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**PAYSON POWER PROJECT  
POWER SALES CONTRACT**

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

{PARTICIPANT}

DATED AS OF JUNE 1, 2002

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**PAYSON POWER PROJECT  
POWER SALES CONTRACT**

This POWER SALES CONTRACT made and entered into as of June 1, 2002, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (“UAMPS”) and \_\_\_\_\_, a political subdivision of the State of \_\_\_\_\_ (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, the Participant is authorized by applicable law to 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, proposes to acquire, construct, own and operate the Payson Power Project, a gas-fired electric generating facility to be located in Payson City, in Utah County, Utah (the “Project”);

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

WHEREAS, in order to finance all or a portion of the Cost of the Project, UAMPS will issue revenue bonds, notes or other obligations payable from a pledge of the revenues derived by UAMPS from the operation of the Project, including the payments to be made by the Participants under the Power Sales Contracts;

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 on its behalf) of various descriptions and summaries of the Project, the Project Agreements and this Power Sales Contract, the Engineering Studies and Reports 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, pursuant to the Power Sales Contracts and subject to the provisions of the Project Agreements, UAMPS will operate or cause the Project to be operated and will schedule

the Project Output for the joint and ratable benefit of all of the Participants and, in order to maximize the benefits of the Project to the Participant and to all other Participants, the Participant desires to authorize UAMPS to cause the Project to be operated in accordance with Prudent Utility Practice and to take certain other actions with respect to the disposition of the Project Output, all as provided herein; 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 Explanations of Terms.* 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 this Power Sales Contract.

“*Additional Facilities*” means capital additions, betterments and replacements and other capital items directly and functionally related to the Project, including electric transmission, fuel transportation 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 approved by the Project Management Committee.

“*Annual Budget*” means the budget adopted by UAMPS for each Contract Year pursuant to the provisions of Section 13 hereof.

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

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

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

“*Bond Anticipation Notes*” has the meaning set forth in the Financing Documents and includes notes or other short-term obligations issued to finance all or a part of the Cost of the Project.

“*Bonds*” means the bonds, notes and other obligations issued from time to time by UAMPS pursuant to the Financing Documents to pay any part of the Cost of the Project and includes Additional Bonds and Refunding Bonds.

“*By-Laws*” means the By-Laws of UAMPS adopted by the Board pursuant to the Joint Action Agreement, as such By-Laws may be supplemented and amended from time to time.

“*Contract Year*” means the Fiscal Year of UAMPS, except that the first Contract Year shall commence on the effective date of this Power Sales Contract (as determined pursuant to Section 2 hereof). In the event that UAMPS changes its Fiscal Year for accounting purposes, Contract Year shall, without further action, be amended to mean such Fiscal Year.

“*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.

“*Cost*” or “*Cost of the Project*” 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 of the Power Sales Contracts, including but not limited to amounts paid or payable under the Construction Agreements (including all costs, fees, compensation and incentives payable to the EPC Contractor under the EPC Agreement) and all costs and expenses incurred by UAMPS in connection with its investigation, negotiation and review of the Project and the Project Agreements, all expenses preliminary and incidental thereto, and the cost of planning, designing, acquiring, constructing and placing in operation the Initial Facilities and any Additional Facilities. “*Cost*” or “*Cost of the Project*” also includes, but is not limited to, 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 the Project 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 Financing Documents;
- (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 required to be made under the Financing Documents from the proceeds of Bonds into any fund or account established pursuant to the Financing Documents which deposit or deposits are required by the Financing Documents;

(5) the payment of principal or redemption price of and interest on any Bond Anticipation Notes issued for the purpose of providing short-term financing for the Cost of the Project;

(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, costs of any litigation related to the Project, the Project Agreements, this Power Sales Contract or the interests and transactions contemplated by such agreements and this Power Sales Contract, amounts payable under the Host City Agreement during or in connection with the acquisition and construction of the Project, any amounts payable under the Ground lease during the acquisition and construction of the Project, 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;

(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 acquiring long-term supplies of natural gas or other fuel supplies, including transportation facilities or capacity rights, necessary or desirable in connection with the operation of the Project; 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.

*"Date of Commercial Operation"* means the "Commercial Operation Date" determined under the EPC Agreement, being the first date on which the Project is capable of operating reliably and continuously at its rated capacity in accordance with the procedures set forth in the EPC Agreement.

*“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 from the proceeds of Bonds;
- (2) the amounts falling due during such Billing Period under any Interest Rate Contract with respect to the Bonds;
- (3) the portion of the next due principal installment on the Bonds accruing on the Bonds (which shall be deemed to accrue in the same manner as interest accrues) during such Billing Period, all as calculated in accordance with the Financing Documents;
- (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; and
- (5) the accruing principal of and interest on any Bond Anticipation Notes or obligations subordinate to the Bonds issued by UAMPS pursuant to the Financing Documents and amounts necessary to provide or replenish and necessary reserves in connection with such obligations.

Debt Service Costs also include Trustee, paying agent, escrow agent and other fiduciaries’ fees and expenses, the amounts required to be paid from time to time to maintain any credit or liquidity instruments for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds.

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

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

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

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

*“Engineering Studies and Reports”* means collectively, (1) the written studies, analysis and reports provided by UAMPS to the Participant regarding the Project, the Participant’s current and future electric requirements, certain cost comparisons and other legal, engineering and environmental matters with respect to the Project.

*“Entitlement Share”* means, with respect to each Participant, that percentage of the initial Project Capability shown opposite the name of such Participant in Schedule I attached hereto, as the same may be revised from time to time in accordance with the provisions of this Power Sales Contract.

*“EPC Agreement”* means the Engineering, Procurement and Construction Agreement between UAMPS and the EPC Contractor.

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

*“Final Completion”* means the “Final Completion” of the Facility as defined in and determined under 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 any Bond Anticipation Notes 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 or management of fuel for the operation of the Project or the transportation of fuel to the Project.

*“Fuel Agreement”* means any agreement entered into by or on behalf of UAMPS for the acquisition or management of fuel for the operation of the Project or the transportation or storage of fuel to the Project. “Fuel Agreement” 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.

*“Ground Lease”* means the Ground Lease between Payson, as lessor, and UAMPS, as lessee, covering the site of the electric generating facilities included within the Initial Facilities.

*“Host City Agreement”* means the Host City Agreement between Payson and UAMPS, covering various matters in connection with the development, construction and operation of the Project.

*“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.

*“Integrated Utility System”* means any combination for operating or financing purposes of the Participant’s electric system with one or more of the other utility systems owned and operated by the Participant including water, sewer, wastewater, natural gas and similar utility systems.

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

*“Joint Action Agreement”* means the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of February 17, 1999, as amended and supplemented from time to time.

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

*“Month”* means a calendar month.

*“Operating Agreement”* means any contract between UAMPS and an Operator providing for the operation and maintenance of all or a substantial portion of the Project, as amended and supplemented from time to time.

*“Operating and Scheduling Procedures”* means those standards, procedures and criteria determined by UAMPS from time to time 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 Prudent 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 Wheeling 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) 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 Prepayments made by the Participants;

(2) the costs of operating and maintaining the Project and of producing and delivering 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), 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;

(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, including all amounts payable under the Host City Agreement and all rents and other amounts payable under the Ground Lease;

(6) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 18 hereof;

(7) 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;

(8) the costs of Additional Facilities, but only to the extent not paid or financed as a portion of the Cost of the Project;

(9) all other amounts payable by UAMPS under the terms of the Operating Agreement; and

(10) the costs of, or reserves for the costs of, decommissioning or removing from service all or any part of the Project.

*“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 first paragraph of this Power Sales Contract.

“*Participants*” means the parties, including the Participant, other than UAMPS, to the Power Sales Contracts substantially similar hereto and named on Schedule I hereto.

“*Participant’s Representative*” means 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.

“*Payson*” means Payson City, Utah, a municipal corporation and a political subdivision of the State of Utah.

“*Performance Tests*” means the tests to be performed on the Facility under the EPC Agreement before Final Acceptance.

“*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. The phrase “*Permits and Approvals*” shall include, without limitation, such certificates of convenience and necessity issued by the Utah Public Service Commission and such emissions permits issued by the Utah Department of Environmental Quality (or successor state agencies) as shall be required for the construction or operation of the Project.

“*Point of Delivery*” means, with respect to each Participant, the point of interconnection between the Participant’s electric utility system and the transmission facilities of the applicable control area utility, as set forth in the Operating and Scheduling Procedures.

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

“*Power 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 the Entitlement Share, the Prepayment Percentage, the Debt Service Percentage and the Debt Service Share for each of the Participants and the other matters set forth in the Exhibits attached hereto.

“*Prepayment*” means any payment or payments made to UAMPS by the Participant pursuant to Section 4 of this Power Sales Contract and designated as a Prepayment. Any Prepayment made by the Participant is a prepayment of all or a part of the Debt Service Costs which, but for such Prepayment, would otherwise be payable by the Participant.

*“Prepayment Percentage”* means, with respect to each Participant and as of any date of determination, the percentage obtained by dividing (1) the sum of all Prepayments made by or credited to the Participant, by (2) the sum of all Reference Project Costs as of such date as determined and allocated to such computation by UAMPS, all as more fully provided in Section 4 hereof. The Participant’s initial Prepayment Percentage shall be calculated by UAMPS and set forth on Schedule I attached hereto as provided in Section 4(i) hereof.

*“Project”* means the acquisition, construction, improvement and equipping of the Initial Facilities and any Additional Facilities.

*“Project Agreements”* means, collectively, the Construction Agreements, the Operating Agreement, the Ground Lease, the Host City Agreement, each Fuel Agreement and the Transmission Agreements.

*“Project Capability”* means the nominal Electric Power and associated Electric Energy which the Project is capable of producing. Project Capability initially means the aggregate amount of Electric Power shown on Schedule I hereto and associated Electric Energy.

*“Project Management Committee”* means the committee of the Participants established pursuant to Section 6 hereof 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.

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

*“Qualified Independent Engineer”* means a licensed or registered engineer or firm of such engineers acceptable to UAMPS and recognized to be qualified in matters related to municipal electric systems who shall (1) not be an officer or employee of the Participant or UAMPS and (2) not have any substantial interest with, or be under the domination of, the Participant or UAMPS.

*“Reference Project Costs”* means a nominal amount determined from time to time by UAMPS prior to the proposed issuance of Bonds (other than Refunding Bonds) for purposes of calculating the amount of any Prepayment to be made by the Participant as provided in Section 4 hereof. In determining Reference Project Costs, UAMPS shall calculate the sum of the following items of the Cost of the Project: (1) those items described in the first sentence of the

definition of Cost of the Project; (2) those items set forth in clauses (1), (6), (7), (8), (9), (10) and (11) of the definition of Cost of the Project, but only to the extent that such items are not related solely to the Bonds and the issuance thereof; and (3) such other items of cost within the definition of Cost of the Project as UAMPS shall determine to be properly allocable to the determination of Reference Project Costs.

“*Refunding Bonds*” means refunding Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with this Power Sales Contract.

“*Reserve and Contingency Fund*” means the fund, if any, established pursuant to Section 18.

“*Revenue Fund*” means the fund by that name established pursuant to the Financing Documents.

“*Schedule of Participants*” means the schedule of Participants and their respective Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares attached hereto as Schedule I, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

“*SUVPS*” means Southern Utah Valley Power Systems, a political subdivision of the state of Utah organized under the Act.

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

“*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 delegates acting pursuant to specific authorization by the Board.

“*UAMPS Pool*” means that certain electric power pool established pursuant to the Pooling Agreement between UAMPS and the Members and certain other entities 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.

*“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.

*“Utility Contracts”* means all contracts of the Participant for the purchase or sale by the Participant of any or all of Electric Power, Electric Energy and transmission service, including contracts pursuant to which the Participant agrees to take or pay, or take and pay, for any or all of Electric Power, Electric Energy and transmission service, all to the extent related to the Participant’s electric system.

*“Wheeling 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 Point of Delivery pursuant to the Transmission Agreements or otherwise.

*Section 2. Term of Contract.* (a) This Power Sales Contract will become effective upon the execution and delivery of Power Sales Contracts by UAMPS and by Participants with Entitlement Shares totaling 90% or more of the Project Capability, and will, unless this Power Sales Contract is terminated pursuant to Section 30, continue until the last to occur of the following: (1) the date on which the principal of, premium, if any, and interest on all Bonds have been paid 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, all as determined in accordance with the Financing Documents; and (2) February 17, 2049 or such later date to which UAMPS’ existence shall be extended; *provided, however*, that in compliance with the Act, the term of this Power Sales Contract shall not extend for more than fifty years from the effective date of this Power Sales Contract.

(b) If UAMPS’ existence as a political subdivision (or the existence of a successor to UAMPS which shall have assumed UAMPS’ obligations hereunder) shall be extended beyond February 17, 2049, and UAMPS or such successor shall continue to operate the Project, then UAMPS (or any such successor), if and to the extent then permitted by applicable law, will offer to all the Participants participation in the rights and benefits of the Project in proportion to their respective Entitlement Shares under the Power Sales Contracts. Any such future participation shall be on substantially the same applicable terms and conditions as provided for by the Power Sales Contracts. UAMPS agrees that, if and to the extent it is legally able to do so, it will, in connection with any extension of the Joint Action Agreement, take any steps necessary to recognize and preserve the rights granted pursuant to this paragraph.

*Section 3. Acquisition and Construction of Project; Financing; Sale and Purchase of Entitlement Share.* (a) UAMPS shall use its best efforts to (1) cause the Project to be expeditiously and economically acquired and constructed pursuant to the Construction Agreements and (2) finance the portion of the initial Cost of the Project that is not paid from Prepayments made by the Participants through the issuance of Bond Anticipation Notes, Bonds or other obligations of UAMPS. UAMPS may issue Bond Anticipation Notes or other obligations pursuant to the Financing Documents to finance all or a portion of the costs incurred in its investigation and development of the Project, including any item of the Cost of the Project.

(b) UAMPS and the Participant acknowledge and agree that: (1) as of the date of this Power Sales Contract, UAMPS has not yet obtained the Permits and Approvals necessary for the construction and operation of the Project, including particularly such certificates of convenience and necessity issued by the Utah Public Service Commission and such emissions permits issued by the Utah Department of Environmental Quality (or successor state agencies) as shall be required for the construction and operation of the Project; (2) UAMPS shall use its best efforts to obtain in a timely manner all such Permits and Approvals; (3) pending receipt of the Permits and Approvals and in order that the Date of Commercial Operation may occur on the earliest practicable date, UAMPS will, upon the approval and at the direction of the Project Management Committee as provided in Section 6, proceed with the acquisition of equipment and take other actions preliminary to the construction of the Project; (4) all preliminary Costs of the Project so incurred by UAMPS will be financed by the issuance of Bond Anticipation Notes or Bonds; and (5) in the event that UAMPS is unable to obtain the required Permits and Approvals and the Board (acting upon the recommendation of the Project Management Committee pursuant to Section 6(c)(2)) determines to terminate the Project, the Project will not be completed and the Participant will be required to pay, among other things, its Debt Service Share of the Debt Service Costs until all such Bond Anticipation Notes or Bonds are fully paid and retired, all as contemplated by Section 7(g) hereof. In the event that the Project Management Committee determines to terminate the Project in accordance with Section 6(c)(2) hereof, UAMPS will use its best efforts to obtain the greatest possible value for all equipment and other salvageable items theretofore acquired by UAMPS and will credit any amounts realized to the Participants in accordance with their Entitlement Shares.

(c) From and after the effective date of this Power Sales Contract, UAMPS shall sell to the Participant, and the Participant shall purchase from UAMPS, the Participant's Entitlement Share. As of the date of the execution of this Power Sales Contract, the Entitlement Shares of the Participants set forth on Schedule I hereto are preliminary and subject to adjustment. Adjustments to the Entitlement Shares of the Participants may result from the failure of one or more entities to approve and execute a Power Sales Contract or the approval and execution of Power Sales Contracts by other entities. Following the execution of Power Sales Contracts by all Participants, UAMPS shall prepare and mail to each Participant a revised Schedule I that shows the adjusted Entitlement Shares of all Participants. In no event shall the adjusted Entitlement Share of any Participant be greater than 115% of its Entitlement Share shown on the preliminary Schedule I unless such Participant shall consent in writing to the increase in its Entitlement Share.

(d) In consideration of the sale of its Entitlement Share, the Participant shall, in accordance with and subject to the provisions of Section 7, pay to UAMPS in each Billing Period: (1) for its share of Debt Service Costs, an amount determined by multiplying Debt Service Costs for such Billing Period by the Participant's Debt Service Share; (2) for its share of Operation and Maintenance Costs, an amount determined by multiplying Operation and Maintenance Costs for such Billing Period by the Participant's Entitlement Share; and (3) the Wheeling Costs actually incurred in transmitting the Electric Energy allocable to the Participant's Entitlement Share to the Participant's Point of Delivery for such Billing Period. The first Billing Period shall commence not sooner than the month in which the effective date of this Power Sales Contract occurs. Each such payment is to be computed and made as provided in Section 7 hereof.

*Section 4. Prepayments; Calculation of Prepayment Percentage, Debt Service Percentage and Debt Service Share.* (a) In order to prepay all or any portion of the Debt Service Costs that would be allocable to the Participant's Entitlement Share, the Participant may elect to make one or more Prepayments to UAMPS pursuant to and in accordance with the procedures set forth in this Section 4. The Participant may make a Prepayment only at the time of the financing of the Cost of the Project by UAMPS through the issuance of Bonds, Additional Bonds or other obligations under the Financing Documents. In connection with each Prepayment that may be made by the Participant pursuant to this Section 4, the Participant acknowledges and agrees with UAMPS that:

(1) each Prepayment shall be held, invested and applied in accordance with the provisions of, and subject to the limitations set forth in, the Financing Documents;

(2) the Participant's election to make a Prepayment 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 Prepayment, including without limitation, circumstances such as the suspension, interruption, interference, reduction, curtailment or termination of the Project or the Project Output;

(3) in the event of a default by the Participant hereunder, the Entitlement Share of the Participant may be allocated or reallocated to the other Participants pursuant to the procedures set forth in Section 22 hereof and, in the event that the Participant fails to cure such default within the period provided for in Section 22, the Prepayment Percentage of the defaulting Participant may be reduced to 0%;

(4) no Prepayment shall be deemed to constitute an investment by the Participant and the Participant shall not be entitled to any interest, investment earnings or rate of return on any amounts paid by it to UAMPS as a Prepayment; and

(5) notwithstanding any Prepayment by the Participant, UAMPS shall be obligated to provide the Electric Energy allocable to the Participant's Entitlement Share only in accordance with the terms and provisions of this Power Sales Contract.

(b) UAMPS and the Participant agree that the following standards and parameters shall govern the calculation by UAMPS from time to time of the amount of any Prepayment to be made by the Participant and the calculation by UAMPS from time to time of the Participant's Prepayment Percentage, Debt Service Percentage and Debt Service Share:

(1) as of any date of determination, the sum of the Participant's Prepayment Percentage and the Participant's Debt Service Percentage shall equal the Participant's Entitlement Share;

(2) as of any date of determination, the sum of the Prepayment Percentages and Debt Service Percentages of all Participants shall equal 100%;

(3) as of any date of determination, the sum of the Debt Service Shares of all Participants having Prepayment Percentages that are less than their respective Entitlement Shares shall equal 100%; and

(4) UAMPS shall have absolute and exclusive authority to establish escrow arrangements governing the deposit and disbursement of each Prepayment and to determine and calculate from time to time the Reference Project Costs and the Participant's Prepayment Percentage, Debt Service Percentage and Debt Service Share, and all such determinations and calculations by UAMPS shall be conclusive and binding upon the Participant.

(c) Prior to the issuance of the Bonds and any Additional Bonds or other obligations pursuant to the Financing Documents, UAMPS shall provide the Participant with an estimate of:

(1) the applicable Reference Project Costs; and

(2) the Entitlement Share of the Participant (as then proposed or as then in effect) and the estimated maximum amount of the Prepayment that the Participant may elect to make pursuant to this Section 4.

Reference Project Costs shall be determined by UAMPS in its sole discretion based upon the items of the Cost of the Project to be financed in connection with the issuance of Bonds, Additional Bonds or other obligations under the Financing Documents. The amount of Reference Project Costs shall be determined from time to time so as to provide for a proportional allocation of the Cost of the Project (other than items of the Cost of the Project related solely to the Bonds) between Bond proceeds and Prepayments.

(d) UAMPS will exercise its best efforts to give at least 30 days (but in any event not less than 15 days) written notice to the Participant of the date by which the Participant must elect whether to make a Prepayment. This notice will include the information described in clauses (1) and (2) of paragraph (c). The governing body of the Participant shall then determine whether to make a Prepayment and the amount of the Prepayment. The amount of the Prepayment may be any amount that is less than or equal to the product of the Participant's Entitlement Share (expressed as a decimal) and the Reference Project Costs, and shall be subject to adjustment as

provided in paragraph (g) below. The Participant shall give notice to UAMPS of the determination of its governing body by the date specified in the notice given by UAMPS. 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 Prepayment. After each Participant has notified (or is deemed to have notified) UAMPS of its election regarding a Prepayment, 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.

(e) If the governing body of the Participant elects to make any such Prepayment, the governing body shall find and determine, and the Participant shall certify to UAMPS (in the certificate of the Participant attached hereto as Exhibit V), among other things, that:

(1) the amounts used to make such Prepayment are derived from retained earnings of the Participant's electric enterprise fund, unexpended proceeds of borrowings previously made by the Participant for electric system purposes or other legally available moneys of the Participant; and

(2) the Participant will deposit or has deposited, as applicable, with the Trustee appointed under the Financing Documents, an amount equal to the estimated amount of the Prepayment to be made by the Participant, all in accordance with Prepayment escrow instructions provided by UAMPS.

(f) If the governing body of the Participant elects to make any such Prepayment, UAMPS will then provide the Participant with at least 15 days notice of the date by which the Participant must deposit the amount of the Prepayment into the escrow established by UAMPS. The arrangements for such special escrow account shall provide for the investment of the amount so deposited and for the disbursement of such amount and the investment earnings thereon by the Trustee upon the direction of UAMPS to pay a portion of the Cost of the Project.

(g) The Participant acknowledges and agrees that the estimated amount of the Prepayment to be made by the Participant will be subject to adjustment to reflect the actual cost of the various items included in Reference Project Costs. Not more than 90 days following the date on which UAMPS shall have made a final disbursement of a Prepayment to pay the Cost of the Project (or such later date as may be necessary), UAMPS shall render a final accounting statement to the Participant setting forth a final computation of the amount of the Prepayment, the amount deposited into the special escrow account by the Participant, the investment earnings thereon and the amount disbursed therefrom upon the order of UAMPS, and any additional amount payable by the Participant in respect of the Prepayment or any amount remaining on deposit in the special escrow account to be credited to the Participant or applied in accordance with the provisions of the Financing Documents. The Participant agrees that it will pay any additional amount payable by it in respect of the Prepayment on or before the 15th day following the date on which such final accounting statement was rendered.

(h) Promptly after the issuance of any Additional Bonds or other obligations pursuant to the Financing Documents, UAMPS shall make any necessary recalculations of the Prepayment

Percentage, Debt Service Percentage and the Debt Service Share of the Participant and provide the Participant with a revised form of Schedule I, which shall also set forth the Reference Project Costs. No action by the Board or the Project Management Committee shall be necessary in connection with any such recalculation.

*Section 5. Construction of the Initial Facilities and Additional Facilities.* (a) UAMPS shall use its best efforts to cause the Initial Facilities to be expeditiously and economically acquired and constructed pursuant to the Construction Agreements. UAMPS will diligently defend and protect its rights under the Construction Agreements and will enforce the contractors' obligations under such Agreements.

(b) A general description of the Initial Facilities is attached as Exhibit I. This description will be revised from time to time as the components of the Initial Facilities are designed, engineered, constructed, installed and tested. UAMPS and the Participant agree that in no event will any such revisions alter or affect their respective rights and obligations under this Agreement.

(c) 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.

(d) Upon completion of the Initial Facilities and any Additional Facilities, UAMPS shall submit to the Project Management Committee, a final breakdown of all Costs of the Project.

*Section 6. Operation, Maintenance and Management of the Project.* (a) UAMPS covenants and agrees that it will use its best efforts to operate, maintain and manage the Project or cause the same to be operated, maintained and managed in an efficient and economical manner pursuant to the Operating Agreement in accordance with Prudent Utility Practice for the joint and ratable benefit of all of the Participants. UAMPS agrees with and covenants to the Participant that UAMPS will vigorously enforce and defend its rights under the Project Agreements. The Participant acknowledges and agrees that UAMPS may (as authorized by the Board acting upon the recommendation 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 27(b) hereof, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

(b) The Participant hereby acknowledges and agrees that, in order to promote the efficient and economical utilization of the Project and to fully realize the benefits to the Participants of their joint and cooperative undertaking, it is necessary and desirable that UAMPS control the operation of the Project and schedule and utilize the Project Output in accordance with the Operating and Scheduling Procedures provided for herein, and the Participant hereby authorizes UAMPS to take all actions necessary or desirable in this regard.

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

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

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

(3) All decisions made by the Project Management Committee shall be made by resolution, order or other appropriate action of the Project Management Committee and, before such resolution, order or action of the Project Management Committee shall take effect, the same shall be ratified and approved by resolution, order or action of the Board, acting in accordance with the Joint Action Agreement and the By-Laws 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. The provisions of Sections 11.3, 11.4, 11.5, 13.3 and 13.4 of the Joint Action Agreement respecting such voting procedures and rights, as in effect on the date of this Power Sales Contract, are hereby incorporated into and made a part of this Power Sales Contract. No subsequent amendment to the Joint Action Agreement may affect such incorporated sections for purposes of this Power Sales Contract, unless such amendment is unanimously approved by the respective governing bodies of all Participants.

(d) The Project Management Committee shall:

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

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

(3) 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;

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

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

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

(7) review and approve the Operating and Scheduling Procedures and any Operator of the Project to be appointed by UAMPS;

(8) 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

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

(10) review, recommend and approve any Additional Facilities to the Board;

(11) review, recommend and consult with UAMPS regarding any actions or remedies to be taken by UAMPS under Section 21 or 22 of this Power Sales Contract.

*Section 7. Billing Periods, Billing and Payment.* (a) The initial Billing Period to be used for the preparation, calculation and billing of the amounts payable by the Participant hereunder shall be a Month. In order to promote the efficient and economic administration of the Project, UAMPS may, at any time after the end of the initial Contract Year and from time to time thereafter, adopt another standard period of time as the Billing Period hereunder. In addition to the foregoing, UAMPS may from time to time revise the billing and payment procedures provided for in this Section 7 to promote the efficient and economic administration of the Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS. Any change in the Billing Period or in such billing and payment shall be made in the Annual Budget provided for in Section 13 hereof and shall not be effective for at least 15 days after the mailing of notice of such change in the Billing Period or in the billing and payment procedures to the Participant. At the time of the mailing of such Annual Budget, UAMPS shall send to the Participant a revised form of paragraphs (b) and (c) of this Section 7, 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 7 correspond to the new Billing Period, such changes to become effective on the date the new Billing Period takes effect. The Participant hereby delegates to the Participant's Representative full authority to approve or disapprove and agree or disagree to such changes in the billing procedures on behalf of the Participant. 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 7 in respect of Operation and Maintenance Costs, Wheeling Costs and Debt Service Costs.

(b) For so long as the Billing Period is a Month, on or before the 25th day after the end of each Billing Period beginning with the first Billing Period in the first Contract Year, UAMPS shall render to the Participant a billing statement showing the amount payable by the Participant for such Billing Period in respect of: (1) Operation and Maintenance Costs; (2) Wheeling Costs; (3) Debt Service Costs; and (4) any other amounts, adjustments or reconciliations payable by or credited to such Participant pursuant to this Power Sales Contract or the Financing Documents and not otherwise shown, including items of the Cost of the Project not then or not to be financed by the issuance of Bonds or Prepayments which have theretofore been incurred or are then due and payable by UAMPS. The Participant shall pay the total of such amounts at the time specified in paragraph (c) of this Section 7, 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, Wheeling Costs or other amounts (or to the extent that Debt Service Costs shall have changed as the result of the issuance of Additional Bonds or Refunding Bonds), 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 (4) of this paragraph (b).

(c) Payments required to be paid by the Participant to UAMPS pursuant to this Section 7 shall be due and payable to UAMPS at the principal office of UAMPS, or such other address as UAMPS shall designate in writing to the Participant, on the 15th day following the date on which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to paragraph (a) above.

(d) If payment in full is not made on or before the close of business on the due date, UAMPS shall impose a delayed-payment charge on the unpaid amount due for each day overdue at a rate equal to the lesser of one percent per month, compounded monthly, or the maximum rate lawfully payable by the Participant; *provided, however*, that UAMPS, acting upon the direction of the Board, may elect to waive such delayed-payment charge but only to the extent that any such waiver will not adversely affect the ability of UAMPS to meet its payment obligations under the Project Agreements or the Financing Documents. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

(e) In the event of any dispute as to any portion of the billing statement for such Billing Period, the Participant shall nevertheless pay the full amount of the disputed charges when due

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

(f) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance Costs and Wheeling Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of this Power Sales Contract and the Project Agreements. The Participant shall pay all such amounts pursuant to this Section 7.

(g) The obligation of the Participant to make the payments under this Section 7 for Operation and Maintenance Costs, Wheeling Costs, Debt Service Costs and other amounts payable by the Participant pursuant to this Section 7 is a several obligation and not a joint obligation with those of any other Participant. The obligation of the Participant to make the payments under this Section 7 shall constitute an obligation of the Participant and an operating expense of the Participant's electric system payable solely from the revenues and other available funds of the electric system and shall constitute a cost of purchased Electric Power and Electric Energy. Such payments shall be made whether or not the Project or any portion thereof is acquired, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Project Output, or any termination of any of the Project Agreements, for any reason whatsoever, in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by UAMPS under this or any other agreement or instrument.

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

(i) In the event that the failure of a Participant to make its payments in accordance with its Power Sales Contract shall have resulted in the application of amounts in any reserve or working capital funds for the Project, any amounts thereafter paid to UAMPS, including delayed-payment and interest charges, by such defaulting Participant in respect of past due

payments (1) shall be used to replenish such fund or (2) 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 8. Scheduling of Electric Energy; Coordination with UAMPS Pool.* (a) From and after the Date of Commercial Operation of the Project, the Participant shall be entitled to use pursuant to this Section 8 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 its best 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 9. Point of Delivery; Metering; Reactive Power.* (a) In accordance with the Transmission Agreements, Electric Energy delivered to the Participant pursuant to Section 8 of this Power Sales Contract will be delivered at the Participant's Point of Delivery and the Participant shall pay its share of Wheeling Costs as determined by UAMPS. As indicated on Exhibit I, the Project will be initially interconnected to the transmission facilities of SUVPS. Through its Transmission Agreement with PacifiCorp (or its successor as the control area utility), UAMPS will provide for the displacement of the Electric Energy allocable to the Participant's Entitlement Share to the Mona Substation (or elsewhere) for transmission to the Participant's Point of Delivery.

(b) The Participant shall be responsible for the delivery of Electric Energy from its Point of Delivery to the Participant's electric system and the payment of all costs of such delivery.

(c) UAMPS will install, maintain and operate metering equipment necessary to measure at the Participant's Point of Delivery the Participant's load, power factor and such other data as shall be necessary to enable UAMPS to meet its obligations hereunder. At least once in each Contract Year, UAMPS or its designee will make or cause to be made such tests and inspections of the metering equipment as may be necessary to maintain them at standards of accuracy consistent with Prudent Utility Practice. UAMPS shall provide the Participant with reasonable notice of the date and time of such tests and inspections and shall permit representatives of the Participant to be present when such tests and inspections are being made. UAMPS shall provide the Participant with the results of such tests and inspections.

(d) From and after the Date of Commercial Operation of the Project, the Participant shall be obligated to maintain an appropriate power factor at the Participant's Point of Delivery consistent with the provisions of the Transmission Agreements. Should the power factor, as metered at such Point of Delivery, 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.

*Section 10. 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 otherwise; or (c) the transmission of Electric Energy from the Project is interrupted or curtailed by the control area utility, SUVPS 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 its best efforts to make arrangements to serve the Participant's load through other projects of UAMPS or the UAMPS Pool. UAMPS will also use its best 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 11. 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 7 hereof 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 its Entitlement Share.

*Section 12. Insurance.* UAMPS shall maintain, or during the construction of the Initial Facilities shall cause the EPC Contractor to maintain, in force, as part of the Cost of the Project 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 Prudent Utility Practice and to the extent available at reasonable cost, but in no case less than will satisfy applicable regulatory requirements and requirements of the Financing Documents.

*Section 13. 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, Wheeling 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 electric enterprise fund.

(b) At the end of each quarter during each Contract Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget of Operation and Maintenance Costs, Wheeling 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, Wheeling Costs and Debt Service Costs, UAMPS shall prepare and provide to the Participant's Representative a revised Annual Budget, recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget. The revised Annual Budget and any written materials that accompany it shall specifically identify the changes from the Annual Budget that was previously in effect.

(c) UAMPS agrees that it will, 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 the Project, Reference Project Costs, Operation and Maintenance Costs, Wheeling Costs and Debt Service Costs in accordance with the Financing Documents and the Uniform System of Accounts, separate and distinct from its other records and accounts; *provided* that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records adequate to show the amounts in each of

such funds allocable to each such Project. Said accounts shall be audited annually by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by UAMPS. A copy of each annual audit, including all written comments and recommendations of such accountants, approved by the Members shall be furnished by UAMPS to the Participant not later than 180 days after the end of each Contract Year.

*Section 14. 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 12 hereof; and
- (5) such other information and documents with respect to the Project as the Participant may reasonably request from time to time.

(b) The Participant acknowledges that the ability of UAMPS to sell the Bonds depends upon, among other things, the credit standing of the Participants and their electric systems and that it will be necessary for UAMPS to provide certain information with respect to the Participants and their electric systems in connection with the sale of the Bonds (whether or not the Participant is making a Prepayment). 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.

(c) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) concurrently with its execution and delivery of this Power Sales Contract and 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 electric enterprise fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the accountants making such audit, and (B) the information and documents described in Exhibit II attached hereto, and (2) such other information and documents as UAMPS may reasonably request from time to time.

UAMPS acknowledges that disclosure to third parties of the information and documents described in Exhibit II and other information provided to UAMPS by the Participant pursuant to this paragraph (c) could cause immediate and substantial financial and commercial harm to the Participant. UAMPS agrees to take all actions necessary on its part to classify such information and documents as “protected records” within the meaning of the Government Records Access and Management Act, Title 63, Chapter 2, Utah Code Annotated 1953, as amended (“GRAMA”). Such classification shall be based upon, among other things, the immediate and substantial financial and commercial harm that would be suffered by the Participant and UAMPS as a result of the disclosure of such information and documents to actual or potential competitors. UAMPS agrees that it will use its best efforts, to the extent permitted by GRAMA, to avoid disclosing to any person the commercial information contained in such information and documents. In the event that UAMPS receives a request for disclosure of the material described in this paragraph, UAMPS agrees that it will immediately notify the Participant and afford it an opportunity to contest any disclosure of the same.

(d) Concurrently with its execution and delivery of this Power Sales Contract, the Participant shall deliver to UAMPS (1) a certificate, executed by the Mayor or other executive officer of the Participant and the City Recorder, Town Clerk or Secretary of the Participant, as applicable, and Participant’s Representative, together with attached exhibits, in substantially the form attached hereto as Exhibit III and (2) an opinion of counsel to the Participant, in substantially the form attached hereto as Exhibit V. Concurrently with each issuance of Bonds by UAMPS, the Participant shall deliver to UAMPS (1) a bring-down certificate executed by the Mayor or other executive officer of the Participant and the City Recorder, Town Clerk or Secretary of the Participant, in substantially the form attached hereto as Exhibit IV, and (2) a bring-down opinion of counsel to the Participant, in substantially the form attached hereto as EXHIBIT VI.

*Section 15. 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 paying the Cost of the Project, including the cost of any Additional Facilities. UAMPS may incur other obligations pursuant to the Financing Documents to achieve purposes deemed beneficial to the Project.

(b) Any Additional Bonds shall be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 7 of this Power Sales Contract, 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. Any Additional Bonds issued in accordance with the provisions of this Section 15 shall rank on a parity as to the security provided by this Power Sales Contract with all Bonds previously issued.

(c) In the event Debt Service Costs may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of UAMPS, to refund any Bonds, UAMPS may issue and sell Refunding Bonds in accordance with the Financing Documents. Any such Refunding Bonds may be secured by the pledge made pursuant

to the Financing Documents of the payments required to be made by the Participant under Section 7 of this Power Sales Contract and of other revenues of UAMPS attributable to the Project. Any Refunding Bonds issued in accordance with the provisions of this Section 15 and secured by the pledge of such payments and such revenues shall rank *pari passu* as to the security afforded by the provisions of this Power Sales Contract with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of this Power Sales Contract.

*Section 16. Disposition or Termination of the Project.* Except as provided in Section 22(c) and this Section 16, UAMPS shall not sell, lease or otherwise dispose of the Project or any substantial part of the Project without the consent of all of the Participants. Subject to the provisions of the Financing Documents, this Section 16 shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS. Subject to the applicable provisions of the Project Agreements, if the Project shall be terminated, UAMPS shall use its best 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 associated therewith. Such accounting statements shall continue for such Billing Periods until the Project has been salvaged, discontinued or finally disposed of hereunder and provision for the payment of the Bonds has been made in accordance with the Financing Documents, 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 (including cost of fuel), maintenance of and renewals and replacements to the Project.

*Section 17. Participant Covenants.* The Participant covenants 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 Power Sales Contract, to pay all other operating expenses of the Participant's electric system and to provide revenues sufficient to enable the Participant to keep its electric system in good working order, and to pay all obligations of the Participant payable from, or constituting a charge or lien on, the revenues of its electric system and, to the extent being paid from the revenues of its electric system, all general obligation bonds of the Participant now or hereafter outstanding.

If the Participant establishes or maintains an Integrated Utility System, it shall maintain its rates for the services provided to the customers of its Integrated Utility System so that such rates shall provide revenues, which, together with other funds estimated to be available, will be sufficient to meet the Participant's obligations to UAMPS under this Power Sales Contract, and all other operating expenses of the Participant's Integrated Utility System, and to pay all obligations payable from, or constituting a charge or lien on, the revenues of its Integrated Utility System.

(b) *Maintenance of Revenues.* The Participant shall at all times comply with all terms, covenants and provisions of all Utility Contracts to which it is a party. The Participant shall promptly collect all charges due for Electric Power and Electric Energy supplied by the Participant as the same become due. The Participant shall at all times maintain and promptly and vigorously enforce its rights against any person, customer or other entity that does not pay such charges when due.

The Participant shall not hereafter (1) enter into any contract pursuant to which the Participant will be obligated to take or pay for Electric Power and Electric Energy or for transmission service furnished to the Participant, in either case on a basis substantially similar to the provisions contained in Section 7(g) of this Power Sales Contract, or (2) grant any franchise for competing electric service within its service area, except upon 90 days' prior notice to UAMPS and delivery to UAMPS of a certificate and report from a Qualified Independent Engineer or a written determination by the governing body of the Participant in each case to the effect that the performance by the Participant of its obligations under such contract or the granting of such franchise, as applicable, will not adversely affect the ability of the Participant to meet its obligations under this Power Sales Contract. The provisions of this paragraph shall not apply to (x) any contract between the Participant and UAMPS or (y) any franchises or similar arrangements required by state or federal law as a part of a comprehensive restructuring of the electric industry.

To the extent permitted by law and except as otherwise permitted by the preceding paragraph and paragraph (g) below, the Participant shall vigorously defend and enforce its exclusive right to provide electric distribution services within its service area.

(c) *Sale or Assignment of Electric System or Power Sales Contract.* The Participant shall not sell, lease or otherwise dispose of all or substantially all of its electric system, nor shall the Participant assign all or any part of its Entitlement Share or any or all of its interests under this Power Sales Contract, except upon one hundred twenty (120) days' prior written notice to UAMPS. Within forty-five 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 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 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 assigning Participant's Entitlement Share 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 connection with and as a condition of any sale, assignment or other disposition referred to in the preceding paragraph, UAMPS shall require the Participant and its purchaser, assignee or lessee to satisfy the following conditions: (1) at the sole option of UAMPS either (A) the purchaser, assignee or lessee shall assume all obligations of the Participant under this Power Sales 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, assignee or lessee shall enter into an agreement supplemental to this Power Sales Contract to clarify the terms upon which the Participant's Entitlement Share is to be sold hereunder by UAMPS to such purchaser, assignee or lessee; or (B) such purchaser, assignee or lessee 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 is this Power Sales Contract; (2) the senior debt, if any, of such purchaser, assignee or lessee, if such purchaser, assignee or lessee is not a Participant shall be rated by at least one nationally recognized bond rating agency in a category generally recognized to be "investment grade"; (3) UAMPS 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 (4) UAMPS shall have received an opinion of nationally recognized bond counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the tax exempt status of interest on any of the Bonds (theretofore issued or thereafter to be issued as tax exempt obligations). UAMPS shall make the determinations required by this paragraph (c) within one hundred twenty (120) days of receipt by UAMPS of the notice referred to in the first sentence of this paragraph (c) 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 paragraph (c), UAMPS may request as additional security to preserve the flow of revenues under this Power Sales Contract, and the selling, leasing or disposing Participant shall provide the funds necessary to establish, an escrow deposit equivalent to the sum of (1) the product of the Participant's Debt Service Share (expressed as a decimal) and Debt Service Costs plus (2) the product of the Participant's Entitlement Share and the sum of the estimated Operation and Maintenance Costs and Wheeling Costs, all for the balance of the term of this Power Sales Contract. Every five years, after the establishment of such escrow deposit, UAMPS will release to the Participant such of the funds in the escrow equivalent to those paid to UAMPS by the Participant's purchaser, assignee or lessee during such previous five years.

(d) *Prudent Utility Practice.* The Participant shall, in accordance with Prudent Utility Practice, (1) at all times operate its electric system or Integrated Utility System and the business thereof in an efficient manner, (2) maintain its electric system or

Integrated Utility System in good repair, working order and condition, and (3) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the electric system or Integrated Utility System, so that at all times the business thereof shall be properly conducted.

(e) *Operating Expenses.* UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to this Power Sales Contract (1) will be treated as a cost of purchased electric power and energy and as an operating expenses of the Participant's electric system or Integrated Utility System and (2) will be payable as an operation and maintenance expense of, and (together with all other operation and maintenance expenses) as a first charge on the revenues derived from the operation of, its electric system or Integrated Utility System, prior to payment of any debt service payable from such revenues. The Participant hereby covenants to and agrees with UAMPS that it will use its best efforts to include the payments to be made by it under this Power Sales Contract as a cost of purchased power and as an operation and maintenance expense in the annual operating budgets of its electric system or Integrated Utility System and in any resolution, ordinance or indenture providing for future borrowings for the Participant's electric system or Integrated Utility System.

(f) *Tax Status.* (1) The Participant shall not use or permit to be used any of the Electric Energy acquired under this Power Sales Contract or operate its system in any manner or for any purpose or take or omit to take any action which could, either alone or in conjunction with any other similar actions by the Participant or other Participants, result in loss of the exclusion from gross income for federal income tax purposes of the interest on any Bond or Bonds theretofore issued or thereafter issuable by UAMPS as tax exempt obligations pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and applicable regulations and rulings thereunder.

(2) At the time of execution of this Power Sales Contract the Participant has no contracts and has no current expectation of entering into any contracts whereby any person, corporation, partnership or other non-governmental entity agrees to purchase electric service from the Participant on a basis different from that on which the Participant provides electric service to the public generally, except as shown on Exhibit III hereto. At least sixty (60) days prior to entering into any contract whereby any person, corporation, partnership or other nongovernmental entity agrees to purchase electric service from the Participant on a basis different from that on which the Participant provides electric service to the public generally, the Participant shall notify UAMPS of its intent to enter into such contract and provide copies of such contract to UAMPS. Within sixty (60) days after receipt of such notice, UAMPS shall advise the Participant as to whether, in the opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by UAMPS, the entering into of such contract would result in a violation of the covenant in clause (1) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant. Any determination by UAMPS that any such contract would violate the covenant set forth in clause (1) above shall be made by UAMPS based upon such opinion of counsel and such other reports as UAMPS deems necessary. In the event that allocations are

necessary to determine whether entering into any such contract violates the covenant set forth in clause (1) above, UAMPS shall make such allocations, in its sole discretion, after receipt of an opinion of counsel of recognized standing in the field of law relating to municipal bonds selected by UAMPS and other reports necessary in connection therewith and paid for by the Participant.

(g) *Electric Utility Restructuring.* In the event that federal or state legislation is enacted that requires or permits the Participant to provide direct access to the consumers now served by its electric utility system by competing suppliers of electric service, the Participant covenants and agrees with UAMPS that it will take all actions permitted on its part by such legislation to preserve and protect the operating and financial integrity of its system. To the extent permitted by law, the Participant will (1) establish and collect such transition charges and charges for the distribution and other services it continues to provide after the enactment of such electric utility restructuring legislation that will enable it to meet its obligations to UAMPS under this Power Sales Contract and (2) include in such transition charges its costs under this Power Sales Contract.

*Section 18. Reserve and Contingency Fund.* (a) In addition to various funds and accounts established under the Financing Documents, UAMPS shall 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 of the Project, renewals, repairs, replacements, additions or betterments of or to any items included in the Project or the cost of any Additional Facilities.

(b) UAMPS may include in the Annual Budget adopted pursuant to Section 13 hereof 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. The aggregate amount to be billed to the Participants as an item of Operation and Maintenance Costs for deposit into the Reserve and Contingency Fund in any Contract Year shall not exceed twenty percent (20%) of the total budgeted Operation and Maintenance Costs of the Project for such Contract Year. The total amount on deposit in the Reserve and Contingency Fund shall not exceed one year’s average Operation and Maintenance Costs of the Project.

*Section 19. Pledge of Payments.* All payments required to be made by the Participant pursuant to the provisions of Section 7, together with other revenues of UAMPS attributable to the Project may be pledged by UAMPS pursuant to the Financing Documents to secure the payment of Bonds.

*Section 20. 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 21. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service.* (a) In the event of any default referred to in Section 20, 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 Power Sales Contract against the Participant.

(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.

*Section 22. Transfer of Entitlement Share Following Default; Other Actions by UAMPS.* 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 22 are intended to provide a means to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract 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 22 are reasonable and necessary in order for them to achieve the benefits of their joint and cooperative undertaking with respect to the Project.

(a) In the event of a default by any Participant and discontinuance of service pursuant to Section 21 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 Prepayment 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 Prepayment 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 Prepayment 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 22 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) above, 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 pursuant to clause (A) of subparagraph (2) above. 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 pursuant to subparagraph (2) above, with there being reallocated to each such Participant the unallocated portion of the defaulting Participant's Entitlement Share that is equal to the quotient that is obtained by dividing the product of the unallocated portion of the defaulting Participant's Entitlement Share and the nondefaulting Participant's Entitlement Share by the sum of the Entitlement Shares of all of such nondefaulting Participants. 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 25% over its original Entitlement Share set forth on Schedule I. In the event that this limitation affects any of the nondefaulting Participants to which a mandatory reallocation is being made, UAMPS shall proportionally reduce the mandatory reallocations to all other nondefaulting Participants.

(4) UAMPS shall, at the time of each allocation or reallocation of a defaulting Participant's Entitlement Share pursuant to this paragraph (a), proportionally allocate or reallocate, as the case may be, the Prepayment Percentage and the Debt Service Percentage of the defaulting Participant to the nondefaulting Participants which receive an allocation or reallocation of the defaulting Participant's Entitlement Share. The Prepayment Percentage and the Debt Service Percentage of the defaulting Participant shall be allocated to each of such nondefaulting Participants in respective amounts equal to the quotient that is obtained by dividing the product of the defaulting Participant's Prepayment Percentage or Debt Service Percentage, as the case may be, and the nondefaulting Participant's Entitlement Share by the sum of the Entitlement Shares of all of the nondefaulting Participants to which such allocation or reallocation is being made, with the Prepayment Percentage, Debt Service Percentage and all Entitlement Shares being expressed as decimals for purposes of such computation. The standards set forth in Section 4(b) of this Power Sales Contract shall apply to the foregoing computations.

(5) UAMPS shall deliver, promptly after making the determinations and reallocations required by this paragraph (a), 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, Prepayment Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants as a result of the reallocation provided for under subparagraph (3) above. The Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares shown on such revised Schedule I shall thereafter be the Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants; *provided, however*, that if less than all of the defaulting Participant's Entitlement Share shall have been optionally retained or accepted pursuant to this paragraph (a), such revised Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares shall remain in effect until the completion of the procedures provided for in this Section 22.

(6) Any portion of the Entitlement Share of a defaulting Participant transferred pursuant to this paragraph (a) 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 22.

(7) In the event that a defaulting Participant has made a Prepayment, UAMPS shall calculate the net depreciated amount of such Prepayment as of the date of the Participant's default. The net depreciated amount of such Prepayment as of such date shall be calculated utilizing a depreciation schedule comparable to the amortization schedule for the principal of the Bonds. UAMPS shall, prior to the expiration of the term of the Power Sales Contracts under Section 2 above, repay such net depreciated amount, less any unrecovered costs or expenses of UAMPS resulting from the default, to the defaulting Participant, without interest, from the amounts, if any, on deposit in the Surplus Fund established under the Financing Documents. UAMPS may, but shall not be obligated to, repay all or any part of such net depreciated amount prior to the final payment of all of the Bonds.

(b) In the event that any portion of a defaulting Participant's Entitlement Share shall have been mandatorily reallocated to nondefaulting Participants pursuant to paragraph (a)(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 its best 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 (b) 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.

(c) In the event that UAMPS is unable to sell or dispose of any portion of the defaulting Participant's Entitlement Share pursuant to paragraph (b) above within 180 days of commencing its best 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 nationally recognized 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 7 hereof 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.

(d) 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 (b) and (c) 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, Prepayment 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, Wheeling 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 22, UAMPS shall prepare and send to each of the Participants a final revised Schedule I, setting forth the Entitlement Shares, the Prepayment Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants after the procedures and actions provided for in this Section 22.

*Section 23. 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 24. Default by UAMPS.* 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.

*Section 25. 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 26. 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 27. 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 its best 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 28. 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 Prepayments, become part of Operation and Maintenance Costs.

*Section 29. 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 22 hereof;

(3) UAMPS may assign this Power Sales Contract to any successor of UAMPS or to the Participants as contemplated by Section 2 hereof;

(4) 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;

(5) the Participant shall assign the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool as provided in Section 8(b) hereof; and

(6) subject to the provisions of Section 17 hereof, 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 30. 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. This Power Sales Contract shall terminate in the event that no Bonds or Bond Anticipation Notes are issued by UAMPS by June 30, 2003; *provided, however*, that this Power Sales Contract shall not terminate until UAMPS shall have made a final accounting for, and all shall have recovered from the Participants, all of its excess costs and expenses related to its investigation and development of the Project.

(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) 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 7 or of any of the Exhibits attached hereto, UAMPS shall promptly provide a copy of the revision or amendment to the Participant.

*Section 31. Notices and Computation of Time.* Any notice or demand by the Participant to UAMPS under this Power Sales Contract shall be deemed properly given if mailed postage prepaid and addressed to UAMPS at its principal office or if telecopied to UAMPS with receipt confirmed, followed by a written copy of such notice or demand mailed to UAMPS postage prepaid; any notice or demand by UAMPS to the Participant under this Power Sales Contract shall be deemed properly given if mailed postage prepaid and addressed to the Participant's Representative at his address on file with UAMPS or if telecopied to the Participant's Representative with receipt confirmed, followed by a written copy of such notice or demand mailed to the Participant's Representative postage prepaid. In computing any period of time from such notice, such period shall commence at noon, Salt Lake City time, on the date mailed or telecopied, as applicable. The designations of the name and address to which any such notice or demand is directed may be changed at any time and from time to time by either party giving notice as above provided.

*Section 32. 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.

*Section 33. 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 34. Applicable Law; Construction.* 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.

*Section 35. 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.

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.

{PARTICIPANT}

By: \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Title: \_\_\_\_\_

UTAH ASSOCIATED MUNICIPAL POWER  
SYSTEMS

By: \_\_\_\_\_  
Chairman

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Secretary

**SCHEDULE I<sup>†</sup>**

**SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES, PREPAYMENT PERCENTAGES, DEBT SERVICE PERCENTAGES AND DEBT SERVICE SHARES**

PARTICIPANT	TOTAL KW AMOUNT	TOTAL ENTITLEMENT SHARE	TOTAL PREPAYMENT PERCENTAGE	REVISED DEBT SERVICE PERCENTAGE	REVISED DEBT SERVICE SHARES
Ephraim	1,095	0.9777%	0.0835%	0.8942%	0.9458%
Fairview	88	0.0786	0.0000	0.0786	0.0831
Hurricane	9,412	8.4036	0.5722	7.8314	8.2832
Hyrum	2,291	2.0455	0.1210	1.9245	2.0355
Kaysville	18,288	16.3287	1.5076	14.8211	15.6761
Lehi	17,172	15.3316	0.8201	14.5115	15.3488
Logan	14,472	12.9223	1.1931	11.7292	12.4059
Monroe	506	0.4518	0.0000	0.4518	0.4779
Mt. Pleasant	405	0.3614	0.0000	0.3614	0.3822
Payson*	9,039	8.0702	0.0000	8.0702	8.5359
Santa Clara	2,195	1.9599	0.4897	1.4702	1.5550
Spring City	91	0.0812	0.0075	0.0737	0.0780
Springville	20,241	18.0723	0.0000	18.0723	19.1149
SESD	6,177	5.5152	0.3579	5.1573	5.4548
TDPUD*	4,118	3.6768	0.0000	3.6768	3.8888
Washington	6,410	5.7232	0.3019	5.4213	5.7341
TOTAL	112,000	100.0000%	5.4545%	94.5455%	100.0000%

<sup>†</sup> Prepayment Percentage, Debt Service Percentage and Debt Service Shares have been calculated based upon Reference Project Costs of \$97,167,483, determined as of March 18, 2003, the issue date of the \$100,850,000 Payson Power Project Revenue Bonds, 2003 Series A.

\* Reflects the absolute assignment by Payson of a portion of its Entitlement Share, Debt Service Percentage and Debt Service Share to TDPUD pursuant to the Absolute Assignment and Lay Off Power Sales Agreement, dated as of December 1, 2009, among UAMPS, Payson and TDPUD.

\*\* Columns may not precisely total due to rounding.

## **EXHIBIT I**

### **DESCRIPTION OF THE INITIAL FACILITIES**

The following description is intentionally broad in scope and general in terms. UAMPS and the Participants acknowledge and agree that changes and revisions to this description will need to be made during the design, engineering, construction and testing of the Initial Facilities. This description will be revised from time to time by UAMPS as necessary to reflect the actual components comprising the Initial Facilities and will be submitted to the Project Management Committee for final approval promptly after the Date of Commercial Operation.

#### **COMBUSTION TURBINE, HRSG AND STEAM TURBINE**

General Electric 7EA combustion turbine capable of producing 67 MW of power at 98°F, a duct-fired heat recovery steam generator (HRSG) and a 75 MW dual-pressure steam turbine, to provide a nominal (peak site temperature of 98°F, duct burners and chillers in service) combined cycle generating capacity of 140.5 MW (gross; estimated net capability is 137 MW). The gas turbines and duct burners will be fueled solely by natural gas. Normal operation is expected to consist of the combustion turbine, HRSG and steam turbine operating in combined cycle mode with varying amounts of supplemental firing. The units are capable of operating continuously (except during maintenance and repair activities), but may be operated only when market prices are higher than production costs. The combustion turbine will be housed in an acoustical enclosure to reduce exterior sound levels. The enclosure will have its own ventilation, gas and fire detection, and fire suppression systems.

Natural gas will be supplied via a 3.5-mile lateral connection from a designated gate on an existing Questar interstate pipeline near the project.

#### **PROCESS DESCRIPTION**

Ambient air will be drawn through air filtration and cooling intake structures into the inlet compressor section of the turbine, mixed with natural gas and burned in the combustors, which then exhaust the hot gases through rows of stationary vanes and rotating blades. These hot exhaust gases will turn the turbine and drive a generator to produce electric power. The General Electric 7EA combustion turbine-generator is capable of producing 67 MW of electricity at 60 hertz at an ambient temperature of 98°F with inlet cooling. Higher output is available at lower ambient temperatures.

The exhaust gases from the combustion turbine will then pass through the HRSG, where boiler feed water will be converted to steam. The HRSG will be equipped with duct burners to provide additional steam to generate electricity during periods of peak demand. The steam from the HRSG is used to drive a steam turbine that is capable of producing 75 MW of electricity at 60 hertz. The design exhaust temperature for the HRSG will be 180°F, varying with turbine condition, ambient temperature and operational load.

## AUXILIARY EQUIPMENT

Utility water and treated wastewater will be supplied by Payson City. Average consumption is expected to be about 1.5 million gallons per day. Raw water will be demineralized through an on-site water treatment system and stored in aboveground tanks. The demineralized water will be routed to the HRSG for steam production. After passing through the steam turbine, steam is condensed using water from the on-site cooling tower and cycled back to the HRSG.

Routine water treatment chemicals will be utilized in the cooling tower to promote efficient operation. The water is not anticipated to come into contact with gaseous or liquid process streams containing carbon, sulfur, or halogen compounds, cyanide compounds, inorganic acids or acid gases. Blowdown from the cooling towers will be returned to the discharge side of the Payson City sewage treatment plant and released under permit.

## EMISSION CONTROLS

Advanced combustion controls, along with natural gas firing, will be employed to reduce emissions of CO, SO<sub>2</sub> and PM<sub>10</sub> (natural gas combustion produces only negligible quantities of SO<sub>2</sub> and PM<sub>10</sub>). Dry low-NO<sub>x</sub> (DLN) technology, coupled with a selective catalytic reduction (SCR) system, will be used to further reduce NO<sub>x</sub> emissions to approximately 5.0 ppmvd (parts per million by volume dry), corrected to 15% oxygen for natural gas firing.

Combustion emissions from the turbine and duct burners will vent to the HRSG and from there to the SCR.

The operation of the SCR involves the injection of aqueous ammonia into the exhaust gas stream ahead of a catalyst bed. Aqueous ammonia will arrive on site via tank truck. The truck will be off-loaded into pressure vessels for storage. The aqueous ammonia will be injected through a series of nozzles into the exhaust gas stream.

## TRANSMISSION FACILITIES

The Project site is approximately 8.5 miles southwest of the Dry Creek Substation that is now being constructed by Southern Utah Valley Power Systems (SUVPS). Intermountain Consumer Professional Engineers (ICPE) studies concluded that interconnection could most economically be achieved by constructing a new 138 kV line from the Project substation to the Dry Creek Substation and by constructing a new 46 kV line between the Project and SUVPS' Taylor Switch Substation. Most of the new transmission lines will run along either railroad right of way or existing transmission right of way.

All or part of these transmission facilities may be included directly within the Project (and owned and financed by UAMPS) or may be undertaken pursuant to contractual arrangements between UAMPS, SUVPS and other utilities.

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**

TYPE OF CUSTOMER	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 14(c) of the Power Sales Contract, UAMPS has agreed to classify the information provided by the Participant on this Exhibit II as a "protected record". The Participant must also take any actions necessary on its part to appropriately classify and protect the information provided in this Exhibit.

**CUSTOMER SALES BY CLASS**

Total sales to your customers \_\_\_\_\_ kWh.

Revenues from energy sales to your customers in \$\_\_\_\_\_.

	2000-2001 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.



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 now owns and operates a local electric utility system (the “*System*”) and furnishes electric energy to all persons desiring such service within its service area. The electric energy to be provided by its Entitlement Share in the Project (each as defined in the Power Sales Contract) will be used by the Participant to provide electric service within its service area. There is attached hereto as *Exhibit C* a true, correct and complete copy of the rates, fees and charges now in effect for the electric services provided by the System.

8. By resolutions heretofore duly adopted by the Governing Body, the Participant has duly authorized, executed and delivered the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of February 17, 1999 and all amendments thereof and supplements thereto (the “*UAMPS Joint Action Agreement*”) and that certain Power Pooling Agreement (the “*Pooling Agreement*”) between the Participant and UAMPS relating the power pool administered by UAMPS for the benefit of its members (the “*UAMPS Power Pool*”) and the UAMPS Joint Action Agreement and the Pooling Agreement constitute the legal, valid and binding agreements of the Participant.

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

10. Prior to the adoption of the Contract Resolution and the execution of the Power Sales Contract, the Governing Body determined the needs of the Participant for electric power and energy based on engineering studies and reports and considered, among other things, the following: (a) the economies and efficiencies of scale to be achieved through the acquisition and construction by UAMPS of the Project for the benefit of the Participant and the other members of UAMPS participating in the Project, (b) the need of the Participant for the electric energy represented by its Entitlement Share in the Project to meet its current requirements and to provide reserves and peaking capacity, (c) the estimated useful life of the Project, (d) the estimated time necessary for the acquisition and construction of the Project and the length of time in advance necessary to obtain, acquire or construct an additional or alternative power supply, (e) the reliability and availability of the Participant’s existing power supply sources, the Project and alternative power supply sources and the cost or estimated cost thereof, and (f) all such other matters as were deemed necessary or appropriate by the Participant as a basis for and in connection with its authorization and execution of the Power Sales Contract.

11. The Participant has requested UAMPS to acquire and construct the Project on its behalf in order to provide electric energy needed by the Participant to serve the customers of the System.

12. Except as listed on Exhibit D, the Participant has no outstanding bonds, notes or other evidences of indebtedness, or agreements to take or pay for power and energy, payable from any revenues of the System, other than the Power Sales Contract.

13. The payments to be made by the Participant to UAMPS under the Power Sales Contract will constitute operating expenses of the System and a cost of purchased electric energy.

14. There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or administrative body pending or, to the best of our knowledge threatened, against the Participant which (a) challenges, contests or questions the due and regular adoption of the Contract Resolution or the validity thereof affects or seeks to prohibit, restrain or enjoin the Participant from complying with the obligations contained in the Power Sales Contract, including the payment obligations to UAMPS contained therein, (b) in any way affects or questions the validity or enforceability of the UAMPS Joint Action Agreement or the Power Sales Contract, nor, to the best of our knowledge, is there any basis therefor, (c) challenges or affects the corporate existence of the Participant or the titles of its officers to their respective offices, (d) seeks to prohibit, restrain or enjoin the collection of revenues from the System to be used to make payments to UAMPS under the Power Sales Contract, and (e) involves any of the property or assets of the Participant which involves the possibility of any judgment or liability, not fully covered by insurance, which may result in any material adverse change in the business, properties, assets or in the condition, financial or otherwise, of the System.

15. (a) The payments to be made to UAMPS by the Participant pursuant to the Power Sales Contract will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in a trade or business carried on by any person other than a state or local governmental unit or (B) payments in respect of such property, or (ii) derived from payments (whether or not by or to the Participant), in respect of property, or borrowed money, used or to be used in a trade or business carried on by any person other than a state or local governmental unit.

(b) No user of the System will use the System on any basis other than the same basis as the general public; and no person other than a state or local governmental unit will be a user of the System as a result of (i) ownership, or (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

16. The information provided by the Participant to UAMPS pursuant to Section 13(c) of the Power Sales Contract and attached as Exhibit II thereto with respect to the Participant and the System is true, correct and complete. The Participant had duly authorized UAMPS to use information in connection with the preparation of an official statement of UAMPS with respect to the bonds to be issued to provide financing for the initial costs of acquisition and construction of the Project and to provide such information to interested parties.

Dated: \_\_\_\_\_.

[PARTICIPANT]

By  
[Executive Officer]

By  
[Clerk/Recorder/Secretary]

[Seal]

**EXHIBIT A**

[Attach Copy of Power Sales Contract]

**EXHIBIT B**

[Attach Copy of Contract Resolution]

**EXHIBIT C**

[Attach Copy of Resolution or Ordinance Establishing Rates]

## EXHIBIT D

[Attach Schedule of Bonds, Notes, Contracts, Etc.]

- [(a) list outstanding bond issues of the Participant secured by the revenues of the System;
- (b) the Power Sales Contract, dated as of June 1, 1982 as amended, between UAMPS and the Participant, relating to the Hunter Steam Electric Generating Unit No. II;
- (c) the Power Sales Contract, dated as of September 28, 1978, as amended, between Intermountain Power Agency (“IPA”) and the Participant, relating to the Intermountain Power Project;
- (d) the Lay-Off Power Purchase Contract, dated as of February 1, 1983, among Utah Power & Light Company, IPA and the Participant, relating to the Intermountain Power Project;
- (e) the Transmission Service Contract for the Western Colorado-Bonanza Transmission Project and the Bonanza-Mona Transmission Project, dated as of January 20, 1989, between UAMPS and the Participant;
- (f) the Transmission Service Agreement for the Central-St. George 138 kV Transmission Project, dated July \_\_, 1989 as amended and supplemented, between UAMPS and the Participant;
- (g) the San Juan Project Power Sales Contract, dated as of July 1, 1993, between UAMPS and the Participant; and
- (h) the Master Firm Power Sales Agreement, dated as of June 16, 1999 and Transaction Schedule No. 1 thereunder, between UAMPS and the Participant.]



[PARTICIPANT]

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

By \_\_\_\_\_  
Its \_\_\_\_\_

## EXHIBIT V

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Utah Associated Municipal Power Systems  
2825 East Cottonwood Parkway, Suite 200  
Salt Lake City, Utah 84121

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the "*Participant*") as a purchaser of electric energy under a Power Sales Contract, dated as of \_\_\_\_\_ 1, 2002 (the "*Power Sales Contract*"), between the Participant and Utah Associated Municipal Power Systems ("*UAMPS*"), and in connection with the matters referred to herein. Pursuant to the Power Sales Contract, UAMPS will, for the benefit of the Participant and certain other members of UAMPS that have executed Power Sales Contracts with UAMPS, exercise its best efforts to expeditiously and economically acquire and construct the Project. Capitalized terms used and not defined herein have the meanings assigned to such terms in the Power Sales Contract.

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

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

1. The Participant is a municipal corporation and/or political subdivision of the State of \_\_\_\_\_ (the "*State*"), duly created, organized and existing under the laws of the State and duly qualified to own, operate and furnish electric service through the System.
2. The Participant has full legal right, power and authority to enter into the Power Sales Contract and to carry out and consummate all of the transactions contemplated thereby, 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. No approval, consent or authorization of any governmental or public agency, authority, commission or person of the Power Sales Contract or of the Participant's participation in the transactions contemplated thereby is required for the execution and delivery by the

Participant of the Power Sales Contract or the performance by the Participant of its obligations thereunder.

4. By resolution duly adopted on \_\_\_\_\_, the Power Sales Contract has been duly authorized, executed and delivered by the Participant and constitutes the legal, valid and binding obligation of the Participant, whether or not the Project or any portion thereof is acquired, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Project, or any termination of any of the Project Agreements, in whole or in part for any reason whatsoever, is enforceable under the present law of the State in accordance with its terms; except that the rights and remedies set forth therein may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

5. The Participant has, with respect to all meetings held in connection with the authorization of the Power Sales Contract, been in compliance all open and public meeting laws of the State.

6. The authorization, execution and delivery of the Power Sales Contract and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Participant, any commitment, agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, judgment, order or decree to which the Participant (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State relating to the Participant and its affairs.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to my knowledge, threatened against or affecting the Participant or any entity affiliated with the Participant or any of its officers in their respective capacities as such (nor to the best of my knowledge is there any basis therefor), which challenges the creation, organization or existence of the Participant or the titles of its officers to their respective offices or which questions the powers of the Participant referred to in paragraph 2 above or the validity of the proceedings taken by the Participant in connection with the authorization, execution or delivery of the Power Sales Contract, or wherein any unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Power Sales Contract or which, in any way, would adversely affect the validity or enforceability of the Power Sales Contract, and there is no litigation pending or, to the best of my knowledge, threatened against the Participant or involving any of the business, affairs, property or assets of the System which 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, assets or in the condition, financial or otherwise, of the System.

8. The obligations of the Participant to make payments to UAMPS under the Power Sales Contract shall constitute an obligation of the Participant payable as an operating expense of the System solely from the revenues and other available funds of such electric system. Such

payments shall constitute a cost of purchased electric energy and an operating expense of the System. The application of the revenues and other available funds of the System to make such payments to UAMPS is not subject to any prior lien, encumbrance or restriction.

9. The rates charged by the Participant for System services 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 legally enforceable in accordance with the laws of the State of Utah.

10. The Participant has lawful authority to own the System and to fix and collect rates, fees and other charges in connection with such System.

11. The Participant has good and merchantable title to the System as it now exists.

12. Except for those portions of the System which are laid in, on or under public roads, highways, streets or alleys which have been heretofore dedicated to the public for road, highway, street or alley purposes and which have actually been in use for such purpose for more than five years past, all of the System is located either on land of the Participant as to which the Participant has good and merchantable fee simple title or as to which the Participant has acquired good and valid permanent easements, rights-of-way, licenses or permits not terminable by action of any party without the consent of the Participant sufficient to permit the Participant to maintain and operate the System.

13. The Participant has obtained all necessary permits, licenses and approvals required by law, whether state or federal, to be obtained by the Participant in connection with the operation of the System, and such permits, licenses and approvals are in full force and effect.

14. There is no present unsatisfied judgment heretofore rendered against the Participant constituting or which will constitute a lien on any part of the System.

15. There are no contracts, laws, regulations, court orders or consent decrees that will restrict the ability of the Participant to comply with its covenants regarding rates for System services set forth in the Power Sales Contract.

16. The Participant has duly authorized, executed and delivered the Joint Action Agreement and the Pooling Agreement and each such agreement constitutes the legal, valid and binding obligation of the Participant enforceable against the Participant in accordance with its terms.

Respectfully submitted,

**Exhibit VI**

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Utah Associated Municipal Power Systems  
2825 East Cottonwood Parkway, Suite 200  
Salt Lake City, Utah 84121

Dear Sirs:

I have acted as counsel to \_\_\_\_\_ (the "*Participant*") in connection with the execution by the Participant of the Power Sales Contract dated as of \_\_\_\_\_ 1, 2002 (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 of the date hereof of its Payson Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the "*Bonds*").

In connection with the execution and delivery by the Participant of the Power Sales Contract, I rendered to UAMPS an approving legal opinion, dated \_\_\_\_\_ (the "*Prior Opinion*"), with respect to the Participant. In connection with the issuance and sale of 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 under the caption "THE PARTICIPANTS — \_\_\_\_\_" in the Official Statement, dated \_\_\_\_\_ (together with any supplements or amendments thereto as of the date hereof, the "*Official Statement*") of UAMPS relating to the Bonds and (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 municipal electric system in the Official Statement under the section entitled "THE PARTICIPANTS — \_\_\_\_\_" are true and correct in all material respects as of the date of the Official Statement and as of the date hereof, and no facts have come to my attention which would lead me to believe that, as of the date of the Official Statement and as of the date hereof, the statements in the Official Statement under such caption contained or contain any untrue statement of a material fact or omitted 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.

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 Chapman and Cutler, bond counsel, and \_\_\_\_\_, as representative of the

underwriters of the Bonds, to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,