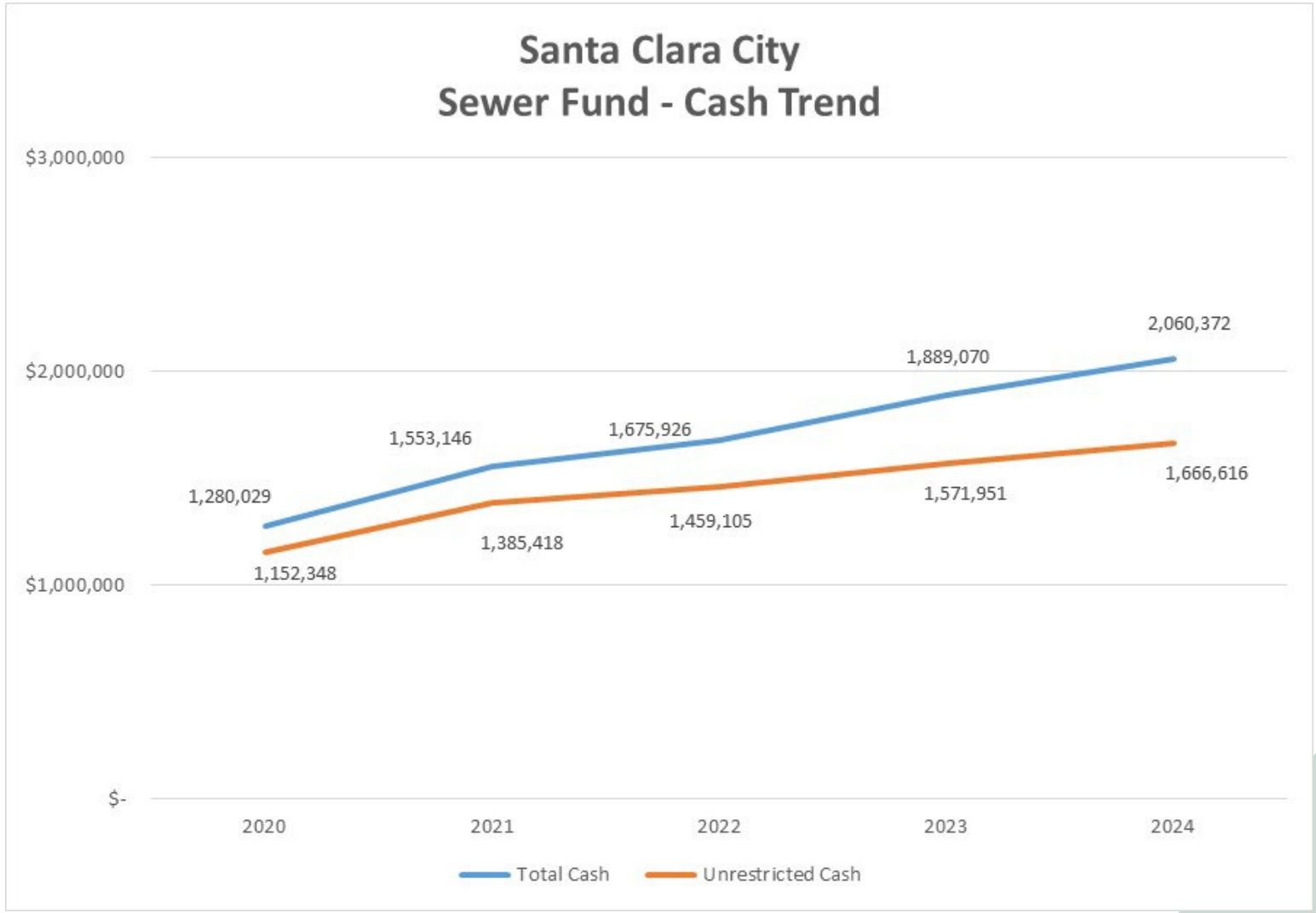

Santa Clara City
General Fund - Balance Sheet Trend
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
2020
2021
2022
2023
2024
5,288,184
6,329,744
6,522,457
5,725,678
5,598,730
3,178,265
3,881,927
4,121,149
3,572,674
3,489,327
2,109,919
2,447,817
2,401,308
2,153,004
2,109,403
Total Assets
Total Liabilities
Total Fund Equity

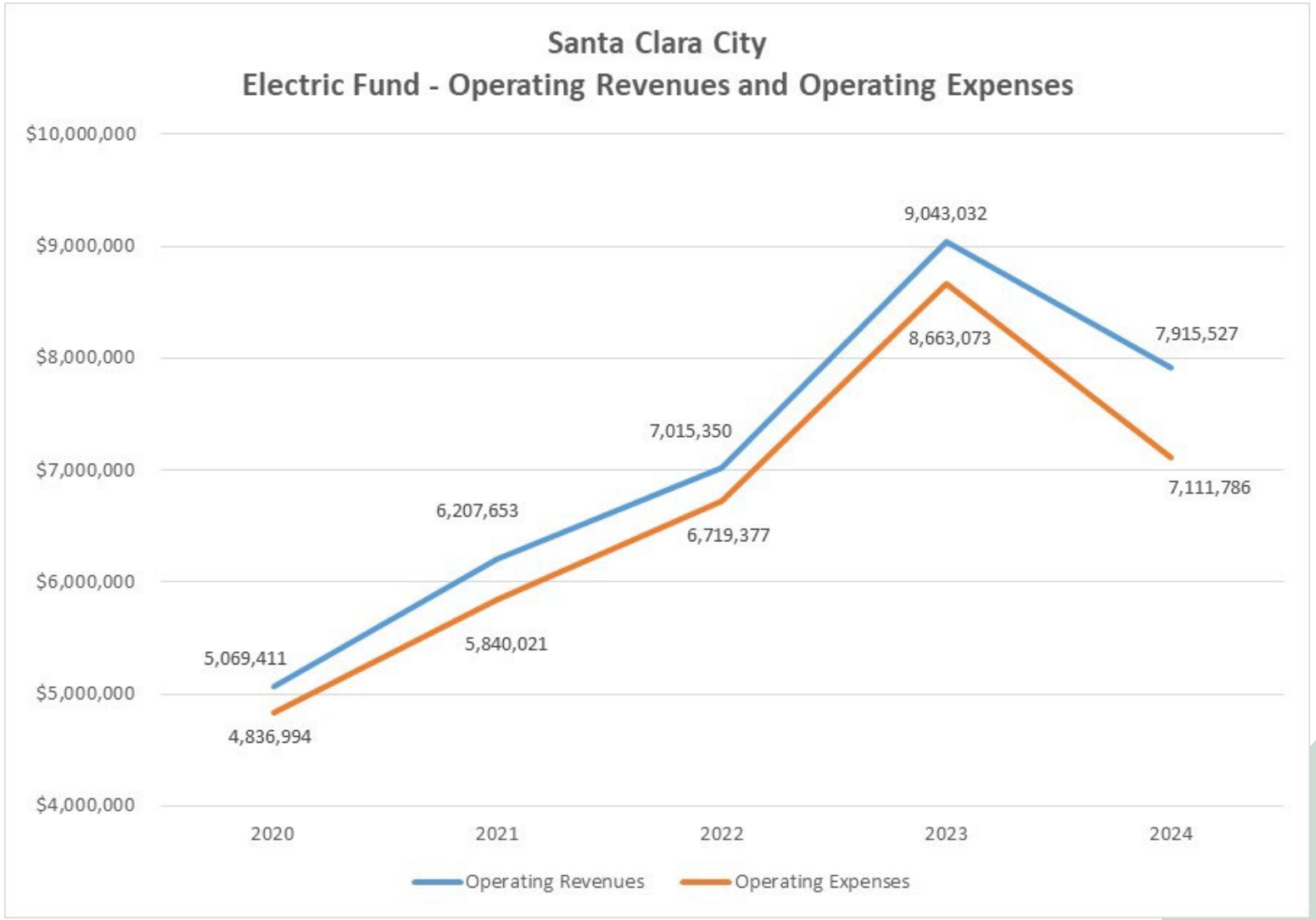

Santa Clara City
General Fund - Cash Trend
$7,500,000
$5,000,000
$2,500,000
$-
5,083,001
4,764,846
4,302,248
4,062,149
3,572,033
3,311,209
2,330,374
2,743,309
2,791,920
2,509,003
2020
2021
2022
2023
2024
Total Cash
Unrestricted Cash

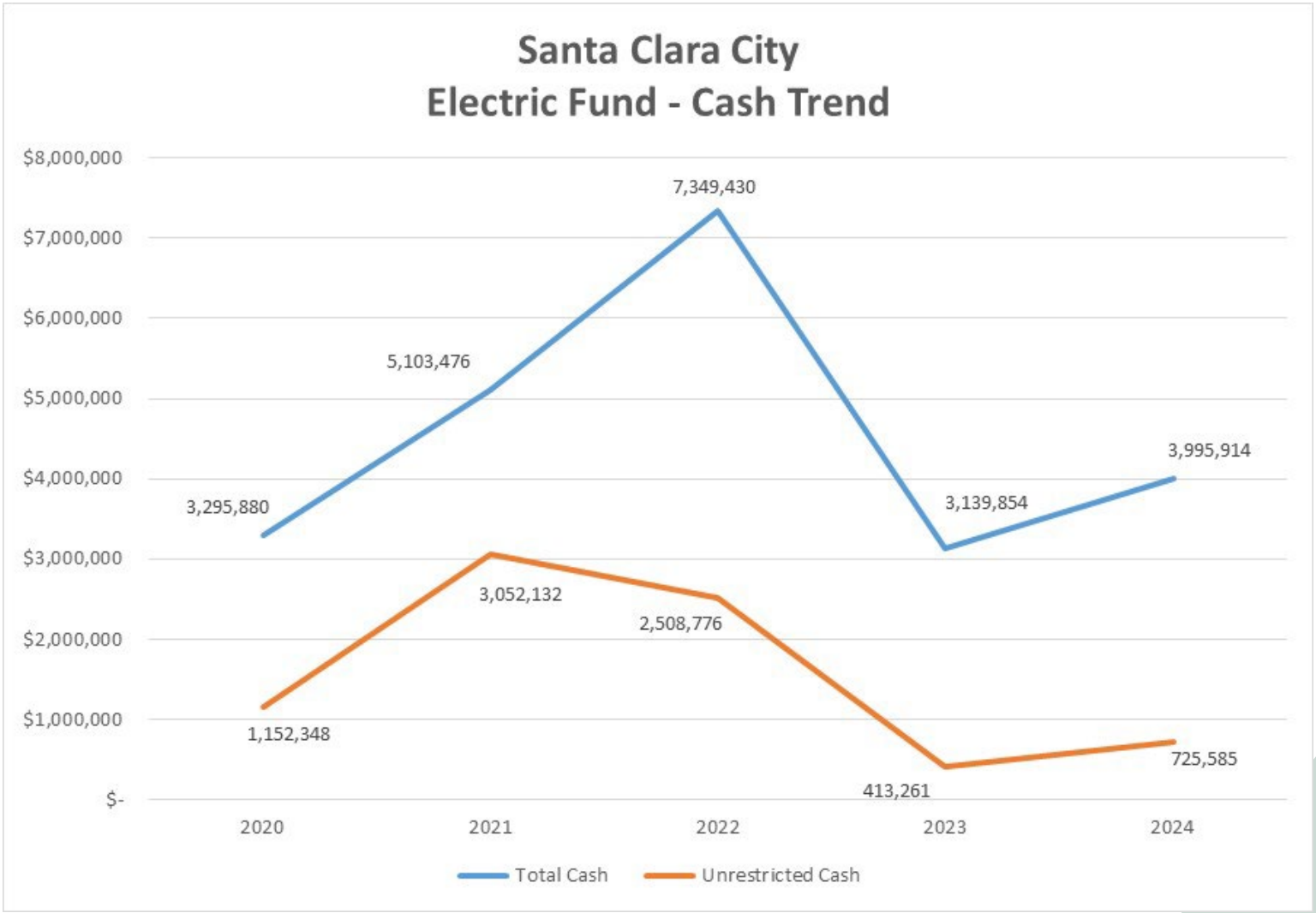

Santa Clara City
Water Fund - Operating Revenues and Operating Expenses
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
2020
2021
2022
2023
2024
1,910,384
2,176,436
2,102,929
2,089,556
2,699,105
1,591,901
1,780,323
1,708,934
2,077,618
2,233,740
Operating Revenues
Operating Expenses

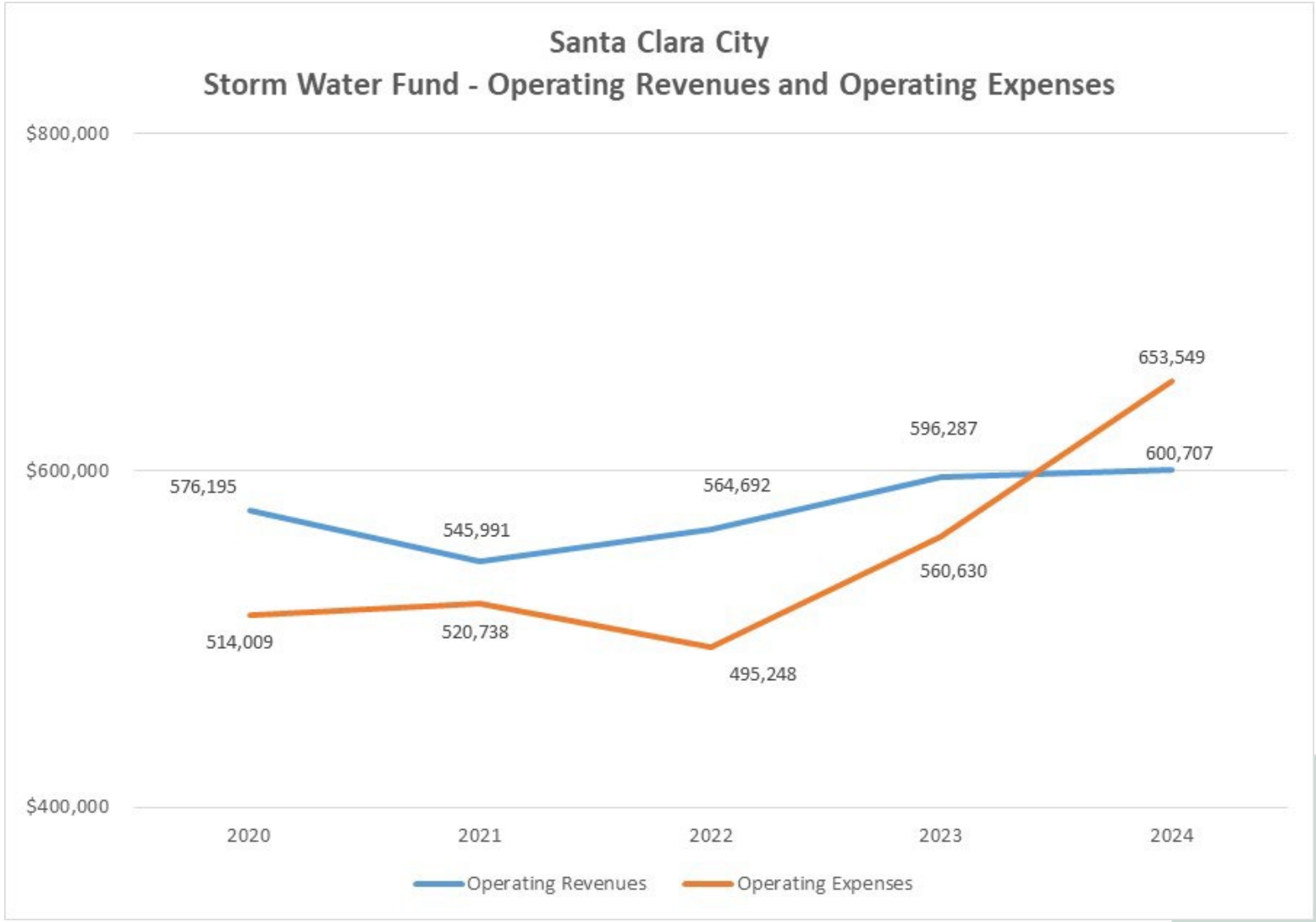

Santa Clara City
Water Fund - Cash Trend
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
2,785,953
2,278,480
2,207,786
2,254,063
2,240,631
736,259
358,098
45,947
244,183
215,646
2020
2021
2022
2023
2024
Total Cash
Unrestricted Cash

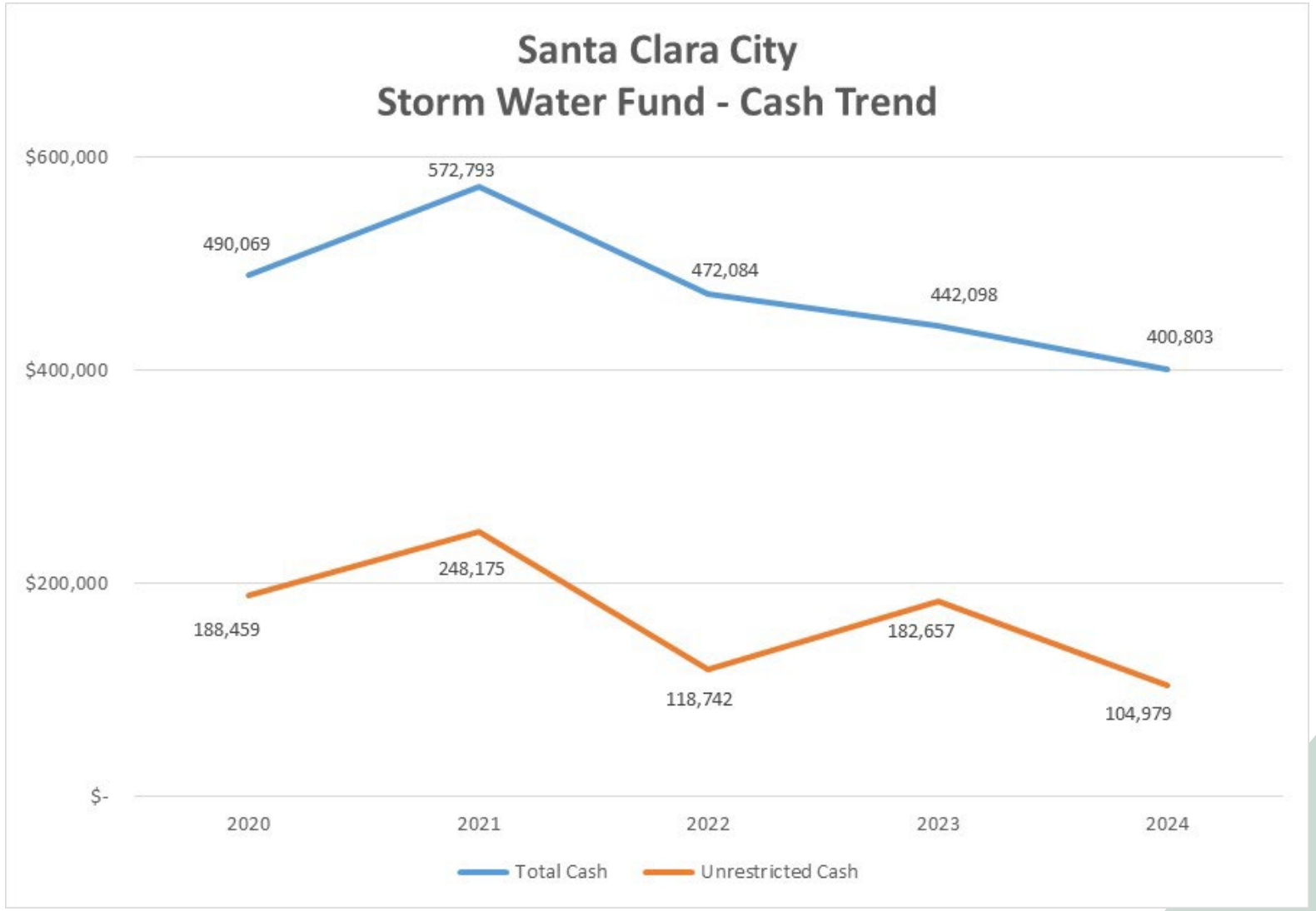

Santa Clara City
Sewer Fund - Operating Revenues and Operating Expenses
$1,200,000
$1,100,000
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
930,265
879,605
904,499
984,240
1,077,412
728,458
742,581
813,003
942,522
1,029,456
2020
2021
2022
2023
2024
Operating Revenues
Operating Expenses


Santa Clara City
Sewer Fund - Cash Trend
$3,000,000
$2,000,000
$1,000,000
$-
2020
2021
2022
2023
2024
1,280,029
1,553,146
1,675,926
1,889,070
2,060,372
1,152,348
1,385,418
1,459,105
1,571,951
1,666,616
Total Cash
Unrestricted Cash


Santa Clara City
Electric Fund - Operating Revenues and Operating Expenses
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
2020
2021
2022
2023
2024
5,069,411
6,207,653
7,015,350
9,043,032
7,915,527
4,836,994
5,840,021
6,719,377
8,663,073
7,111,786
Operating Revenues
Operating Expenses


Santa Clara City
Electric Fund - Cash Trend
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
7,349,430
5,103,476
3,295,880
3,139,854
3,995,914
3,052,132
2,508,776
1,152,348
413,261
725,585
2020
2021
2022
2023
2024
Total Cash
Unrestricted Cash


Santa Clara City
Storm Water Fund - Operating Revenues and Operating Expenses
$800,000
$600,000
$400,000
576,195
545,991
564,692
596,287
600,707
514,009
520,738
495,248
560,630
653,549
2020
2021
2022
2023
2024
Operating Revenues
Operating Expenses


Santa Clara City
Storm Water Fund - Cash Trend
$600,000
$400,000
$200,000
$-
572,793
490,069
472,084
442,098
400,803
248,175
188,459
182,657
118,742
104,979
2020
2021
2022
2023
2024
Total Cash
Unrestricted Cash

HINTON BURDICK
CPAs & ADVISORS

Thank You

Thank you for the opportunity to work with the City and thanks to those who assisted with this year's audit.

Questions?

Steven Palmer
Phone: 435-628-3663 ext 206
Email: spalmer@hintonburdick.com

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF SANTA CLARA
FOUNDED 1854

City Council
Jarett Waite
Ben Shakespeare
Christa Hinton
David Pond
Janene Burton

CITY COUNCIL

Meeting Date: 20/Nov/24 **Agenda Item:** 2

Applicant: Robert & Kimberly Sprague **Requested by:** Jim McNulty

Subject: Amended Site Plan Review

Description:

Robert & Kimberly Sprague are proposing to convert the existing single-family home located at 3003 Santa Clara Drive into a retail space to be known as Red Mountain Mercantile Store. The subject property is 0.75 acres (32,670 sq. ft.) in size. The home is approximately 1,500 square feet in size, with approximately 1,000 square feet to be utilized for business purposes.

Recommendation: Approval

Attachments: N/A

Cost: N/A

Legal Approval: N/A

Finance Approval: N/A

Budget Approval: N/A

2603 Santa Clara Drive, Santa Clara, Utah 84765

Phone (435) 673-6712 Fax (435) 628-7338

City of Santa Clara
2603 Santa Clara Drive
(435) 656-4690, Ext. 225
jmcnulty@sccity.org

Staff Report

Amended Site Plan Review
Summary and Recommendation

Public Body: Santa Clara City Council
Meeting Date: November 20, 2024
Current Zone: Historic District Overlay/Mixed Use Zone
General Plan Designation: Neighborhood Commercial
Property Size: 0.75 acres
Property Location: 3003 Santa Clara Drive
Request: Amended Site Plan Review
Applicant Name: Robert & Kimberly Sprague
Staff Planner: Jim McNulty
City Staff Recommendation: Approve with conditions
Meeting Type: Public Meeting

PROJECT DESCRIPTION

The applicants, Robert & Kimberly Sprague, are proposing to convert the existing single-family home located at 3003 Santa Clara Drive into retail space to be known as the **Red Mountain Mercantile Store.** The subject property is 0.75 acres (32,670 sq. ft.) in size. The home is approximately 1,500 square feet in size, with approximately 1,000 square feet to be utilized for business purposes. The applicants intend to clean up and paint the interior/exterior of the home as needed to allow for the proposed commercial use of property. A recent photo of this home is included in the packet.

This **home is one of eight (8) homes on the National Register of Historic Places in Santa Clara City.** The existing home is an example of the Utah Vernacular "Greek Revival" style home from approximately 1880 – 1910 (see Historic District Design Guidelines, page #6).

The **Heritage Commission review** was the first step in the overall process for the project. The Heritage Commission reviewed the project on September 19, 2024. The **Heritage Commission approved the Building Use/Site Layout** after careful review of the proposal and the recently adopted Historic District Design Guidelines. The next steps in the process include a public meeting with the Planning Commission 9held on October 24, 2024) and approval of the City Council before proceeding.

Chapter 17.74, Historic District/Mixed Use, requires a review of the site plan layout, as well as other necessary items as needed for a commercial project. Staff will further discuss the proposed project and requirements in the report.

Request: Red Mountain Mercantile Store

SITE & VICINITY DESCRIPTION

The subject property is located at 3003 Santa Clara Drive. The property has frontage along Santa Clara Drive. An existing single-family home is located on the property. Existing single-family homes abut the east and west property lines.

ITEMS TO ADDRESS/SITE PLAN REVIEW

City staff has identified the following items that need to be addressed with the Site Plan Review:

1. **Site Plan Layout:** Vehicle access to the site will be provided off Santa Clara Drive. An existing driveway access is located to the side (east side) of the building. The private driveway is 27' in width with an existing 3' sidewalk next to the building and will provide access to four (4) parking spaces, as well as an existing storage shed on the property. Pedestrian access to the building will be available off Santa Clara Drive (north). The footprint of the building will remain as it is ***(see Site Plan).***

2. **Building Colors:** The applicants intend to repaint the old, ***weathered wood trim (white color),*** touching up original and ***historically accurate paint colors (stucco façade is a yellow color).*** City staff recommends that the applicants review the Color Matrix – Exhibit B, in the Historic District Design Guidelines and be prepared to discuss with the Heritage Commission for review and approval at a future meeting.

3. **Project Landscaping:** The final landscape plan will be required to comply with ***City Ordinance #24-02 (Water Efficient Landscaping & Conservation Standards).*** The Landscape Plan ***(see Landscape Plan)*** includes some details on existing trees, shrubs, and perennials. It appears that the submitted landscape plan meets code requirements; however, City staff will do a more thorough review prior to final approval. The ***two (2) Sycamore Trees*** along the Santa Clara Drive property frontage will remain.

4. **Required Parking:** The project is required to have a minimum of 4 parking spaces for the proposed business as per Chapter 17.32. The Site Plan includes a ***total of 4 parking spaces (including 1 required ADA space)*** adjacent to the east side of the building off Santa Clara Drive. ***An ADA ramp is not required as the property is on the National Register of Historic Places.***

5. **Old Stage Removal:** The applicants ***propose to remove an old stage*** located behind the existing home on the property (see Site Plan). There is no historic value associated with this stage and its removal will help with property clean-up.

6. **Project Signage:** Chapter 17.45 allows for signs in the Historic District. Currently, the applicant is reviewing options for project signage. The applicant will be required to go to the Heritage Commission for review and approval of all project signage at a future meeting.

NEIGHBORHOOD RESPONSE

Public notices are not required for a Site Plan. The City Council agenda has been posted in multiple locations as per State code. No comments have been received by city staff as of the writing of this report.

Request: Red Mountain Mercantile Store

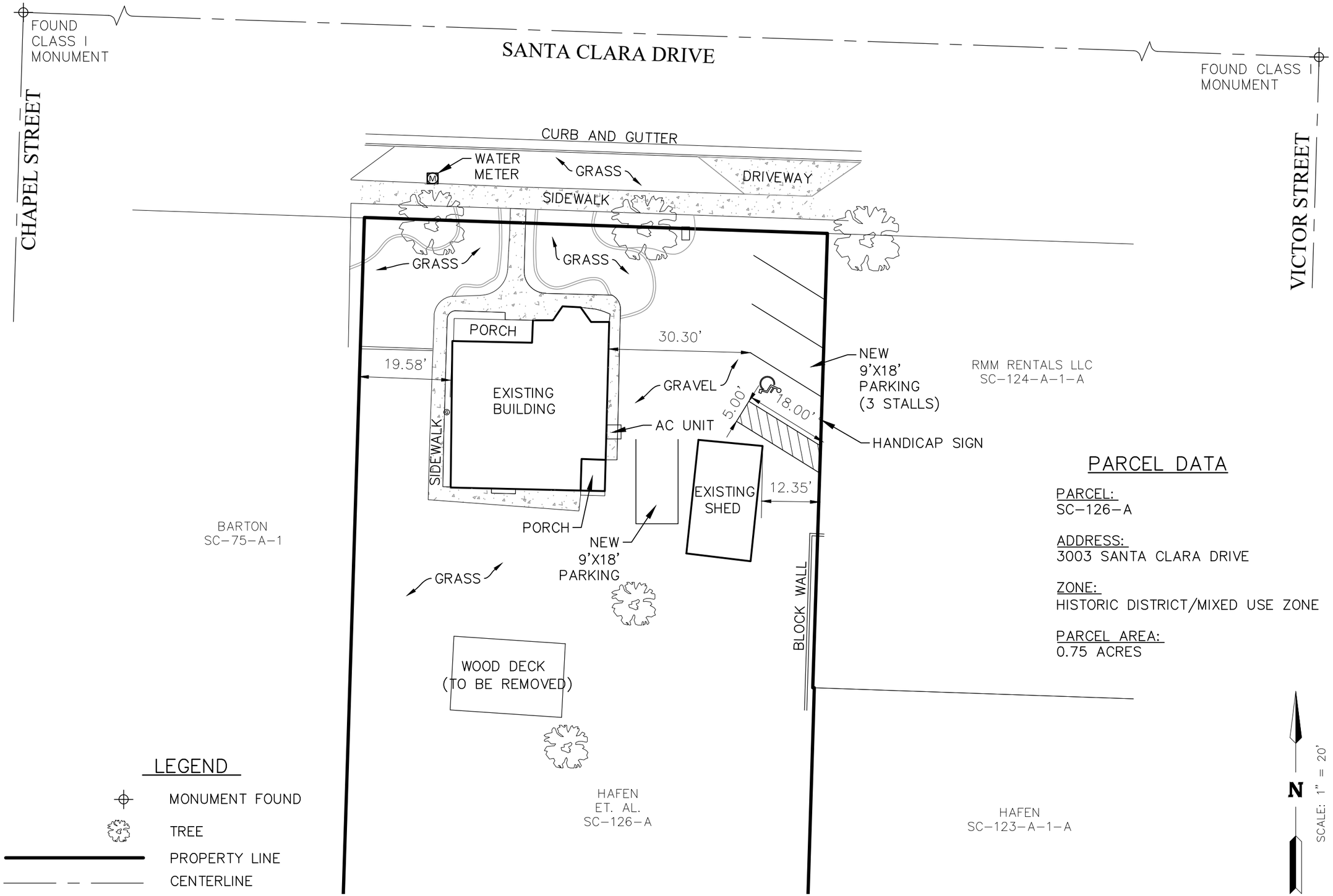
STATE CODE CONSIDERATIONS

Utah Code, Section 52-4-202, includes requirements for a Site Plan. The City must hold at least one public meeting to consider a Site Plan. The meeting agenda, date, time, and place of the meeting must be placed on the City website and in public locations at least 24 hours before the meeting. The City is also required to post on the State Public Notice website. City staff has determined that all State Code requirements have been met with this application.

CITY STAFF RECOMMENDATION

On October 24, 2024, the Planning Commission held a public meeting and forwarded a positive recommendation to the City Council for this item. City staff recommends that the City Council consider approving the Amended Site Plan for retail space (Red Mountain Mercantile Store) located at 3003 Santa Clara Drive subject to the following conditions:

1. That the applicants are required to comply with the recommendations from all city reviewing departments.
2. That the applicants are required to install site improvements which meet city standards.
3. That the project be built according to the approved Site Plan. That this includes but is not limited to all items listed in the staff report.
4. That the applicants review the Color Matrix – Exhibit B, in the Historic District Design Guidelines and be prepared to discuss building colors with the Heritage Commission for review and approval.
5. That a minimum of 4 parking spaces (including 1 required ADA space) be provided for the site as per Chapter 17.32 of city code and the Historic District Design Guidelines.
6. That the final landscape plan is required to comply with City Ordinance #2024-02 (Water Efficient Landscaping & Conservation Standards). That the two (2) Sycamore Trees along the Santa Clara Drive property frontage remain.
7. That all project signage complies with Chapter 17.45 of city code. That the future signage be reviewed and approved by the Heritage Commission as per the Historic District Design Guidelines.
8. That the applicant be required to work with the Building Official to be compliant with all Building Code requirements.



PARCEL DATA

PARCEL:
SC-126-A

ADDRESS:
3003 SANTA CLARA DRIVE

ZONE:
HISTORIC DISTRICT/MIXED USE ZONE

PARCEL AREA:
0.75 ACRES

NO.	DATE	BY	DESCRIPTION

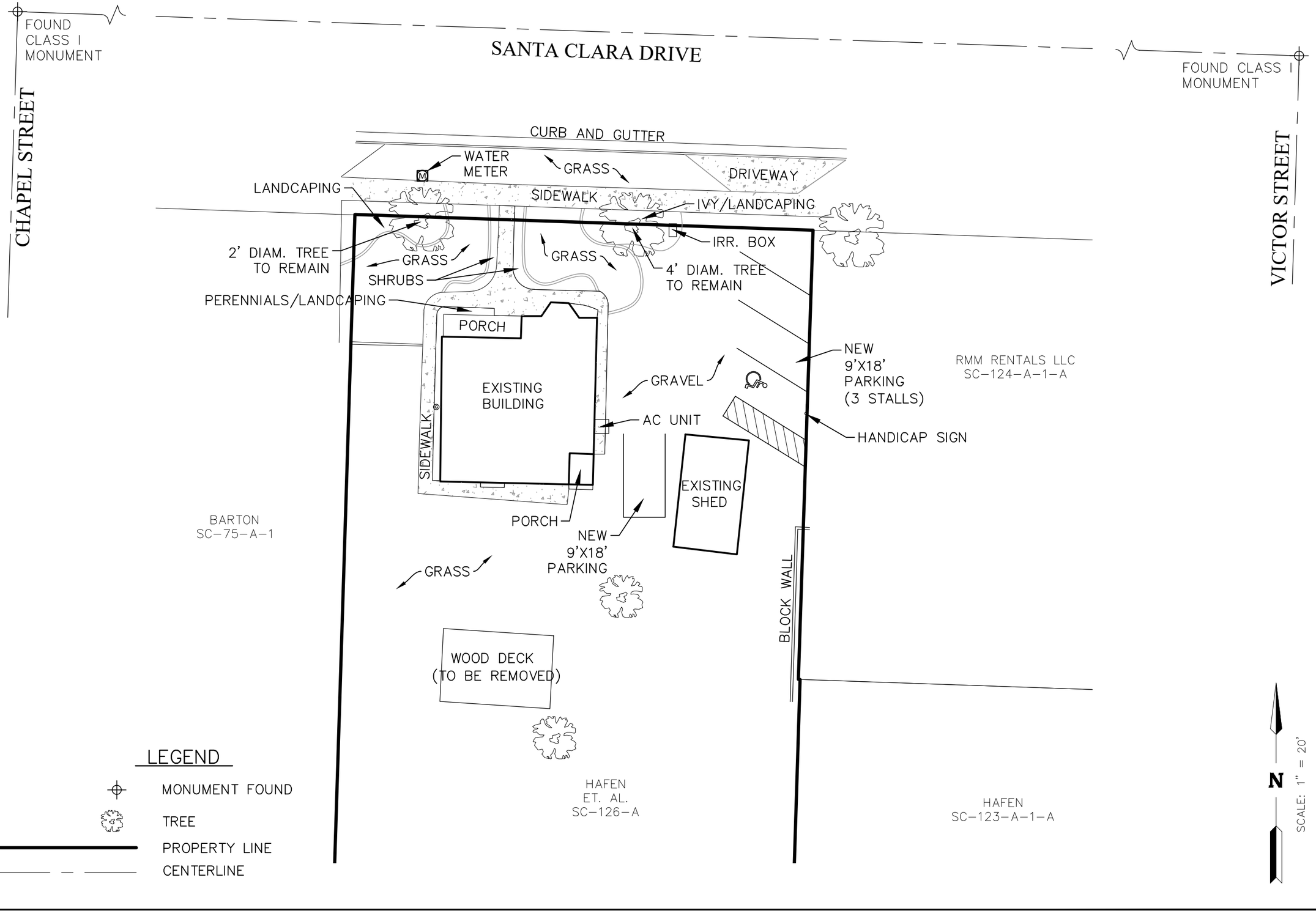
REVISIONS

ALPHA ENGINEERING
43 South 100 East, Suite 100 • St George, Utah 84770
T: 435.628.6500 • F: 435.628.6553 • alphaengineering.com

TITLE: SITE PLAN

PROJECT: 3003 SANTA CLRA DRIVE
SANTA CLARA, UTAH

PROJECT #	2088-01
NAME	RS
DATE	10/11/2024
SCALE	AS NOTED
SHEET	1 OF 1
FILE	2088-01 SVY.DWG



NO.	DATE	BY	DESCRIPTION

REVISIONS

ALPHA ENGINEERING
43 South 100 East, Suite 100 • St George, Utah 84770
T: 435.628.6500 • F: 435.628.6553 • alphaengineering.com

TITLE: LANDSCAPE PLAN

PROJECT: 3003 SANTA CLRA DRIVE
SANTA CLARA, UTAH

PROJECT #	2088-01
NAME	RS
DATE	10/11/2024
SCALE	AS NOTED

SHEET 1
1 OF 1

FILE 2088-01.SVY.DWG

CITY OF SANTA CLARA
FOUNDED 1854

HERITAGE COMMISSION APPLICATION

AS PROVIDED BY SANTA CLARA, UTAH, ZONING ORDINANCE CHAPTERS 17.74 AND 17.76

The undersigned applicant(s) is/are the owner(s) of the following legally described property, or an authorized representative of owner(s): (Include Subdivision Name, Lot/Parcel Number, and Street Address):

Robert and Kimberly Sprague
3003 Santa Clara Drive
Santa Clara, Utah 84765

Attach a site plan/plot plan, drawn to scale, of the property with the following details:

1. Show existing building(s), and their location on the lot with dimensions to property lines and each other.
2. Show any proposed building(s), additions, and their location on the lot with dimensions to property lines and each other.
3. Show the location of any existing or proposed accessory buildings on the property.
4. Show parking lot layout and points of ingress/egress if applicable.
5. Include any other pertinent information **(project narrative and photos of the home).**

Attach building plans/architectural drawings to scale after reviewing the **2024 Historic District Design Guidelines** document with the following details:

1. Proposed building elevations.
2. Proposed building materials and colors.
3. Other drawings (e.g., schematics, renderings, etc.).
4. Include additional information as per the **2024 Historic District Design Guidelines.**

The Heritage Commission acts as a Design Review Committee for new construction, remodeling, or new signs within the Santa Clara Historic District. Review your plans and be sure all details have been included before submitting your application. The Heritage Commission meets on the 3rd Thursday of the month as needed. Please submit your application a minimum of 10 days before the meeting date to allow for city staff review.

Kimberly Sprague
Signature Applicant(s)/Rep

3003 Santa Clara Drive
Address Applicant(s)/Rep

Robert and Kimberly Sprague
Printed Name of Applicant(s)/Rep

435-229-1330 spragueq@gmail.com
Phone Number/Email

Date 07/24

Hans Hafen House Project Proposal

Section 1: Site History

It has been a wonderful experience to learn about the rich history of this historic home. We have learned that the Hans Hafen House is one of the last few of its kind still standing from the original Swiss settlement period and that the original building on the property was a lumber shanty. Through further research, we have discovered that John Hafen, Han's son, who inherited the home was a prosperous farmer and would often share his bounty with the destitute and less fortunate in his community. With the help of the owner, Steve Hafen, we have come to realize many connections in both of our family's pioneer history. For example, Steves wife is a direct descendant of the Leavitt's with whom I am directly related to and that our ancestors were neighbors with many of the Hafen family.

Section 2: Site Features

We plan to keep the time integrity and the home's historical authenticity intact. In doing so, we plan to also remove the mexican fan palm and spanish dagger yucca plants, as they and not authentic to the time period of the home.

Section 11: Building Colors

We plan to keep all of the original colors of the home and will make sure that all touch up and repainted areas of the home are properly approved by the Heritage Commission as outlined.

Section 13: Lighting

We plan to remove the modern lighting and replace it with more historically accurate fixtures both vintage and/or vintage reproductions.

Section 14: Signage

We want our signage to be on trend with the time period that the home was built. We want it to be simple, vintage inspired, and timeless. We are still in the design process for a final choice, we have submitted an example photo of a design that we are looking at and will submit for final approval once it has been chosen. Please see the attached photo.

Section 15: Streetscape and Landscape Design

Our plan is to clean up the front and the back of the entire property, which is in progress. We plan to remove the mexican fan palms and spanish dagger yucca plants as listed above, and plant flowers and plants that would better coincide with the era of the home. We plan to remove all weeds, till the land, and upkeep the back of the property as well.

Section 16: Parking

Please reference the attached detailed parking plan.

Hafen Home Project Narrative

Our intention for the Hafen Home is to open a retail location that reflects the charm and history of downtown Santa Clara. Red Mountain Mercantile would be an ode to the time period of the home, highlighting the design trends of the turn of the century. We plan to do this by cleaning up the yard and attached land behind the home. Cleaning the home itself and repainting the old and weathered wood and base color, touching up original and historically accurate paint colors that match the existing colors, and restoring the property to its former glory. Our goal is to add a shopping experience to put Historic Santa Clara on the map as a unique retail and shopping destination.

Products that we plan to carry are:

Classic Vintage pieces

Antique items/furniture

Home and Holiday décor

Clothing and accessories

We will plan to hold quarterly open houses for the holidays: Spring Fling, Summer Splash, Witches Night Out, Swiss Days, and a Winter Holiday open House. We have a booth at the Fall Vintage Market Days in Hurricane this year.

Parking Space Layout

The standard parking space is 9' x 18'. The parking space requirements for the non-residential areas require one space per 250 square feet of gross floor area. We have measured and accounted for five parking spaces. We also plan to demolish and remove the old stage that was left by a previous tenant as part of our clean-up efforts and will maintain the entire property. Please reference the attached drawing.

Demo
18"
9"
18"
9"
9"
9"
18"
9"

Signage Mockup


RED MOUNTAIN
MERCANTILE
ANTIQUE VINTAGE MARKET

About Our Family

We are sons and daughters of Utah Pioneers. Our families crossed the plains, and we are direct descendants of the Dudley Leavitt Family. Dudley Leavitt was born in Hatley, Quebec Canada on August 31, 1830 and was an early patriarch of the Church of Jesus Christ of Latter-Day Saints and a Mormon pioneer and an early settler in Southern Utah. Although born in Canada, he came from a long line of early New Englanders. He was named for his ancestor Thomas Dudley, the founder of Cambridge, Massachusetts, and second colonial governor of Massachusetts. His ancestor John Leavitt, an early Massachusetts Puritan, was a deacon of Old Ship Church in Hingham, Massachusetts, when it was built in the 17th century.

Dudley Leavitt crossed the Great Plains on the Mormon Trail as a young man. He was a member of the 1850 Milo Andrus Company, which left the outfitting post at Kanesville, Iowa (present day Council Bluff) on June 3 and arrived in the Salt Lake Valley on August 30, 1850. He is credited as one of the founding fathers of settlements in Washington County, Utah.

Robert and Kimberly Sprague came to St George to move and establish themselves in this wonderful community about two years ago from Las Vegas. We have spent most of our life in Utah and it seemed the perfect place for us to be.

Robert is an estimator for a grading and excavation company here in Southern and Northern Utah and has been in the construction industry for over 40 years. Kimberly was in the hospitality business for the last 30 years and has since retired and has been planning this new business adventure for a few years now. They have been accruing the items for this business for a couple of years now through various auctions, estate sales and trips to Nevada, Washington State, and Utah.

Red Mountain Mercantile is a vendor in the Vintage Market Day in Hurricane this coming October.

City of Santa Clara
2603 Santa Clara Drive
(435) 656-4690, Ext. 225
jmcnulty@sccity.org

Staff Report

Heritage Commission
Summary and Recommendation

Public Body: Santa Clara City Heritage Commission
Meeting Date: August 15, 2024
Current Zone: Historic District/Mixed Use Zone
Property Address: 3003 Santa Clara Drive
Applicant Name: Hayli Mayfield and Sheri Wilkes
Staff Planner: Jim McNulty
City Staff Recommendation: Approval with conditions

PROJECT DESCRIPTION

The applicants, Hayli Mayfield and Sheri Wilkes, are proposing to convert the existing single-family home located at 3003 Santa Clara Drive into a Vintage Boutique retail store. The subject property is approximately 0.75 acres (32,670 sq. ft.) in size. The home is approximately 1,500 square feet in size, with approximately 1,000 square feet to be utilized for business purposes. The applicant intends to clean up and paint the interior/exterior of the home as needed to allow for the proposed commercial use of the property.

This **home is one of eight homes (8) on the National Register of Historic Places in Santa Clara City.** Please see page #6, Historic District Design Guidelines. The existing home is an example of the Utah Vernacular "Greek Revival" style from approximately 1880 – 1910. A recent photo of this home is included in Exhibit C, page #44 of the Historic District Design Guidelines.

The **subject property is in the Historic District/Mixed Use Zone**. The applicant will be required to submit an Amended Site Plan application to proceed. This process will include a public meeting with the Planning Commission and approval of the City Council before proceeding. Heritage Commission review is the first step in the overall process for this item.

SITE & VICINITY DESCRIPTION

The subject property is located at 3003 Santa Clara Drive. The property has frontage along Santa Clara Drive. An existing single-family home is located on the property. Existing single-family homes abut the east and west property lines.

Request: Sweet Emma's Vintage Boutique

PROJECT REVIEW ITEMS

City staff has reviewed the Historic District Design Guidelines and determined that the following items need to be addressed:

1. **Part II, Section 1, Site History:** Each property owner, developer, or other interested party should research and understand the historical values of the property being developed to draw upon past ideas, concepts, and methods in establishing a link between past and new development in the Historic District. ***The applicants have researched the site's history and provided this information (see attached).***

2. **Part II, Section 2, Site Features:** Historical site features, as an integral part of the original development pattern, should be retained as part of the street scene. ***The applicants intend to keep the historical authenticity of the home intact. They plan to remove the mediterranean and sago palms from the site. More information is provided under Item #7, Streetscape Elements and Landscape Design.***

3. **Part II, Section 8, Doors & Entrances:** The primary doorway or entrance to a building should be oriented to Santa Clara Drive. Doors and entrances shall be constructed to complement the architecture of the building. ***The applicants would like to use the existing front door for commercial business. They would like to paint the door "China Aster" as per the Color Matrix, page #41 of the design guidelines.***

4. **Part II, Section 11, Building Colors:** Building color is one of the most critical elements in design. Careful attention shall be paid to create colors that blend with the panoramic views and natural landscapes of the area. The applicants intend to keep the original colors of the home. ***They would like to paint the front door "China Aster" as per the Color Matrix, page #41 of the design guidelines. The applicants also intend to repaint the old, weathered wood trim (white color), touching up original and historically accurate paint colors (stucco façade is a yellow color).***

5. **Part II, Section 13, Lighting:** Lighting should be positioned in a manner that enhances visibility without detracting from a buildings' historic character. Lighting shall not visually dominate the site or intrude on adjacent property. All lighting should be shielded and directed downward. Fixture design shall complement the design of the building. ***The applicants would like to remove the modern lighting and replace it with historically accurate fixtures, both vintage and/or vintage reproduction. No lighting examples have been provided for review.***

6. **Part II, Section 14, Signage:** All signage shall comply with the Santa Clara City adopted sign ordinance and shall be reviewed by the Heritage Commission prior to approval. All signage shall utilize the color scheme as outlined in these design guidelines (e.g., Building Colors) for their signage color structure. ***A simple sign design has been included in the packet; however, more detail is needed for Heritage Commission review and approval. This item can come back to Heritage Commission later.***

7. **Part II, Section 15, Streetscape Elements and Landscape Design:** Retain and preserve original elements that combine to form the streetscape. New streetscape improvements shall respect the historic character of the area and complement historic scales, designs, and landscaping. ***The applicants intend to clean up the front and rear yard areas of the property. They plan to remove non-historic plantings and plant flowers that coincide with the era of the home. They plan to remove weeds, till the land, and maintain the back yard areas.***

8. **Part II, Section 16, Parking:** Parking areas should be located away from the street frontage and where they are least visually obtrusive. Off-street parking should be located to the side or behind a building, where its visual impact will be minimized. ***A total of 5 parking spaces have been proposed. The***

parking spaces and access driveway are proposed along the east side of the building. One (1) ADA space will be required as per the Building Code. An ADA ramp is not required as the property is on the National Register of Historic Places.

9. **Part II, Section 17, Mechanical Equipment:** Mechanical service equipment shall be designed and installed where it will not be readily seen from the public way. ***No information has been provided on mechanical equipment. City staff are unsure if new HVAC equipment is proposed or already in place on the property.***

10. **Part II, Section 18, Residential Compatibility:** Commercial uses and/or development which adjoins residential zones or residential uses or is across the street from residential zones or uses shall consider site design that minimizes the impact of the commercial use on the residences. ***Converting the existing home to commercial use for the proposed Vintage Boutique should be compatible with the residential zoning in the area. Similar projects along Santa Clara Drive have been successful. This is encouraged by the General Plan and the Historic District Design Guidelines.***

CITY STAFF RECOMMENDATION

City staff recommends that the Heritage Commission consider approving the Building Use & Site Layout for the proposed Sweet Emma's Vintage Boutique to be located at 3003 Santa Clara Drive Drive subject to the following conditions:

1. That the project be completed as approved by the Heritage Commission, and that the Historic District Design Guidelines as summarized in the staff report be complied with.
2. That the applicant comes back to Heritage Commission if changes to any items as summarized in the staff report are proposed.
3. That the applicant provides exterior color samples for the weathered wood trim (white color), and stucco façade (yellow color) for review and approval by the Heritage Commission.
4. That the applicant provides information/details on the proposed exterior lighting fixture design.
5. That the applicant provides more detail on the proposed signage for review and approval by the Heritage Commission.
6. That the Heritage Commission determine if any additional items are required by the applicant.
7. That the applicant proceeds with the Amended Site Plan Review process with Planning Commission and City Council.


City of
SANTA CLARA
HISTORICAL SITE
HANS HAFEN HOUSE

John George and Susette Bosshard Hafen Home

This 1 ½ story Victorian, eclectic crosswing home is believed to have been built in 1881. The adobe bricks that form the walls were made on the property from sand and clay from the backyard and the nearby hill to the north. Some of the other materials in the home were previously used and came from the mining town of Silver Reef. Silver Reef is located approximately 30 miles north of Santa Clara on Interstate 15 and had been a silver mining boomtown in the 1860s. By the 1880s, the town was being phased out and both materials and entire buildings were up for sale. The Hafens took advantage of this opportunity by purchasing lumber and possibly other materials to build the home. It has received only one addition, a room on the rear, since it was finished.



John George Hafen and Susette Bosshard Hafen Home

The home quickly became an integral part of Santa Clara's early history. It served as Santa Clara's first official post office, and it also housed the beginning of Santa Clara's merchandise cooperative. After Zion's Cooperative Mercantile Institution (ZCMI) was founded in Salt Lake City, other cooperative stores were founded throughout Utah. One of these was started in Santa Clara. John George Hafen became its first manager, and he stored the merchandise stock in one of the rooms in the house.



John George Hafen and wife Susette Bosshard Hafen

John George Hafen was born in Switzerland in 1838. His mother died a few years later. In 1861, he and his father and sister Barbara traveled from Switzerland to Salt Lake City. Upon arriving at their destination, John George was married to Susette Bosshard, a young woman whom he had met before leaving Switzerland. They were all new converts to The Church of Jesus Christ of Latter-day Saints and had traveled with other new members who came to Salt Lake City to reside with the main body of the Church. Soon after arriving, however, this group of Swiss settlers was called by Church President Brigham Young to travel on to the southern part of Utah. President Young assigned them the task of establishing a town on the Santa Clara River. Within weeks of their arrival, the town site was surveyed, and on December 22, 1861, it was dedicated.

The new Santa Clara residents intended to establish a grape-growing industry. Residential lots and vineyard plots were assigned through drawings from a hat. John George Hafen, his father Hans George Hafen, and his sister Barbara and her husband drew adjoining lots and vineyard plots. John George Hafen built a small log cabin for himself and Susette on their lot, and Hans George Hafen built a small shanty on his property. Eventually, they built and moved into the large home on Santa Clara Drive that is pictured here.

Marker Placed in 2005

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF SANTA CLARA
FOUNDED 1854

City Council
Jarett Waite
Ben Shakespeare
Christa Hinton
David Pond
Janene Burton

CITY COUNCIL

Meeting Date: 20/Nov/24 **Agenda Item:** 3

Applicant: Santa Clara City **Requested by:** Jim McNulty

Subject: Updates to City Code (Special Event Permit Process)

Description:

City staff had a discussion on this item with the City Council on October 16, 2024, during a work meeting. Updates to Chapter 12.22, Special Events, Chapter 5.08.060, Licenses and Local Consent, and Chapter 5.08.010, Definitions. City staff believes that updating the Special Event Permit process to include a Single Event Liquor License is needed.

Recommendation: Approval

Attachments: N/A

Cost: N/A

Legal Approval: Yes

Finance Approval: N/A

Budget Approval: N/A

2603 Santa Clara Drive, Santa Clara, Utah 84765

Phone (435) 673-6712 Fax (435) 628-7338

CITY OF
SANTA CLARA
FOUNDED 1854

TO: Santa Clara City Council

FROM: Jim McNulty, Planning Director

DATE: November 20, 2024

RE: Updates to Chapter 12.22, Special Events, Chapter 5.08.060, Licenses and Local Consent, and Chapter 5.08.010, Definitions

City staff had a discussion with the City Council on October 16, 2024, during a work meeting regarding some updates to city code. Specifically, on updates to Chapter 12.22, Special Events, Chapter 5.08.060, Licenses and Local Consent, and Chapter 5.08.010, Definitions. The City Council is aware of the recent PGA tournament (October 7 – 13, 2024) at Black Desert Resort. It was a huge Special Event and brought thousands of visitors to the community. Several similar Special Events are planned for the Black Desert Resort soon including the LPGA tournament next spring (April 28 – May 4, 2025). Each Special Event Permit requires City approval. Additionally, other Special Events (e.g., True Grit Race, and others) should be considered.

It's good practice to review and improve processes as needed. In this case, City staff believes that updating the Special Event Permit process to include a Single Event Liquor License is needed. The proposed code updates would allow for a Single Event Liquor License to be submitted and processed concurrently with a Special Event Permit application. Applicants are also required to obtain State Alcoholic Beverage Control approval per Utah Code 32B-9-201 prior to the Special Event once local consent is granted by the City.

Working copies of Chapter 12.22, Special Events, Chapter 5.08.060, Licenses and Local Consent, and Chapter 5.08.010, Definitions have been attached for your review and consideration.

Recommendation:

City staff recommends that the City Council consider approving the proposed City Code Updates to Chapter 12.22, Special Events, Chapter 5.08.060, Licenses and Local Consent, and Chapter 5.08.010, Definitions.

CHAPTER 12.22
SPECIAL EVENTS

SECTION:

12.22.010: Definitions

12.22.020: Permit Required

12.22.030: Application Requirements And Procedures

12.22.040: Insurance Requirement

12.22.050: Fees

12.22.060: Application Review, Approval, And Issuance

12.22.070: Grounds For Denial

12.22.080: Appeal Procedures

12.22.090: Violation

12.22.010: DEFINITIONS:

For purposes of this chapter, the following words or phrases shall have the following meanings:

APPLICANT:

The individual event organizer or organization for the event and the payment of fees.

ATHLETIC EVENT:

An organized competitive or recreational event in which a group of people collectively engage in a non-field sport or form of physical exercise, including, but not limited to, running, jogging, walking, bicycling, or skating, held on any public or private property.

CITY EVENT:

A special event that is organized and operated by the City, whether directly or by contract with a third-party operator.

FILMING EVENT:

Filming of a media broadcast (other than for news purposes), filming of a motion picture, or television broadcast and digital media production.

OUTDOOR SALES EVENT:

An organized event in which a group of people or an organization engages in the sale of product including, but not limited to, displays and exhibitions, farmer's markets, craft fairs, outdoor sales, tent sales, and other similar activities.

POLITICAL EVENT:

An organized event, not including an athletic or entertainment event, having as its primary purpose the exercise of expressive activities of a political nature, including but not limited to speech making, picketing, protecting, marching, demonstrating, or debating public issues.

SINGLE EVENT LIQUOR LICENSE:

A liquor license associated with a special event that includes the sale of beer, heavy beer, wine, flavored malt beverages, and liquor for a period not to exceed seven (7) consecutive or non-consecutive days.

SPECIAL EVENT:

A. A temporary event of any of the following or a combination of the following acts with a gathering of more than 200 people: Any athletic event, entertainment event, parade, carnival, circus, dance, musical event, rodeo event, fighting event, racing event, live shows, fairs, concerts, block parties, filming event, political event or outdoor sales event, whether held for profit, nonprofit or charitable purposes held on private or public property within the City, unless otherwise exempted under paragraph D below.

B. Any organized assemblage at any public park, public square or other City property which gathers for a common purpose or event under the direction and control of a person or entity, and which uses more services, amusement devices such as stages, inflatable devices or temporary structures, or equipment, whether provided by the City or a third party, than normally provided to groups which reserve park facilities or other City-owned facilities.

C. Large filming events that are professional in nature.

D. The following are not special events under this chapter:

1. Events held exclusively on private property that do not require use of city resources;

2. City organized events are not special events, however, events sponsored by the city are special events if not organized by the city; and

3. Events for which a city facility has been rented or reserved in advance shall not be considered special events unless at the time of application city staff determines that a special event permit is required, based on special needs for city resources. (Ord. 2023-06)

12.22.020: PERMIT REQUIRED:

It is unlawful for any person, corporation, partnership, association, or other entity, public or private, to promote, advertise or hold a special event without first obtaining a special event permit. The issuance of a permit under this chapter does not relieve the applicant of the obligation to comply with any other applicable licensing or permit requirements under Title 5 of city code. (Ord. 2023-06)

12.22.030: APPLICATION REQUIREMENTS AND PROCEDURES:

A. Submission: A completed application on City forms shall be submitted to the City at least forty-five (45) calendar days before the event is scheduled to take place, in order to allow sufficient time to process the application and to allow timely appeal to the City Council in the event the application is denied. Applications for new events or recurring events with changes that submit the application less than forty-five (45) calendar days prior to the scheduled event shall not be accepted. Applications are not considered complete until all required information has been submitted to the City.

B. Advertising: No advertising of a special event shall be permitted until City approval of the special event is granted and a special event permit is issued.

C. Inspections: Authorized law enforcement officers, fire control officers, and other government personnel shall be permitted free access to the event to make inspections to ensure compliance with all City, State, and Federal Laws.

D. Duration: Each application will indicate the duration of the event for which the permit is sought.

E. Security Plan: The police department requires a security plan to be in place. This information will be required as part of the online application.

The police department security requirements are:

1. An estimated amount of people expected at your event.

2. A security director on the site at all times with a cellphone. The police department will need the name and cell number of this person to contact.

3. The total number of security personnel.

4. The security personnel must be twenty-one (21) years or older.

5. Security personnel must be in security shirts or vests that look the same, so they are easily spotted by the police department.

6. The police department will need a name and phone number of someone to contact in case of questions. (Ord. 2023-06)

F. Single Event Liquor License: An application for a single event liquor license under Chapter 5.08 of city code may be submitted concurrently with a special event permit application. Additionally, a local consent form must be signed by the City allowing for the

State Alcoholic Beverage Control Commission to grant approval as per Utah Code 32B-9-201 prior to the special event.

12.22.040: INSURANCE REQUIREMENT:

Users are required to provide a certificate of insurance with a minimum limit of one million dollars ($1,000,000.00) per person in any one occurrence and two million dollars ($2,000,000.00) aggregate. Limits for property damage are one million dollars ($1,000,000.00) in any one occurrence. Santa Clara City must be named as an additional insured. A copy of this certificate must be submitted to Santa Clara City. (Ord. 2023-06)

12.22.050: FEES:

Application And Cost Recovery Fees: Along with the application for a special event permit, the applicant shall pay any applicable special event application fees and City cost recovery fees.

A. City Cost Recovery Fees: Extra City services will be provided for special events as determined by the City to be needed to protect the health, safety, and welfare of the public and shall be paid by the applicant.

1. City costs include, but are not limited to, police, fire/EMS, park maintenance, power, water, road closures, and cleanup of City facilities before, during, or after the event, and other costs to the City directly attributable to the special event.

2. Before City approval is granted to hold the event, the applicant shall pay the deposit and estimated City fees as determined by the City based on the application, the applicant's past event history with the City, and experience from similar events.

3. A deposit shall be required equal to at least 50% of all fees required by the city including, but not limited to application and cost recovery fees. The deposit shall be refundable within 14-days of the end of event, less any additional city recovery costs not included in the initial fee.

B. Invoice: The City may mail or deliver to the permit holder an invoice for the cost of City services provided and any costs incurred by the City in restoring the site. If the amount exceeds the City cost recovery fees paid in advance, the applicant shall pay the unpaid portion of the invoice within thirty (30) days of the date that the invoice was mailed or delivered. If the amount is less than the City cost recovery fees paid prior to issuance of the permit, then the remaining amount shall be returned to the applicant.

C. Fee Waiver: The City may waive fees for any events put on by another municipality or government agency. For all other events, an applicant may obtain a fee waiver if the event for which a permit is sought on the basis that: (1) the event is for the primary purpose that the applicant or anticipated participants may exercise a right guaranteed under the 1st Amendment of the U.S. Constitution; and (2) the applicant cannot afford to pay the fees

assessed. To obtain a fee waiver, an applicant must submit a signed and notarized affidavit stating the basis for the requested waiver and include or attach any information and documentation reasonably supporting such basis, consistent with this paragraph. (Ord. 2023-06)

12.22.060: APPLICATION REVIEW, APPROVAL, AND ISSUANCE:

The City Manager, or designee(s), shall review and either approve, approve with conditions, or deny the request for a special event permit and any fee waiver request received. The City Manager, or designee(s) may refer the request for a special event permit and/or any fee waiver request to the City Council for approval. (Ord. 2023-06)

12.22.070: GROUNDS FOR DENIAL:

A. Grounds For Denial: The special event application may be denied by the City if:

1. The proposed special event violates a law, ordinance, policy, procedure, or regulation or poses a danger or threat to the public health, safety, or welfare, or causes unreasonable inconvenience or cost to the public;

2. The proposed special event is not consistent with the intended nature and use of the requested City property;

3. The proposed special event is scheduled at a place and time that could disrupt or interfere with an already approved special event;

4. The proposed location or building is not adequate to accommodate the proposed special event such as parking, sanitation facilities, and health or safety codes, or the nature of the proposed special event is such that the City, or the applicant does not have sufficient resources available to reasonably ensure compliance with applicable ordinances (such as noise limits), or to otherwise ensure the health, safety, and welfare of special event participants or the general public;

5. The permit application contains a material falsehood or misrepresentation;

6. The applicant has failed to pay a debt to the City including costs incurred during a prior special event;

7. Incomplete permit applications;

8. Failure to pay any fees assessed, and no fee waiver has been obtained; and

9. The applicant or any person on whose behalf the application for a permit was made has on prior occasions:

a. Damaged City property if the application is for an event on City property; or

b. Made material misrepresentations regarding the nature or scope of an event or activity previously permitted; or

c. Has violated the terms or prior permits issued to or on behalf of the applicant.

Notice: If a special event permit application is denied, the City shall notify the applicant in writing of the reason or reasons for the denial. (Ord. 2023-06)

12.22.080: APPEAL PROCEDURES:

Any applicant for a special event permit desiring to appeal an administrative decision concerning the denial or modification of a special event permit may petition the City Council if the decision was made by the City Manager or designee(s). Any decision made by the City Council is final. All appeals shall be in writing, shall state the specific grounds for the appeal, and shall be delivered to the City Recorder within five (5) calendar days after the date the applicant received notice of the denial. An applicant may appeal the City Council's decision by seeking judicial review with the district court, which review shall be limited to a review of the record. (Ord. 2023-06)

12.22.090: VIOLATION:

Any person or entity who maintains or assists in maintaining a violation of this chapter shall be subject to a Class B misdemeanor, punishable as provided by law. (Ord. 2023-06)

5.08.060: LICENSES AND LOCAL CONSENT; NUMBER PERMITTED:

A. The total number of Class A licenses issued within the City shall not exceed that number determined by dividing the population of the City by one thousand (1,000). However, the City Council shall have discretion to issue a Class A license without regard to the quota set forth above, if the licensee falls within the category of establishment where the total square footage devoted to the sale of grocery or related items exceeds ten thousand (10,000) square feet, total employees will exceed thirty five (35), and the impact of the applicant upon the economy of the City is determined to be beneficial.

B. The total number of Class B licenses issued within the City shall not exceed that number determined by dividing the population of the City by one thousand (1,000). The City Council shall have discretion to issue Class B licenses in the number determined appropriate in accordance with the standards set forth in section 5.08.010 of this chapter.

Upon application for a Class B license, or renewal thereof, the licensee shall submit an exact duplicate of the menu utilized, together with a floor plan showing all seating and the arrangement thereof. Determination of whether an establishment is dedicated primarily to restaurant purposes shall be made by the City Council. A Class B license shall not authorize the sale, storage, or service of any alcoholic beverage other than beer.

C. The total aggregate number of Class C, Class D, and Class F licenses issued within the City shall not exceed that number determined by dividing the population of the City by one thousand (1,000). The City Council shall have discretion to issue Class C, Class D, and Class F licenses in the number determined appropriate in accordance with the standards set forth in this chapter.

Upon application for a Class C, and Class D, or Class F license, or renewal thereof, the licensee shall submit an exact duplicate of the menu utilized, together with a floor plan showing all seating and the arrangement thereof. Determination of whether an establishment is dedicated primarily to restaurant purposes shall be made by the City Council upon initial application, and, in the City Council's discretion, prior to renewal.

D. The total number of Class E licenses issued within the City shall not exceed that number determined by dividing the population of the City by five thousand (5,000).

E. A license issued by the State of Utah for sale of alcoholic beverages shall not affect the need for a separate license from the City to sell, offer to sell, furnish, or supply alcoholic beverages, and holding a license under one (1) class of license under this chapter shall have no effect on the applicability of regulations or quotas governing other classes.

F. Population for determining the number of licenses shall be by the most recent United States decennial or special census or by any other population determination made by the United States government or the State of Utah. If the City Council wishes to make more frequent determination of population than what may be available from the above sources, it may do so based on such formula as it may reasonably consider to be accurate, and in

such event it may abandon that determination upon issuance of a new census figured by the United States or State of Utah if it believes the latter to be more accurate.

G. Single event permits including a single event liquor license associated with a special event permit may be approved by the City Manager or designee(s)~~and special use permits may be approved by the City Council~~ without reference to or effect upon the quotas herein provided. ~~(Ord. 2017-11: Ord. 2015-20)~~ Local consent must also be approved by the City as outlined in Chapter 12.22 of city code.

5.08.010: DEFINITIONS:

As used in this chapter:

ACT: The Utah alcoholic beverage control act, title 32B, Utah Code Annotated, as amended.

ALCOHOLIC BEVERAGES: "Beer" and "liquor" as those terms are defined in this section.

ALCOHOLIC PRODUCTS: All products that contain at least 63/100 of one percent alcohol by volume or at least one-half of one percent by weight, and are obtained by fermentation, infusion, decoction, brewing, distillation, or any other process that uses any liquid or combination of liquids, whether drinkable or not, to create alcohol in an amount greater than the amount prescribed in this subsection. "Alcoholic products" does not include common extracts, vinegars, ciders, essences, tinctures, food preparations, or over the counter drugs and medicines that otherwise come within this definition.

BEER: All products that contain 63/100 of one percent of alcohol by volume or one-half of one percent alcohol by weight, but not more than four percent (4%) of alcohol by volume or 3.2 percent by weight, and are obtained by fermentation, infusion, or decoction of any malted grain. Beer may or may not contain hops or other vegetable products. "Beer" includes products referred to as malt liquor, malted beverages, or malt coolers.

CHURCH: A building set apart primarily for the purpose of worship in which religious services are held and with which clergy is associated, and the main body of which is kept for that use and not put to any other use inconsistent with its primary purpose, and which is tax exempt under the laws of the state of Utah.

CITY: The city of Santa Clara, Utah.

CLASS A LICENSE: A license entitling the licensee to sell beer on the licensed premises in original containers of a size not to exceed one quart, for consumption off the premises.

CLASS B LICENSE: A license entitling the licensee to sell beer in original containers of a size not to exceed one quart capacity for consumption on the licensed premises of a restaurant at which food sales constitute no less than seventy percent (70%) of the gross monetary receipts of the licensee's business and in connection with a license issued by the state of Utah to operate as an on premises beer retailer. Golf course premises where beer is sold in connection with hot food preparation at the point of sale shall be included as class B licenses.

CLASS C LICENSE: A license entitling the licensee to sell beer in original containers of a size not to exceed one (1) quart capacity for consumption on the licensed premises of a restaurant at which food sales constitute no less than seventy percent (70%) of the gross monetary receipts of the licensee's business and in connection with a license issued by the State of Utah to operate as a beer only restaurant licensee.

CLASS D LICENSE: A license entitling the licensee to sell wine, and beer in original containers of a size not to exceed one (1) quart capacity for consumption on the licensed premises of a restaurant at which food sales constitute no less than seventy percent (70%) of the gross monetary receipts of the licensee's business and in connection with a license issued by the State of Utah to operate as a limited service restaurant licensee.

CLASS E LICENSE: A license entitling the licensee to sell beer in original containers or on draft in a quantity not to exceed two (2) liters for consumption on the licensed premises and in connection with a license issued by the State of Utah to operate as a private club.

CLASS F LICENSE: A license entitling the licensee to store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on its premises as a full-service restaurant, at which food sales constitute no less than seventy percent (70%) of the gross monetary receipts of the licensee's business, and in connection with a license issued by the State of Utah to operate as a full-service restaurant licensee.

INTERDICTED PERSON: A person to whom the sale, gift, or provision of an alcoholic beverage is prohibited by law or court order.

LICENSE: Unless the context requires otherwise, refers generally to any license or permit issued under this chapter.

LICENSE OFFICER: The Business License Officer of the City.

LICENSED PREMISES: Any property, building, enclosure, room, or equipment used in connection with the sale, storage, service, manufacture, distribution, or consumption of alcoholic beverages or products by a licensee or permittee.

LICENSEE: Any person issued a license by the City to sell, manufacture, store or allow consumption of alcoholic beverages on premises owned or controlled by the person.

LIQUOR: Alcohol, or any alcoholic, spirituous, vinous, fermented, malt or other liquid, or combination of liquids, a part of which is spirituous, vinous, or fermented, and all other drinks or drinkable liquids that contain more than one-half of one percent of alcohol by volume and are suitable to use for beverage purposes. "Liquor" does not include any beverage defined as beer, malt liquor, or malted beverage that has an alcohol content of less than four percent (4%) alcohol by volume.

LOW ALCOHOL BEER OR NONALCOHOLIC BEER: Any product containing alcohol in an amount less than one-half of one percent by weight and obtained by fermentation, infusion, or decoction of malted grain. Low alcohol or nonalcoholic beer may or may not contain hops or other vegetable products.

MINOR: Any person under the age of twenty one (21) years.

PACKAGE AGENCY: A retail liquor location operated under a contractual agreement with the department, by a person other than the State, who is authorized by the commission to sell package liquor for consumption off the premises of the agency.

PERMITTEE: Any person issued a permit by the City to perform acts or exercise privileges as specifically granted in the permit.

PERSON: Any individual, partnership, firm, corporation, association, business trust, or other form of business enterprise, including a receiver or trustee, and the plural as well as the singular number, unless the intent to give a more limited meaning is disclosed by the context.

PRIVATELY HOSTED EVENT OR PRIVATE SOCIAL FUNCTION: A specific social, business, or recreational event for which an entire room, area, or hall has been leased or rented, in advance by an identified group, and the event or function is limited in attendance to people who have been specifically designated and their guests. "Privately hosted event" or "private social function" does not include events or functions to which the general public is invited, whether for an admission fee or not.

PUBLIC BUILDING: Any building or permanent structure owned or leased by the State, a county, or local government entity that is used for public education, transacting public business, or regularly conducting government activities. "Public building" does not mean or refer to any building owned by the State or a county or local government entity when the building is used by anyone, in whole or in part, for proprietary functions.

RESIDENCE: The person's principal place of abode within Utah.

RESTAURANT: Any business establishment where a variety of foods is prepared and complete meals are served to the general public, located on premises having adequate culinary fixtures for food preparation and dining accommodations and which is engaged primarily in serving meals to the general public.

SCHOOL: Any building used primarily for the general education of minors. "School" does not include nursery schools, infant daycare centers, or trade or technical schools.

SELL, SALE, AND TO SELL: Any transaction, exchange, or barter whereby, for any consideration, an alcoholic beverage is either directly or indirectly transferred, solicited, ordered, delivered for value, or by any means or under any pretext is promised or obtained, whether done by a person as a principal or proprietor, or an agent, servant or employee, unless otherwise defined in this title or the rules made by the City.

SHAREHOLDER: Any person who owns twenty percent (20%) or more of a corporation's stock.

SINGLE EVENT PERMIT: A permit entitling the permittee to store, sell, serve and allow consumption of alcohol on specifically designated premises for a period not to exceed ~~seventy two (72) consecutive hours~~ seven (7) consecutive or non-consecutive days, and by connection with a bona fide convention, civic or charitable, or local economic enterprise conducted by a corporation, church, political organization, or incorporated association, or a recognized subordinate lodge, chapter or unit thereof.

SPECIAL USE PERMIT: A permit entitling the permittee to store, serve and allow consumption of alcohol on specifically designated premises, issued to a person who

qualifies in one (1) of the following categories: a) a religious organization for religious wine use; b) a person engaged in an industrial or manufacturing pursuit, for industrial or manufacturing use; or c) a person engaged in a scientific or educational pursuit, for scientific or educational use. The special use permit when issued shall indicate which category of special use is authorized under the permit.

STATE STORE: A facility for the sale of package liquor located on premises owned or leased by the State of Utah and operated by State employees. "State store" does not apply to any licensee, permittee, or package agency.

WINE: Any alcoholic beverage obtained by the fermentation of the natural sugar content of fruits, plants, honey, or milk, or any other like substance, whether or not other ingredients are added. "Wine" is considered "liquor" for purposes of this title. (Ord. 2017-11: Ord. 2015-20)

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF
SANTA CLARA
FOUNDED 1854

City Council
Jarett Waite
Ben Shakespeare
Christa Hinton
David Pond
Janene Burton

CITY COUNCIL

Meeting Date: 20/Nov/24 **Agenda Item:** 4

Applicant: Gary Hall **Requested by:** Gary Hall

Subject: Power Sales Contract for two new natural gas power plants.

Description:

UAMPS completed an Integrated Resource Plan (IRP) that examined the collective power needs of the UAMPS membership in 2023. The IRP identified a need to pursue a variety of new resources for the members to best ensure a portfolio of new resources for the membership that can represent a diversified portfolio of resources on a least cost, least risk basis. Based on the IRP recommendations, UAMPS has annually adopted a new resource procurement that sets the workplan for the coming year on how UAMPS staff will pursue new resources on behalf of the membership.

New Natural Gas Projects:

- Specifically, the IRP recommended pursuing the development of both a combined cycle natural gas power plant and a peaking natural gas power plant.
- In coordination with the members, UAMPS has been developing both the combined cycle natural gas power plant and a peaking natural gas power plant.
- Due to the development costs associated with further development of these two projects, UAMPS is pursuing entering into long term Power Sales Contracts for each of these projects.
- By entering into the Power Sales Contracts now, further development on these projects will be allowed and if certain development parameters are not met then the projects will be terminated by the project's project management committee.

Recommendation: Discussion

Attachments: N/A

Cost: 0

Legal Approval: Yes

Finance Approval: N/A

Budget Approval: N/A

2603 Santa Clara Drive, Santa Clara, Utah 84765

Phone (435) 673-6712 Fax (435) 628-7338

Natural Gas Projects Talking Points
Related to Power Sales Contract(s) Governing Body Approval Process
October 24, 2024

Background on UAMPS New Resource Development:

- UAMPS completed an Integrated Resource Plan (IRP) that examined the collective power needs of the UAMPS membership in 2023. The IRP identified a need to pursue a variety of new resources for the members to best ensure a portfolio of new resources for the membership that can represent a diversified portfolio of resources on a least cost, least risk basis. Based on the IRP recommendations, UAMPS has annually adopted a new resource procurement that sets the workplan for the coming year on how UAMPS staff will pursue new resources on behalf of the membership.

New Natural Gas Projects:

- Specifically, the IRP recommended pursuing the development of both a combined cycle natural gas power plant and a peaking natural gas power plant.
- In coordination with the members, UAMPS has been developing both the combined cycle natural gas power plant and a peaking natural gas power plant.
- Due to the development costs associated with further development of these two projects, UAMPS is pursuing entering into long term Power Sales Contracts for each of these projects.
- By entering into the Power Sales Contracts now, further development on these projects will be allowed and if certain development parameters are not met then the projects will be terminated by the project's project management committee, as discussed in more detail below.

Phased Development Approach:

- UAMPS develops new resources by applying a phased development approach whereby any new resource is developed by derisking project development uncertainties that exist with any new resource development.
- Essential to a phased development approach is identifying key development milestones whereby UAMPS staff will work on derisking certain pre-identified

project risks and report the status of that work at predetermined development milestones to the Project Management Committee.

- The Project Management Committee is responsible for determining whether the project will proceed past certain pre-determined development milestones based on reports provided to the Project Management Committee. Each UAMPS member participating in the project will have a vote at the Project Management Committee.

Project Specific Considerations for these Two Natural Gas Projects:

- Developing new power resources has become more expensive on the front end of the development cycle, which is requiring more front-end development expenditures. This increase in near term development cost is forcing UAMPS to secure Power Sales Contracts that allow for financing for these development costs.
- More specifically, securing transmission interconnection for these two projects requires a $5 Million per project transmission deposit with PacifiCorp. This deposit is expected to be made in early January 2025. Moving forward with this transmission work is a key development uncertainty that has been identified as the transmission studies will identify transmission upgrade costs as well as identifying when transmission work will be complete and allow for these projects to start delivering electricity to the grid.
- While the transmission deposits represent the largest near-term expenditure, additional derisking work will occur during this time period while the transmission is being studied. Another key activity is further progressing the engineering cost estimate for the project. Both projects will move forward with developing a Class 3 Cost Estimate and these cost estimates will be utilized in a Levelized Cost of Electricity model that will identify a projected cost for each project ($/MWh).

Project Management Committee Oversight:

- To prudently manage these development uncertainties, the Project Management Committee has elected to do the following:
- First, the Power Sales Contracts will not become effective until 85% of the project's output has been subscribed that will occur by members returning signed Power Sales Contracts with specific subscription amounts identified.
- Second and once the 85% subscription requirement has been met, the Project Management Committees for these projects will adopt a resolution identifying a maximum $/MWh for each project. This maximum $/MWh will be analyzed at certain development milestones that have been pre-identified. If the maximum $/MWh is exceeded then the Project Management Committee will terminate the project.
- Additionally, the Project Management Committee has the ability to downsize the project's capacity to ensure that 100% of the project output is subscribed. Such downsizing will still require the project's project $/MWh to beneath the maximum $/MWh that has been determined.

Natural Gas Peaking and Base Load Power Sales Contracts

SANTA CLARA COUNCIL MEETING

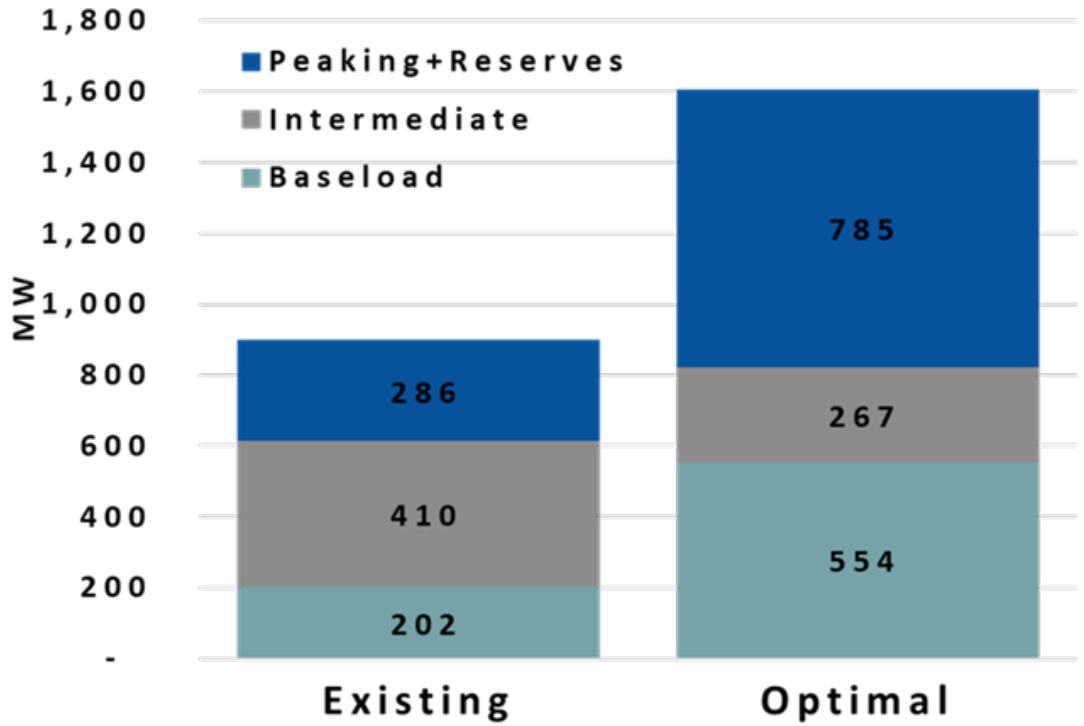
[Date]

UAMPS

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

Alignment with Members Needs

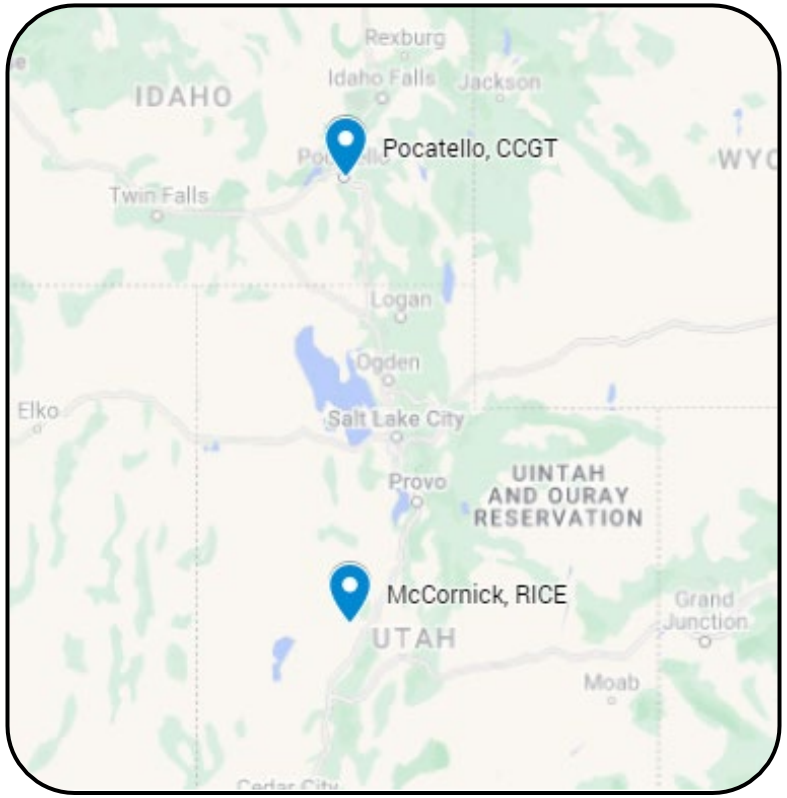
- 2023 Integrated Resource Plan (IRP) identified significant need for both baseload and peaking dispatchable resources
- Natural Gas is cost competitive with other forms of dispatchable power
- IRP also recommended UAMPS project ownership (versus PPA) to hedge against future volatility in the electricity market
- Member 20-year forecasts show need for individual members



Natural Gas Statistics

	Capacity	COD	Technology
Peaker	200 MW	2029	Gas-Fired Recip Engines
Baseload	360 MW	2031	Combined Cycle



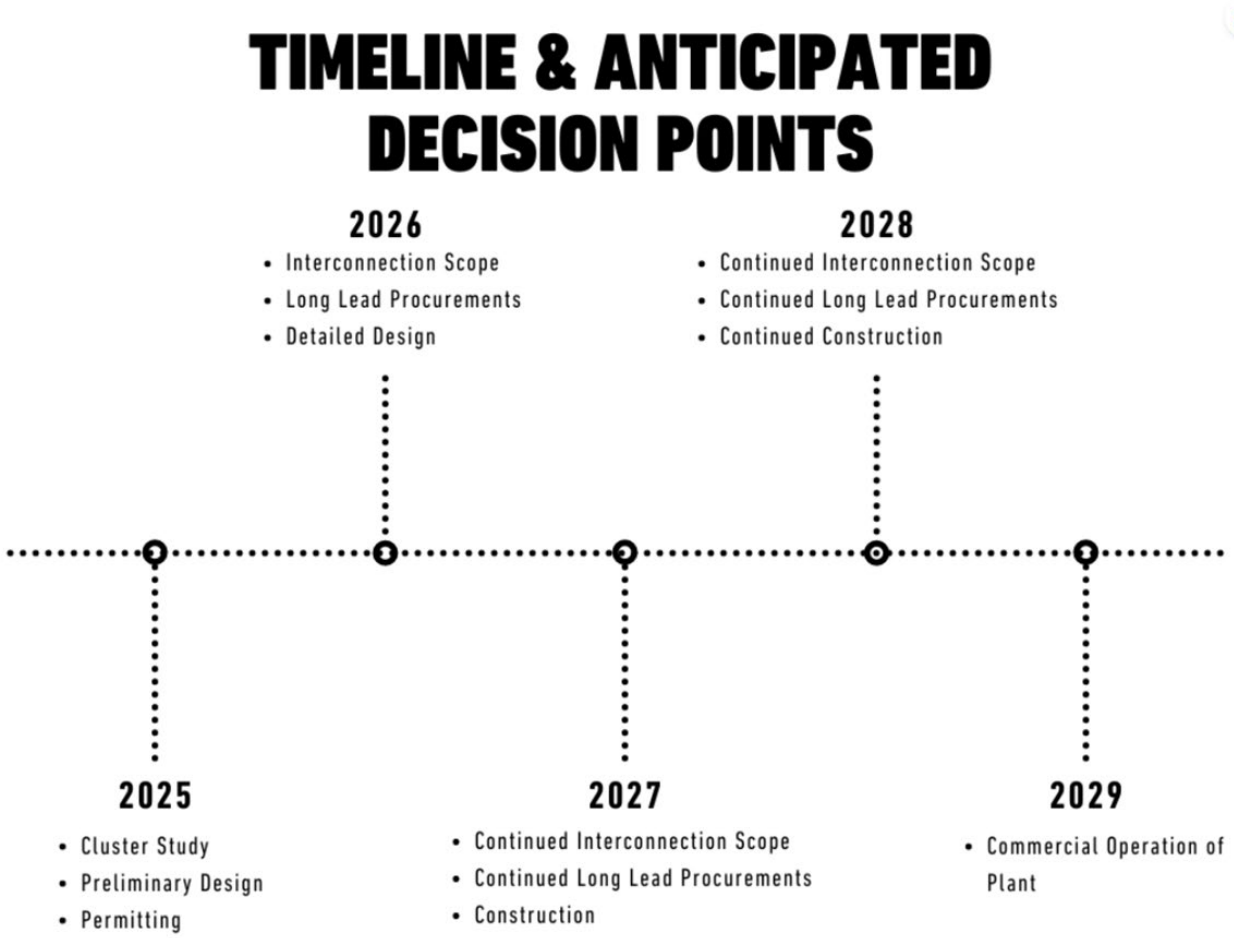




Peaking Facility

- Located in Millard County
- 200 MW fleet of 10-12 Reciprocating Internal Combustion Units (RICE)
- Able to ramp on and off quickly to meet the members' changing load needs
  - Each engine ramps to full load in 2 to 5 minutes
  - Fast ramp times enable integration of additional clean, less expensive, renewable energy
- Natural gas peaking units compliment members' intermittent resources
- Capable of burning hydrogen mix when available in the future
- Ideally located near natural gas and transmission lines

Peaking Facility

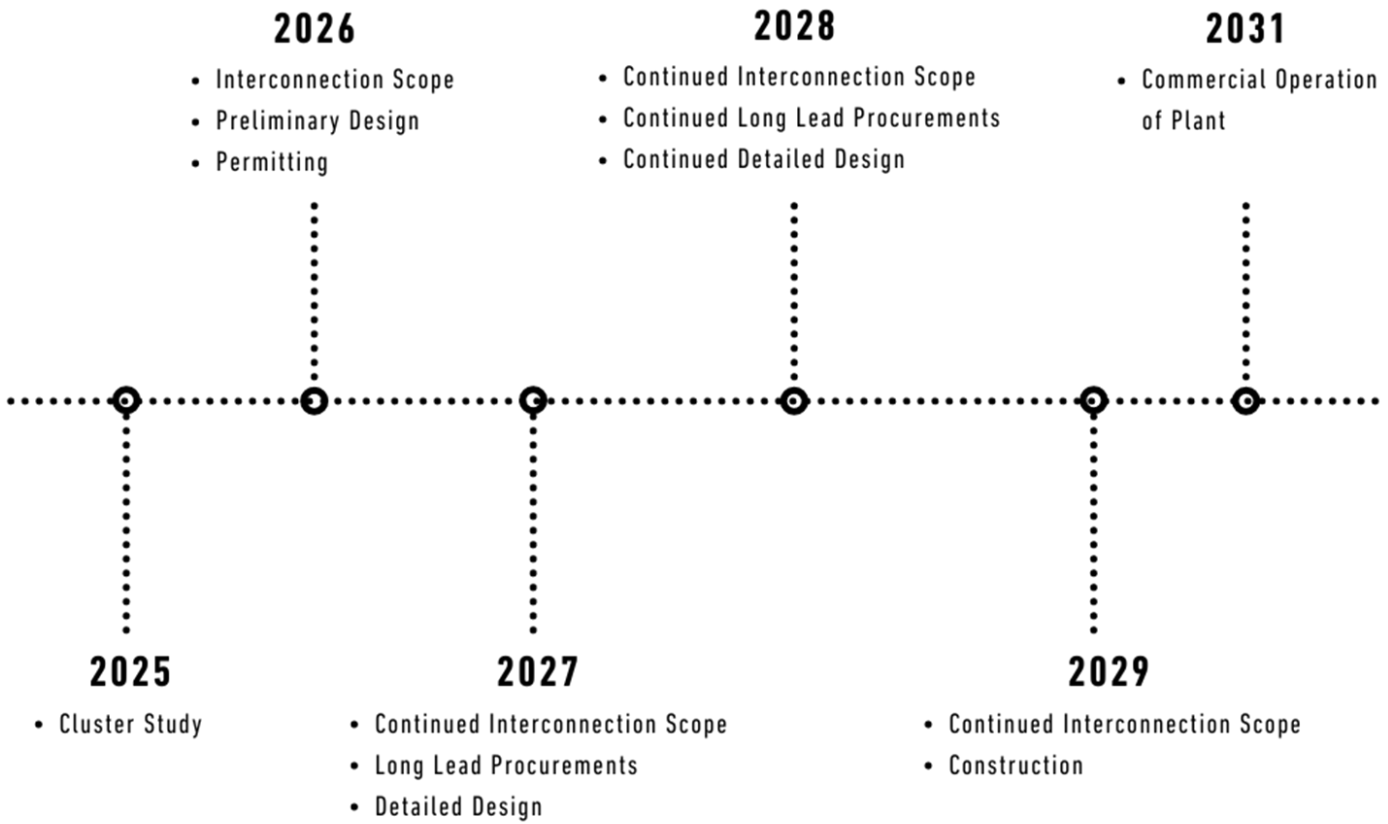


Combined Cycle Facility

- Located in Power County, Idaho
- 360 MW 1x1 frame-style combined cycle plant
- Highly efficient system includes a gas turbine and steam turbine, decreasing overall energy cost
- Natural gas baseload generation is critical to support members' reliable generation needs
- Capable of burning hydrogen mix when available in the future
- Ideally located near natural gas and transmission lines

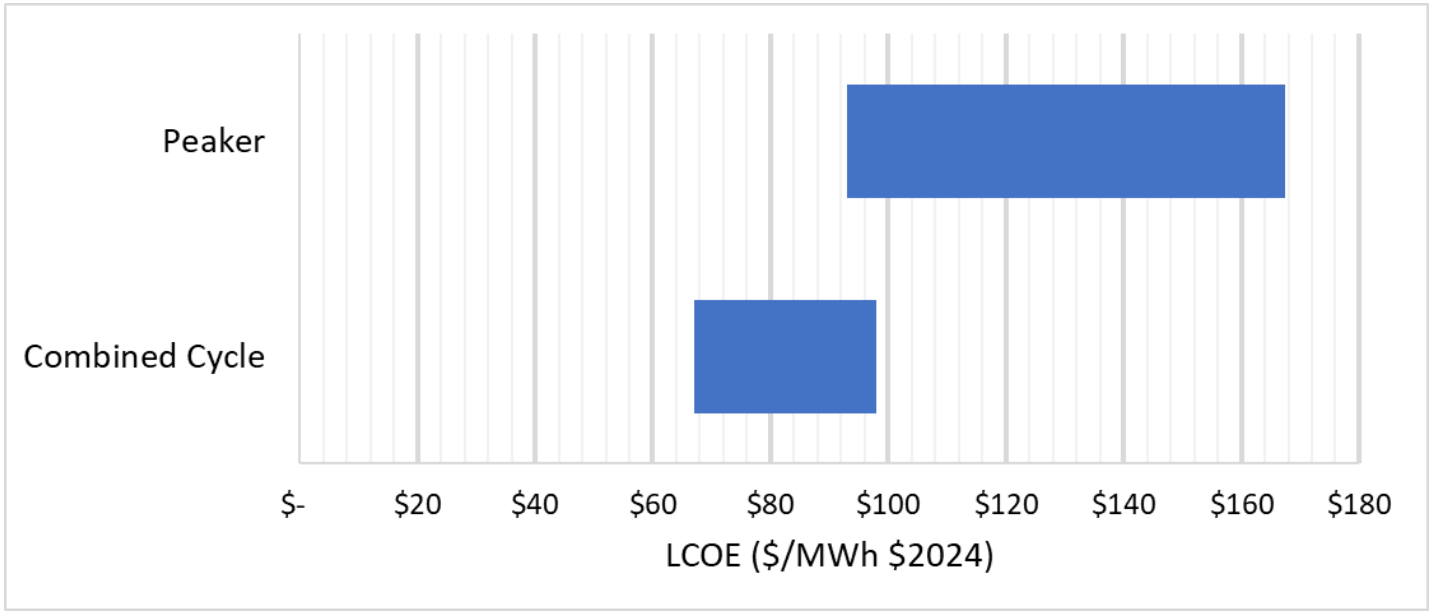
Combined Cycle Facility

TIMELINE & ANTICIPATED DECISION POINTS



Levelized Cost of Energy (LCOE)

- Peaker LCOE: $93-$167 (2024$)
  - CF 20% = $167/MWh (2024$)
  - CF 60% = $93/MWh (2024$)
  - **$112/MWh (2024$) at 40% CF**
- Baseload LCOE: $66-$94 (2024$)
  - CF 40% = $94/MWh (2024$)
  - CF 80% = $66/MWh (2024$)
  - **$69/MWh (2024$) at 75% CF**
- Values compare well with Lazard data analysis

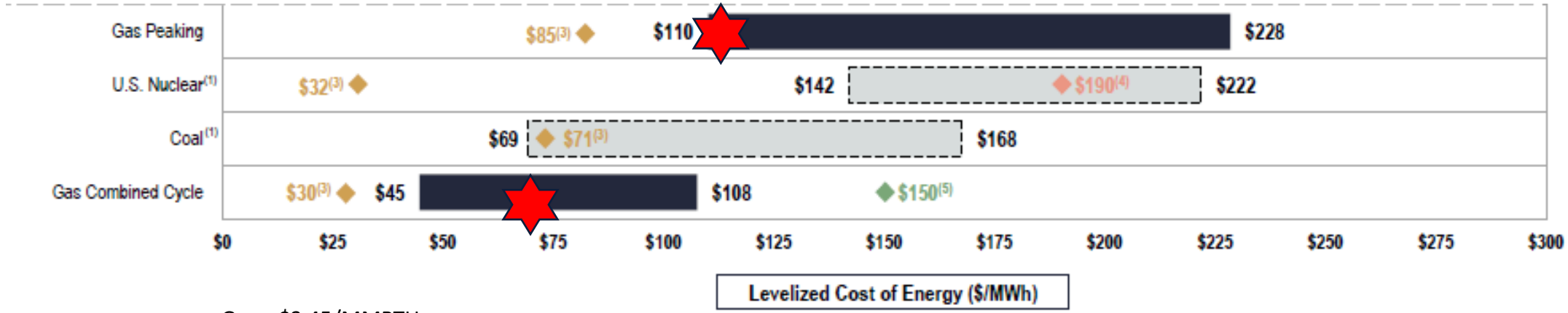


Gas Price assumed to be based on Rockies
Combined cycle, duct firing assumed to be 1,000 hrs of annual generation

Comparable LCOE

Industry-wide estimates provided by Lazard for generic new generation sources show comparable LCOE results as UAMPS estimates (recognizing the assumptions used are not exactly aligned)

Lazard LCOE Survey (2024, Ver. 17)



Gas = $3.45/MMBTU
CF = 30% - 90%
Discount rate = 9.6%

UAMPS Projected LCOE's

Market Comparison

- Other market opportunities have been investigated
- Best alternative is a long-term agreement to utilize an entity's plant as needed (tolling agreement)
  - Another entity owns and operates the plant
  - UAMPS would purchase the gas and schedule the output
- LCOE Pricing
  - Equivalent usage to the baseload project
    - Between $160/MWh and $220/MWh

Interconnection is Driving Timing

- Missed cluster study window could result in 12+ month delay
- PacifiCorp is conducting a “cluster study” of resources seeking to interconnect to its system

Your text here

- Recent reforms to the queue process designed to weed out projects that are not commercially viable include
  - Evidence of site control
  - $5m deposit for PacifiCorp to conduct the cluster study
  - Withdrawal penalties of 9x study costs
- Deposit and site control required as early as December 2024
- Study will take approximately one year to complete
- Timing of next cluster study unknown—likely January 2026

Development Next Steps

- Major Milestones on Project
  - Get control of land that meets the criteria
  - Engage an Owners Engineer (OE) to write a specification for equipment/contractor and assist with permitting
- Submit Air Permit for the facility
- Submit County, State Permits
- Procure long lead items (some items have 36 month lead times)
- Once transmission path is transparent, issue a request for proposals for the Engineering, Procurement and Construction

Power Sales Contract Key Terms

Natural Gas Power Sales Contracts

- Power Sales Contract contains terms relating to proposed new natural gas projects
- Cradle-to-grave, including: development, acquisition, financing, construction, ownership, operation, and decommissioning
- Contracts must be in place before bonds issue
- Facilitates cost allocation to project Participants
- Provide background about the need for the project and the development work done to date
  - Power County PSC identifies UMPA as potential joint owner

Natural Gas Power Sales Contracts

- Power Sales Contracts must be in place before financing
  - Language in Power Sales Contracts reviewed by Bond Counsel to ensure adequacy for financing/bonding
- Facilitates cost allocation to project Participants
  - Project costs include all debt service, operating, and other costs incurred by UAMPS for the project
  - Near-term costs include those to obtain transmission, permits, securing land and Class engineering cost estimates
  - Financing instruments will be used to cover near term costs
  - No billings to members until energy is received unless project is terminated

Natural Gas Power Sales Contract: Key Terms

- Similar to terms in previous power sales contracts, including Nebo, HBW and Veyo
- Effective when subscription of 85% has been reached, Power Sales Contracts authorized, executed and returned to UAMPS
- Project may only be terminated by super majority vote (75% per capita AND entitlement) when obligations have been paid, including any outstanding bonds, and project has been decommissioned
- Individual Participants may only exit the project under terms in Power Sales Contract

Natural Gas Power Sales Contract: Key Terms

- “Development Period” addresses preliminary stage of project development and allows PMC to determine whether to proceed
- “Construction Period” begins at “Completion of Development,” as determined by the PMC, and ends at Commercial Operation Date
- UAMPS to operate, maintain, and decommission the project
- Participants can use retained earnings from electrical system to make “Capital Contributions” before first long-term bonds issue
- Participant agrees to maintain rates and revenues sufficient to pay its obligations under the Power Sales Contracts
- Participant’s payment obligation is not contingent on energy delivery
- Default of one Participant provides for reallocation of Entitlement Share among non-defaulting Participants on a pro rata basis
    - Non-defaulting Participant Entitlement Share may only increase by up to 25%

Effective Date, Term, Termination

- Effective upon execution by UAMPS and Participant and after project reaches 85% subscription
  - Participant cannot execute until it receives governing body approvals
  - Authorizing Resolution, Bring Down Certificate, and Opinion of Counsel must be delivered at the same time
- Remains in effect until PMC terminates by supermajority vote
  - Can’t terminate without ensuring bonds will be paid
  - UAMPS required to use Commercially Reasonable Efforts to disposition project assets and distribute proceeds to members

Project Management Committee

- Project Management Committee (PMC) provides primary oversight and decision making
- Delegates “full and complete authority” to Participant’s Representative (defined as the Participant’s representative to UAMPS under JAA) to act on all matters that come before the PMC
- UAMPS Board acts only on recommendation of PMC
- UAMPS Joint Action Agreement and Bylaws govern voting rights
- Same set up as other UAMPS projects

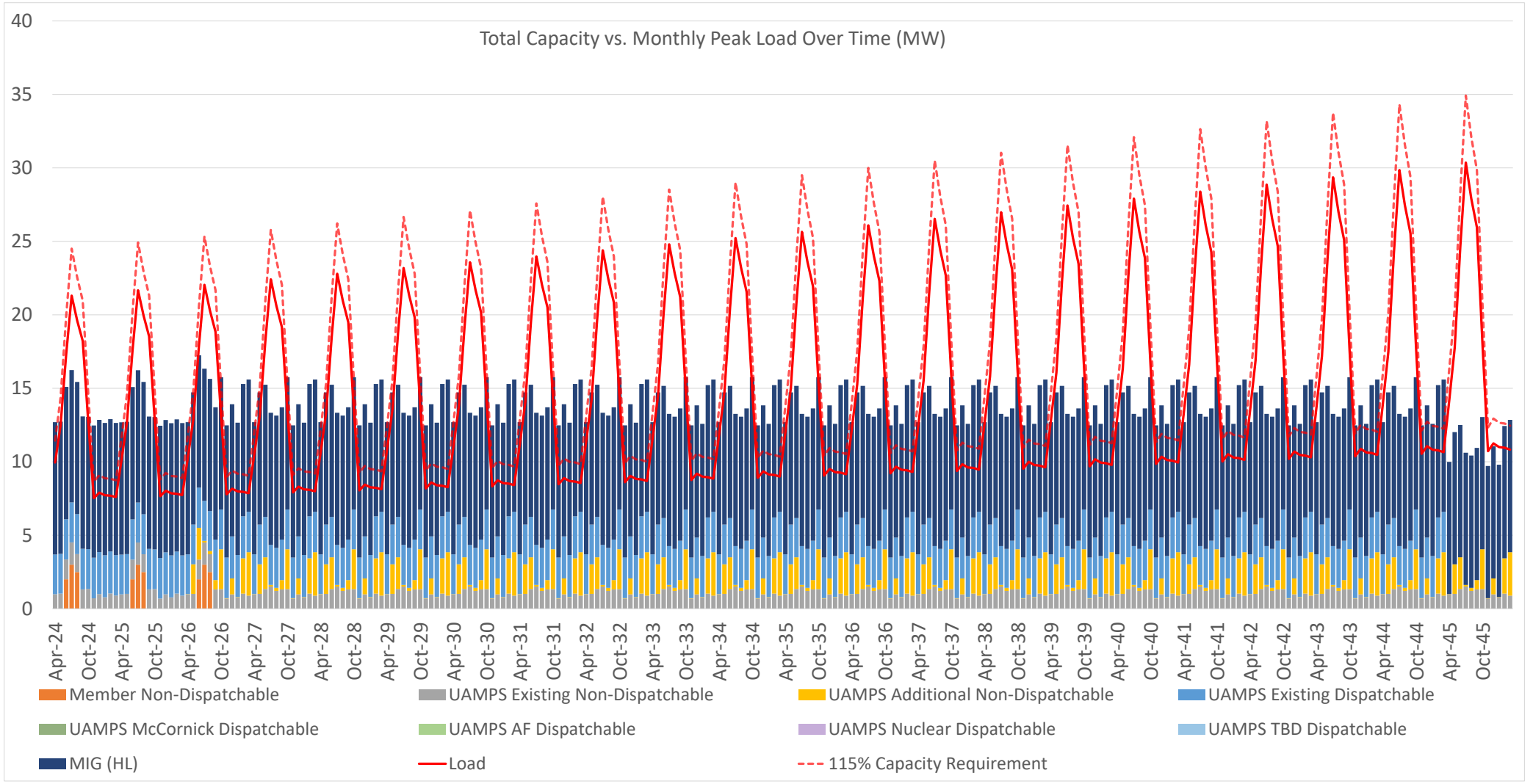
Project Management Committee Determination

- PMC will determine whether the project will proceed past certain pre-determined development milestones
  - Power Sales Contract effective upon 85%
    - UAMPS will solicit additional participation during Development Period
    - If additional subscription is not achieved, UAMPS will downsize the project
  - Target Price for the maximum cost of energy will be established
    - Create off ramps called “determination dates” for when the maximum cost of energy will be evaluated
    - Determine that Target Price has been exceeded = termination of the project

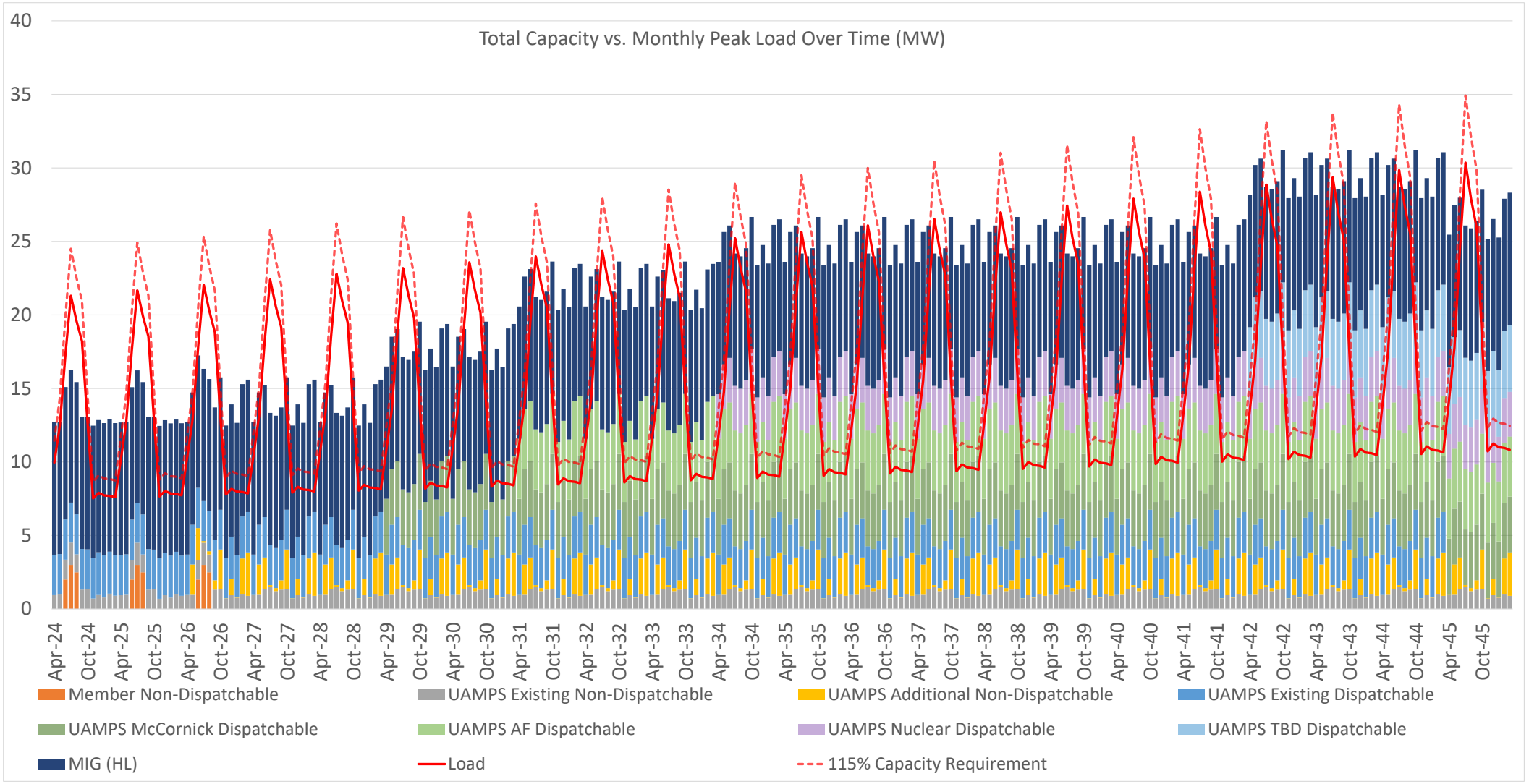
Subscription Recommendation

- 3.98 MW subscription for **Millard County Peaker**
- 4.29 MW subscription for **Power County Base Load**

Capacity without Additional Dispatchable



Capacity with Additional Dispatchable



Key Methodology – Detailed Assumptions

- Base Year = 2024
- Load is based on 2024 forecast provided by Kelton
  - Load Growth = 1.7%, annual, exponential
- Existing non-dispatchable and/or renewable generation in 2024 forecast is assumed to be constant each year until that resource is retired
- Hunter (if applicable) is assumed to only be available for 7 winter and summer months (consistent with 2024 operating approach)
- Nebo (if applicable) is assumed to operate "perfectly." If there is any need/load beyond what the non-dispatchable resources + Hunter can provide, the model assumes Nebo will be on, running at least at its min capacity, up to its max capacity
- MIGs also operate "perfectly." If there is any need/load beyond what Nebo and/or other dispatchable resources can provide, the model assumes any available MIGs will be generating up to the currently available MIG capacity (which varies depending on HL and LL hours)
  - i.e., MIGs run only if all other resources (including new resources in future years) cannot meet load

Additional Assumptions

- IPP (if applicable) is not credited
- Hunter (if applicable) is assumed to be online through 2032
- Nebo (if applicable) is assumed be online through 2044
- New non-dispatchable/renewable resources considered:
  - HB1 software upgrade (if applicable)
  - Fremont solar
- New dispatchable resources considered:
  - Millard County Peaker
  - Power County Base Load
  - New Nuclear (**included in capacity graph only – not energy graph**)
  - TBD Dispatchable (**included in capacity graph only – not energy graph**)

QUESTIONS

EXECUTIVE SUMMARY
UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS
POWER COUNTY POWER PROJECT

October 24, 2024

INTRODUCTION AND OVERVIEW

INTRODUCTION

This Executive Summary provides an overview of UAMPS' proposed Power County Power Project, summarizes the provisions of the Power Sales Contracts and outlines the Project Agreements. The Power County Power Project is referred to in this Executive Summary as the *"Baseload Project."* The information contained in this Executive Summary has been prepared for the use of prospective Participants in connection with their decision to participate in the Baseload Project by entering into a Power Sales Contract with UAMPS.

This Executive Summary has six parts:

Part 1: Definitions,

Part 2: Preliminary Baseload Project description,

Part 3: Estimated cost of construction; Budget and Plan of Finance,

Part 4: Interconnection and Transmission,

Part 5: Summary of the Power Sales Contracts, and

Part 6: Outlines of the Project Agreements.

The descriptions and summaries contained in this Executive Summary are preliminary, broad and general, and are subject to change as the Project Agreements and the Budget and Plan of Finance for the Baseload Project are developed and finalized under the supervision of the Baseload Project Management Committee. If you have any questions or require any additional information, please contact Jackie Coombs, UAMPS' Managing Director of Corporate and Member Services, at 801-214-6402 or by e-mail to jackie@uamps.com.

PART 1. DEFINITIONS

As used in this Executive Summary:

Baseload Project: the Power County Power Project.

Contractor: the contractor under the EPC Contract.

EPC Contract: the Engineering, Procurement and Construction Contract to be entered into by UAMPS and the Contractor with respect to the Baseload Project.

Entitlement Share: each Participant's percentage entitlement to the capability of the Baseload Project.

Interconnection Agreement: the agreement providing for the interconnection of the Baseload Project with the transmission facilities of PacifiCorp.

Joint Ownership Agreement means the agreement between UAMPS and UMPA with respect to their joint ownership of the Baseload Project.

Operating Agreement: the agreement, if any, providing for the operation and maintenance of all or any portion of the Baseload Project.

Participants: the power purchasers under the Power Sales Contracts.

Power Sales Contracts: the Power County Power Project Power Sales Contracts between UAMPS and the Participants.

Project Agreements: the Joint Ownership Agreement, the EPC Contract, major equipment agreements, the Operating Agreement, the Interconnection Agreement and the Transmission Agreement.

Project Management Committee: the committee established under the Power Sales Contracts, consisting of one representative appointed by each of the Participants.

Transmission Agreements: the Amended and Restated Transmission Service and Operating Agreement between UAMPS and PacifiCorp, and each other transmission contract, agreement or tariff entered into by UAMPS or the Participant that is used or necessary for the delivery of power and energy from the Point of Delivery to the Participant's System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

UMPA: Utah Municipal Power Agency.

Williams Northwest Pipeline: an interstate natural gas pipeline running from the four corners region of New Mexico to the Pacific Northwest. The system stretches nearly 4000 miles to the Canadian border. This pipeline will be the source of natural gas for the Baseload Project via a pipeline connection with the plant.

Capitalized terms not defined above have the meanings assigned to them in the Power Sales Contracts.

PART 2. THE BASELOAD PROJECT

The following is a summary description of the Baseload Project. This description is subject to change as the Baseload Project is developed and based upon the terms of Permits and Approvals, the EPC Contract and the other Project Agreements. The initial Baseload Project description will be approved by the Project Management Committee upon the Effective Date of the Power Sales Contracts and the final Baseload Project description will be approved by the Project Management Committee after the Baseload Project achieves commercial operation.

PROJECT DESCRIPTION

The Baseload Project consists of the planning, design, construction and installation of a 364,000 kW natural gas-fired combined cycle generating facility in Power County, Idaho. The principal components of the Baseload Project include:

1. Preliminary planning and design of the facility with a third-party Owner's Engineer, including site studies, long-lead time ordering of equipment and estimation of project costs.

2. Preliminary site work and preparation, including clearing, fencing, grading and concrete foundations work, as well as final site work upon completion of the Baseload Project.

3. A Baseload Generation System consisting of:
   a. A single combustion turbine (CT) as the prime mover driving (directly-connected to) an electrical generator,
   b. A heat recovery steam generator (HRSG) system with duct fired burners that recover heat to drive a steam generator to produce electricity,
   c. All ancillary equipment associated with the prime mover equipment: fuel system, lubricant system, coolant systems, exhaust silencer, etc.,
   d. Air emission control equipment: Selective Catalytic Reduction (SCR) equipment,
   e. Major electrical systems: switchgear, disconnects and generator step-up transformers, and
   f. All balance-of-plant equipment: fire suppression, crane equipment, etc.

4. Electric interconnection facilities including a substation, a step-up transformer, control, metering and communications equipment, and a new transmission line to the Borah substation. See "Transmission and Interconnection" below.

5. A natural gas measurement station and small lateral supplied by Williams Northwest Pipeline.

ENGINEERING, CONSTRUCTION AND FINANCING

Pursuant to the EPC Contract, it is expected that the Contractor will provide all design, engineering, procurement, construction services necessary for the acquisition and construction of the Baseload Project. If necessary, UAMPS will be responsible for the design and construction work on the remaining components of the Baseload Project.

PERMITS AND APPROVALS

Rights-of-Way. Work performed within the project boundaries (generation, transmission and pipeline) will be a mix of private, state and federal land and will entail a federal nexus for permitting. This is primarily driven by the transmission crossing of the Snake River to gain access to the Borah substation. To obtain a Right-of-Way grant (SF-299) from the Department of the Interior, environmental and cultural studies will need to be performed within the impacted area of the project. As the land under the Snake River is considered state land, an easement with the Idaho Department of Lands will also need to be obtained.

Air Permits. The Baseload Project will require an air quality permit under Title V of the Clean Air Act as administered by the Idaho Department of Environmental Quality. The location of the project is outside of state-defined areas of nonattainment for Ozone and PM2.5 and UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Baseload Project.

Construction and Use Permits. Construction and operation of the Baseload Project will require building and conditional use permits from Power County, Idaho. UAMPS expects to begin the permitting process upon member subscription and approval and as site-specific design details are determined. The permitting process with Power County is expected to take from three to six months and has been incorporated into project timelines.

Additional Permits. In connection with the construction of the project, it is expected that UAMPS will be required to obtain a storm water pollution prevention plan and a storm water discharge permit under the Clean Water Act (Idaho Division of Water Quality) and a wastewater discharge permit and a spill prevention containment control plan (Idaho Division of Water Quality). Additional road permits may be required by Power County and the Idaho Department of Transportation to facilitate the transport of large equipment to construct the project and to encroach on the highway with the transmission line. UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Baseload Project

PROJECT CONSTRUCTION SCHEDULE

Various factors will affect the proposed construction schedule and completion date of the Baseload Project. The engineering, procurement and construction of the project is currently estimated to require approximately 30 months after the execution of the EPC Contract. Typical contractual arrangements for an EPC Contract will require UAMPS to make an initial payment to the Contractor upon execution of the EPC Contract to initiate equipment ordering and fabrication. Current challenges for obtaining long-lead items will require that UAMPS will submit a purchase

order deposit for the Generator Step Up Transformer (GSU) once the preliminary engineering is complete. The GSU for the project is the longest lead item in the schedule and may take up to 120+ weeks depending on demand in the market and supply chain constraints. The Project Management Committee will determine when to authorize the execution of the long-lead purchase order and the EPC Contract and execute the initial payment to the Contractor.

An interconnection application for the project has been made to PacifiCorp. However, the current state of electrical transmission service requests within the PacifiCorp system is the most significant unknown that may impact the project schedule. While study agreements for large generator interconnects and transmission service are expected to be submitted in late 2024 or 2025, contingent facilities that may arise as a result of these studies could require an unpredictable number of years to complete. UAMPS will follow the results of these studies and adjust spending and the project execution schedules to ensure that the project can be utilized at the earliest date that transmission services are available. UAMPS will advise the Project Management Committee to determine the timing for purchasing long lead equipment and executing the EPC contract based on results from the transmission service studies.

PROJECT CONSULTANTS

UAMPS has retained Burns & McDonnell to assist with the preliminary engineering and to conduct a siting study using transmission and natural gas infrastructure to locate the generation facility and highlighted risks for permitting. Following this work, a technology assessment study was conducted to refine the type and manufacturer of equipment that would meet fuel requirements and generation limits. Finally, a Project Sequencing Plan was developed that utilized a Burns & McDonnell project database to determine high-level costs and develop a high-level project schedule using assumed best-case results from transmission studies.

UAMPS will retain an Owner's Engineer to assist in the writing of the Contractor EPC specifications so that various aspects of the project can be competitively bid. This Owner's Engineer will also help with procuring the long-lead equipment and will provide a specification to the Original Equipment Manufacturer (OEM) that will supply the major equipment (CT engine, generators, cooling fans, etc.) that will entail the bulk of the equipment that needs procurement on the project.

OPERATION OF THE BASELOAD PROJECT

UAMPS may perform the general operation and maintenance work on the Baseload Project with its own employees or may contract with a third party for these services. The operations plan for the Baseload Project will be approved by the Project Management Committee.

PART 3. COST OF CONSTRUCTION, PLAN OF FINANCE AND COST OF ENERGY

ESTIMATED COST OF CONSTRUCTION

Based upon its initial review and analysis of the Baseload Project, UAMPS presently estimates that the total cost of construction of the project will be approximately $700 million. The project is projected to be below this amount, but uncertainty in the marketplace (transmission, long-lead procurement and constraints in obtaining contractor resources) have resulted in a conservative approach to estimating project costs to cover currently known contingencies. The following table summarizes the estimated costs of construction of the Baseload Project:

COST CATEGORY	ESTIMATED COST
EPC Contract	$468,000,000
Substation and interconnection	41,000,000
Engineering, permitting and development	28,000,000
Contingency	33,000,000
Financing Costs (interest during construction, fees, etc.)	78,000,000
Owners Costs (insurance, land acquisition, sales taxes, inspection, etc.)	52,000,000
ESTIMATED COSTS OF CONSTRUCTION	$700,000,000

BUDGET AND PLAN OF FINANCE

UAMPS is in the process of developing a Budget and Plan of Finance for the Baseload Project. The Budget and Plan of Finance will be approved by the Project Management Committee as provided in the Power Sales Contract. The initial Budget and Plan of Finance will be based on the estimated costs of construction outlined above and will provide for the Development Costs of the Baseload Project to be financed under one or more lines of credit or credit facilities and for the Costs of Acquisition and Construction of the Baseload Project to be financed with the proceeds of Bonds. The intent of the Budget and Plan of Finance is for all Development Costs and the Costs of Acquisition and Construction, including financing and interest charges, to be financed to the Commercial Operation Date of the Baseload Project such that the Participants will not be billed until after they receive energy from the Baseload Project.

If the Baseload Project is terminated by the Project Management Committee at or prior to the end of the Development Period under the Power Sales Contracts, each Participant will be responsible for the repayment of its Development Cost Share of the Development Costs incurred by UAMPS. If Completion of Development of the Baseload Project occurs, each Participant will pay its Entitlement Share of all of the costs of the Baseload Project, including operating expenses, fuel and debt service costs and transmission charges. See the summary of the Power Sales Contracts below for additional information.

PART 4. TRANSMISSION OF PROJECT POWER AND ENERGY

INTERCONNECTION

The Project will interconnect with PacifiCorp's existing Borah Substation utilizing a new 3-mile 345 kV transmission line. UAMPS has submitted an interconnection request for the Baseload Project under PacifiCorp's Open Access Transmission Tariff. An initial scoping study will be performed, and PacifiCorp will prepare a system impact study that will determine the transmission facilities necessary to interconnect the Baseload Project. UAMPS expects that the system impact study will be completed by December of 2026 .

The Baseload Project will also interconnect and be supplied by Williams Northwest Pipeline (WNP) transmission pipelines. UAMPS will sign an Interconnection Agreement and pay for facilities with WNP after project is approved and work can be performed within the required project schedule.

TRANSMISSION

UAMPS has a network transmission agreement with PacifiCorp that will provide network service to Participants connected to the PacifiCorp transmission system in Utah. All UAMPS Participants are currently points of delivery on the network transmission agreement.

Transmission service charges for the Baseload Project will determined under the network transmission agreement.

PART 5. THE POWER SALES CONTRACTS

The following provides a summary of the basic terms and provisions of the Power Sales Contracts between UAMPS and its the Participants, but does not describe all of the provisions of the Power Sales Contracts. Participants should refer to the text of the Power Sales Contracts for their complete provisions.

THE PROJECT

A summary description of the Baseload Project and its components will be approved by the Project Management Committee and attached to the Power Sales Contract as EXHIBIT I.

SALE OF OUTPUT

UAMPS will sell the Electric Power and Electric Energy from the Baseload Project to the Participants pursuant to the Power Sales Contracts.

TERM

The Power Sales Contracts will become effective upon the receipt by UAMPS of executed Power Sales Contracts, authorizing resolutions, certificates and legal opinions from Participants that have requested Development Shares (in kW) totaling at least 85% of the expected Project Capability, net of the capacity owned by UMPA pursuant to the Joint Ownership Agreement (the *"Minimum Subscription"*).

Each of the Power Sales Contracts will have a term that extends to the later of (a) the final payment of the Bonds and (b) the date the Baseload Project and any Additional Facilities are permanently removed from service and decommissioned.

DEVELOPMENT SHARES AND ENTITLEMENT SHARES

In connection with its decision to enter into the Power Sales Contract, each Participant requests a Development Share (in kW) in the expected Project Capability of the Baseload Project. In the event that the requested Development Shares are greater than the Minimum Subscription but less than the expected Project Capability, UAMPS will seek subscription from additional participants under Power Sales Contracts or joint ownership arrangements. If the Baseload Project is not fully subscribed by the time that Completion of Development occurs, UAMPS will downsize the Project Capability to align it with project subscription.

Each Participant's Development Share is a contractual right to participate in the development of the Baseload Project and in the decision-making over the development of the Baseload Project through the Participant's Representative on the Project Management Committee. Each Participant's Development Cost Share (the ratio of a Participant's Development Share to the Development Shares of all Participants) is a contractual obligation to pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Baseload Project.

If the Project Management Committee determines that Completion of Development of the Baseload Project has occurred (*i.e.,* development of the Baseload Project is complete and ready to proceed to construction), each Participant's Development Share will automatically convert to an Entitlement Share with the same amount of kW capacity as its Development Share. The Entitlement Share is a contractual right to receive a specific percentage of the Project capability and a contractual obligation to take or pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Baseload Project.

FINANCING

UAMPS will use its best efforts to finance the Development Costs and the Costs of Acquisition and Construction of the Baseload Project under lines of credit and the issuance of revenue bonds (*"Bonds"*). The amount of Bonds issued by UAMPS will be reduced by the amount of any Capital Contributions made by Participants. Additional Bonds may be issued as parity or subordinated obligations to pay future costs of the Baseload Project. Refunding Bonds may be issued by UAMPS to reduce debt service costs or to achieve other objectives.

SECURITY FOR BONDS

The Bonds will be secured by a pledge of all of the revenues produced by the operation of the Baseload Project, including the amounts paid under the Power Sales Contracts. The Bonds will be special obligations of UAMPS and will have no claim on any of the revenues or assets of UAMPS from its other projects. The Bonds will not be debts or obligations of the Participants.

CAPITAL CONTRIBUTION OPTION

Prior to UAMPS' issuance of Bonds to finance the Cost of Acquisition and Construction, each Participant has the option (but not an obligation) to make a Capital Contribution to UAMPS. Capital Contributions will be used by UAMPS to pay the Cost of Acquisition and Construction of the Baseload Project, and the amount of Bonds UAMPS issues will be reduced by the amount of Capital Contributions made by the Participants.

UAMPS will provide at least 30 days' written notice to the Participants of their right to elect to make a Capital Contribution and the amount of their Capital Contributions. A Participant's election to make a Capital Contribution must be made by a written resolution adopted by its governing body. Each Participant that has elected to make a Capital Contribution will be required to deposit the payment in a segregated escrow account established under the financing documents for the Bonds.

The Project Management Committee will determine whether to make a capital contribution option available to the Participants in connection with the issuance of Additional Bonds.

PRICE

The Entitlement Share will be sold at cost. Each Participant will pay its proportionate share (the ratio of its Entitlement Share to the sum of all Entitlement Shares) of all of the costs of the Baseload Project, including:

- amounts payable by UAMPS under the Project Agreements;
- other operation and maintenance expenses of the Baseload Project, including fuel costs and working capital charges;
- Debt Service Costs with respect to Bonds issued to finance the costs of the Baseload Project;
- costs of capital improvements, replacements and additions to the Baseload Project, and reserves for such costs, approved by the Project Management Committee; and
- all other costs incurred in connection with the Baseload Project.

Costs will be allocated proportionately to all Entitlement Shares, except that the allocation of Debt Service Costs on the Bonds will be adjusted to reflect Capital Contributions made by any Participants. Each Participant will pay also pay the Transmission Costs for the transmission of Project output from the Point of Delivery to the Participant's system. The amounts paid by the Participants will be sufficient to enable UAMPS to pay all of the costs of the ownership, operation and financing of the Baseload Project.

BILLINGS AND PAYMENTS

Billings and payments will be made monthly. All payments will be made on a "take-or-pay" basis (*i.e.*, regardless of whether the Baseload Project is operable, operating, damaged or destroyed in whole or in part) and are not subject to counterclaim, offset or reduction for any reason.

The payment obligations of Participants under the Power Sales Contracts are several and not joint.

PROJECT MANAGEMENT COMMITTEE

The Project Management Committee will function in the same manner as the project management committees for UAMPS' other projects, and pursuant to the provisions of UAMPS' Joint Action Agreement and Bylaws that govern project management committees. The Project Management Committee will recommend decisions on the Baseload Project to the UAMPS Board of Directors. The Project Management Committee will have complete and comprehensive decision-making authority over the Baseload Project.

Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee is required to establish a maximum target price for the cost of energy ($/MWh) from the Project (the *"Target Price"*) and development milestones for determining whether the expected cost of energy from the Project exceeds the Target Price. A determination by the Project Management Committee that the Target Price is exceeded as of any determination date constitutes a determination by the Project Management Committee to terminate the Project.

ANNUAL BUDGETS

UAMPS will develop, and the Project Management Committee and the Board of Directors will approve, annual budgets for the Baseload Project that will cover all of the costs of the Baseload Project (see "PRICE" above). The annual budget will be the basis for the monthly billings and payments for the Baseload Project. The annual budget may be revised from time to time as necessary to reflect the actual costs of the Baseload Project.

PROJECT OUTPUT

Each Participant will assign the output attributable to its Entitlement Share to the UAMPS Power Pool for operating and scheduling purposes.

Under the Power Sales Contract Project output will be delivered to each Participant at the Point of Delivery (the point of interconnection between the Baseload Project and the transmission grid). Each Participant will be responsible for, and will pay all costs of, the transmission of Project output from the Point of Delivery to the Participant's System Point of Receipt.

CAPITAL REPLACEMENTS, IMPROVEMENTS AND ADDITIONS

The Project Management Committee will have authority to approve capital replacements, improvements and additions to the Baseload Project and to determine whether to expense or capitalize and finance the cost of capital items. In the event that such items are financed by the issuance of Bonds, the Project Management Committee will determine whether to make a capital contribution option available to the Participants.

ADDITIONAL FACILITIES

UAMPS may from time to time recommend the acquisition and construction of Additional Facilities to improve or add to the Baseload Project. All Additional Facilities require the approval of the Project Management Committee.

DEFAULTS AND REMEDIES; STEP-UP OF NON-DEFAULTING PARTICIPANTS

Upon a default by any Participant, UAMPS is authorized to exercise various remedies in order to ensure that it will have sufficient revenues to meet its obligations as owner of the Baseload Project and to pay the debt service on the Bonds. Among other things, UAMPS is authorized to terminate a defaulting Participant's Entitlement Share and to make a mandatory reallocation of

such Entitlement Share to the other Participants. No Participant's original Entitlement Share (as adjusted to reflect any voluntary assignments of Entitlement Shares previously accepted by the Participant) may be increased by more than a specified percentage (which is expected to be less than 25%) as a result of all permanent mandatory reallocations of defaulting Participants' Entitlement Shares.

PART 6. THE PROJECT AGREEMENTS

The following outlines the purpose and expected terms of the Project Agreements. The Project Agreements have not yet been drafted and will be subject to negotiation. The Project Management Committee's approval is required before execution of any of the Project Agreements.

JOINT OWNERSHIP AGREEMENT

The Joint Ownership Agreement will provide the terms and provisions for UMPA's ownership of an undivided percentage interest in the Baseload Project. This interest is expected to be approximately 17.6%, representing approximately 64 MW of the generating capacity of Baseload Project (the *"Ownership Percentage"*).

It is expected that the Joint Ownership will provide that:

- UAMPS will be responsible for all aspects of the development, acquisition, construction and operation of the Baseload Project;
- UAMPS will share information and consult with UMPA regarding the Baseload Project and will not take certain actions without UMPA's consent;
- UMPA will have the right to receive its Ownership Percentage of the power and energy generated by the Baseload Project;
- UMPA will be responsible for the payment of its Ownership Percentage of all Development Costs and Operation and Maintenance Costs of the Baseload Project; and
- UMPA will issue its own bonds to fund its Ownership Percentage of the Costs of Acquisition and Construction of the Baseload Project.

THE EPC CONTRACT

UAMPS will enter into the EPC Contract with the Contractor to design, engineer, acquire, construct, commission, test and deliver the combined cycle generating facility using a contractual arrangement that emphasizes professional expertise, leverages efficiencies using prior designs and competitively bids at least 80% of the construction phases and materials of the project.

Under the EPC Contractual arrangement, the Contractor will perform generally all necessary and incidental work to bring the combined cycle generating facility to full completion and commercial operation. The work will be completed in accordance with a project schedule with specified milestones and completion dates. The Contractor may be required to pay damages in the event an item is not completed by its guaranteed completion date, and the amount of such damages may be limited.

It is expected that the Contractor will provide certain warranties with respect to the certain components of the generating facility and with respect to the work it performs under the EPC Contract, subject to standard exclusions.

Prior to substantial completion, the Contractor will be required to conduct a range of tests to confirm mechanical completion and the performance of the combined cycle generating facility. The Contractor is required to take remedial actions to correct performance test failures. The EPC Contract will establish various testing protocols and procedures.

It is expected that EPC Contract will require satisfaction of a number of conditions before the Contractor can certify substantial completion of the generating facility, including: (a) the generating facility can be operated in a safe and efficient manner in accordance with its plans and specifications, applicable laws and regulations; (b) the performance tests have been successfully passed and approved by UAMPS and the net deliverable capacity equals or exceeds the guaranteed minimum capacity; (c) the generating facility is capable of delivering electricity to the point of connection with the electrical grid; (d) the generating facility has received all certificates and governmental authorizations to be provided by the Contractor; (e) all quality assurance documentation has been provided to UAMPS in accordance with the quality control and quality assurance plan; (f) the Contractor has provided all training required under the EPC Contract; (g) the Contractor and UAMPS have agreed to a list of punch list items, including estimated costs and schedules completion; and (h) the generating facility has been properly constructed with no defects and all work is mechanically, electrically and structurally sound as set forth in the plans and specifications.

The EPC Contract is expected to include a guaranteed minimum capacity for the combined cycle generating facility at specified design point conditions. The EPC Contractor will be required to take remedial actions or, in certain circumstances, to pay liquidate damages if the generating facility fails to meet the capacity guarantee.

UAMPS will be responsible to pay the Contractor under the contractual arrangement cost, to be set forth in the EPC Contract. The contract price may be adjusted to account for, possibly among other things, scope of work changes from time to time under the EPC Contract. In addition to the contract price, UAMPS may be responsible to pay other costs, such as interest on delayed payments, sales tax reimbursement, costs associated with indemnification and a termination payment in the event the EPC Contract is terminated by UAMPS without cause, as authorized by the EPC Contract.

The contract price will be payable from time to time pursuant to a payment schedule provided in the EPC Contract. A percentage of each payment may be withheld as retainage, as security for the performance of Contractor's obligations under the EPC Contract. The retained amounts will be fully released upon final completion of all work under the EPC Contract by the Contractor.

The EPC Contract will specify events that constitute a default by either party, including, with respect to the Contractor, a material breach by it under the EPC Contract and, with respect to UAMPS, the failure to make payment when due (in each case, subject to specified cure periods).

In the event of a Contractor default, UAMPS may terminate the EPC Contract and take possession and use of various equipment located at the job site for the purpose of completing the remaining work, subject to the terms and conditions provided in the EPC Contract. In the event of a default by UAMPS, the Contractor may suspend service and/or terminate the EPC Contract, in which case the Contractor shall be entitled to a termination payment as specified in the EPC Contract.

THE OPERATING AGREEMENT

UAMPS may enter into an Operating Agreement to provide for the general day-to-day operation and management of the Baseload Project until an operations team has been integrated into UAMPS organization. The terms of the Operating Agreement and the identity of the operator will be approved by the Project Management Committee.

THE INTERCONNECTION AGREEMENT

The Interconnection Agreement will be the standard form Interconnection Agreement under PacifiCorp's open access transmission tariff.

UAMPS will be responsible to pay for all facilities and equipment needed for the interconnection and its own operating expenses. The Interconnection Agreement will have an initial term of 10 years, and automatically renews for successive one-year terms after the expiration of the initial term.

APPROVAL COPY

POWER COUNTY POWER PROJECT
POWER SALES CONTRACT

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

SANTA CLARA CITY, UTAH

DATED AS OF DECEMBER 1, 2024

TABLE OF CONTENTS

PAGE

PREAMBLES 1

Section 1. Definitions and Rules of Construction 2
Section 2. Effective Date and Term of Contract 18
Section 3. Development Share; Entitlement Share 19
Section 4. The Project and the Initial Facilities 19
Section 5. Project Management Committee 19
Section 6. Development Period and Development Work 22
Section 7. Joint Ownership Agreement 23
Section 8. Construction Period 23
Section 9. Operation and Maintenance of the Project 24
Section 10. Scheduling of Electric Energy; Coordination with UAMPS Pool 25
Section 11. Point of Delivery; Risk of Loss 25
Section 12. Interruption or Reduction of Deliveries 26
Section 13. Availability of Electric Energy 27
Section 14. Insurance 27
Section 15. Budget and Plan of Finance 27
Section 16. Financing of the Project 28
Section 17. Capital Contributions 29
Section 18. Additional Bonds and Refunding Bonds 31
Section 19. Pledge of Payments 32
Section 20. Reserve and Contingency Fund 32
Section 21. Damage, Destruction or Condemnation 32
Section 22. Decommissioning 32
Section 23. Disposition or Termination of the Project 33
Section 24. Annual Budget; Accounting 33
Section 25. Billing Periods 34
Section 26. Billings 34
Section 27. Participant's Payment Obligations 36
Section 28. Disputed Billings 36
Section 29. Audit Rights 37
Section 30. Representations and Warranties 37
Section 31. Information to Be Made Available 39
Section 32. Covenants and Agreements of the Participant 40
Section 33. Default by Participant 43
Section 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service 43
Section 35. Transfer of Entitlement Share Following Default; Other Actions by UAMPS 44
Section 36. Other Default by Participants 48
Section 37. Default by UAMPS; Dispute Resolution 48
Section 38. Abandonment of Remedy 48

Section 39. Waiver of Default 49
Section 40. Relationship to and Compliance with Other Instruments 49
Section 41. Liability of Parties.....49
Section 42. Assignment of Power Sales Contract.....49
Section 43. Termination or Amendment of Power Sales Contract.....50
Section 44. Notices and Computation of Time.....51
Section 45. Relationship of UAMPS and the Participant; Relationship among Participants 51
Section 46. No Recourse Against Officers, Etc. of UAMPS or Participant 51
Section 47. Governing Law; Jurisdiction and Venue 52
Section 48. Severability; No Merger 52
Section 49. Contract Beneficiaries.....52

SCHEDULE D Schedule of Participants, Development Shares and Development Cost Shares
SCHEDULE I Schedule of Participants, Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares
EXHIBIT I Description of Initial Facilities
EXHIBIT II Form of Participant's Annual Information Report
EXHIBIT III Form of Participant's Certificate
EXHIBIT IV Form of Participant's Bring-Down Certificate
EXHIBIT V Form of Opinion of Counsel to the Participant
EXHIBIT VI Form of Bring-Down Opinion of Counsel to the Participant

POWER COUNTY POWER PROJECT
POWER SALES CONTRACT

This POWER SALES CONTRACT made and entered into as of December 1, 2024, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (*"UAMPS"*) and Santa Clara City, a political subdivision of the State of Utah (the *"Participant"*).

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 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 Participant is authorized by applicable law to develop, acquire, construct, own and operate electric generating, transmission and related facilities and ownership interests therein and has entered into the Joint Action Agreement to provide for the joint exercise of such powers through UAMPS;

WHEREAS, UAMPS has adopted an integrated resource plan that identifies the need for an additional baseload generating resource to serve the electricity supply requirements of its Members, and has conducted studies to determine the optimal facilities, equipment and location for the additional generating resource;

WHEREAS, in order to develop a long-term source of reliable, cost-effective electricity for the benefit of those Members that elect to participate in the Project (the *"Participants,"* as defined herein), UAMPS has through its Resource Project examined and is continuing to examine the feasibility of the development, construction and operation of a combined cycle natural gas-fired electric generating facility located in Power County, Idaho (the *"Project"*);

WHEREAS, UAMPS and Utah Municipal Power Agency, an energy services interlocal entity organized under the Act (*"UMPA"*), have entered into the Study Costs Sharing Agreement under which UMPA shares in the study costs of the development of the Project and may elect to become an owner of the Project pursuant to a Joint Ownership Agreement between UAMPS and UMPA;

---

* Capitalized terms used and not defined in the Recitals have the meanings assigned to them in Section 1.

WHEREAS, pursuant to the Power Sales Contracts, UAMPS will continue with the development of the Project and, if the Project Management Committee determines the Project to be feasible, will proceed with the acquisition, construction and operation of the Project and will sell Electric Energy from the Project to the Participants;

WHEREAS, in order to finance the Development Costs and the Cost of Acquisition and Construction of the Project, UAMPS will enter into the Financing Documents and may issue revenue bonds, notes or other obligations payable from a pledge of the payments to be made by the Participants under the Power Sales Contracts and any other revenues received by UAMPS in connection with the Project;

WHEREAS, prior to its authorization of the execution, delivery and performance by the Participant of this Power Sales Contract, the governing body of the Participant has reviewed (or caused a review to be made of) various descriptions and summaries of the Project, the Project Agreements and this Power Sales Contract, and the Participant's current and reasonably anticipated future requirements for Electric Power and Electric Energy, and the governing body of the Participant has determined that it is necessary and desirable for the Participant to enter into this Power Sales Contract in order to obtain a long-term, cost-based supply of Electric Energy by the acquisition of an Entitlement Share pursuant to the terms and conditions of this Power Sales Contract;

WHEREAS, UAMPS will cause the Project to be operated in accordance with Good Utility Practice and will schedule the Project Output in accordance with the Operating and Scheduling Procedures, all for the joint and ratable benefit of the Participants; and

WHEREAS, UAMPS and the Participant are duly authorized under applicable provisions of law, to execute, deliver and perform this Power Sales Contract and their respective governing bodies and any regulatory agencies having jurisdiction have taken all necessary actions and given all necessary approvals in order to constitute this Power Sales 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 Power Sales Contract as follows:

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

"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 18.

"Additional Facilities" means capital additions, betterments and replacements and other capital items directly and functionally related to the Project, including electric transmission, fuel transportation, storage, fuel storage and related facilities, additional electric generating and related

facilities located at the Project site, long-term supplies of natural gas or other fuel for the use of the Project and any other facilities, improvements and properties designated by the Project Management Committee as Additional Facilities under the Power Sales Contracts.

"Annual Budget" means the budget adopted by UAMPS for each Contract Year pursuant to the provisions of Section 24.

"Authorized Officer of UAMPS" means the Chairman of the Board of Directors, the Vice Chairman of the Board, the Secretary, the Treasurer and the Chief Executive Officer of UAMPS and any other officer or employee 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 funds and accounts created by the Financing Documents for the payment of debt service on Bonds and reserves therefor.

"Bonds" means (i) bonds, notes, repayment obligations under loan agreements and lines of credit, and other debt obligations issued or incurred from time to time by UAMPS pursuant to the Financing Documents to finance Development Costs and the Cost of Acquisition and Construction, regardless of whether such bonds, notes and other obligations are senior or subordinated obligations, (ii) Additional Bonds and (iii) Refunding Bonds.

"Budget and Plan of Finance" means the comprehensive budget and plan of finance for the Development Costs, the Construction Costs and other items of the Cost of Acquisition and Construction approved from time to time by the Project Management Committee, together with proposed financing arrangements for Development Costs during the Development Period and for Construction Costs during the Construction Period, all as more fully described in Section 15.

"Capital Contribution" means (i) a capital contribution in respect of the Cost of Acquisition and Construction of, the Initial Facilities that is paid to UAMPS by the Participant pursuant to Section 17 and (ii) a capital contribution paid to UAMPS in connection with the issuance of Additional Bonds or Refunding Bonds as may be authorized by the Project Management Committee pursuant to Section 17(g).

"Capital Contribution Percentage" means with respect to each series of Bonds, a percentage calculated by UAMPS obtained by dividing (i) the dollar amount of the Capital Contribution made by the Participant, by (ii) the Reference Project Costs, all as more fully provided in Section 17(e).

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

"Commercial Operation" means, with respect to the Initial Facilities, the date on which the Initial Facilities (i) have been substantially completed pursuant to the EPC Agreement and any other Construction Agreements that may be applicable, including the satisfaction of all required performance tests thereunder, (ii) are capable of continuous firm operation, (iii) are interconnected and synchronized with, and capable of delivering Electric Energy to, the transmission grid, (iv) have received all Permits and Approvals required for their operation, and (v) meet such additional requirements as may be established by the Project Management Committee. The criteria and standards for the Commercial Operation of any Additional Facilities shall be developed by UAMPS and submitted to the Project Management Committee for its review and approval.

"Commercial Operation Date" means, with respect to the Initial Facilities and any Additional Facilities, the date on which all of the Initial Facilities and any Additional Facilities achieve Commercial Operation, as determined by the Project Management Committee.

"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 Good 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; *provided, however,* an obligation to act in a "Commercially Reasonable" manner or to exercise "Commercially Reasonable Efforts" does not include taking actions that would, individually or in the aggregate, cause the party subject to such obligation to incur costs, or suffer any other detriment, that is out of reasonable proportion to the benefits to the other party under this Contract or the Project Agreements.

"Completion of Development" means, with respect to the Initial Facilities (i) the completion of all Development Work, (ii) the receipt of all Permits and Approvals necessary for the construction of the Project, (iii) the completion of definitive forms of the principal Construction Agreements, (iv) the completion of the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction, and (v) a determination by the Project Management Committee that the Project is feasible and that the construction of the Initial Facilities should proceed, all as more fully described in Section 6.

"Construction Agreements" means the EPC Agreement and each other agreement entered into by UAMPS for the acquisition and construction of any part of the Initial Facilities and any Additional Facilities.

"Construction Costs" means all of the Cost of Acquisition and Construction of the Initial Facilities incurred during the Construction Period.

"Construction Period" means the period beginning on the date that the Project Management Committee determines that the Completion of Development has occurred and UAMPS delivers the task order directing the EPC Contractor to proceed with construction under the EPC Agreement and ending on the Commercial Operation Date.

"Contract" means this Power County Project Power Sales Contract dated as of December 1, 2024 between UAMPS and the Participant and any amendments permitted pursuant to Section 43.

"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 of UAMPS, except that the first Contract Year shall commence 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, the Contract Year shall, without further action, be amended to conform to such Fiscal Year.

"Cost of Acquisition and Construction" means all costs and expenses paid or incurred by UAMPS in connection with the acquisition and construction of the Project, whether prior or subsequent to the Effective Date, including all Development Costs. "Cost of Acquisition and Construction" includes all costs incurred by UAMPS in connection with planning, designing, acquiring, constructing and placing in operation the Initial Facilities and any Additional Facilities, and amounts paid or payable under the Construction Agreements (including all costs, fees, compensation and incentives payable to the EPC Contractor under the EPC Agreement). "Cost of Acquisition and Construction" includes, without duplication of any cost, the following:

(1) 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 Operation and Maintenance Costs, as may be determined from time to time by UAMPS;

(2) interest accruing in whole or in part on Bonds issued to pay all or any portion of the Cost of Acquisition and Construction or the Cost of Additional Facilities prior to and during the acquisition and construction thereof and for such additional period as UAMPS may determine to be reasonably necessary for placing the Project or the Additional Facilities in operation in accordance with the provisions of the Budget and Plan of Finance;

(3) the deposit or deposits, if any, required to be made under the Financing Documents from the proceeds of Bonds into any fund or account established pursuant to the Financing Documents to meet debt service reserve requirements for the Bonds and premiums and fees payable for any credit or liquidity facilities with respect to the Bonds;

(4) the deposit or deposits into the Bond Fund and any other fund or account required to be funded by the Financing Documents;

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

(6) planning and development costs, engineering fees, contractors' fees, fiduciaries' fees, 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 and financing costs and issuance costs of the Bonds, amounts payable under the Real Estate Agreements, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

(7) 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;

(8) payment to UAMPS or any Participant to reimburse advances and payments made or incurred for costs preliminary or incidental to the acquisition and construction of the Project;

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

(10) the cost of long-term supplies of natural gas or other fuel supplies necessary or desirable in connection with the operation of the Project and the costs of transporting fuel supplies to the Project and prepayments and advance payments therefor, including the costs of pipelines, laterals, receiving stations or capacity rights therein; 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 the Bonds during such Billing Period, 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 on the Bonds, 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; provided however, that the amount included in Debt Service Costs pursuant to this clause (2) shall not include the principal of Bonds becoming due and payable solely as a result of the acceleration of the maturity thereof;

(3) the scheduled amounts falling due during such Billing Period under any Interest Rate Contract with respect to the Bonds;

(4) any additional amounts necessary or required to be deposited into the Bond Fund or the Subordinated Indebtedness Fund under the provisions of the Financing Documents;

(5) 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 other providing services with respect to Bonds;

(6) 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; and

(7) the amounts required to be paid under any Financing Document that is a credit agreement, credit facility, loan agreement or other instrument or facility used to finance Development Costs, including the repayment of all drawings thereunder, the interest on such drawings and the fees, expenses and other charges payable by UAMPS thereunder;

provided, however, that the additional interest expense on or in respect of any Bonds 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 16(d), 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 will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Percentages for the Participants may be calculated separately for each separate series of Bonds.

"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 will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Shares for the Participants may be calculated separately for each separate series of Bonds.

"Decommission" means all actions necessary to safely retire and remove the Project from service, restore the Project site, satisfy the decommissioning requirements of the Permits and Approvals and satisfy all requirements of the regulatory agencies having jurisdiction over the decommissioning of the Project.

"Decommissioning Costs" means the costs and expenses of Decommissioning the Project.

"Decommissioning Fund" means the fund or funds established by UAMPS for the payment of Decommissioning Costs as provided in Section 22.

"Decommissioning Period" means the period beginning at the end of the Operating Period and continuing to the date on which the Project has been Decommissioned and all Decommissioning Costs have been paid.

"Development Cost Share" means with respect to each Participant, the percentage of Development Costs payable by the Participant during the Development Period, determined by dividing the Participant's Development Share by the sum of the Development Shares of all Participants. The Participant's initial Development Cost Share will be set forth on SCHEDULE D.

"Development Costs" means all costs, fees and expenses incurred by UAMPS in performing the Development Work, including (i) costs, fees and expenses incurred by UAMPS in connection with its initial consideration and examination of the Project through its Resource Project, (ii) the costs of transmission and interconnection studies and deposits for such costs and (iii) pre-construction costs approved by the Project Management Committee, including deposits, advance payments and prepayments for items of the Cost of Acquisition and Construction of the Initial Facilities.

"Development Period" means the period beginning on the Effective Date and ending on the earlier of (i) the date that the Project Management Committee determines that the Completion of Development has occurred or (ii) the date that the Project Management Committee determines to terminate the Project, all as provided in Section 6.

"Development Share" means the quantity of Electric Power from the Project elected by the Participant as of the Effective Date and shown opposite the name of the Participant in SCHEDULE D attached hereto.

"Development Work" means all work and services necessary or desirable in connection with:

(i) the selection of the site for the Project, the negotiation of the Real Estate Agreements and all other work necessary to secure all rights and interests to the real property necessary for the Project;

(ii) obtaining the transmission and interconnection agreement(s) necessary to deliver Electric Energy from the Project to Participants;

(iii) the estimating, design and engineering work to be performed with respect to the Initial Facilities;

(iv) the development and negotiation of definitive Project Agreements and any other contracts and agreements necessary in connection with the Project;

(v) obtaining all Permits and Approvals necessary for the construction and operation of the Project;

(vi) the continued development of and updates to the Budget and Plan of Finance; and

(vii) such other work and services as shall be approved by the Project Management Committee.

"Effective Date" means (i) with respect to the initial Power Sales Contracts, the date established pursuant to the provisions of Section 2(a), and (ii) with respect to any Power Sales Contract executed by a Participant after the Effective Date, such date as shall be approved by the Project Management Committee.

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

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

"Electric System" means the Participant's electric utility system as established, maintained and operated pursuant to applicable State and local law. With respect to any Participant that does not own and operate an electric utility system that serves retail customers, the term "Electric System" shall be deemed to refer to the applicable utility system designated in its Power Sales Contract.

"Engineering Studies and Reports" means collectively, the written studies, analysis, summaries and reports (a) regarding the Participant's current power supply resources and projected power supply requirements provided by UAMPS in connection with the Participant's consideration of this Power Sales Contract and (b) regarding such aspects of the Project as the Project Management Committee shall deem necessary or advisable in connection with its governance and oversight of the Project.

"Enterprise Fund" means the electric enterprise fund of the Participant as established and maintained pursuant to applicable State and local law. With respect to any Participant that does maintain an electric enterprise fund, the term "Enterprise Fund" shall be deemed to refer to the applicable enterprise fund designated in its Power Sales Contract.

"Entitlement Share" means, with respect to each Participant and as the context may require, either the amount of Electric Power or the percentage of the initial Project Capability shown opposite the name of such Participant to be set forth in the SCHEDULE I that shall be approved by the Project Management Committee in connection with the Completion of Development, as the same may be revised from time to time in accordance with the provisions of this Power Sales Contract.

"EPC Agreement" means the agreement between UAMPS and the EPC Contractor with respect to the engineering, procurement and construction of the Initial Facilities.

"EPC Contractor" means the firm or corporation appointed as the engineering, procurement and construction contractor pursuant to the EPC Agreement.

"Final Completion" (or such similar term as may be used in the EPC Agreement) means the final completion of the Initial Facilities as determined pursuant to the EPC Agreement.

"Financing Documents" means the bond resolution, indenture, trust agreement or other instrument or instruments providing for the issuance of and the security for the 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.

"Fuel Agent" means any entity appointed by UAMPS to manage or facilitate the acquisition, transportation and storage of fuel for the operation of the Project and/or the management of the costs of fuel for the Project.

"Fuel Agreement" means any agreement entered into by or on behalf of UAMPS for the acquisition, transportation or storage of fuel for the Project, and also includes tolling agreements and any agreement entered into by UAMPS to manage the cost of fuel for the Project, including options, caps, collars, swaps and similar agreements.

"Good 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 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. Good 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.

"Initial Facilities" means the real and personal property, facilities, structures, improvements and equipment to be acquired and constructed in connection with the initial operation of the Project as generally described on EXHIBIT I. In connection with the Completion of Development and at such other times as it deems necessary, UAMPS shall submit updates to EXHIBIT I to the Project Management Committee for approval.

"Interconnection Agreement" means each agreement providing for the interconnection of the Project with the facilities of a transmission provider and all supplements and amendments thereto, together with any successor or replacement agreement providing for the interconnection of the Project with the transmission grid.

"Interest Rate Contract" means any International Swap Dealers Association (ISDA) Master Agreement, together with the schedules and confirmations thereto, that is an interest rate swap, cap, floor, collar or similar agreement to manage or hedge interest rates or expenses.

"Joint Action Agreement" means the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, as amended and supplemented from time to time.

"Joint Ownership Agreement" means (i) an agreement under which UAMPS and another person own the Project or a portion thereof as tenants in common, (ii) agreements between UAMPS and another person or persons for the organization and operation of a Special Purpose Entity and (iii) any other form of joint ownership arrangement approved by the Project Management Committee.

"Members" means, collectively, each entity which has executed the Joint Action Agreement or a supplement thereto.

"Minimum Subscription" is defined in Section 2.

"Month" means a calendar month.

"Operating Agreement" means any contract between UAMPS and an Operator providing for the operation and maintenance of all or any portion of the Project.

"Operating Period" means the period beginning on the Commercial Operation Date and continuing to the date on which the Project is retired and removed from service.

"Operating and Scheduling Procedures" means those standards, procedures and criteria approved from time to time by the Project Management Committee with respect to the operation of the Project and the Project Capability and the scheduling of the Project Output which shall, to the extent practicable, promote the efficient and economic utilization of the Project, the Project Capability and the Project Output consistent with Good Utility Practice for the benefit of the Participants taken as a whole.

"Operation and Maintenance Costs" means, with respect to each Billing Period of each Contract Year, 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 and termination of, and repairs, renewals, replacements, additions, improvements, and betterments and modifications to, the Project. Operation and Maintenance Costs shall further include, without limitation, the following items of cost:

(1) the costs of operating and maintaining the Project and of producing Electric Power and Electric Energy therefrom during such Billing Period, including the operation and maintenance expenses and fuel costs of the Project pursuant to the Project Agreements, amounts payable under the Operating Agreement and each Fuel Agreement (including fees, expenses, incentives and other compensation payable to the Operator and the Fuel Agent);

(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, but only to the extent that funds for such payment are not provided by the issuance of Bonds or Capital Contributions made by the Participants;

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

(4) all other amounts, including fuel costs, payable by UAMPS pursuant to the provisions of the Project Agreements;

(5) any additional amount not specified in the other items of this definition which must be paid by UAMPS during such Billing Period under the Project Agreements;

(6) 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;

(7) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 20;

(8) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Project, the Project Agreements, this Power Sales Contract and the interests and transactions contemplated by such agreements and this Power Sales Contract, the costs of technical and advisory services and the cost of all Permits and Approvals, all to the extent allocable to the Project;

(9) the costs of Additional Facilities, but only to the extent not paid or financed as a portion of the Cost of Acquisition and Construction; and

(10) Decommissioning Costs and amounts for deposit into the Decommissioning Fund.

"Operator" means any entity that performs all or a substantial portion of the operation and maintenance work on the Project under an Operating Agreement with UAMPS.

"Participant" means the party defined as the Participant in the preamble of this Power Sales Contract and its permitted successors and assigns hereunder.

"Participants" means the parties, including the Participant, other than UAMPS, to the Power Sales Contracts and (i) initially named on SCHEDULE D, and (ii) from and after the Completion of Development, 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.

"Performance Tests" means all start-up and shakedown procedures and performance tests to be conducted under the EPC Agreement before Final Completion.

"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 for the construction, operation, maintenance or repair of the Project or any component of it.

"Permitted Output Contract" means a contract that:

(i) (A) has a term (including all renewal options) not longer than three years and is either a negotiated arrangement that provides for compensation at fair market value or is based on generally applicable and uniformly applied rates, or (B) is a requirements-type contract that provides for the sale of electricity to a retail consumer or other end user of electricity; and

(ii) in each case (A) complies with the provisions of U.S. Treasury Regulation Section 1.141-7 and (B) is approved by UAMPS based on guidance provided by Bond Counsel.

"Point of Delivery" means the point or points of physical interconnection of the Initial Facilities or Additional Facilities, as applicable, 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 and as the same may be amended, restated or supplemented from time to time.

"Power Sales Contract" means this Power Sales Contract between UAMPS and the Participant and *"Power Sales Contracts"* means all of the Power Sales Contracts, dated the date hereof, between UAMPS and the Participants, all of which are uniform in all material respects in their terms, conditions and provisions, with the exception of: (i) the Development Share, the Development Cost Share, the Entitlement Share, the Capital Contribution Percentage, the Debt Service Percentage and the Debt Service Share for each of the Participants; (ii) for those Participants that are political subdivisions of a State other than Utah, revisions relating to the Participant's status as a political subdivision of another State and the fact that it is governed by and subject to the laws of that State; (iii) for those Participants that are cooperative utilities, revisions relating to the Participant's corporate status, the definition of "Qualified Use" and the provisions of Section 32(f); (iv) for those Participants that do not own and operate electric utility systems that serve retail customers, the revisions noted in the definitions of "Electric System" and "Enterprise Fund" and revisions relating to the Participant's corporate status, the definition of "Qualified Use" and the provisions of Section 32(f); and (v) the matters set forth in the Exhibits.

"Project" means the development, acquisition, ownership, construction, improvement, equipping, operation, retirement and decommissioning of the Initial Facilities and any Additional Facilities, and the rights, interests, obligations and liabilities of UAMPS under the Project Agreements and the Permits and Approvals.

"Project Agreements" means, collectively, the Construction Agreements, the Operating Agreement, the Real Estate Agreements, each Fuel Agreement, the Interconnection Agreement, the Transmission Agreements, any Joint Ownership Agreement and any other agreements entered by UAMPS to further the acquisition, development, construction, and operation of the Project.

"Project Capability" means the nominal Electric Power and associated Electric Energy that the Project is capable of producing, net of (reduced by) the Electric Power (project capability) owned by another person under a Joint Ownership Agreement. The Project Capability initially available to UAMPS shall be based on the aggregate nameplate rating of the generating units included in the Initial Facilities with such adjustments as the Project Management Committee deems necessary to reflect the actual capability of the Initial Facilities. Project Capability initially means the aggregate amount of Electric Power shown on EXHIBIT I hereto and associated Electric Energy.

"Project Management Committee" means the committee of the Participants established pursuant to Section 5 which shall make certain decisions and recommendations with respect to the operation and management of the Project as provided herein.

"Project Output" means the amount of Electric Power and Electric Energy, if any, which is actually generated by the Project in any particular hour.

"Qualified Use" means the sale of electricity to retail customers located within the Participant's electricity "service area" pursuant to generally applicable and uniformly applied rate schedules or tariffs; *provided that:*

(a) "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;

(b) "Qualified Use" shall include the use of electricity by a Participant to meet its own requirements; and

(c) "Qualified Use" shall include sales of electricity under Permitted Output Contracts and other sales and uses of electricity, in each case as may be approved by UAMPS based on guidance provided by Bond Counsel.

For purposes of this definition, "service area" has the meaning assigned to such term in U.S. Treasury Regulation Section 1.148-1(e)(2)(iii) and includes any area recognized as the electricity service area of the Participant under state or federal law.

"Real Estate Agreements" means the agreements entered into by UAMPS to obtain necessary site control and easement rights for the acquisition and construction of the Project.

"Reference Project Costs" means, for purposes of calculating the amount of a Capital Contribution to be made by the Participant as provided in Section 17, the estimated Cost of Acquisition and Construction determined by UAMPS and approved by the Project Management Committee prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities or any Additional Facilities. Reference Project Costs shall not include amounts for (i) costs of issuance, debt service reserves or capitalized interest on Bonds and (ii) any other items in the definitions of "Development Costs" or "Cost of Acquisition and Construction" not properly allocable to Reference Project Costs, as determined by the Project Management Committee.

"Refunding Bonds" means refunding Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 18.

"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.

"Reserve and Contingency Fund" means the fund, if any, established pursuant to Section 20.

"Study Costs Sharing Agreement" means the Agreement to Share and Participate in Study Costs dated as of July 1, 2024, between UAMPS and UMPA.

"Substantial Completion" (or such similar term as may be used in the EPC Agreement) means the substantial completion of the Initial Facilities as determined pursuant to the EPC Agreement.

"Super-Majority Vote" means the affirmative vote of Participants' Representatives that represent 75% of (i) the number (per capita) of Participants' Representatives serving on the Project Management Committee, and (ii) during the Development Period, the Development Cost Shares of all Participants or, after the Development Period, the Entitlement Shares of all Participants. For the avoidance of doubt, in the event that a Super-Majority Vote is required when a Participant's Representative is not entitled to vote on matters before the Project Management Committee pursuant to Section 5(b)(1), such Participant's Representative and such Participant's Development Cost Share or Entitlement Share (as applicable) shall be disregarded in computing the percentages of Participants' Representatives and Entitlement Shares that have voted on the matter requiring a Super-Majority Vote.

"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 balancing authority or authorities, 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 that is used or necessary for the delivery of Electric Power and 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 Project 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 Utah Associated Municipal Power Systems, a political subdivision organized and existing under the laws of the State of Utah, the Act and the Joint Action Agreement, and its successors. All references to UAMPS in this Power Sales Contract shall include Authorized Officers of UAMPS and their delegees acting pursuant to specific authorization by the Board.

"UAMPS Pool" means that electric power pool or pools established pursuant to the Pooling Agreement between UAMPS and the Members under which UAMPS provides certain services with respect to the scheduling, dispatch and the sale of Electric Power and Electric Energy and other matters pursuant to the operating criteria and procedures provided for in the Pooling Agreement.

"UMPA" means Utah Municipal Power Agency, a political subdivision organized and existing under the laws of the State of Utah, the Act and the interlocal cooperation agreement among its members, and its successors.

"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, 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. "Uncontrollable Force" includes any cause, event or force constituting "force majeure," "uncontrollable force" or similar term as defined in any Project 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 Articles, Sections, Schedules and Exhibits are to the Articles and 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.

(c) References to contracts and agreements, including the Project Agreements, refer to such contracts and agreements as they may be amended or supplemented from time to time in accordance with their respective provisions and, in the case of the Project Agreements, the provisions of Section 40.

(d) Any representation, warranty, certificate or legal opinion with respect to the enforceability of this Contract or any other contract or agreement made in or provided pursuant to

this Contract shall be deemed to be qualified by reference to the effect of applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditor's rights generally and by the application of equitable principles, regardless of whether such qualification is expressly stated herein or therein.

Section 2. Effective Date and Term of Contract. (a) Promptly upon its governing body's adoption of the Contract Resolution and its receipt of any other Required Approvals, the Participant shall (i) cause this Contract to be executed by its authorized officers, and (ii) deliver to UAMPS notice of the requested amount of its Development Share (in kW) and an executed counterpart of this Contract, together with its executed certificate (in substantially the form attached hereto as EXHIBIT III) and its executed opinion of counsel (in substantially the form attached hereto as EXHIBIT V). The Effective Date of the Power Sales Contracts shall occur on the date on which UAMPS receives executed Power Sales Contracts and the other items described in the preceding sentence from Participants that have requested Development Shares totaling 85% of the expected Project Capability as of the Effective Date (the *"Minimum Subscription"*). At its initial meeting, the Project Management Committee shall confirm and declare that the Effective Date has occurred, shall approve any changes to the expected Project Capability and shall approve the completed form of SCHEDULE D. The Authorized Officers of UAMPS shall execute all such Power Sales Contracts as of the date that the Effective Date occurs. Once it has occurred, the Effective Date shall not be affected by any subsequent action, event or circumstance.

(b) If the Minimum Subscription is achieved but the total amount of Electric Power requested by the Participants is less than the expected amount of the Project Capability, UAMPS will during the Development Period solicit additional Project participation by third parties under Power Sales Contracts, Joint Ownership Agreements or other arrangements. Participants that have executed Power Sales Contracts may also elect to increase their Development Shares at such times and in such amounts as may be approved by the Project Management Committee up to and including the end of the Development Period. In the event that less than all of the expected Project Capability is fully subscribed at the end of the Development Period as described in this paragraph, UAMPS shall take such actions as are necessary to downsize the expected Project Capability to the amount of subscription under the Power Sales Contracts and any Joint Ownership Agreements or other arrangements. UAMPS and the Participant acknowledge and agree that it may not be possible to precisely match the final amount of the expected Project Capability with the amount of Project subscription and in this case the Project Management Committee will have the authority to approve such true up adjustments to the Entitlement Shares of all Participants as are necessary at the time that it approves the initial SCHEDULE I.

(c) This Contract will become effective upon the Effective Date, and will, unless terminated pursuant to Section 43, continue until the last to occur of : (i) the date on which all of the Project Agreements have terminated or expired in accordance with their respective terms and all obligations of UAMPS thereunder have been fully paid, satisfied or discharged; (ii) 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 have been paid or satisfied; and (iii) the date on which the Initial Facilities and any Additional Facilities shall be permanently removed from service and

Decommissioned and all Decommissioning Costs shall have been paid or irrevocable arrangements have been made that fully fund all Decommissioning Costs.

Section 3. Development Share; Entitlement Share. (a) From the Effective Date through the end of the Development Period, the Participant shall have a Development Share and a Development Cost Share as set forth on SCHEDULE D. A Participant's Development Cost Share shall not exceed [__][1] percent, unless otherwise approved by the Project Management Committee.

(b) By virtue of its Development Share and in consideration if its associated Development Cost Share, the Participant (i) shall have the right to participate in the decision-making over the development of the Project through its representative on the Project Management Committee, and (ii) shall, from and after the Completion of Development through the remaining term of this Contract and without any further action on its part or by any other person, have an Entitlement Share with the same amount of Electric Power as its Development Share.

Section 4. The Project and the Initial Facilities. (a). The Project shall initially be known as the "Power County Power Project." The Project Management Committee may in its discretion adopt a different name for the Project at any time. In such event, all references to "Power County Power Project" in this Contract shall be changed to the name adopted by the Project Management Committee.

(b) The Project shall consist of the Initial Facilities and any Additional Facilities approved by the Project Management Committee. A preliminary and general description of the Initial Facilities prepared by UAMPS is attached as EXHIBIT I to this Contract. EXHIBIT I shall be reviewed, modified as deemed necessary and approved by the Project Management Committee promptly after the Effective Date.

(c) As the development of the Project proceeds and as the components of the Initial Facilities are designed, engineered, constructed, installed and tested, UAMPS shall from time to time recommend revisions to EXHIBIT I to the Project Management Committee for approval in order that the description therein reasonably corresponds to the Initial Facilities being developed and constructed. EXHIBIT I shall be updated as necessary in connection with the Completion of Development. Following the Commercial Operation Date, UAMPS shall prepare and submit to the Project Management Committee for its review and approval a completed EXHIBIT I that includes a final description of the Initial Facilities and the Project Capability. UAMPS and the Participant agree that in no event will any revisions to EXHIBIT I alter or affect their respective rights and obligations under this Contract.

Section 5. Project Management Committee. (a). The Participants hereby establish 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

[1] % amount will be inserted upon completion of credit review of Participant group.

Representative to act on all matters and decisions that come before the Project Management Committee. Each Representative appointed by the Participant shall serve on the Project Management Committee until the Participant appoints a successor. 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.

(b) 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 (A) 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 during the existence of such default and (B) shall be disregarded for purposes of determining whether a quorum of the Project Management Committee is present at any meeting;

(2) A Super-Majority 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, except in those instances when the Project Management Committee is acting pursuant to delegated authority from the Board, 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.

(c) In addition to its other responsibilities under the Power Sales Contracts, the Project Management Committee shall:

(1) review, provide advice and recommendations to and consult with UAMPS regarding the Project,

(2) supervise, review and monitor the Development Work and the development of the Project in accordance with Section 6 and the other applicable provisions of the Power Sales Contracts and the resolutions of the Project Management Committee;

(3) review, provide advice and recommendations to UAMPS on, and approve the Project Agreements and any modifications or amendments thereto;

(4) supervise and provide direction to UAMPS during the construction of the Project, including approval of the construction budget for the Project and approval of all notices to proceed and notices to construct given by UAMPS under the EPC Agreement;

(5) review, approve and revise from to time the Budget and Plan of Finance for the Initial Facilities and any Additional Facilities;

(6) review, approve and provide advice and direction to UAMPS with respect to the issuance of Bonds, Additional Bonds and Refunding Bonds

(7) review, provide advice and recommendations to and consult with UAMPS regarding the Commercial Operation Date of the Initial Facilities, and the Performance Tests for and the Substantial Completion and the Final Completion of the Facility under the EPC Agreement;

(8) determine and declare the Project Capability upon the Final Completion of the Project and from time to time thereafter as it deems necessary to reflect the actual capability of the Project;

(9) review and approve the Operating and Scheduling Procedures, any Operator of the Project and any Operating Agreement;

(10) review and consult with UAMPS regarding the acquisition and management of supplies of natural gas and any other necessary fuels for the Project and review and approve each Fuel Agreement and any Fuel Agent to be appointed by UAMPS;

(11) review, recommend and approve any Additional Facilities;

(12) assist with the resolution of any billing disputes as provided in Section 28; and

(13) review, recommend and consult with UAMPS regarding any actions or remedies to be taken by UAMPS under Sections 34 and 35 of the Power Sales Contracts.

UAMPS and the Participant acknowledge and agree that the responsibilities of the Project Management Committee with respect to the Project are complete and comprehensive and are not limited to the specific responsibilities enumerated herein.

(d) The Project Management Committee may from time to time direct UAMPS to commission, obtain and provide such Engineering Studies and Reports that the Project Management Committee deems reasonably necessary or desirable with respect to the Project. The Project Management Committee shall be entitled to rely upon such Engineering Studies and Reports with respect to its determinations and decisions with respect to the Project, including particularly its determinations under Section 6.

Section 6. Development Period and Development Work. (a) During the Development Period, UAMPS shall use Commercially Reasonable Efforts to cause the Development Work to proceed in an expeditious and economical manner. UAMPS shall (i) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) with respect to the progress of the Development Work and the Development Costs incurred or expended, (ii) recommend from time to time revisions and updates to the Budget and Plan of Finance to the Project Management Committee, and (iii) act consistently with and in furtherance of the directions given to it by the Project Management Committee.

(b) Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee shall by resolution establish a maximum target price for cost of energy ($/MWh) from the Project (the *"Target Price"*). The Target Price shall be the maximum cost of energy expected to be payable by the Participants under the Power Sales Contracts, and shall exclude only Transmission Costs, taking into account the information and assumptions utilized in the Development Work and the Budget and Plan of Finance. Such resolution shall establish such determination dates based on Project development milestones as the Project Management Committee deems necessary for determining whether the expected cost of energy from the Project exceeds the Target Price, together with such other matters as the Project Management Committee deems necessary or desirable. A determination by the Project Management Committee that the Target Price is exceeded as of any such determination date, shall constitute a determination by the Project Management Committee to terminate the Project.

(c) In addition to a determination under paragraph (b), the Project Management Committee may by a Super-Majority Vote suspend or terminate the Project at any time during Development Period upon its determination that the Project is not feasible for any reason. UAMPS shall give prompt written notice to all Participants of any such determination of the Project Management Committee under paragraph (b) above or this paragraph (c). In the event that the Project Management Committee determines to terminate the Project during Development Period, UAMPS shall proceed to wind up the Project and the Development Work, determine the remaining amount of the Development Costs and submit billings to the Participants for such Development Costs and the amount necessary to repay and retire any Bonds or obligations that have been issued or incurred to finance Development Costs.

(d) Upon substantial completion of the Development Work, including the Project Agreements and receipt of the Permits and Approvals (or an indication of the terms and conditions thereof), UAMPS will conduct a review and analysis and report to and consult with the Project Management Committee regarding the actions necessary to complete the Development Work, the terms and conditions of the Project Agreements and the Permits and Approvals and the definitive Budget and Plan of Finance, and will make recommendations to the Project Management Committee as to whether the Project should proceed to the Construction Period.

(e) Following its review of the report and recommendations of UAMPS, the Project Management Committee will in its discretion:

(i) determine whether or when Completion of Development has occurred;

(ii) review and approve definitive engineering and feasibility studies for the Initial Facilities, and such other materials as it deems necessary in order to determine that construction and operation of the Initial Facilities is feasible and should proceed;

(iii) review and approve the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction of the Initial Facilities;

(iv) make a determination by a Super-Majority Vote as to whether construction of the Project is feasible and whether the Project should proceed to the Construction Period;

(v) approve the Power Sales Contracts to be entered into with any new Participants any additional terms and conditions for their participation in the Project; and

(vi) review and approve the initial SCHEDULE I for the Project.

A determination by the Project Management Committee that construction of the Initial Facilities is not feasible and should not proceed to the Construction Period will result in termination of the Project; notwithstanding any such termination, this Contract shall remain in effect until the conditions described above and in Section 2(b) have been satisfied.

(f) Upon a determination by the Project Management Committee that construction of the Initial Facilities is feasible and the Project should proceed to the Construction Period, UAMPS will then execute the Project Agreements, the Construction Contracts for the Initial Facilities and finance the Cost of Acquisition and Construction of the Initial Facilities through the issuance of Bonds.

(g) UAMPS may from time to time recommend the acquisition or construction of Additional Facilities to improve or add to the Project. Any such Additional Facilities shall be approved by the Project Management Committee. UAMPS may issue Bonds or incur other obligations pursuant to the Financing Documents to finance all or a portion of the costs incurred in the Development Work and construction of the Additional Facilities.

Section 7. Joint Ownership Agreement. (a) UAMPS and the Participants acknowledge and agree that UMPA shall have the right to become an owner of an undivided percentage interest in the Initial Facilities as provided in the Study Costs Sharing Agreement.

(b) If UMPA elects to become the owner of an undivided interest in the Initial Facilities, UAMPS shall negotiate the terms and provisions of the Joint Ownership Agreement between UAMPS and UMPA and present the same to the Project Management Committee for its approval. Additional parties may become owners of undivided interests in the Initial Facilities upon the approval of the Project Management Committee.

Section 8. Construction Period. (a) The Construction Period shall commence upon the determination of the Project Management Committee that Completion of Development has occurred. During the Construction Period, UAMPS shall (i) cause the construction of the Project to proceed in an expeditious and economical manner pursuant to the Construction Agreements and

other Project Agreements, (ii) monitor the performance of the contractors under the Construction Agreements, and (iii) report to the Project Management Committee with respect to the progress of the acquisition and construction of the Project as provided herein.

(b) UAMPS shall perform its obligations under the Construction Agreements and shall:

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

(ii) diligently defend and protect the rights of UAMPS and the Project under the Construction Agreements and enforce the contractors' obligations thereunder;

(iii) monitor the performance of the contractors under the Construction Agreements and report promptly to the Project Management Committee with respect to any default or event of default under the Construction Agreements;

(iv) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) regarding the current status of construction and any changes to the estimated Commercial Operation Date and the estimated Cost of Acquisition and Construction; and

(v) give prompt notice to the Project Management Committee and the Participant of the occurrence of the Commercial Operation Date of the Initial Facilities and any Additional Facilities.

(c) As soon as practicable after the Commercial Operation Date of the Initial Facilities, UAMPS shall prepare a complete statement and reconciliation of the final (or substantially final) Cost of Acquisition and Construction of the Initial Facilities 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 Initial Facilities is submitted to and accepted by the Project Management Committee, UAMPS shall provide periodic reports to the Project Management Committee regarding the remaining items of the Cost of Acquisition and Construction of the Initial Facilities until a final statement is available for its review and approval.

Section 9. Operation and Maintenance of the Project. UAMPS covenants and agrees that, during the Operating Period, 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 Good 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 40, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

Section 10. Scheduling of Electric Energy; Coordination with UAMPS Pool. (a) From and after the Commercial Operation Date of the Project, the Participant shall be entitled to use the Electric Energy allocable to the Participant's Entitlement Share. UAMPS shall schedule or cause to be scheduled such Electric Energy in accordance with the Operating and Scheduling Procedures approved by the Project Management Committee. UAMPS shall provide the Participant with notice of any amendment to or modification of the Operating and Scheduling Procedures.

(b) 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. The Participant agrees that, prior to the first delivery of Electric Energy under this Power Sales Contract, it will execute and deliver to UAMPS an appendix to the Pooling Agreement (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. 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 Power Sales 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 11. Point of Delivery; 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 associated with, (i) the transmission of such 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.

(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 future 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) From and after the Commercial Operation Date of the Project, the Participant shall be obligated to maintain an appropriate power factor at the Participant's System Point of Receipt consistent with the provisions of the Transmission Agreements. Should the power factor, as metered at such System Point of Receipt, not be maintained within the limits established under the Transmission Agreements, the Participant shall be notified and requested to correct such power factor. If the Participant has not begun corrective action at the end of 90 days, UAMPS may take corrective action and the Participant shall be obligated to reimburse or compensate UAMPS for all sums expended and all services contracted for or performed by UAMPS or for which UAMPS shall be obligated relating to such corrective action.

(d) 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 Acquisition and Construction or an item of Operation and Maintenance Costs, as determined by the Project Management Committee. To the extent permitted by law and solely to the extent of the revenues of its Electric System and any available insurance proceeds, 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.

Section 12. Interruption or Reduction of Deliveries. UAMPS may interrupt or reduce deliveries under this Power Sales Contract of Electric Energy if: (a) the Operator has determined that such interruption or reduction is necessary in case of emergencies affecting the Project, in order to install equipment, to make repairs and replacements to, to make investigations and inspections of, or to perform maintenance work on, the Project or otherwise carry out its obligations as Operator under the Operating Agreement; (b) Electric Energy from the Project is otherwise unavailable whether due to an event of Uncontrollable Force or otherwise; or (c) the transmission of Electric Energy from the Project is interrupted or curtailed by the balancing area authority or other transmitting utility. In order that the operation of the Participant's Electric System will not be unreasonably interrupted or interfered with, UAMPS will, to the extent necessary, use Commercially Reasonable Efforts to make arrangements to serve the Participant's load through other projects of UAMPS or the UAMPS Pool. UAMPS will also use Commercially Reasonable Efforts, consistent with the provisions of the Project Agreements and the other Power Sales Contracts, to arrange for any planned interruption or reduction in the Project Output to be scheduled at a time which will cause the least interference with the operation of the Participant's Electric System.

Section 13. Availability of Electric Energy. (a) Except as provided otherwise by this Power Sales 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 Power Sales Contract during the term hereof; *provided, however,* that nondelivery of Electric Energy hereunder for any reason whatsoever (1) shall not relieve the Participant from its obligation to make its payments under Section 27 and (2) 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 are not firm and are contingent upon the operation of the Project, the availability of transmission and other factors. The Participant agrees that it is solely responsible for any firming transactions with respect to its Entitlement Share.

Section 14. Insurance. UAMPS shall maintain, or during the Construction Period shall cause the EPC Contractor to maintain, in force, as part of the Cost of Acquisition and Construction or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Good 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 15. Budget and Plan of Finance. (a) The Budget and Plan of Finance for the Initial Facilities shall include the following information:

(i) the amount of Development Costs incurred to the date of the Budget and Plan of Finance and the estimated total Development Costs to the Completion of Development;

(ii) the estimated Cost of Acquisition and Construction;

(iii) the estimated timeline for the development and construction of the Initial Facilities to the Commercial Operation Date;

(iv) the estimated levelized cost of energy ($/MWh) for Project Output sold to the Participants under the Power Sales Contracts (which may be a range of such costs);

(v) the proposed funding and financing arrangements for all Development Costs during the Development Period; including Bonds and other funding and financing arrangements; and

(vi) such other information as may be required to be included in the Budget and Plan of Finance by the Project Management Committee.

(b) UAMPS and the Participant acknowledge and agree that as of the Effective Date, (i) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, (ii) the overall development of the Project is at a preliminary stage, and (iii) a

definitive estimate of the Cost of Acquisition and Construction will not be available until the Completion of Development. Accordingly, the parties acknowledge and agree that the information contained in the initial Budget and Plan of Finance is necessarily preliminary and is subject to change based on, among other things, additional information that becomes available to UAMPS during the Development Period, the negotiation of the terms and provisions of the Project Agreements, the terms and conditions of the Permits and Approvals, and the development and negotiation of funding sources and financing arrangements for Development Costs and the Cost of Acquisition and Construction.

(c) The Budget and Plan of Finance shall be updated by UAMPS from time to time during the Development Period as necessary. Each update of the Budget and Plan of Finance shall be subject to the approval of the Project Management Committee.

Section 16. Financing of the Project. (a) UAMPS shall finance the portion of the Cost of Acquisition and Construction of the Initial Facilities that is not paid from Capital Contributions made by the Participants through the issuance of one or more series of Bonds pursuant to the Budget and Plan of Finance approved by the Project Management Committee.

(b) Unless otherwise approved by the Project Management Committee, the Budget and Plan of Finance shall provide for the financing of all Development Costs, Construction Costs and other Costs of the Initial Facilities to a date not earlier than the estimated Commercial Operation Date of the Initial Facilities with the objective that the Participant will not be required to make any payments to UAMPS in respect of Debt Service Costs until a date that is after the estimated Commercial Operation Date. UAMPS shall use Commercially Reasonable Efforts to structure and implement the financings for the Development Costs and Construction Costs of the Initial Facilities to achieve this result. The Participant acknowledges and agrees that UAMPS cannot guarantee that it will be able to achieve this result, and under certain circumstances it may be necessary for UAMPS to submit billings to the Participant pursuant to Section 26 to enable it to pay Development Costs.

(c) UAMPS and the Participant acknowledge and agree that:

(i) as of the Effective Date, (A) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, and (B) the overall development of the Project is at a preliminary stage;

(ii) UAMPS shall use Commercially Reasonable Efforts to obtain all such Permits and Approvals as a part of the Development Work during the Development Period;

(iii) the Development Costs incurred by UAMPS will be financed by the issuance of Bonds;

(iv) in the event that UAMPS is unable to obtain transmission service for Project Output on reasonable terms, is unable to obtain the required Permits and Approvals for the construction and operation of the Project or the Project Management Committee determines that the continued development of the Project is not feasible for any reason, the

Project Management Committee may determine to terminate the Project as provided herein; and

(v) if the Project Management Committee determines to terminate the Project during the Development Period, the Project will not be completed and the Participant will be required to pay, among other things, its Development Cost Share of all Development Costs incurred and its Development Cost Share of Debt Service Costs until all Bonds previously issued are fully paid and retired, as provided in Section 6.

(d) Each Participant may elect to make a Capital Contribution to UAMPS pursuant to Section 17. Prior to the giving by UAMPS of the notice required by Section 17(a), the Project Management Committee shall determine whether any additional interest expense on or in respect of any Bonds that are subject to federal income taxation 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 17(a) shall include such information as shall be necessary to generally inform the affected Participants of the additional Debt Service Costs that may be payable by them in the event they elect not to make a Capital Contribution.

Section 17. Capital Contributions. (a) Prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall give written notice to the Participant of:

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

(ii) 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;

(iii) the applicable Reference Project Costs; and

(iv) the maximum amount of the Participant's Capital Contribution, which shall be an amount equal to the product of (A) such Reference Project Costs and (B) the ratio of the Entitlement Share of the Participant to the Entitlement Shares of all Participants.

The Participant may elect to make a Capital Contribution only from the retained earnings of its Electric System or other legally available funds not derived from any external borrowing.

(b) The Participant's election to make a Capital Contribution shall be made by written resolution adopted by its governing body. 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:

(i) 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;

(ii) instructions for the deposit of the Capital Contribution into a separate and segregated special escrow account established under the Financing Documents; and

(iii) 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 Cost of Acquisition and Construction of the Initial Facilities, 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 will be based upon an estimate of the Cost of Acquisition and Construction of the Initial Facilities, which estimates will be subject to adjustment to reflect the final Cost of Acquisition and Construction of the Initial Facilities approved by the Project Management Committee. Not more than 30 days following the determination of the final Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall deliver a final accounting statement to the Participant showing the Cost of Acquisition and Construction, the amount of and interest earnings on the Capital Contribution and any amounts payable by or credited to the Participant in respect of the final Cost of Acquisition and Construction. The Participant agrees that it will pay any additional amount payable by it shown on such accounting statement 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:

(i) the sum of each Participant's Capital Contribution Percentage and Debt Service Percentage equals its Entitlement Share;

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

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

UAMPS' calculation and determination of the Development Costs and the Cost of Acquisition and Construction of the Initial Facilities and the Participant's Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (i), (ii) and (iii) above shall be subject to the approval of the Project Management Committee, and upon such approval 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:

(i) 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;

(ii) 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

(iii) 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 34.

(g) In connection with the issuance of Additional Bonds or Refunding Bonds, the Project Management Committee may determine to provide Participants with the option of making a capital contribution with respect to the Costs of the Project being financed or refinanced by the Additional Bonds or Refunding Bonds under procedures and standards substantially similar to those set forth in this Section, with such adjustments as the Project Management Committee shall determine to be advisable. Any capital contribution made by a Participant pursuant to this paragraph (g) shall constitute a Capital Contribution for all purposes of the Power Sales Contracts.

Section 18. 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 Acquisition and Construction. 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 27, 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.

Section 19. Pledge of Payments. All payments required to be made by the Participant pursuant to Section 27, 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 and any Additional Bonds or Refunding Bonds.

Section 20. Reserve and Contingency Fund. (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may, upon the approval of the Project Management Committee, 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 Operation and Maintenance 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 the retirement, decommissioning and termination of the Initial Facilities and any Additional Facilities that will not be paid from the Decommissioning Fund.

(b) The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 24 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 Operation and Maintenance Costs during the Fiscal Year covered by the Annual Budget.

Section 21. Damage, Destruction or Condemnation. 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.

Section 22. Decommissioning. Upon the retirement of the Project and its removal from service, UAMPS shall take all actions necessary to Decommission the Project. The Decommissioning Fund shall be established as a separate and segregated trust fund or escrow account, and the amounts in the Decommissioning Fund shall be used solely for the payment of

Decommissioning Costs and necessary administrative and other charges. The Decommissioning Fund may be funded by a prepayment, by sinking fund deposits or by another method approved by the Project Management Committee. Pending the application of amounts on deposit in the Decommissioning Fund to pay Decommissioning Costs, the Decommissioning Fund may be invested as provided in the trust or escrow agreement. Any amounts remaining in the Decommissioning Fund upon the completion of the Decommissioning of the Project shall be applied or disbursed at the direction of the Project Management Committee.

(b) The Project Management Committee may direct UAMPS to establish other funds or accounts to provide additional reserves for the payment of Decommissioning Costs.

Section 23. Disposition or Termination of the Project. (a) Except as otherwise provided in the Power Sales Contracts, UAMPS shall not sell, lease or otherwise dispose of the Project or any substantial part of the Project without the approval of the Project Management Committee by a Super-Majority Vote. Subject to the provisions of the Financing Documents and the Project Agreements, this Section shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS.

(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 24. 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 of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, and the Participant's share of each, for the following Contract Year. 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 for the Participant's Enterprise Fund.

(a) 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 Operation and Maintenance Costs, Transmission 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 Operation and Maintenance Costs, Transmission 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.

(b) UAMPS agrees that it will, from and after the date of the acquisition by UAMPS of the Project, keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction, Reference Project Costs, Operation and Maintenance Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and which are generally consistent with 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 25. Billing Periods. (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 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.

(b) Any change in the Billing Period shall be made in the Annual Budget provided for in Section 24 and shall not be effective for at least 30 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 the billing procedures set forth in Section 26(b), 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 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 in respect of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs.

Section 26. Billings. (a) The Participant acknowledges and agrees that it is necessary for UAMPS to recover all of the costs and expenses associated with the Project through billings to and payments by the Participants under the Power Sales Contracts. UAMPS will exercise

Commercially Reasonable Efforts to finance all Development Costs during the Development Period. In the event that Development Costs are not refinanced by the issuance of long-term Bonds, the Participant shall pay its Development Cost Share of the amount necessary to repay the financed Development Costs. UAMPS will exercise Commercially Reasonable Efforts to finance all Construction Costs, net of any Capital Contributions, with the proceeds of Bonds issued at the beginning of the Construction Period. The Participant's share of Operation and Maintenance Costs and Debt Service Costs will equal its Entitlement Share (expressed as a percentage of all Entitlement Shares), subject to the adjustments provided for in the Power Sales Contracts.

(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) Development Costs, (ii) Operation and Maintenance Costs; (iii) Transmission Costs; (iv) Debt Service Costs; and (v) 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. The Participant shall pay the total of such amounts at the time specified in Section 27, 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 Operation and Maintenance 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 (v) of this paragraph.

(c) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance 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 Acquisition and Construction (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Operation and Maintenance 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 Section 27.

(d) 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 27. Participant's Payment Obligations. (a) Payments required to be paid by the Participant to UAMPS shall be due and payable to UAMPS at its principal office 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 Section 25.

(b) If payment in full is not made by the Participant 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 or materially increase the amounts payable by the other Participants. If said due date is not a business day, payment shall be made on the next following business day.

(c) The obligation of the Participant to make the payments for Development Costs, Operation and Maintenance Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to Section 26 is a several obligation and not a joint obligation with those of any other Participant. Prior to the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of the development of a new power supply resource. From and after the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of purchased electric power and electric energy. In all cases, the obligation of the Participant to make the payments required by Section 26 shall be payable as an operating expense and solely from the revenues and other legally available funds of its Electric System. 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, operating, suspended or terminated, 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.

(d) The payment obligations of the Participant under this Contract are special obligations payable solely from the revenues and other available income of its Electric System and do not, and shall not be deemed to, constitute an indebtedness or liability of the Participant under any constitutional, statutory or other legal limitation or requirement.

Section 28. Disputed Billings. 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, and shall consult with the Project Management Committee with respect 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. For the avoidance of doubt, any overpayment or underpayment determined pursuant to Section 26(b) shall not be considered to be a disputed payment that is subject to this Section.

Section 29. Audit Rights. (a) At its cost, the Participant may, upon the giving of not less than 15 days' prior written notice to UAMPS, but not more often than once during any two-year period, inspect and audit the books and records of UAMPS relating to the Project for the purpose of verifying the amounts payable by the Participant under this Contract within the three-year period preceding the commencement of the audit. UAMPS agrees to make available to the Participant, to the extent Commercially Reasonable, all relevant records and all requested information relating to the subject matter of any such audit, subject in all cases to any confidentiality restrictions applicable to third-party information or contracts; provided that UAMPS shall make Commercially Reasonable Efforts to obtain a waiver of such restrictions for purposes of the audit and the Participant shall execute such non-disclosure agreements as may be reasonably requested by UAMPS. Any audit shall be conducted during normal business hours, and the Participant will use Commercially Reasonable Efforts to complete any audit within one month, subject to the availability of relevant records and information and the absence of material accounting irregularities.

(b) If any audit discloses that an overpayment or underpayment has been made during the three-year period described above, the amount of the overpayment or underpayment will be promptly paid by the appropriate party, together with interest calculated at an annual rate equal to the Secured Overnight Funding Rate (SOFR) reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of SOFR, plus 100 basis points, compounded daily and on the basis of a 360-day year, from the date or dates of any such overpayment or underpayment through and including the date of the payment correcting the overpayment or underpayment. Any payment made by UAMPS pursuant to this Section shall constitute an item of Operation and Maintenance Costs.

Section 30. Representations and Warranties. (a) The Participant represents and warrants to UAMPS as follows:

(i) the Participant is a political subdivision, duly created and validly existing under the laws of the State of Utah, and has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(ii) 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;

(iii) the execution, delivery and performance by the Participant of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to the Participant and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which the Participant is a party or to which any of the property, assets or revenues of its Electric System is subject;

(iv) all Required Approvals have been obtained;

(v) to the Participant's knowledge, there is no pending or 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; and

(vi) prior to and in connection with its approval and execution of this Contract, the Participant conducted its own review of the descriptions, information and studies regarding the Project, the Project Agreement and this Contract provided by UAMPS and made an independent determination to enter into this Contract.

(b) UAMPS represents and warrants to the Participant as follows:

(i) UAMPS is a political subdivision of the State of Utah and an energy services interlocal entity, duly created and validly existing under the Act and the Joint Action Agreement;

(ii) UAMPS has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(iii) This Contract has been duly approved by the Project Management Committee and the Board and has been duly authorized, executed and delivered by UAMPS and constitutes its legal, valid and binding obligation enforceable in accordance with its terms;

(iv) the execution, delivery and performance by UAMPS of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to UAMPS and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which UAMPS is a party or to which any of its property, assets or revenues is subject;

(v) to UAMPS' knowledge, there is no pending or threatened action or proceeding affecting UAMPS which purports to affect the authorization, legality, validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

(vi) the descriptions, information and studies regarding the Project, the Project Agreements and this Contract provided to the Participant by UAMPS have been prepared

in good faith based upon the facts and information known to UAMPS at the time, and UAMPS has no reason to believe that such descriptions, information and studies taken as a whole are incorrect or misleading in any material respect.

Section 31. Information to Be Made Available. (a) From and after the effective date of the Power Sales Contracts and subject to their availability under the applicable provisions of the Project Agreements, UAMPS shall make available for examination by the Participant:

(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 14; and

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

(b) UAMPS may from time to time provide information to the Participant or the Participant's Representative that it designates as "non-public, "commercially sensitive," "confidential" or with similar words indicating that public disclosure of such information should not be made and can be expected to cause harm to UAMPS and the Participants. The Participant and the Participant's Representative agree to (i) classify any information as "non-public," "protected" or with such similar words as may be used under all public records laws that may apply to the Participant, (ii) notify UAMPS of any request or demand for disclosure of such information and (iii) cooperate with UAMPS in contesting any such disclosure request or demand.

(c) 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). Consequently, the Participant covenants to and agrees with UAMPS that the Participant will, upon request, 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 and the issuance of the Bonds.

(d) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) not later than 180 days after the end of each fiscal year of the Participant, (A) a copy of the most recent annual financial statements of the Participant and its 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 (2) such other information and documents as UAMPS may reasonably request from time to time.

(e) 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, and to the extent permitted under, the Utah Government Records Access and Management Act, (ii) agrees to cooperate with the Participant to appropriately classify any such non-public information under such other public records laws that apply to the Participant and (iii) notify the Participant of any demand for disclosure of such information and will cooperate with the Participant in contesting any such disclosure demand.

(f) 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 32. Covenants and Agreements of the Participant. The Participant covenants to and agrees with UAMPS as follows:

(a) *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 other bonds of the Participant now or hereafter outstanding.

(b) *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.

(c) *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, sell 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 (30)

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" or "BBB", as applicable, by at least one Rating Agency; (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.

(d) *Good Utility Practice*. The Participant shall, in accordance with Good Utility Practice, (i) at all times operate its Electric System and the business thereof in an efficient manner, (ii) maintain its Electric System in good repair, working order and condition, (iii) 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 (iv) duly perform its obligations under all power supply and transmission service agreements to which it is a party.

(e) *Operating Expenses*. UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to this Contract will be payable (i) if and to the extent that any payments are required to be made prior to the Commercial Operation Date, from the revenues and income derived from the operation of the Participant's Electric System as a cost of the development of a new long-term power supply resource, (ii) from and after the Commercial Operation Date as a cost of purchased electric power and energy, and (iii) in each case as an operating expense of the Participant's Electric System and a first charge, together with all other operating expenses, on the revenues derived from the operation of the Participant's Electric System; *provided that* if any amount payable by the Participant under this Contract is prohibited from being paid as an operating expense of the Participant's Electric System under applicable law or a binding contractual obligation, such amount shall be payable from the available revenues and income of the Participant's Electric System. The Participant covenants to and agrees with UAMPS that it will, unless otherwise required by applicable law or under a binding contractual obligation, 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.

(f) *Tax Status*.

(i) 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 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 Bonds issued or 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.

(ii) The Participant represents and warrants that, as of the Effective Date, it has no contracts (and has no current expectation of entering into any contracts) other than Permitted Output Contracts to provide electric service to any purchaser. At least thirty 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 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 (i) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(iii) 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.

Section 33. Default by Participant. Each of the following shall constitute a "default" by the Participant under this Power Sales Contract:

(a) failure of the Participant to make to UAMPS any of the payments for which provision is made in this Power Sales 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 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service. (a) In the event of any default referred to in Section 33, 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 Participant, cease and discontinue providing all or any portion of the Participant's Entitlement Share and may terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share under this Power Sales Contract. In connection with its determination to discontinue providing all or any portion of 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. Any such termination of the Participant's Entitlement Share under this Power Sales Contract shall not, however, terminate, reduce or modify the Participant's outstanding obligations and liabilities hereunder.

(c) The suspension or termination of a defaulting Participant's right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 35 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 35. 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 on the part of UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis, 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 are intended to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract by the reallocation of the defaulting Participant's Entitlement Share. As set forth below, UAMPS agrees to take certain actions to mitigate the impact of any such reallocation on the nondefaulting Participants. The Participants agree that the provisions of this Section 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 discontinuance of service pursuant to Section 35 of such Participant's Power Sales Contract, 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 make a mandatory allocation of the defaulting Participant's Entitlement Share among all of the nondefaulting Participants, pro rata on the basis of their original Entitlement Shares. UAMPS shall provide written notice to the nondefaulting Participants of the mandatory allocation of the defaulting Participant's Entitlement Share which notice shall (a) set forth the date of the mandatory 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 its election pursuant to subparagraph (2) below. Such mandatory 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 (a). 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 allocation of the defaulting Participant's Entitlement Share provided for in subparagraph (1) above, each of the nondefaulting Participants shall notify UAMPS in writing of its election of one of the following options: (A) to retain that portion of the defaulting Participant's Entitlement Share allocated to such nondefaulting Participant pursuant to subparagraph (1) above and the additional amount, if any, of the defaulting Participant's Entitlement Share that such nondefaulting Participant elects to acquire from any other nondefaulting Participant that may elect to retain less than all of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above; or (B) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant pursuant to subparagraph (1) above. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above shall be deemed to have fully satisfied its obligations to UAMPS under this Section and shall not thereafter be required to accept any additional allocation of the defaulting Participant's Entitlement Share.

(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 Entitlement Share of the defaulting Participants pursuant to subparagraph (2). In the event that any of the Participants shall have elected to retain less than all of its allocation of the defaulting Participant's Entitlement Share, UAMPS shall proportionally reallocate the remaining amount of the defaulting Participant's Entitlement Share among those nondefaulting Participants that have requested additional amounts of the defaulting Participant's Entitlement Share. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next reallocate any remaining portion of the defaulting Participant's Entitlement Share 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 any reallocation of a defaulting Participant's Entitlement Share, or the total of all mandatory reallocations of Entitlement Shares in the event of two or more Participant defaults under the Power Sales Contracts, cause any nondefaulting

Participant's Entitlement Share to increase by more than [__]%* over its original Entitlement Share set forth on Schedule I.

(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.

(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 reallocation of the defaulting Participant's Entitlement Share made by UAMPS pursuant to subparagraph (3) above, and the effective date of such reallocation, (B) set forth the amount, if any, of the Entitlement Share of the defaulting Participant that has been mandatorily reallocated to nondefaulting Participants that did not elect to retain or acquire the same, and (C) 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 as a result of the reallocation provided for under 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 transferred pursuant to this paragraph (b) to a nondefaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant, and from and after the date of such transfer the transferee Participant shall be obligated to pay for its increased Entitlement Share pursuant to the terms and provisions of this Power Sales Contract. The defaulting Participant shall remain liable to UAMPS and the other 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.

(c) In the event that any portion of a defaulting Participant's Entitlement Share shall have been mandatorily reallocated to nondefaulting Participants pursuant to paragraph (b)(3) above or in the event that the procedures set forth in paragraph result in the reallocation of less than all of a defaulting Participant's Entitlement Share, UAMPS shall use Commercially Reasonable Efforts to sell or dispose of all or any part of the defaulting Participant's Entitlement Share as follows and in the following order:

* This amount will not exceed 25% and will be determined by the Project Management Committee upon the Effective Date of the Power Sales Contracts.

(1) UAMPS shall first seek to sell all or any part of the defaulting Participant's Entitlement Share on terms and conditions comparable to those contained in the Power Sales Contracts; and

(2) UAMPS shall then seek to sell all or any part of such portion of the defaulting Participant's Entitlement Share or the Electric Energy associated therewith on the best obtainable terms and conditions.

Subject to the provisions of the Financing Documents, no sale, transfer or other disposition of all or a part of an Entitlement Share shall be made pursuant to this paragraph (c) if such sale, transfer or disposition will adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds issued as tax exempt obligations.

(d) In the event that UAMPS is unable to sell or dispose of any portion of the defaulting Participant's Entitlement Share pursuant to paragraph (c) above within 180 days of commencing Commercially Reasonable Efforts so to do and UAMPS, based upon determinations by the Project Management Committee and the Board, determines that the inability to sell or dispose of the defaulting Participant's Entitlement Share will materially and adversely affect the ability of the nondefaulting Participants to meet their obligations under the Power Sales Contract or the ability of UAMPS to meet its obligations under the Project Agreements and the Financing Documents, then UAMPS shall take such actions as UAMPS in its sole discretion shall deem necessary to ensure the availability of sufficient funds and revenues to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. Such actions may include, without limitation, any of the following measures (or any combination thereof):

(1) UAMPS may sell all or any portion of the Project that is allocable to the defaulting Participant's Entitlement Share on such terms and conditions as UAMPS deems to be in the best interest of UAMPS and the nondefaulting Participants and shall apply the proceeds of such sale to the purchase, redemption or defeasance of the Bonds or to other purposes related to the Project; or

(2) UAMPS may enter into contractual arrangements for the sale of all or any portion of the defaulting Participant's Entitlement Share or the Electric Energy associated therewith on such terms and conditions as will maximize the revenues available to UAMPS without regard to any adverse effect that such sale may have on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In the event that UAMPS makes any sale pursuant to clause (2) above, UAMPS will obtain an opinion of Bond Counsel addressing the tax status of interest on the Bonds issued as tax exempt obligations. UAMPS will take such remedial actions as are available to it to preserve the tax exempt status of interest on such Bonds. In the event that such opinion indicates that interest on the Bonds is or will become includible in gross income for federal income tax purposes, the Participant acknowledges that it may be necessary for UAMPS to pay additional amounts as interest or penalties on the Bonds and that the Debt Service Costs payable by the Participant pursuant to Section 26 will increase correspondingly. The Participant agrees to pay its Debt

Service Share of such increased Debt Service Costs pursuant to the provisions of this Power Sales Contract.

(e) Upon any sale or disposition of all or any portion of a defaulting Participant's Entitlement Share or the Electric Energy associated therewith or any sale of the Project pursuant to paragraphs (c) and (d) above, 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 Operation and Maintenance Costs, Transmission 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, 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 after the procedures and actions provided for in this Section.

Section 36. 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 Power Sales 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 Power Sales Contract against the Participant.

Section 37. Default by UAMPS; Dispute Resolution. (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Power Sales 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 38. 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 39. 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 Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

Section 40. 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 Power Sales Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) 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 relating thereto 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.

Section 41. 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 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 Operation and Maintenance Costs.

Section 42. Assignment of Power Sales Contract. (a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; *provided, however,* that neither this Power Sales 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 Power Sales 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 35;

(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 assign this Power Sales Contract and pledge the amounts payable by the Participant hereunder without limitation;

(4) the Participant shall assign the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool as provided in Section 10; and

(5) subject to the provisions of Section 32, the Participant may assign or transfer all or any portion of its Entitlement Share or its interests under this Power Sales Contract.

(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 Power Sales 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.

Section 43. Termination or Amendment of Power Sales Contract. (a) This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in this Power Sales Contract.

(b) This Power Sales 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 Power Sales 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 Power Sales 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.

(c) Subject to Section 6, 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 herein contained 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 Contract of any other Participants requesting such amendment after receipt by such Participant of notice of such amendment.

(d) In connection with any revision or amendment of the billing procedures provided for in Section 25 or of any of the Exhibits, UAMPS shall promptly provide a copy of the revision or amendment to the Participant.

Section 44. Notices and Computation of Time. 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 45. Relationship of UAMPS and the Participant; Relationship among Participants. (a) This Power Sales 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 Power Sales Contract.

(b) The covenants, obligations, liabilities, rights and benefits of the Participant under this Power Sales 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.

S*ection 46. 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 Power Sales Contract or be subject to any personal liability or accountability by reason of the execution of this Power Sales 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 or this Power Sales Contract.

Section 47. Governing Law; Jurisdiction and Venue. (a). This Power Sales 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 Power Sales Contract shall be determined under the laws of such state. Headings herein are for convenience only and shall not influence the construction hereof.

(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 44; 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 48. Severability; No Merger. (a) If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales 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 Power Sales 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.

Section 49. Contract Beneficiaries. This Contract is entered for the benefit of and as the binding agreement of UAMPS and the Participant. The Trustee and the owners of the Bonds are the only third-party beneficiaries of this Contract, as and to the extent provided in the Financing Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales 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.

SANTA CLARA CITY, UTAH

By:_____
Its Mayor

[SEAL]

ATTEST AND COUNTERSIGN

By:_____
Title: City Recorder

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By:_____
Chairman

[SEAL]

ATTEST AND COUNTERSIGN

By:_____
Assistant Secretary

PRELIMINARY

SCHEDULE D

SCHEDULE OF PARTICIPANTS, DEVELOPMENT SHARES AND DEVELOPMENT COST SHARES

PARTICIPANT	DEVELOPMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)*
TOTAL		100.0000%

* Column may not total due to rounding.

SCHEDULE I

SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES

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

PARTICIPANT	ENTITLEMENT SHARE	
	kW	%**
TOTAL		%

* Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares to be added if Capital Contributions are made.

** Column may not total due to rounding.

EXHIBIT I

DESCRIPTION OF THE INITIAL FACILITIES

The following is a preliminary and summary description of the Initial Facilities. This description is subject to change based upon selection of the Contractor, the negotiation of the final terms of the Construction Contracts and the construction of the Initial Facilities. The final description of the Initial Facilities will be approved by the Project Management Committee after the Project achieves commercial operation.

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.

NUMBER OF ELECTRICAL CUSTOMERS AND TYPE OF LOAD SERVED

CUSTOMER CLASS	NUMBER OF CUSTOMERS
Residential	
Commercial	
Industrial	
Agricultural and Pumping	
Military and Other	
TOTAL	

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 31(d) 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 $_____.

CUSTOMER CLASS	KWH SALES	REVENUES ($)
Residential		
Commercial		
Industrial		
Agricultural		
Other		
TOTAL		

GENERATION
PRODUCED FOR SYSTEM LOAD

	GENERATING UNIT PRODUCTION							
	#1		#2		#3		#4	
	kW	kWh	kW	kWh	kW	kWh	kW	kWh
July								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
TOTAL								

SYSTEM PEAK INCLUDING LOAD
COVERED BY OWN GENERATION

	kW		kW
July		January	
August		February	
September		March	
October		April	
November		May	
December		June	

FIVE LARGEST LOADS

	TYPE OF BUSINESS	KWH SOLD	ANNUAL ELECTRICAL BILLINGS
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

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 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. 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 _____ (the *"State"*), and is governed by a _____ (the *"Governing Body"*).

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 public meeting of the Governing Body held on _____, at which a quorum was present and acted throughout.

4. The meeting of the Governing Body at which the Contract Resolution was adopted was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

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

NAME	OFFICE
«officer»	[Executive Officer]
«officer»	[Clerk/Recorder/Secretary]

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. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

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 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other 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 POWER COUNTY POWER 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 and construct a combined cycle natural gas-fired electric generating facility plant known as the "Power County Power Project" (the *"Project"*) to be located at a site in Power County, Idaho, and to sell the capacity and output of the Project pursuant to the Power County Power Project Power Sales Contracts (the *"Power Sales Contracts"*) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, 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 Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

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

Section 1. Approval of Power Sales Contract; Development Share. (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) A Development Share representing _____ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

Section 2. Participant's Representative. (a) The appointment of _____ as the Participant's Representative to UAMPS and of _____ and _____ as alternate Representatives is hereby confirmed.

(b) 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 3. Compliance with Tax Covenants. The Participant agrees in the Power Sales Contract that it will apply all of the electric power and 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 it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

Section 4. Further Authority. (a) The [Executive Officer] and the [Clerk/Recorder/Secretary] are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

Section 5. 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 Power County Power 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 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024, between the Participant and UAMPS, in connection with the execution and delivery of the Power County Power 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 information relating to the Participant and its electric system contained in APPENDIX __ to the Preliminary Official Statement and the Official Statement under the caption, "THE PARTICIPANTS", and such statements and information, as of the respective dates of the Preliminary Official Statement and the Official Statement and as of the date hereof, (a) were and 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) did not and do not omit to state a material fact necessary in order to make such statements not misleading. Since the dates of the Preliminary Official Statement and the Official Statement, there has been no change in the business, financial position, results of operations or condition of the Participant or 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]

EXHIBIT V

FORM OF OPINION OF COUNSEL TO THE PARTICIPANT

_____

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to _____ (the "*Participant"*) in connection with the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and Utah Associated Municipal Power Systems (*"UAMPS"*). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from 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 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. 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 electric utility system (the *"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 _____ duly organized and validly existing under the laws State of _____ (the *"State"*) and is 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, 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. Pursuant to the Power Sales Contract, 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 initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as 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.

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 and 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 Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

EXHIBIT VI

FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

_____

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to _____ (the *"Participant"*) in connection with the Power County Power Project Power Sales Contract dated as of December 1, 2024 (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 Power County Power Project Revenue Bonds, _____ Series _____ (the *"Bonds"*).

Pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power County Power 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 (i) the material describing the Participant and its electric system contained in APPENDIX A to each of the Preliminary Official Statement (together with any supplements or amendments thereto as of the date hereof, the *"Preliminary Official Statement"*) and the Official Statement (together with any supplements or amendments thereto as of the date hereof, the "*Official Statement*") of UAMPS relating to the Bonds and (ii) 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 contained in APPENDIX A to the Preliminary Official Statement and the Official Statement were true and correct in all material respects as of the respective dates of the Preliminary Official Statement and the Official Statement and are true and correct in all material respects as of the date hereof, and no facts have come to my attention which would lead me to believe that such statements and information contained or contain any untrue statement of a material fact or omitted to state 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; *provided, however*, that I express no view with respect to the tabular, financial and statistical information included therein.]

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] and [other reliance parties] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

OPINION OF COUNSEL TO THE PARTICIPANT

_____, 2024

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to Santa Clara City, Utah (the *"Participant"*) in connection with the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and Utah Associated Municipal Power Systems (*"UAMPS"*). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from 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 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. 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 electric utility system (the *"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 political subdivision duly organized and validly existing under the laws State of Utah (the *"State"*) and is 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, 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. Pursuant to the Power Sales Contract, 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 initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as 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.

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 and 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 Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

CERTIFICATE OF PARTICIPANT

STATE OF UTAH)
)
COUNTY OF WASHINGTON)

The undersigned hereby certify that they are the Mayor and City Recorder of Santa Clara City, Utah (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 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a municipal corporation, duly created and validly existing under the laws of the State of Utah (the *"State"*), and is governed by a City Council (the *"Governing Body"*).

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 public meeting of the Governing Body held on _____, at which a quorum was present and acted throughout.

4. The meeting of the Governing Body at which the Contract Resolution was adopted was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

5. The names of the Mayor and the City Recorder authorized to execute and deliver the Power Sales Contract on behalf of the Participant are as follows:

NAME	OFFICE
Rick Rosenberg	Mayor
Chris Shelley	City Recorder

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. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

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. Gary Hall 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 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other interested parties.

Dated: _____.

SANTA CLARA CITY, UTAH

By _____
Mayor

By _____
City Recorder

[SEAL]

RESOLUTION NO. _____

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

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

WHEREAS, Santa Clara City, Utah (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 and construct a combined cycle natural gas-fired electric generating facility plant known as the "Power County Power Project" (the *"Project"*) to be located at a site in Power County, Idaho, and to sell the capacity and output of the Project pursuant to the Power County Power Project Power Sales Contracts (the *"Power Sales Contracts"*) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, 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 Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the

development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Santa Clara City, Utah, as follows:

Section 1. Approval of Power Sales Contract; Development Share. (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Recorder 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 Mayor, his execution thereof to constitute conclusive evidence of such approval.

(b) A Development Share representing _____ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

Section 2. Participant's Representative. (a) The appointment of Gary Hall as the Participant's Representative to UAMPS and Brock Jacobsen as an alternate Representative is hereby confirmed.

(b) 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 3. Compliance with Tax Covenants. The Participant agrees in the Power Sales Contract that it will apply all of the electric power and 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 it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

Section 4. Further Authority. (a) The Mayor and the City Recorder are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially

the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

Section 5. 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 on _____, 2024.

SANTA CLARA CITY, UTAH

By _____
Mayor

ATTEST:

_____
City Recorder

[SEAL]

EXECUTIVE SUMMARY
UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS
MILLARD COUNTY POWER PROJECT

October 24, 2024

INTRODUCTION AND OVERVIEW

INTRODUCTION

This Executive Summary provides an overview of UAMPS' proposed Millard County Power Project, summarizes the provisions of the Power Sales Contracts and outlines the Project Agreements. The Millard County Power Project is referred to in this Executive Summary as the *"Peaking Project."* The information contained in this Executive Summary has been prepared for the use of prospective Participants in connection with their decision to participate in the Peaking Project by entering into a Power Sales Contract with UAMPS.

This Executive Summary has six parts:

Part 1: Definitions,

Part 2: Preliminary Peaking Project description,

Part 3: Estimated cost of construction; Budget and Plan of Finance,

Part 4: Interconnection and Transmission,

Part 5: Summary of the Power Sales Contracts, and

Part 6: Outlines of the Project Agreements.

The descriptions and summaries contained in this Executive Summary are preliminary, broad and general, and are subject to change as the Project Agreements and the Budget and Plan of Finance for the Peaking Project are developed and finalized under the supervision of the Peaking Project Management Committee. If you have any questions or require any additional information, please contact Jackie Coombs, UAMPS' Managing Director of Corporate and Member Services, at 801-214-6402 or by e-mail to jackie@uamps.com.

PART 1. DEFINITIONS

As used in this Executive Summary:

Contractor: the contractor under the EPC Contract.

EPC Contract: the Engineering, Procurement and Construction Contract to be entered into by UAMPS and the Contractor with respect to the Peaking Project.

Entitlement Share: each Participant's percentage entitlement to the capability of the Peaking Project.

Interconnection Agreement: the agreement providing for the interconnection of the Peaking Project with the transmission facilities of PacifiCorp.

Kern River Pipeline: an interstate natural gas pipeline running from Opal, Wyoming to the San Joaquin Valley near Bakersfield, California, consisting of 1,717 miles of 36- and 42-inch diameter steel pipe. This pipeline will be the source of natural gas for the Peaking Project via an interconnect.

Operating Agreement: the agreement, if any, providing for the operation and maintenance of all or any portion of the Peaking Project.

Participants: the power purchasers under the Power Sales Contracts.

Peaking Project: the Millard County Power Project.

Power Sales Contracts: the Millard County Power Project Power Sales Contracts between UAMPS and the Participants.

Project Agreements: the EPC Contract, major equipment agreements, the Operating Agreement, the Interconnection Agreement and the Transmission Agreement.

Project Management Committee: the committee established under the Power Sales Contracts, consisting of one representative appointed by each of the Participants.

Transmission Agreements: the Amended and Restated Transmission Service and Operating Agreement between UAMPS and PacifiCorp, and each other transmission contract, agreement or tariff entered into by UAMPS or the Participant that is used or necessary for the delivery of power and energy from the Point of Delivery to the Participant's System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

Capitalized terms not defined above have the meanings assigned to them in the Power Sales Contracts.

PART 2. THE PEAKING PROJECT

The following is a summary description of the Peaking Project. This description is subject to change as the Peaking Project is developed and based upon the terms of Permits and Approvals, the EPC Contract and the other Project Agreements. The initial description of the Peaking Project will be approved by the Project Management Committee upon the Effective Date of the Power Sales Contracts and the final Peaking Project description will be approved by the Project Management Committee after the Project achieves commercial operation.

PROJECT DESCRIPTION

The Peaking Project consists of the planning, design, construction and installation of a 200,000 kW generation peaking power plant in Millard County, Utah. The principal components of the Peaking Project include:

1. Preliminary planning and design of the facility with a third-party Owner's Engineer, including site studies, long-lead time ordering of equipment and estimation of project costs.

2. Preliminary site work and preparation, including clearing, fencing, grading and concrete foundations work, as well as final site work upon completion of the Peaking Project.

3. A Peaking Generation System consisting of:
    a. Twelve Reciprocating Internal Combustion Engines (RICE) as the prime movers driving directly-connected electrical generators,
    b. All ancillary equipment associated with the prime mover equipment: fuel system, lubricant system, coolant systems, exhaust silencers, etc.,
    c. Air emission control equipment: Selective Catalytic Reduction (SCR) equipment,
    d. Major electrical systems: switchgear, disconnects and generator step-up transformers,
    e. All balance-of-plant equipment: fire suppression, crane equipment, etc., and
    f. RICE Equipment, control and warehouse buildings.

4. Electric interconnection facilities including a substation, a step-up transformer, control, metering and communications equipment, and a new transmission line to the Pavant substation. See "Transmission and Interconnection" below.

5. A natural gas measurement station and small lateral supplied by Kern River Pipeline.

ENGINEERING, CONSTRUCTION AND FINANCING

Pursuant to the EPC Contract, it is expected that the Contractor will provide all design, engineering, procurement, construction services necessary for the acquisition and construction of

the Peaking Project. If necessary, UAMPS will be responsible for the design and construction work on the remaining components of the Peaking Project.

PERMITS AND APPROVALS

Rights-of-Way. All work performed within the project boundaries (generation, transmission and pipeline) will be done on private land and will not require a federal nexus for permitting.

Air Permits. The Peaking Project will require an air quality permit under Title V of the Clean Air Act as administered by the Utah Division of Air Quality. The location of the project is outside of state-defined areas of nonattainment for Ozone and PM2.5 and UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Peaking Project.

Construction and Use Permits. Construction and operation of the Peaking Project will require building and conditional use permits from Millard County, Utah. UAMPS expects to begin the permitting process upon member subscription and approval and as site-specific design details are determined. The permitting process with Millard is expected to take from three to six months and has been incorporated into project timelines.

Additional Permits. In connection with the construction of the project, it is expected that UAMPS will be required to obtain a storm water pollution prevention plan and a storm water discharge permit under the Clean Water Act (Utah Division of Water Quality) and a wastewater discharge permit and a spill prevention containment control plan (Utah Division of Water Quality). Additional road permits may be required by Millard County and Utah Department of Transportation to facilitate the transport of large equipment to construct the project. UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Peaking Project.

PROJECT CONSTRUCTION SCHEDULE

Various factors will affect the proposed construction schedule and completion date of the Peaking Project. The engineering, procurement and construction of the project is currently estimated to require approximately 24 months after the execution of the EPC Contract. Typical contractual arrangements for an EPC Contract requires UAMPS to make an initial payment to the Contractor upon execution of the EPC Contract to initiate equipment ordering and fabrication. Current challenges for obtaining long-lead items require that UAMPS will submit a purchase order deposit for the Generator Step Up Transformer (GSU) once the preliminary engineering is complete. The GSU for the project is the longest lead item in the schedule and may take up to 120+ weeks depending on demand in the market and supply chain constraints. The Project Management Committee will determine when to authorize the execution of the long-lead purchase order and the EPC Contract and execute the initial payment to the Contractor.

An interconnection application for the project has been made to PacifiCorp. However, the current state of electrical transmission service requests within the PacifiCorp system is the most

significant unknown that may impact the project schedule. While study agreements for large generator interconnects and transmission service are expected to be submitted in late 2024 or 2025, contingent facilities that may arise as a result of these studies could require an unpredictable number of years to complete. UAMPS will follow the results of these studies and adjust spending and the project execution schedules to ensure that the project can be utilized at the earliest date that transmission services are available. UAMPS will advise the Project Management Committee to determine the timing for purchasing long lead equipment and executing the EPC contract based on results from the transmission service studies.

PROJECT CONSULTANTS

UAMPS has retained Burns & McDonnell to assist with the preliminary engineering and to conduct a siting study using transmission and natural gas infrastructure to locate the generation facility and highlighted risks for permitting. Following this work, a technology assessment study was conducted to refine the type and manufacturer of equipment that would meet fuel requirements and generation limits. Finally, a Project Sequencing Plan was developed that utilized a Burns & McDonnell project database to determine high-level costs and develop a high-level project schedule using assumed best-case results from transmission studies.

UAMPS will retain an Owner's Engineer to assist in the writing of the Contractor EPC specifications so that various aspects of the project can be competitively bid. This Owner's Engineer will also help with procuring the long-lead equipment and will provide a specification to the Original Equipment Manufacturer (OEM) that will supply the major equipment (RICE engines, generators, cooling fans, etc.) that will entail the bulk of the equipment that needs procurement on the project.

OPERATION OF THE PEAKING PROJECT

UAMPS may perform the general operation and maintenance work on the Peaking Project with its own employees or may contract with a third party for these services. The operations plan for the Peaking Project will be approved by the Project Management Committee.

PART 3. COST OF CONSTRUCTION, PLAN OF FINANCE AND COST OF ENERGY

ESTIMATED COST OF CONSTRUCTION

Based upon its initial review and analysis of the Peaking Project, UAMPS presently estimates that the total cost of construction of the Peaking Project will be approximately $600 million. The project is projected to be below this amount, but uncertainty in the marketplace (transmission, long-lead procurement and constraints in obtaining contractor resources) have resulted in a conservative approach to estimating project costs to cover currently known contingencies. The following table summarizes the estimated costs of construction of the Peaking Project:

COST CATEGORY	ESTIMATED COST
EPC Contract	$405,000,000
Substation and interconnection	35,000,000
Engineering, permitting and development	10,000,000
Contingency	25,000,000
Financing Costs (interest during construction, fees, etc.)	75,000,000
Owners Costs (insurance, land acquisition, sales taxes, inspection, etc.)	50,000,000
ESTIMATED COSTS OF CONSTRUCTION	$600,000,000

BUDGET AND PLAN OF FINANCE

UAMPS is in the process of developing a Budget and Plan of Finance for the Peaking Project. The Budget and Plan of Finance will be approved by the Project Management Committee as provided in the Power Sales Contract. The initial Budget and Plan of Finance will be based on the estimated costs of construction outlined above and will provide for the Development Costs of the Peaking Project to be financed under one or more lines of credit or credit facilities and for the Costs of Acquisition and Construction of the Peaking Project to be financed with the proceeds of Bonds. The intent of the Budget and Plan of Finance is for all Development Costs and the Costs of Acquisition and Construction, including financing and interest charges, to be financed to the Commercial Operation Date of the Peaking Project such that the Participants will not be billed until after they receive energy from the Peaking Project.

If the Peaking Project is terminated by the Project Management Committee at or prior to the end of the Development Period under the Power Sales Contracts, each Participant will be responsible for the repayment of its Development Cost Share of the Development Costs incurred by UAMPS. If Completion of Development of the Peaking Project occurs, each Participant will pay its Entitlement Share of all of the costs of the Peaking Project, including operating expenses, fuel and debt service costs and transmission charges. See the summary of the Power Sales Contracts below for additional information.

PART 4. TRANSMISSION OF PROJECT POWER AND ENERGY

INTERCONNECTION

The Peaking Project will interconnect with PacifiCorp's existing Pavant Substation utilizing a new ~8 mile 345 kV transmission line. UAMPS has submitted an interconnection request for the Peaking Project under PacifiCorp's Open Access Transmission Tariff. An initial scoping study will be performed, and PacifiCorp will prepare a system impact study that will determine the transmission facilities necessary to interconnect the Peaking Project. UAMPS expects that the system impact study will be completed by December of 2025.

The Peaking Project will also interconnect and be supplied by Kern River Gas Transmission Pipeline's (Kern) 24 inch natural gas lateral. UAMPS will sign an Interconnection Agreement and pay for facilities with Kern after project is approved and work can be performed within the required project schedule.

TRANSMISSION

UAMPS has a network transmission agreement with PacifiCorp that will provide network service to Participants connected to the PacifiCorp transmission system in Utah. All Utah Participants are currently points of delivery on the network transmission agreement.

Transmission service charges for the Peaking Project will determined under the network transmission agreement.

PART 5. THE POWER SALES CONTRACTS

The following provides a summary of the basic terms and provisions of the Power Sales Contracts between UAMPS and its the Participants, but does not describe all of the provisions of the Power Sales Contracts. Participants should refer to the text of the Power Sales Contracts for their complete provisions.

THE PROJECT

A summary description of the Peaking Project and its components will be approved by the Project Management Committee and attached to the Power Sales Contract as EXHIBIT I.

SALE OF OUTPUT

UAMPS will sell the Electric Power and Electric Energy from the Peaking Project to the Participants pursuant to the Power Sales Contracts.

TERM

The Power Sales Contracts will become effective upon the receipt by UAMPS of executed Power Sales Contracts, authorizing resolutions, certificates and legal opinions from Participants that have requested Development Shares (in kW) totaling at least 85% of the expected Project Capability (the *"Minimum Subscription"*).

Each of the Power Sales Contracts will have a term that extends to the later of (a) the final payment of the Bonds and (b) the date the Peaking Project and any Additional Facilities are permanently removed from service and decommissioned.

DEVELOPMENT SHARES AND ENTITLEMENT SHARES

In connection with its decision to enter into the Power Sales Contract, each Participant requests a Development Share (in kW) in the expected Project Capability of the Peaking Project. In the event that the requested Development Shares are greater than the Minimum Subscription but less than the expected Project Capability, UAMPS will seek subscription from additional participants under Power Sales Contracts or joint ownership arrangements. If the Peaking Project is not fully subscribed by the time that Completion of Development occurs, UAMPS will downsize the Project Capability to align it with project subscription.

Each Participant's Development Share is a contractual right to participate in the development of the Peaking Project and in the decision-making over the development of the Peaking Project through the Participant's Representative on the Project Management Committee. Each Participant's Development Cost Share (the ratio of a Participant's Development Share to the Development Shares of all Participants) is a contractual obligation to pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Peaking Project.

If the Project Management Committee determines that Completion of Development of the Peaking Project has occurred (*i.e.*, development of the Peaking Project is complete and ready to proceed to construction), each Participant's Development Share will automatically convert to an Entitlement Share with the same amount of kW capacity as its Development Share. The Entitlement Share is a contractual right to receive a specific percentage of the Project capability and a contractual obligation to take or pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Peaking Project.

FINANCING

UAMPS will use its best efforts to finance the Development Costs and the Costs of Acquisition and Construction of the Peaking Project under lines of credit and the issuance of revenue bonds (*"Bonds"*). The amount of Bonds issued by UAMPS will be reduced by the amount of any Capital Contributions made by Participants. Additional Bonds may be issued as parity or subordinated obligations to pay future costs of the Peaking Project. Refunding Bonds may be issued by UAMPS to reduce debt service costs or to achieve other objectives.

SECURITY FOR BONDS

The Bonds will be secured by a pledge of all of the revenues produced by the operation of the Peaking Project, including the amounts paid under the Power Sales Contracts. The Bonds will be special obligations of UAMPS and will have no claim on any of the revenues or assets of UAMPS from its other projects. The Bonds will not be debts or obligations of the Participants.

CAPITAL CONTRIBUTION OPTION

Prior to UAMPS' issuance of Bonds to finance the Cost of Acquisition and Construction, each Participant has the option (but not an obligation) to make a Capital Contribution to UAMPS. Capital Contributions will be used by UAMPS to pay the Cost of Acquisition and Construction of the Peaking Project, and the amount of Bonds UAMPS issues will be reduced by the amount of Capital Contributions made by the Participants.

UAMPS will provide at least 30 days' written notice to the Participants of their right to elect to make a Capital Contribution and the amount of their Capital Contributions. A Participant's election to make a Capital Contribution must be made by a written resolution adopted by its governing body. Each Participant that has elected to make a Capital Contribution will be required to deposit the payment in a segregated escrow account established under the financing documents for the Bonds.

The Project Management Committee will determine whether to make a capital contribution option available to the Participants in connection with the issuance of Additional Bonds.

PRICE

The Entitlement Share will be sold at cost. Each Participant will pay its proportionate share (the ratio of its Entitlement Share to the sum of all Entitlement Shares) of all of the costs of the Peaking Project, including:

- amounts payable by UAMPS under the Project Agreements;
- other operation and maintenance expenses of the Peaking Project, including fuel costs and working capital charges;
- Debt Service Costs with respect to Bonds issued to finance the costs of the Peaking Project;
- costs of capital improvements, replacements and additions to the Peaking Project, and reserves for such costs, approved by the Project Management Committee; and
- all other costs incurred in connection with the Peaking Project.

Costs will be allocated proportionately to all Entitlement Shares, except that the allocation of Debt Service Costs on the Bonds will be adjusted to reflect Capital Contributions made by any Participants. Each Participant will pay also pay the Transmission Costs for the transmission of Project output from the Point of Delivery to the Participant's system. The amounts paid by the Participants will be sufficient to enable UAMPS to pay all of the costs of the ownership, operation and financing of the Peaking Project.

BILLINGS AND PAYMENTS

Billings and payments will be made monthly. All payments will be made on a "take-or-pay" basis (*i.e.*, regardless of whether the Peaking Project is operable, operating, damaged or destroyed in whole or in part) and are not subject to counterclaim, offset or reduction for any reason.

The payment obligations of Participants under the Power Sales Contracts are several and not joint.

PROJECT MANAGEMENT COMMITTEE

The Project Management Committee will function in the same manner as the project management committees for UAMPS' other projects, and pursuant to the provisions of UAMPS' Joint Action Agreement and Bylaws that govern project management committees. The Project Management Committee will recommend decisions on the Peaking Project to the UAMPS Board of Directors. The Project Management Committee will have complete and comprehensive decision-making authority over the Peaking Project.

Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee is required to establish a maximum target price for the cost of energy ($/MWh) from the Project (the *"Target Price"*) and development milestones for determining whether the expected cost of energy from the Project exceeds the Target Price. A determination by the Project Management Committee that the Target Price is exceeded as of any determination date constitutes a determination by the Project Management Committee to terminate the Project.

ANNUAL BUDGETS

UAMPS will develop, and the Project Management Committee and the Board of Directors will approve, annual budgets for the Peaking Project that will cover all of the costs of the Peaking Project (see "PRICE" above). The annual budget will be the basis for the monthly billings and payments for the Peaking Project. The annual budget may be revised from time to time as necessary to reflect the actual costs of the Peaking Project.

PROJECT OUTPUT

Each Participant will assign the output attributable to its Entitlement Share to the UAMPS Power Pool for operating and scheduling purposes.

Under the Power Sales Contract Project output will be delivered to each Participant at the Point of Delivery (the point of interconnection between the Peaking Project and the transmission grid). Each Participant will be responsible for, and will pay all costs of, the transmission of Project output from the Point of Delivery to the Participant's System Point of Receipt.

CAPITAL REPLACEMENTS, IMPROVEMENTS AND ADDITIONS

The Project Management Committee will have authority to approve capital replacements, improvements and additions to the Peaking Project and to determine whether to expense or capitalize and finance the cost of capital items. In the event that such items are financed by the issuance of Bonds, the Project Management Committee will determine whether to make a capital contribution option available to the Participants.

ADDITIONAL FACILITIES

UAMPS may from time to time recommend the acquisition and construction of Additional Facilities to improve or add to the Peaking Project. All Additional Facilities require the approval of the Project Management Committee.

DEFAULTS AND REMEDIES; STEP-UP OF NON-DEFAULTING PARTICIPANTS

Upon a default by any Participant, UAMPS is authorized to exercise various remedies in order to ensure that it will have sufficient revenues to meet its obligations as owner of the Peaking Project and to pay the debt service on the Bonds. Among other things, UAMPS is authorized to terminate a defaulting Participant's Entitlement Share and to make a mandatory reallocation of

such Entitlement Share to the other Participants. No Participant's original Entitlement Share (as adjusted to reflect any voluntary assignments of Entitlement Shares previously accepted by the Participant) may be increased by more than a specified percentage (which is expected to be less than 25%) as a result of all permanent mandatory reallocations of defaulting Participants' Entitlement Shares.

PART 6. THE PROJECT AGREEMENTS

The following outlines the purpose and expected terms of the Project Agreements. The Project Agreements have not yet been drafted and will be subject to negotiation. The Project Management Committee's approval is required before execution of any of the Project Agreements.

THE EPC CONTRACT

UAMPS will enter into the EPC Contract with the Contractor to design, engineer, acquire, construct, commission, test and deliver the RICE peak power generating facility using a contractual arrangement that emphasizes professional expertise, leverages efficiencies using prior designs and competitively bids at least 80% of the construction phases and materials of the project.

Under the EPC Contractual arrangement, the Contractor will perform generally all necessary and incidental work to bring the generating facility to full completion and commercial operation. The work will be completed in accordance with a project schedule with specified milestones and completion dates. The Contractor may be required to pay damages in the event an item is not completed by its guaranteed completion date, and the amount of such damages may be limited.

It is expected that the Contractor will provide certain warranties with respect to the certain components of the generating facility and with respect to the work it performs under the EPC Contract, subject to standard exclusions.

Prior to substantial completion, the Contractor will be required to conduct a range of tests to confirm mechanical completion and the performance of the combined cycle generating facility. The Contractor is required to take remedial actions to correct performance test failures. The EPC Contract will establish various testing protocols and procedures.

It is expected that EPC Contract will require satisfaction of a number of conditions before the Contractor can certify substantial completion of the generating facility, including: (a) the generating facility can be operated in a safe and efficient manner in accordance with its plans and specifications, applicable laws and regulations; (b) the performance tests have been successfully passed and approved by UAMPS and the net deliverable capacity equals or exceeds the guaranteed minimum capacity; (c) the generating facility is capable of delivering electricity to the point of connection with the electrical grid; (d) the generating facility has received all certificates and governmental authorizations to be provided by the Contractor; (e) all quality assurance documentation has been provided to UAMPS in accordance with the quality control and quality assurance plan; (f) the Contractor has provided all training required under the EPC Contract; (g) the Contractor and UAMPS have agreed to a list of punchlist items, including estimated costs and schedules completion; and (h) the generating facility has been properly constructed with no defects and all work is mechanically, electrically and structurally sound as set forth in the plans and specifications.

The EPC Contract is expected to include a guaranteed minimum capacity for the generating facility at specified design point conditions. The EPC Contractor will be required to take remedial

actions or, in certain circumstances, to pay liquidated damages if the generating facility fails to meet the capacity guarantee.

UAMPS will be responsible to pay the Contractor under the contractual arrangement cost , to be set forth in the EPC Contract. The contract price may be adjusted to account for, possibly among other things, scope of work changes from time to time under the EPC Contract. In addition to the contract price, UAMPS may be responsible to pay other costs, such as interest on delayed payments, sales tax reimbursement, costs associated with indemnification and a termination payment in the event the EPC Contract is terminated by UAMPS without cause, as authorized by the EPC Contract.

The contract price will be payable from time to time pursuant to a payment schedule provided in the EPC Contract. A percentage of each payment may be withheld as retainage, as security for the performance of Contractor's obligations under the EPC Contract. The retained amounts will be fully released upon final completion of all work under the EPC Contract by the Contractor.

The EPC Contract will specify events that constitute a default by either party, including, with respect to the Contractor, a material breach by it under the EPC Contract and, with respect to UAMPS, the failure to make payment when due (in each case, subject to specified cure periods). In the event of a Contractor default, UAMPS may terminate the EPC Contract and take possession and use of various equipment located at the job site for the purpose of completing the remaining work, subject to the terms and conditions provided in the EPC Contract. In the event of a default by UAMPS, the Contractor may suspend service and/or terminate the EPC Contract, in which case the Contractor shall be entitled to a termination payment as specified in the EPC Contract.

THE OPERATING AGREEMENT

UAMPS may enter into an Operating Agreement to provide for the general day-to-day operation and management of the Peaking Project until an operations team has been integrated into UAMPS organization. The terms of the Operating Agreement and the identity of the operator will be approved by the Project Management Committee.

THE INTERCONNECTION AGREEMENT

The Interconnection Agreement will be the standard form Interconnection Agreement under PacifiCorp's OATT.

UAMPS will be responsible to pay for all facilities and equipment needed for the interconnection and its own operating expenses. The Interconnection Agreement will have an initial term of 10 years, and automatically renew for successive one-year terms after the expiration of the initial term.

APPROVAL COPY

MILLARD COUNTY POWER PROJECT
POWER SALES CONTRACT

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

SANTA CLARA CITY, UTAH

DATED AS OF DECEMBER 1, 2024

TABLE OF CONTENTS

PAGE

PREAMBLES 1

Section 1. Definitions and Rules of Construction 2
Section 2. Effective Date and Term of Contract 17
Section 3. Development Share; Entitlement Share 18
Section 4. The Project and the Initial Facilities 19
Section 5. Project Management Committee 19
Section 6. Development Period and Development Work 21
Section 7. Joint Ownership Agreement 23
Section 8. Construction Period 23
Section 9. Operation and Maintenance of the Project 24
Section 10. Scheduling of Electric Energy; Coordination with UAMPS Pool 24
Section 11. Point of Delivery; Risk of Loss 25
Section 12. Interruption or Reduction of Deliveries 26
Section 13. Availability of Electric Energy 26
Section 14. Insurance 26
Section 15. Budget and Plan of Finance 27
Section 16. Financing of the Project 27
Section 17. Capital Contributions 29
Section 18. Additional Bonds and Refunding Bonds 31
Section 19. Pledge of Payments 31
Section 20. Reserve and Contingency Fund 31
Section 21. Damage, Destruction or Condemnation 32
Section 22. Decommissioning 32
Section 23. Disposition or Termination of the Project 32
Section 24. Annual Budget; Accounting 33
Section 25. Billing Periods 34
Section 26. Billings 34
Section 27. Participant's Payment Obligations 35
Section 28. Disputed Billings 36
Section 29. Audit Rights 36
Section 30. Representations and Warranties 37
Section 31. Information to Be Made Available 38
Section 32. Covenants and Agreements of the Participant 40
Section 33. Default by Participant 43
Section 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service 43
Section 35. Transfer of Entitlement Share Following Default; Other Actions by UAMPS 44
Section 36. Other Default by Participants 48
Section 37. Default by UAMPS; Dispute Resolution 48
Section 38. Abandonment of Remedy 48

Section 39. Waiver of Default 48
Section 40. Relationship to and Compliance with Other Instruments 48
Section 41. Liability of Parties.....49
Section 42. Assignment of Power Sales Contract.....49
Section 43. Termination or Amendment of Power Sales Contract.....50
Section 44. Notices and Computation of Time.....50
Section 45. Relationship of UAMPS and the Participant; Relationship among Participants 51
Section 46. No Recourse Against Officers, Etc. of UAMPS or Participant 51
Section 47. Governing Law; Jurisdiction and Venue 51
Section 48. Severability; No Merger 52
Section 49. Contract Beneficiaries.....52

SCHEDULE D	Schedule of Participants, Development Shares and Development Cost Shares
SCHEDULE I	Schedule of Participants, Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares
EXHIBIT I	Description of Initial Facilities
EXHIBIT II	Form of Participant's Annual Information Report
EXHIBIT III	Form of Participant's Certificate
EXHIBIT IV	Form of Participant's Bring-Down Certificate
EXHIBIT V	Form of Opinion of Counsel to the Participant
EXHIBIT VI	Form of Bring-Down Opinion of Counsel to the Participant

MILLARD COUNTY POWER PROJECT
POWER SALES CONTRACT

This POWER SALES CONTRACT made and entered into as of December 1, 2024, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (*"UAMPS"*) and SANTA CLARA CITY, a political subdivision of the State of Utah (the *"Participant"*).

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 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 Participant is authorized by applicable law to develop, acquire, construct, own and operate electric generating, transmission and related facilities and ownership interests therein and has entered into the Joint Action Agreement to provide for the joint exercise of such powers through UAMPS;

WHEREAS, UAMPS has adopted an integrated resource plan that identifies the need for an additional peaking generating resource to serve the electricity supply requirements of its Members, and has conducted studies to determine the optimal facilities, equipment and location for the additional generating resource;

WHEREAS, in order to develop a long-term source of reliable, cost-effective electricity for the benefit of those Members that elect to participate in the Project (the *"Participants,"* as defined herein), UAMPS has through its Resource Project examined and is continuing to examine the feasibility of the development, construction and operation of a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be located in Millard County, Utah (the *"Project"*);

WHEREAS, pursuant to the Power Sales Contracts, UAMPS will continue with the development of the Project and, if the Project Management Committee determines the Project to be feasible, will proceed with the acquisition, construction and operation of the Project and will sell Electric Energy from the Project to the Participants;

---

* Capitalized terms used and not defined in the Recitals have the meanings assigned to them in Section 1.

WHEREAS, in order to finance the Development Costs and the Cost of Acquisition and Construction of the Project, UAMPS will enter into the Financing Documents and may issue revenue bonds, notes or other obligations payable from a pledge of the payments to be made by the Participants under the Power Sales Contracts and any other revenues received by UAMPS in connection with the Project;

WHEREAS, prior to its authorization of the execution, delivery and performance by the Participant of this Power Sales Contract, the governing body of the Participant has reviewed (or caused a review to be made of) various descriptions and summaries of the Project, the Project Agreements and this Power Sales Contract, and the Participant's current and reasonably anticipated future requirements for Electric Power and Electric Energy, and the governing body of the Participant has determined that it is necessary and desirable for the Participant to enter into this Power Sales Contract in order to obtain a long-term, cost-based supply of Electric Energy by the acquisition of an Entitlement Share pursuant to the terms and conditions of this Power Sales Contract;

WHEREAS, UAMPS will cause the Project to be operated in accordance with Good Utility Practice and will schedule the Project Output in accordance with the Operating and Scheduling Procedures, all for the joint and ratable benefit of the Participants; and

WHEREAS, UAMPS and the Participant are duly authorized under applicable provisions of law, to execute, deliver and perform this Power Sales Contract and their respective governing bodies and any regulatory agencies having jurisdiction have taken all necessary actions and given all necessary approvals in order to constitute this Power Sales 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 Power Sales Contract as follows:

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

"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 18.

"Additional Facilities" means capital additions, betterments and replacements and other capital items directly and functionally related to the Project, including electric transmission, fuel transportation, storage, fuel storage and related facilities, additional electric generating and related facilities located at the Project site, long-term supplies of natural gas or other fuel for the use of the Project and any other facilities, improvements and properties designated by the Project Management Committee as Additional Facilities under the Power Sales Contracts.

"Annual Budget" means the budget adopted by UAMPS for each Contract Year pursuant to the provisions of Section 24.

"Authorized Officer of UAMPS" means the Chairman of the Board of Directors, the Vice Chairman of the Board, the Secretary, the Treasurer and the Chief Executive Officer of UAMPS and any other officer or employee 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 funds and accounts created by the Financing Documents for the payment of debt service on Bonds and reserves therefor.

"Bonds" means (i) bonds, notes, repayment obligations under loan agreements and lines of credit, and other debt obligations issued or incurred from time to time by UAMPS pursuant to the Financing Documents to finance Development Costs and the Cost of Acquisition and Construction, regardless of whether such bonds, notes and other obligations are senior or subordinated obligations, (ii) Additional Bonds and (iii) Refunding Bonds.

"Budget and Plan of Finance" means the comprehensive budget and plan of finance for the Development Costs, the Construction Costs and other items of the Cost of Acquisition and Construction approved from time to time by the Project Management Committee, together with proposed financing arrangements for Development Costs during the Development Period and for Construction Costs during the Construction Period, all as more fully described in Section 15.

"Capital Contribution" means (i) a capital contribution in respect of the Cost of Acquisition and Construction of, the Initial Facilities that is paid to UAMPS by the Participant pursuant to Section 17 and (ii) a capital contribution paid to UAMPS in connection with the issuance of Additional Bonds or Refunding Bonds as may be authorized by the Project Management Committee pursuant to Section 17(g).

"Capital Contribution Percentage" means with respect to each series of Bonds, a percentage calculated by UAMPS obtained by dividing (i) the dollar amount of the Capital Contribution made by the Participant, by (ii) the Reference Project Costs, all as more fully provided in Section 17(e).

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

"Commercial Operation" means, with respect to the Initial Facilities, the date on which the Initial Facilities (i) have been substantially completed pursuant to the EPC Agreement and any other Construction Agreements that may be applicable, including the satisfaction of all required performance tests thereunder, (ii) are capable of continuous firm operation, (iii) are interconnected and synchronized with, and capable of delivering Electric Energy to, the transmission grid, (iv) have received all Permits and Approvals required for their operation, and (v) meet such additional requirements as may be established by the Project Management Committee. The criteria and standards for the Commercial Operation of any Additional Facilities shall be developed by UAMPS and submitted to the Project Management Committee for its review and approval.

"Commercial Operation Date" means, with respect to the Initial Facilities and any Additional Facilities, the date on which all of the Initial Facilities and any Additional Facilities achieve Commercial Operation, as determined by the Project Management Committee.

"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 Good 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; *provided, however,* an obligation to act in a "Commercially Reasonable" manner or to exercise "Commercially Reasonable Efforts" does not include taking actions that would, individually or in the aggregate, cause the party subject to such obligation to incur costs, or suffer any other detriment, that is out of reasonable proportion to the benefits to the other party under this Contract or the Project Agreements.

"Completion of Development" means, with respect to the Initial Facilities (i) the completion of all Development Work, (ii) the receipt of all Permits and Approvals necessary for the construction of the Project, (iii) the completion of definitive forms of the principal Construction Agreements, (iv) the completion of the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction, and (v) a determination by the Project Management Committee that the Project is feasible and that the construction of the Initial Facilities should proceed, all as more fully described in Section 6.

"Construction Agreements" means the EPC Agreement and each other agreement entered into by UAMPS for the acquisition and construction of any part of the Initial Facilities and any Additional Facilities.

"Construction Costs" means all of the Cost of Acquisition and Construction of the Initial Facilities incurred during the Construction Period.

"Construction Period" means the period beginning on the date that the Project Management Committee determines that the Completion of Development has occurred and UAMPS delivers the task order directing the EPC Contractor to proceed with construction under the EPC Agreement and ending on the Commercial Operation Date.

"Contract" means this Millard County Project Power Sales Contract dated as of December 1, 2024 between UAMPS and the Participant and any amendments permitted pursuant to Section 43.

"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 of UAMPS, except that the first Contract Year shall commence 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, the Contract Year shall, without further action, be amended to conform to such Fiscal Year.

"Cost of Acquisition and Construction" means all costs and expenses paid or incurred by UAMPS in connection with the acquisition and construction of the Project, whether prior or subsequent to the Effective Date, including all Development Costs. "Cost of Acquisition and Construction" includes all costs incurred by UAMPS in connection with planning, designing, acquiring, constructing and placing in operation the Initial Facilities and any Additional Facilities, and amounts paid or payable under the Construction Agreements (including all costs, fees, compensation and incentives payable to the EPC Contractor under the EPC Agreement). "Cost of Acquisition and Construction" includes, without duplication of any cost, the following:

(1) 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 Operation and Maintenance Costs, as may be determined from time to time by UAMPS;

(2) interest accruing in whole or in part on Bonds issued to pay all or any portion of the Cost of Acquisition and Construction or the Cost of Additional Facilities prior to and during the acquisition and construction thereof and for such additional period as UAMPS may determine to be reasonably necessary for placing the Project or the Additional Facilities in operation in accordance with the provisions of the Budget and Plan of Finance;

(3) the deposit or deposits, if any, required to be made under the Financing Documents from the proceeds of Bonds into any fund or account established pursuant to the Financing Documents to meet debt service reserve requirements for the Bonds and premiums and fees payable for any credit or liquidity facilities with respect to the Bonds;

(4) the deposit or deposits into the Bond Fund and any other fund or account required to be funded by the Financing Documents;

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

(6) planning and development costs, engineering fees, contractors' fees, fiduciaries' fees, 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 and financing costs and issuance costs of the Bonds, amounts payable under the Real Estate Agreements, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

(7) 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;

(8) payment to UAMPS or any Participant to reimburse advances and payments made or incurred for costs preliminary or incidental to the acquisition and construction of the Project;

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

(10) the cost of long-term supplies of natural gas or other fuel supplies necessary or desirable in connection with the operation of the Project and the costs of transporting fuel supplies to the Project and prepayments and advance payments therefor, including the costs of pipelines, laterals, receiving stations or capacity rights therein; 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 the Bonds during such Billing Period, 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 on the Bonds, 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; provided however, that the amount included in Debt Service Costs pursuant to this clause (2) shall not include the principal of

Bonds becoming due and payable solely as a result of the acceleration of the maturity thereof;

(3) the scheduled amounts falling due during such Billing Period under any Interest Rate Contract with respect to the Bonds;

(4) any additional amounts necessary or required to be deposited into the Bond Fund or the Subordinated Indebtedness Fund under the provisions of the Financing Documents;

(5) 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 other providing services with respect to Bonds;

(6) 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; and

(7) the amounts required to be paid under any Financing Document that is a credit agreement, credit facility, loan agreement or other instrument or facility used to finance Development Costs, including the repayment of all drawings thereunder, the interest on such drawings and the fees, expenses and other charges payable by UAMPS thereunder;

provided, however, that the additional interest expense on or in respect of any Bonds 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 16(d), 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 will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Percentages for the Participants may be calculated separately for each separate series of Bonds.

"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 will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The

Debt Service Shares for the Participants may be calculated separately for each separate series of Bonds.

"Decommission" means all actions necessary to safely retire and remove the Project from service, restore the Project site, satisfy the decommissioning requirements of the Permits and Approvals and satisfy all requirements of the regulatory agencies having jurisdiction over the decommissioning of the Project.

"Decommissioning Costs" means the costs and expenses of Decommissioning the Project.

"Decommissioning Fund" means the fund or funds established by UAMPS for the payment of Decommissioning Costs as provided in Section 22.

"Decommissioning Period" means the period beginning at the end of the Operating Period and continuing to the date on which the Project has been Decommissioned and all Decommissioning Costs have been paid.

"Development Cost Share" means with respect to each Participant, the percentage of Development Costs payable by the Participant during the Development Period, determined by dividing the Participant's Development Share by the sum of the Development Shares of all Participants. The Participant's initial Development Cost Share will be set forth on SCHEDULE D.

"Development Costs" means all costs, fees and expenses incurred by UAMPS in performing the Development Work, including (i) costs, fees and expenses incurred by UAMPS in connection with its initial consideration and examination of the Project through its Resource Project, (ii) the costs of transmission and interconnection studies and deposits for such costs and (iii) pre-construction costs approved by the Project Management Committee, including deposits, advance payments and prepayments for items of the Cost of Acquisition and Construction of the Initial Facilities.

"Development Period" means the period beginning on the Effective Date and ending on the earlier of (i) the date that the Project Management Committee determines that the Completion of Development has occurred or (ii) the date that the Project Management Committee determines to terminate the Project, all as provided in Section 6.

"Development Share" means the quantity of Electric Power from the Project elected by the Participant as of the Effective Date and shown opposite the name of the Participant in SCHEDULE D attached hereto.

"Development Work" means all work and services necessary or desirable in connection with:

(i) the selection of the site for the Project, the negotiation of the Real Estate Agreements and all other work necessary to secure all rights and interests to the real property necessary for the Project;

(ii) obtaining the transmission and interconnection agreement(s) necessary to deliver Electric Energy from the Project to Participants;

(iii) the estimating, design and engineering work to be performed with respect to the Initial Facilities;

(iv) the development and negotiation of definitive Project Agreements and any other contracts and agreements necessary in connection with the Project;

(v) obtaining all Permits and Approvals necessary for the construction and operation of the Project;

(vi) the continued development of and updates to the Budget and Plan of Finance; and

(vii) such other work and services as shall be approved by the Project Management Committee.

"Effective Date" means (i) with respect to the initial Power Sales Contracts, the date established pursuant to the provisions of Section 2(a), and (ii) with respect to any Power Sales Contract executed by a Participant after the Effective Date, such date as shall be approved by the Project Management Committee.

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

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

"Electric System" means the Participant's electric utility system as established, maintained and operated pursuant to applicable State and local law. With respect to any Participant that does not own and operate an electric utility system that serves retail customers, the term "Electric System" shall be deemed to refer to the applicable utility system designated in its Power Sales Contract.

"Engineering Studies and Reports" means collectively, the written studies, analysis, summaries and reports (a) regarding the Participant's current power supply resources and projected power supply requirements provided by UAMPS in connection with the Participant's consideration of this Power Sales Contract and (b) regarding such aspects of the Project as the Project Management Committee shall deem necessary or advisable in connection with its governance and oversight of the Project.

"Enterprise Fund" means the electric enterprise fund of the Participant as established and maintained pursuant to applicable State and local law. With respect to any Participant that does maintain an electric enterprise fund, the term "Enterprise Fund" shall be deemed to refer to the applicable enterprise fund designated in its Power Sales Contract.

"Entitlement Share" means, with respect to each Participant and as the context may require, either the amount of Electric Power or the percentage of the initial Project Capability shown opposite the name of such Participant to be set forth in the SCHEDULE I that shall be approved by the Project Management Committee in connection with the Completion of Development, as the same may be revised from time to time in accordance with the provisions of this Power Sales Contract.

"EPC Agreement" means the agreement between UAMPS and the EPC Contractor with respect to the engineering, procurement and construction of the Initial Facilities.

"EPC Contractor" means the firm or corporation appointed as the engineering, procurement and construction contractor pursuant to the EPC Agreement.

"Final Completion" (or such similar term as may be used in the EPC Agreement) means the final completion of the Initial Facilities as determined pursuant to the EPC Agreement.

"Financing Documents" means the bond resolution, indenture, trust agreement or other instrument or instruments providing for the issuance of and the security for the 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.

"Fuel Agent" means any entity appointed by UAMPS to manage or facilitate the acquisition, transportation and storage of fuel for the operation of the Project and/or the management of the costs of fuel for the Project.

"Fuel Agreement" means any agreement entered into by or on behalf of UAMPS for the acquisition, transportation or storage of fuel for the Project, and also includes tolling agreements and any agreement entered into by UAMPS to manage the cost of fuel for the Project, including options, caps, collars, swaps and similar agreements.

"Good 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 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. Good 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.

"Initial Facilities" means the real and personal property, facilities, structures, improvements and equipment to be acquired and constructed in connection with the initial operation of the Project as generally described on EXHIBIT I. In connection with the Completion

of Development and at such other times as it deems necessary, UAMPS shall submit updates to EXHIBIT I to the Project Management Committee for approval.

"Interconnection Agreement" means each agreement providing for the interconnection of the Project with the facilities of a transmission provider and all supplements and amendments thereto, together with any successor or replacement agreement providing for the interconnection of the Project with the transmission grid.

"Interest Rate Contract" means any International Swap Dealers Association (ISDA) Master Agreement, together with the schedules and confirmations thereto, that is an interest rate swap, cap, floor, collar or similar agreement to manage or hedge interest rates or expenses.

"Joint Action Agreement" means the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, as amended and supplemented from time to time.

"Joint Ownership Agreement" means (i) an agreement under which UAMPS and another person own the Project or a portion thereof as tenants in common, (ii) agreements between UAMPS and another person or persons for the organization and operation of a Special Purpose Entity and (iii) any other form of joint ownership arrangement approved by the Project Management Committee.

"Members" means, collectively, each entity which has executed the Joint Action Agreement or a supplement thereto.

"Minimum Subscription" is defined in Section 2.

"Month" means a calendar month.

"Operating Agreement" means any contract between UAMPS and an Operator providing for the operation and maintenance of all or any portion of the Project.

"Operating Period" means the period beginning on the Commercial Operation Date and continuing to the date on which the Project is retired and removed from service.

"Operating and Scheduling Procedures" means those standards, procedures and criteria approved from time to time by the Project Management Committee with respect to the operation of the Project and the Project Capability and the scheduling of the Project Output which shall, to the extent practicable, promote the efficient and economic utilization of the Project, the Project Capability and the Project Output consistent with Good Utility Practice for the benefit of the Participants taken as a whole.

"Operation and Maintenance Costs" means, with respect to each Billing Period of each Contract Year, 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 and termination of, and

repairs, renewals, replacements, additions, improvements, and betterments and modifications to, the Project. Operation and Maintenance Costs shall further include, without limitation, the following items of cost:

(1) the costs of operating and maintaining the Project and of producing Electric Power and Electric Energy therefrom during such Billing Period, including the operation and maintenance expenses and fuel costs of the Project pursuant to the Project Agreements, amounts payable under the Operating Agreement and each Fuel Agreement (including fees, expenses, incentives and other compensation payable to the Operator and the Fuel Agent);

(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, but only to the extent that funds for such payment are not provided by the issuance of Bonds or Capital Contributions made by the Participants;

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

(4) all other amounts, including fuel costs, payable by UAMPS pursuant to the provisions of the Project Agreements;

(5) any additional amount not specified in the other items of this definition which must be paid by UAMPS during such Billing Period under the Project Agreements;

(6) 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;

(7) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 20;

(8) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Project, the Project Agreements, this Power Sales Contract and the interests and transactions contemplated by such agreements and this Power Sales Contract, the costs of technical and advisory services and the cost of all Permits and Approvals, all to the extent allocable to the Project;

(9) the costs of Additional Facilities, but only to the extent not paid or financed as a portion of the Cost of Acquisition and Construction; and

(10) Decommissioning Costs and amounts for deposit into the Decommissioning Fund.

"Operator" means any entity that performs all or a substantial portion of the operation and maintenance work on the Project under an Operating Agreement with UAMPS.

"Participant" means the party defined as the Participant in the preamble of this Power Sales Contract and its permitted successors and assigns hereunder.

"Participants" means the parties, including the Participant, other than UAMPS, to the Power Sales Contracts and (i) initially named on SCHEDULE D, and (ii) from and after the Completion of Development, 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.

"Performance Tests" means all start-up and shakedown procedures and performance tests to be conducted under the EPC Agreement before Final Completion.

"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 for the construction, operation, maintenance or repair of the Project or any component of it.

"Permitted Output Contract" means a contract that:

(i) (A) has a term (including all renewal options) not longer than three years and is either a negotiated arrangement that provides for compensation at fair market value or is based on generally applicable and uniformly applied rates, or (B) is a requirements-type contract that provides for the sale of electricity to a retail consumer or other end user of electricity; and

(ii) in each case (A) complies with the provisions of U.S. Treasury Regulation Section 1.141-7 and (B) is approved by UAMPS based on guidance provided by Bond Counsel.

"Point of Delivery" means the point or points of physical interconnection of the Initial Facilities or Additional Facilities, as applicable, 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 and as the same may be amended, restated or supplemented from time to time.

"Power Sales Contract" means this Power Sales Contract between UAMPS and the Participant and *"Power Sales Contracts"* means all of the Power Sales Contracts, dated the date hereof, between UAMPS and the Participants, all of which are uniform in all material respects in their terms, conditions and provisions, with the exception of: (i) the Development Share, the Development Cost Share, the Entitlement Share, the Capital Contribution Percentage, the Debt Service Percentage and the Debt Service Share for each of the Participants; (ii) for those Participants that are political subdivisions of a State other than Utah, revisions relating to the Participant's status as a political subdivision of another State and the fact that it is governed by and subject to the laws of that State; (iii) for those Participants that are cooperative utilities, revisions relating to the Participant's corporate status, the definition of "Qualified Use" and the provisions of Section 32(f); (iv) for those Participants that do not own and operate electric utility systems that serve retail customers, the revisions noted in the definitions of "Electric System" and "Enterprise Fund" and revisions relating to the Participant's corporate status, the definition of "Qualified Use" and the provisions of Section 32(f); and (v) the matters set forth in the Exhibits.

"Project" means the development, acquisition, ownership, construction, improvement, equipping, operation, retirement and decommissioning of the Initial Facilities and any Additional Facilities, and the rights, interests, obligations and liabilities of UAMPS under the Project Agreements and the Permits and Approvals.

"Project Agreements" means, collectively, the Construction Agreements, the Operating Agreement, the Real Estate Agreements, each Fuel Agreement, the Interconnection Agreement, the Transmission Agreements, any Joint Ownership Agreement and any other agreements entered by UAMPS to further the acquisition, development, construction, and operation of the Project.

"Project Capability" means the nominal Electric Power and associated Electric Energy that the Project is capable of producing, net of (reduced by) the Electric Power (project capability) owned by another person under a Joint Ownership Agreement. The Project Capability initially available to UAMPS shall be based on the aggregate nameplate rating of the generating units included in the Initial Facilities with such adjustments as the Project Management Committee deems necessary to reflect the actual capability of the Initial Facilities. Project Capability initially means the aggregate amount of Electric Power shown on EXHIBIT I hereto and associated Electric Energy.

"Project Management Committee" means the committee of the Participants established pursuant to Section 5 which shall make certain decisions and recommendations with respect to the operation and management of the Project as provided herein.

"Project Output" means the amount of Electric Power and Electric Energy, if any, which is actually generated by the Project in any particular hour.

"Qualified Use" means the sale of electricity to retail customers located within the Participant's electricity "service area" pursuant to generally applicable and uniformly applied rate schedules or tariffs; *provided that:*

(a) "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;

(b) "Qualified Use" shall include the use of electricity by a Participant to meet its own requirements; and

(c) "Qualified Use" shall include sales of electricity under Permitted Output Contracts and other sales and uses of electricity, in each case as may be approved by UAMPS based on guidance provided by Bond Counsel.

For purposes of this definition, "service area" has the meaning assigned to such term in U.S. Treasury Regulation Section 1.148-1(e)(2)(iii) and includes any area recognized as the electricity service area of the Participant under state or federal law.

"Real Estate Agreements" means the agreements entered into by UAMPS to obtain necessary site control and easement rights for the acquisition and construction of the Project.

"Reference Project Costs" means, for purposes of calculating the amount of a Capital Contribution to be made by the Participant as provided in Section 17, the estimated Cost of Acquisition and Construction determined by UAMPS and approved by the Project Management Committee prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities or any Additional Facilities. Reference Project Costs shall not include amounts for (i) costs of issuance, debt service reserves or capitalized interest on Bonds and (ii) any other items in the definitions of "Development Costs" or "Cost of Acquisition and Construction" not properly allocable to Reference Project Costs, as determined by the Project Management Committee.

"Refunding Bonds" means refunding Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 18.

"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.

"Reserve and Contingency Fund" means the fund, if any, established pursuant to Section 20.

"Substantial Completion" (or such similar term as may be used in the EPC Agreement) means the substantial completion of the Initial Facilities as determined pursuant to the EPC Agreement.

"Super-Majority Vote" means the affirmative vote of Participants' Representatives that represent 75% of (i) the number (per capita) of Participants' Representatives serving on the Project Management Committee, and (ii) during the Development Period, the Development Cost Shares of all Participants or, after the Development Period, the Entitlement Shares of all Participants. For

the avoidance of doubt, in the event that a Super-Majority Vote is required when a Participant's Representative is not entitled to vote on matters before the Project Management Committee pursuant to Section 5(b)(1), such Participant's Representative and such Participant's Development Cost Share or Entitlement Share (as applicable) shall be disregarded in computing the percentages of Participants' Representatives and Entitlement Shares that have voted on the matter requiring a Super-Majority Vote.

"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 balancing authority or authorities, 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 that is used or necessary for the delivery of Electric Power and 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 Project 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 Utah Associated Municipal Power Systems, a political subdivision organized and existing under the laws of the State of Utah, the Act and the Joint Action Agreement, and its successors. All references to UAMPS in this Power Sales Contract shall include Authorized Officers of UAMPS and their delegees acting pursuant to specific authorization by the Board.

"UAMPS Pool" means that electric power pool or pools established pursuant to the Pooling Agreement between UAMPS and the Members under which UAMPS provides certain services with respect to the scheduling, dispatch and the sale of Electric Power and Electric Energy and other matters pursuant to the operating criteria and procedures 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, 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. "Uncontrollable Force" includes any cause, event or force constituting "force majeure," "uncontrollable force" or similar term as defined in any Project 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 Articles, Sections, Schedules and Exhibits are to the Articles and 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.

(c) References to contracts and agreements, including the Project Agreements, refer to such contracts and agreements as they may be amended or supplemented from time to time in accordance with their respective provisions and, in the case of the Project Agreements, the provisions of Section 40.

(d) Any representation, warranty, certificate or legal opinion with respect to the enforceability of this Contract or any other contract or agreement made in or provided pursuant to this Contract shall be deemed to be qualified by reference to the effect of applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditor's rights generally and by the application of equitable principles, regardless of whether such qualification is expressly stated herein or therein.

Section 2. Effective Date and Term of Contract. (a) Promptly upon its governing body's adoption of the Contract Resolution and its receipt of any other Required Approvals, the Participant shall (i) cause this Contract to be executed by its authorized officers, and (ii) deliver to UAMPS notice of the requested amount of its Development Share (in kW) and an executed counterpart of this Contract, together with its executed certificate (in substantially the form attached hereto as EXHIBIT III) and its executed opinion of counsel (in substantially the form attached hereto as EXHIBIT V). The Effective Date of the Power Sales Contracts shall occur on the date on which UAMPS receives executed Power Sales Contracts and the other items described in the preceding sentence from Participants that have requested Development Shares totaling 85% of the expected Project Capability as of the Effective Date (the *"Minimum Subscription"*). At its

initial meeting, the Project Management Committee shall confirm and declare that the Effective Date has occurred, shall approve any changes to the expected Project Capability and shall approve the completed form of SCHEDULE D. The Authorized Officers of UAMPS shall execute all such Power Sales Contracts as of the date that the Effective Date occurs. Once it has occurred, the Effective Date shall not be affected by any subsequent action, event or circumstance.

(b) If the Minimum Subscription is achieved but the total amount of Electric Power requested by the Participants is less than the expected amount of the Project Capability, UAMPS will during the Development Period solicit additional Project participation by third parties under Power Sales Contracts, Joint Ownership Agreements or other arrangements. Participants that have executed Power Sales Contracts may also elect to increase their Development Shares at such times and in such amounts as may be approved by the Project Management Committee up to and including the end of the Development Period. In the event that less than all of the expected Project Capability is fully subscribed at the end of the Development Period as described in this paragraph, UAMPS shall take such actions as are necessary to downsize the expected Project Capability to the amount of subscription under the Power Sales Contracts and any Joint Ownership Agreements or other arrangements. UAMPS and the Participant acknowledge and agree that it may not be possible to precisely match the final amount of the expected Project Capability with the amount of Project subscription and in this case the Project Management Committee will have the authority to approve such true up adjustments to the Entitlement Shares of all Participants as are necessary at the time that it approves the initial SCHEDULE I.

(c) This Contract will become effective upon the Effective Date, and will, unless terminated pursuant to Section 43, continue until the last to occur of : (i) the date on which all of the Project Agreements have terminated or expired in accordance with their respective terms and all obligations of UAMPS thereunder have been fully paid, satisfied or discharged; (ii) 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 have been paid or satisfied; and (iii) the date on which the Initial Facilities and any Additional Facilities shall be permanently removed from service and Decommissioned and all Decommissioning Costs shall have been paid or irrevocable arrangements have been made that fully fund all Decommissioning Costs.

Section 3. Development Share; Entitlement Share. (a) From the Effective Date through the end of the Development Period, the Participant shall have a Development Share and a Development Cost Share as set forth on SCHEDULE D. A Participant's Development Cost Share shall not exceed [__][1] percent, unless otherwise approved by the Project Management Committee.

(b) By virtue of its Development Share and in consideration if its associated Development Cost Share, the Participant (i) shall have the right to participate in the decision-making over the development of the Project through its representative on the Project Management Committee, and (ii) shall, from and after the Completion of Development through the remaining term of this

1 % amount will be inserted upon completion of credit review of Participant group.

Contract and without any further action on its part or by any other person, have an Entitlement Share with the same amount of Electric Power as its Development Share.

Section 4. The Project and the Initial Facilities. (a). The Project shall initially be known as the "Millard County Power Project." The Project Management Committee may in its discretion adopt a different name for the Project at any time. In such event, all references to "Millard County Power Project" in this Contract shall be changed to the name adopted by the Project Management Committee.

(b) The Project shall consist of the Initial Facilities and any Additional Facilities approved by the Project Management Committee. A preliminary and general description of the Initial Facilities prepared by UAMPS is attached as EXHIBIT I to this Contract. EXHIBIT I shall be reviewed, modified as deemed necessary and approved by the Project Management Committee promptly after the Effective Date.

(c) As the development of the Project proceeds and as the components of the Initial Facilities are designed, engineered, constructed, installed and tested, UAMPS shall from time to time recommend revisions to EXHIBIT I to the Project Management Committee for approval in order that the description therein reasonably corresponds to the Initial Facilities being developed and constructed. EXHIBIT I shall be updated as necessary in connection with the Completion of Development. Following the Commercial Operation Date, UAMPS shall prepare and submit to the Project Management Committee for its review and approval a completed EXHIBIT I that includes a final description of the Initial Facilities and the Project Capability. UAMPS and the Participant agree that in no event will any revisions to EXHIBIT I alter or affect their respective rights and obligations under this Contract.

Section 5. Project Management Committee. (a). The Participants hereby establish 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. Each Representative appointed by the Participant shall serve on the Project Management Committee until the Participant appoints a successor. 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.

(b) 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 (A) 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 during the existence of such default and (B) shall be disregarded for purposes of determining whether a quorum of the Project Management Committee is present at any meeting;

(2) A Super-Majority 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, except in those instances when the Project Management Committee is acting pursuant to delegated authority from the Board, 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.

(c) In addition to its other responsibilities under the Power Sales Contracts, the Project Management Committee shall:

(1) review, provide advice and recommendations to and consult with UAMPS regarding the Project,

(2) supervise, review and monitor the Development Work and the development of the Project in accordance with Section 6 and the other applicable provisions of the Power Sales Contracts and the resolutions of the Project Management Committee;

(3) review, provide advice and recommendations to UAMPS on, and approve the Project Agreements and any modifications or amendments thereto;

(4) supervise and provide direction to UAMPS during the construction of the Project, including approval of the construction budget for the Project and approval of all notices to proceed and notices to construct given by UAMPS under the EPC Agreement;

(5) review, approve and revise from to time the Budget and Plan of Finance for the Initial Facilities and any Additional Facilities;

(6) review, approve and provide advice and direction to UAMPS with respect to the issuance of Bonds, Additional Bonds and Refunding Bonds

(7) review, provide advice and recommendations to and consult with UAMPS regarding the Commercial Operation Date of the Initial Facilities, and the Performance Tests for and the Substantial Completion and the Final Completion of the Facility under the EPC Agreement;

(8) determine and declare the Project Capability upon the Final Completion of the Project and from time to time thereafter as it deems necessary to reflect the actual capability of the Project;

(9) review and approve the Operating and Scheduling Procedures, any Operator of the Project and any Operating Agreement;

(10) review and consult with UAMPS regarding the acquisition and management of supplies of natural gas and any other necessary fuels for the Project and review and approve each Fuel Agreement and any Fuel Agent to be appointed by UAMPS;

(11) review, recommend and approve any Additional Facilities;

(12) assist with the resolution of any billing disputes as provided in Section 28;

(13) review, recommend and consult with UAMPS regarding any actions or remedies to be taken by UAMPS under Sections 34 and 35 of the Power Sales Contracts.

UAMPS and the Participant acknowledge and agree that the responsibilities of the Project Management Committee with respect to the Project are complete and comprehensive and are not limited to the specific responsibilities enumerated herein.

(d) The Project Management Committee may from time to time direct UAMPS to commission, obtain and provide such Engineering Studies and Reports that the Project Management Committee deems reasonably necessary or desirable with respect to the Project. The Project Management Committee shall be entitled to rely upon such Engineering Studies and Reports with respect to its determinations and decisions with respect to the Project, including particularly its determinations under Section 6.

Section 6. Development Period and Development Work. (a) During the Development Period, UAMPS shall use Commercially Reasonable Efforts to cause the Development Work to proceed in an expeditious and economical manner. UAMPS shall (i) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) with respect to the progress of the Development Work and the Development Costs incurred or expended, (ii) recommend from time to time revisions and updates to the Budget and Plan of Finance to the Project Management Committee, and (iii) act consistently with and in furtherance of the directions given to it by the Project Management Committee.

(b) Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee shall by resolution establish a maximum target price for cost of energy ($/MWh) from the Project (the *"Target Price"*). The Target Price shall be the maximum cost of energy expected to be payable by the Participants under the Power Sales Contracts, and shall exclude only Transmission Costs, taking into account the information and assumptions utilized in the Development Work and the Budget and Plan of Finance. Such resolution shall establish such determination dates based on Project development milestones as the Project Management Committee deems necessary for determining whether the expected cost of energy from the Project

exceeds the Target Price, together with such other matters as the Project Management Committee deems necessary or desirable. A determination by the Project Management Committee that the Target Price is exceeded as of any such determination date, shall constitute a determination by the Project Management Committee to terminate the Project.

(c) In addition to a determination under paragraph (b), the Project Management Committee may by a Super-Majority Vote suspend or terminate the Project at any time during Development Period upon its determination that the Project is not feasible for any reason. UAMPS shall give prompt written notice to all Participants of any such determination of the Project Management Committee under paragraph (b) above or this paragraph (c). In the event that the Project Management Committee determines to terminate the Project during Development Period, UAMPS shall proceed to wind up the Project and the Development Work, determine the remaining amount of the Development Costs and submit billings to the Participants for such Development Costs and the amount necessary to repay and retire any Bonds or obligations that have been issued or incurred to finance Development Costs.

(d) Upon substantial completion of the Development Work, including the Project Agreements and receipt of the Permits and Approvals (or an indication of the terms and conditions thereof), UAMPS will conduct a review and analysis and report to and consult with the Project Management Committee regarding the actions necessary to complete the Development Work, the terms and conditions of the Project Agreements and the Permits and Approvals and the definitive Budget and Plan of Finance, and will make recommendations to the Project Management Committee as to whether the Project should proceed to the Construction Period.

(e) Following its review of the report and recommendations of UAMPS, the Project Management Committee will in its discretion:

(i) determine whether or when Completion of Development has occurred;

(ii) review and approve definitive engineering and feasibility studies for the Initial Facilities, and such other materials as it deems necessary in order to determine that construction and operation of the Initial Facilities is feasible and should proceed;

(iii) review and approve the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction of the Initial Facilities;

(iv) make a determination by a Super-Majority Vote as to whether construction of the Project is feasible and whether the Project should proceed to the Construction Period;

(v) approve the Power Sales Contracts to be entered into with any new Participants any additional terms and conditions for their participation in the Project; and

(vi) review and approve the initial SCHEDULE I for the Project.

A determination by the Project Management Committee that construction of the Initial Facilities is not feasible and should not proceed to the Construction Period will result in termination of the

Project; notwithstanding any such termination, this Contract shall remain in effect until the conditions described above and in Section 2(b) have been satisfied.

(f) Upon a determination by the Project Management Committee that construction of the Initial Facilities is feasible and the Project should proceed to the Construction Period, UAMPS will then execute the Project Agreements, the Construction Contracts for the Initial Facilities and finance the Cost of Acquisition and Construction of the Initial Facilities through the issuance of Bonds.

(g) UAMPS may from time to time recommend the acquisition or construction of Additional Facilities to improve or add to the Project. Any such Additional Facilities shall be approved by the Project Management Committee. UAMPS may issue Bonds or incur other obligations pursuant to the Financing Documents to finance all or a portion of the costs incurred in the Development Work and construction of the Additional Facilities.

Section 7. Joint Ownership Agreement. As a part of the Development Work and to the extent authorized by the Project Management Committee, UAMPS may also solicit indications of interest from other entities regarding the acquisition of ownership interest in the Initial Facilities. Subject to the negotiation of a definitive Joint Ownership Agreement and the approval of the Project Management Committee, UAMPS may sell a portion of its ownership interest in the Initial Facilities to another entity. UAMPS shall make recommendations to the Project Management Committee regarding (i) the terms and provisions of any Joint Ownership Agreement, and (ii) the identity, operating experience and financial capability of the joint owner under a Joint Ownership Agreement and its ability to meet its obligations thereunder, each of which shall be subject to the approval of the Project Management Committee.

Section 8. Construction Period. (a) The Construction Period shall commence upon the determination of the Project Management Committee that Completion of Development has occurred. During the Construction Period, UAMPS shall (i) cause the construction of the Project to proceed in an expeditious and economical manner pursuant to the Construction Agreements and other Project Agreements, (ii) monitor the performance of the contractors under the Construction Agreements, and (iii) report to the Project Management Committee with respect to the progress of the acquisition and construction of the Project as provided herein.

(b) UAMPS shall perform its obligations under the Construction Agreements and shall:

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

(ii) diligently defend and protect the rights of UAMPS and the Project under the Construction Agreements and enforce the contractors' obligations thereunder;

(iii) monitor the performance of the contractors under the Construction Agreements and report promptly to the Project Management Committee with respect to any default or event of default under the Construction Agreements;

(iv) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) regarding the current status of construction and any changes to the estimated Commercial Operation Date and the estimated Cost of Acquisition and Construction; and

(v) give prompt notice to the Project Management Committee and the Participant of the occurrence of the Commercial Operation Date of the Initial Facilities and any Additional Facilities.

(c) As soon as practicable after the Commercial Operation Date of the Initial Facilities, UAMPS shall prepare a complete statement and reconciliation of the final (or substantially final) Cost of Acquisition and Construction of the Initial Facilities 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 Initial Facilities is submitted to and accepted by the Project Management Committee, UAMPS shall provide periodic reports to the Project Management Committee regarding the remaining items of the Cost of Acquisition and Construction of the Initial Facilities until a final statement is available for its review and approval.

Section 9. Operation and Maintenance of the Project. UAMPS covenants and agrees that, during the Operating Period, 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 Good 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 40, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

Section 10. Scheduling of Electric Energy; Coordination with UAMPS Pool. (a) From and after the Commercial Operation Date of the Project, the Participant shall be entitled to use the Electric Energy allocable to the Participant's Entitlement Share. UAMPS shall schedule or cause to be scheduled such Electric Energy in accordance with the Operating and Scheduling Procedures approved by the Project Management Committee. UAMPS shall provide the Participant with notice of any amendment to or modification of the Operating and Scheduling Procedures.

(b) 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. The Participant agrees that, prior to the first delivery of Electric Energy under this Power Sales Contract, it will execute and deliver to UAMPS an appendix to the Pooling Agreement (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. 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 Power Sales 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 11. Point of Delivery; 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 associated with, (i) the transmission of such 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.

(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 future 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) From and after the Commercial Operation Date of the Project, the Participant shall be obligated to maintain an appropriate power factor at the Participant's System Point of Receipt consistent with the provisions of the Transmission Agreements. Should the power factor, as metered at such System Point of Receipt, not be maintained within the limits established under the Transmission Agreements, the Participant shall be notified and requested to correct such power factor. If the Participant has not begun corrective action at the end of 90 days, UAMPS may take corrective action and the Participant shall be obligated to reimburse or compensate UAMPS for all sums expended and all services contracted for or performed by UAMPS or for which UAMPS shall be obligated relating to such corrective action.

(d) 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 Acquisition and Construction or an item of Operation and Maintenance Costs, as determined by the Project Management Committee. To the extent permitted by law and solely to the extent of the revenues of its Electric System and any available insurance proceeds, 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.

Section 12. Interruption or Reduction of Deliveries. UAMPS may interrupt or reduce deliveries under this Power Sales Contract of Electric Energy if: (a) the Operator has determined that such interruption or reduction is necessary in case of emergencies affecting the Project, in order to install equipment, to make repairs and replacements to, to make investigations and inspections of, or to perform maintenance work on, the Project or otherwise carry out its obligations as Operator under the Operating Agreement; (b) Electric Energy from the Project is otherwise unavailable whether due to an event of Uncontrollable Force or otherwise; or (c) the transmission of Electric Energy from the Project is interrupted or curtailed by the balancing area authority or other transmitting utility. In order that the operation of the Participant's Electric System will not be unreasonably interrupted or interfered with, UAMPS will, to the extent necessary, use Commercially Reasonable Efforts to make arrangements to serve the Participant's load through other projects of UAMPS or the UAMPS Pool. UAMPS will also use Commercially Reasonable Efforts, consistent with the provisions of the Project Agreements and the other Power Sales Contracts, to arrange for any planned interruption or reduction in the Project Output to be scheduled at a time which will cause the least interference with the operation of the Participant's Electric System.

Section 13. Availability of Electric Energy. (a) Except as provided otherwise by this Power Sales 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 Power Sales Contract during the term hereof; *provided, however,* that nondelivery of Electric Energy hereunder for any reason whatsoever (1) shall not relieve the Participant from its obligation to make its payments under Section 27 and (2) 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 are not firm and are contingent upon the operation of the Project, the availability of transmission and other factors. The Participant agrees that it is solely responsible for any firming transactions with respect to its Entitlement Share.

Section 14. Insurance. UAMPS shall maintain, or during the Construction Period shall cause the EPC Contractor to maintain, in force, as part of the Cost of Acquisition and Construction

or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Good 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 15. Budget and Plan of Finance. (a) The Budget and Plan of Finance for the Initial Facilities shall include the following information:

(i) the amount of Development Costs incurred to the date of the Budget and Plan of Finance and the estimated total Development Costs to the Completion of Development;

(ii) the estimated Cost of Acquisition and Construction;

(iii) the estimated timeline for the development and construction of the Initial Facilities to the Commercial Operation Date;

(iv) the estimated levelized cost of energy ($/MWh) for Project Output sold to the Participants under the Power Sales Contracts (which may be a range of such costs);

(v) the proposed funding and financing arrangements for all Development Costs during the Development Period; including Bonds and other funding and financing arrangements; and

(vi) such other information as may be required to be included in the Budget and Plan of Finance by the Project Management Committee.

(b) UAMPS and the Participant acknowledge and agree that as of the Effective Date, (i) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, (ii) the overall development of the Project is at a preliminary stage, and (iii) a definitive estimate of the Cost of Acquisition and Construction will not be available until the Completion of Development. Accordingly, the parties acknowledge and agree that the information contained in the initial Budget and Plan of Finance is necessarily preliminary and is subject to change based on, among other things, additional information that becomes available to UAMPS during the Development Period, the negotiation of the terms and provisions of the Project Agreements, the terms and conditions of the Permits and Approvals, and the development and negotiation of funding sources and financing arrangements for Development Costs and the Cost of Acquisition and Construction.

(c) The Budget and Plan of Finance shall be updated by UAMPS from time to time during the Development Period as necessary. Each update of the Budget and Plan of Finance shall be subject to the approval of the Project Management Committee.

Section 16. Financing of the Project. (a) UAMPS shall finance the portion of the Cost of Acquisition and Construction of the Initial Facilities that is not paid from Capital Contributions

made by the Participants through the issuance of one or more series of Bonds pursuant to the Budget and Plan of Finance approved by the Project Management Committee.

(b) Unless otherwise approved by the Project Management Committee, the Budget and Plan of Finance shall provide for the financing of all Development Costs, Construction Costs and other Costs of the Initial Facilities to a date not earlier than the estimated Commercial Operation Date of the Initial Facilities with the objective that the Participant will not be required to make any payments to UAMPS in respect of Debt Service Costs until a date that is after the estimated Commercial Operation Date. UAMPS shall use Commercially Reasonable Efforts to structure and implement the financings for the Development Costs and Construction Costs of the Initial Facilities to achieve this result. The Participant acknowledges and agrees that UAMPS cannot guarantee that it will be able to achieve this result, and under certain circumstances it may be necessary for UAMPS to submit billings to the Participant pursuant to Section 26 to enable it to pay Development Costs.

(c) UAMPS and the Participant acknowledge and agree that:

(i) as of the Effective Date, (A) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, and (B) the overall development of the Project is at a preliminary stage;

(ii) UAMPS shall use Commercially Reasonable Efforts to obtain all such Permits and Approvals as a part of the Development Work during the Development Period;

(iii) the Development Costs incurred by UAMPS will be financed by the issuance of Bonds;

(iv) in the event that UAMPS is unable to obtain transmission service for Project Output on reasonable terms, is unable to obtain the required Permits and Approvals for the construction and operation of the Project or the Project Management Committee determines that the continued development of the Project is not feasible for any reason, the Project Management Committee may determine to terminate the Project as provided herein; and

(v) if the Project Management Committee determines to terminate the Project during the Development Period, the Project will not be completed and the Participant will be required to pay, among other things, its Development Cost Share of all Development Costs incurred and its Development Cost Share of Debt Service Costs until all Bonds previously issued are fully paid and retired, as provided in Section 6.

(d) Each Participant may elect to make a Capital Contribution to UAMPS pursuant to Section 17. Prior to the giving by UAMPS of the notice required by Section 17(a), the Project Management Committee shall determine whether any additional interest expense on or in respect of any Bonds that are subject to federal income taxation 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 17(a) shall include such information as shall be necessary to generally inform the affected Participants of the additional Debt Service Costs that may be payable by them in the event they elect not to make a Capital Contribution.

Section 17. Capital Contributions. (a) Prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall give written notice to the Participant of:

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

(ii) 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;

(iii) the applicable Reference Project Costs; and

(iv) the maximum amount of the Participant's Capital Contribution, which shall be an amount equal to the product of (A) such Reference Project Costs and (B) the ratio of the Entitlement Share of the Participant to the Entitlement Shares of all Participants.

The Participant may elect to make a Capital Contribution only from the retained earnings of its Electric System or other legally available funds not derived from any external borrowing.

(b) The Participant's election to make a Capital Contribution shall be made by written resolution adopted by its governing body. 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:

(i) 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;

(ii) instructions for the deposit of the Capital Contribution into a separate and segregated special escrow account established under the Financing Documents; and

(iii) 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 Cost of

Acquisition and Construction of the Initial Facilities, 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 will be based upon an estimate of the Cost of Acquisition and Construction of the Initial Facilities, which estimates will be subject to adjustment to reflect the final Cost of Acquisition and Construction of the Initial Facilities approved by the Project Management Committee. Not more than 30 days following the determination of the final Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall deliver a final accounting statement to the Participant showing the Cost of Acquisition and Construction, the amount of and interest earnings on the Capital Contribution and any amounts payable by or credited to the Participant in respect of the final Cost of Acquisition and Construction. The Participant agrees that it will pay any additional amount payable by it shown on such accounting statement 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:

(i) the sum of each Participant's Capital Contribution Percentage and Debt Service Percentage equals its Entitlement Share;

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

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

UAMPS' calculation and determination of the Development Costs and the Cost of Acquisition and Construction of the Initial Facilities and the Participant's Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (i), (ii) and (iii) above shall be subject to the approval of the Project Management Committee, and upon such approval 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:

(i) 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;

(ii) 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

(iii) 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 34.

(g) In connection with the issuance of Additional Bonds or Refunding Bonds, the Project Management Committee may determine to provide Participants with the option of making a capital contribution with respect to the Costs of the Project being financed or refinanced by the Additional Bonds or Refunding Bonds under procedures and standards substantially similar to those set forth in this Section, with such adjustments as the Project Management Committee shall determine to be advisable. Any capital contribution made by a Participant pursuant to this paragraph (g) shall constitute a Capital Contribution for all purposes of the Power Sales Contracts.

Section 18. 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 Acquisition and Construction. 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 27, 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.

Section 19. Pledge of Payments. All payments required to be made by the Participant pursuant to Section 27, 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 and any Additional Bonds or Refunding Bonds.

Section 20. Reserve and Contingency Fund. (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may, upon the approval of the Project

Management Committee, 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 Operation and Maintenance 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 the retirement, decommissioning and termination of the Initial Facilities and any Additional Facilities that will not be paid from the Decommissioning Fund.

(b) The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 24 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 Operation and Maintenance Costs during the Fiscal Year covered by the Annual Budget.

Section 21. Damage, Destruction or Condemnation. 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.

Section 22. Decommissioning. Upon the retirement of the Project and its removal from service, UAMPS shall take all actions necessary to Decommission the Project. The Decommissioning Fund shall be established as a separate and segregated trust fund or escrow account, and the amounts in the Decommissioning Fund shall be used solely for the payment of Decommissioning Costs and necessary administrative and other charges. The Decommissioning Fund may be funded by a prepayment, by sinking fund deposits or by another method approved by the Project Management Committee. Pending the application of amounts on deposit in the Decommissioning Fund to pay Decommissioning Costs, the Decommissioning Fund may be invested as provided in the trust or escrow agreement. Any amounts remaining in the Decommissioning Fund upon the completion of the Decommissioning of the Project shall be applied or disbursed at the direction of the Project Management Committee.

(b) The Project Management Committee may direct UAMPS to establish other funds or accounts to provide additional reserves for the payment of Decommissioning Costs.

Section 23. Disposition or Termination of the Project. (a) Except as otherwise provided in the Power Sales Contracts, UAMPS shall not sell, lease or otherwise dispose of the Project or any substantial part of the Project without the approval of the Project Management Committee by a Super-Majority Vote. Subject to the provisions of the Financing Documents and the Project

Agreements, this Section shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS.

(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 24. 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 of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, and the Participant's share of each, for the following Contract Year. 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 for the Participant's Enterprise Fund.

(a) 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 Operation and Maintenance Costs, Transmission 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 Operation and Maintenance Costs, Transmission 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.

(b) UAMPS agrees that it will, from and after the date of the acquisition by UAMPS of the Project, keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction, Reference Project Costs, Operation and Maintenance Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and which are generally consistent with 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 25. Billing Periods. (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 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.

(b) Any change in the Billing Period shall be made in the Annual Budget provided for in Section 24 and shall not be effective for at least 30 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 the billing procedures set forth in Section 26(b), 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 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 in respect of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs.

Section 26. Billings. (a) The Participant acknowledges and agrees that it is necessary for UAMPS to recover all of the costs and expenses associated with the Project through billings to and payments by the Participants under the Power Sales Contracts. UAMPS will exercise Commercially Reasonable Efforts to finance all Development Costs during the Development Period. In the event that Development Costs are not refinanced by the issuance of long-term Bonds, the Participant shall pay its Development Cost Share of the amount necessary to repay the financed Development Costs. UAMPS will exercise Commercially Reasonable Efforts to finance all Construction Costs, net of any Capital Contributions, with the proceeds of Bonds issued at the beginning of the Construction Period. The Participant's share of Operation and Maintenance Costs and Debt Service Costs will equal its Entitlement Share (expressed as a percentage of all Entitlement Shares), subject to the adjustments provided for in the Power Sales Contracts.

(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) Development Costs, (ii) Operation and Maintenance Costs; (iii) Transmission Costs; (iv) Debt Service Costs; and (v) 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. The Participant shall pay the total of such amounts at the time specified in Section 27, 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 Operation and Maintenance 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 (v) of this paragraph.

(c) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance 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 Acquisition and Construction (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Operation and Maintenance 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 Section 27.

(d) 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 27. Participant's Payment Obligations. (a) Payments required to be paid by the Participant to UAMPS shall be due and payable to UAMPS at its principal office 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 Section 25.

(b) If payment in full is not made by the Participant 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 or materially increase the amounts payable by the other Participants. If said due date is not a business day, payment shall be made on the next following business day.

(c) The obligation of the Participant to make the payments for Development Costs, Operation and Maintenance Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to Section 26 is a several obligation and not a joint obligation with those of any other Participant. Prior to the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of the development of a new power supply resource. From and after the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of purchased electric power and electric energy. In all cases, the obligation of the Participant to make the payments required by Section 26 shall be payable as an operating expense and solely from the revenues and other legally available funds of its Electric System. 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, operating, suspended or terminated, 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.

(d) The payment obligations of the Participant under this Contract are special obligations payable solely from the revenues and other available income of its Electric System and do not, and shall not be deemed to, constitute an indebtedness or liability of the Participant under any constitutional, statutory or other legal limitation or requirement.

Section 28. Disputed Billings. 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, and shall consult with the Project Management Committee with respect 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. For the avoidance of doubt, any overpayment or underpayment determined pursuant to Section 26(b) shall not be considered to be a disputed payment that is subject to this Section.

Section 29. Audit Rights. (a) At its cost, the Participant may, upon the giving of not less than 15 days' prior written notice to UAMPS, but not more often than once during any two-year

period, inspect and audit the books and records of UAMPS relating to the Project for the purpose of verifying the amounts payable by the Participant under this Contract within the three-year period preceding the commencement of the audit. UAMPS agrees to make available to the Participant, to the extent Commercially Reasonable, all relevant records and all requested information relating to the subject matter of any such audit, subject in all cases to any confidentiality restrictions applicable to third-party information or contracts; provided that UAMPS shall make Commercially Reasonable Efforts to obtain a waiver of such restrictions for purposes of the audit and the Participant shall execute such non-disclosure agreements as may be reasonably requested by UAMPS. Any audit shall be conducted during normal business hours, and the Participant will use Commercially Reasonable Efforts to complete any audit within one month, subject to the availability of relevant records and information and the absence of material accounting irregularities.

(b) If any audit discloses that an overpayment or underpayment has been made during the three-year period described above, the amount of the overpayment or underpayment will be promptly paid by the appropriate party, together with interest calculated at an annual rate equal to the Secured Overnight Funding Rate (SOFR) reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of SOFR, plus 100 basis points, compounded daily and on the basis of a 360-day year, from the date or dates of any such overpayment or underpayment through and including the date of the payment correcting the overpayment or underpayment. Any payment made by UAMPS pursuant to this Section shall constitute an item of Operation and Maintenance Costs.

Section 30. Representations and Warranties. (a) The Participant represents and warrants to UAMPS as follows:

(i) the Participant is a political subdivision, duly created and validly existing under the laws of the State of Utah, and has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(ii) 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;

(iii) the execution, delivery and performance by the Participant of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to the Participant and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which the Participant is a party or to which any of the property, assets or revenues of its Electric System is subject;

(iv) all Required Approvals have been obtained;

(v) to the Participant's knowledge, there is no pending or 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; and

(vi) prior to and in connection with its approval and execution of this Contract, the Participant conducted its own review of the descriptions, information and studies regarding the Project, the Project Agreement and this Contract provided by UAMPS and made an independent determination to enter into this Contract.

(b) UAMPS represents and warrants to the Participant as follows:

(i) UAMPS is a political subdivision of the State of Utah and an energy services interlocal entity, duly created and validly existing under the Act and the Joint Action Agreement;

(ii) UAMPS has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(iii) This Contract has been duly approved by the Project Management Committee and the Board and has been duly authorized, executed and delivered by UAMPS and constitutes its legal, valid and binding obligation enforceable in accordance with its terms;

(iv) the execution, delivery and performance by UAMPS of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to UAMPS and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which UAMPS is a party or to which any of its property, assets or revenues is subject;

(v) to UAMPS' knowledge, there is no pending or threatened action or proceeding affecting UAMPS which purports to affect the authorization, legality, validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

(vi) the descriptions, information and studies regarding the Project, the Project Agreements and this Contract provided to the Participant by UAMPS have been prepared in good faith based upon the facts and information known to UAMPS at the time, and UAMPS has no reason to believe that such descriptions, information and studies taken as a whole are incorrect or misleading in any material respect.

Section 31. Information to Be Made Available. (a) From and after the effective date of the Power Sales Contracts and subject to their availability under the applicable provisions of the Project Agreements, UAMPS shall make available for examination by the Participant:

(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 14; and

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

(b) UAMPS may from time to time provide information to the Participant or the Participant's Representative that it designates as "non-public, "commercially sensitive," "confidential" or with similar words indicating that public disclosure of such information should not be made and can be expected to cause harm to UAMPS and the Participants. The Participant and the Participant's Representative agree to (i) classify any information as "non-public," "protected" or with such similar words as may be used under all public records laws that may apply to the Participant, (ii) notify UAMPS of any request or demand for disclosure of such information and (iii) cooperate with UAMPS in contesting any such disclosure request or demand.

(c) 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). Consequently, the Participant covenants to and agrees with UAMPS that the Participant will, upon request, 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 and the issuance of the Bonds.

(d) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) not later than 180 days after the end of each fiscal year of the Participant, (A) a copy of the most recent annual financial statements of the Participant and its 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 (2) such other information and documents as UAMPS may reasonably request from time to time.

(e) 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, and to the extent permitted under, the Utah Government Records Access and Management Act, (ii) agrees to cooperate with the Participant to appropriately classify any such non-public information under such other public records laws that apply to the Participant and (iii) notify the Participant of any demand for

disclosure of such information and will cooperate with the Participant in contesting any such disclosure demand.

(f) 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 32. Covenants and Agreements of the Participant. The Participant covenants to and agrees with UAMPS as follows:

(a) *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 other bonds of the Participant now or hereafter outstanding.

(b) *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.

(c) *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, sell 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 (30) 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" or "BBB", as applicable, by at least one Rating Agency; (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.

(d) *Good Utility Practice*. The Participant shall, in accordance with Good Utility Practice, (i) at all times operate its Electric System and the business thereof in an efficient manner, (ii) maintain its Electric System in good repair, working order and condition, (iii) 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 (iv) duly perform its obligations under all power supply and transmission service agreements to which it is a party.

(e) *Operating Expenses*. UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to this Contract will be payable (i) if and to the extent that any payments are required to be made prior to the Commercial Operation Date, from the revenues and income derived from the operation of the Participant's Electric System as a cost of the development of a new long-term power supply resource, (ii) from and after the Commercial Operation Date as a cost of purchased electric power and energy, and (iii) in each case as an operating expense of the Participant's Electric System and a first charge, together with all other operating expenses, on the revenues derived from the operation of the Participant's Electric System; *provided that* if any amount payable by the Participant under this Contract is prohibited from being paid as an operating expense of the Participant's Electric System under applicable law or a binding contractual obligation, such amount shall be payable from the available revenues and income of the Participant's Electric System. The Participant covenants to and agrees with UAMPS that it will, unless otherwise required by applicable law or under a binding contractual obligation, 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.

(f) *Tax Status*.

(i) 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 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 Bonds issued or 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.

(ii) The Participant represents and warrants that, as of the Effective Date, it has no contracts (and has no current expectation of entering into any contracts) other than Permitted Output Contracts to provide electric service to any purchaser. At least thirty 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 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 (i) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(iii) 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.

Section 33. Default by Participant. Each of the following shall constitute a "default" by the Participant under this Power Sales Contract:

(a) failure of the Participant to make to UAMPS any of the payments for which provision is made in this Power Sales 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 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service. (a) In the event of any default referred to in Section 33, 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 Participant, cease and discontinue providing all or any portion of the Participant's Entitlement Share and may terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share under this Power Sales Contract. In connection with its determination to discontinue providing all or any portion of 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. Any such termination of the Participant's Entitlement Share under this Power Sales Contract shall not, however, terminate, reduce or modify the Participant's outstanding obligations and liabilities hereunder.

(c) The suspension or termination of a defaulting Participant's right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 35 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 35. 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 on the part of UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis, 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 are intended to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract by the reallocation of the defaulting Participant's Entitlement Share. As set forth below, UAMPS agrees to take certain actions to mitigate the impact of any such reallocation on the nondefaulting Participants. The Participants agree that the provisions of this Section 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 discontinuance of service pursuant to Section 35 of such Participant's Power Sales Contract, 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 make a mandatory allocation of the defaulting Participant's Entitlement Share among all of the nondefaulting Participants, pro rata on the basis of their original Entitlement Shares. UAMPS shall provide written notice to the nondefaulting Participants of the mandatory allocation of the defaulting Participant's Entitlement Share which notice shall (a) set forth the date of the mandatory 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 its election pursuant to subparagraph (2) below. Such mandatory 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 (a). 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 allocation of the defaulting Participant's Entitlement Share provided for in subparagraph (1) above, each of the nondefaulting Participants shall notify UAMPS in writing of its election of one of the following options: (A) to retain that portion of the defaulting Participant's Entitlement Share allocated to such nondefaulting Participant pursuant to subparagraph (1) above and the additional amount, if any, of the defaulting Participant's Entitlement Share that such nondefaulting Participant elects to acquire from any other nondefaulting Participant that may elect to retain less than all of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above; or (B) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant pursuant to subparagraph (1) above. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above shall be deemed to have fully satisfied its obligations to UAMPS under this Section and shall not thereafter be required to accept any additional allocation of the defaulting Participant's Entitlement Share.

(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 Entitlement Share of the defaulting Participants pursuant to subparagraph (2). In the event that any of the Participants shall have elected to retain less than all of its allocation of the defaulting Participant's Entitlement Share, UAMPS shall proportionally reallocate the remaining amount of the defaulting Participant's Entitlement Share among those nondefaulting Participants that have requested additional amounts of the defaulting Participant's Entitlement Share. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next reallocate any remaining portion of the defaulting Participant's Entitlement Share 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 any reallocation of a defaulting Participant's Entitlement Share, or the total of all mandatory reallocations of Entitlement Shares in the event of two or more Participant defaults under the Power Sales Contracts, cause any nondefaulting Participant's Entitlement Share to increase by more than [__]%* over its original Entitlement Share set forth on Schedule I.

(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

* This amount will not exceed 25% and will be determined by the Project Management Committee upon the Effective Date of the Power Sales Contracts.

Participants proportionally based upon the respective amounts of the defaulting Participant's Entitlement Share that are allocated or reallocated to them.

(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 reallocation of the defaulting Participant's Entitlement Share made by UAMPS pursuant to subparagraph (3) above, and the effective date of such reallocation, (B) set forth the amount, if any, of the Entitlement Share of the defaulting Participant that has been mandatorily reallocated to nondefaulting Participants that did not elect to retain or acquire the same, and (C) 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 as a result of the reallocation provided for under 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 transferred pursuant to this paragraph (b) to a nondefaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant, and from and after the date of such transfer the transferee Participant shall be obligated to pay for its increased Entitlement Share pursuant to the terms and provisions of this Power Sales Contract. The defaulting Participant shall remain liable to UAMPS and the other 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.

(c) In the event that any portion of a defaulting Participant's Entitlement Share shall have been mandatorily reallocated to nondefaulting Participants pursuant to paragraph (b)(3) above or in the event that the procedures set forth in paragraph result in the reallocation of less than all of a defaulting Participant's Entitlement Share, UAMPS shall use Commercially Reasonable Efforts to sell or dispose of all or any part of the defaulting Participant's Entitlement Share as follows and in the following order:

(1) UAMPS shall first seek to sell all or any part of the defaulting Participant's Entitlement Share on terms and conditions comparable to those contained in the Power Sales Contracts; and

(2) UAMPS shall then seek to sell all or any part of such portion of the defaulting Participant's Entitlement Share or the Electric Energy associated therewith on the best obtainable terms and conditions.

Subject to the provisions of the Financing Documents, no sale, transfer or other disposition of all or a part of an Entitlement Share shall be made pursuant to this paragraph (c) if such sale, transfer or disposition will adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds issued as tax exempt obligations.

(d) In the event that UAMPS is unable to sell or dispose of any portion of the defaulting Participant's Entitlement Share pursuant to paragraph (c) above within 180 days of commencing Commercially Reasonable Efforts so to do and UAMPS, based upon determinations by the Project Management Committee and the Board, determines that the inability to sell or dispose of the defaulting Participant's Entitlement Share will materially and adversely affect the ability of the nondefaulting Participants to meet their obligations under the Power Sales Contract or the ability of UAMPS to meet its obligations under the Project Agreements and the Financing Documents, then UAMPS shall take such actions as UAMPS in its sole discretion shall deem necessary to ensure the availability of sufficient funds and revenues to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. Such actions may include, without limitation, any of the following measures (or any combination thereof):

(1) UAMPS may sell all or any portion of the Project that is allocable to the defaulting Participant's Entitlement Share on such terms and conditions as UAMPS deems to be in the best interest of UAMPS and the nondefaulting Participants and shall apply the proceeds of such sale to the purchase, redemption or defeasance of the Bonds or to other purposes related to the Project; or

(2) UAMPS may enter into contractual arrangements for the sale of all or any portion of the defaulting Participant's Entitlement Share or the Electric Energy associated therewith on such terms and conditions as will maximize the revenues available to UAMPS without regard to any adverse effect that such sale may have on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In the event that UAMPS makes any sale pursuant to clause (2) above, UAMPS will obtain an opinion of Bond Counsel addressing the tax status of interest on the Bonds issued as tax exempt obligations. UAMPS will take such remedial actions as are available to it to preserve the tax exempt status of interest on such Bonds. In the event that such opinion indicates that interest on the Bonds is or will become includible in gross income for federal income tax purposes, the Participant acknowledges that it may be necessary for UAMPS to pay additional amounts as interest or penalties on the Bonds and that the Debt Service Costs payable by the Participant pursuant to Section 26 will increase correspondingly. The Participant agrees to pay its Debt Service Share of such increased Debt Service Costs pursuant to the provisions of this Power Sales Contract.

(e) Upon any sale or disposition of all or any portion of a defaulting Participant's Entitlement Share or the Electric Energy associated therewith or any sale of the Project pursuant to paragraphs (c) and (d) above, 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 Operation and Maintenance Costs, Transmission 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, 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 after the procedures and actions provided for in this Section.

Section 36. 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 Power Sales 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 Power Sales Contract against the Participant.

Section 37. Default by UAMPS; Dispute Resolution. (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Power Sales 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 38. 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 39. 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 Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

Section 40. 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 Power Sales Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) 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 relating thereto 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.

Section 41. 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 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 Operation and Maintenance Costs.

Section 42. Assignment of Power Sales Contract. (a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; *provided, however,* that neither this Power Sales 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 Power Sales 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 35;

(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 assign this Power Sales Contract and pledge the amounts payable by the Participant hereunder without limitation;

(4) the Participant shall assign the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool as provided in Section 10; and

(5) subject to the provisions of Section 32, the Participant may assign or transfer all or any portion of its Entitlement Share or its interests under this Power Sales Contract.

(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 Power Sales 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.

Section 43. Termination or Amendment of Power Sales Contract. (a) This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in this Power Sales Contract.

(b) This Power Sales 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 Power Sales 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 Power Sales 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.

(c) Subject to Section 6, 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 herein contained 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 Contract of any other Participants requesting such amendment after receipt by such Participant of notice of such amendment.

(d) In connection with any revision or amendment of the billing procedures provided for in Section 25 or of any of the Exhibits, UAMPS shall promptly provide a copy of the revision or amendment to the Participant.

Section 44. Notices and Computation of Time. 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 45. Relationship of UAMPS and the Participant; Relationship among Participants. (a) This Power Sales 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 Power Sales Contract.

(b) The covenants, obligations, liabilities, rights and benefits of the Participant under this Power Sales 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.

S*ection 46. 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 Power Sales Contract or be subject to any personal liability or accountability by reason of the execution of this Power Sales 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 or this Power Sales Contract.

Section 47. Governing Law; Jurisdiction and Venue. (a). This Power Sales 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 Power Sales Contract shall be determined under the laws of such state. Headings herein are for convenience only and shall not influence the construction hereof.

(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 44; 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 48. Severability; No Merger. (a) If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales 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 Power Sales 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.

Section 49. Contract Beneficiaries. This Contract is entered for the benefit of and as the binding agreement of UAMPS and the Participant. The Trustee and the owners of the Bonds are the only third-party beneficiaries of this Contract, as and to the extent provided in the Financing Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales 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.

SANTA CLARA CITY, UTAH

By:_____
Its Mayor

[SEAL]

ATTEST AND COUNTERSIGN

By:_____
Title: City Recorder

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By:_____
Chairman

[SEAL]

ATTEST AND COUNTERSIGN

By:_____
Assistant Secretary

PRELIMINARY

SCHEDULE D

SCHEDULE OF PARTICIPANTS, DEVELOPMENT SHARES AND DEVELOPMENT COST SHARES

PARTICIPANT	DEVELOPMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)*
TOTAL		100.0000%

* Column may not total due to rounding.

SCHEDULE I

SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES

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

PARTICIPANT	ENTITLEMENT SHARE	
	kW	%**
TOTAL		%

* Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares to be added if Capital Contributions are made.

** Column may not total due to rounding.

EXHIBIT I

DESCRIPTION OF THE INITIAL FACILITIES

The following is a preliminary and summary description of the Initial Facilities. This description is subject to change based upon selection of the Contractor, the negotiation of the final terms of the Construction Contracts and the construction of the Initial Facilities. The final description of the Initial Facilities will be approved by the Project Management Committee after the Project achieves commercial operation.

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.

NUMBER OF ELECTRICAL CUSTOMERS AND TYPE OF LOAD SERVED

CUSTOMER CLASS	NUMBER OF CUSTOMERS
Residential	
Commercial	
Industrial	
Agricultural and Pumping	
Military and Other	
TOTAL	

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 31(d) 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 $_____.

CUSTOMER CLASS	KWH SALES	REVENUES ($)
Residential		
Commercial		
Industrial		
Agricultural		
Other		
TOTAL		

GENERATION
PRODUCED FOR SYSTEM LOAD

	GENERATING UNIT PRODUCTION							
	#1		#2		#3		#4	
	kW	kWh	kW	kWh	kW	kWh	kW	kWh
July								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
TOTAL								

SYSTEM PEAK INCLUDING LOAD
COVERED BY OWN GENERATION

	kW		kW
July		January	
August		February	
September		March	
October		April	
November		May	
December		June	

FIVE LARGEST LOADS

	TYPE OF BUSINESS	KWH SOLD	ANNUAL ELECTRICAL BILLINGS
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

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 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. 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 _____ (the *"State"*), and is governed by a _____ (the *"Governing Body"*).

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 public meeting of the Governing Body held on _____, at which a quorum was present and acted throughout.

4. The meeting of the Governing Body at which the Contract Resolution was adopted was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

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

NAME	OFFICE
«officer»	«office»
«officer»	«office»

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. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

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 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other 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 MILLARD COUNTY POWER 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 and construct a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be known as the "Millard County Power Project" (the *"Project"*) to be located at a site in Millard County, Utah, and to sell the capacity and output of the Project pursuant to the Millard County Power Project Power Sales Contracts (the *"Power Sales Contracts"*) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, 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 Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

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

Section 1. Approval of Power Sales Contract; Development Share. (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) A Development Share representing _____ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

Section 2. Participant's Representative. (a) The appointment of _____ as the Participant's Representative to UAMPS and of _____ and _____ as alternate Representatives is hereby confirmed.

(b) 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 3. Compliance with Tax Covenants. The Participant agrees in the Power Sales Contract that it will apply all of the electric power and 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 it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

Section 4. Further Authority. (a) The [Executive Officer] and the [Clerk/Recorder/Secretary] are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

Section 5. 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 on _____, ____.

[PARTICIPANT]

By _____

_____

ATTEST:

_____

[Clerk/Recorder/Secretary]

[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 Millard County Power 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 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024, between the Participant and UAMPS, in connection with the execution and delivery of the Millard County Power 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 information relating to the Participant and its electric system contained in APPENDIX __ to the Preliminary Official Statement and the Official Statement under the caption, "THE PARTICIPANTS", and such statements and information, as of the respective dates of the Preliminary Official Statement and the Official Statement and as of the date hereof, (a) were and 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) did not and do not omit to state a material fact necessary in order to make such statements not misleading. Since the dates of the Preliminary Official Statement and the Official Statement, there has been no change in the business, financial position, results of operations or condition of the Participant or 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]

EXHIBIT V

FORM OF OPINION OF COUNSEL TO THE PARTICIPANT

_____

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to _____ (the "*Participant"*) in connection with the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and Utah Associated Municipal Power Systems (*"UAMPS"*). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from 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 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. 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 electric utility system (the *"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 _____ duly organized and validly existing under the laws State of _____ (the *"State"*) and is 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, 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. Pursuant to the Power Sales Contract, 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 initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as 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.

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 and 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 Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

EXHIBIT VI

FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

_____

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to _____ (the *"Participant"*) in connection with the Millard County Power Project Power Sales Contract dated as of December 1, 2024 (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 Millard County Power Project Revenue Bonds, _____ Series _____ (the *"Bonds"*).

Pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Millard County Power 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 (i) the material describing the Participant and its electric system contained in APPENDIX A to each of the Preliminary Official Statement (together with any supplements or amendments thereto as of the date hereof, the *"Preliminary Official Statement"*) and the Official Statement (together with any supplements or amendments thereto as of the date hereof, the "*Official Statement*") of UAMPS relating to the Bonds and (ii) 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 contained in APPENDIX A to the Preliminary Official Statement and the Official Statement were true and correct in all material respects as of the respective dates of the Preliminary Official Statement and the Official Statement and are true and correct in all material respects as of the date hereof, and no facts have come to my attention which would lead me to believe that such statements and information contained or contain any untrue statement of a material fact or omitted to state 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; *provided, however*, that I express no view with respect to the tabular, financial and statistical information included therein.]

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] and [other reliance parties] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

OPINION OF COUNSEL TO THE PARTICIPANT

_____, 2024

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to Santa Clara City, Utah (the *"Participant"*) in connection with the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and Utah Associated Municipal Power Systems (*"UAMPS"*). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from 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 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. 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 electric utility system (the *"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 political subdivision duly organized and validly existing under the laws State of Utah (the *"State"*) and is 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, 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. Pursuant to the Power Sales Contract, 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 initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as 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.

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 and 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 Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

CERTIFICATE OF PARTICIPANT

STATE OF UTAH)
)
COUNTY OF WASHINGTON)

The undersigned hereby certify that they are the Mayor and City Recorder of Santa Clara City, Utah (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 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the *"Power Sales Contract"*), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a political subdivision, duly created and validly existing under the laws of the State of Utah (the *"State"*), and is governed by a City Council (the *"Governing Body"*).

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 public meeting of the Governing Body held on _____, at which a quorum was present and acted throughout.

4. The meeting of the Governing Body at which the Contract Resolution was adopted was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

5. The names of the Mayor and the City Recorder authorized to execute and deliver the Power Sales Contract on behalf of the Participant are as follows:

NAME	OFFICE
Rick Rosenberg	Mayor
Chris Shelley	City Recorder

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. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

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. Gary Hall 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 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other interested parties.

Dated: _____.

SANTA CLARA CITY, UTAH

By _____
Mayor

By _____
City Recorder

[SEAL]

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AND APPROVING THE MILLARD COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

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

WHEREAS, Santa Clara City, Utah (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 and construct a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be known as the "Millard County Power Project" (the *"Project"*) to be located at a site in Millard County, Utah, and to sell the capacity and output of the Project pursuant to the Millard County Power Project Power Sales Contracts (the *"Power Sales Contracts"*) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, 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 Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the

Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Santa Clara City, Utah, as follows:

Section 1. Approval of Power Sales Contract; Development Share. (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Recorder 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 Mayor, his execution thereof to constitute conclusive evidence of such approval.

(b) A Development Share representing _____ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

Section 2. Participant's Representative. (a) The appointment of Gary Hall as the Participant's Representative to UAMPS and Brock Jacobsen as alternate Representatives is hereby confirmed.

(b) 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 3. Compliance with Tax Covenants. The Participant agrees in the Power Sales Contract that it will apply all of the electric power and 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 it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

Section 4. Further Authority. (a) The Mayor and the City Recorder are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

Section 5. 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 on _____, 2024.

SANTA CLARA CITY

By _____
Mayor

ATTEST:

_____
City Recorder

[SEAL]