



**MURRAY**  
CITY COUNCIL

# Committee of the Whole Meeting November 12, 2024



# **Murray City Municipal Council**

## **Committee of the Whole**

### **Meeting Notice**

#### **November 12, 2024**

**PUBLIC NOTICE IS HEREBY GIVEN** that the Murray City Municipal Council will hold a Committee of the Whole meeting beginning at 4:30 p.m. on Tuesday, November 12, 2024 in the Poplar Meeting Room #151 located at Murray City Hall, 10 East 4800 South, Murray, Utah.

The public may view the Committee of the Whole Meeting via the live stream at [www.murraycitylive.com](http://www.murraycitylive.com) or <https://www.facebook.com/Murraycityutah/>.

#### **Meeting Agenda**

**4:30 p.m.**      **Committee of the Whole** – Poplar Meeting Room #151  
Pam Cotter conducting.

#### **Approval of Minutes**

Committee of the Whole – October 1, 2024  
Committee of the Whole – October 15, 2024

#### **Discussion Items**

1. Presentation on the Murray Coalition. Sheri VanBibber presenting. (15 minutes)
2. Discuss Murray City's participation in UAMPS proposed natural gas projects for base load and peaking plants. Greg Bellon and Matt Youngs presenting. (30 minutes)
3. Discuss a resolution approving an Interlocal Cooperation Agreement between the City and Salt Lake County for receipt by the City of Tier II Zoo, Arts, and Parks Funds. Lori Edmunds presenting. (10 minutes)
4. Discuss an ordinance amending Sections 2.10.030 and 2.23.010 of the Murray City Municipal Code relating to duties of the Risk Management Division and the Human Resources Department. G.L. Critchfield and Robyn Colton presenting. (10 minutes)
5. Discuss an ordinance amending Sections 17.78.040, 17.78.050, and 17.78.090 of the Murray City Municipal Code relating to standards for detached accessory Dwelling Units. Zachary Smallwood presenting. (15 minutes)
6. Discuss an ordinance amending Sections 17.48.040 and 17.48.200 of the Murray City Municipal Code relating to screen signs in Commercial and Manufacturing Zones. Zachary Smallwood presenting. (10 minutes)
7. Discuss an ordinance amending Section 17.170.120 of the Murray City Municipal Code relating to height regulations in the Murray City Center District (MCCD). David Rodgers presenting (10 minutes)
8. Discuss a resolution adopting the regular meeting schedule of the Murray City Municipal Council for calendar year 2025. Jennifer Kennedy presenting. (10 minutes)

#### **Adjournment**

#### **NOTICE**

Supporting materials are available for inspection on the Murray City website at [www.murray.utah.gov](http://www.murray.utah.gov).

Special accommodations for the hearing or visually impaired will be made upon a request to the office of the Murray City Recorder (801-264-2663). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

Council Members may participate in the meeting via telephonic communication. If a Council Member does participate via telephonic communication, the Council Member will be on speaker phone. The speaker phone will be amplified so that the other Council Members and all other persons present in the Poplar Meeting Room will be able to hear all discussions.

On Friday, November 8, 2024, at 9:00 a.m., a copy of the foregoing notice was posted in conspicuous view in the front foyer of the Murray City Hall, Murray, Utah. Copies of this notice were provided for the news media in the Office of the City Recorder. A copy of this notice was posted on Murray City's internet website [www.murray.utah.gov](http://www.murray.utah.gov) and the state noticing website at <http://pmn.utah.gov>.

A handwritten signature in black ink that reads "Jennifer Kennedy". The script is fluid and cursive, with the first name "Jennifer" and last name "Kennedy" clearly distinguishable.

Jennifer Kennedy  
Council Executive Director  
Murray City Municipal Council



**MURRAY**  
CITY COUNCIL

# Committee of the Whole Minutes



**MURRAY CITY MUNICIPAL COUNCIL  
COMMITTEE OF THE WHOLE**

Work Session Minutes of Tuesday, October 1, 2024

Murray City Hall, 10 East 4800 South, Poplar Meeting Room, Murray, Utah 84107

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**Attendance:**

Council Members:

Paul Pickett	District #1
Pam Cotter	District #2 – Council Chair
Rosalba Dominguez	District #3
Diane Turner	District #4
Adam Hock	District #5 – Council Vice-Chair

Others:

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
G.L. Critchfield	City Attorney	Pattie Johnson	Council Administration
Zac Smallwood	Planning Manager	Phil Markham	Community and Economic Dev. Director
David Rodgers	Senior Planner	Brooke Smith	City Recorder
Brenda Moore	Finance Director	Greg Bellon	Power Director
Matt Youngs	Assistant Power Director	Mark Morris	VODA Landscape and Planning
Jeff Pulls	Assistant Fire Chief	Kim Sorensen	Parks and Recreation Director
Isaac Zenger	IT	Delynn Barney	Murray Citizen

**Conducting:** Council Chair Cotter called the meeting to order at 5:24 p.m.

**Approval of Minutes:** Short Term Rental Workshop, August 27, 2024 and Committee of the Whole, September 10, 2024. Ms. Dominguez moved to approve, and Mr. Hock seconded the motion. All in favor 5-0.

**Discussion Items:**

- 1. Update and discussion on the drafting of the Form Based Code.** Mark Morris with VODA Landscape discussed FBC (Form Based Code) draft concepts and shared a conceptual Form District map. The map of what is currently known as the MCCD (Murray City Center District) involves properties on State Street at Block One, and north, south and west of City Hall, and east of State Street up to Center Street. The District Form map proposes five new districts in the MCCD categorized as Civic Center, Boulevard, Neighborhood Corridor, Residential Transition and Transit Neighborhood.

Mr. Morris explained how each district has its own characteristics and guidelines for minimum and maximum height allowances. He said FBC makes it easy for developers to understand allowances for building height, parking and setbacks. Developers would not need to know about Land Use types because property owners would be given significant leeway and flexibility in development. If the maximum height is allowed in each district, a higher concentration of housing would result, but if height was limited, housing units would be limited affecting the overall cost of a project.

Mr. Pickett said if Council Members were not comfortable with the maximum height suggested for each district, they should clearly express the preferred density and height limits. They could not assume that developers would construct buildings within a range between the maximum and minimum height suggested.

Mr. Hock asked about allowing a one-story minimum height in the Neighborhood Corridor and noted

structures heights along State Street were significantly lower than taller structures to the west.

Mr. Morris explained a one-story housing project would not redevelop activity in the area as much as a two to three-story housing project, and developers preferred the two to three-story option for financial reasons. He said if the Council wanted to have the minimum height of one-story in the Neighborhood Corridor, they could discuss that. He said the minimum height along State Street would be two-stories or 38 feet tall. The maximum height to the west of State Street could be 90-feet or ten-stories, which was changed to an eight-story maximum, however having a higher density was key to what is feasible for developers.

He reported positive feedback from the September 16, 2024 FBC Public Open House, but there were concerns about balancing historic character, improving walkability and pedestrian spaces for restaurants and entertainment and how ground floor business in buildings would be successfully activated. Parking lot locations, building and parking lot conflicts and parking lot layouts were discussed. He said that all of this could be adjusted as part of FBC development but market demand would dictate the financial success of a FBC project.

2. **Power Department Quarterly Report.** Assistant Power Director Matt Youngs said renegotiations with the Trans-Jordan Landfill Gas Plant were successful and the power sales contract has been extended for another 20 years. Power Director Greg Bellon said the resource was renewed at 2014 costs per megawatt, with a 2% annual escalation, which makes the resource affordable again. Mr. Youngs said UAMPS (Utah Associated Municipal Power Systems) member Truckee Donner Utility Company updated its contract agreement. Truckee Donner was receiving 70% of the energy produced from the landfill, but now Murray Power has the option to keep most of the landfill energy and retain REC (Renewable Energy Certificate) credits if desired. Murray can still sell REC credits to Truckee Donner, but the cost increased from \$1 to \$5, which is the cost per megawatt produced.

Mr. Bellon discussed generation types that UAMPS would be pursuing in the future. Options included gas and steam, a peaking natural gas plant, nuclear, geothermal, solar, solar and storage and wind.

3. **An ordinance relating to land use; amends the Zoning Map from R-1-8 (Single Family Low Density) to R-N-B (Residential Neighborhood Business) for the property located at 323 E Winchester Street, Murray City.** Senior Planner David Rodgers confirmed that the City's Future Land Use map allowed for the rezone and noted that other properties in the area had been rezoned to R-N-B as well. The request was in anticipation of a future development that would continue to buffer the surrounding neighborhood and the general office area. There was discussion about landscaping and tree buffering and Mr. Rodgers clarified the ordinance would only rezone the parcel. Specific requirements for tree buffering would be addressed once an application was submitted for a project.
4. **An ordinance relating to land use; amends the Zoning Map from R-1-6 (Single Family Medium Density Residential) to R-M-15 (Multiple Family Medium-Density Residential) for the property located at 4734 South Hanauer Street, Murray City.** Planning Manager Zac Smallwood explained that the rezone would allow the property owner to build a tri-plex. Housing units could be forty feet tall or two or three stories high.

**Adjournment:** 6:28 p.m.

**Pattie Johnson  
Council Administrator III**

**MURRAY CITY MUNICIPAL COUNCIL  
COMMITTEE OF THE WHOLE**

Work Session Minutes of Tuesday, October 15, 2024

Murray City Hall, 10 East 4800 South, Poplar Meeting Room, Murray, Utah 84107

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**Attendance:**

Council Members:

Paul Pickett	District #1
Pam Cotter	District #2 – Council Chair
Rosalba Dominguez	District #3
Diane Turner	District #4
Adam Hock	District #5 – Council Vice-Chair

Others:

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	Council Administration
G.L. Critchfield	City Attorney	Jeff Pulls	Assistant Fire Chief
Zac Smallwood	Planning Manager	Phil Markham	Community and Economic Dev. Director
Ella Jay Olsen	City Journals	Elvon Farrell	Economic Development Specialist
Brenda Moore	Finance Director	Anthony Semone	NeighborWorks
Jason Lynn	Main Street USA/Resident	Jenn Kikel-Lynn	Main Street USA/Resident
Isaac Zenger	IT		

**Conducting:** Council Chair Cotter called the meeting to order at 4:00 p.m.

**Approval of Minutes:** Committee of the Whole, September 17, 2024. Mr. Hock noted one spelling correction and moved to approve, and Ms. Turner seconded the motion. All in favor 5-0.

**Discussion Items:**

- **Presentation on the Main Street USA Program.** Jenn Kikel-Lynn said research led her to find the Main Street America Coordinating Program. The program helps new local businesses locate to downtown city areas. After meeting with the Mayor and getting community support, she applied to the program and was accepted as a Tier-One affiliate and Murray's volunteer representative. With a focus on downtown areas, Murray's Main Street USA would be located to Block One and titled Murray City Downtown District. Ms. Lynn said the Tier-One status gives her access to national resources and as a grant writer she can offer assistance with grant funding and help business owners understand startup costs. With an advisory board and a non-profit committee are in place, she will submit a non-profit application in November 2024, reach the non-profit status by January 2025 and move to a Tier-Two status by spring of 2025 that allows for a paid executive director position. She noted that Murray and Logan City are the newest Utah Cities to be part of the Main Street USA program.
- **An ordinance amending Sections 17.78.040, 17.78.050, and 17.78.090 of the Murray City Municipal Code relating to standards for detached accessory Dwelling Units.** Planning Manager Zac Smallwood said every year planning staff looks at the City's MIH (Moderate Income Housing) plan to find ways to make ADUs (Accessory Dwelling Units) easier to build in the community. Proposed changes this year include allowing corner or side-yard entrances for both Attached and Detached dwellings. For Detached dwellings, increase the allowable area up to 50% from 40% to a maximum of 1,000 square feet; reduce parking requirements to match Attached ADUs, that is one additional space, reduce rear

setbacks from 25-15 feet to 10 feet and increase side-yard setbacks from 8 feet to 10 feet. Lastly, Detached ADUs no longer need to match the existing dwelling architectural style.

Mr. Hock asked why should the ordinance be changed if it was already successfully working in regards to the City's MIH plan. Mr. Smallwood said updates would make ADUs even more successful; and according to State Law, cities are required to implement GP (General Plan) housing strategies and report all progress to the State annually. If the City failed to comply, Murray could be fined \$125 per day, or \$90,000 for not following State requirements. Mr. Hock clarified that if the City was ever cited for non-compliance, a two-week period is allowed to amend City Code before facing fines. Mr. Smallwood confirmed that increasing MIH was just one of five planning strategies in the City's GP. There was consensus that the City's 2017 GP needed to be updated soon.

Mr. Pickett discussed comparative information about other cities with ADUs and requested more information. It was noted that Murray currently ranks among the top six for the highest number of ADUs.

Ms. Cotter asked about monitoring ADUs that might be rentals and how parking violations would be determined. Mr. Smallwood explained that property owners must sign an affidavit addressing total compliance that is recorded with the County. Violations would be realized mostly after receiving neighbor complaints.

Ms. Turner said aesthetics was important to neighborhood character and requested that the design requirement not be removed from the existing ordinance. Mr. Smallwood said the State has indicated that cities cannot dictate building codes to residential properties related to architecture, materials or window location.

Ms. Dominguez asked if the City failed the MIH State requirements last year. Mr. Smallwood said no and that this year's report was not available yet. There was consensus that the proposed ordinance needed further study by Council Members. Mr. Smallwood agreed to return on November 12, 2024 for further discussion.

- **An ordinance amending Sections 17.64.020 and 17.064.090 of the Murray City Municipal Code relating to residential fencing regulations and setbacks and fencing between residential and non-residential zoning districts.** Zachary Smallwood reviewed the text amendment regarding residential fencing that would allow additional height between residential and nonresidential areas. Mr. Smallwood said staff worked with City engineers and attorneys to create a new approach that allows fencing to side-yard or corner sections of a residential lot abutting a non-residential zone, like a driveway. Fences can be up to 8 feet tall, with a 10-foot clearance at corners to ensure safe visibility for neighbors backing out. There was also textual clean up regarding language for front, side and rear yard fencing related to setbacks.
- **Reports from the Utah League of Cities and Towns Conference.** Mr. Hock, Ms. Kennedy, Mr. Pickett, Ms. Cotter and Ms. Turner shared personal insights from sessions they attended at the conference.

**Adjournment:** 5:01 p.m.

**Pattie Johnson  
Council Administrator III**



# Discussion Items



# Discussion Item #1



**MURRAY**

# Murray City Council

## Murray Coalition Presentation

### Council Action Request

Committee of the Whole

Meeting Date: November 12, 2024

<b>Department Director</b> Jennifer Kennedy  <b>Phone #</b> 801-264-2622  <b>Presenters</b> Sheri VanBibber	<b>Purpose of Proposal</b> Murray Coalition Presentation  <b>Action Requested</b> Information only.  <b>Attachments</b> None  <b>Budget Impact</b> None  <b>Description of this Item</b> Sheri VanBibber will give a short presentation on the Murray Coalition.
<b>Required Time for Presentation</b> 15 Minutes  <b>Is This Time Sensitive</b> No  <b>Mayor's Approval</b>     <b>Date</b> October 28, 2024	



**MURRAY**  
CITY COUNCIL

# Discussion Item #2





**MURRAY**


# Power Department

## Natural Gas Power Sales Contract

### Council Action Request

Committee of the Whole

Meeting Date: November 12, 2024

<b>Department Director</b> Greg Bellon  <b>Phone #</b> 801-264-2730  <b>Presenters</b> Greg Bellon Matt Youngs          <b>Required Time for Presentation</b> 30 Minutes  <b>Is This Time Sensitive</b> No  <b>Mayor's Approval</b>   <b>Date</b> October 29, 2024	<b>Purpose of Proposal</b>  Review Murray City's participation in UAMPS proposed Natural Gas projects for base load and peaking plants.  <b>Action Requested</b>  None  <b>Attachments</b>  PowerPoint Power Sales Contracts, Executive Summaries  <b>Budget Impact</b>  None at this time.     <b>Description of this Item</b>  Murray City is proposing participation in two natural gas plants through UAMPS. Murray City is interested in pursuing a base load resource located in Power County, Idaho with a subscription of 21 MW's and a peaking plant located in Millard County, Utah with a proposed subscription of 11.83 MW's.
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**RESOLUTION NO. \_\_\_\_\_**

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

\*\*\*\*\*        \*\*\*\*\*        \*\*\*\*\*

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

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

WHEREAS, UAMPS proposes to acquire and construct a combined cycle natural gas-fired electric generating facility plant known as the “Power County Power Project” (the “*Project*”) to be located at a site in Power County, Idaho, and to sell the capacity and output of the Project pursuant to the Power County Power Project Power Sales Contracts (the “*Power Sales Contracts*”) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

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

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the

development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Murray City, Utah, as follows:

*Section 1. Approval of Power Sales Contract; Development Share.* (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Recorder is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as *Annex A* as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

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

*Section 2. Participant's Representative.* (a) The appointment of Gary Bellon as the Participant's Representative to UAMPS and Matt Young as alternate Representatives is hereby confirmed.

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

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

*Section 4. Further Authority.* (a) The Mayor and the City Recorder are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially

the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrevocable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

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

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

ADOPTED AND APPROVED on \_\_\_\_\_, 2024.

MURRAY CITY, UTAH

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

[SEAL]

**POWER COUNTY POWER PROJECT  
POWER SALES CONTRACT**

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

**MURRAY CITY, UTAH**

DATED AS OF DECEMBER 1, 2024

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

**POWER COUNTY POWER PROJECT  
POWER SALES CONTRACT**

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

**RECITALS\***

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

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

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

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

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

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

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



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

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

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

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

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

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

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

*"Act"* means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and other applicable provisions of law.

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

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

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

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

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

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

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

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

*“Bond Fund”* means the funds and accounts created by the Financing Documents for the payment of debt service on Bonds and reserves therefor.

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

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

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

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

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

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

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

*“Commercially Reasonable”* or *“Commercially Reasonable Efforts”* means, with respect to any action required to be made, attempted or taken by a party under this Contract or one of the Project Agreements, such efforts as a reasonably prudent business would undertake, consistent with Good Utility Practice, for the protection of its own interest under the conditions affecting such action, including without limitation, the amount of notice of the need to take such action, the duration and type of the action, the competitive environment in which such action occurs, the terms and provisions of the Project Agreements and the Financing Documents, the contractual and legal obligations of, and the risk to, such party in connection with such action; *provided, however*, an obligation to act in a “Commercially Reasonable” manner or to exercise “Commercially Reasonable Efforts” does not include taking actions that would, individually or in the aggregate, cause the party subject to such obligation to incur costs, or suffer any other detriment, that is out of reasonable proportion to the benefits to the other party under this Contract or the Project Agreements.

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

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

*“Construction Costs”* means all of the Cost of Acquisition and Construction of the Initial Facilities incurred during the Construction Period.

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

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

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

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

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

- (1) working capital and reserve requirements of the Project, including, without limitation, amounts for deposit into the Reserve and Contingency Fund and those items set forth in the definition of Operation and Maintenance Costs, as may be determined from time to time by UAMPS;

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

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

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

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

(6) planning and development costs, engineering fees, contractors' fees, fiduciaries' fees, auditors' and accountants' fees, costs of obtaining all permits and approvals, the cost of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal, financial advisory and financing costs and issuance costs of the Bonds, amounts payable under the Real Estate Agreements, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

(7) all costs relating to litigation, claims or judgments not otherwise covered by insurance and arising out of the acquisition, construction or operation of the Project or otherwise related to the Project, the Project Agreements, the Power Sales Contracts or the transactions contemplated thereby;

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

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

(10) the cost of long-term supplies of natural gas or other fuel supplies necessary or desirable in connection with the operation of the Project and the costs of transporting fuel supplies to the Project and prepayments and advance payments therefor, including the costs of pipelines, laterals, receiving stations or capacity rights therein; and

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

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

(1) the interest accruing on the Bonds during such Billing Period, except to the extent that amounts are on deposit under the Financing Documents to pay such interest,

together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the interest payments on the Bonds;

(2) the portion of the next due principal installment on the Bonds, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the principal payments on the Bonds; provided however, that the amount included in Debt Service Costs pursuant to this clause (2) shall not include the principal of Bonds becoming due and payable solely as a result of the acceleration of the maturity thereof;

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

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

(5) Trustee, paying agent, escrow agent and other fiduciaries' fees and expenses payable under the Financing Documents; fees and expenses of remarketing agents, broker-dealers, auction agents and other providing services with respect to Bonds;

(6) the amounts required to be paid to maintain any credit or liquidity facilities for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds; and

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

*provided, however, that the additional interest expense on or in respect of any Bonds that are subject to federal income taxation (and not eligible for tax credits or interest subsidy payments) may, as determined by the Project Management Committee pursuant to Section 16(d), be allocated to those Participants whose legal status or use of the Project Capability or the Project Output adversely affects the Tax Status of such Bonds. In the event of such allocation, the Debt Service Costs payable by such Participants shall be increased to include amounts sufficient to pay any such additional interest expense.*

*"Debt Service Percentage" means, with respect to each Participant and as of any date of determination, the percentage obtained by subtracting the Participant's Capital Contribution Percentage from the Participant's Entitlement Share. The Participant's initial Debt Service Percentage will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Percentages for the Participants may be calculated separately for each separate series of Bonds.*



*“Debt Service Share”* means, with respect to each Participant and as of any date of determination, the percentage of Debt Service Costs payable by the Participant, determined by dividing the Participant’s Debt Service Percentage (expressed as a decimal) by the sum (expressed as a decimal) of the Debt Service Percentages of all Participants, including the Participant whose Debt Service Share is being determined. The Participant’s initial Debt Service Share will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Shares for the Participants may be calculated separately for each separate series of Bonds.

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

*“Decommissioning Costs”* means the costs and expenses of Decommissioning the Project.

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

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

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

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

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

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

*“Development Work”* means all work and services necessary or desirable in connection with:

- (i) the selection of the site for the Project, the negotiation of the Real Estate Agreements and all other work necessary to secure all rights and interests to the real property necessary for the Project;
- (ii) obtaining the transmission and interconnection agreement(s) necessary to deliver Electric Energy from the Project to Participants;
- (iii) the estimating, design and engineering work to be performed with respect to the Initial Facilities;
- (iv) the development and negotiation of definitive Project Agreements and any other contracts and agreements necessary in connection with the Project;
- (v) obtaining all Permits and Approvals necessary for the construction and operation of the Project;
- (vi) the continued development of and updates to the Budget and Plan of Finance; and
- (vii) such other work and services as shall be approved by the Project Management Committee.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*“Minimum Subscription”* is defined in Section 2.

*“Month”* means a calendar month.

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

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

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

*“Operation and Maintenance Costs”* means, with respect to each Billing Period of each Contract Year, all costs and expenses (other than Transmission Costs and Debt Service Costs) attributable to the Project that are paid, payable, incurred or accrued by UAMPS during each Billing Period resulting from the ownership, operation, maintenance and termination of, and repairs, renewals, replacements, additions, improvements, and betterments and modifications to, the Project. Operation and Maintenance Costs shall further include, without limitation, the following items of cost:

- (1) the costs of operating and maintaining the Project and of producing Electric Power and Electric Energy therefrom during such Billing Period, including the operation and maintenance expenses and fuel costs of the Project pursuant to the Project Agreements, amounts payable under the Operating Agreement and each Fuel Agreement (including fees, expenses, incentives and other compensation payable to the Operator and the Fuel Agent);
- (2) any amount which UAMPS may be required during such Billing Period to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, modifications and betterments which arise out of or are required by the Project Agreements for which UAMPS shall be obligated, but only to the extent that funds for such payment are not provided by the issuance of Bonds or Capital Contributions made by the Participants;
- (3) legally required or permitted federal, state and local taxes and ad valorem taxes or payments in lieu of ad valorem taxes, in each case related to the Project;
- (4) all other amounts, including fuel costs, payable by UAMPS pursuant to the provisions of the Project Agreements;
- (5) any additional amount not specified in the other items of this definition which must be paid by UAMPS during such Billing Period under the Project Agreements;
- (6) the portion of UAMPS’ administrative and general expenses allocable or directly charged to the Project, working capital and reserves for the payment of operation and maintenance expenses, and all other costs and expenses (but excluding depreciation) not included in the costs specified in the other items of this definition and properly chargeable to the Project;
- (7) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 20;
- (8) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Project, the Project Agreements, this Power Sales Contract and the interests and transactions contemplated by such agreements and this Power Sales Contract, the costs of technical and advisory services and the cost of all Permits and Approvals, all to the extent allocable to the Project;

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

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

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

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

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

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

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

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

*“Permitted Output Contract”* means a contract that:

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

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

*“Point of Delivery”* means the point or points of physical interconnection of the Initial Facilities or Additional Facilities, as applicable, with the electric transmission grid, as determined pursuant to the Interconnection Agreement.

*“Pooling Agreement”* means, collectively, the Power Pooling Agreements between UAMPS and the Members and certain other entities providing for the establishment and operation of the UAMPS Pool and related matters, including all supplements and appendices thereto and as the same may be amended, restated or supplemented from time to time.

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

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

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

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

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

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

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

(a) “Qualified Use” shall not include any sale of electricity that gives rise to “private business use” or a “private loan” within the meaning of Section 141 of the Code;

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

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

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

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

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

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

*“Required Approvals”* means all governmental, regulatory and lender approvals, consents and authorizations required or necessary for (i) the execution, delivery and performance of this Contract (or any amendment hereto) by the Participant and (ii) this Contract (or any amendment hereto) to be the legal, valid and binding obligation of the Participant.

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



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

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

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

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

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

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

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

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

“UAMPS” means Utah Associated Municipal Power Systems, a political subdivision organized and existing under the laws of the State of Utah, the Act and the Joint Action Agreement, and its successors. All references to UAMPS in this Power Sales Contract shall include Authorized Officers of UAMPS and their delegates acting pursuant to specific authorization by the Board.

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

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

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

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

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

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

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



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

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

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

(c) This Contract will become effective upon the Effective Date, and will, unless terminated pursuant to Section 43, continue until the last to occur of : (i) the date on which all of the Project Agreements have terminated or expired in accordance with their respective terms and all obligations of UAMPS thereunder have been fully paid, satisfied or discharged; (ii) the date on which all Bonds have been paid in full as to principal, premium and interest, or sufficient funds shall have been irrevocably set aside for the full defeasance thereof and all other obligations of UAMPS under the Financing Documents have been paid or satisfied; and (iii) the date on which the Initial Facilities and any Additional Facilities shall be permanently removed from service and

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

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

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

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

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

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

*Section 5. Project Management Committee.* (a) The Participants hereby establish the Project Management Committee, which shall consist of one voting representative from each Participant (who shall be the Participant's Representative) and shall be chaired by a Participant's Representative elected by the Project Management Committee. Pursuant to the Contract Resolution, the Participant has delegated full and complete authority to its Participant's

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<sup>1</sup> % amount will be inserted upon completion of credit review of Participant group.

Representative to act on all matters and decisions that come before the Project Management Committee. Each Representative appointed by the Participant shall serve on the Project Management Committee until the Participant appoints a successor. An Authorized Officer of UAMPS shall attend all meetings of the Project Management Committee and shall cause minutes to be kept of all such meetings.

(b) The Joint Action Agreement and the bylaws of UAMPS shall govern the procedures for and the voting rights on the Project Management Committee, *provided that*:

(1) The Participant's Representative of any Participant that is in default hereunder (A) shall not be entitled to vote on any matter during the period of such default, and the consent or approval of such Participant or such Participant's Representative shall not be required during the existence of such default and (B) shall be disregarded for purposes of determining whether a quorum of the Project Management Committee is present at any meeting;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Section 9. Operation and Maintenance of the Project.* UAMPS covenants and agrees that, during the Operating Period, it will use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be operated, maintained and managed in an efficient and economical manner in accordance with Good Utility Practice for the joint and ratable benefit of all of the Participants. UAMPS agrees with and covenants to the Participant that UAMPS will vigorously enforce and defend its rights under the Project Agreements. The Participant acknowledges and agrees that UAMPS may, upon the approval of the Project Management Committee, from time to time enter into amendments of and supplements to any or all of the Project Agreements and that, except as otherwise required by Section 40, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

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

(b) At any time the Project is operable or operating the Participant shall not be entitled to use in any hour Electric Energy in excess of that which is allocable to the Participant's Entitlement Share, unless arrangements have been made for a planned purchase of such Electric Energy through the UAMPS Pool. The Participant agrees that, prior to the first delivery of Electric Energy under this Power Sales Contract, it will execute and deliver to UAMPS an appendix to the Pooling Agreement (in a form approved by the Project Management Committee) that assigns the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool. Any surplus Electric Energy attributable to the Participant's Entitlement Share shall be sold or otherwise disposed of by the Participant only in accordance with the provisions of such appendix to the Pooling Agreement. In addition to any sales of surplus Electric Energy requested by the Participant through the UAMPS Pool, UAMPS will utilize Commercially Reasonable Efforts to sell, exchange or otherwise dispose of any incidental surplus Electric Power and Electric Energy attributable to the Project for the benefit of the Participants.

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

*Section 11. Point of Delivery; Risk of Loss.* (a) The Electric Energy allocable to the Participant's Entitlement Share shall be delivered at the Point of Delivery. The Participant shall be responsible for, and shall pay all costs associated with, (i) the transmission of such Electric Energy from the Point of Delivery to its System Point of Receipt and (ii) the distribution and delivery of Electric Energy from its System Point of Receipt to its customers.

(b) Upon the request of the Participant, UAMPS will use Commercially Reasonable Efforts to enter into one or more Transmission Agreements, or will utilize its transmission rights under existing Transmission Agreements, to provide for transmission service for the Electric Energy allocable to the Participant's Entitlement Share from the Point of Delivery to the Participant's System Point of Receipt. Any future Transmission Agreements entered into by UAMPS for or on behalf of the Participant shall be approved by UAMPS and the Participant, and the Participant shall pay all Transmission Costs thereunder. The Participant agrees that it shall maintain (or cause UAMPS to maintain) during the term of this Contract, such Transmission Agreements as shall be necessary for the firm transmission of the Electric Energy allocable to its Entitlement Share from the Point of Delivery to its System Point of Receipt, except as may be otherwise approved by the Project Management Committee. The Participant shall provide



UAMPS with copies of all Transmission Agreements utilized by it and with such other information regarding its transmission arrangements as UAMPS may reasonably request.

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

(d) Electric Energy delivered hereunder and risk of loss shall pass from UAMPS to the Participant at the Point of Delivery. As between the parties to this Contract, UAMPS shall be deemed to be in exclusive control and possession of the Electric Energy delivered hereunder, and responsible for any damage or injury caused thereby, prior to the time such Electric Energy shall have been delivered to the Participant at the Point of Delivery. After delivery of Electric Energy to the Participant at the Point of Delivery, the Participant shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. UAMPS assumes all liability for and shall indemnify, defend and hold harmless the Participant (individually) from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it. All costs and expenses incurred by UAMPS under the foregoing indemnity shall constitute a Cost of Acquisition and Construction or an item of Operation and Maintenance Costs, as determined by the Project Management Committee. To the extent permitted by law and solely to the extent of the revenues of its Electric System and any available insurance proceeds, the Participant assumes all liability for and shall indemnify, defend and hold harmless UAMPS and the other Participants from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it.

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

*Section 13. Availability of Electric Energy.* (a) Except as provided otherwise by this Power Sales Contract and subject to the provisions of the Project Agreements, Electric Energy allocable to the Participant's Entitlement Share shall be made available in accordance with this Power Sales Contract during the term hereof; *provided, however*, that nondelivery of Electric Energy hereunder for any reason whatsoever (1) shall not relieve the Participant from its obligation to make its payments under Section 27 and (2) shall not impose any liability upon UAMPS for any direct or consequential damages suffered by the Participant.

(b) The Participant acknowledges and agrees that deliveries of the Electric Energy allocable to its Entitlement Share are not firm and are contingent upon the operation of the Project, the availability of transmission and other factors. The Participant agrees that it is solely responsible for any firming transactions with respect to its Entitlement Share.

*Section 14. Insurance.* UAMPS shall maintain, or during the Construction Period shall cause the EPC Contractor to maintain, in force, as part of the Cost of Acquisition and Construction or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Good Utility Practice and to the extent available at reasonable cost, but in no case less than will satisfy applicable regulatory requirements and requirements of the Financing Documents.

*Section 15. Budget and Plan of Finance.* (a) The Budget and Plan of Finance for the Initial Facilities shall include the following information:

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

(ii) the estimated Cost of Acquisition and Construction;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) its right to elect to make a Capital Contribution;
- (ii) the date by which it must notify UAMPS of its election, which shall be not earlier than 30 days after the date of such notice;
- (iii) the applicable Reference Project Costs; and
- (iv) the maximum amount of the Participant's Capital Contribution, which shall be an amount equal to the product of (A) such Reference Project Costs and (B) the ratio of the Entitlement Share of the Participant to the Entitlement Shares of all Participants.

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

(b) The Participant's election to make a Capital Contribution shall be made by written resolution adopted by its governing body. An original or certified copy of such resolution shall be submitted to UAMPS with the Participant's notice of its election to make the Capital Contribution. In the event that the Participant does not notify UAMPS of the determination of its governing body by the date specified in the notice provided by UAMPS, the Participant shall be deemed to have elected not to make a Capital Contribution.

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

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

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

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

(e) After Capital Contributions have been made by all electing Participants, UAMPS shall complete (or revise, as applicable) SCHEDULE I and provide a copy of the completed or revised SCHEDULE I to each of the Participants. With respect to all Participants and at all times, SCHEDULE I shall show that:

- (i) the sum of each Participant's Capital Contribution Percentage and Debt Service Percentage equals its Entitlement Share;
- (ii) the sum of the Capital Contribution Percentages and Debt Service Percentages of all Participants equals 100%; and
- (iii) the sum of the Debt Service Shares of all Participants equals 100%.



UAMPS' calculation and determination of the Development Costs and the Cost of Acquisition and Construction of the Initial Facilities and the Participant's Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (i), (ii) and (iii) above shall be subject to the approval of the Project Management Committee, and upon such approval shall be conclusive and binding upon UAMPS and the Participant. UAMPS shall revise SCHEDULE I from time to time as provided herein so that it sets forth the correct Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of all Participants.

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

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

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

(iii) any Capital Contribution made by the Participant shall not change or affect UAMPS' ownership in the Project or any of the rights and obligations of UAMPS and the Participant under this Contract, except as specifically provided herein, including the right of UAMPS to suspend or terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share as provided in Section 34.

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

*Section 18. Additional Bonds and Refunding Bonds.* (a) Additional Bonds may be sold and issued by UAMPS in accordance with the provisions of the Financing Documents at any time and from time to time for the purpose of financing the Cost of Acquisition and Construction. UAMPS may incur other obligations pursuant to the Financing Documents to achieve purposes deemed beneficial to the Project.

(b) Any Additional Bonds shall be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 27, as such payments may be increased and extended by reason of the issuance of Additional Bonds, and of other revenues of UAMPS attributable to the Project. Additional Bonds may be issued in amounts sufficient to pay the full amount of such costs and to provide such reserves as may be determined

by UAMPS to be reasonably necessary. In the event that the Project Management Committee approves the issuance of Additional Bonds, it shall determine whether to make a capital contribution option available to the Participants and the procedures therefore.

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

*Section 19. Pledge of Payments.* All payments required to be made by the Participant pursuant to Section 27, together with other revenues of UAMPS attributable to the Project may be pledged by UAMPS pursuant to the Financing Documents to secure the payment of Bonds and any Additional Bonds or Refunding Bonds.

*Section 20. Reserve and Contingency Fund.* (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may, upon the approval of the Project Management Committee, establish an additional fund with respect to the Project known as the "Reserve and Contingency Fund" to be funded, held and applied as provided herein. Amounts on deposit in the Reserve and Contingency Fund may be used to pay or provide reserves for unusual or extraordinary Operation and Maintenance Costs, renewals, repairs, replacements, additions or betterments of or to any items included in the Project, the cost of any Additional Facilities or the cost of or reserves for the retirement, decommissioning and termination of the Initial Facilities and any Additional Facilities that will not be paid from the Decommissioning Fund.

(b) The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 24 an amount for deposit into the Reserve and Contingency Fund. This amount may represent either an appropriation of excess revenues from the operation of the Project during the preceding Fiscal Year or amounts to be billed to and collected from the Participants as an item of Operation and Maintenance Costs during the Fiscal Year covered by the Annual Budget.

*Section 21. Damage, Destruction or Condemnation.* Subject to the provisions of the Project Agreements, UAMPS shall use Commercially Reasonable Efforts to collect or cause to be collected amounts arising from insurance proceeds, condemnation awards, damages due from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project, and shall apply all receipts, revenues and other moneys received by it or credited to it from the foregoing sources to the repair, reconstruction or replacement of the Project, to the retirement or defeasance of Bonds (in whole or in part), by purchase, redemption or other arrangements therefor, to the payment of other costs and expenses of UAMPS in connection with the Project or to the credit, pro rata, of the Participants, based upon their Entitlement Shares in the Project, all as provided in the Financing Documents.

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

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

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

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

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

*Section 24. Annual Budget; Accounting.* (a) On or before 15 days prior to the estimated commencement of the first Contract Year and on or before the beginning of each Contract Year thereafter, UAMPS shall prepare and mail to the Participant an Annual Budget for the Project recommended by the Project Management Committee and approved by the Board, based, to the extent appropriate, on budgets received under the Project Agreements, showing an annual estimate of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, and the Participant's share of each, for the following Contract Year. The Participant shall, to the extent and in the manner deemed appropriate by the Participant, incorporate the estimates shown on the Annual Budget in its annual budgetary process for the Participant's Enterprise Fund.

(a) At the end of each quarter during each Contract Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Contract Year there are or are expected to be



extraordinary receipts, credits or expenditures of costs substantially affecting Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, UAMPS shall prepare and provide to the Participant's Representative a revised Annual Budget, recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget. The revised Annual Budget and any written materials that accompany it shall specifically identify the changes from the Annual Budget that was previously in effect.

(b) UAMPS agrees that it will, from and after the date of the acquisition by UAMPS of the Project, keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction, Reference Project Costs, Operation and Maintenance Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and which are generally consistent with the Uniform System of Accounts, separate and distinct from its other records and accounts; *provided* that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records adequate to show the amounts in each of such funds allocable to each such Project. Said accounts shall be audited annually by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by UAMPS. A copy of each annual audit, including all written comments and recommendations of such accountants, approved by the Members shall be furnished by UAMPS to the Participant not later than 180 days after the end of each Contract Year.

*Section 25. Billing Periods.* (a) The initial Billing Period to be used for the preparation, calculation and billing of the amounts payable by the Participant hereunder shall be a Month. In order to promote the efficient and economic administration of the Project, UAMPS may, at any time after the end of the initial Contract Year and from time to time thereafter, adopt another standard period of time as the Billing Period hereunder. In addition to the foregoing, UAMPS may, upon the approval of the Project Management Committee, from time to time revise the billing and payment procedures provided for in this Section to promote the efficient and economic administration of the Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS.

(b) Any change in the Billing Period shall be made in the Annual Budget provided for in Section 24 and shall not be effective for at least 30 days after the mailing of notice of such change in the Billing Period or in the billing and payment procedures to the Participant. At the time of the mailing of such Annual Budget, UAMPS shall send to the Participant a revised form of the billing procedures set forth in Section 26(b), which shall reflect any changes in the dates of billing and payment and the method thereof that are necessary or desirable to make this Section correspond to the new Billing Period, such changes to become effective on the date the new Billing Period takes effect. In no event shall any such change in the Billing Period or in the billing and payment procedures increase the amounts payable by the Participant pursuant to this Section in respect of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs.

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

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

(b) For so long as the Billing Period is a Month, on or before the 25th day after the end of each Billing Period beginning with the first Billing Period in the first Contract Year, UAMPS shall render to the Participant a billing statement showing the amount payable by the Participant for such Billing Period in respect of: (i) Development Costs, (ii) Operation and Maintenance Costs; (iii) Transmission Costs; (iv) Debt Service Costs; and (v) any other amounts, adjustments or reconciliations payable by or credited to the Participant pursuant to this Contract or the Financing Documents and not otherwise shown. The Participant shall pay the total of such amounts at the time specified in Section 27, as the same may be revised from time to time. The billing statement for each Billing Period shall be based, to the fullest extent practicable, upon the actual operation of the Project during such Billing Period. To the extent that any billing statement rendered by UAMPS shall have included any estimated amounts in respect of the Participant's share of Operation and Maintenance Costs, Debt Service Costs or the Transmission Costs or other costs allocable to the Participant, such estimated amounts shall be reconciled at least once during each Contract Year with the actual operation and scheduling of the Project and the Participant shall receive a bill or credit, as applicable, to reflect such reconciliations pursuant to clause (v) of this paragraph.

(c) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of the Power Sales Contracts and the Project Agreements. UAMPS and the Participant acknowledge and agree that certain categories of costs may be financed as a Cost of Acquisition and Construction (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Operation and Maintenance Costs, as determined by the Project Management Committee, but without duplication of any item of cost. Transmission Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of this Contract and the Transmission Agreements. The Participant shall pay all such amounts pursuant to Section 27.

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

*Section 27. Participant's Payment Obligations.* (a) Payments required to be paid by the Participant to UAMPS shall be due and payable to UAMPS at its principal office or by wire transfer to such account as UAMPS shall designate in writing to the Participant, on the 10th day of the Month following the Month in which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to Section 25.

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

(c) The obligation of the Participant to make the payments for Development Costs, Operation and Maintenance Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to Section 26 is a several obligation and not a joint obligation with those of any other Participant. Prior to the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of the development of a new power supply resource. From and after the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of purchased electric power and electric energy. In all cases, the obligation of the Participant to make the payments required by Section 26 shall be payable as an operating expense and solely from the revenues and other legally available funds of its Electric System. In no event shall the Participant be obligated or required to levy or collect ad valorem property taxes or assessments to meet its payment obligations under this Contract. Such payments shall be made whether or not the Project or any portion thereof is acquired, completed, operable, operating, suspended or terminated, and notwithstanding the damage or destruction of the Project, the suspension, interruption, interference, reduction or curtailment of the Project Output, termination of any of the Project Agreements, loss or interruption of transmission from the Point of Delivery or termination of any Transmission Agreement, for any reason whatsoever, in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by UAMPS under this or any other agreement or instrument.

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

*Section 28. Disputed Billings.* In the event of any dispute as to any portion of the billing statement for such Billing Period, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to UAMPS not later than the 60th day after such billing statement was submitted. Such notice shall identify the disputed billing statement, state the amount in dispute and set forth a full statement of the grounds for such

dispute. No adjustment shall be considered or made for disputed charges unless such notice is given by the Participant. UAMPS shall give consideration to, and shall consult with the Project Management Committee with respect to, such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement or determination by the Project Management Committee) of the correct amount, any difference between such correct amount and such full amount shall be accounted for in the billing statement next submitted to the Participant after such determination. For the avoidance of doubt, any overpayment or underpayment determined pursuant to Section 26(b) shall not be considered to be a disputed payment that is subject to this Section.

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

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

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

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

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

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

(iv) all Required Approvals have been obtained;

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

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

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

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

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

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

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

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

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



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

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

- (1) all books of accounts, records, documentation and contracts in the possession of UAMPS relating to the operation of the Project;
- (2) copies of all agreements and data in the possession of UAMPS relating to the financing of the Project;
- (3) copies of all operating and financial records and reports relating to the Project in the possession of UAMPS;
- (4) copies of policies of insurance carried pursuant to Section 14; and
- (5) such other information and documents with respect to the Project as the Participant may reasonably request from time to time.

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

(c) The Participant acknowledges that the ability of UAMPS to sell the Bonds depends upon, among other things, the credit standing of the Participants and their Electric Systems and that it will be necessary for UAMPS to provide certain information with respect to the Participants and their Electric Systems in connection with the sale of the Bonds (whether or not the Participant is making a Capital Contribution). Consequently, the Participant covenants to and agrees with UAMPS that the Participant will, upon request, provide to UAMPS all information with respect to the Participant and its Electric System, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by UAMPS or its counsel in connection with the financing of the Project and the issuance of the Bonds.

(d) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) not later than 180 days after the end of each fiscal year of the Participant, (A) a copy of the most recent annual financial statements of the Participant and its Enterprise Fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the

accountants making such audit, and (B) the information and documents described in EXHIBIT II attached hereto, and (2) such other information and documents as UAMPS may reasonably request from time to time.

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

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

*Section 32. Covenants and Agreements of the Participant.* The Participant covenants to and agrees with UAMPS as follows:

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

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

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

The Participant shall not assign, sell or transfer all or any part of its Entitlement Share or any or all of its interests under this Contract, except upon one hundred twenty (120) days’ prior written notice to UAMPS and compliance with the provisions set forth below. Within thirty (30)

days after receipt of such notice from the Participant (and if such notice indicates that the Participant proposes to assign its Entitlement Share), UAMPS shall notify all of the other Participants of the proposed assignment or transfer by the Participant of all or part of its Entitlement Share. Each of the other Participants shall have the option of acquiring all or any portion of the Entitlement Share that is proposed to be assigned or transferred and shall notify UAMPS of its exercise of such option within forty-five days of its receipt of the notice from UAMPS referred to in the preceding sentence. In the event that two or more of the other Participants shall exercise their options with respect to the Entitlement Share that is proposed to be assigned or transferred in amounts which exceed the total Entitlement Share proposed to be assigned, UAMPS shall, to the extent necessary, make a pro rata allocation of the such Entitlement Share among the Participants which have exercised their options, based upon the existing Entitlement Shares of the requesting Participants. In the event that less than all of such Entitlement Share shall be acquired by other Participants, UAMPS shall notify the other Members of UAMPS of the proposed assignment of an Entitlement Share and shall provide such Members with an opportunity to acquire the remaining portion of the Participant's Entitlement Share.

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

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



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

(d) *Good Utility Practice.* The Participant shall, in accordance with Good Utility Practice, (i) at all times operate its Electric System and the business thereof in an efficient manner, (ii) maintain its Electric System in good repair, working order and condition, (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the Electric System, so that at all times the business thereof shall be properly conducted, and (iv) duly perform its obligations under all power supply and transmission service agreements to which it is a party.

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

(f) *Tax Status.*

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

(ii) The Participant represents and warrants that, as of the Effective Date, it has no contracts (and has no current expectation of entering into any contracts) other than Permitted Output Contracts to provide electric service to any purchaser. At least thirty days prior to entering into any such contract, the Participant shall notify UAMPS of its

intent to enter into such contract and provide copies of such contract to UAMPS. Within thirty days after receipt of such notice, UAMPS shall advise the Participant as to whether, in the opinion of Bond Counsel, such contract would result in a violation of the covenant in clause (i) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(iii) The Participant agrees to provide such information as UAMPS may request and to comply with such additional instructions as may be provided by UAMPS in order to confirm and maintain the Qualified Use of the Electric Energy sold under this Contract.

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

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

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

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

*Section 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service.* (a) In the event of any default referred to in Section 33, the Participant shall not be relieved of its liability for payment of any amounts in default or its failure to observe its covenants, agreements and obligations hereunder and UAMPS shall have the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, UAMPS may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of the Participant hereunder or the obligation of the Participant to make any payment for which provision is made in this Contract.

(b) In addition to proceeding with its rights against a defaulting Participant pursuant to paragraph (a) above, UAMPS may, upon not less than thirty days’ written notice from UAMPS to the Participant, cease and discontinue providing all or any portion of the Participant’s Entitlement Share and may terminate the Participant’s right to receive the Electric Energy allocable to its Entitlement Share under this Power Sales Contract. In connection with its determination to discontinue providing all or any portion of a defaulting Participant’s Entitlement Share, UAMPS shall take into account, among such other matters as UAMPS in its sole discretion shall deem

relevant, the amounts and due dates of its payment obligations under the Project Agreements and the Financing Documents and the funds and revenues available to UAMPS to enable it to meet its obligations thereunder. Any such termination of the Participant's Entitlement Share under this Power Sales Contract shall not, however, terminate, reduce or modify the Participant's outstanding obligations and liabilities hereunder.

(c) The suspension or termination of a defaulting Participant's right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 35 shall not terminate, reduce or modify the defaulting Participant's obligations and liabilities under its Power Sales Contract. The defaulting Participant shall remain liable under all billing statements rendered by UAMPS, whether prior or subsequent to the default, and UAMPS for itself and on behalf of the nondefaulting Participants shall be entitled to recover from the defaulting Participant all damages, legal fees, costs and expenses incurred by UAMPS and the nondefaulting Participants as a result of such default. UAMPS shall exercise Commercially Reasonable Efforts to mitigate the damages resulting from the Participant's default.

*Section 35. Transfer of Entitlement Share Following Default; Other Actions by UAMPS.*

(a) UAMPS and the Participant acknowledge that a default by any of the Participants under its Power Sales Contract could reduce the revenues available to UAMPS which are necessary in order for UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis. In the event of an insufficiency of revenues and an inability on the part of UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis, the ability of UAMPS to deliver Electric Energy from the Project and the interests of all of the Participants will be materially and adversely affected. The provisions of this Section are intended to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract by the reallocation of the defaulting Participant's Entitlement Share. As set forth below, UAMPS agrees to take certain actions to mitigate the impact of any such reallocation on the nondefaulting Participants. The Participants agree that the provisions of this Section are reasonable and necessary in order for them to achieve the benefits of their joint and cooperative undertaking with respect to the Project.

(b) In the event of a default by any Participant and discontinuance of service pursuant to Section 35 of such Participant's Power Sales Contract, but only if the Project has not been terminated, UAMPS and the nondefaulting Participants shall take the following actions in the order set forth below:

(1) UAMPS shall immediately make a mandatory allocation of the defaulting Participant's Entitlement Share among all of the nondefaulting Participants, pro rata on the basis of their original Entitlement Shares. UAMPS shall provide written notice to the nondefaulting Participants of the mandatory allocation of the defaulting Participant's Entitlement Share which notice shall (a) set forth the date of the mandatory allocation, (b) include a revised Schedule I showing the increased Entitlement Shares and (to the extent applicable) the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation, (c) direct each of the nondefaulting Participants to make an election pursuant to subparagraph (2) below, and (d) set forth the date by which each of the nondefaulting

Participants must notify UAMPS of its election pursuant to subparagraph (2) below. Such mandatory allocation of the defaulting Participant's Entitlement Share and the increased Entitlement Shares and the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation (as shown on the revised Schedule I prepared by UAMPS) shall remain in effect until the completion of the procedures provided for in this paragraph (a). During such period, each of the nondefaulting Participants shall have all of the rights, benefits, obligations and responsibilities associated with its increased Entitlement Share and its revised Capital Contribution Percentage, Debt Service Percentage and Debt Service Share as a result of such allocation.

(2) Within sixty days after the allocation of the defaulting Participant's Entitlement Share provided for in subparagraph (1) above, each of the nondefaulting Participants shall notify UAMPS in writing of its election of one of the following options: (A) to retain that portion of the defaulting Participant's Entitlement Share allocated to such nondefaulting Participant pursuant to subparagraph (1) above and the additional amount, if any, of the defaulting Participant's Entitlement Share that such nondefaulting Participant elects to acquire from any other nondefaulting Participant that may elect to retain less than all of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above; or (B) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant pursuant to subparagraph (1) above. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above shall be deemed to have fully satisfied its obligations to UAMPS under this Section and shall not thereafter be required to accept any additional allocation of the defaulting Participant's Entitlement Share.

(3) Within thirty days after its receipt of the elections of all nondefaulting Participants pursuant to subparagraph (2), UAMPS shall determine whether the nondefaulting Participants have elected to retain all of the Entitlement Share of the defaulting Participants pursuant to subparagraph (2). In the event that any of the Participants shall have elected to retain less than all of its allocation of the defaulting Participant's Entitlement Share, UAMPS shall proportionally reallocate the remaining amount of the defaulting Participant's Entitlement Share among those nondefaulting Participants that have requested additional amounts of the defaulting Participant's Entitlement Share. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next reallocate any remaining portion of the defaulting Participant's Entitlement Share among those Participants that did not elect to retain all of their initial allocations of such Entitlement Share. Proportional reallocations shall be based upon the Entitlement Shares of the nondefaulting Participants in effect immediately prior to the defaulting Participant's default.

(4) In no event shall any reallocation of a defaulting Participant's Entitlement Share, or the total of all mandatory reallocations of Entitlement Shares in the event of two or more Participant defaults under the Power Sales Contracts, cause any nondefaulting

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

(5) Each allocation or reallocation of a defaulting Participant's Entitlement Share shall also allocate or reallocate the defaulting Participant's Capital Contribution Percentage and Debt Service Percentage to the nondefaulting Participants receiving such allocation or reallocation. The Capital Contribution Percentage and the Debt Service Percentage of the defaulting Participant shall be allocated to each of such nondefaulting Participants proportionally based upon the respective amounts of the defaulting Participant's Entitlement Share that are allocated or reallocated to them.

(6) UAMPS shall deliver, promptly after making the determinations and reallocations required by this paragraph (b), a notice to the nondefaulting Participants which notice shall (A) set forth the reallocation of the defaulting Participant's Entitlement Share made by UAMPS pursuant to subparagraph (3) above, and the effective date of such reallocation, (B) set forth the amount, if any, of the Entitlement Share of the defaulting Participant that has been mandatorily reallocated to nondefaulting Participants that did not elect to retain or acquire the same, and (C) include a revised SCHEDULE I showing the revised Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants as a result of the reallocation provided for under subparagraph (3). The Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares shown on such revised SCHEDULE I shall thereafter be the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants.

(7) Any portion of the Entitlement Share of a defaulting Participant transferred pursuant to this paragraph (b) to a nondefaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant, and from and after the date of such transfer the transferee Participant shall be obligated to pay for its increased Entitlement Share pursuant to the terms and provisions of this Power Sales Contract. The defaulting Participant shall remain liable to UAMPS and the other Participants for costs incurred and damages suffered by them in connection with the actions taken with respect to the defaulting Participant's Entitlement Share provided for in this Section.

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

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



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

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

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

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

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

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

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

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

(e) Upon any sale or disposition of all or any portion of a defaulting Participant's Entitlement Share or the Electric Energy associated therewith or any sale of the Project pursuant to paragraphs (c) and (d) above, UAMPS shall take into account the proceeds realized or the revenues to be received from such sale or disposition and shall, to the extent necessary, make adjustments to the Entitlement Share, Capital Contribution Percentage, Debt Service Percentage and Debt Service Share of each of the nondefaulting Participants to reflect such sale or disposition and to ensure the receipt of revenues sufficient to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. The Participant acknowledges that such adjustments may, under certain circumstances, result in a change in the Participant's share of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs without a corresponding change in the Participant's Entitlement Share. Upon the completion of the procedures provided for in this Section, UAMPS shall prepare and send to each of the Participants a final revised SCHEDULE I, setting forth the Entitlement Shares, the Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants after the procedures and actions provided for in this Section.

*Section 36. Other Default by Participant.* In the event of a failure of the Participant to observe, keep and perform any of the covenants, agreements or obligations on its part contained in this Power Sales Contract, UAMPS may, in addition to its other rights hereunder, bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against the Participant.

*Section 37. Default by UAMPS; Dispute Resolution.* (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Power Sales Contract, the Participant's sole remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate and in no event shall the Participant withhold or offset any payment owed to UAMPS hereunder.

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

*Section 38. Abandonment of Remedy.* In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights,

remedies, powers and duties of UAMPS and the Participant shall continue as though no such proceedings had been taken.

*Section 39. Waiver of Default.* Any waiver at any time by either UAMPS or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

*Section 40. Relationship to and Compliance with Other Instruments.* (a) It is recognized by the parties hereto that UAMPS, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Financing Documents, the Project Agreements and all Permits and Approvals necessary therefor, and it is therefore agreed that this Power Sales Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) UAMPS covenants and agrees that it will use Commercially Reasonable Efforts for the benefit of the Participant to comply in all material respects with all terms, conditions and covenants applicable to it contained in the Financing Documents, the Project Agreements and all Permits and Approvals relating thereto and that it will not, without the consent of the Participant, enter into any amendment or modification of the Financing Documents or the Project Agreements which will change the Participant's Entitlement Share or which will materially and adversely affect the rights and obligations of the Participant hereunder.

*Section 41. Liability of Parties.* UAMPS and the Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall, to the extent permitted by law, indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the negligence of the other party; *provided* that any liability which is incurred by UAMPS through the operation and maintenance of the Project or pursuant to the Project Agreements and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of UAMPS hereunder, and any payments made by UAMPS to satisfy such liability shall, except to the extent paid from proceeds of Bonds or Capital Contributions, become part of Operation and Maintenance Costs.

*Section 42. Assignment of Power Sales Contract.* (a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; *provided, however*, that neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except as follows:

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



(2) UAMPS may sell, transfer or reallocate all or any portion of the Participant's Entitlement Share following a default by the Participant and a discontinuance of service as provided in Section 35;

(3) After such point in time as all Bonds issued under the Financing Documents have been paid or deemed to have been paid as provided in the Financing Documents, UAMPS may assign this Power Sales Contract and pledge the amounts payable by the Participant hereunder without limitation;

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

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

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

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

(b) This Power Sales Contract shall not be amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Power Sales Contract. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Financing Documents, this Power Sales Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(c) Subject to Section 6, no Power Sales Contract entered into between UAMPS and another Participant may be amended so as to provide terms and conditions that are substantially and materially different from those herein contained except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Power Sales Contract of any other Participants requesting such amendment after receipt by such Participant of notice of such amendment.

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

*Section 44. Notices and Computation of Time.* All notices, demands or other communications made pursuant to this Contract (each, a “Notice”) may be sent by facsimile, electronic mail, other mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivery. Notice shall be deemed given when received by the addressee, unless received on a day that is not a business day or received after 5:00 p.m. (receiving party’s local time) on a business day, in which case Notice shall be deemed to have been received on the next following business day. In the absence of proof of the actual receipt date, the following presumptions will apply: (i) Notice sent by facsimile or electronic mail shall be deemed to have been received upon the sending party’s receipt of electronic confirmation of successful transmission; (ii) Notice sent by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving party; and (iii) Notice sent by first class mail shall be deemed to have been received five business days after mailing.

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

*Section 45. Relationship of UAMPS and the Participant; Relationship among Participants.* (a) This Power Sales Contract is not intended to create, nor shall it be deemed to create, any relationship between UAMPS and the Participant other than that of independent parties contracting with one another for the purpose of effectuating the provisions of this Power Sales Contract.

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

*Section 46. No Recourse Against Officers, Etc. of UAMPS or Participant.* No member of the governing body, nor any officer or employee of UAMPS or the Participant shall be individually or personally liable for any payment under this Power Sales Contract or be subject to any personal liability or accountability by reason of the execution of this Power Sales Contract; *provided, however,* that this Section shall not relieve any officer or employee of UAMPS or the Participant from the performance of any official duty imposed by law or this Power Sales Contract.

*Section 47. Governing Law; Jurisdiction and Venue.* (a). This Power Sales Contract is made under and shall be governed by the law of the State of Utah; *provided, however*, that if the Participant is organized or created pursuant to the laws of another state, then the authority of the Participant to execute and perform its obligations under this Power Sales Contract shall be determined under the laws of such state. Headings herein are for convenience only and shall not influence the construction hereof.

(b) All judicial proceedings brought against either party arising out of or relating hereto shall be brought exclusively in the courts of the State of Utah or of the United States of America for the District of Utah. By executing and delivering this Contract, each party, for itself and in connection with its properties, irrevocably accepts generally and unconditionally the nonexclusive jurisdiction and venue of such courts; waives any defense of *forum non conveniens*; agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the party at its address provided in accordance with Section 44; and agrees that service as provided above is sufficient to confer personal jurisdiction over the party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect.

*Section 48. Severability; No Merger.* (a) If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

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

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

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

MURRAY CITY, UTAH

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

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Title: City Recorder

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

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

[SEAL]

ATTEST AND COUNTERSIGN

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

**PRELIMINARY**

**SCHEDULE D**

**SCHEDULE OF PARTICIPANTS, DEVELOPMENT SHARES AND DEVELOPMENT COST SHARES**

PARTICIPANT	DEVELOPMENT SHARE (kW)	DEVELOPMENT COST SHARE (%)*
-------------	---------------------------	--------------------------------

TOTAL

100.0000%

---

\* Column may not total due to rounding.

## SCHEDULE I

### SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES

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

PARTICIPANT	ENTITLEMENT SHARE	
	kW	%**

TOTAL		%
-------	--	---

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

\*\* Column may not total due to rounding.

## **EXHIBIT I**

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

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



PARTICIPANT \_\_\_\_\_  
FISCAL YEAR \_\_\_\_\_

## EXHIBIT II

### FORM OF PARTICIPANT'S ANNUAL INFORMATION REPORT\*

#### SYSTEM DESCRIPTION

Incorporated area of municipality \_\_\_\_\_ square miles.

Service area of utility \_\_\_\_\_ square miles.

Transmission and distribution lines \_\_\_\_\_ miles.

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

Number of customers served outside the city limits \_\_\_\_\_.

Service area outside of the city limits \_\_\_\_\_ square miles.

#### NUMBER OF ELECTRICAL CUSTOMERS AND TYPE OF LOAD SERVED

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

Annual audit will be sent to UAMPS as soon as completed after the fiscal year.

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

\*

Under Section 31(d) of the Power Sales Contract, UAMPS has agreed to classify certain of the information provided by the Participant on this Exhibit II as a "protected record," pursuant to the Participant's request. The Participant must also take any actions necessary on its part to appropriately classify and protect such information provided in this Exhibit.

### Customer Sales by Class

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

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

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

**GENERATION  
PRODUCED FOR SYSTEM LOAD**

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

**SYSTEM PEAK INCLUDING LOAD  
COVERED BY OWN GENERATION**

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

### FIVE LARGEST LOADS

	TYPE OF BUSINESS	KWH SOLD	ANNUAL ELECTRICAL BILLINGS
1.	<hr/>	<hr/>	<hr/>
2.	<hr/>	<hr/>	<hr/>
3.	<hr/>	<hr/>	<hr/>
4.	<hr/>	<hr/>	<hr/>
5.	<hr/>	<hr/>	<hr/>

### ACHIEVEMENTS

Provide below the achievements of your utility for the year.

### EXHIBIT III

#### FORM OF CERTIFICATE OF PARTICIPANT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

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

1. This Certificate has been executed pursuant to Section 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the "*Power Sales Contract*"), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a \_\_\_\_\_, duly created and validly existing under the laws of the State of \_\_\_\_\_ (the "*State*"), and is governed by a \_\_\_\_\_ (the "*Governing Body*").

3. Attached hereto as *Exhibit A* is a true, complete and correct copy of a resolution authorizing the execution and delivery of the Power Sales Contract and related matters (the "*Contract Resolution*"). The Contract Resolution was duly adopted by a majority of the Governing Body present and voting at a public meeting of the Governing Body held on \_\_\_\_\_, at which a quorum was present and acted throughout.

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

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

NAME

OFFICE

«officer»

[Executive Officer]

«officer»

[Clerk/Recorder/Secretary]

6. (a) No petition was filed with the Participant or any of its officers seeking to refer the Contract Resolution to the electors of the Participant in accordance with the provisions of state law; and (b) no litigation has been instituted, is pending or has been threatened to require a referendum election on the Contract Resolution.

7. The Participant owns and operates an electric utility system (the “*System*”) that distributes and furnishes electric energy to consumers located within the established service area of the System. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

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

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

10. The representations and warranties of the Participant in Section 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other interested parties.

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

[PARTICIPANT]

By \_\_\_\_\_  
[Executive Officer]

By \_\_\_\_\_  
[Clerk/Recorder/Secretary]

[Seal]



**EXHIBIT A**

[Form of Contract Resolution]

**RESOLUTION NO. \_\_\_\_\_**

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

\*\*\*\*\*        \*\*\*\*\*        \*\*\*\*\*

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

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

WHEREAS, UAMPS proposes to acquire and construct a combined cycle natural gas-fired electric generating facility plant known as the “Power County Power Project” (the “*Project*”) to be located at a site in Power County, Idaho, and to sell the capacity and output of the Project pursuant to the Power County Power Project Power Sales Contracts (the “*Power Sales Contracts*”) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

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

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

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

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

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

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

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

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

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

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrevocable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

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

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

ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
[Secretary/Clerk/Recorder]

[SEAL]

## ANNEX A

[Attach Power Sales Contract]

## EXHIBIT IV

### FORM OF BRING DOWN CERTIFICATE OF THE PARTICIPANT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF «COUNTY» )

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

1. This certificate has been executed in connection with the issuance by UAMPS of its Power County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the “*Bonds*”), as more fully described in the Official Statement of UAMPS dated \_\_\_\_\_ (the “*Official Statement*”) prepared in connection with the offering and sale of the Bonds.

2. Pursuant to Section 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024, between the Participant and UAMPS, in connection with the execution and delivery of the Power County Power Project, the undersigned executed and delivered a certificate dated \_\_\_\_\_ (the “*Original Certificate*”). The undersigned hereby reaffirm the statements made in the Original Certificate on and as of the date hereof. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Original Certificate.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

[PARTICIPANT]

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

[SEAL]

## EXHIBIT V

### FORM OF OPINION OF COUNSEL TO THE PARTICIPANT

\_\_\_\_\_  
Utah Associated Municipal Power Systems  
155 North 400 West, Suite 480  
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the “*Participant*”) in connection with the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the “*Power Sales Contract*”), between the Participant and Utah Associated Municipal Power Systems (“*UAMPS*”). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from the Project to the Participant and others that have executed Power Sales Contracts with UAMPS.

This opinion is being delivered to you pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not defined herein have the meanings assigned to such terms in the Power Sales Contract.

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

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

1. The Participant is a \_\_\_\_\_ duly organized and validly existing under the laws State of \_\_\_\_\_ (the “*State*”) and is qualified to own, operate and furnish electric service through the System.

2. The Participant has full legal right, power and authority to enter into the Power Sales Contract and to carry out and consummate all of the transactions contemplated thereby, and the Participant has complied with the provisions of applicable law which would be a condition precedent to entering into the Power Sales Contract or carrying out and consummating such transactions.



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

4. Pursuant to the Power Sales Contract, the Participant's obligation to make payments to UAMPS under the Power Sales Contract is a special obligation payable solely from the revenues and other available income of the System initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as an operating expense of the System. The application of the revenues and other available funds of the System to make such payments is not subject to any prior lien, encumbrance or restriction.

5. The Participant has obtained all Required Approvals.

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

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

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

9. The Participant has lawful authority to fix and collect rates, fees and charges for the services provided by the System. Such rates, fees and charges for utility services provided to customers located within the corporate boundaries of the Participant are not subject to regulation by any authority of the State or the United States and have been duly and validly adopted by the Participant and are in full force and effect.

10. The Participant has lawful authority to own the System and, to my knowledge, the Participant (a) has good and merchantable title to the properties comprising the System and (b) holds all permits, licenses and approvals necessary for the operation of the System.

I hereby authorize Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

## EXHIBIT VI

### FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

\_\_\_\_\_  
Utah Associated Municipal Power Systems  
155 North 400 West, Suite 480  
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the "*Participant*") in connection with the Power County Power Project Power Sales Contract dated as of December 1, 2024 (the "*Power Sales Contract*") between the Participant and Utah Associated Municipal Power Systems ("*UAMPS*"). I have been advised that UAMPS has made arrangements for the issuance and sale on the date hereof of its Power County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the "*Bonds*").

Pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power County Power Project, I rendered to UAMPS an approving legal opinion, dated \_\_\_\_\_ (the "*Prior Opinion*"), with respect to the Participant. In connection with the issuance and sale by UAMPS of the Bonds, I hereby reaffirm the Prior Opinion, as though it was dated the date hereof, in the form it was so rendered on \_\_\_\_\_.

[In addition to the foregoing, I have examined (i) the material describing the Participant and its electric system contained in APPENDIX A to each of the Preliminary Official Statement (together with any supplements or amendments thereto as of the date hereof, the "*Preliminary Official Statement*") and the Official Statement (together with any supplements or amendments thereto as of the date hereof, the "*Official Statement*") of UAMPS relating to the Bonds and (ii) such other documents, information, facts and matters of law as are necessary for me to render the following opinion. Based upon the foregoing, I am of the opinion that the statements and information with respect to the Participant and its electric system contained in APPENDIX A to the Preliminary Official Statement and the Official Statement were true and correct in all material respects as of the respective dates of the Preliminary Official Statement and the Official Statement and are true and correct in all material respects as of the date hereof, and no facts have come to my attention which would lead me to believe that such statements and information contained or contain any untrue statement of a material fact or omitted to state or omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading; *provided, however*, that I express no view with respect to the tabular, financial and statistical information included therein.]

I hereby authorize the reference to this opinion and to the Prior Opinion set forth under the caption, "APPROVAL OF LEGAL PROCEEDINGS," in the Official Statement. I hereby further authorize [Bond Counsel] and [other reliance parties] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

**EXECUTIVE SUMMARY**  
**UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS**  
**POWER COUNTY POWER PROJECT**

October 24, 2024

**INTRODUCTION AND OVERVIEW**

**INTRODUCTION**

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

This Executive Summary has six parts:

- Part 1: Definitions,
- Part 2: Preliminary Baseload Project description,
- Part 3: Estimated cost of construction; Budget and Plan of Finance,
- Part 4: Interconnection and Transmission,
- Part 5: Summary of the Power Sales Contracts, and
- Part 6: Outlines of the Project Agreements.

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

## **PART 1. DEFINITIONS**

As used in this Executive Summary:

*Baseload Project*: the Power County Power Project.

*Contractor*: the contractor under the EPC Contract.

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

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

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

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

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

*Participants*: the power purchasers under the Power Sales Contracts.

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

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

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

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

*UMPA*: Utah Municipal Power Agency.

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

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

## **PART 2. THE BASELOAD PROJECT**

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

### **PROJECT DESCRIPTION**

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

1. Preliminary planning and design of the facility with a third-party Owner's Engineer, including site studies, long-lead time ordering of equipment and estimation of project costs.
2. Preliminary site work and preparation, including clearing, fencing, grading and concrete foundations work, as well as final site work upon completion of the Baseload Project.
3. A Baseload Generation System consisting of:
  - a. A single combustion turbine (CT) as the prime mover driving (directly-connected to) an electrical generator,
  - b. A heat recovery steam generator (HRSG) system with duct fired burners that recover heat to drive a steam generator to produce electricity,
  - c. All ancillary equipment associated with the prime mover equipment: fuel system, lubricant system, coolant systems, exhaust silencer, etc.,
  - d. Air emission control equipment: Selective Catalytic Reduction (SCR) equipment,
  - e. Major electrical systems: switchgear, disconnects and generator step-up transformers, and
  - f. All balance-of-plant equipment: fire suppression, crane equipment, etc.
4. Electric interconnection facilities including a substation, a step-up transformer, control, metering and communications equipment, and a new transmission line to the Borah substation. See "Transmission and Interconnection" below.
5. A natural gas measurement station and small lateral supplied by Williams Northwest Pipeline.



## ENGINEERING, CONSTRUCTION AND FINANCING

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

## PERMITS AND APPROVALS

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

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

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

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

## PROJECT CONSTRUCTION SCHEDULE

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

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

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

#### PROJECT CONSULTANTS

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

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

#### OPERATION OF THE BASELOAD PROJECT

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

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

#### **ESTIMATED COST OF CONSTRUCTION**

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

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

#### **BUDGET AND PLAN OF FINANCE**

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

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

## **PART 4. TRANSMISSION OF PROJECT POWER AND ENERGY**

### **INTERCONNECTION**

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

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

### **TRANSMISSION**

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

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

## **PART 5. THE POWER SALES CONTRACTS**

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

### **THE PROJECT**

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

### **SALE OF OUTPUT**

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

### **TERM**

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

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

### **DEVELOPMENT SHARES AND ENTITLEMENT SHARES**

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

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

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

## FINANCING

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

## SECURITY FOR BONDS

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

## CAPITAL CONTRIBUTION OPTION

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

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

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

## PRICE

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

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

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

## BILLINGS AND PAYMENTS

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

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

## PROJECT MANAGEMENT COMMITTEE

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



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

#### ANNUAL BUDGETS

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

#### PROJECT OUTPUT

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

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

#### CAPITAL REPLACEMENTS, IMPROVEMENTS AND ADDITIONS

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

#### ADDITIONAL FACILITIES

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

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

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

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

## **PART 6. THE PROJECT AGREEMENTS**

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

### **JOINT OWNERSHIP AGREEMENT**

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

It is expected that the Joint Ownership will provide that:

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

### **THE EPC CONTRACT**

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

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

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

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

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

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

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

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

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

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

#### THE OPERATING AGREEMENT

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

#### THE INTERCONNECTION AGREEMENT

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

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

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION AUTHORIZING AND APPROVING THE MILLARD  
COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH  
ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

\*\*\*\*\*        \*\*\*\*\*        \*\*\*\*\*

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

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

WHEREAS, UAMPS proposes to acquire and construct a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be known as the "Millard County Power Project" (the "*Project*") to be located at a site in Millard County, Utah, and to sell the capacity and output of the Project pursuant to the Millard County Power Project Power Sales Contracts (the "*Power Sales Contracts*") between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

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

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the

Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Murray City, Utah, as follows:

*Section 1. Approval of Power Sales Contract; Development Share.* (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Recorder is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as *Annex A* as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

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

*Section 2. Participant's Representative.* (a) The appointment of Greg Bellon as the Participant's Representative to UAMPS and Matt Youngs as alternate Representatives is hereby confirmed.

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

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.



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

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrevocable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

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

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

ADOPTED AND APPROVED on \_\_\_\_\_, 2024.

MURRAY CITY

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

[SEAL]

**MILLARD COUNTY POWER PROJECT  
POWER SALES CONTRACT**

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

**MURRAY CITY, UTAH**

DATED AS OF DECEMBER 1, 2024

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

**MILLARD COUNTY POWER PROJECT  
POWER SALES CONTRACT**

This POWER SALES CONTRACT made and entered into as of December 1, 2024, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (“UAMPS”) and MURRAY CITY, a political subdivision of the State of Utah (the “Participant”).

**RECITALS\***

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

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

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

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

WHEREAS, in order to develop a long-term source of reliable, cost-effective electricity for the benefit of those Members that elect to participate in the Project (the “Participants,” as defined herein), UAMPS has through its Resource Project examined and is continuing to examine the feasibility of the development, construction and operation of a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be located in Millard County, Utah (the “Project”);

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

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

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

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

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

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

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

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

*"Act"* means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and other applicable provisions of law.

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

*"Additional Facilities"* means capital additions, betterments and replacements and other capital items directly and functionally related to the Project, including electric transmission, fuel transportation, storage, fuel storage and related facilities, additional electric generating and related facilities located at the Project site, long-term supplies of natural gas or other fuel for the use of the Project and any other facilities, improvements and properties designated by the Project Management Committee as Additional Facilities under the Power Sales Contracts.

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

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

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

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

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

*“Bond Fund”* means the funds and accounts created by the Financing Documents for the payment of debt service on Bonds and reserves therefor.

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

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

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

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

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

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

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

“Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any action required to be made, attempted or taken by a party under this Contract or one of the Project Agreements, such efforts as a reasonably prudent business would undertake, consistent with Good Utility Practice, for the protection of its own interest under the conditions affecting such action, including without limitation, the amount of notice of the need to take such action, the duration and type of the action, the competitive environment in which such action occurs, the terms and provisions of the Project Agreements and the Financing Documents, the contractual and legal obligations of, and the risk to, such party in connection with such action; *provided, however*, an obligation to act in a “Commercially Reasonable” manner or to exercise “Commercially Reasonable Efforts” does not include taking actions that would, individually or in the aggregate, cause the party subject to such obligation to incur costs, or suffer any other detriment, that is out of reasonable proportion to the benefits to the other party under this Contract or the Project Agreements.

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

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

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



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

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

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

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

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

- (1) working capital and reserve requirements of the Project, including, without limitation, amounts for deposit into the Reserve and Contingency Fund and those items set forth in the definition of Operation and Maintenance Costs, as may be determined from time to time by UAMPS;
- (2) interest accruing in whole or in part on Bonds issued to pay all or any portion of the Cost of Acquisition and Construction or the Cost of Additional Facilities prior to and during the acquisition and construction thereof and for such additional period as UAMPS may determine to be reasonably necessary for placing the Project or the Additional Facilities in operation in accordance with the provisions of the Budget and Plan of Finance;
- (3) the deposit or deposits, if any, required to be made under the Financing Documents from the proceeds of Bonds into any fund or account established pursuant to the Financing Documents to meet debt service reserve requirements for the Bonds and premiums and fees payable for any credit or liquidity facilities with respect to the Bonds;
- (4) the deposit or deposits into the Bond Fund and any other fund or account required to be funded by the Financing Documents;

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

(6) planning and development costs, engineering fees, contractors' fees, fiduciaries' fees, auditors' and accountants' fees, costs of obtaining all permits and approvals, the cost of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal, financial advisory and financing costs and issuance costs of the Bonds, amounts payable under the Real Estate Agreements, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

(7) all costs relating to litigation, claims or judgments not otherwise covered by insurance and arising out of the acquisition, construction or operation of the Project or otherwise related to the Project, the Project Agreements, the Power Sales Contracts or the transactions contemplated thereby;

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

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

(10) the cost of long-term supplies of natural gas or other fuel supplies necessary or desirable in connection with the operation of the Project and the costs of transporting fuel supplies to the Project and prepayments and advance payments therefor, including the costs of pipelines, laterals, receiving stations or capacity rights therein; and

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

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

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

(2) the portion of the next due principal installment on the Bonds, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the principal payments on the Bonds; provided however, that the amount included in Debt Service Costs pursuant to this clause (2) shall not include the principal of

Bonds becoming due and payable solely as a result of the acceleration of the maturity thereof;

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

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

(5) Trustee, paying agent, escrow agent and other fiduciaries' fees and expenses payable under the Financing Documents; fees and expenses of remarketing agents, broker-dealers, auction agents and other providing services with respect to Bonds;

(6) the amounts required to be paid to maintain any credit or liquidity facilities for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds; and

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

*provided, however*, that the additional interest expense on or in respect of any Bonds that are subject to federal income taxation (and not eligible for tax credits or interest subsidy payments) may, as determined by the Project Management Committee pursuant to Section 16(d), be allocated to those Participants whose legal status or use of the Project Capability or the Project Output adversely affects the Tax Status of such Bonds. In the event of such allocation, the Debt Service Costs payable by such Participants shall be increased to include amounts sufficient to pay any such additional interest expense.

*"Debt Service Percentage"* means, with respect to each Participant and as of any date of determination, the percentage obtained by subtracting the Participant's Capital Contribution Percentage from the Participant's Entitlement Share. The Participant's initial Debt Service Percentage will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Percentages for the Participants may be calculated separately for each separate series of Bonds.

*"Debt Service Share"* means, with respect to each Participant and as of any date of determination, the percentage of Debt Service Costs payable by the Participant, determined by dividing the Participant's Debt Service Percentage (expressed as a decimal) by the sum (expressed as a decimal) of the Debt Service Percentages of all Participants, including the Participant whose Debt Service Share is being determined. The Participant's initial Debt Service Share will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The

Debt Service Shares for the Participants may be calculated separately for each separate series of Bonds.

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

*“Decommissioning Costs”* means the costs and expenses of Decommissioning the Project.

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

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

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

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

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

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

*“Development Work”* means all work and services necessary or desirable in connection with:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*“Initial Facilities”* means the real and personal property, facilities, structures, improvements and equipment to be acquired and constructed in connection with the initial operation of the Project as generally described on EXHIBIT I. In connection with the Completion



of Development and at such other times as it deems necessary, UAMPS shall submit updates to EXHIBIT I to the Project Management Committee for approval.

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

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

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

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

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

*“Minimum Subscription”* is defined in Section 2.

*“Month”* means a calendar month.

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

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

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

*“Operation and Maintenance Costs”* means, with respect to each Billing Period of each Contract Year, all costs and expenses (other than Transmission Costs and Debt Service Costs) attributable to the Project that are paid, payable, incurred or accrued by UAMPS during each Billing Period resulting from the ownership, operation, maintenance and termination of, and

repairs, renewals, replacements, additions, improvements, and betterments and modifications to, the Project. Operation and Maintenance Costs shall further include, without limitation, the following items of cost:

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

(2) any amount which UAMPS may be required during such Billing Period to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, modifications and betterments which arise out of or are required by the Project Agreements for which UAMPS shall be obligated, but only to the extent that funds for such payment are not provided by the issuance of Bonds or Capital Contributions made by the Participants;

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

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

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

(6) the portion of UAMPS' administrative and general expenses allocable or directly charged to the Project, working capital and reserves for the payment of operation and maintenance expenses, and all other costs and expenses (but excluding depreciation) not included in the costs specified in the other items of this definition and properly chargeable to the Project;

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

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

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

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



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

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

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

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

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

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

*“Permitted Output Contract”* means a contract that:

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

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

*“Point of Delivery”* means the point or points of physical interconnection of the Initial Facilities or Additional Facilities, as applicable, with the electric transmission grid, as determined pursuant to the Interconnection Agreement.

*“Pooling Agreement”* means, collectively, the Power Pooling Agreements between UAMPS and the Members and certain other entities providing for the establishment and operation of the UAMPS Pool and related matters, including all supplements and appendices thereto and as the same may be amended, restated or supplemented from time to time.

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

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

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

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

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

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

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

(a) “Qualified Use” shall not include any sale of electricity that gives rise to “private business use” or a “private loan” within the meaning of Section 141 of the Code;

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

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

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

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

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

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

*“Required Approvals”* means all governmental, regulatory and lender approvals, consents and authorizations required or necessary for (i) the execution, delivery and performance of this Contract (or any amendment hereto) by the Participant and (ii) this Contract (or any amendment hereto) to be the legal, valid and binding obligation of the Participant.

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

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

*“Super-Majority Vote”* means the affirmative vote of Participants’ Representatives that represent 75% of (i) the number (per capita) of Participants’ Representatives serving on the Project Management Committee, and (ii) during the Development Period, the Development Cost Shares of all Participants or, after the Development Period, the Entitlement Shares of all Participants. For

the avoidance of doubt, in the event that a Super-Majority Vote is required when a Participant's Representative is not entitled to vote on matters before the Project Management Committee pursuant to Section 5(b)(1), such Participant's Representative and such Participant's Development Cost Share or Entitlement Share (as applicable) shall be disregarded in computing the percentages of Participants' Representatives and Entitlement Shares that have voted on the matter requiring a Super-Majority Vote.

*"System Point of Receipt"* means (i) the point(s) of interconnection between the Participant's electric utility system and the transmission facilities of the applicable balancing authority or authorities, or (ii) such other point(s) for the receipt by the Participant of Electric Energy from the Project as may be agreed to by the parties.

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

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

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

*"Trustee"* means the bank or trust company acting as the trustee under the Financing Documents.

*"UAMPS"* means Utah Associated Municipal Power Systems, a political subdivision organized and existing under the laws of the State of Utah, the Act and the Joint Action Agreement, and its successors. All references to UAMPS in this Power Sales Contract shall include Authorized Officers of UAMPS and their delegates acting pursuant to specific authorization by the Board.

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

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

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

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

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

(d) Any representation, warranty, certificate or legal opinion with respect to the enforceability of this Contract or any other contract or agreement made in or provided pursuant to this Contract shall be deemed to be qualified by reference to the effect of applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditor’s rights generally and by the application of equitable principles, regardless of whether such qualification is expressly stated herein or therein.

*Section 2. Effective Date and Term of Contract.* (a) Promptly upon its governing body’s adoption of the Contract Resolution and its receipt of any other Required Approvals, the Participant shall (i) cause this Contract to be executed by its authorized officers, and (ii) deliver to UAMPS notice of the requested amount of its Development Share (in kW) and an executed counterpart of this Contract, together with its executed certificate (in substantially the form attached hereto as EXHIBIT III) and its executed opinion of counsel (in substantially the form attached hereto as EXHIBIT V). The Effective Date of the Power Sales Contracts shall occur on the date on which UAMPS receives executed Power Sales Contracts and the other items described in the preceding sentence from Participants that have requested Development Shares totaling 85% of the expected Project Capability as of the Effective Date (the *“Minimum Subscription”*). At its



initial meeting, the Project Management Committee shall confirm and declare that the Effective Date has occurred, shall approve any changes to the expected Project Capability and shall approve the completed form of SCHEDULE D. The Authorized Officers of UAMPS shall execute all such Power Sales Contracts as of the date that the Effective Date occurs. Once it has occurred, the Effective Date shall not be affected by any subsequent action, event or circumstance.

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

(c) This Contract will become effective upon the Effective Date, and will, unless terminated pursuant to Section 43, continue until the last to occur of : (i) the date on which all of the Project Agreements have terminated or expired in accordance with their respective terms and all obligations of UAMPS thereunder have been fully paid, satisfied or discharged; (ii) the date on which all Bonds have been paid in full as to principal, premium and interest, or sufficient funds shall have been irrevocably set aside for the full defeasance thereof and all other obligations of UAMPS under the Financing Documents have been paid or satisfied; and (iii) the date on which the Initial Facilities and any Additional Facilities shall be permanently removed from service and Decommissioned and all Decommissioning Costs shall have been paid or irrevocable arrangements have been made that fully fund all Decommissioning Costs.

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

(b) By virtue of its Development Share and in consideration of its associated Development Cost Share, the Participant (i) shall have the right to participate in the decision-making over the development of the Project through its representative on the Project Management Committee, and (ii) shall, from and after the Completion of Development through the remaining term of this

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<sup>1</sup> % amount will be inserted upon completion of credit review of Participant group.

Contract and without any further action on its part or by any other person, have an Entitlement Share with the same amount of Electric Power as its Development Share.

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

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

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

*Section 5. Project Management Committee.* (a). The Participants hereby establish the Project Management Committee, which shall consist of one voting representative from each Participant (who shall be the Participant’s Representative) and shall be chaired by a Participant’s Representative elected by the Project Management Committee. Pursuant to the Contract Resolution, the Participant has delegated full and complete authority to its Participant’s Representative to act on all matters and decisions that come before the Project Management Committee. Each Representative appointed by the Participant shall serve on the Project Management Committee until the Participant appoints a successor. An Authorized Officer of UAMPS shall attend all meetings of the Project Management Committee and shall cause minutes to be kept of all such meetings.

(b) The Joint Action Agreement and the bylaws of UAMPS shall govern the procedures for and the voting rights on the Project Management Committee, *provided that*:

(1) The Participant’s Representative of any Participant that is in default hereunder (A) shall not be entitled to vote on any matter during the period of such default. and the consent or approval of such Participant or such Participant’s Representative shall not be required during the existence of such default and (B) shall be disregarded for purposes of determining whether a quorum of the Project Management Committee is present at any meeting;

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

exceeds the Target Price, together with such other matters as the Project Management Committee deems necessary or desirable. A determination by the Project Management Committee that the Target Price is exceeded as of any such determination date, shall constitute a determination by the Project Management Committee to terminate the Project.

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

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

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

- (i) determine whether or when Completion of Development has occurred;
- (ii) review and approve definitive engineering and feasibility studies for the Initial Facilities, and such other materials as it deems necessary in order to determine that construction and operation of the Initial Facilities is feasible and should proceed;
- (iii) review and approve the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction of the Initial Facilities;
- (iv) make a determination by a Super-Majority Vote as to whether construction of the Project is feasible and whether the Project should proceed to the Construction Period;
- (v) approve the Power Sales Contracts to be entered into with any new Participants any additional terms and conditions for their participation in the Project; and
- (vi) review and approve the initial SCHEDULE I for the Project.

A determination by the Project Management Committee that construction of the Initial Facilities is not feasible and should not proceed to the Construction Period will result in termination of the

Project; notwithstanding any such termination, this Contract shall remain in effect until the conditions described above and in Section 2(b) have been satisfied.

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

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

*Section 7. Joint Ownership Agreement.* As a part of the Development Work and to the extent authorized by the Project Management Committee, UAMPS may also solicit indications of interest from other entities regarding the acquisition of ownership interest in the Initial Facilities. Subject to the negotiation of a definitive Joint Ownership Agreement and the approval of the Project Management Committee, UAMPS may sell a portion of its ownership interest in the Initial Facilities to another entity. UAMPS shall make recommendations to the Project Management Committee regarding (i) the terms and provisions of any Joint Ownership Agreement, and (ii) the identity, operating experience and financial capability of the joint owner under a Joint Ownership Agreement and its ability to meet its obligations thereunder, each of which shall be subject to the approval of the Project Management Committee.

*Section 8. Construction Period.* (a) The Construction Period shall commence upon the determination of the Project Management Committee that Completion of Development has occurred. During the Construction Period, UAMPS shall (i) cause the construction of the Project to proceed in an expeditious and economical manner pursuant to the Construction Agreements and other Project Agreements, (ii) monitor the performance of the contractors under the Construction Agreements, and (iii) report to the Project Management Committee with respect to the progress of the acquisition and construction of the Project as provided herein.

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

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

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

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

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

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

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

*Section 9. Operation and Maintenance of the Project.* UAMPS covenants and agrees that, during the Operating Period, it will use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be operated, maintained and managed in an efficient and economical manner in accordance with Good Utility Practice for the joint and ratable benefit of all of the Participants. UAMPS agrees with and covenants to the Participant that UAMPS will vigorously enforce and defend its rights under the Project Agreements. The Participant acknowledges and agrees that UAMPS may, upon the approval of the Project Management Committee, from time to time enter into amendments of and supplements to any or all of the Project Agreements and that, except as otherwise required by Section 40, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

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

(b) At any time the Project is operable or operating the Participant shall not be entitled to use in any hour Electric Energy in excess of that which is allocable to the Participant's Entitlement Share, unless arrangements have been made for a planned purchase of such Electric Energy through the UAMPS Pool. The Participant agrees that, prior to the first delivery of Electric Energy under this Power Sales Contract, it will execute and deliver to UAMPS an appendix to the Pooling Agreement (in a form approved by the Project Management Committee) that assigns the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool. Any surplus Electric Energy attributable to the Participant's Entitlement Share shall be sold or otherwise disposed of by the Participant only in accordance with the provisions of such appendix to the Pooling

Agreement. In addition to any sales of surplus Electric Energy requested by the Participant through the UAMPS Pool, UAMPS will utilize Commercially Reasonable Efforts to sell, exchange or otherwise dispose of any incidental surplus Electric Power and Electric Energy attributable to the Project for the benefit of the Participants.

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

*Section 11. Point of Delivery; Risk of Loss.* (a) The Electric Energy allocable to the Participant's Entitlement Share shall be delivered at the Point of Delivery. The Participant shall be responsible for, and shall pay all costs associated with, (i) the transmission of such Electric Energy from the Point of Delivery to its System Point of Receipt and (ii) the distribution and delivery of Electric Energy from its System Point of Receipt to its customers.

(b) Upon the request of the Participant, UAMPS will use Commercially Reasonable Efforts to enter into one or more Transmission Agreements, or will utilize its transmission rights under existing Transmission Agreements, to provide for transmission service for the Electric Energy allocable to the Participant's Entitlement Share from the Point of Delivery to the Participant's System Point of Receipt. Any future Transmission Agreements entered into by UAMPS for or on behalf of the Participant shall be approved by UAMPS and the Participant, and the Participant shall pay all Transmission Costs thereunder. The Participant agrees that it shall maintain (or cause UAMPS to maintain) during the term of this Contract, such Transmission Agreements as shall be necessary for the firm transmission of the Electric Energy allocable to its Entitlement Share from the Point of Delivery to its System Point of Receipt, except as may be otherwise approved by the Project Management Committee. The Participant shall provide UAMPS with copies of all Transmission Agreements utilized by it and with such other information regarding its transmission arrangements as UAMPS may reasonably request.

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

(d) Electric Energy delivered hereunder and risk of loss shall pass from UAMPS to the Participant at the Point of Delivery. As between the parties to this Contract, UAMPS shall be deemed to be in exclusive control and possession of the Electric Energy delivered hereunder, and



responsible for any damage or injury caused thereby, prior to the time such Electric Energy shall have been delivered to the Participant at the Point of Delivery. After delivery of Electric Energy to the Participant at the Point of Delivery, the Participant shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. UAMPS assumes all liability for and shall indemnify, defend and hold harmless the Participant (individually) from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it. All costs and expenses incurred by UAMPS under the foregoing indemnity shall constitute a Cost of Acquisition and Construction or an item of Operation and Maintenance Costs, as determined by the Project Management Committee. To the extent permitted by law and solely to the extent of the revenues of its Electric System and any available insurance proceeds, the Participant assumes all liability for and shall indemnify, defend and hold harmless UAMPS and the other Participants from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it.

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

*Section 13. Availability of Electric Energy.* (a) Except as provided otherwise by this Power Sales Contract and subject to the provisions of the Project Agreements, Electric Energy allocable to the Participant's Entitlement Share shall be made available in accordance with this Power Sales Contract during the term hereof; *provided, however*, that nondelivery of Electric Energy hereunder for any reason whatsoever (1) shall not relieve the Participant from its obligation to make its payments under Section 27 and (2) shall not impose any liability upon UAMPS for any direct or consequential damages suffered by the Participant.

(b) The Participant acknowledges and agrees that deliveries of the Electric Energy allocable to its Entitlement Share are not firm and are contingent upon the operation of the Project, the availability of transmission and other factors. The Participant agrees that it is solely responsible for any firming transactions with respect to its Entitlement Share.

*Section 14. Insurance.* UAMPS shall maintain, or during the Construction Period shall cause the EPC Contractor to maintain, in force, as part of the Cost of Acquisition and Construction

or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Good Utility Practice and to the extent available at reasonable cost, but in no case less than will satisfy applicable regulatory requirements and requirements of the Financing Documents.

*Section 15. Budget and Plan of Finance.* (a) The Budget and Plan of Finance for the Initial Facilities shall include the following information:

- (i) the amount of Development Costs incurred to the date of the Budget and Plan of Finance and the estimated total Development Costs to the Completion of Development;
- (ii) the estimated Cost of Acquisition and Construction;
- (iii) the estimated timeline for the development and construction of the Initial Facilities to the Commercial Operation Date;
- (iv) the estimated levelized cost of energy (\$/MWh) for Project Output sold to the Participants under the Power Sales Contracts (which may be a range of such costs);
- (v) the proposed funding and financing arrangements for all Development Costs during the Development Period; including Bonds and other funding and financing arrangements; and
- (vi) such other information as may be required to be included in the Budget and Plan of Finance by the Project Management Committee.

(b) UAMPS and the Participant acknowledge and agree that as of the Effective Date, (i) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, (ii) the overall development of the Project is at a preliminary stage, and (iii) a definitive estimate of the Cost of Acquisition and Construction will not be available until the Completion of Development. Accordingly, the parties acknowledge and agree that the information contained in the initial Budget and Plan of Finance is necessarily preliminary and is subject to change based on, among other things, additional information that becomes available to UAMPS during the Development Period, the negotiation of the terms and provisions of the Project Agreements, the terms and conditions of the Permits and Approvals, and the development and negotiation of funding sources and financing arrangements for Development Costs and the Cost of Acquisition and Construction.

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

*Section 16. Financing of the Project.* (a) UAMPS shall finance the portion of the Cost of Acquisition and Construction of the Initial Facilities that is not paid from Capital Contributions

made by the Participants through the issuance of one or more series of Bonds pursuant to the Budget and Plan of Finance approved by the Project Management Committee.

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

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

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

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

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

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

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

(d) Each Participant may elect to make a Capital Contribution to UAMPS pursuant to Section 17. Prior to the giving by UAMPS of the notice required by Section 17(a), the Project Management Committee shall determine whether any additional interest expense on or in respect of any Bonds that are subject to federal income taxation shall be allocated to those Participants whose legal status or use of Project Output requires the issuance of such Bonds. In the event the Project Management Committee determines to make such allocation, the notice required by



Section 17(a) shall include such information as shall be necessary to generally inform the affected Participants of the additional Debt Service Costs that may be payable by them in the event they elect not to make a Capital Contribution.

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

- (i) its right to elect to make a Capital Contribution;
- (ii) the date by which it must notify UAMPS of its election, which shall be not earlier than 30 days after the date of such notice;
- (iii) the applicable Reference Project Costs; and
- (iv) the maximum amount of the Participant's Capital Contribution, which shall be an amount equal to the product of (A) such Reference Project Costs and (B) the ratio of the Entitlement Share of the Participant to the Entitlement Shares of all Participants.

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

(b) The Participant's election to make a Capital Contribution shall be made by written resolution adopted by its governing body. An original or certified copy of such resolution shall be submitted to UAMPS with the Participant's notice of its election to make the Capital Contribution. In the event that the Participant does not notify UAMPS of the determination of its governing body by the date specified in the notice provided by UAMPS, the Participant shall be deemed to have elected not to make a Capital Contribution.

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

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

The Capital Contribution shall be held and invested in accordance with the provisions of the Financing Documents, which shall provide for the investment of the Capital Contribution, the crediting of any interest earnings for the account of the Participant and the application of the Capital Contribution by the Trustee upon the direction of UAMPS to fund a portion of the Cost of

Acquisition and Construction of the Initial Facilities, and for deposit into certain funds and accounts established by the Financing Documents. If the Participant fails to make the Capital Contribution as and when required by the UAMPS' notice, it shall be deemed to have rescinded its election to make the Capital Contribution.

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

(e) After Capital Contributions have been made by all electing Participants, UAMPS shall complete (or revise, as applicable) SCHEDULE I and provide a copy of the completed or revised SCHEDULE I to each of the Participants. With respect to all Participants and at all times, SCHEDULE I shall show that:

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

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

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

UAMPS' calculation and determination of the Development Costs and the Cost of Acquisition and Construction of the Initial Facilities and the Participant's Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (i), (ii) and (iii) above shall be subject to the approval of the Project Management Committee, and upon such approval shall be conclusive and binding upon UAMPS and the Participant. UAMPS shall revise SCHEDULE I from time to time as provided herein so that it sets forth the correct Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of all Participants.

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

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

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

(iii) any Capital Contribution made by the Participant shall not change or affect UAMPS' ownership in the Project or any of the rights and obligations of UAMPS and the Participant under this Contract, except as specifically provided herein, including the right of UAMPS to suspend or terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share as provided in Section 34.

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

*Section 18. Additional Bonds and Refunding Bonds.* (a) Additional Bonds may be sold and issued by UAMPS in accordance with the provisions of the Financing Documents at any time and from time to time for the purpose of financing the Cost of Acquisition and Construction. UAMPS may incur other obligations pursuant to the Financing Documents to achieve purposes deemed beneficial to the Project.

(b) Any Additional Bonds shall be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 27, as such payments may be increased and extended by reason of the issuance of Additional Bonds, and of other revenues of UAMPS attributable to the Project. Additional Bonds may be issued in amounts sufficient to pay the full amount of such costs and to provide such reserves as may be determined by UAMPS to be reasonably necessary. In the event that the Project Management Committee approves the issuance of Additional Bonds, it shall determine whether to make a capital contribution option available to the Participants and the procedures therefore.

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

*Section 19. Pledge of Payments.* All payments required to be made by the Participant pursuant to Section 27, together with other revenues of UAMPS attributable to the Project may be pledged by UAMPS pursuant to the Financing Documents to secure the payment of Bonds and any Additional Bonds or Refunding Bonds.

*Section 20. Reserve and Contingency Fund.* (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may, upon the approval of the Project

Management Committee, establish an additional fund with respect to the Project known as the “Reserve and Contingency Fund” to be funded, held and applied as provided herein. Amounts on deposit in the Reserve and Contingency Fund may be used to pay or provide reserves for unusual or extraordinary Operation and Maintenance Costs, renewals, repairs, replacements, additions or betterments of or to any items included in the Project, the cost of any Additional Facilities or the cost of or reserves for the retirement, decommissioning and termination of the Initial Facilities and any Additional Facilities that will not be paid from the Decommissioning Fund.

(b) The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 24 an amount for deposit into the Reserve and Contingency Fund. This amount may represent either an appropriation of excess revenues from the operation of the Project during the preceding Fiscal Year or amounts to be billed to and collected from the Participants as an item of Operation and Maintenance Costs during the Fiscal Year covered by the Annual Budget.

*Section 21. Damage, Destruction or Condemnation.* Subject to the provisions of the Project Agreements, UAMPS shall use Commercially Reasonable Efforts to collect or cause to be collected amounts arising from insurance proceeds, condemnation awards, damages due from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project, and shall apply all receipts, revenues and other moneys received by it or credited to it from the foregoing sources to the repair, reconstruction or replacement of the Project, to the retirement or defeasance of Bonds (in whole or in part), by purchase, redemption or other arrangements therefor, to the payment of other costs and expenses of UAMPS in connection with the Project or to the credit, pro rata, of the Participants, based upon their Entitlement Shares in the Project, all as provided in the Financing Documents.

*Section 22. Decommissioning.* Upon the retirement of the Project and its removal from service, UAMPS shall take all actions necessary to Decommission the Project. The Decommissioning Fund shall be established as a separate and segregated trust fund or escrow account, and the amounts in the Decommissioning Fund shall be used solely for the payment of Decommissioning Costs and necessary administrative and other charges. The Decommissioning Fund may be funded by a prepayment, by sinking fund deposits or by another method approved by the Project Management Committee. Pending the application of amounts on deposit in the Decommissioning Fund to pay Decommissioning Costs, the Decommissioning Fund may be invested as provided in the trust or escrow agreement. Any amounts remaining in the Decommissioning Fund upon the completion of the Decommissioning of the Project shall be applied or disbursed at the direction of the Project Management Committee.

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

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

Agreements, this Section shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS.

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

*Section 24. Annual Budget; Accounting.* (a) On or before 15 days prior to the estimated commencement of the first Contract Year and on or before the beginning of each Contract Year thereafter, UAMPS shall prepare and mail to the Participant an Annual Budget for the Project recommended by the Project Management Committee and approved by the Board, based, to the extent appropriate, on budgets received under the Project Agreements, showing an annual estimate of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, and the Participant's share of each, for the following Contract Year. The Participant shall, to the extent and in the manner deemed appropriate by the Participant, incorporate the estimates shown on the Annual Budget in its annual budgetary process for the Participant's Enterprise Fund.

(a) At the end of each quarter during each Contract Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or expenditures of costs substantially affecting Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, UAMPS shall prepare and provide to the Participant's Representative a revised Annual Budget, recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget. The revised Annual Budget and any written materials that accompany it shall specifically identify the changes from the Annual Budget that was previously in effect.

(b) UAMPS agrees that it will, from and after the date of the acquisition by UAMPS of the Project, keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction, Reference Project Costs, Operation and Maintenance Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and which are generally consistent with the Uniform System of Accounts, separate and distinct from its other records and accounts; *provided* that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records



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

*Section 25. Billing Periods.* (a) The initial Billing Period to be used for the preparation, calculation and billing of the amounts payable by the Participant hereunder shall be a Month. In order to promote the efficient and economic administration of the Project, UAMPS may, at any time after the end of the initial Contract Year and from time to time thereafter, adopt another standard period of time as the Billing Period hereunder. In addition to the foregoing, UAMPS may, upon the approval of the Project Management Committee, from time to time revise the billing and payment procedures provided for in this Section to promote the efficient and economic administration of the Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS.

(b) Any change in the Billing Period shall be made in the Annual Budget provided for in Section 24 and shall not be effective for at least 30 days after the mailing of notice of such change in the Billing Period or in the billing and payment procedures to the Participant. At the time of the mailing of such Annual Budget, UAMPS shall send to the Participant a revised form of the billing procedures set forth in Section 26(b), which shall reflect any changes in the dates of billing and payment and the method thereof that are necessary or desirable to make this Section correspond to the new Billing Period, such changes to become effective on the date the new Billing Period takes effect. In no event shall any such change in the Billing Period or in the billing and payment procedures increase the amounts payable by the Participant pursuant to this Section in respect of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs.

*Section 26. Billings.* (a) The Participant acknowledges and agrees that it is necessary for UAMPS to recover all of the costs and expenses associated with the Project through billings to and payments by the Participants under the Power Sales Contracts. UAMPS will exercise Commercially Reasonable Efforts to finance all Development Costs during the Development Period. In the event that Development Costs are not refinanced by the issuance of long-term Bonds, the Participant shall pay its Development Cost Share of the amount necessary to repay the financed Development Costs. UAMPS will exercise Commercially Reasonable Efforts to finance all Construction Costs, net of any Capital Contributions, with the proceeds of Bonds issued at the beginning of the Construction Period. The Participant's share of Operation and Maintenance Costs and Debt Service Costs will equal its Entitlement Share (expressed as a percentage of all Entitlement Shares), subject to the adjustments provided for in the Power Sales Contracts.

(b) For so long as the Billing Period is a Month, on or before the 25th day after the end of each Billing Period beginning with the first Billing Period in the first Contract Year, UAMPS shall render to the Participant a billing statement showing the amount payable by the Participant for such Billing Period in respect of: (i) Development Costs, (ii) Operation and Maintenance Costs; (iii) Transmission Costs; (iv) Debt Service Costs; and (v) any other amounts, adjustments or reconciliations payable by or credited to the Participant pursuant to this Contract or the Financing

Documents and not otherwise shown. The Participant shall pay the total of such amounts at the time specified in Section 27, as the same may be revised from time to time. The billing statement for each Billing Period shall be based, to the fullest extent practicable, upon the actual operation of the Project during such Billing Period. To the extent that any billing statement rendered by UAMPS shall have included any estimated amounts in respect of the Participant's share of Operation and Maintenance Costs, Debt Service Costs or the Transmission Costs or other costs allocable to the Participant, such estimated amounts shall be reconciled at least once during each Contract Year with the actual operation and scheduling of the Project and the Participant shall receive a bill or credit, as applicable, to reflect such reconciliations pursuant to clause (v) of this paragraph.

(c) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of the Power Sales Contracts and the Project Agreements. UAMPS and the Participant acknowledge and agree that certain categories of costs may be financed as a Cost of Acquisition and Construction (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Operation and Maintenance Costs, as determined by the Project Management Committee, but without duplication of any item of cost. Transmission Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of this Contract and the Transmission Agreements. The Participant shall pay all such amounts pursuant to Section 27.

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

*Section 27. Participant's Payment Obligations.* (a) Payments required to be paid by the Participant to UAMPS shall be due and payable to UAMPS at its principal office or by wire transfer to such account as UAMPS shall designate in writing to the Participant, on the 10th day of the Month following the Month in which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to Section 25.

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

Documents or materially increase the amounts payable by the other Participants. If said due date is not a business day, payment shall be made on the next following business day.

(c) The obligation of the Participant to make the payments for Development Costs, Operation and Maintenance Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to Section 26 is a several obligation and not a joint obligation with those of any other Participant. Prior to the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of the development of a new power supply resource. From and after the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of purchased electric power and electric energy. In all cases, the obligation of the Participant to make the payments required by Section 26 shall be payable as an operating expense and solely from the revenues and other legally available funds of its Electric System. In no event shall the Participant be obligated or required to levy or collect ad valorem property taxes or assessments to meet its payment obligations under this Contract. Such payments shall be made whether or not the Project or any portion thereof is acquired, completed, operable, operating, suspended or terminated, and notwithstanding the damage or destruction of the Project, the suspension, interruption, interference, reduction or curtailment of the Project Output, termination of any of the Project Agreements, loss or interruption of transmission from the Point of Delivery or termination of any Transmission Agreement, for any reason whatsoever, in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by UAMPS under this or any other agreement or instrument.

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

*Section 28. Disputed Billings.* In the event of any dispute as to any portion of the billing statement for such Billing Period, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to UAMPS not later than the 60th day after such billing statement was submitted. Such notice shall identify the disputed billing statement, state the amount in dispute and set forth a full statement of the grounds for such dispute. No adjustment shall be considered or made for disputed charges unless such notice is given by the Participant. UAMPS shall give consideration to, and shall consult with the Project Management Committee with respect to, such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement or determination by the Project Management Committee) of the correct amount, any difference between such correct amount and such full amount shall be accounted for in the billing statement next submitted to the Participant after such determination. For the avoidance of doubt, any overpayment or underpayment determined pursuant to Section 26(b) shall not be considered to be a disputed payment that is subject to this Section.

*Section 29. Audit Rights.* (a) At its cost, the Participant may, upon the giving of not less than 15 days' prior written notice to UAMPS, but not more often than once during any two-year



period, inspect and audit the books and records of UAMPS relating to the Project for the purpose of verifying the amounts payable by the Participant under this Contract within the three-year period preceding the commencement of the audit. UAMPS agrees to make available to the Participant, to the extent Commercially Reasonable, all relevant records and all requested information relating to the subject matter of any such audit, subject in all cases to any confidentiality restrictions applicable to third-party information or contracts; provided that UAMPS shall make Commercially Reasonable Efforts to obtain a waiver of such restrictions for purposes of the audit and the Participant shall execute such non-disclosure agreements as may be reasonably requested by UAMPS. Any audit shall be conducted during normal business hours, and the Participant will use Commercially Reasonable Efforts to complete any audit within one month, subject to the availability of relevant records and information and the absence of material accounting irregularities.

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

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

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

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

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

(iv) all Required Approvals have been obtained;

(v) to the Participant's knowledge, there is no pending or threatened action or proceeding affecting the Participant which purports to affect the authorization, legality,

validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

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

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

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

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

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

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

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

(vi) the descriptions, information and studies regarding the Project, the Project Agreements and this Contract provided to the Participant by UAMPS have been prepared in good faith based upon the facts and information known to UAMPS at the time, and UAMPS has no reason to believe that such descriptions, information and studies taken as a whole are incorrect or misleading in any material respect.

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

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

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

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

(4) copies of policies of insurance carried pursuant to Section 14; and

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

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

(c) The Participant acknowledges that the ability of UAMPS to sell the Bonds depends upon, among other things, the credit standing of the Participants and their Electric Systems and that it will be necessary for UAMPS to provide certain information with respect to the Participants and their Electric Systems in connection with the sale of the Bonds (whether or not the Participant is making a Capital Contribution). Consequently, the Participant covenants to and agrees with UAMPS that the Participant will, upon request, provide to UAMPS all information with respect to the Participant and its Electric System, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by UAMPS or its counsel in connection with the financing of the Project and the issuance of the Bonds.

(d) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) not later than 180 days after the end of each fiscal year of the Participant, (A) a copy of the most recent annual financial statements of the Participant and its Enterprise Fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the accountants making such audit, and (B) the information and documents described in EXHIBIT II attached hereto, and (2) such other information and documents as UAMPS may reasonably request from time to time.

(e) The Participant may notify UAMPS if non-public information is contained in the materials provided under EXHIBIT II. UAMPS agrees to (i) classify any such non-public information as "protected records" within the meaning of, and to the extent permitted under, the Utah Government Records Access and Management Act, (ii) agrees to cooperate with the Participant to appropriately classify any such non-public information under such other public records laws that apply to the Participant and (iii) notify the Participant of any demand for

disclosure of such information and will cooperate with the Participant in contesting any such disclosure demand.

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

*Section 32. Covenants and Agreements of the Participant.* The Participant covenants to and agrees with UAMPS as follows:

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

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

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

The Participant shall not assign, sell or transfer all or any part of its Entitlement Share or any or all of its interests under this Contract, except upon one hundred twenty (120) days' prior written notice to UAMPS and compliance with the provisions set forth below. Within thirty (30) days after receipt of such notice from the Participant (and if such notice indicates that the Participant proposes to assign its Entitlement Share), UAMPS shall notify all of the other Participants of the proposed assignment or transfer by the Participant of all or part of its Entitlement Share. Each of the other Participants shall have the option of acquiring all or any portion of the Entitlement Share that is proposed to be assigned or transferred and shall notify UAMPS of its exercise of such option within forty-five days of its receipt of the notice from UAMPS referred to in the preceding sentence. In the event that two or more of the other Participants shall exercise their options with respect to the Entitlement Share that is proposed to be assigned or transferred in amounts which exceed the total Entitlement Share proposed to be assigned, UAMPS shall, to the extent necessary, make a pro rata allocation of the such Entitlement

Share among the Participants which have exercised their options, based upon the existing Entitlement Shares of the requesting Participants. In the event that less than all of such Entitlement Share shall be acquired by other Participants, UAMPS shall notify the other Members of UAMPS of the proposed assignment of an Entitlement Share and shall provide such Members with an opportunity to acquire the remaining portion of the Participant's Entitlement Share.

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

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

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

(d) *Good Utility Practice.* The Participant shall, in accordance with Good Utility Practice, (i) at all times operate its Electric System and the business thereof in an efficient manner, (ii) maintain its Electric System in good repair, working order and condition, (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the Electric System, so that at all times the business thereof shall be



properly conducted, and (iv) duly perform its obligations under all power supply and transmission service agreements to which it is a party.

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

(f) *Tax Status.*

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

(ii) The Participant represents and warrants that, as of the Effective Date, it has no contracts (and has no current expectation of entering into any contracts) other than Permitted Output Contracts to provide electric service to any purchaser. At least thirty days prior to entering into any such contract, the Participant shall notify UAMPS of its intent to enter into such contract and provide copies of such contract to UAMPS. Within thirty days after receipt of such notice, UAMPS shall advise the Participant as to whether, in the opinion of Bond Counsel, such contract would result in a violation of the covenant in clause (i) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(iii) The Participant agrees to provide such information as UAMPS may request and to comply with such additional instructions as may be provided by UAMPS in order to confirm and maintain the Qualified Use of the Electric Energy sold under this Contract.

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

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

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

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

*Section 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service.* (a) In the event of any default referred to in Section 33, the Participant shall not be relieved of its liability for payment of any amounts in default or its failure to observe its covenants, agreements and obligations hereunder and UAMPS shall have the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, UAMPS may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of the Participant hereunder or the obligation of the Participant to make any payment for which provision is made in this Contract.

(b) In addition to proceeding with its rights against a defaulting Participant pursuant to paragraph (a) above, UAMPS may, upon not less than thirty days’ written notice from UAMPS to the Participant, cease and discontinue providing all or any portion of the Participant’s Entitlement Share and may terminate the Participant’s right to receive the Electric Energy allocable to its Entitlement Share under this Power Sales Contract. In connection with its determination to discontinue providing all or any portion of a defaulting Participant’s Entitlement Share, UAMPS shall take into account, among such other matters as UAMPS in its sole discretion shall deem relevant, the amounts and due dates of its payment obligations under the Project Agreements and the Financing Documents and the funds and revenues available to UAMPS to enable it to meet its obligations thereunder. Any such termination of the Participant’s Entitlement Share under this Power Sales Contract shall not, however, terminate, reduce or modify the Participant’s outstanding obligations and liabilities hereunder.

(c) The suspension or termination of a defaulting Participant’s right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 35 shall not terminate, reduce or modify the defaulting Participant’s obligations and liabilities under its Power Sales Contract. The defaulting Participant shall remain liable under all billing statements rendered by

UAMPS, whether prior or subsequent to the default, and UAMPS for itself and on behalf of the nondefaulting Participants shall be entitled to recover from the defaulting Participant all damages, legal fees, costs and expenses incurred by UAMPS and the nondefaulting Participants as a result of such default. UAMPS shall exercise Commercially Reasonable Efforts to mitigate the damages resulting from the Participant's default.

*Section 35. Transfer of Entitlement Share Following Default; Other Actions by UAMPS.*

(a) UAMPS and the Participant acknowledge that a default by any of the Participants under its Power Sales Contract could reduce the revenues available to UAMPS which are necessary in order for UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis. In the event of an insufficiency of revenues and an inability on the part of UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis, the ability of UAMPS to deliver Electric Energy from the Project and the interests of all of the Participants will be materially and adversely affected. The provisions of this Section are intended to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract by the reallocation of the defaulting Participant's Entitlement Share. As set forth below, UAMPS agrees to take certain actions to mitigate the impact of any such reallocation on the nondefaulting Participants. The Participants agree that the provisions of this Section are reasonable and necessary in order for them to achieve the benefits of their joint and cooperative undertaking with respect to the Project.

(b) In the event of a default by any Participant and discontinuance of service pursuant to Section 35 of such Participant's Power Sales Contract, but only if the Project has not been terminated, UAMPS and the nondefaulting Participants shall take the following actions in the order set forth below:

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



(2) Within sixty days after the allocation of the defaulting Participant's Entitlement Share provided for in subparagraph (1) above, each of the nondefaulting Participants shall notify UAMPS in writing of its election of one of the following options: (A) to retain that portion of the defaulting Participant's Entitlement Share allocated to such nondefaulting Participant pursuant to subparagraph (1) above and the additional amount, if any, of the defaulting Participant's Entitlement Share that such nondefaulting Participant elects to acquire from any other nondefaulting Participant that may elect to retain less than all of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above; or (B) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant pursuant to subparagraph (1) above. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above shall be deemed to have fully satisfied its obligations to UAMPS under this Section and shall not thereafter be required to accept any additional allocation of the defaulting Participant's Entitlement Share.

(3) Within thirty days after its receipt of the elections of all nondefaulting Participants pursuant to subparagraph (2), UAMPS shall determine whether the nondefaulting Participants have elected to retain all of the Entitlement Share of the defaulting Participants pursuant to subparagraph (2). In the event that any of the Participants shall have elected to retain less than all of its allocation of the defaulting Participant's Entitlement Share, UAMPS shall proportionally reallocate the remaining amount of the defaulting Participant's Entitlement Share among those nondefaulting Participants that have requested additional amounts of the defaulting Participant's Entitlement Share. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next reallocate any remaining portion of the defaulting Participant's Entitlement Share among those Participants that did not elect to retain all of their initial allocations of such Entitlement Share. Proportional reallocations shall be based upon the Entitlement Shares of the nondefaulting Participants in effect immediately prior to the defaulting Participant's default.

(4) In no event shall any reallocation of a defaulting Participant's Entitlement Share, or the total of all mandatory reallocations of Entitlement Shares in the event of two or more Participant defaults under the Power Sales Contracts, cause any nondefaulting Participant's Entitlement Share to increase by more than [ ]%\* over its original Entitlement Share set forth on Schedule I.

(5) Each allocation or reallocation of a defaulting Participant's Entitlement Share shall also allocate or reallocate the defaulting Participant's Capital Contribution Percentage and Debt Service Percentage to the nondefaulting Participants receiving such allocation or reallocation. The Capital Contribution Percentage and the Debt Service Percentage of the defaulting Participant shall be allocated to each of such nondefaulting

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

Participants proportionally based upon the respective amounts of the defaulting Participant's Entitlement Share that are allocated or reallocated to them.

(6) UAMPS shall deliver, promptly after making the determinations and reallocations required by this paragraph (b), a notice to the nondefaulting Participants which notice shall (A) set forth the reallocation of the defaulting Participant's Entitlement Share made by UAMPS pursuant to subparagraph (3) above, and the effective date of such reallocation, (B) set forth the amount, if any, of the Entitlement Share of the defaulting Participant that has been mandatorily reallocated to nondefaulting Participants that did not elect to retain or acquire the same, and (C) include a revised SCHEDULE I showing the revised Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants as a result of the reallocation provided for under subparagraph (3). The Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares shown on such revised SCHEDULE I shall thereafter be the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants.

(7) Any portion of the Entitlement Share of a defaulting Participant transferred pursuant to this paragraph (b) to a nondefaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant, and from and after the date of such transfer the transferee Participant shall be obligated to pay for its increased Entitlement Share pursuant to the terms and provisions of this Power Sales Contract. The defaulting Participant shall remain liable to UAMPS and the other Participants for costs incurred and damages suffered by them in connection with the actions taken with respect to the defaulting Participant's Entitlement Share provided for in this Section.

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

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

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

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

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

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

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

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

(e) Upon any sale or disposition of all or any portion of a defaulting Participant's Entitlement Share or the Electric Energy associated therewith or any sale of the Project pursuant to paragraphs (c) and (d) above, UAMPS shall take into account the proceeds realized or the revenues to be received from such sale or disposition and shall, to the extent necessary, make adjustments to the Entitlement Share, Capital Contribution Percentage, Debt Service Percentage and Debt Service Share of each of the nondefaulting Participants to reflect such sale or disposition and to ensure the receipt of revenues sufficient to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. The Participant acknowledges that such adjustments may, under certain circumstances, result in a change in the Participant's share of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs without a corresponding change in the Participant's Entitlement Share. Upon the completion of the

procedures provided for in this Section, UAMPS shall prepare and send to each of the Participants a final revised SCHEDULE I, setting forth the Entitlement Shares, the Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants after the procedures and actions provided for in this Section.

*Section 36. Other Default by Participant.* In the event of a failure of the Participant to observe, keep and perform any of the covenants, agreements or obligations on its part contained in this Power Sales Contract, UAMPS may, in addition to its other rights hereunder, bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against the Participant.

*Section 37. Default by UAMPS; Dispute Resolution.* (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Power Sales Contract, the Participant's sole remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate and in no event shall the Participant withhold or offset any payment owed to UAMPS hereunder.

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

*Section 38. Abandonment of Remedy.* In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of UAMPS and the Participant shall continue as though no such proceedings had been taken.

*Section 39. Waiver of Default.* Any waiver at any time by either UAMPS or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

*Section 40. Relationship to and Compliance with Other Instruments.* (a) It is recognized by the parties hereto that UAMPS, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Financing Documents, the Project Agreements and all Permits and Approvals necessary therefor, and it is therefore agreed that this Power Sales Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) UAMPS covenants and agrees that it will use Commercially Reasonable Efforts for the benefit of the Participant to comply in all material respects with all terms, conditions and covenants applicable to it contained in the Financing Documents, the Project Agreements and all Permits and Approvals relating thereto and that it will not, without the consent of the Participant, enter into any amendment or modification of the Financing Documents or the Project Agreements which will change the Participant's Entitlement Share or which will materially and adversely affect the rights and obligations of the Participant hereunder.

*Section 41. Liability of Parties.* UAMPS and the Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall, to the extent permitted by law, indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the negligence of the other party; *provided* that any liability which is incurred by UAMPS through the operation and maintenance of the Project or pursuant to the Project Agreements and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of UAMPS hereunder, and any payments made by UAMPS to satisfy such liability shall, except to the extent paid from proceeds of Bonds or Capital Contributions, become part of Operation and Maintenance Costs.

*Section 42. Assignment of Power Sales Contract.* (a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; *provided, however*, that neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except as follows:

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

(2) UAMPS may sell, transfer or reallocate all or any portion of the Participant's Entitlement Share following a default by the Participant and a discontinuance of service as provided in Section 35;

(3) After such point in time as all Bonds issued under the Financing Documents have been paid or deemed to have been paid as provided in the Financing Documents, UAMPS may assign this Power Sales Contract and pledge the amounts payable by the Participant hereunder without limitation;

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

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



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

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

(b) This Power Sales Contract shall not be amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Power Sales Contract. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Financing Documents, this Power Sales Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(c) Subject to Section 6, no Power Sales Contract entered into between UAMPS and another Participant may be amended so as to provide terms and conditions that are substantially and materially different from those herein contained except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Power Sales Contract of any other Participants requesting such amendment after receipt by such Participant of notice of such amendment.

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

*Section 44. Notices and Computation of Time.* All notices, demands or other communications made pursuant to this Contract (each, a "Notice") may be sent by facsimile, electronic mail, other mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivery. Notice shall be deemed given when received by the addressee, unless received on a day that is not a business day or received after 5:00 p.m. (receiving party's local time) on a business day, in which case Notice shall be deemed to have been received on the next following business day. In the absence of proof of the actual receipt date, the following presumptions will apply: (i) Notice sent by facsimile or electronic mail shall be deemed to have been received upon the sending party's receipt of electronic confirmation of successful transmission; (ii) Notice sent by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving

party; and (iii) Notice sent by first class mail shall be deemed to have been received five business days after mailing.

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

*Section 45. Relationship of UAMPS and the Participant; Relationship among Participants.* (a) This Power Sales Contract is not intended to create, nor shall it be deemed to create, any relationship between UAMPS and the Participant other than that of independent parties contracting with one another for the purpose of effectuating the provisions of this Power Sales Contract.

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

*Section 46. No Recourse Against Officers, Etc. of UAMPS or Participant.* No member of the governing body, nor any officer or employee of UAMPS or the Participant shall be individually or personally liable for any payment under this Power Sales Contract or be subject to any personal liability or accountability by reason of the execution of this Power Sales Contract; *provided, however*, that this Section shall not relieve any officer or employee of UAMPS or the Participant from the performance of any official duty imposed by law or this Power Sales Contract.

*Section 47. Governing Law; Jurisdiction and Venue.* (a). This Power Sales Contract is made under and shall be governed by the law of the State of Utah; *provided, however*, that if the Participant is organized or created pursuant to the laws of another state, then the authority of the Participant to execute and perform its obligations under this Power Sales Contract shall be determined under the laws of such state. Headings herein are for convenience only and shall not influence the construction hereof.

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



Section 44; and agrees that service as provided above is sufficient to confer personal jurisdiction over the party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect.

*Section 48. Severability; No Merger.* (a) If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

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

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

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

MURRAY CITY, UTAH

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

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Title: City Recorder

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

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

[SEAL]

ATTEST AND COUNTERSIGN

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

**PRELIMINARY**

**SCHEDULE D**

**SCHEDULE OF PARTICIPANTS, DEVELOPMENT SHARES AND DEVELOPMENT COST SHARES**

PARTICIPANT	DEVELOPMENT SHARE (kW)	DEVELOPMENT COST SHARE (%)*
-------------	---------------------------	--------------------------------

TOTAL

100.0000%

---

\* Column may not total due to rounding.

## SCHEDULE I

### SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES

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

PARTICIPANT	ENTITLEMENT SHARE	
	kW	%**

TOTAL	%
-------	---

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

\*\* Column may not total due to rounding.

## **EXHIBIT I**

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

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

PARTICIPANT \_\_\_\_\_  
FISCAL YEAR \_\_\_\_\_

## EXHIBIT II

### FORM OF PARTICIPANT'S ANNUAL INFORMATION REPORT\*

#### SYSTEM DESCRIPTION

Incorporated area of municipality \_\_\_\_\_ square miles.

Service area of utility \_\_\_\_\_ square miles.

Transmission and distribution lines \_\_\_\_\_ miles.

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

Number of customers served outside the city limits \_\_\_\_\_.

Service area outside of the city limits \_\_\_\_\_ square miles.

#### NUMBER OF ELECTRICAL CUSTOMERS AND TYPE OF LOAD SERVED

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

Annual audit will be sent to UAMPS as soon as completed after the fiscal year.

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

\*

Under Section 31(d) of the Power Sales Contract, UAMPS has agreed to classify certain of the information provided by the Participant on this Exhibit II as a "protected record," pursuant to the Participant's request. The Participant must also take any actions necessary on its part to appropriately classify and protect such information provided in this Exhibit.

### Customer Sales by Class

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

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

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



**GENERATION  
PRODUCED FOR SYSTEM LOAD**

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

**SYSTEM PEAK INCLUDING LOAD  
COVERED BY OWN GENERATION**

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

### FIVE LARGEST LOADS

	TYPE OF BUSINESS	KWH SOLD	ANNUAL ELECTRICAL BILLINGS
1.	<hr/>	<hr/>	<hr/>
2.	<hr/>	<hr/>	<hr/>
3.	<hr/>	<hr/>	<hr/>
4.	<hr/>	<hr/>	<hr/>
5.	<hr/>	<hr/>	<hr/>

### ACHIEVEMENTS

Provide below the achievements of your utility for the year.

### EXHIBIT III

#### FORM OF CERTIFICATE OF PARTICIPANT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ )

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

1. This Certificate has been executed pursuant to Section 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the "*Power Sales Contract*"), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a \_\_\_\_\_, duly created and validly existing under the laws of the State of \_\_\_\_\_ (the "*State*"), and is governed by a \_\_\_\_\_ (the "*Governing Body*").

3. Attached hereto as *Exhibit A* is a true, complete and correct copy of a resolution authorizing the execution and delivery of the Power Sales Contract and related matters (the "*Contract Resolution*"). The Contract Resolution was duly adopted by a majority of the Governing Body present and voting at a public meeting of the Governing Body held on \_\_\_\_\_, at which a quorum was present and acted throughout.

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

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

NAME

OFFICE

«officer»

«office»

«officer»

«office»

6. (a) No petition was filed with the Participant or any of its officers seeking to refer the Contract Resolution to the electors of the Participant in accordance with the provisions of state law; and (b) no litigation has been instituted, is pending or has been threatened to require a referendum election on the Contract Resolution.

7. The Participant owns and operates an electric utility system (the “*System*”) that distributes and furnishes electric energy to consumers located within the established service area of the System. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

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

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

10. The representations and warranties of the Participant in Section 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other interested parties.

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

[PARTICIPANT]

By \_\_\_\_\_  
[Executive Officer]

By \_\_\_\_\_  
[Clerk/Recorder/Secretary]

[Seal]

## EXHIBIT A

[Form of Contract Resolution]

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION AUTHORIZING AND APPROVING THE MILLARD COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

\*\*\*\*\*        \*\*\*\*\*        \*\*\*\*\*

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

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

WHEREAS, UAMPS proposes to acquire and construct a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be known as the "Millard County Power Project" (the "*Project*") to be located at a site in Millard County, Utah, and to sell the capacity and output of the Project pursuant to the Millard County Power Project Power Sales Contracts (the "*Power Sales Contracts*") between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

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

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

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

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

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

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

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

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.



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

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrevocable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

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

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

ADOPTED AND APPROVED on \_\_\_\_\_, \_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
[Clerk/Recorder/Secretary]

[SEAL]

## ANNEX A

[Attach Power Sales Contract]

## EXHIBIT IV

### FORM OF BRING DOWN CERTIFICATE OF THE PARTICIPANT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF «COUNTY» )

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

1. This certificate has been executed in connection with the issuance by UAMPS of its Millard County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the “Bonds”), as more fully described in the Official Statement of UAMPS dated \_\_\_\_\_ (the “Official Statement”) prepared in connection with the offering and sale of the Bonds.

2. Pursuant to Section 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024, between the Participant and UAMPS, in connection with the execution and delivery of the Millard County Power Project, the undersigned executed and delivered a certificate dated \_\_\_\_\_ (the “Original Certificate”). The undersigned hereby reaffirm the statements made in the Original Certificate on and as of the date hereof. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Original Certificate.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

[PARTICIPANT]

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

[SEAL]

## EXHIBIT V

### FORM OF OPINION OF COUNSEL TO THE PARTICIPANT

\_\_\_\_\_  
Utah Associated Municipal Power Systems  
155 North 400 West, Suite 480  
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the “*Participant*”) in connection with the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the “*Power Sales Contract*”), between the Participant and Utah Associated Municipal Power Systems (“*UAMPS*”). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from the Project to the Participant and others that have executed Power Sales Contracts with UAMPS.

This opinion is being delivered to you pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not defined herein have the meanings assigned to such terms in the Power Sales Contract.

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

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

1. The Participant is a \_\_\_\_\_ duly organized and validly existing under the laws State of \_\_\_\_\_ (the “*State*”) and is qualified to own, operate and furnish electric service through the System.

2. The Participant has full legal right, power and authority to enter into the Power Sales Contract and to carry out and consummate all of the transactions contemplated thereby, and the Participant has complied with the provisions of applicable law which would be a condition precedent to entering into the Power Sales Contract or carrying out and consummating such transactions.

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

4. Pursuant to the Power Sales Contract, the Participant's obligation to make payments to UAMPS under the Power Sales Contract is a special obligation payable solely from the revenues and other available income of the System initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as an operating expense of the System. The application of the revenues and other available funds of the System to make such payments is not subject to any prior lien, encumbrance or restriction.

5. The Participant has obtained all Required Approvals.

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

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

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

9. The Participant has lawful authority to fix and collect rates, fees and charges for the services provided by the System. Such rates, fees and charges for utility services provided to customers located within the corporate boundaries of the Participant are not subject to regulation by any authority of the State or the United States and have been duly and validly adopted by the Participant and are in full force and effect.

10. The Participant has lawful authority to own the System and, to my knowledge, the Participant (a) has good and merchantable title to the properties comprising the System and (b) holds all permits, licenses and approvals necessary for the operation of the System.

I hereby authorize Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,



## EXHIBIT VI

### FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

\_\_\_\_\_  
Utah Associated Municipal Power Systems  
155 North 400 West, Suite 480  
Salt Lake City, UT 84103

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the "*Participant*") in connection with the Millard County Power Project Power Sales Contract dated as of December 1, 2024 (the "*Power Sales Contract*") between the Participant and Utah Associated Municipal Power Systems ("*UAMPS*"). I have been advised that UAMPS has made arrangements for the issuance and sale on the date hereof of its Millard County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the "*Bonds*").

Pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Millard County Power Project, I rendered to UAMPS an approving legal opinion, dated \_\_\_\_\_ (the "*Prior Opinion*"), with respect to the Participant. In connection with the issuance and sale by UAMPS of the Bonds, I hereby reaffirm the Prior Opinion, as though it was dated the date hereof, in the form it was so rendered on \_\_\_\_\_.

[In addition to the foregoing, I have examined (i) the material describing the Participant and its electric system contained in APPENDIX A to each of the Preliminary Official Statement (together with any supplements or amendments thereto as of the date hereof, the "*Preliminary Official Statement*") and the Official Statement (together with any supplements or amendments thereto as of the date hereof, the "*Official Statement*") of UAMPS relating to the Bonds and (ii) such other documents, information, facts and matters of law as are necessary for me to render the following opinion. Based upon the foregoing, I am of the opinion that the statements and information with respect to the Participant and its electric system contained in APPENDIX A to the Preliminary Official Statement and the Official Statement were true and correct in all material respects as of the respective dates of the Preliminary Official Statement and the Official Statement and are true and correct in all material respects as of the date hereof, and no facts have come to my attention which would lead me to believe that such statements and information contained or contain any untrue statement of a material fact or omitted to state or omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading; *provided, however*, that I express no view with respect to the tabular, financial and statistical information included therein.]

I hereby authorize the reference to this opinion and to the Prior Opinion set forth under the caption, "APPROVAL OF LEGAL PROCEEDINGS," in the Official Statement. I hereby further authorize [Bond Counsel] and [other reliance parties] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

**EXECUTIVE SUMMARY**  
**UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS**  
**MILLARD COUNTY POWER PROJECT**

October 24, 2024

**INTRODUCTION AND OVERVIEW**

**INTRODUCTION**

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

This Executive Summary has six parts:

- Part 1: Definitions,
- Part 2: Preliminary Peaking Project description,
- Part 3: Estimated cost of construction; Budget and Plan of Finance,
- Part 4: Interconnection and Transmission,
- Part 5: Summary of the Power Sales Contracts, and
- Part 6: Outlines of the Project Agreements.

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

## **PART 1. DEFINITIONS**

As used in this Executive Summary:

*Contractor*: the contractor under the EPC Contract.

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

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

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

*Kern River Pipeline*: an interstate natural gas pipeline running from Opal, Wyoming to the San Joaquin Valley near Bakersfield, California, consisting of 1,717 miles of 36- and 42-inch diameter steel pipe. This pipeline will be the source of natural gas for the Peaking Project via an interconnect.

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

*Participants*: the power purchasers under the Power Sales Contracts.

*Peaking Project*: the Millard County Power Project.

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

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

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

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

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

## **PART 2. THE PEAKING PROJECT**

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

### **PROJECT DESCRIPTION**

The Peaking Project consists of the planning, design, construction and installation of a 200,000 kW generation peaking power plant in Millard County, Utah. The principal components of the Peaking Project include:

1. Preliminary planning and design of the facility with a third-party Owner's Engineer, including site studies, long-lead time ordering of equipment and estimation of project costs.
2. Preliminary site work and preparation, including clearing, fencing, grading and concrete foundations work, as well as final site work upon completion of the Peaking Project.
3. A Peaking Generation System consisting of:
  - a. Twelve Reciprocating Internal Combustion Engines (RICE) as the prime movers driving directly-connected electrical generators,
  - b. All ancillary equipment associated with the prime mover equipment: fuel system, lubricant system, coolant systems, exhaust silencers, etc.,
  - c. Air emission control equipment: Selective Catalytic Reduction (SCR) equipment,
  - d. Major electrical systems: switchgear, disconnects and generator step-up transformers,
  - e. All balance-of-plant equipment: fire suppression, crane equipment, etc., and
  - f. RICE Equipment, control and warehouse buildings.
4. Electric interconnection facilities including a substation, a step-up transformer, control, metering and communications equipment, and a new transmission line to the Pavant substation. See "Transmission and Interconnection" below.
5. A natural gas measurement station and small lateral supplied by Kern River Pipeline.

### **ENGINEERING, CONSTRUCTION AND FINANCING**

Pursuant to the EPC Contract, it is expected that the Contractor will provide all design, engineering, procurement, construction services necessary for the acquisition and construction of

the Peaking Project. If necessary, UAMPS will be responsible for the design and construction work on the remaining components of the Peaking Project.

#### PERMITS AND APPROVALS

*Rights-of-Way.* All work performed within the project boundaries (generation, transmission and pipeline) will be done on private land and will not require a federal nexus for permitting.

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

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

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

#### PROJECT CONSTRUCTION SCHEDULE

Various factors will affect the proposed construction schedule and completion date of the Peaking Project. The engineering, procurement and construction of the project is currently estimated to require approximately 24 months after the execution of the EPC Contract. Typical contractual arrangements for an EPC Contract requires UAMPS to make an initial payment to the Contractor upon execution of the EPC Contract to initiate equipment ordering and fabrication. Current challenges for obtaining long-lead items require that UAMPS will submit a purchase order deposit for the Generator Step Up Transformer (GSU) once the preliminary engineering is complete. The GSU for the project is the longest lead item in the schedule and may take up to 120+ weeks depending on demand in the market and supply chain constraints. The Project Management Committee will determine when to authorize the execution of the long-lead purchase order and the EPC Contract and execute the initial payment to the Contractor.

An interconnection application for the project has been made to PacifiCorp. However, the current state of electrical transmission service requests within the PacifiCorp system is the most

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

#### PROJECT CONSULTANTS

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

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

#### OPERATION OF THE PEAKING PROJECT

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



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

#### **ESTIMATED COST OF CONSTRUCTION**

Based upon its initial review and analysis of the Peaking Project, UAMPS presently estimates that the total cost of construction of the Peaking Project will be approximately \$600 million. The project is projected to be below this amount, but uncertainty in the marketplace (transmission, long-lead procurement and constraints in obtaining contractor resources) have resulted in a conservative approach to estimating project costs to cover currently known contingencies. The following table summarizes the estimated costs of construction of the Peaking Project:

<u>COST CATEGORY</u>	<u>ESTIMATED COST</u>
EPC Contract	\$405,000,000
Substation and interconnection	35,000,000
Engineering, permitting and development	10,000,000
Contingency	25,000,000
Financing Costs (interest during construction, fees, etc.)	75,000,000
Owners Costs (insurance, land acquisition, sales taxes, inspection, etc.)	<u>50,000,000</u>
ESTIMATED COSTS OF CONSTRUCTION	\$600,000,000

#### **BUDGET AND PLAN OF FINANCE**

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

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

## **PART 4. TRANSMISSION OF PROJECT POWER AND ENERGY**

### **INTERCONNECTION**

The Peaking Project will interconnect with PacifiCorp's existing Pavant Substation utilizing a new ~8 mile 345 kV transmission line. UAMPS has submitted an interconnection request for the Peaking Project under PacifiCorp's Open Access Transmission Tariff. An initial scoping study will be performed, and PacifiCorp will prepare a system impact study that will determine the transmission facilities necessary to interconnect the Peaking Project. UAMPS expects that the system impact study will be completed by December of 2025.

The Peaking Project will also interconnect and be supplied by Kern River Gas Transmission Pipeline's (Kern) 24 inch natural gas lateral. UAMPS will sign an Interconnection Agreement and pay for facilities with Kern after project is approved and work can be performed within the required project schedule.

### **TRANSMISSION**

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

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

## **PART 5. THE POWER SALES CONTRACTS**

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

### **THE PROJECT**

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

### **SALE OF OUTPUT**

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

### **TERM**

The Power Sales Contracts will become effective upon the receipt by UAMPS of executed Power Sales Contracts, authorizing resolutions, certificates and legal opinions from Participants that have requested Development Shares (in kW) totaling at least 85% of the expected Project Capability (the “*Minimum Subscription*”).

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

### **DEVELOPMENT SHARES AND ENTITLEMENT SHARES**

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

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

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

## FINANCING

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

## SECURITY FOR BONDS

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

## CAPITAL CONTRIBUTION OPTION

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

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

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

## PRICE

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

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

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

## BILLINGS AND PAYMENTS

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

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

## PROJECT MANAGEMENT COMMITTEE

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

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

#### ANNUAL BUDGETS

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

#### PROJECT OUTPUT

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

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

#### CAPITAL REPLACEMENTS, IMPROVEMENTS AND ADDITIONS

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

#### ADDITIONAL FACILITIES

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

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

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

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



## **PART 6. THE PROJECT AGREEMENTS**

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

### **THE EPC CONTRACT**

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

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

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

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

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

The EPC Contract is expected to include a guaranteed minimum capacity for the generating facility at specified design point conditions. The EPC Contractor will be required to take remedial

actions or, in certain circumstances, to pay liquidated damages if the generating facility fails to meet the capacity guarantee.

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

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

The EPC Contract will specify events that constitute a default by either party, including, with respect to the Contractor, a material breach by it under the EPC Contract and, with respect to UAMPS, the failure to make payment when due (in each case, subject to specified cure periods). In the event of a Contractor default, UAMPS may terminate the EPC Contract and take possession and use of various equipment located at the job site for the purpose of completing the remaining work, subject to the terms and conditions provided in the EPC Contract. In the event of a default by UAMPS, the Contractor may suspend service and/or terminate the EPC Contract, in which case the Contractor shall be entitled to a termination payment as specified in the EPC Contract.

#### THE OPERATING AGREEMENT

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

#### THE INTERCONNECTION AGREEMENT

The Interconnection Agreement will be the standard form Interconnection Agreement under PacifiCorp's OATT.

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

# Natural Gas Peaking and Base Load Power Sales Contracts

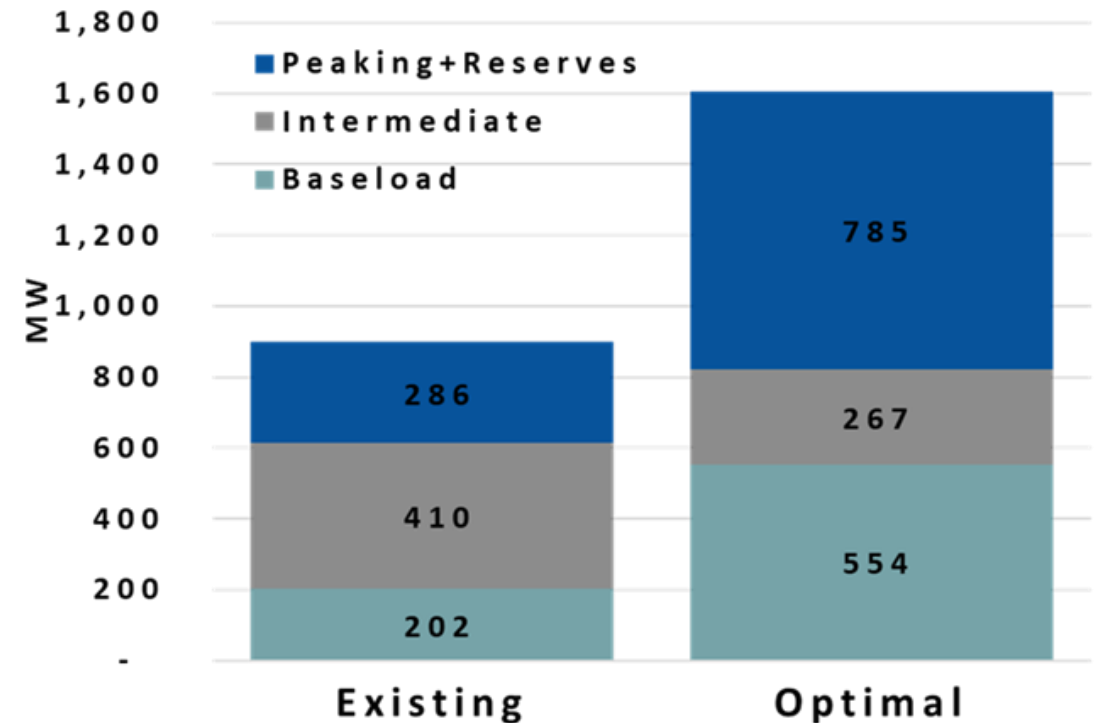
MURRAY CITY COUNCIL MEETING

[Date]



# Alignment with Members Needs

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



# Natural Gas Statistics

**Peaker**  
**Baseload**

**Capacity**

200 MW

360 MW

**COD**

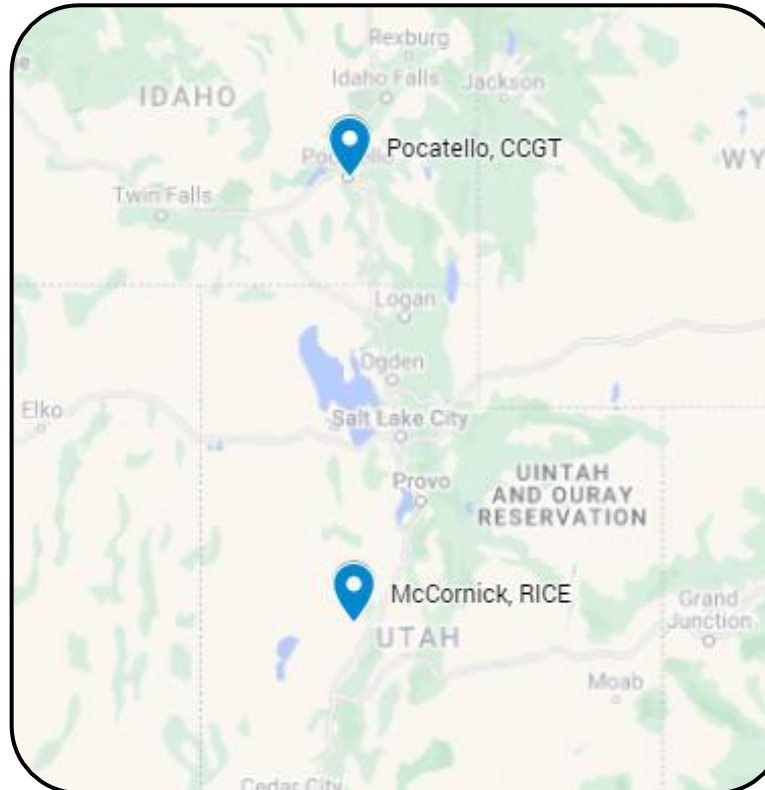
2029

2031

**Technology**

Gas-Fired Recip Engines

Combined Cycle



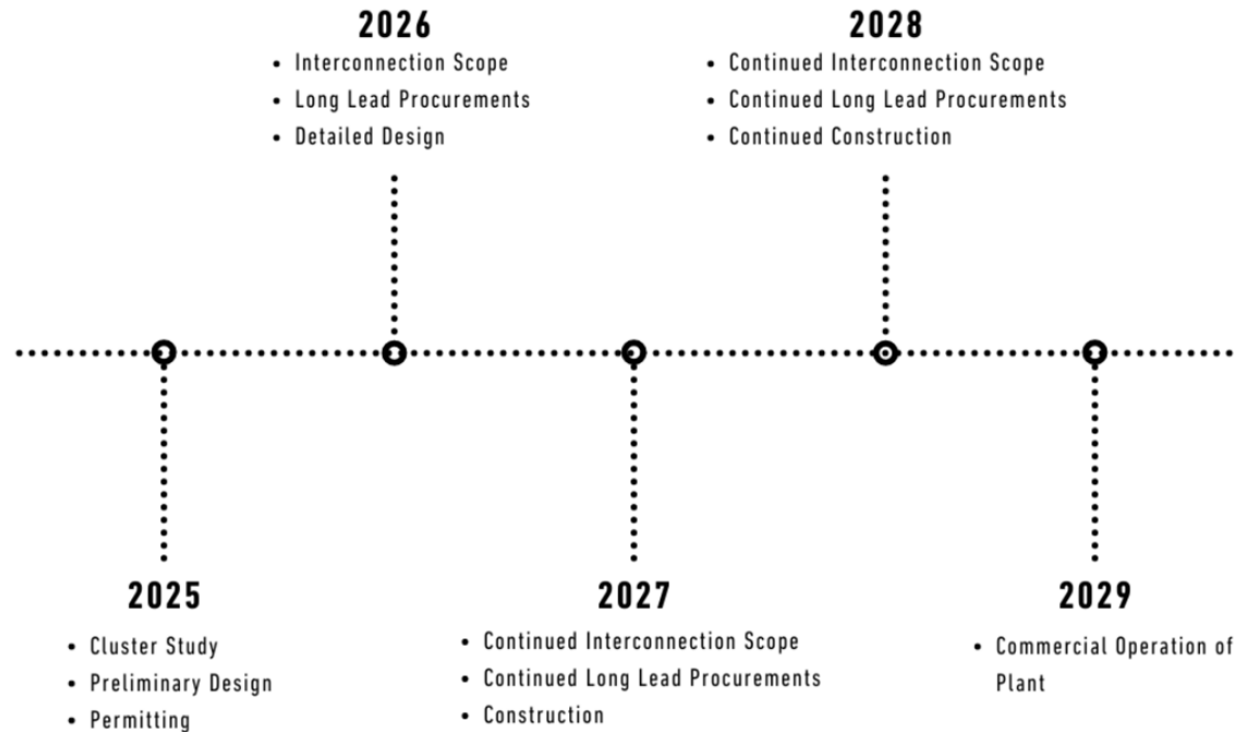
# Peaking Facility

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



# Peaking Facility

## TIMELINE & ANTICIPATED DECISION POINTS



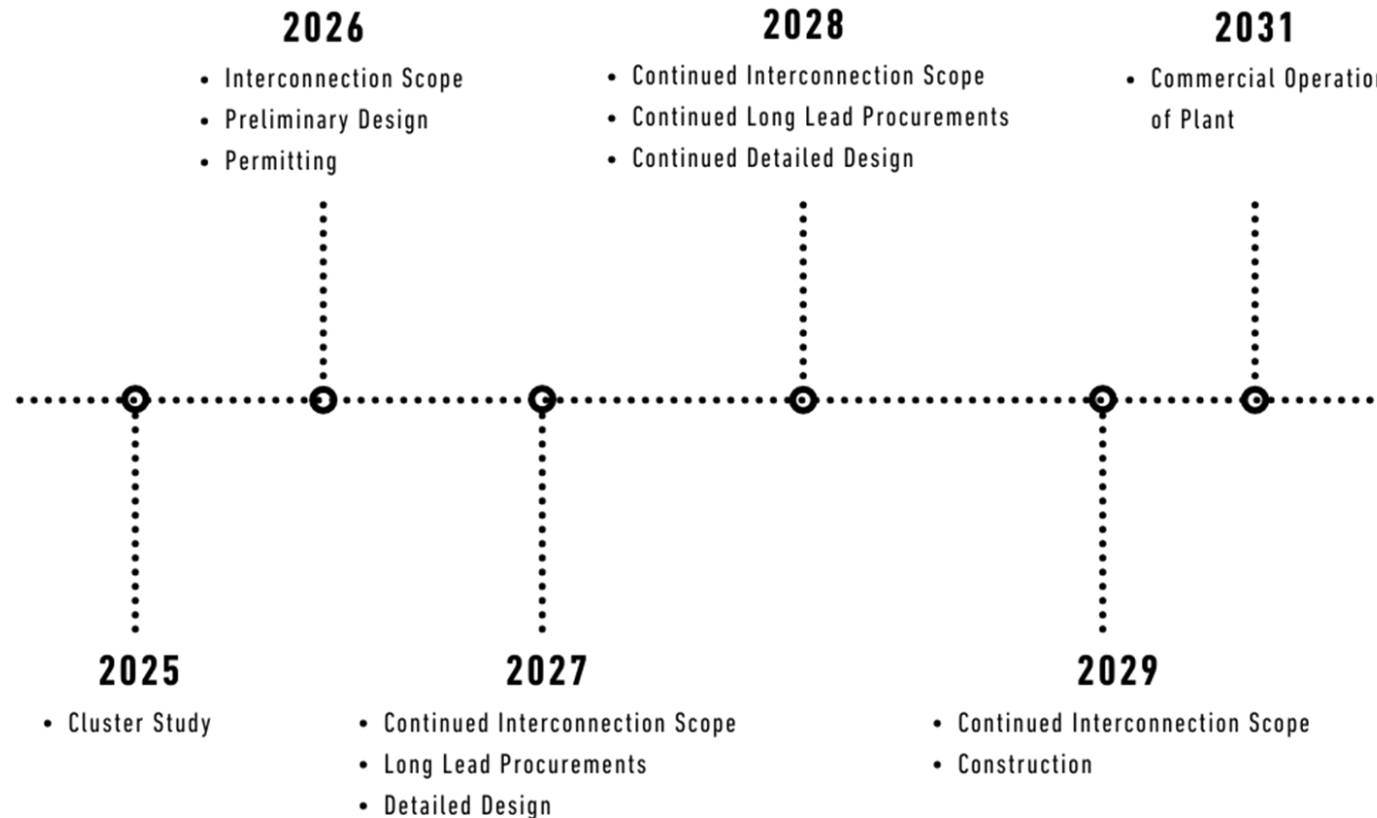


# Combined Cycle Facility

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

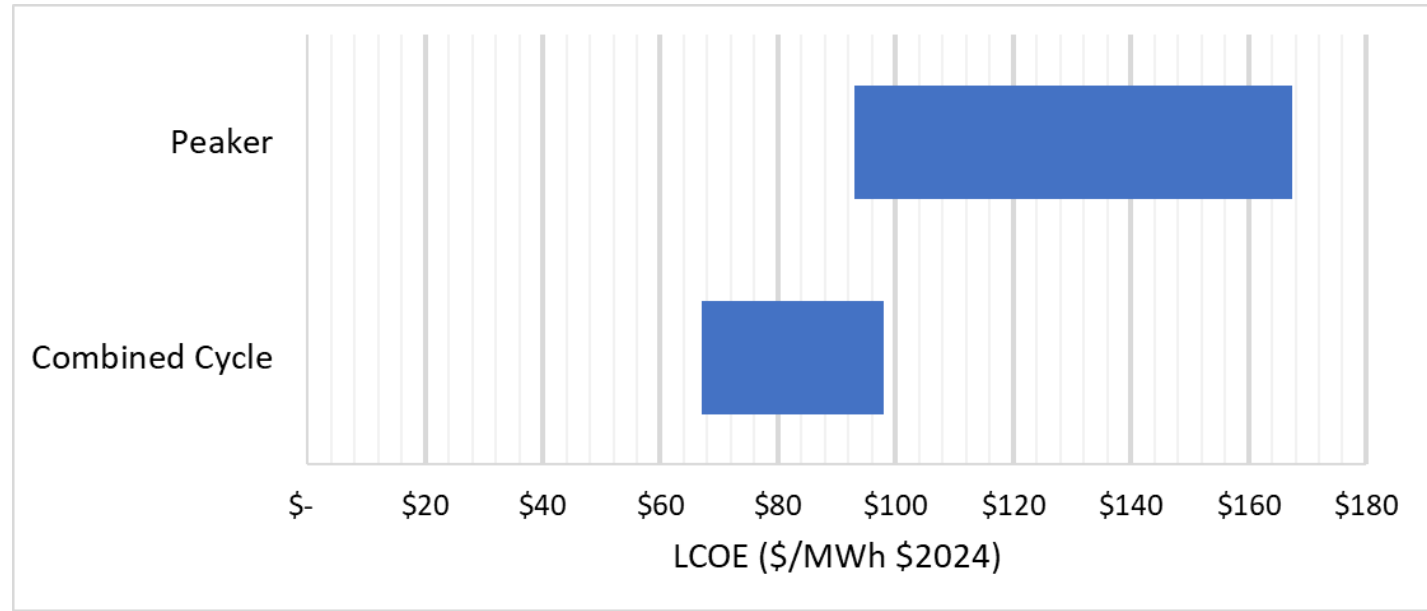
# Combined Cycle Facility

## TIMELINE & ANTICIPATED DECISION POINTS



# Levelized Cost of Energy (LCOE)

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

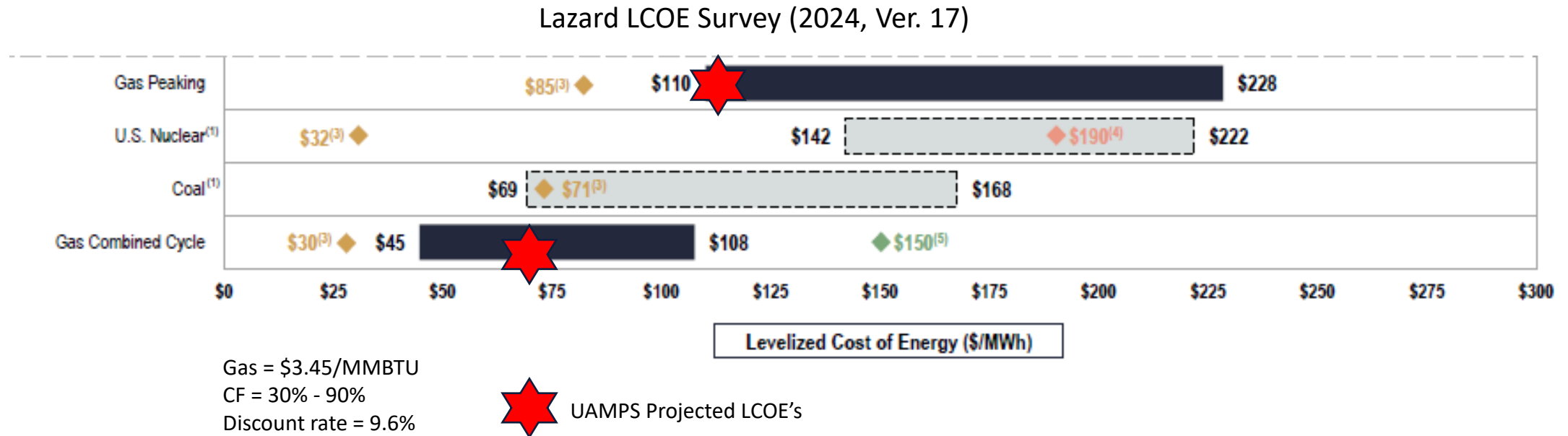


Gas Price assumed to be based on Rockies

Combined cycle, duct firing assumed to be 1,000 hrs of annual generation

# Comparable LCOE

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



# Market Comparison

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

# Interconnection is Driving Timing

- Missed cluster study window could result in 12+ month delay
- PacifiCorp is conducting a “cluster study” of resources seeking to interconnect to its system
- Recent reforms to the queue process designed to weed out projects that are not commercially viable include
  - Evidence of site control
  - \$5m deposit for PacifiCorp to conduct the cluster study
  - Withdrawal penalties of 9x study costs
- Deposit and site control required as early as December 2024
- Study will take approximately one year to complete
- Timing of next cluster study unknown—likely January 2026

# Development Next Steps

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



# Power Sales Contract Key Terms

# Natural Gas Power Sales Contracts

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

# Natural Gas Power Sales Contracts

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

# Natural Gas Power Sales Contract: Key Terms

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

# Natural Gas Power Sales Contract: Key Terms

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

# Effective Date, Term, Termination

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

# Project Management Committee

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



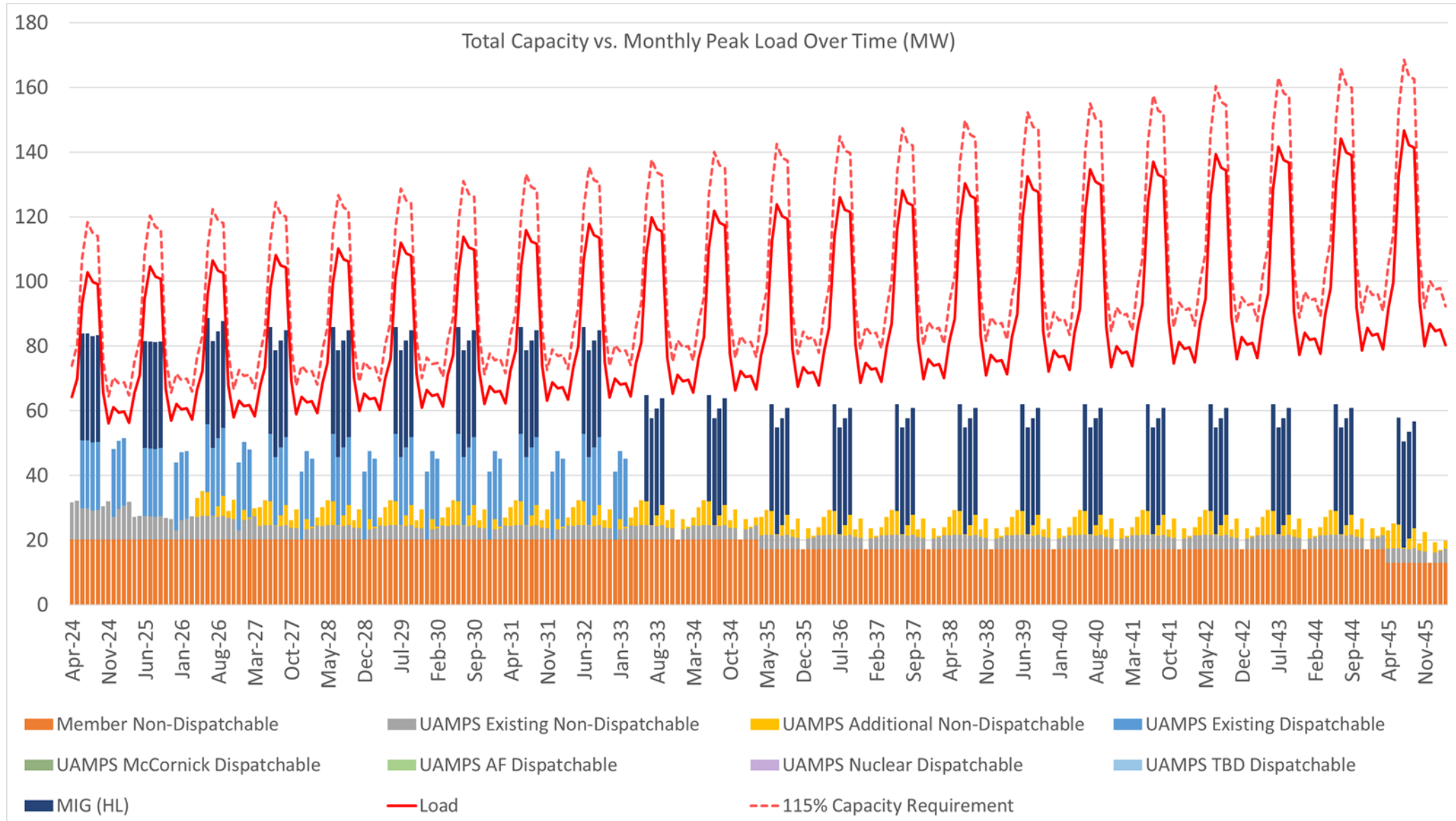
# Project Management Committee Determination

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

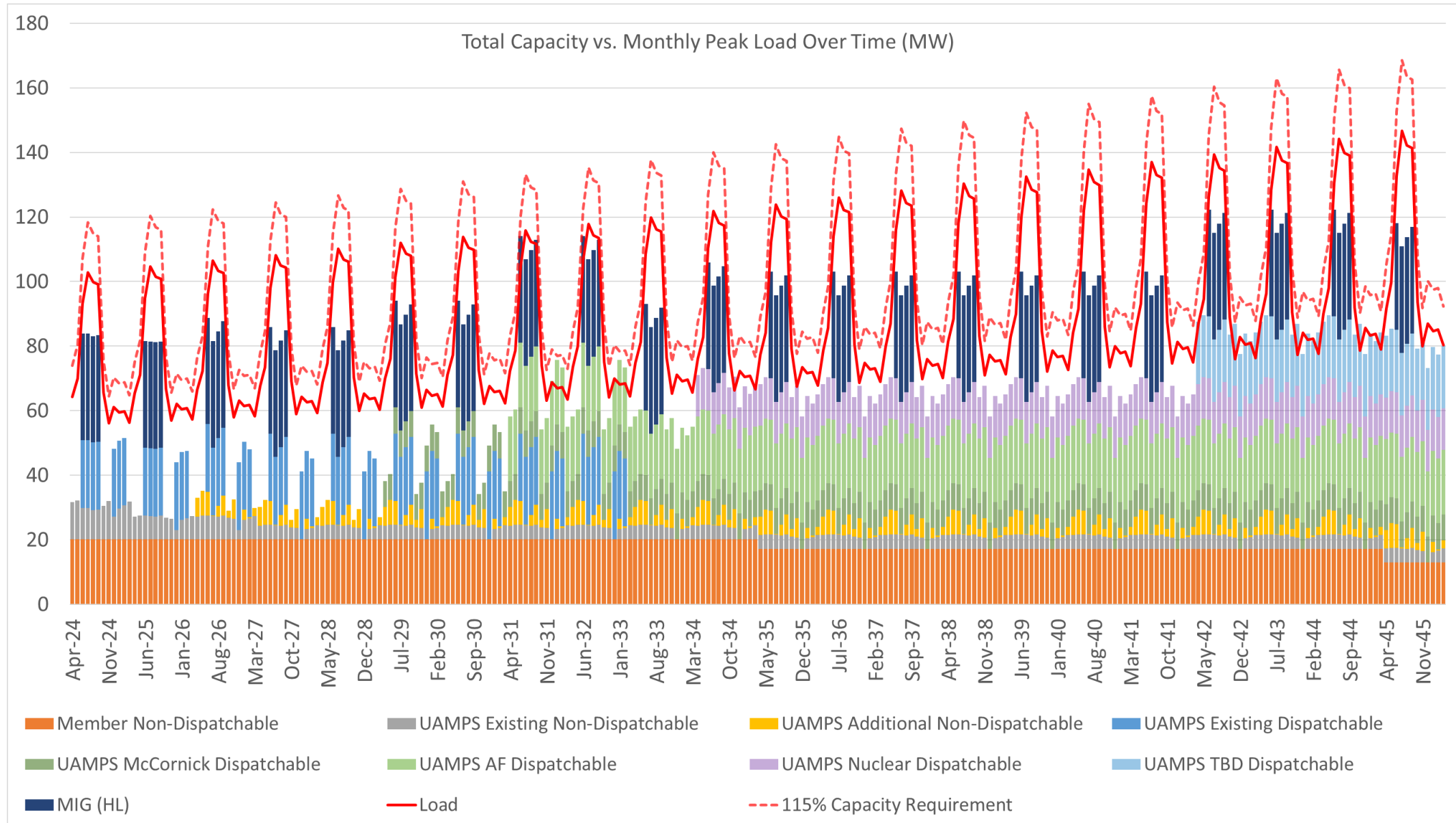
# Subscription Recommendation

- 11.83 MW subscription for **Millard County Peaker**
- 21.00 MW subscription for **Power County Base Load**

# Capacity without Additional Dispatchable



# Capacity with Additional Dispatchable



# Key Methodology – Detailed Assumptions

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

# Additional Assumptions

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

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# QUESTIONS

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# Discussion Item #3



**MURRAY**


# Parks and Recreation

## Tier II Grant acceptance

### Council Action Request

Committee of the Whole and Council Meeting

Meeting Date: November 12, 2024

<b>Department Director</b> Kim Sorensen  <b>Phone #</b> 801-164-2614  <b>Presenters</b> Edmunds Lori          <b>Required Time for Presentation</b> 10 Minutes  <b>Is This Time Sensitive</b> Yes  <b>Mayor's Approval</b>   <b>Date</b> October 29, 2024	<b>Purpose of Proposal</b> Tier II Grant agreement  <b>Action Requested</b> Approve interlocal agreement with Salt Lake County to receive \$100,000 from the Tier II Grant.  <b>Attachments</b> Tier II agreement  <b>Budget Impact</b> \$100,000 towards cultural arts.  <b>Description of this Item</b> City to receive \$100,000 from the Tier II Grant to be used by Murray City for Cultural Arts programing.          Any additional space needed is available on second page.
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RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING AN INTERLOCAL COOPERATION  
AGREEMENT BETWEEN THE CITY AND SALT LAKE COUNTY  
FOR RECEIPT BY THE CITY OF TIER II ZOO, ARTS, AND PARKS”  
FUNDS.

WHEREAS, Salt Lake County (“County”) has imposed a local sales and use tax, pursuant to UTAH CODE ANN. Section 59-12-701, et. seq., and has enacted an ordinance and policies governing distribution of the revenues collected by this tax, hereinafter referred to as “Zoo, Arts, and Parks Funds” (“Funds”); and

WHEREAS, the City has applied for and is qualified to receive a portion of the Funds pursuant to the statute, ordinance, and policies.

NOW, THEREFORE, BE IT RESOLVED by the Murray City Municipal Council as follows:

1. It hereby approves the Interlocal Cooperation Agreement between the City and Salt Lake County providing for receipt by the City of Tier II “Zoo, Arts, and Parks” funds in the amount of approximately \$100,000.00 to be used by the City’s Cultural Arts Program.
2. The Mayor and the City Recorder are hereby authorized to execute the Agreement for and in behalf of the City.
3. The Agreement shall be effective upon execution.

PASSED AND APPROVED this \_\_\_\_ day of November 2024.

MURRAY CITY MUNICIPAL COUNCIL

\_\_\_\_\_  
Pam Cotter, Chair

ATTEST:

\_\_\_\_\_  
Brooke Smith  
City Recorder

**Murray City Corporation**  
**Murray City Corporation**  
**100,000.00**

## **2024 Tier II Contract**

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Salt Lake County Contract #: ZAP22024100  
District Attorney No. SFK 24CIV001864  
(Approved for Use October 18, 2024, until December 31, 2024)

**SALT LAKE COUNTY**  
**TIER II**  
**ZOO, ARTS AND PARKS FUNDING AGREEMENT**  
**Between**  
**SALT LAKE COUNTY**  
**And**  
**Murray City Corporation**

THIS AGREEMENT is effective the date of the last person to sign below by and between SALT LAKE COUNTY, a body corporate and politic of the State of Utah ("COUNTY"), and **Murray City Corporation** a Utah non-profit organization or a governmental entity, whose mailing address is **10 E 4800 S, Murray City, Salt Lake City, UT 84107** ("RECIPIENT").

WHEREAS, the COUNTY has imposed a local sales and use tax, pursuant to Utah Code Ann. §§ 59-12-701, et seq., and has enacted an ordinance, Chapter 3.07, Salt Lake County Code of Ordinances, 2005, as well as policies governing distribution of the revenues collected by this tax, which revenues are referred to as the "Zoo, Arts & Parks Funds" ("Funds"). WHEREAS, RECIPIENT has applied for and is qualified to receive a portion of the Funds pursuant to the statute, ordinance, and policies.

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions contained in this Agreement, and the payment of the amount of Funds as specified, the parties agree as follows:

**1. SCOPE OF AGREEMENT:**

In exchange for receipt of the Funds specified in Paragraph 3 below, RECIPIENT agrees to the following terms and uses for the Funds:

- A. Funds shall be expended within Salt Lake County as set forth with greater specificity in RECIPIENT'S Application Form (Exhibit 1) and, if applicable, COUNTY'S additional requirements letter (Exhibit 3), incorporated herein by reference, and as further defined and set forth herein and pursuant to Utah Code Ann. §§ 59-12-701, et seq.; Chapter 3.07 Salt Lake County Code of Ordinances, 2005; and those policies, applications and standards established by Salt Lake County to administer the distribution of the Funds.
- B. Funds may not be expended for the following non-qualifying expenditures, outlined more fully in Countywide Policy No. 1031: capital construction expenses, acquisition of real property or any interest in real property, depreciation or amortization of any asset including real property, improvement to real property, payments into an endowment corpus, expenditures outside of Salt Lake County, fund-raising expenditures related to capital or endowment campaign, repayment of loans or interest thereon, grants or re-grants, scholarships, interest payments, direct political lobbying, expenditures not directly related to RECIPIENT's primary purpose, non-deductible tax penalties, bad debt expense, and any operating expenses that are utilized in

calculating federal unrelated business income tax.

- C. RECIPIENT agrees to update the contacts for their organization through the online grantor management system (currently Zoomgrants) and directly to ZAP program staff in a timely manner.
- D. RECIPIENT agrees to submit an Evaluation Report detailing how Funds were expended on or before March 31, 2026. RECIPIENT understands that current and future Funds may be withheld due to an inadequate, incomplete, or non-submitted Actual Use/Evaluation Report.
- E. RECIPIENT agrees to acknowledge the Salt Lake County Zoo, Arts and Parks program ("ZAP Program") in writing and orally, including acknowledging the Salt Lake County ZAP Program at events for which Funds have been utilized. RECIPIENT further agrees to use its best efforts to use the official Zoo, Arts & Parks logo on written material such as playbills, brochures, appropriate advertisements, flyers, banners, websites and newsletters. RECIPIENT may use other acknowledgments as appropriate, such as announcements from the stage, in media releases, on supertitles, on pre-event videos, etc. If RECIPIENT has a website, the Zoo, Arts and Parks logo shall be displayed on the donor/sponsor page or other prominent page of the website. RECIPIENT shall follow the guidelines in Exhibit 2, ZAP Logo Usage and Acknowledgment Guide.
- F. RECIPIENT shall provide COUNTY with a copy of programs or other printed material acknowledging the COUNTY and the ZAP Program with the Evaluation Report under Subparagraph 1D above.
- G. RECIPIENT agrees to provide COUNTY with press releases and other public relations material designed to promote RECIPIENT'S programs and projects. Submission by email is preferred at [PRZAP@slco.org](mailto:PRZAP@slco.org).
- H. RECIPIENT agrees that if it produces a free or reduced-admission-fee program, the terms of admission shall be extended to all citizens of the State of Utah and shall not be restricted to citizens of Salt Lake County. RECIPIENT further agrees to publicly announce (in some manner) that this has been sponsored by the Salt Lake County Zoo, Arts and Parks Program (using this or similar wording) and to inform the COUNTY'S Representative, named below, of such an event in advance and in a timely manner.
- I. RECIPIENT agrees to use the [www.nowplayingutah.com](http://www.nowplayingutah.com) (NPU) website to promote its events. This arts and cultural calendar has been created by the ZAP Program, Utah Division of Arts and Museums and Visit Salt Lake in order to benefit Utah's arts and cultural community and individuals interested in attending arts and cultural events. RECIPIENT shall provide its publicity materials to NPU in a timely manner and shall promote the NPU website among its constituents, patrons, audiences, etc., including linking to NPU from RECIPIENT'S website. RECIPIENT also agrees to list artist profiles on NPU.
- J. RECIPIENT agrees to provide tickets to any non-fundraising event, without charge and within reason, as requested by COUNTY'S Representative to enable the Tier II Advisory Board to better review and evaluate RECIPIENT'S organization and programs. RECIPIENT is encouraged to extend to Tier II Advisory Board members an invitation to at least one event per year without charge for evaluation purposes. RECIPIENT shall use the ZAP invitation form, found on the ZAP website, to submit invitations to the Tier II Advisory Board.
- K. In compliance with County Ethics Ordinance 2.07.207 and as outlined in the ZAP Event Attendance Program available on the COUNTY's website, RECIPIENT may make one non-fundraising performance or event per year available to elected or appointed officials through said Representative for the purpose of enabling the official to better evaluate and review the organization, programming and attendance at the event. RECIPIENT shall use the ZAP invitation form, found on the ZAP website, to submit invitations to the elected or appointed

officials.

- L. It is understood and agreed that no Funds or proceeds from Funds will be made available to any public officer or employee or in violation of the County Ethics Code 2.07 and Public Employees Ethics Act, Utah Code Ann. §§ 67-16-1, et. seq.
- M. COUNTY may sponsor an event that highlights the ZAP Program and showcases the recipients of ZAP funding. If the COUNTY sponsors such an event and RECIPIENT is invited to participate, RECIPIENT will use its best efforts to reasonably participate as requested.
- N. The RECIPIENT agrees that, although it may not be a “public body” as defined by the Utah Open and Public Meeting statute, Utah Code Ann. §§ 52-4-101, et. seq., because RECIPIENT receives public funds, it will use its best efforts to adhere to the spirit of the statute by making its board meetings open to the public.
- O. COUNTY provides synchronous and asynchronous training for all recipients. RECIPIENT agrees that at least one representative from the organization will complete the training on an annual basis.
- P. Salt Lake County has invested in tracking real-time data on the services it provides. The ZAP Program collects data that highlights grantee activities with the intent of sharing it through internal dashboard systems. RECIPIENT agrees to participate by providing data upon request. The data will be similar to information requested in the ZAP Application Form, such as attendance, free admissions, expenditures, and staffing.

## **2. PUBLIC FUNDS AND PUBLIC MONIES:**

- A. Definitions: “Public funds” and “public monies” mean monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the State or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or other similar instrumentalities, or any county, city, school district, political subdivision, or other public body. The terms also include monies, funds or accounts that have been transferred by any of the aforementioned public entities to a private contract provider for public programs or services. Said funds shall maintain the nature of “public funds” while in RECIPIENT’S possession.
- B. RECIPIENT’S Obligation: RECIPIENT of “public funds” and “public monies” pursuant to this and other contracts related hereto, expressly understands that it, its officers, and employees are obligated to receive, keep safe, transfer, disburse and use these “public funds” and “public monies” as authorized by law and this Agreement for ZAP qualifying activities in Salt Lake County. RECIPIENT understands that it, its officers, and employees may be criminally liable under Utah Code Ann. § 76-8-402, for misuse of public funds or monies. RECIPIENT expressly understands that COUNTY may monitor the expenditure of public funds by RECIPIENT.
- C. COUNTY reserves the right to audit the use of Funds and the accounting of the use of Funds received by RECIPIENT under this Agreement. If an audit is requested by the COUNTY, RECIPIENT shall cooperate fully with COUNTY and its representatives in the performance of the audit.
- D. RECIPIENT expressly understands that COUNTY may withhold funds or require repayment of funds from RECIPIENT for contract noncompliance, failure to comply with directives regarding the use of public funds, or for misuse of public funds or monies.

## **3. CONTRIBUTION:**

Payment of Funds to RECIPIENT and the amounts thereof shall be determined and paid as set forth in Chapter 3.07, Salt Lake County Ordinances, 2001; and the COUNTY’S Policy #1031. Payment of Funds to RECIPIENT for the ZAP fiscal year 2024 shall be approximately **\$ 100000.00** of the funds designated for Tier II qualifying organizations. This amount is based on 2024 ZAP revenue projections and the Tier II Advisory Board’s recommendation as approved by the Salt Lake County

Council. Actual amount distributed to RECIPIENT may be decreased if 2024 ZAP revenues differ from those projected. The COUNTY recognizes that if a RECIPIENT is awarded less funding than requested, the project as described in the Application Form may be scaled back commensurately. Funds may be distributed in several payments. Any past due balances owed to a county facility or agency may first be deducted before any distribution of FUNDS made to RECIPIENT.

**4. EFFECTIVE DATE:**

This agreement shall be for a term of one (1) year, beginning on the date of the first distribution of Funds to RECIPIENT and ending after the final payment is made (before or during May of 2026), and shall not be renewable. It is understood that the Funds received by RECIPIENT under this Agreement will be expended and accounted for within either RECIPIENT'S fiscal year or the time period indicated in its 2024 Application Form. All covenants made by RECIPIENT will survive the expiration or termination date of this Agreement if, at that time, any Funds paid to RECIPIENT under this Agreement remain unexpended, and such covenants shall continue to bind RECIPIENT until all such Funds are expended or returned to COUNTY.

If all Funds received under this Agreement are not expended during RECIPIENT'S fiscal year or time period indicated in its 2024 Application Form, RECIPIENT agrees to account for the Funds in the succeeding fiscal year pursuant the terms and conditions of this Agreement. All covenants made by RECIPIENT shall survive the expiration date of this Agreement if any Funds paid to RECIPIENT under this Agreement remain unexpended and shall continue to bind RECIPIENT until all such Funds are expended.

**5. MAINTENANCE AND AVAILABILITY OF RECORDS:**

RECIPIENT agrees to maintain detailed and accurate records of the use of all Funds that it receives under this Agreement. RECIPIENT further agrees to retain said records and make them available for review by COUNTY from time to time upon the COUNTY'S request. Said records shall be maintained by RECIPIENT for a period of five (5) years from the date of their creation. All records shall be maintained in a professional manner and form and, if so requested, in a manner and form specified by the Salt Lake County Auditor's Office. The parties hereby stipulate that ownership of all records that are the subject of this paragraph shall rest with RECIPIENT. However, to the extent that such records are deemed by competent legal authority to be records of the COUNTY, the parties agree that the COUNTY's review and/or disclosure of said records will be governed by the Utah Government Records Access and Management Act, Utah Code Ann. §§ 63G- 2-101 et. seq. If any records obtained by the COUNTY reveal that RECIPIENT is in violation of this Agreement, the COUNTY may make use of and disclose such records as it deems appropriate to protect its rights under this Agreement and to protect the public's interest in the proper expenditure of public funds.

**6. ASSIGNMENT AND TRANSFER OF FUNDS:**

It is understood and agreed that RECIPIENT shall not assign or transfer its rights or receipt of Funds under this Agreement, any interest therein, or claim hereunder. The Funds provided under this Agreement shall be used exclusively and solely by RECIPIENT for the purposes set forth in this Agreement.

**7. INDEPENDENT ENTITY:**

It is understood and agreed that RECIPIENT'S status in relation to COUNTY is that of an independent entity. RECIPIENT'S acts, made through any of RECIPIENT'S officers, agents or employees are made without any suggestion, direction, or management whatsoever by the COUNTY, the COUNTY'S Representative, or any other of COUNTY'S officers, agents or employees. The parties stipulate that the Funds provided to RECIPIENT under this Agreement do not give COUNTY any authority whatsoever over the manner and method by which RECIPIENT carries out its purposes. To the extent that any actions taken by RECIPIENT violate the understanding between the parties, as expressed in RECIPIENT'S Application Form and in this Agreement, COUNTY shall have the rights provided under this Agreement to withdraw funding and demand reimbursement of Funds previously expended by RECIPIENT.

**8. INDEMNIFICATION:**

A. Unless RECIPIENT is a governmental entity in the State of Utah, the Parties agree to the



following indemnification provisions:

RECIPIENT shall indemnify, defend and save harmless the COUNTY, its officers, agents and employees, from and against any and all claims, damages, losses and expenses, including attorney's fees and legal costs, arising out of any and all of RECIPIENT'S, or its officers', agents', or employees' negligent or wrongful acts or failures to act which occur during the term of the Agreement, or, if Funds are not fully expended during the term of this Agreement, during the period of time in which RECIPIENT expends Funds made available under this Agreement.

COUNTY is a body corporate and politic of the State of Utah, subject to the Utah Governmental Immunity Act, Utah Code Ann. §§ 63G-7-101 et. seq. (the "Act"). The Parties agree that COUNTY shall only be liable within the parameters of the Act. Nothing contained in this Agreement shall be construed, in any way, to modify the limits of liability set forth in the Act or the basis for liability as established in the Act.

- B. If RECIPIENT is a governmental entity in the State of Utah, the Parties agree to the following indemnification provision:

Both Parties are governmental entities under the Governmental Immunity Act of Utah, §§ 63G-7-101 et. seq. (the "Act"). There are no indemnity obligations between these parties. Subject to and consistent with the terms of the Act, the COUNTY and the RECIPIENT shall be responsible for their own negligent acts or omissions, or those of their authorized employees, officers, and agents while engaged in the performance of the obligations under this Agreement, and neither the COUNTY nor the RECIPIENT shall have any liability whatsoever for any negligent act or omission of the other Party, its employees, officers, or agents. Neither Party waives any defenses or limits of liability available under the Act and other applicable law. Both Parties maintain all privileges, immunities, and other rights granted by the Act and all other applicable law.

**9. INSURANCE:**

RECIPIENT shall maintain insurance in accordance with industry standards and as is reasonably appropriate for the type of events, programs and operations RECIPIENT conducts.

**10. NO OFFICER OR EMPLOYEE INTEREST:**

RECIPIENT understands and represents that no officer or employee of the COUNTY has or shall have any pecuniary interest, direct or indirect, in this Agreement or the Funds distributed.

**11. TERMINATION:**

The COUNTY may terminate this Agreement as a result of the failure of RECIPIENT to fulfill its obligations under this Agreement. The COUNTY shall provide written notice of termination of this Agreement by delivering to RECIPIENT a Notice of Termination specifying the basis for the termination. Upon RECIPIENT's receipt of a Notice of Termination, RECIPIENT shall have 30 days in which to cure the basis for termination set forth in such Notice of Termination. If RECIPIENT fails to cure such basis for termination within the 30-day period, COUNTY may terminate this Agreement. Upon termination of this agreement, RECIPIENT shall immediately deliver to the COUNTY all unused Funds previously paid to RECIPIENT under this Agreement and the COUNTY may, in its sole discretion, seek repayment of expended funds previously paid to RECIPIENT under this Agreement.

The COUNTY may terminate this agreement for the following non-inclusive reasons:

- A. RECIPIENT no longer qualifies for receipt of funding as a Tier II organization under the COUNTY'S ZAP Program,
- B. RECIPIENT was determined to be qualified based upon the submission of erroneous information and may require RECIPIENT to return all Funds paid to RECIPIENT based upon the erroneous information.
- C. RECIPIENT fails the minimum financial health test and its financial health plan is not accepted by the COUNTY.
- D. RECIPIENT fails to supply adequate financial health reports (if required by this Agreement),
- E. If the financial health of RECIPIENT is in such jeopardy that organizational dissolution is



inevitable.

- F. Any actions taken by RECIPIENT violate the understanding between the parties, as expressed in RECIPIENT'S Application Form and in this Agreement.

The parties agree that rights and remedies of the COUNTY in this section are in addition to any other rights and remedies provided by law or under this Agreement.

**12. ETHICAL STANDARDS:**

RECIPIENT represents that it has not: (a) provided an illegal gift or payoff to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County's Ethics Code, Chapter 2.07, Salt Lake County Code of Ordinances, 2005; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

**13. COUNTY REPRESENTATIVE:**

COUNTY hereby appoints the Program Director of the COUNTY'S ZAP Program as COUNTY Representative to assist in the administration of this Agreement and the Funding provided by this Agreement. Said Representative shall ensure performance of this Agreement by RECIPIENT and assist RECIPIENT in obtaining information and access to COUNTY or other government offices, if necessary for RECIPIENT'S performance of this Agreement, and if such assistance is requested by RECIPIENT. Additionally, said Representative shall monitor and evaluate the performance of this Agreement by RECIPIENT, but shall not assume any supervisory or management role over RECIPIENT or any of RECIPIENT'S officers, agents or employees during RECIPIENT'S ordinary course of business or in RECIPIENT'S expenditure of funds provided by this Agreement, other than to enforce COUNTY'S rights and responsibilities under this Agreement.

**14. COMPLIANCE WITH LAWS:**

RECIPIENT agrees that it, its officers, agents and employees will comply with all laws, federal, state or local, which apply to its operations and in particular those laws created to protect the rights of individuals, including, but not limited to, those laws requiring access for persons with disabilities as well as the laws governing non-discrimination against all protected groups and persons in admissions and hiring.

**15. ADDITIONAL DOCUMENTS:**

The following documents shall be submitted by RECIPIENT to the COUNTY prior to any funds being disbursed to RECIPIENT by the COUNTY, and are incorporated into this Agreement by reference, being made a part hereof as exhibits:

- A. Application Form – (Exhibit 1)
- B. ZAP Logo Usage and Acknowledgement Guide – (Exhibit 2)
- C. Additional Requirements Letter, if applicable – (Exhibit 3)

**16. INTERPRETATION:**

The entire agreement among the parties shall consist of this Agreement and the documents set forth above in paragraph 15. All documents are complementary and the provisions of each document shall be equally binding upon the parties. In the event of an inconsistency between any of the provisions of said documents, the inconsistency shall be resolved by giving precedence first to this Agreement, and then to the other documents in the order set forth in paragraph 15 above. Further, this Agreement shall be interpreted to be consistent with Title 59, Chapter 12, Part 7, U.C.A., (1953, as amended); and Chapter 3.07, Salt Lake County Code of Ordinances, 2001, as amended; and County Policy #1031.

**17. ENTIRE AGREEMENT:**

This Agreement contains the entire agreement between the parties, and no statement, promises or

inducements made by either party or agents for either party that are not contained in this written agreement shall be binding or valid. This Agreement may not be enlarged, modified or altered, except in writing, signed by the parties. Moreover, as a standard form contract approved by the District Attorney's Office, any alteration without the approval of the District Attorney's Office shall render the agreement void and without effect.

18. **SURVIVAL:**

All covenants made by RECIPIENT shall survive the expiration date of this Agreement if any Funds paid to RECIPIENT under this Agreement remain unexpended and shall continue to bind RECIPIENT until all such Funds are expended.

19. **GOVERNING LAWS:**

It is understood and agreed by the parties hereto that this Agreement shall be governed by the laws of the State of Utah and Salt Lake County, both as to interpretation and performance.

20. **WARRANT OF AUTHORITY:**

Any person signing this Agreement warrants his or her authority to do so and bind RECIPIENT. RECIPIENT understands that COUNTY may require RECIPIENT to return all Funds paid to RECIPIENT based upon a breach of the warrant of authority.

21. **STANDARD FORM:**

Any alteration of the standard form language without approval of the attorney shall render this agreement void and without effect. Any changes to this agreement must be pre- approved as to from by the District Attorney's Office.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year recited above.

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## Documents

**Murray City Corporation**

**Salt Lake County**

[Exhibit I: 2024 Tier II Application](#)

[Exhibit II: Logo and  
Acknowledgement Guide](#)

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## Signatures

Please sign using your full name

**Salt Lake County**

**Murray City Corporation**

**By:  
Mayor or Designee**

*Not signed yet.*



# Discussion Item #4



**MURRAY**


# City Attorney/Human Resource

## Presentation Title/Action Name

### Council Action Request

### Council Meeting

Meeting Date: November 19, 2024

<b>Department</b> <b>Director</b> G.L. Critchfield - Robyn Colton <b>Phone #</b> 801-264-2640 <b>Presenters</b> G.L. Critchfield Robyn Colton  <b>Required Time for Presentation</b> 10 Minutes <b>Is This Time Sensitive</b> No <b>Mayor's Approval</b>  <b>Date</b> October 29, 2024	<b>Purpose of Proposal</b> Consider an ordinance moving responsibility for Workers Compensation to the Human Resource Department <b>Action Requested</b> Consider an ordinance change. <b>Attachments</b> Proposed ordinance. <b>Budget Impact</b> No immediate budget impact. The Risk Analyst would move to the HR Department to continue with overseeing Workers Compensation matters. <b>Description of this Item</b> For many years workers compensation matters were handled within the HR Department. When the Risk Division was created within the City Attorneys Office, workers compensation became part of the Risk Division's responsibility. Given the fact that workers compensation claims end up with the HR Department it seems that workers compensation should begin there as well.  Currently, workers compensation claims are supervised by the Risk Manager but handled by the Risk Analyst. If the Council passes the proposed ordinance, this person would move to and work in the HR Department.  With this move, the Risk Manager could assume greater responsibility in an unrelated area - namely, Smelter Site oversight. The Smelter Site is an area of responsibility that can
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ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING SECTIONS 2.10.030 and 2.23.010 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO DUTIES OF THE RISK MANAGEMENT DIVISION AND THE HUMAN RESOURCES DEPARTMENT.

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BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

*Section 1.* Purpose. The purpose of this ordinance is to amend Sections 2.10.030 and 2.23.010 of the Murray City Municipal Code relating to duties of the Risk Management Division and the Human Resources Department.

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*Section 2.* Amendment to Sections 2.10.030 and 2.23.010 of the Murray City Municipal Code. Sections 2.10.030 and 2.23.010 of the Murray City Municipal Code shall be amended to read as follows:

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#### **2.10.030: RISK MANAGEMENT:**

A. The City's risk management program is supervised by the City Attorney. The risk management program:

1. Provides for the review, evaluation and purchase of City liability insurance, workers' compensation insurance, property insurance, and other insurance as needed;
2. Establishes and administers risk management programs for the City, including workers' compensation;
3. Coordinates any self-insurance program; and
4. Receives and processes all claims with approval and review of the City Attorney.
5. Coordinates the Smelter Site Overlay District inspection and enforcement program referred to in 17.25.090.

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#### **2.23.010: DEPARTMENT CREATED; DUTIES:**

The Human Resource Department is created. The Department shall be directed by the Human Resource Director, a department director who reports to the Mayor and is responsible for the administrative direction of the Human Resource Department. The Human Resource Director is appointed by the Mayor with the advice and consent of the City Council. The Human Resource Department performs the following functions:

A. Administration Of All Personnel Functions: The Human Resource Department is responsible for the administration of all personnel functions of the City, including, but not limited to, employee recruiting and certification, employee classification and evaluation,

administration of employee benefits, including health insurance, wage and compensation plans, labor relations, employment training, equal opportunity employment, workers' compensation, employee grievances, providing staff to the personnel advisory board and maintenance of all City personnel records.

*Section 3.* Effective date. This Ordinance shall take effect upon first publication.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on this \_\_\_\_ day of \_\_\_\_\_, 2024.

MURRAY CITY MUNICIPAL COUNCIL

\_\_\_\_\_  
Pam Cotter, Chair

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

MAYOR'S ACTION: Approved

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brett A. Hales, Mayor

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance or a summary hereof was published  
according to law on the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brooke Smith, City Recorder



# Discussion Item #5





**MURRAY**

# Community and Economic Development

## Chapter 17.78, Detached Accessory Dwelling Units

### Council Action Request

Committee of the Whole

Meeting Date: November 12, 2024

<b>Department Director</b> Phil Markham  <b>Phone #</b> 801-270-2427  <b>Presenters</b> Zachary Smallwood	<b>Purpose of Proposal</b> Amend Chapter 17.78 Accessory Dwelling Units to allow greater flexibility in developing detached ADUs  <b>Action Requested</b> Land Use Ordinance Text Amendment  <b>Attachments</b> Updated Text, Slides, and review of ADU standards for cities in Salt Lake County.  <b>Budget Impact</b> None Anticipated  <b>Description of this Item</b> Planning Division is requesting a text amendment to allow for property owners to more easily develop detached accessory dwelling units in single-family areas. Staff has made a number of suggestions that were reviewed by the Planning Commission.  Largely these are for setbacks and allowable size of a detached ADU.  The Planning Commission voted 5-0 to recommend approval of the plan on August 15th, 2024.  The City Council reviewed the initial text changes on October 15, 2024. Staff has amended the code based on the suggested edits and are prepared to discuss with the Council.
<b>Required Time for Presentation</b> 15 Minutes  <b>Is This Time Sensitive</b> No  <b>Mayor's Approval</b>     <b>Date</b>	

# MURRAY CITY CORPORATION

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on the 19<sup>TH</sup> day of November, 2024, at the hour of 6:30 p.m., in the City Council Chambers of the Murray City Hall, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will hold and conduct a Public Hearing on and pertaining to text amendments to Sections 17.78.040, 17.78.050, and 17.78.090 of the Murray City Municipal Code relating to standards for detached accessory dwelling units.

The purpose of this hearing is to receive public comment concerning the proposed text amendments as described above.

DATED this 16<sup>th</sup> day of October 2024.



MURRAY CITY CORPORATION

A handwritten signature in blue ink, appearing to read "Brooke Smith", written over a horizontal line.

Brooke Smith  
City Recorder

DATE OF POSTING: November 8, 2024  
PH24-37

LOCATIONS OF POSTINGS – AT LEAST 10 CALENDAR DAYS BEFORE THE PUBLIC HEARING:

1. Utah Public Notice Website
2. Murray City Website
3. Posted at Murray City Hall
4. Mailed to Affected Entities

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING SECTIONS 17.78.040, 17.78.050, AND 17.78.090 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO STANDARDS FOR DETACHED ACCESSORY DWELLING UNITS.

BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

*Section 1. Purpose.* The purpose of this ordinance is to amend Sections 17.78.040, 17.78.050, and 17.78.090 of the Murray City Municipal Code relating to standards for detached accessory dwelling units.

*Section 2. Amend Sections 17.78.040, 17.78.050, and 17.78.090 of the Murray City Municipal Code.* Sections 17.78.040, 17.78.050, and 17.78.090 of the Murray City Municipal Code shall be amended to read as follows:

**17.78.040: ATTACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:**

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, but not both, as their permanent residence and at no time receive rent for the owner occupied unit. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that ~~are zoned to~~ allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front ~~or corner lot side~~ yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. In addition to the parking required for the primary unit, one (1) additional off street parking space shall be provided. ~~A total of In no case shall fewer than~~ three (3) ~~total~~ off street parking spaces shall be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

H. Any additions to an existing building shall not exceed the allowable lot coverage standard for the underlying zone or encroach into the required setbacks. (Ord. 21-25)

....

**17.78.050: DETACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:**

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, ~~but not both~~, as their permanent residence and at no time

receive rent for the unit occupied by the owner-occupied unit. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that are zoned to allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front or corner lot side yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. The total area of the ADU shall be less than forty-fifty percent (4050%) of the square footage of the primary residence and in no case shall exceed one thousand (1,000) square feet.

~~H. Detached ADUs shall not contain more than two (2) bedrooms.~~

H. In addition to the parking required for the primary unit, onetwo (21) additional off street parking spaces shall be provided. A total of In no case shall fewer than fourthree (43) total off street parking spaces shall be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

J. The minimum lot size required for construction of a detached ADU in all single-family residential zones shall be ten thousand (10,000) square feet.

K. Detached ADUs shall meet the following standards; not be located in a front or corner lot side yard and shall meet the same setbacks as required for the primary residence in the zone.

1. Shall not located in the front yard area as defined in Chapter 17.08

2. Must adhere to the following setbacks:

a. Rear Yard: Ten feet (10') from property line.

b. Side Yard: Ten feet (10') from property line.

c. Corner Side Yard: Twenty feet (20') from property line

~~L. Any detached ADU located in a required side yard must comply with the setbacks for the principal residence, and shall have adequate facilities for all discharge from roof and other drainage.~~

M. Construction of a detached ADU shall not exceed the allowable lot or rear yard coverage standard for the underlying zone or encroach into the required setbacks.

N. Detached ADUs shall be compatible with the exterior color and materials of the principal dwelling.

~~QM~~. The maximum height for detached ADUs is limited to one story and to twenty feet (20') or the height of the principal structure, whichever is less.

~~PN~~. The total floor area of a detached structure containing an ADU shall not exceed one thousand (1,000) square feet.

~~QQ~~. Conversion of existing accessory buildings (such as detached garages) may only occur where the existing accessory building meets the setback requirements set forth herein~~for a primary residence in the zone and meets the applicable building code~~.

(Ord. 23-03: Ord. 21-25)

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#### **17.78.090: SHORT TERM RENTALS NOT ALLOWED:**

A. By applying for an ADU, the property owner shall agree that the main dwelling and the proposed ADU will not be used as a short-term rental.

B. Short-term rental ~~means the same as defined in chapter 17.23 and~~ is defined here as renting all or a portion of a property for less than thirty (30) days at a time.

~~C. Any violation of this section shall fall under chapter 17.23: Short Term Rentals.~~  
(Ord. 21-25)

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*Section 3. Effective date.* This Ordinance shall take effect upon first publication.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on  
this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

MURRAY CITY MUNICIPAL COUNCIL

\_\_\_\_\_  
Pam Cotter, Chair

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

MAYOR'S ACTION:

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brett A. Hales, Mayor

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance, or a summary hereof, was published according to law on the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brooke Smith, City Recorder

Minutes of the Planning Commission meeting held on Thursday, August 15, 2024, at 6:30 p.m. in the Murray City Council Chambers, 10 East 4800 South, Murray, Utah.

A recording of this meeting is available for viewing at <http://www.murray.utah.gov> or in the Community and Economic Development office located at 10 East 4800 South, Suite 260.

The public was able to view the meeting via the live stream at <http://www.murraycitylive.com> or <https://www.facebook.com/Murraycityutah/>. Anyone who wanted to make a comment on an agenda item was able to submit comments via email at [planningcommission@murray.utah.gov](mailto:planningcommission@murray.utah.gov).

Present: Maren Patterson, Chair  
Lisa Milkavich  
Jake Pehrson  
Michael Richards  
Pete Hristou  
Zachary Smallwood, Planning Division Manager  
Mark Richardson, Deputy Attorney  
Members of the Public (per sign-in sheet)

Excused: Ned Hacker, Vice Chair  
Michael Henrie

The Staff Review meeting was held from 6:00 p.m. to 6:30 p.m. The Planning Commission members briefly reviewed the applications on the agenda. An audio recording is available at the Murray City Community and Economic Development Department Office.

#### CALL MEETING TO ORDER

Chair Patterson called the meeting to order at 6:31 p.m.

#### BUSINESS ITEMS

##### APPROVAL OF MINUTES

There were no minutes to approve for this meeting.

##### CONFLICT(S) OF INTEREST

There were no conflicts of interest for this meeting.

##### FINDINGS OF FACT

Commissioner Pehrson made a motion to approve the findings of facts and conclusions for Cottonwood Galleria Design Review. Seconded by Commissioner Milkavich. A voice vote was made with all in favor.

## LAND USE ORDINANCE TEXT AMENDMENT – PUBLIC HEARING

### Chapter 17.78 Accessory Dwelling - Project # 24-076 - Amending Standards for Detached Accessory Dwelling Units and general text clean-up.

This is a continuation of the agenda item for the amendment presented on July 18, 2024. Staff made corrections to the text based on comments made by the Planning Commission. Zachary Smallwood presented this request to make amendments to Chapter 17.78 Accessory Dwelling Units (ADUs). The request addresses changes to the detached accessory dwelling unit standards. He said that this text amendment was a result of the moderate-income housing plan that was adopted by the City Council as required by the Utah State Legislature. They expect to see progress each year in reduced regulations for internal or detached accessory dwelling units in residential zones. He summarized the changes that staff made to the language, which included removing the language prohibiting the door on corner side yards, increasing the allowable square footage, reducing the parking requirements, reduction of rear and side setbacks, and removing the language relating to matching materials with the existing home. Mr. Smallwood said that language was added regarding corner yard setbacks. Staff recommends that the Planning Commission forward a recommendation of approval for the changes.

Commissioner Pehrson and Mr. Smallwood had a discussion regarding receiving rental income for the owner-occupied unit. The language states that the property owner cannot receive rental income for the unit they are occupying.

The commissioners and Mr. Smallwood had a discussion regarding utility meters and that the units must not be metered separately, or it could be considered a duplex. The units may have separate heating systems and be on the same meter.

Commissioner Milkavich asked if a roll-up door would be allowed. Mr. Smallwood wasn't sure but believed that building code would not permit it.

Chair Patterson asked Mr. Smallwood if he believes the changes to the code will result in an increase in the amount of ADU's. Mr. Smallwood said he feels that it will. He said he anticipates coming forward with changes each year after a review of the currently proposed changes. He speculated that having ADU's above attached garages will be the next issue to be addressed.

The Commissioners and Mr. Smallwood had a discussion regarding the report to the state each year on the moderate-income housing requirements. They agreed that it may slow down overall progress because they may hold off on projects so that they have something to report on for a given year.

Chair Patterson opened the agenda item for public comment.

Robert, a resident of Salt Lake City and Master's of City Planning student at the University of Utah spoke in support of the proposed ADU amendments. He said he's following the development of ADU's as a project for his master's degree. He said he's seen a lot of great advancements in ADU's including prefabricated units. He feels it's an effective way to provide more housing. He lives in a neighborhood in Salt Lake City that has several ADU's and has seen it as a successful scenario.

Chair Patterson closed the public comment period.



Commissioner Richards made a motion the Planning Commission forward a recommendation of approval to the City Council for the proposed amendments to Chapter 17.78 Accessory Dwelling Units as reviewed in the Staff Report.

Seconded by Commissioner Milkavich. Roll call vote:

A Patterson  
A Milkavich  
A Pehrson  
A Hristou  
A Richards

Motion passes: 5-0

Chapter 17.48 Sign Code Sections 17.48.040 & 17.48.200 - Project # 24-086  
Adding Definition and Regulations Regarding Screen Signs

Zachary Smallwood presented the request from planning division staff to propose amendments to Sections 17.48.040 & 17.48.200 of the Sign Code. The request defines and allows screen signs in commercial and manufacturing zones. He provided a definition and local examples of screen signs. He cited benefits of screen signage to residents and business, including reduced impact on the community and increased aesthetics. He discussed the code for screen sign installation. He said that this request is within Objective Five of the Economic Development Element of the General Plan.

Chair Patterson opened the agenda item for public comment. Seeing none, the public comment period was closed.

Commissioner Pehrson made a motion that the Planning Commission forward a recommendation of approval to the City Council for the proposed amendments to Sections 17.48.040 and 17.48.200 within the Sign Code as reviewed in the Staff Report.

Seconded by Commissioner Hirstou. Roll Call Vote:

A Patterson  
A Milkavich  
A Pehrson  
A Hristou  
A Richards

Motion passes: 5-0

Chapter 17.64 Fence Regulations Sections 17.64.020 & 17.64.090 - Project #24-087 - Reducing setbacks, allowing additional height when next to nonresidential and general clean up.

Zachary Smallwood presented this request by planning division staff to propose amendments to Sections 17.64.020 & 17.64.090 of the Fence Regulations. The request clarifies residential fencing, reduces side yard fencing setbacks, and allows additional height for fencing between residential and

non-residential zoning districts. He described fencing limitations that exist with corner lots when a neighbor has an adjacent driveway that is within twelve feet of a property, the homeowners may not install fencing. He said that planning and engineering staff with the city attorney's office drafted an amendment to reduce that distance to ten feet. Another proposal includes having a sight triangle to accommodate fencing. He showed illustrations of both scenarios. Either option would still provide sight visibility. Findings are the proposed text amendment promotes individual property rights and does not conflict with the General Plan. The proposed text amendment has been thoroughly reviewed to ensure the health, safety and general welfare of the community are maintained, and staff finds that continuing to support single-family neighborhoods by allowing additional privacy provides owners with greater use of their property. Staff recommends forwarding a recommendation of approval to the City Council for the proposed amendment.

Commissioner Pehrson asked for clarification on the proposal. He and Mr. Smallwood discussed the details of the proposals, as well as fence heights based upon materials used, specifically for the sight triangle for fencing. Mr. Smallwood emphasized that the requirements have to do with site visibility.

Chair Patterson opened the agenda item for public comment. Seeing none, the public comment period was closed.

Commissioner Milkavich made a motion that the Planning Commission forward a recommendation of approval to the City Council for the proposed amendments to Sections 17.64.020 and 17.64.090 within the Fence Regulation Code as reviewed in the Staff Report

Seconded by Commissioner Richards. Roll call vote:

A Patterson  
A Milkavich  
A Pehrson  
A Hristou  
A Richards

Motion passes: 5-0

#### ANNOUNCEMENTS AND QUESTIONS

The next scheduled meeting will be held on Thursday, September 5<sup>th</sup>, 2024, at 6:30 p.m. MST in the Murray City Council Chambers, 10 East 4800 South, Murray, Utah.

#### ADJOURNMENT

Commissioner Pehrson made a motion to adjourn the meeting at 7:14 p.m.



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Philip J. Markham, Director  
Community & Economic Development Department

### Salt Lake County ADU Review

City	Min Lot Size	Max ADU Size	Setback from Dwelling	Rear	Side	Height	Attached	Detached	Parking	Matching Aesthetics
Cottonwood Heights			6'	20'	5-10'	20'	Yes	Yes	2	
Draper	12,000	50%		20'	8-10'	35'	Yes	Yes	1	1
Midvale	6,000	900	6'	2'	2'	16'	Yes	Yes	1	
Millcreek	I/A - 6,000 D - 8,000	50%	5'	5'	5'	24'	Yes	Yes	1	
Murray	10,000	40% up to 1,000	6'	15-25'	5-8'	20'	Yes	Yes	I - 1 D - 2	1
Riverton	N/A	10% of Lot	10'	1'-15'	5'	20'	Yes	Yes	1	
Salt Lake City	N/A	1,000		3'	3'	17-24'	Yes	Yes	1	
Sandy	20,000	400	6'	10'	10'					
South Salt Lake	6,000	50% up to 1,000	10'	5'	5'	20'	Yes	Yes	1	
South Jordan	I/A - 6,000 D - 14,250	35% up to 1,500		10'	10'		Yes	Yes	1	1
Taylorsville	15,000	75% of dwelling	6'	10'	10'	1 level	Yes	Yes	1	1
West Jordan	10,000	Less than primary	6'	15'	8'		Yes	Yes	1	
West Valley City	N/A	N/A	N/A	N/A	N/A	N/A	Yes	No	1	
Bluffdale	N/A	N/A		10'	10'	18'	Yes	Yes	2	
Herriman	6,000	N/A	N/A	N/A	N/A	N/A	Yes	No	1	
Holladay	14,600 or Less	800-850		4-5'	4-5'	20'	Yes	Yes	1	
Kearns	5,000	None	6'	5'	5'	20'	Yes	Yes	2	1
Magna	5,000	None	6'	5'	5'	20'	Yes	Yes	2	1
White City	6,000	N/A	N/A	N/A	N/A	N/A	Yes	No	1	
Copperton	None	None	6'	3'	3'	20'	Yes	Yes	1	
Emmigration Canyon	6,000	N/A	N/A	N/A	N/A	N/A	Yes	No	1	



## AGENDA ITEM # 04

### Chapter 17.78 Accessory Dwelling Units Text Amendment

<b>ITEM TYPE:</b>	Text Amendment		
<b>ADDRESS:</b>	Citywide	<b>MEETING DATE:</b>	August 15, 2024
<b>APPLICANT:</b>	Community & Economic Development Department	<b>STAFF:</b>	Zachary Smallwood, Planning Division Manager
<b>PARCEL ID:</b>	N/A	<b>PROJECT NUMBER:</b>	24-076
<b>REQUEST:</b>	Planning Division Staff proposes amendments to Chapter 17.78 Accessory Dwelling Units(ADUs). The request mainly addresses changes to the detached accessory dwelling unit standards.		

## I. STAFF REVIEW & ANALYSIS

### History & Background

The Utah State Legislature passed House Bill 462 (HB 462) in March of 2022, requiring that municipalities take additional steps to ensure that each jurisdiction is planning for and reducing barriers to moderate income housing. Moderate income is defined as those persons/families with household incomes less than eighty percent (80%) of the area median income (AMI).

HB 462 requires that municipalities include certain strategies in the Moderate Income Housing (MIH) elements of their general plans and provides a list of twenty-four “menu” items to select them from. HB 462 also requires that cities develop actionable implementation plans for each of those strategies and provide the state a yearly report on steps the city has made to make affordable housing more attainable.

In subsequent years since its passage the legislature has made additional modifications to the language. Some of these include additional menu items, penalties for noncompliance, and incentives for going above and beyond.

One of the menu items that was selected by Murray City states the following:

**STRATEGY: CREATE OR ALLOW FOR, AND REDUCE REGULATIONS RELATED TO, INTERNAL OR DETACHED ACCESSORY DWELLING UNITS (ADU) IN RESIDENTIAL ZONES.**

**Action Plan:** The Community and Economic Development Department by December 31<sup>st</sup>, 2023 will review regulations to facilitate the construction of additional detached accessory dwelling units, including a review of the following items:

- Determine whether the city should allow a second ADU to be located on residential properties.
- Conduct a review of the setback requirements for detached ADUs and propose changes.
- Consider allowing a second level for appropriately located accessory structures when the second story would be used as an ADU.

Within the action plan shown above, it states that the Community and Economic Development Department will review the setback requirements for detached ADUs and propose changes. As we continue towards implementation of the Moderate-Income Housing Plan, staff has conducted a review of the standards for detached accessory dwelling units.

The Planning Commission heard the proposed changes to the ADU ordinance on July 18, 2024. There was discussion about some amendments to the code and that the commission would like to see those incorporated before making a decision.

#### Review of Research

Staff conducted public policy research and benchmarked against multiple cities across Utah. Below is a summarization of the information found.

City	Detached ADU Setback	Distance from Main Dwelling	Max Square footage	Minimum Lot Area
Millcreek	5 feet	6 feet	50% up to 850 square feet	8,000
Midvale	2 feet	6 feet	900 sq ft	None
Taylorsville	10 feet	6 feet	75% no max	15,000
Draper	Same as Main Dwelling	6 feet	50% max	None
Holladay	Same as Main Dwelling	6 feet	None	Double underlying zone
South Salt Lake	5 feet	10 feet	50% up to 1,000 sq ft	

Both the American Planning Association and AARP's Public Policy Institute recommends detached setbacks at four feet (4'). Both also recommend no limit on size except that it be smaller than the primary dwelling on the property.

### Review of Proposed Changes

In February of 2023 the City Council with the recommendation of the Planning Commission amended the Detached ADU standards for a minimum lot size of 12,000 square feet to a minimum of 10,000 square feet. This was the first step in loosening restrictions on Detached ADUs. Since that was code was approved, we have had approximately four (4) applications for Detached ADUs among the total of twenty-four (24) ADU applications.

Planning staff has conducted thorough research into neighboring city regulations regarding detached ADUs as well as industry standards. Based on our observations we have suggested the following modifications:

1. Reduce the requirement of entrances to ADUs on the Corner Side Yard area.
  - a. Staff finds that often times residents are allowed accessory uses such as sheds, and garages that have doors that face the corner side yard area. This requirement allows for greater flexibility in someone to design an appropriate ADU.
2. Allowed square footage.
  - a. Staff is proposing to keep the limit on a maximum of 1,000 square feet in all instances. The proposed change is the allowable area percentage being increased from forty percent (40%) to fifty percent (50%). Many single family homes in Murray City are post-war bungalows with 1,000 square feet or less that could utilized their large lots to provide additional housing. As an example staff found a home on the County Assessor's Website that is 852 square feet. It is located on a .33 acre (14,375 sq foot) piece of property. The current code would allow a 340 square foot detached ADU. The proposed code would allow 426, which though still small, would be more beneficial and allows homeowners to better plan for a usable ADU.
3. Detached ADU Setbacks
  - a. Currently the ADU code states that a detached ADU must meet the same setbacks as a dwelling in the zone. This has proven to be exceptionally limiting to most homeowners. In most instances a detached ADU is required to have a twenty-five foot (25') setback from the rear property line and a minimum of eight feet (8') from the side. There is an additional section of the code that states any detached accessory structure be a minimum of six feet (6') away from the dwelling.
  - b. Staff is proposing to reduce the rear yard setback to ten feet (10') and increase the side yard to ten feet (10'). This is largely consistent with neighboring cities and industry standards. Staff is not recommending a change to the distance to the main dwelling because it is for fire safety.
4. Removal of design criteria
  - a. Staff is proposing removing the requirement that the ADU be compatible with exterior color and materials of the principal dwelling. This has been used in the past to disallow for changes in architectural style and personal expression on one's property.

#### Clean Up Items

Staff has made a few housekeeping modifications to the code to clear up some ambiguity. Specifically, under Section 17.78.090: Short Term Rentals Not Allowed. At the time of drafting the previous changes to the ADU code, staff was also drafting a short term rental ordinance. The City Council decided to table the code at that time until a future date. Because it has never been adopted Chapter 17.23 does not exist and should not be cited in the code.

The remaining changes are grammatical in nature and have no effect on the ordinance.

#### July 18, 2024, Planning Commission Items

During the review of the application at the July 18<sup>th</sup> Planning Commission meeting Staff was informed that there was not a setback for the corner side yard. Staff updated the code to reflect a twenty foot (20') side yard setback. This is consistent with other accessory uses in the ordinance currently. There was a discussion about the removal of the definition for short-term rentals. Staff agreed that it should remain in the code and have re-added it in the draft form.

An additional point was discussed regarding compatibility with exterior colors and materials as the principal dwelling. Doing further research into other cities there did not seem to be a provision that brought this forward and staff feels that it was not clear at the Planning Commission one way or another whether it should be included. Staff is recommending to omit this section at this time.

## **II. DEPARTMENT REVIEWS**

The draft changes were provided to each department for their reviews the week of July 2<sup>nd</sup>. The Power Department stated that property owners will still need to comply with Public Utility Easements and not being located underneath power lines. Other departments did not have any additional information to add or change.

## **III. PUBLIC INPUT**

Notices were sent to Affected Entities for this amendment. As of the date of this report, there have been no comments or questions.

## **IV. FINDINGS**

Based on the analysis of the proposed amendments and review of the Murray City General Plan, staff concludes the following:

1. The proposed text amendment furthers objective 9 of the Land Use and Urban Design Element of the General Plan to “provide a mix of housing options and residential zones to meet a diverse range of needs related to lifestyle and demographics, including age, household size, and income” by making the process to construct and operate an ADU easier.
2. The proposed changes are in harmony with objective 11 of the Land Use and Urban Design Element to “stimulate reinvestment in deteriorating areas of the city to

support growth and enhance the image of the community” by reducing the minimum setbacks for detached ADUs.

3. Staff finds that objective 3 of the Neighborhoods & Housing Element that states “encourage housing options for a variety of age, family size and financial levels” supports the proposed changes. This allows additional residents that own a home that may be struggling to pay their mortgage or have a family member, friend or caretaker to reside on the same property.
4. Staff finds that reviewing and updating the setback requirements and other adjustments will further the City’s priority of providing Moderate Income Housing options for residents of the city.

## V. CONCLUSION/RECOMMENDATION

Based on the background, analysis, and the findings within this report, Staff recommends that the Planning Commission **forward a recommendation of APPROVAL to the City Council for the proposed amendments to Chapter 17.78 Accessory Dwelling Units as reviewed in the Staff Report.**





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## NOTICE OF PUBLIC HEARING

August 15th, 2024, 6:30 PM

The Murray City Planning Commission will hold a public hearing in the Murray City Municipal Council Chambers, located at 10 East 4800 South, Murray, UT to receive public comment on the following applications:

**Amendments to Chapter 17.78 Accessory Dwelling Units.** This request by Murray City Planning Staff to amend the ADU Code for Detached Accessory Dwelling Units and general text clean-up was tabled at the July 18<sup>th</sup>, 2024, Meeting. The Planning Commission will review suggested edits to the code to allow for reduced regulations on detached accessory dwelling units.

**Amendments to Chapter 17.48 Sign Code.** The request by Murray City Planning Staff to amend the Sign Ordinance to allow for screen signs in Commercial and Manufacturing Zones.

**Amendments to Chapter 17.64 Fence Regulations.** The request by Murray City Planning Staff to amend the residential fencing regulations for clarity and to allow for a reduction in setbacks when located next to a driveway.

The meeting is open, and the public is welcome to attend in person or you may submit comments via email at [planningcommission@murray.utah.gov](mailto:planningcommission@murray.utah.gov). If you would like to view the meeting online, you may watch via livestream at [www.murraycitylive.com](http://www.murraycitylive.com) or [www.facebook.com/MurrayCityUtah/](https://www.facebook.com/MurrayCityUtah/).

*Comments are limited to 3 minutes or less, written comments will be read into the meeting record.*

If you have questions or comments concerning any of these items, please contact the Murray City Planning Division at 801-270-2430, or e-mail [planning@murray.utah.gov](mailto:planning@murray.utah.gov).

Special accommodations for the hearing or visually impaired will be upon a request to the office of the Murray City Recorder (801-264-2660). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

CHAPTER 17.78  
ACCESSORY DWELLING UNITS

SECTION:

17.78.010: Purpose

17.78.020: Definitions

17.78.030: Accessory Dwelling Unit Permit Required

17.78.040: Attached Accessory Dwelling Development Standards

17.78.050: Detached Accessory Dwelling Development Standards

17.78.060: Affidavit

17.78.070: Inspection

17.78.080: Enforcement And Termination

17.78.090: Short Term Rentals Not Allowed

17.78.100: Business License Required

17.78.010: PURPOSE:

The city recognizes that accessory dwelling units (ADUs) in primarily residential zones can be an important tool in the overall housing plan for the city. The purposes of the ADU standards of this code are to:

- A. Allow opportunities for property owners to provide social or personal support for family members where independent living is desirable;
- B. Provide for affordable housing opportunities;
- C. Make housing units available to moderate income people who might otherwise have difficulty finding homes within the city;
- D. Provide opportunities for additional income to offset rising housing costs;
- E. Develop housing units in single-family neighborhoods that are appropriate for people at a variety of stages in their life cycle; and
- F. Preserve the character of single-family neighborhoods by providing standards governing development of ADUs. (Ord. 21-25: Ord. 09-23 § 2)

17.78.020: DEFINITIONS:

**ATTACHED ACCESSORY DWELLING UNIT (AADU):** A self-contained dwelling unit within an owner occupied single-family residence or located on an owner occupied property that is incorporated within the single-family residence which maintains complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation including a separate kitchen and/or laundry facilities.

**DETACHED ACCESSORY DWELLING UNIT (DADU):** A self-contained dwelling unit separated from a single-family residence but located on an owner occupied property which maintains complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation including a separate kitchen and/or laundry facilities.

**OWNER OCCUPANCY:** When a property owner, as reflected in title records, makes his or her legal residence at the site as evidenced by voter registration, vehicle registration, driver's license, county assessor records or similar means. (Ord. 21-25: Ord. 09-23 § 2)

**17.78.030: ACCESSORY DWELLING UNIT PERMIT REQUIRED:**

An ADU meeting the development standards, as specified within this chapter, may be allowed in any zone that allows for single-family housing as a permitted use after approval of an accessory dwelling unit permit by the Community and Economic Development Director or their designee. (Ord. 21-25: Ord. 09-23 § 2)

**17.78.040: ATTACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:**

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, but not both, as their permanent residence and at no time receive rent for the owner occupied unit. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that are zoned to allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front or corner lot side yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. In addition to the parking required for the primary unit, one (1) additional off street parking space shall be provided. In no case shall fewer than three (3) total off street

parking spaces be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

H. Any additions to an existing building shall not exceed the allowable lot coverage standard for the underlying zone or encroach into the required setbacks. (Ord. 21-25)

17.78.050: DETACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, but not both, as their permanent residence and at no time receive rent for the owner occupied unit. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that are zoned to allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front or corner lot side yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. The total area of the ADU shall be less than forty percent (40%) of the square footage of the primary residence and in no case shall exceed one thousand (1,000) square feet.

H. Detached ADUs shall not contain more than two (2) bedrooms.

I. In addition to the parking required for the primary unit, two (2) additional off street parking spaces shall be provided. In no case shall fewer than four (4) total off street parking spaces be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

J. The minimum lot size required for construction of a detached ADU in all single-family residential zones shall be ten thousand (10,000) square feet.

K. Detached ADUs shall not be located in a front or corner lot side yard and shall meet the same setbacks as required for the primary residence in the zone.

L. Any detached ADU located in a required side yard must comply with the setbacks for the principal residence, and shall have adequate facilities for all discharge from roof and other drainage.

M. Construction of a detached ADU shall not exceed the allowable lot or rear yard coverage standard for the underlying zone or encroach into the required setbacks.

N. Detached ADUs shall be compatible with the exterior color and materials of the principal dwelling.

O. The maximum height for detached ADUs is limited to one story and to twenty feet (20') or the height of the principal structure, whichever is less.

P. The total floor area of a detached structure containing an ADU shall not exceed one thousand (1,000) square feet.

Q. Conversion of existing accessory buildings (such as detached garages) may only occur where the existing accessory building meets the setback requirements for a primary residence in the zone and meets the applicable building code.

(Ord. 23-03: Ord. 21-25)

#### 17.78.060: AFFIDAVIT:

Applicants for all ADUs shall complete an affidavit stating that the owner of the property has obtained a permit for the ADU and will live in either the primary or accessory dwelling unit as their permanent residence. Upon approval of the ADU by the Community and Economic Development Department, the affidavit shall be recorded against the property (in the event the property owner decides to sell the home) to alert the future owner of the regulations for the ADU. (Ord. 21-25)

#### 17.78.070: INSPECTION:

Following the issuance of an accessory dwelling unit permit, the community and economic development department may approve an application for a building permit upon compliance of construction plans meeting such conditions and requirements as established by the community and economic development department. Representatives of the code enforcement/community and economic development department shall inspect the project to ensure that all required improvements meet the conditions of the permit and this chapter before a certificate of occupancy is issued. (Ord. 21-25: Ord. 09-23 § 2)

#### 17.78.080: ENFORCEMENT AND TERMINATION:

A. Termination Of ADU And Reversion To Non-ADU Single Family Residence: In the event that the property owner no longer resides in either the primary or accessory dwelling unit, the ADU must be immediately vacated. Steps must be taken to return the residence or property to a single-family residence. These steps include, but are not limited to: removing stoves and laundry appliances from the ADU; removing electrical connections for stoves and dryers in the ADU; and removing and/or capping water connections for clothes washers. Proper permits shall be obtained where necessary for restoring the ADU to a single-family residence.

B. Property Lien:

1. In addition to any other legal or equitable remedies available to the City, the City may hold a lien against an AADU if:

a. The owner violates any of the provisions of this chapter or section 10-9a-530 of the Utah Code;

b. The City provides a written notice of violation as required under this section;

c. The City holds a hearing and determines that the violation has occurred if the owner files a written objection to the notice of violation;

d. The owner fails to cure the violation within the time period described in this section;

e. The City provides a written notice of lien; and

f. The City records a copy of the written notice of lien with the Salt Lake county recorder.

2. Notice Of Violation: The written notice of violation shall:

a. Describe the specific violation;

b. Provide the owner with a reasonable opportunity to cure the violation that is:

(1) No less than fourteen (14) days after the day on which the City sends the written notice of violation if the violation results from the owner renting or offering to rent the AADU for a period of less than thirty (30) consecutive days; or

(2) No less than thirty (30) days after the day on which the City sends the written notice of violation for any other violation;

c. State that if the owner fails to cure the violation with the required time period, the City may hold a lien against the property in an amount of up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires;

d. Notify the owner:

(1) That the owner may file a written objection to the notice of violation within fourteen (14) days after the day on which the written notice of violation is post-marked or posted on the property; and

(2) The name and address of the Community and Economic Development Director, with whom the written objection may be filed;

e. Be mailed to:

(1) The property owner of record; and

(2) Any other individual designated to receive notice in the owner's license or permit records; and

f. Be posted on the property.

3. Notice Of Lien: The written notice of lien shall:

a. Comply with the requirements of title 38 chapter 12 of the Utah Code, Notice of Lien Filing;

b. State that the property is subject to a lien;

c. Specify the lien amount, in an amount up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires;

d. Be mailed to:

(1) The property owner of record; and

(2) Any other individual designated to receive notice in the owner's license or permit records; and

e. Be posted on the property.

4. Written Objection And Hearing.

a. If an owner files a written objection to the notice of violation, the City shall:

(1) Within ten (10) business days after the written objection is received, hold a hearing in accordance with title 52, chapter 4, Open and Public Meetings Act, before the Community and Economic Development Director (Director) to conduct a review and determine whether the specific violation described in the written notice of violation has occurred; and

(2) Notify the owner in writing of the date, time and location of the hearing described above, no less than fourteen (14) days before the day on which the hearing is held.

b. If an owner files a written objection to the notice of violation, the City may not record a lien until the City holds a hearing and the Director makes a determination that the specific violation has occurred.

c. In order for the Director to determine that a specific violation has occurred, a violation must be proved by clear and convincing evidence.

d. If the Director determines at the hearing that the specific violation has occurred, the City may impose a lien in an amount of up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires, regardless of whether the hearing is held after the day on which the opportunity to cure the violation has expired.

e. If the Director determines at the hearing that the specific violation has not occurred, the City may not hold a lien against the property or impose any penalty or fee on the owner in relation to the specific violation described in the written notice of violation.

5. Curing A Violation: If an owner cures a violation within the time period prescribed in the written notice of violation, the City may not hold a lien against the property or impose any penalty or fee on the owner in relation to the specific violation described in the written notice of violation. (Ord. 21-25: Ord. 09-23 § 2)

#### 17.78.090: SHORT TERM RENTALS NOT ALLOWED:

A. By applying for an ADU, the property owner shall agree that the main dwelling and the proposed ADU will not be used as a short-term rental.

B. Short-term rental means the same as defined in chapter 17.23 and is defined here as renting all or a portion of a property for less than thirty (30) days at a time.

C. Any violation of this section shall fall under chapter 17.23: Short Term Rentals. (Ord. 21-25)

#### 17.78.100: BUSINESS LICENSE REQUIRED:

A residential rental business license is required to rent out either the main or accessory dwelling unit. (Ord. 21-25)



CHAPTER 17.78  
ACCESSORY DWELLING UNITS

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17.78.010: Purpose

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17.78.010: PURPOSE:

The city recognizes that accessory dwelling units (ADUs) in primarily residential zones can be an important tool in the overall housing plan for the city. The purposes of the ADU standards of this code are to:

- A. Allow opportunities for property owners to provide social or personal support for family members where independent living is desirable;
- B. Provide for affordable housing opportunities;
- C. Make housing units available to moderate income people who might otherwise have difficulty finding homes within the city;
- D. Provide opportunities for additional income to offset rising housing costs;
- E. Develop housing units in single-family neighborhoods that are appropriate for people at a variety of stages in their life cycle; and
- F. Preserve the character of single-family neighborhoods by providing standards governing development of ADUs. (Ord. 21-25: Ord. 09-23 § 2)

17.78.020: DEFINITIONS:

ATTACHED ACCESSORY DWELLING UNIT (AADU): A self-contained dwelling unit within an owner occupied single-family residence or located on an owner occupied property that is incorporated within the single-family residence which maintains complete independent living facilities for one or

## REDLINE CHANGES

more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation including a separate kitchen and/or laundry facilities.

**DETACHED ACCESSORY DWELLING UNIT (DADU):** A self-contained dwelling unit separated from a single-family residence but located on an owner occupied property which maintains complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation including a separate kitchen and/or laundry facilities.

**OWNER OCCUPANCY:** When a property owner, as reflected in title records, makes his or her legal residence at the site as evidenced by voter registration, vehicle registration, driver's license, county assessor records or similar means. (Ord. 21-25: Ord. 09-23 § 2)

### 17.78.030: ACCESSORY DWELLING UNIT PERMIT REQUIRED:

An ADU meeting the development standards, as specified within this chapter, may be allowed in any zone that allows for single-family housing as a permitted use after approval of an accessory dwelling unit permit by the Community and Economic Development Director or their designee. (Ord. 21-25: Ord. 09-23 § 2)

### 17.78.040: ATTACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, but not both, as their permanent residence and at no time receive rent for the owner occupied unit. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that ~~are zoned to~~ allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front ~~or corner lot side~~ yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. In addition to the parking required for the primary unit, one (1) additional off street parking space shall be provided. ~~A total of~~ ~~In no case shall fewer than~~ three (3) ~~total~~ off street parking spaces ~~shall~~ be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

H. Any additions to an existing building shall not exceed the allowable lot coverage standard for the underlying zone or encroach into the required setbacks. (Ord. 21-25)

### 17.78.050: DETACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:

## REDLINE CHANGES

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, ~~but not both,~~ as their permanent residence and at no time receive rent for the unit occupied by the owner ~~occupied unit~~. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that ~~are zoned to~~ allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front ~~or corner lot side~~ yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. The total area of the ADU shall be less than ~~forty-fifty~~ percent (50%) of the square footage of the primary residence and in no case shall exceed one thousand (1,000) square feet.

~~H. Detached ADUs shall not contain more than two (2) bedrooms.~~

I. In addition to the parking required for the primary unit, ~~onetwo (21)~~ additional off street parking spaces shall be provided. ~~A total of In no case shall fewer than fourthree (3) total~~ off street parking spaces shall be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

J. The minimum lot size required for construction of a detached ADU in all single-family residential zones shall be ten thousand (10,000) square feet.

K. Detached ADUs shall ~~not meet the following standards: be located in a front or corner lot side yard and shall meet the same setbacks as required for the primary residence in the zone.~~

1. Not located in the front yard area as defined in Chapter 17.08

2. Must adhere to the following setbacks:

a. Rear Yard: Ten feet (10') from property line.

b. Side Yard: Ten feet (10') from property line.

a.c. Corner Side Yard: Twenty-feet (20') from property line.

~~L. Any detached ADU located in a required side yard must comply with the setbacks for the principal residence, and shall have adequate facilities for all discharge from roof and other drainage.~~

M. Construction of a detached ADU shall not exceed the allowable lot or rear yard coverage standard for the underlying zone or encroach into the required setbacks.

N. Detached ADUs shall be compatible with the exterior color and materials of the principal dwelling.

## REDLINE CHANGES

O. The maximum height for detached ADUs is limited to one story and to twenty feet (20') or the height of the principal structure, whichever is less.

P. The total floor area of a detached structure containing an ADU shall not exceed one thousand (1,000) square feet.

Q. Conversion of existing accessory buildings (such as detached garages) may only occur where the existing accessory building meets the setback requirements ~~set forth herein for a primary residence in the zone and meets the applicable building code.~~

(Ord. 23-03: Ord. 21-25)

### 17.78.060: AFFIDAVIT:

Applicants for all ADUs shall complete an affidavit stating that the owner of the property has obtained a permit for the ADU and will live in either the primary or accessory dwelling unit as their permanent residence. Upon approval of the ADU by the Community and Economic Development Department, the affidavit shall be recorded against the property (in the event the property owner decides to sell the home) to alert the future owner of the regulations for the ADU. (Ord. 21-25)

### 17.78.070: INSPECTION:

Following the issuance of an accessory dwelling unit permit, the community and economic development department may approve an application for a building permit upon compliance of construction plans meeting such conditions and requirements as established by the community and economic development department. Representatives of the code enforcement/community and economic development department shall inspect the project to ensure that all required improvements meet the conditions of the permit and this chapter before a certificate of occupancy is issued. (Ord. 21-25: Ord. 09-23 § 2)

### 17.78.080: ENFORCEMENT AND TERMINATION:

A. Termination Of ADU And Reversion To Non-ADU Single Family Residence: In the event that the property owner no longer resides in either the primary or accessory dwelling unit, the ADU must be immediately vacated. Steps must be taken to return the residence or property to a single-family residence. These steps include, but are not limited to: removing stoves and laundry appliances from the ADU; removing electrical connections for stoves and dryers in the ADU; and removing and/or capping water connections for clothes washers. Proper permits shall be obtained where necessary for restoring the ADU to a single-family residence.

#### B. Property Lien:

1. In addition to any other legal or equitable remedies available to the City, the City may hold a lien against an AADU if:

a. The owner violates any of the provisions of this chapter or section 10-9a-530 of the Utah Code;

## REDLINE CHANGES

- b. The City provides a written notice of violation as required under this section;
- c. The City holds a hearing and determines that the violation has occurred if the owner files a written objection to the notice of violation;
- d. The owner fails to cure the violation within the time period described in this section;
- e. The City provides a written notice of lien; and
- f. The City records a copy of the written notice of lien with the Salt Lake county recorder.

### 2. Notice Of Violation: The written notice of violation shall:

- a. Describe the specific violation;
- b. Provide the owner with a reasonable opportunity to cure the violation that is:
  - (1) No less than fourteen (14) days after the day on which the City sends the written notice of violation if the violation results from the owner renting or offering to rent the AADU for a period of less than thirty (30) consecutive days; or
  - (2) No less than thirty (30) days after the day on which the City sends the written notice of violation for any other violation;
- c. State that if the owner fails to cure the violation with the required time period, the City may hold a lien against the property in an amount of up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires;
- d. Notify the owner:
  - (1) That the owner may file a written objection to the notice of violation within fourteen (14) days after the day on which the written notice of violation is post-marked or posted on the property; and
  - (2) The name and address of the Community and Economic Development Director, with whom the written objection may be filed;
- e. Be mailed to:
  - (1) The property owner of record; and
  - (2) Any other individual designated to receive notice in the owner's license or permit records; and
- f. Be posted on the property.

### 3. Notice Of Lien: The written notice of lien shall:

- a. Comply with the requirements of title 38 chapter 12 of the Utah Code, Notice of Lien Filing;
- b. State that the property is subject to a lien;
- c. Specify the lien amount, in an amount up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires;
- d. Be mailed to:

## REDLINE CHANGES

- (1) The property owner of record; and
  - (2) Any other individual designated to receive notice in the owner's license or permit records; and
  - e. Be posted on the property.
4. Written Objection And Hearing.
- a. If an owner files a written objection to the notice of violation, the City shall:
    - (1) Within ten (10) business days after the written objection is received, hold a hearing in accordance with title 52, chapter 4, Open and Public Meetings Act, before the Community and Economic Development Director (Director) to conduct a review and determine whether the specific violation described in the written notice of violation has occurred; and
    - (2) Notify the owner in writing of the date, time and location of the hearing described above, no less than fourteen (14) days before the day on which the hearing is held.
  - b. If an owner files a written objection to the notice of violation, the City may not record a lien until the City holds a hearing and the Director makes a determination that the specific violation has occurred.
  - c. In order for the Director to determine that a specific violation has occurred, a violation must be proved by clear and convincing evidence.
  - d. If the Director determines at the hearing that the specific violation has occurred, the City may impose a lien in an amount of up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires, regardless of whether the hearing is held after the day on which the opportunity to cure the violation has expired.
  - e. If the Director determines at the hearing that the specific violation has not occurred, the City may not hold a lien against the property or impose any penalty or fee on the owner in relation to the specific violation described in the written notice of violation.
5. Curing A Violation: If an owner cures a violation within the time period prescribed in the written notice of violation, the City may not hold a lien against the property or impose any penalty or fee on the owner in relation to the specific violation described in the written notice of violation. (Ord. 21-25: Ord. 09-23 § 2)

### 17.78.090: SHORT TERM RENTALS NOT ALLOWED:

- A. By applying for an ADU, the property owner shall agree that the main dwelling and the proposed ADU will not be used as a short-term rental.
- B. Short-term rental ~~means the same as defined in chapter 17.23 and~~ is defined here as renting all or a portion of a property for less than thirty (30) days at a time.
- ~~C. Any violation of this section shall fall under chapter 17.23: Short Term Rentals. (Ord. 21-25)~~

### 17.78.100: BUSINESS LICENSE REQUIRED:

## REDLINE CHANGES

A residential rental business license is required to rent out either the main or accessory dwelling unit. (Ord. 21-25)

CHAPTER 17.78  
ACCESSORY DWELLING UNITS

SECTION:

17.78.010: Purpose

17.78.020: Definitions

17.78.030: Accessory Dwelling Unit Permit Required

17.78.040: Attached Accessory Dwelling Development Standards

17.78.050: Detached Accessory Dwelling Development Standards

17.78.060: Affidavit

17.78.070: Inspection

17.78.080: Enforcement And Termination

17.78.090: Short Term Rentals Not Allowed

17.78.100: Business License Required

17.78.010: PURPOSE:

The city recognizes that accessory dwelling units (ADUs) in primarily residential zones can be an important tool in the overall housing plan for the city. The purposes of the ADU standards of this code are to:

- A. Allow opportunities for property owners to provide social or personal support for family members where independent living is desirable;
- B. Provide for affordable housing opportunities;
- C. Make housing units available to moderate income people who might otherwise have difficulty finding homes within the city;
- D. Provide opportunities for additional income to offset rising housing costs;
- E. Develop housing units in single-family neighborhoods that are appropriate for people at a variety of stages in their life cycle; and
- F. Preserve the character of single-family neighborhoods by providing standards governing development of ADUs. (Ord. 21-25: Ord. 09-23 § 2)

17.78.020: DEFINITIONS:

ATTACHED ACCESSORY DWELLING UNIT (AADU): A self-contained dwelling unit within an owner occupied single-family residence or located on an owner occupied property that is incorporated within the single-family residence which maintains complete independent living facilities for one or



more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation including a separate kitchen and/or laundry facilities.

**DETACHED ACCESSORY DWELLING UNIT (DADU):** A self-contained dwelling unit separated from a single-family residence but located on an owner occupied property which maintains complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation including a separate kitchen and/or laundry facilities.

**OWNER OCCUPANCY:** When a property owner, as reflected in title records, makes his or her legal residence at the site as evidenced by voter registration, vehicle registration, driver's license, county assessor records or similar means. (Ord. 21-25: Ord. 09-23 § 2)

#### 17.78.030: ACCESSORY DWELLING UNIT PERMIT REQUIRED:

An ADU meeting the development standards, as specified within this chapter, may be allowed in any zone that allows for single-family housing as a permitted use after approval of an accessory dwelling unit permit by the Community and Economic Development Director or their designee. (Ord. 21-25: Ord. 09-23 § 2)

#### 17.78.040: ATTACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, but not both, as their permanent residence and at no time receive rent for the owner occupied unit. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. In addition to the parking required for the primary unit, one (1) additional off street parking space shall be provided. A total of three (3) off street parking spaces shall be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

H. Any additions to an existing building shall not exceed the allowable lot coverage standard for the underlying zone or encroach into the required setbacks. (Ord. 21-25)

#### 17.78.050: DETACHED ACCESSORY DWELLING DEVELOPMENT STANDARDS:

A. The property owner, which shall include titleholders and contract purchasers, must occupy either the principal unit or the ADU, as their permanent residence and at no time receive rent for the unit occupied by the owner. Application for an ADU shall include evidence of owner occupancy as provided in section 17.78.020 of this chapter.

B. Only one ADU may be created per lot or property.

C. ADUs are allowed on properties that allow single-family dwellings as a permitted use.

D. The ADU shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health, and any other applicable codes.

E. Installing separate utility meters for the ADU is prohibited.

F. A separate entrance to the ADU shall not be allowed on the front yard. Any separate entrance shall be located to the side or rear of the principal residence.

G. The total area of the ADU shall be less than fifty percent (50%) of the square footage of the primary residence and in no case shall exceed one thousand (1,000) square feet.

I. In addition to the parking required for the primary unit, one (1) additional off street parking spaces shall be provided. A total of three (3) off street parking spaces shall be provided. Any additional occupant vehicles shall be parked on site. On street parking shall be reserved for visitors only.

J. The minimum lot size required for construction of a detached ADU in all single-family residential zones shall be ten thousand (10,000) square feet.

K. Detached ADUs shall meet the following standards:

1. Not located in the front yard area as defined in Chapter 17.08

2. Must adhere to the following setbacks:

- a. Rear Yard: Ten feet (10') from property line.

- b. Side Yard: Ten feet (10') from property line.

- c. Corner Side Yard: Twenty-feet (20') from property line.

M. Construction of a detached ADU shall not exceed the allowable lot or rear yard coverage standard for the underlying zone or encroach into the required setbacks.

N. Detached ADUs shall be compatible with the exterior color and materials of the principal dwelling.

O. The maximum height for detached ADUs is limited to one story and to twenty feet (20') or the height of the principal structure, whichever is less.

P. The total floor area of a detached structure containing an ADU shall not exceed one thousand (1,000) square feet.

Q. Conversion of existing accessory buildings (such as detached garages) may only occur where the existing accessory building meets the setback requirements set forth herein.

(Ord. 23-03: Ord. 21-25)

17.78.060: AFFIDAVIT:

Applicants for all ADUs shall complete an affidavit stating that the owner of the property has obtained a permit for the ADU and will live in either the primary or accessory dwelling unit as their permanent residence. Upon approval of the ADU by the Community and Economic Development Department, the affidavit shall be recorded against the property (in the event the property owner decides to sell the home) to alert the future owner of the regulations for the ADU. (Ord. 21-25)

17.78.070: INSPECTION:

Following the issuance of an accessory dwelling unit permit, the community and economic development department may approve an application for a building permit upon compliance of construction plans meeting such conditions and requirements as established by the community and economic development department. Representatives of the code enforcement/community and economic development department shall inspect the project to ensure that all required improvements meet the conditions of the permit and this chapter before a certificate of occupancy is issued. (Ord. 21-25: Ord. 09-23 § 2)

17.78.080: ENFORCEMENT AND TERMINATION:

A. Termination Of ADU And Reversion To Non-ADU Single Family Residence: In the event that the property owner no longer resides in either the primary or accessory dwelling unit, the ADU must be immediately vacated. Steps must be taken to return the residence or property to a single-family residence. These steps include, but are not limited to: removing stoves and laundry appliances from the ADU; removing electrical connections for stoves and dryers in the ADU; and removing and/or capping water connections for clothes washers. Proper permits shall be obtained where necessary for restoring the ADU to a single-family residence.

B. Property Lien:

1. In addition to any other legal or equitable remedies available to the City, the City may hold a lien against an AADU if:

- a. The owner violates any of the provisions of this chapter or section 10-9a-530 of the Utah Code;
- b. The City provides a written notice of violation as required under this section;
- c. The City holds a hearing and determines that the violation has occurred if the owner files a written objection to the notice of violation;
- d. The owner fails to cure the violation within the time period described in this section;
- e. The City provides a written notice of lien; and
- f. The City records a copy of the written notice of lien with the Salt Lake county recorder.

2. Notice Of Violation: The written notice of violation shall:

a. Describe the specific violation;

b. Provide the owner with a reasonable opportunity to cure the violation that is:

(1) No less than fourteen (14) days after the day on which the City sends the written notice of violation if the violation results from the owner renting or offering to rent the AADU for a period of less than thirty (30) consecutive days; or

(2) No less than thirty (30) days after the day on which the City sends the written notice of violation for any other violation;

c. State that if the owner fails to cure the violation with the required time period, the City may hold a lien against the property in an amount of up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires;

d. Notify the owner:

(1) That the owner may file a written objection to the notice of violation within fourteen (14) days after the day on which the written notice of violation is post-marked or posted on the property; and

(2) The name and address of the Community and Economic Development Director, with whom the written objection may be filed;

e. Be mailed to:

(1) The property owner of record; and

(2) Any other individual designated to receive notice in the owner's license or permit records; and

f. Be posted on the property.

3. Notice Of Lien: The written notice of lien shall:

a. Comply with the requirements of title 38 chapter 12 of the Utah Code, Notice of Lien Filing;

b. State that the property is subject to a lien;

c. Specify the lien amount, in an amount up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires;

d. Be mailed to:

(1) The property owner of record; and

(2) Any other individual designated to receive notice in the owner's license or permit records; and

e. Be posted on the property.

4. Written Objection And Hearing.

a. If an owner files a written objection to the notice of violation, the City shall:

(1) Within ten (10) business days after the written objection is received, hold a hearing in accordance with title 52, chapter 4, Open and Public Meetings Act, before the Community and Economic Development Director (Director) to conduct a review and determine whether the specific violation described in the written notice of violation has occurred; and

(2) Notify the owner in writing of the date, time and location of the hearing described above, no less than fourteen (14) days before the day on which the hearing is held.

b. If an owner files a written objection to the notice of violation, the City may not record a lien until the City holds a hearing and the Director makes a determination that the specific violation has occurred.

c. In order for the Director to determine that a specific violation has occurred, a violation must be proved by clear and convincing evidence.

d. If the Director determines at the hearing that the specific violation has occurred, the City may impose a lien in an amount of up to one hundred dollars (\$100.00) for each day of violation after the day on which the opportunity to cure the violation expires, regardless of whether the hearing is held after the day on which the opportunity to cure the violation has expired.

e. If the Director determines at the hearing that the specific violation has not occurred, the City may not hold a lien against the property or impose any penalty or fee on the owner in relation to the specific violation described in the written notice of violation.

5. Curing A Violation: If an owner cures a violation within the time period prescribed in the written notice of violation, the City may not hold a lien against the property or impose any penalty or fee on the owner in relation to the specific violation described in the written notice of violation. (Ord. 21-25: Ord. 09-23 § 2)

#### 17.78.090: SHORT TERM RENTALS NOT ALLOWED:

A. By applying for an ADU, the property owner shall agree that the main dwelling and the proposed ADU will not be used as a short-term rental.

B. Short-term rental is defined here as renting all or a portion of a property for less than thirty (30) days at a time.

#### 17.78.100: BUSINESS LICENSE REQUIRED:

A residential rental business license is required to rent out either the main or accessory dwelling unit. (Ord. 21-25)





# MURRAY CITY COUNCIL





# Land Use Text Amendment Chapter 17.78 ADU

Staff proposed modifications to the  
Detached ADU standards.





## General Plan

***STRATEGY: CREATE OR ALLOW FOR, AND REDUCE REGULATIONS RELATED TO, INTERNAL OR DETACHED ACCESSORY DWELLING UNITS (ADU) IN RESIDENTIAL ZONES.***

**Action Plan:** The Community and Economic Development Department by December 31<sup>st</sup>, 2023 will review regulations to facilitate the construction of additional detached accessory dwelling units, including a review of the following items:

- Determine whether the city should allow a second ADU to be located on residential properties.
- Conduct a review of the setback requirements for detached ADUs and propose changes.
- Consider allowing a second level for appropriately located accessory structures when the second story would be used as an ADU.

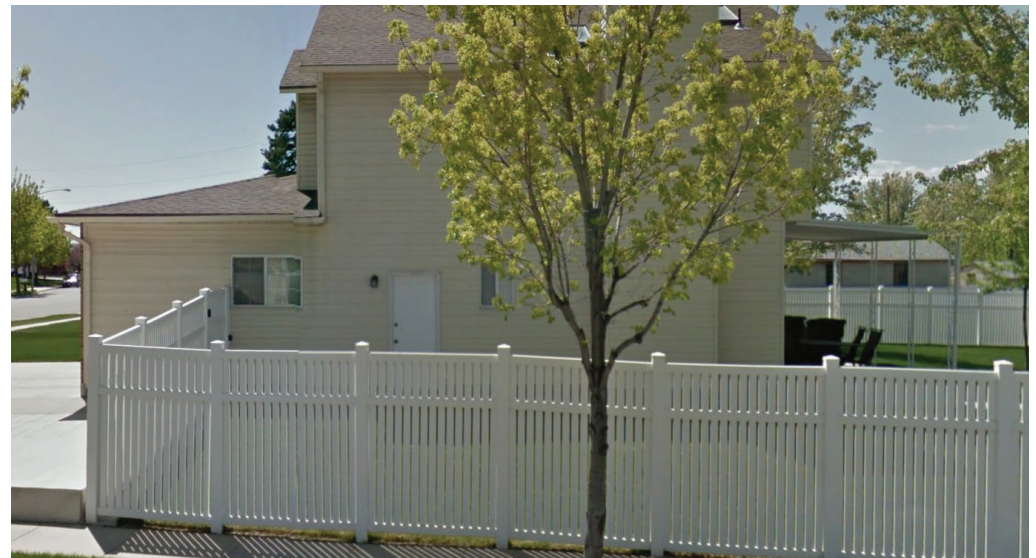




## Proposed Changes

Attached and Detached

Removed language prohibiting door on the corner side yard area.



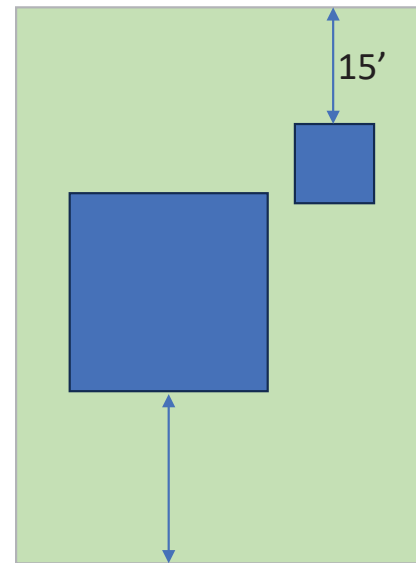


## Proposed Changes

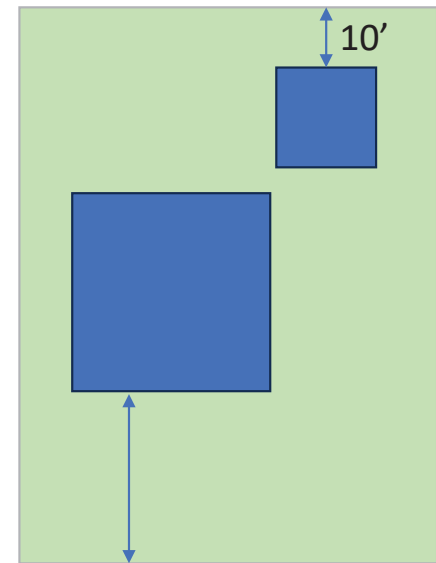
### Detached

- Increased allowable area up to 50% from 40% to a max of 1,000 sq ft.
- Reduced the parking requirement to match the attached ADU standards of one (1) additional space.
- Reduced the setbacks from 15-25' to 10' on the rear. Increased setbacks from 8' to 10' on the side.
- Removed requirement for the ADU to match the existing dwelling.

### Pre-1987 Home



Current



Proposed

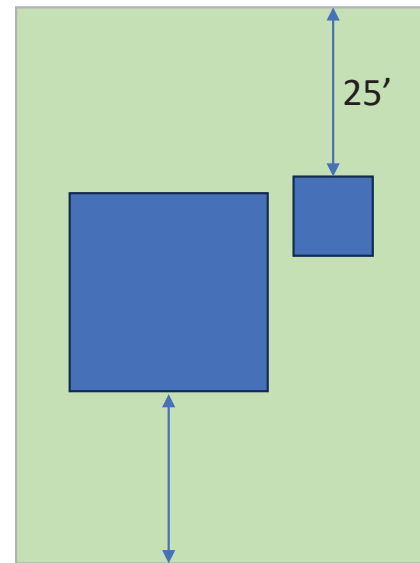


## Proposed Changes

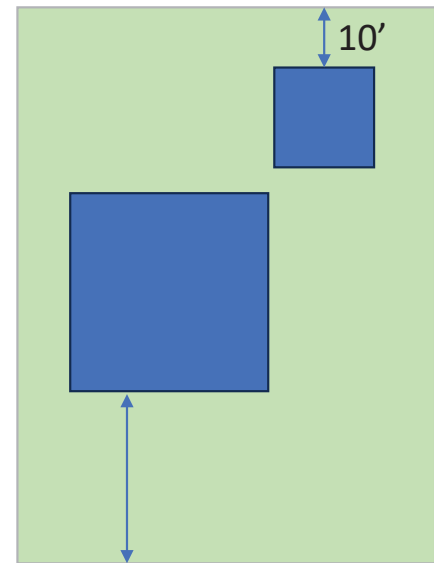
### Detached

- Increased allowable area up to 50% from 40% to a max of 1,000 sq ft.
- Reduced the parking requirement to match the attached ADU standards of one (1) additional space.
- Reduced the setbacks from 15-25' to 10' on the rear. Increased setbacks from 8' to 10' on the side.
- Removed requirement for the ADU to match the existing dwelling.

### Post-1987 Home



Current



Proposed



## July 18, Planning Commission Meeting

### Requests from the Planning Commission

- The Setback from the Corner Yard was not in place.
- Re-added the Short-Term Rental Definition.

## Findings

1. The proposed text amendment furthers objective 9 of the Land Use and Urban Design Element of the General Plan to “provide a mix of housing options and residential zones to meet a diverse range of needs related to lifestyle and demographics, including age, household size, and income” by making the process to construct and operate an ADU easier.
2. The proposed changes are in harmony with objective 11 of the Land Use and Urban Design Element to “stimulate reinvestment in deteriorating areas of the city to support growth and enhance the image of the community” by reducing the minimum setbacks for detached ADUs.
3. Staff finds that objective 3 of the Neighborhoods & Housing Element that states “encourage housing options for a variety of age, family size and financial levels” supports the proposed changes. This allows additional residents that own a home that may be struggling to pay their mortgage or have a family member, friend or caretaker to reside on the same property.
4. Staff finds that reviewing and updating the setback requirements and other adjustments will further the City’s priority of providing Moderate Income Housing options for residents of the city.
5. The Planning Commission held a Public Hearing on August 15<sup>th</sup> 2024 and voted 5-0 to recommend approval.



## Staff Recommendation

Staff and the Planning Commission recommend that the City Council **APPROVE** the proposed amendments to Chapter 17.78 Accessory Dwelling Units as reviewed in the Staff Report.



**MURRAY**  
CITY COUNCIL

# Discussion Item #6



## Chapter 17.48, Sign Code Amendment

Meeting Date: October 15, 2024

## Council Action Request

<b>Department Director</b>	<b>Purpose of Proposal</b>
Phil Markham	Amendments to Sections 17.48.040 & 17.48.200 of the Sign Code defining and regulates screen signs.
<b>Phone #</b>	<b>Action Requested</b>
801-270-2427	Land Use Ordinance Text Amendment
<b>Presenters</b>	<b>Attachments</b>
Zachary Smallwood	Slides
	<b>Budget Impact</b>
	None Anticipated
<b>Required Time for Presentation</b>	<b>Description of this Item</b>
10 Minutes	The Planning Division has been working with Security National regarding their digital screen that was installed during the construction of the building located at 433 West Ascension Way and was originally approved as an art installation. In 2023, representatives of Security National approached the city about allowing on-premise signage for the tenants in their building. Security National cited other screen signage allowed in places like University Place in Orem.
<b>Is This Time Sensitive</b>	Upon careful review and study of potential impacts, staff has drafted language that allows properties to install this kind of signage with limited impact to the city.
<b>Mayor's Approval</b>	
<b>Date</b>	The Planning Commission voted 5-0 to recommend approval of the plan on August 15th, 2024.



# MURRAY CITY CORPORATION

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on the 19<sup>TH</sup> day of November, 2024, at the hour of 6:30 p.m., in the City Council Chambers of the Murray City Hall, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will hold and conduct a Public Hearing on and pertaining to text amendments to Sections 17.48.040 and 17.48.200 of the Murray City Municipal Code relating to screen signs in commercial and manufacturing zones.

The purpose of this hearing is to receive public comment concerning the proposed text amendments as described above.

DATED this 23<sup>rd</sup> day of September 2024.



MURRAY CITY CORPORATION

A handwritten signature in blue ink, appearing to read "B. Smith", written over a horizontal line.

Brooke Smith  
City Recorder

DATES OF POSTING: November 8, 2024  
PH24-39

LOCATIONS OF POSTINGS – AT LEAST 10 CALENDAR DAYS BEFORE THE PUBLIC HEARING:

1. Utah Public Notice Website
2. Murray City Website
3. Posted at Murray City Hall
4. Mailed to Affected Entities

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING SECTIONS 17.48.040 AND 17.48.200 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO SCREEN SIGNS IN COMMERCIAL AND MANUFACTURING ZONES.

BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

*Section 1. Purpose.* The purpose of this ordinance is to amend Sections 17.48.040 and 17.48.200 of the Murray City Municipal Code relating to screen signs in the Commercial and Manufacturing Zones.

*Section 2. Amend Sections 17.48.040 and 17.48.200 of the Murray City Municipal Code.* Sections 17.48.040 and 17.40.200 of the Murray City Municipal Code shall be amended to read as follows:

**17.48.040: DEFINITIONS:**

....

ROOF SIGN: A sign erected upon a roof or parapet of a building or structure.

ROTATING SIGN: Any sign or portion thereof which physically revolves about an axis.

SCREEN SIGN: A screen sign is a sign that consists of a screen-like material that is attached to a wall or parking deck and is capable of displaying electronic messages. Screen signs must conform to the architectural and aesthetic quality of the building they are attached to.

SIGN: Any writing, pictorial representation, symbol, banner or any other figure of similar character of whatever material which is used to identify, announce, direct attention to or advertise, which is placed on the ground, on any bush, tree, rock, wall, post, fence, building, structure, vehicle, or any place whatsoever and which is visible from outside a building. The term "placed" shall include constructing, erecting, posting, painting, printing, tacking, nailing, gluing, sticking, carving, stringing, or otherwise fastening, affixing or making visible in any manner whatsoever.

....

**17.48.200: COMMERCIAL AND MANUFACTURING ZONE SIGNS:**

....

D. Pylon Signs: Are permitted within the C-D Zone (not permitted within the M-G Zone) and shall comply with the regulations found in section [17.48.140](#) of this chapter. (Ord. 19-14)

E. Screen Signs: Are allowed subject to the following standards:

1. Property must have a minimum of three (3) acres.

2. Shall be located within 150 feet of the I-15 freeway right-of-way.
3. Shall be oriented towards the I-15 freeway.
4. Must be incorporated as an architectural element of the building.
5. Only one (1) screen sign is permitted per property.
6. May not exceed five (5) square feet per linear foot of building frontage.
7. Must be located a minimum of fifty feet (50') above the finished grade.

....

*Section 3.* Effective date. This Ordinance shall take effect upon first publication.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on  
this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

MURRAY CITY MUNICIPAL COUNCIL

\_\_\_\_\_  
Pam Cotter, Chair

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

MAYOR'S ACTION:

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brett A. Hales, Mayor

ATTEST:

---

Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance, or a summary hereof, was published according to law on the \_\_\_\_ day of \_\_\_\_\_, 2024.

---

Brooke Smith, City Recorder

Commissioner Richards made a motion the Planning Commission forward a recommendation of approval to the City Council for the proposed amendments to Chapter 17.78 Accessory Dwelling Units as reviewed in the Staff Report.

Seconded by Commissioner Milkavich. Roll call vote:

A Patterson  
A Milkavich  
A Pehrson  
A Hristou  
A Richards

Motion passes: 5-0

Chapter 17.48 Sign Code Sections 17.48.040 & 17.48.200 - Project # 24-086  
Adding Definition and Regulations Regarding Screen Signs

Zachary Smallwood presented the request from planning division staff to propose amendments to Sections 17.48.040 & 17.48.200 of the Sign Code. The request defines and allows screen signs in commercial and manufacturing zones. He provided a definition and local examples of screen signs. He cited benefits of screen signage to residents and business, including reduced impact on the community and increased aesthetics. He discussed the code for screen sign installation. He said that this request is within Objective Five of the Economic Development Element of the General Plan.

Chair Patterson opened the agenda item for public comment. Seeing none, the public comment period was closed.

Commissioner Pehrson made a motion that the Planning Commission forward a recommendation of approval to the City Council for the proposed amendments to Sections 17.48.040 and 17.48.200 within the Sign Code as reviewed in the Staff Report.

Seconded by Commissioner Hirstou. Roll Call Vote:

A Patterson  
A Milkavich  
A Pehrson  
A Hristou  
A Richards

Motion passes: 5-0

Chapter 17.64 Fence Regulations Sections 17.64.020 & 17.64.090 - Project #24-087 - Reducing setbacks, allowing additional height when next to nonresidential and general clean up.

Zachary Smallwood presented this request by planning division staff to propose amendments to Sections 17.64.020 & 17.64.090 of the Fence Regulations. The request clarifies residential fencing, reduces side yard fencing setbacks, and allows additional height for fencing between residential and



## AGENDA ITEM # 05 Chapter 17.48 Sign Code Text Amendment

<b>ITEM TYPE:</b>	Text Amendment		
<b>ADDRESS:</b>	Citywide	<b>MEETING DATE:</b>	August 15, 2024
<b>APPLICANT:</b>	Community & Economic Development Department	<b>STAFF:</b>	Zachary Smallwood, Planning Division Manager
<b>PARCEL ID:</b>	N/A	<b>PROJECT NUMBER:</b>	24-086
<b>REQUEST:</b>	Planning Division Staff proposes amendments to Sections 17.48.040 & 17.48.200 of the Sign Code. The request defines and allows screen signs in commercial and manufacturing zones.		

### I. STAFF REVIEW & ANALYSIS

#### History & Background

The Planning Division has been working with Security National regarding their digital screen that was installed during the construction of the building located at 433 West Ascension Way and was originally approved as an art installation. In 2023, representatives of Security National approached the city about allowing on-premise signage for the tenants in their building. Security National cited other screen signage allowed in places like University Place in Orem.

Upon careful review and study of potential impacts, staff has drafted language that allows properties to install this kind of signage with limited impact to the city.

#### Review of Research

Staff conducted research to find similar types of signage. There were only two examples that staff could find, one in Sandy and another in Orem. In both cases these types of signs were allowed during a development agreement with the city. Staff wanted to streamline the process and allow other property owners to have the same opportunity if the requirements are met.

### Review of Proposed Changes

The proposed code adds a subsection within the Commercial and Manufacturing section of the Sign Code. The basis for this is that staff felt this would only need to be applied to the C-D and M-G zoning districts.

Staff also proposed that this be implemented and limited to the I-15 Corridor. I-215, except for small sections, is largely along residential uses and is below grade. Allowing this sign type along 215 does not make sense. Along the I-215 corridor there is no digital signage and staff does not feel comfortable introducing new digital signage along this corridor. The standards for these types of signage require that the screen sign be oriented towards the freeway and to a height that is clearly meant to be seen from the freeway.

One of the main elements included in the definition of the screen signage is that it is architecturally connected to the building. This type of signage should be complimentary to the building in which it is a part of and be considered during the building's design and development.

## **II. DEPARTMENT REVIEWS**

The draft changes were provided to each department for their reviews the week of July 30th. All departments recommended approval with no comments or concerns.

## **III. PUBLIC INPUT**

Notices were sent to Affected Entities for this amendment. As of the date of this report, one sign company inquired about the changes.

## **IV. FINDINGS**

Based on the analysis of the proposed amendments and review of the Murray City General Plan, staff concludes the following:

1. The proposed text amendment is in harmony with objective 5 of the Economic Development Element of the General Plan to “increase the sustainability of the city’s tax base through increased office property values and by creating additional employment centers” by allowing unique features that are not found in many areas in the valley.
2. The proposed change is in harmony with Initiative 2 of the General Plan which states “create office/employment centers” by allowing innovative elements that attracts businesses to office developments.
3. Staff finds that continuing to review and update development standards furthers the City’s mission of “[guiding] growth to promote prosperity and sustain a high quality of life for those who live, work, shop, and recreate in Murray.

## V. CONCLUSION/RECOMMENDATION

Based on the background, analysis, and the findings within this report, Staff recommends that the Planning Commission **forward a recommendation of APPROVAL to the City Council for the proposed amendments to Sections 17.48.040 and 17.48.200 within the Sign Code as reviewed in the Staff Report.**





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## NOTICE OF PUBLIC HEARING

August 15th, 2024, 6:30 PM

The Murray City Planning Commission will hold a public hearing in the Murray City Municipal Council Chambers, located at 10 East 4800 South, Murray, UT to receive public comment on the following applications:

**Amendments to Chapter 17.78 Accessory Dwelling Units.** This request by Murray City Planning Staff to amend the ADU Code for Detached Accessory Dwelling Units and general text clean-up was tabled at the July 18<sup>th</sup>, 2024, Meeting. The Planning Commission will review suggested edits to the code to allow for reduced regulations on detached accessory dwelling units.

**Amendments to Chapter 17.48 Sign Code.** The request by Murray City Planning Staff to amend the Sign Ordinance to allow for screen signs in Commercial and Manufacturing Zones.

**Amendments to Chapter 17.64 Fence Regulations.** The request by Murray City Planning Staff to amend the residential fencing regulations for clarity and to allow for a reduction in setbacks when located next to a driveway.

The meeting is open, and the public is welcome to attend in person or you may submit comments via email at [planningcommission@murray.utah.gov](mailto:planningcommission@murray.utah.gov). If you would like to view the meeting online, you may watch via livestream at [www.murraycitylive.com](http://www.murraycitylive.com) or [www.facebook.com/MurrayCityUtah/](https://www.facebook.com/MurrayCityUtah/).

*Comments are limited to 3 minutes or less, written comments will be read into the meeting record.*

If you have questions or comments concerning any of these items, please contact the Murray City Planning Division at 801-270-2430, or e-mail [planning@murray.utah.gov](mailto:planning@murray.utah.gov).

Special accommodations for the hearing or visually impaired will be upon a request to the office of the Murray City Recorder (801-264-2660). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

#### 17.48.040: DEFINITIONS:

The following words and phrases when used in this chapter shall be construed as defined in this section:

**A-FRAME SIGN:** Any sign, structure, or configuration composed of one or two (2) sign faces mounted or attached back-to-back in such a manner as to form a basically triangular vertical cross- section.

**ABANDONED SIGN:** A sign which no longer correctly directs or influences any person, advertises a current business, lessor, owner, product or activity conducted or available on the premises where such sign is displayed.

**ADVERTISING SIGN:** A sign which directs attention to a use, product, commodity or service either related or not related to the premises on which the sign is located.

**ANIMATED SIGN:** A sign which involves motion or rotation of any part by mechanical or other means.

**AREA OF A SIGN:** The entire area within a single continuous perimeter composed of squares or rectangles which enclose the extreme limits of the advertising message, announcement, declaration, demonstration, display illustration, insignia, surface or space of a similar nature, together with any frame or other material, color, or condition which forms an integral part of the display and is used to differentiate such sign from the wall or background against which it is placed, excluding the necessary supports or uprights on which such sign is placed. If a sign has two (2) or more faces, the area of all faces shall be included in determining the area of the sign, except that only one face of a double faced sign shall be considered in determining the sign area, provided both faces are parallel and the distance between faces does not exceed two feet (2'). Further, where a sign consists only of individual letters, numbers, symbols or other similar components and is painted on or attached flat against the wall of a building, and where such individual components are without integrated background definition and are not within a circumscribed frame area, the total area of the sign shall be the sum of the areas of the squares or rectangles surrounding each individual sign component.

**ATTACHED SIGN:** Any sign which is fastened, attached, connected or supported in whole or in part by a building or structure other than a sign structure wholly by the ground.

**AWNING SIGN:** A sign which includes lettering or graphics placed on the vertical valance of an awning and supported by a rigid framework attached to a building.

**BANNER SIGN:** A sign made of fabric, plastic or a similar lightweight material and hung from a building or framework attached to a building or placed in the ground.

**BENCH SIGN:** A sign which is affixed or painted to a bench and is placed outside of the main structure on the property. Benches owned and maintained by a public transit authority are exempt from these regulations.

**BILLBOARD SIGN:** A detached or attached sign designed or intended to direct attention to a business, product, service, event or attraction that is not sold, offered, or existing on the property where the sign is located.

**BLADE BANNER SIGN:** A vertical banner supported by a durable pole.

**BLADE SIGN:** A building mounted sign with sign faces projecting from and perpendicular to the building fascia.

**BUSINESS SIGN:** A sign which directs attention to a use conducted, product or commodity sold, or service performed upon the premises.

**CANOPY SIGN:** A sign attached to a canopy.

**CHANGEABLE COPY SIGN:** A sign or portion of a sign with characters, letters, graphics, or other copy that can be changed or modified by mechanical, electrical, or manual means, not including digital, electronic messaging or electronic message signs.

**COMMUNITY SIGN:** A temporary on or off-premises sign generally made of a woven material or durable synthetic material which is primarily attached to or hung in a vertical fashion from light poles or buildings, of a solely decorative, festive, and/or informative nature announcing activities, promotions, events, seasonal or traditional themes which are sponsored or supported by Murray City.

**DETACHED SIGN:** Any sign not supported in whole or in part by a building, or structure other than by a sign structure which is supported wholly by the ground.

**DIRECTIONAL SIGN:** A permanent sign located on private property at or near the public right-of-way, directing or guiding vehicular traffic onto the property and/or toward parking or other identified locations on the property.

**DIRECTLY ILLUMINATED SIGN:** Any sign designed to provide artificial light directly or through transparent material from a source of light within or on such sign, including, but not limited to, neon and incandescent lamp signs.

**DOUBLE-FACED SIGN:** A sign with two (2) parallel identical faces, or two (2) identical sign faces that are not parallel but diverge from a common edge at an angle no greater than fifteen degrees (15°).

**ELECTRIC AWNING SIGN:** A fireproof space frame structure with translucent flexible reinforced vinyl covering designed in awning form, but whose principal purpose and use is as a sign. These signs are internally illuminated by fluorescent or other light sources in fixtures approved under the Electrical Code.

**ELECTRONIC MESSAGE CENTER SIGN:** A sign that utilizes computer-generated messages or some other electronic means of changing copy. These signs include displays using incandescent lamps, LEDs, LCDs or a flipper matrix.

**FLAG SIGN, COMMERCIAL:** A sign which is made of cloth or similar lightweight material that expresses messages which are primarily commercial in nature.

**FLAG SIGN, NON-COMMERCIAL:** A sign which is made of cloth or similar lightweight material that expresses messages which are not primarily commercial. Such flags may include flags of governmental entities, flags identifying the person, institution, organization or corporation occupying a property.

**FLASHING SIGN:** An illuminated sign which exhibits changing light or color effect by blinking or any similar means to provide a non-constant illumination. Any display must remain lighted for a minimum of two (2) seconds.

**FLAT SIGN:** A sign erected or attached parallel to the outside of a wall of a building with messages or graphics on the face side only.

**FLOODLIGHTED SIGN:** A sign made legible in the absence of daylight by devices which reflect or project light upon it.

**FREEWAY:** A highway, in respect to which the owners of abutting lands have no right or easement of access to or from their abutting lands, or in respect to which such owners have only limited or restricted right or easement of access, the precise route for which has been determined and designed as a freeway by an authorized agency of the state or a political subdivision thereof. This term includes the main traveled portion of the trafficway, all land situated within the right of way, and all ramps and appurtenant land and structures.

**GRAFFITI:** Any form of unauthorized printing, writing, spraying, scratching, affixing, etching, or inscribing on the property of another regardless of the content or nature of the material used in the commission of the act.

**GROUND SIGN:** A sign that has its own supporting structure and is not attached to or supported by a building. Types of ground signs include pedestal, pylon, monument, and shared monument signs.

**GROUP IDENTIFICATION SIGN:** A sign allowing for two (2) or more properties or uses that may share common frontage, access points, off-street parking, or loading areas.

**HANGING SIGN:** A building mounted sign suspended from the underside of a roof, overhang or recessed area or other similar architectural features of a building.

**HEIGHT OF SIGN:** The vertical distance measured from the adjacent street grade or upper surface of the nearest curb of a street other than an elevated roadway, whichever permits the greatest height, to the highest point of the sign.

**HOME OCCUPATION SIGN:** A sign associated with a valid home business existing on the premises.

**ILLEGAL OFF PREMISES ADVERTISING SIGN:** An off premises advertising sign that does not conform or comply with the requirements, including, without limitation, height restrictions, of the version of this Sign Code in effect when the sign was originally erected.

**INDIRECTLY ILLUMINATED SIGN:** A sign the illumination of which is derived entirely from an external artificial source which is arranged so that no direct rays of light are projected from such artificial source into residences or streets.

**INFLATED SIGNS:** A sign that is supported by heated or forced air or lighter than air gases.

**INTERSTATE:** For the purposes of sections 17.48.260, 17.48.270 and 17.48.280, interstate means Interstate 15 (I-15) or Interstate 215 (I-215).

**INTERSTATE ORIENTED SIGN:** For the purposes of sections 17.48.260, 17.48.270 and 17.48.280, means any sign within 660 feet of an interstate right-of-way, and oriented toward the interstate or otherwise designed to be viewed from the freeway.

**LEGAL NONCONFORMING OFF PREMISES SIGN:** An off premises advertising sign that conformed and complied with the requirements of the version of this Sign Code in effect when the sign was originally erected but no longer conforms or complies with an amended version of this Sign Code.

**MARQUEE SIGN:** A sign designed to have changeable copy, either manually or electronically. Marquee signs may be a principal identification sign, freestanding sign, a wall sign, or attached to a canopy.

**MENU BOARD SIGN:** A sign located at a drive-in or drive-up window restaurant.

**MONUMENT SIGN:** A freestanding on site sign that is attached to the ground or a foundation in the ground and does not include poles, braces, or other visible means of support.

**MONUMENT SIGN, SHARED:** A freestanding on site sign for two (2) or more uses that is attached to the ground or a foundation in the ground and does not include poles, braces, or other visible means of support.

**MOVING SIGN:** Any sign or device which has any visible moving part, visible revolving part, or visible mechanical movement of any description, or other apparent visible movement achieved by electrical, electronic or kinetic means, including intermittent electrical pulsations, or by actions of wind currents.

**NAMEPLATE SIGN:** A sign which designates the name and address of a person or persons occupying the premises upon which it is located. A nameplate is not an identification sign.

**NEIGHBORHOOD IDENTIFICATION SIGN:** A permanent sign located at the entrance of a neighborhood, tract, or subdivision.

**NONCONFORMING SIGN:** A sign legally existing at the time of the effective date hereof which does not currently conform to the provisions of this chapter.

**NONILLUMINATED SIGN:** A sign not illuminated either directly or indirectly.

**NON-INTERSTATE STREET OR HIGHWAY:** A state, county or municipal road within the City, excluding I-15 or I-215.

**NON-INTERSTATE ORIENTED SIGN:** Any sign located on a parcel of land adjacent to a street or highway that is not an interstate, and oriented toward the street or highway or otherwise designed to be viewed from the non-interstate street or highway.

**OFF-PREMISES ADVERTISING SIGN:** A commercial sign that directs attention of the public to a business activity conducted or product sold or offered at a location not on the same premises where the commercial sign is located. For purposes of this section, easements and other appurtenances and noncontiguous parcels under the same ownership are considered off the premises of the parcel of land on which the business or activity is located or conducted. The definition of off premises advertising sign includes, without limitation, billboards, poster panels, marquees, painted bulletins and other similar advertising displays. Signs that are no more than twelve (12) square feet in area and no more than five feet (5') above uniform ground surface grade and which provide only directions to a business or establishment are excluded from the definition of off premises advertising sign. The definition of off premises advertising sign does not include mass transit bus stop bench and shelter and light and commuter rail station advertising displays.

**OFF-PREMISES SIGN:** An advertising sign which directs attention to a use, product, commodity, or service not related to the premises on which it is erected.

**ON-PREMISES SIGN:** An advertising sign which directs attention to a use, product, commodity, or service which is sold, offered or conducted on the premises upon which the sign is located.

**PAINTED WINDOW SIGN:** A sign painted on windows or doors with markers, paints, or any other type of substance used to display messages.

**PARK OR TRAIL SIGN:** A sign at a park, trail, or other open space.

**PEDESTAL SIGN:** A freestanding one- or two-sided ground sign that includes two (2) or more vertical structural supports extending from the sign face to the ground.

**PLANNED CENTER:** An area of minimum contiguous size, as specified by ordinance, to be planned, developed, operated, and maintained containing one or more structures to accommodate commercial, manufacturing, or business park areas and other uses incidental to the primary uses. Planned centers are designed as an integrated complex or leasable or individually owned spaces in a single building, group of buildings, or parcels.

**PLANNED CENTER ON-PREMISES PYLON SIGN:** A pylon sign which advertises or directs attention to a use, establishment, product, or service that is located in a planned center.

**POLE SIGN:** A freestanding sign supported by a single pole mounted permanently in the ground.

**PORTABLE SIGN:** Any sign not permanently affixed to the ground or a structure on the premises it is intended to occupy.

**PROJECTING SIGN:** A building mounted sign with the sign faces projecting from and perpendicular to the building fascia.

**PROPERTY DEVELOPMENT:** Residential property being developed for the sale or lease of multiple lots or structures within a subdivision, and may have one temporary sign as outlined in this chapter.

**PROPERTY SIGN:** A sign related to the property upon which it is located.

**PUBLIC NECESSITY SIGN:** A sign informing the public of any danger or hazard existing on or adjacent to the premises.

**PYLON SIGN:** A freestanding ground sign that includes only one vertical structural support connecting the face of the sign to the ground.

**RESIDENTIAL ENTRY FEATURE SIGN:** A permanent sign located at a primary residential development entrance intended to facilitate public safety and community identity.

**RESIDENTIAL PROPERTY FOR SALE:** Residential property, including individual lots or parcels, actively listed for sale or lease.

**RESIDENTIAL SIGN:** A temporary, non-commercial sign posted on residential property by the property owner. Residential signs included in other sign categories as defined in this chapter shall be governed by the provisions pertaining to those sign categories.

**ROOF SIGN:** A sign erected upon a roof or parapet of a building or structure.

**ROTATING SIGN:** Any sign or portion thereof which physically revolves about an axis.

**SIGN:** Any writing, pictorial representation, symbol, banner or any other figure of similar character of whatever material which is used to identify, announce, direct attention to or advertise, which is placed on the ground, on any bush, tree, rock, wall, post, fence, building, structure, vehicle, or any place whatsoever and which is visible from outside a building. The term "placed" shall include constructing, erecting, posting, painting, printing, tacking, nailing, gluing, sticking, carving, stringing, or otherwise fastening, affixing or making visible in any manner whatsoever.

**SIGNAGE PLAN:** A signage plan consists of one or more scaled drawings showing the location, type, size and design of all existing and proposed signs on site.

**SNIPED SIGN:** A sign for which a permit is required and has not been obtained and which is tacked, nailed, posted, pasted, glued or otherwise attached to the ground, trees, poles, stakes, fences, or other objects with the message appearing thereon.

**SPECIAL EVENTS:** A specific time period during which there are "special events", including but not limited to community events, presentations, sales, and so forth.

**TEMPORARY SIGNS:** Any sign, banner, pennant, valance or advertising display constructed of cloth, canvas, light fabric, cardboard, wallboard or other light materials with or without frame installed for a limited period of time.

**TENANT LISTING SIGN:** A wall sign on a building containing multiple tenants or uses, located near the entrance and designed in such a manner as to accommodate multiple sign plates.

**TRAFFIC CONTROL SIGN:** Standard regulatory signs installed by public agencies, including stop and yield signs, speed limit signs, etc.

**TRAILER SIGN:** Any sign affixed to, applied, set upon, or printed on a trailer.

**TRESPASSING SIGN:** Any sign which warns against the trespassing onto a parcel of property or structure.

**VEHICLE SIGN:** Any sign that is mounted upon, painted upon, or otherwise erected on trucks, cars, boats, trailers, or other motorized vehicles or equipment.

**WALL SIGN:** A sign erected or attached parallel to the outside of a wall of a building with messages or graphics on the face side only.

**WAYFINDING SIGN:** A directional sign that guides the traveling public to key civic, visitor, or recreational destinations within a specific region.

**WIND SIGN:** Any sign or portion thereof or series of signs, banners, flags or other objects designed and fastened in such a manner as to move freely upon being subjected to pressure by wind or breeze.

**WINDOW SIGN:** A sign that is attached to, or suspended directly behind or in front of a window.

(Ord. 19-42 § 2: Ord. 19-14)



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**INFLATED SIGNS:** A sign that is supported by heated or forced air or lighter than air gases.

**INTERSTATE:** For the purposes of sections 17.48.260, 17.48.270 and 17.48.280, interstate means Interstate 15 (I-15) or Interstate 215 (I-215).

**INTERSTATE ORIENTED SIGN:** For the purposes of sections 17.48.260, 17.48.270 and 17.48.280, means any sign within 660 feet of an interstate right-of-way, and oriented toward the interstate or otherwise designed to be viewed from the freeway.

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**MONUMENT SIGN, SHARED:** A freestanding on site sign for two (2) or more uses that is attached to the ground or a foundation in the ground and does not include poles, braces, or other visible means of support.

**MOVING SIGN:** Any sign or device which has any visible moving part, visible revolving part, or visible mechanical movement of any description, or other apparent visible movement achieved by electrical, electronic or kinetic means, including intermittent electrical pulsations, or by actions of wind currents.

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**NON-INTERSTATE STREET OR HIGHWAY:** A state, county or municipal road within the City, excluding I-15 or I-215.

**NON-INTERSTATE ORIENTED SIGN:** Any sign located on a parcel of land adjacent to a street or highway that is not an interstate, and oriented toward the street or highway or otherwise designed to be viewed from the non-interstate street or highway.

**OFF-PREMISES ADVERTISING SIGN:** A commercial sign that directs attention of the public to a business activity conducted or product sold or offered at a location not on the same premises where the commercial sign is located. For purposes of this section, easements and other appurtenances and noncontiguous parcels under the same ownership are considered off the premises of the parcel of land on which the business or activity is located or conducted. The definition of off premises advertising sign includes, without limitation, billboards, poster panels, marquees, painted bulletins and other similar advertising displays. Signs that are no more than twelve (12) square feet in area and no more than five feet (5') above uniform ground surface grade and which provide only directions to a business or establishment are excluded from the definition of off premises advertising sign. The definition of off premises advertising sign does not include mass transit bus stop bench and shelter and light and commuter rail station advertising displays.

**OFF-PREMISES SIGN:** An advertising sign which directs attention to a use, product, commodity, or service not related to the premises on which it is erected.

**ON-PREMISES SIGN:** An advertising sign which directs attention to a use, product, commodity, or service which is sold, offered or conducted on the premises upon which the sign is located.

**PAINTED WINDOW SIGN:** A sign painted on windows or doors with markers, paints, or any other type of substance used to display messages.

**PARK OR TRAIL SIGN:** A sign at a park, trail, or other open space.

**PEDESTAL SIGN:** A freestanding one- or two-sided ground sign that includes two (2) or more vertical structural supports extending from the sign face to the ground.

**PLANNED CENTER:** An area of minimum contiguous size, as specified by ordinance, to be planned, developed, operated, and maintained containing one or more structures to accommodate commercial, manufacturing, or business park areas and other uses incidental to the primary uses. Planned centers are designed as an integrated complex or leasable or individually owned spaces in a single building, group of buildings, or parcels.

**PLANNED CENTER ON-PREMISES PYLON SIGN:** A pylon sign which advertises or directs attention to a use, establishment, product, or service that is located in a planned center.

**POLE SIGN:** A freestanding sign supported by a single pole mounted permanently in the ground.

**PORTABLE SIGN:** Any sign not permanently affixed to the ground or a structure on the premises it is intended to occupy.

**PROJECTING SIGN:** A building mounted sign with the sign faces projecting from and perpendicular to the building fascia.

**PROPERTY DEVELOPMENT:** Residential property being developed for the sale or lease of multiple lots or structures within a subdivision, and may have one temporary sign as outlined in this chapter.

PROPERTY SIGN: A sign related to the property upon which it is located.

PUBLIC NECESSITY SIGN: A sign informing the public of any danger or hazard existing on or adjacent to the premises.

PYLON SIGN: A freestanding ground sign that includes only one vertical structural support connecting the face of the sign to the ground.

RESIDENTIAL ENTRY FEATURE SIGN: A permanent sign located at a primary residential development entrance intended to facilitate public safety and community identity.

RESIDENTIAL PROPERTY FOR SALE: Residential property, including individual lots or parcels, actively listed for sale or lease.

RESIDENTIAL SIGN: A temporary, non-commercial sign posted on residential property by the property owner. Residential signs included in other sign categories as defined in this chapter shall be governed by the provisions pertaining to those sign categories.

ROOF SIGN: A sign erected upon a roof or parapet of a building or structure.

ROTATING SIGN: Any sign or portion thereof which physically revolves about an axis.

SCREEN SIGN: A screen sign is a sign that consists of a screen like material that is attached to a wall or parking deck and is capable of displaying electronic messages. Screen signs must conform to the architectural and aesthetic quality of the building they are attached to.

SIGN: Any writing, pictorial representation, symbol, banner or any other figure of similar character of whatever material which is used to identify, announce, direct attention to or advertise, which is placed on the ground, on any bush, tree, rock, wall, post, fence, building, structure, vehicle, or any place whatsoever and which is visible from outside a building. The term "placed" shall include constructing, erecting, posting, painting, printing, tacking, nailing, gluing, sticking, carving, stringing, or otherwise fastening, affixing or making visible in any manner whatsoever.

SIGNAGE PLAN: A signage plan consists of one or more scaled drawings showing the location, type, size and design of all existing and proposed signs on site.

SNIPED SIGN: A sign for which a permit is required and has not been obtained and which is tacked, nailed, posted, pasted, glued or otherwise attached to the ground, trees, poles, stakes, fences, or other objects with the message appearing thereon.

SPECIAL EVENTS: A specific time period during which there are "special events", including but not limited to community events, presentations, sales, and so forth.

TEMPORARY SIGNS: Any sign, banner, pennant, valance or advertising display constructed of cloth, canvas, light fabric, cardboard, wallboard or other light materials with or without frame installed for a limited period of time.

TENANT LISTING SIGN: A wall sign on a building containing multiple tenants or uses, located near the entrance and designed in such a manner as to accommodate multiple sign plates.

**TRAFFIC CONTROL SIGN:** Standard regulatory signs installed by public agencies, including stop and yield signs, speed limit signs, etc.

**TRAILER SIGN:** Any sign affixed to, applied, set upon, or printed on a trailer.

**TRESPASSING SIGN:** Any sign which warns against the trespassing onto a parcel of property or structure.

**VEHICLE SIGN:** Any sign that is mounted upon, painted upon, or otherwise erected on trucks, cars, boats, trailers, or other motorized vehicles or equipment.

**WALL SIGN:** A sign erected or attached parallel to the outside of a wall of a building with messages or graphics on the face side only.

**WAYFINDING SIGN:** A directional sign that guides the traveling public to key civic, visitor, or recreational destinations within a specific region.

**WIND SIGN:** Any sign or portion thereof or series of signs, banners, flags or other objects designed and fastened in such a manner as to move freely upon being subjected to pressure by wind or breeze.

**WINDOW SIGN:** A sign that is attached to, or suspended directly behind or in front of a window.

(Ord. 19-42 § 2: Ord. 19-14)



**17.48.040: DEFINITIONS:**

The following words and phrases when used in this chapter shall be construed as defined in this section:

**A-FRAME SIGN:** Any sign, structure, or configuration composed of one or two (2) sign faces mounted or attached back-to-back in such a manner as to form a basically triangular vertical cross- section.

**ABANDONED SIGN:** A sign which no longer correctly directs or influences any person, advertises a current business, lessor, owner, product or activity conducted or available on the premises where such sign is displayed.

**ADVERTISING SIGN:** A sign which directs attention to a use, product, commodity or service either related or not related to the premises on which the sign is located.

**ANIMATED SIGN:** A sign which involves motion or rotation of any part by mechanical or other means.

**AREA OF A SIGN:** The entire area within a single continuous perimeter composed of squares or rectangles which enclose the extreme limits of the advertising message, announcement, declaration, demonstration, display illustration, insignia, surface or space of a similar nature, together with any frame or other material, color, or condition which forms an integral part of the display and is used to differentiate such sign from the wall or background against which it is placed, excluding the necessary supports or uprights on which such sign is placed. If a sign has two (2) or more faces, the area of all faces shall be included in determining the area of the sign, except that only one face of a double faced sign shall be considered in determining the sign area, provided both faces are parallel and the distance between faces does not exceed two feet (2'). Further, where a sign consists only of individual letters, numbers, symbols or other similar components and is painted on or attached flat against the wall of a building, and where such individual components are without integrated background definition and are not within a circumscribed frame area, the total area of the sign shall be the sum of the areas of the squares or rectangles surrounding each individual sign component.

**ATTACHED SIGN:** Any sign which is fastened, attached, connected or supported in whole or in part by a building or structure other than a sign structure wholly by the ground.

**AWNING SIGN:** A sign which includes lettering or graphics placed on the vertical valance of an awning and supported by a rigid framework attached to a building.

**BANNER SIGN:** A sign made of fabric, plastic or a similar lightweight material and hung from a building or framework attached to a building or placed in the ground.

**BENCH SIGN:** A sign which is affixed or painted to a bench and is placed outside of the main structure on the property. Benches owned and maintained by a public transit authority are exempt from these regulations.



**BILLBOARD SIGN:** A detached or attached sign designed or intended to direct attention to a business, product, service, event or attraction that is not sold, offered, or existing on the property where the sign is located.

**BLADE BANNER SIGN:** A vertical banner supported by a durable pole.

**BLADE SIGN:** A building mounted sign with sign faces projecting from and perpendicular to the building fascia.

**BUSINESS SIGN:** A sign which directs attention to a use conducted, product or commodity sold, or service performed upon the premises.

**CANOPY SIGN:** A sign attached to a canopy.

**CHANGEABLE COPY SIGN:** A sign or portion of a sign with characters, letters, graphics, or other copy that can be changed or modified by mechanical, electrical, or manual means, not including digital, electronic messaging or electronic message signs.

**COMMUNITY SIGN:** A temporary on or off-premises sign generally made of a woven material or durable synthetic material which is primarily attached to or hung in a vertical fashion from light poles or buildings, of a solely decorative, festive, and/or informative nature announcing activities, promotions, events, seasonal or traditional themes which are sponsored or supported by Murray City.

**DETACHED SIGN:** Any sign not supported in whole or in part by a building, or structure other than by a sign structure which is supported wholly by the ground.

**DIRECTIONAL SIGN:** A permanent sign located on private property at or near the public right-of-way, directing or guiding vehicular traffic onto the property and/or toward parking or other identified locations on the property.

**DIRECTLY ILLUMINATED SIGN:** Any sign designed to provide artificial light directly or through transparent material from a source of light within or on such sign, including, but not limited to, neon and incandescent lamp signs.

**DOUBLE-FACED SIGN:** A sign with two (2) parallel identical faces, or two (2) identical sign faces that are not parallel but diverge from a common edge at an angle no greater than fifteen degrees (15°).

**ELECTRIC AWNING SIGN:** A fireproof space frame structure with translucent flexible reinforced vinyl covering designed in awning form, but whose principal purpose and use is as a sign. These signs are internally illuminated by fluorescent or other light sources in fixtures approved under the Electrical Code.

**ELECTRONIC MESSAGE CENTER SIGN:** A sign that utilizes computer-generated messages or some other electronic means of changing copy. These signs include displays using incandescent lamps, LEDs, LCDs or a flipper matrix.

**FLAG SIGN, COMMERCIAL:** A sign which is made of cloth or similar lightweight material that expresses messages which are primarily commercial in nature.

**FLAG SIGN, NON-COMMERCIAL:** A sign which is made of cloth or similar lightweight material that expresses messages which are not primarily commercial. Such flags may include flags of governmental entities, flags identifying the person, institution, organization or corporation occupying a property.

**FLASHING SIGN:** An illuminated sign which exhibits changing light or color effect by blinking or any similar means to provide a non-constant illumination. Any display must remain lighted for a minimum of two (2) seconds.

**FLAT SIGN:** A sign erected or attached parallel to the outside of a wall of a building with messages or graphics on the face side only.

**FLOODLIGHTED SIGN:** A sign made legible in the absence of daylight by devices which reflect or project light upon it.

**FREEWAY:** A highway, in respect to which the owners of abutting lands have no right or easement of access to or from their abutting lands, or in respect to which such owners have only limited or restricted right or easement of access, the precise route for which has been determined and designed as a freeway by an authorized agency of the state or a political subdivision thereof. This term includes the main traveled portion of the trafficway, all land situated within the right of way, and all ramps and appurtenant land and structures.

**GRAFFITI:** Any form of unauthorized printing, writing, spraying, scratching, affixing, etching, or inscribing on the property of another regardless of the content or nature of the material used in the commission of the act.

**GROUND SIGN:** A sign that has its own supporting structure and is not attached to or supported by a building. Types of ground signs include pedestal, pylon, monument, and shared monument signs.

**GROUP IDENTIFICATION SIGN:** A sign allowing for two (2) or more properties or uses that may share common frontage, access points, off-street parking, or loading areas.

**HANGING SIGN:** A building mounted sign suspended from the underside of a roof, overhang or recessed area or other similar architectural features of a building.

**HEIGHT OF SIGN:** The vertical distance measured from the adjacent street grade or upper surface of the nearest curb of a street other than an elevated roadway, whichever permits the greatest height, to the highest point of the sign.

**HOME OCCUPATION SIGN:** A sign associated with a valid home business existing on the premises.

**ILLEGAL OFF PREMISES ADVERTISING SIGN:** An off premises advertising sign that does not conform or comply with the requirements, including, without limitation, height restrictions, of the version of this Sign Code in effect when the sign was originally erected.

**INDIRECTLY ILLUMINATED SIGN:** A sign the illumination of which is derived entirely from an external artificial source which is arranged so that no direct rays of light are projected from such artificial source into residences or streets.

**INFLATED SIGNS:** A sign that is supported by heated or forced air or lighter than air gases.

**INTERSTATE:** For the purposes of sections 17.48.260, 17.48.270 and 17.48.280, interstate means Interstate 15 (I-15) or Interstate 215 (I-215).

**INTERSTATE ORIENTED SIGN:** For the purposes of sections 17.48.260, 17.48.270 and 17.48.280, means any sign within 660 feet of an interstate right-of-way, and oriented toward the interstate or otherwise designed to be viewed from the freeway.

**LEGAL NONCONFORMING OFF PREMISES SIGN:** An off premises advertising sign that conformed and complied with the requirements of the version of this Sign Code in effect when the sign was originally erected but no longer conforms or complies with an amended version of this Sign Code.

**MARQUEE SIGN:** A sign designed to have changeable copy, either manually or electronically. Marquee signs may be a principal identification sign, freestanding sign, a wall sign, or attached to a canopy.

**MENU BOARD SIGN:** A sign located at a drive-in or drive-up window restaurant.

**MONUMENT SIGN:** A freestanding on site sign that is attached to the ground or a foundation in the ground and does not include poles, braces, or other visible means of support.

**MONUMENT SIGN, SHARED:** A freestanding on site sign for two (2) or more uses that is attached to the ground or a foundation in the ground and does not include poles, braces, or other visible means of support.

**MOVING SIGN:** Any sign or device which has any visible moving part, visible revolving part, or visible mechanical movement of any description, or other apparent visible movement achieved by electrical, electronic or kinetic means, including intermittent electrical pulsations, or by actions of wind currents.

**NAMEPLATE SIGN:** A sign which designates the name and address of a person or persons occupying the premises upon which it is located. A nameplate is not an identification sign.

**NEIGHBORHOOD IDENTIFICATION SIGN:** A permanent sign located at the entrance of a neighborhood, tract, or subdivision.

**NONCONFORMING SIGN:** A sign legally existing at the time of the effective date hereof which does not currently conform to the provisions of this chapter.

**NONILLUMINATED SIGN:** A sign not illuminated either directly or indirectly.

**NON-INTERSTATE STREET OR HIGHWAY:** A state, county or municipal road within the City, excluding I-15 or I-215.

**NON-INTERSTATE ORIENTED SIGN:** Any sign located on a parcel of land adjacent to a street or highway that is not an interstate, and oriented toward the street or highway or otherwise designed to be viewed from the non-interstate street or highway.

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**PARK OR TRAIL SIGN:** A sign at a park, trail, or other open space.

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**PLANNED CENTER:** An area of minimum contiguous size, as specified by ordinance, to be planned, developed, operated, and maintained containing one or more structures to accommodate commercial, manufacturing, or business park areas and other uses incidental to the primary uses. Planned centers are designed as an integrated complex or leasable or individually owned spaces in a single building, group of buildings, or parcels.

**PLANNED CENTER ON-PREMISES PYLON SIGN:** A pylon sign which advertises or directs attention to a use, establishment, product, or service that is located in a planned center.

**POLE SIGN:** A freestanding sign supported by a single pole mounted permanently in the ground.

**PORTABLE SIGN:** Any sign not permanently affixed to the ground or a structure on the premises it is intended to occupy.

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**SCREEN SIGN:** A screen sign is a sign that consists of a screen like material that is attached to a wall or parking deck and is capable of displaying electronic messages. Screen signs must conform to the architectural and aesthetic quality of the building they are attached to.

**SIGN:** Any writing, pictorial representation, symbol, banner or any other figure of similar character of whatever material which is used to identify, announce, direct attention to or advertise, which is placed on the ground, on any bush, tree, rock, wall, post, fence, building, structure, vehicle, or any place whatsoever and which is visible from outside a building. The term "placed" shall include constructing, erecting, posting, painting, printing, tacking, nailing, gluing, sticking, carving, stringing, or otherwise fastening, affixing or making visible in any manner whatsoever.

**SIGNAGE PLAN:** A signage plan consists of one or more scaled drawings showing the location, type, size and design of all existing and proposed signs on site.

**SNIPESIGN:** A sign for which a permit is required and has not been obtained and which is tacked, nailed, posted, pasted, glued or otherwise attached to the ground, trees, poles, stakes, fences, or other objects with the message appearing thereon.

**SPECIAL EVENTS:** A specific time period during which there are "special events", including but not limited to community events, presentations, sales, and so forth.

**TEMPORARY SIGNS:** Any sign, banner, pennant, valance or advertising display constructed of cloth, canvas, light fabric, cardboard, wallboard or other light materials with or without frame installed for a limited period of time.

**TENANT LISTING SIGN:** A wall sign on a building containing multiple tenants or uses, located near the entrance and designed in such a manner as to accommodate multiple sign plates.

**TRAFFIC CONTROL SIGN:** Standard regulatory signs installed by public agencies, including stop and yield signs, speed limit signs, etc.

**TRAILER SIGN:** Any sign affixed to, applied, set upon, or printed on a trailer.

**TRESPASSING SIGN:** Any sign which warns against the trespassing onto a parcel of property or structure.

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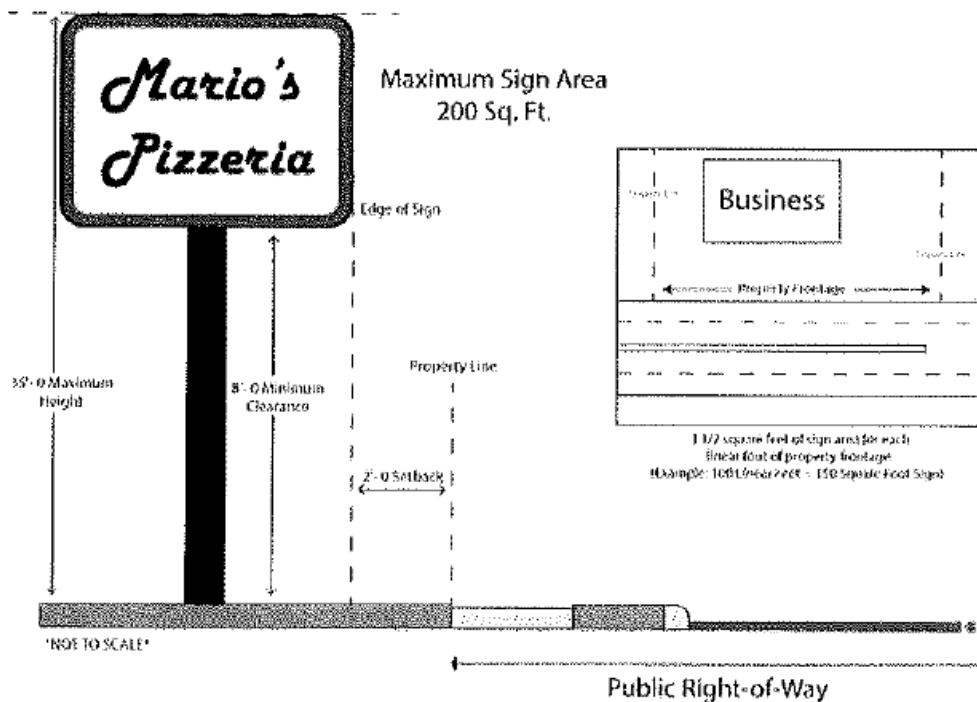
(Ord. 19-42 § 2: Ord. 19-14)

#### 17.48.200: COMMERCIAL AND MANUFACTURING ZONE SIGNS:

In Commercial and Manufacturing Zones, signs indicating the business, commodities, service, industry, or other activity sold, offered, or conducted on the premises are permitted as follows:

- A. Detached On-Site Signs: Detached on site signs are to be erected as follows:
1. One detached on premises sign for each developed parcel not exceeding one and one-half ( $1\frac{1}{2}$ ) square feet of sign area for each linear foot of street frontage. No sign may exceed a total sign area of two hundred (200) square feet per side (see figure 22 of this subsection A1). A maximum of two (2) sides are allowed;

FIGURE 22



2. If a developed parcel has in excess of two hundred (200) linear feet of street frontage, additional signs may be allowed, provided the distance between detached signs on each parcel may not be less than two hundred feet (200') as measured in a straight line;

3. The maximum sign height is thirty five feet (35') above pavement grade or ground level. On properties adjacent to freeways, where the sign is freeway oriented, maximum sign height may be determined from freeway grade;
  4. Minimum sign clearance from grade to the bottom of the sign is eight feet (8');
  5. Ground/monument signs shall comply with regulations found in section 17.48.140 of this chapter;
  6. Minimum sign setback from all property lines is two feet (2').
  7. Pole signs are only allowed in the Commercial and Manufacturing Zones for parcels or developments that are directly adjacent to or abutting either Interstate 15 or Interstate 215 and must be freeway oriented.
- B. Attached Signs For Each Occupancy: On premises signs may not exceed a total of three (3) square feet of sign area for each linear foot of building frontage.
- C. Planned Center Signs: The Planning Commission may allow common signs displaying advertising for all uses with a planned center on multiple parcels of property that may or may not have separate ownership. The Planning Commission will consider the following criteria as basis for approval of the signs:
1. Signs must be integrated into the development with a common theme or integrated architecturally with the buildings.
  2. Location, number, and size of all signs must receive approval by the Planning Commission and meet the provisions within the Sign Code.
  3. The applicant must submit elevations of all signs, and a site plan showing the location of the proposed signs.
  4. Additional standards for pedestal signs are located within section 17.48.140 of this chapter.
- D. Pylon Signs: Are permitted within the C-D Zone (not permitted within the M-G Zone) and shall comply with the regulations found in section 17.48.140 of this chapter. (Ord. 19-14)

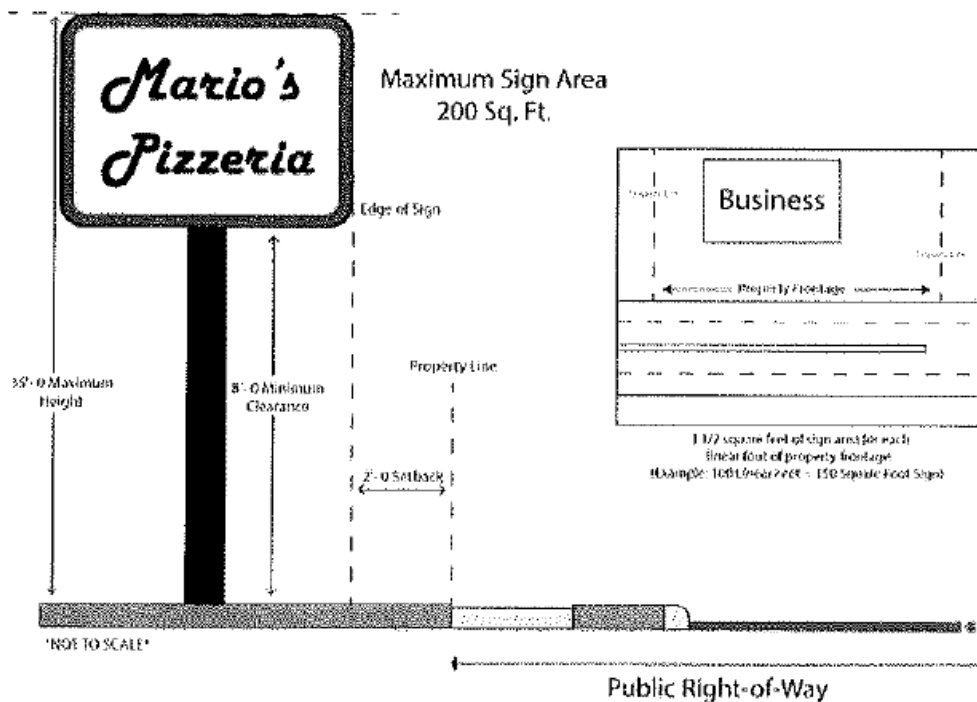


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  1. One detached on premises sign for each developed parcel not exceeding one and one-half ( $1\frac{1}{2}$ ) square feet of sign area for each linear foot of street frontage. No sign may exceed a total sign area of two hundred (200) square feet per side (see figure 22 of this subsection A1). A maximum of two (2) sides are allowed;

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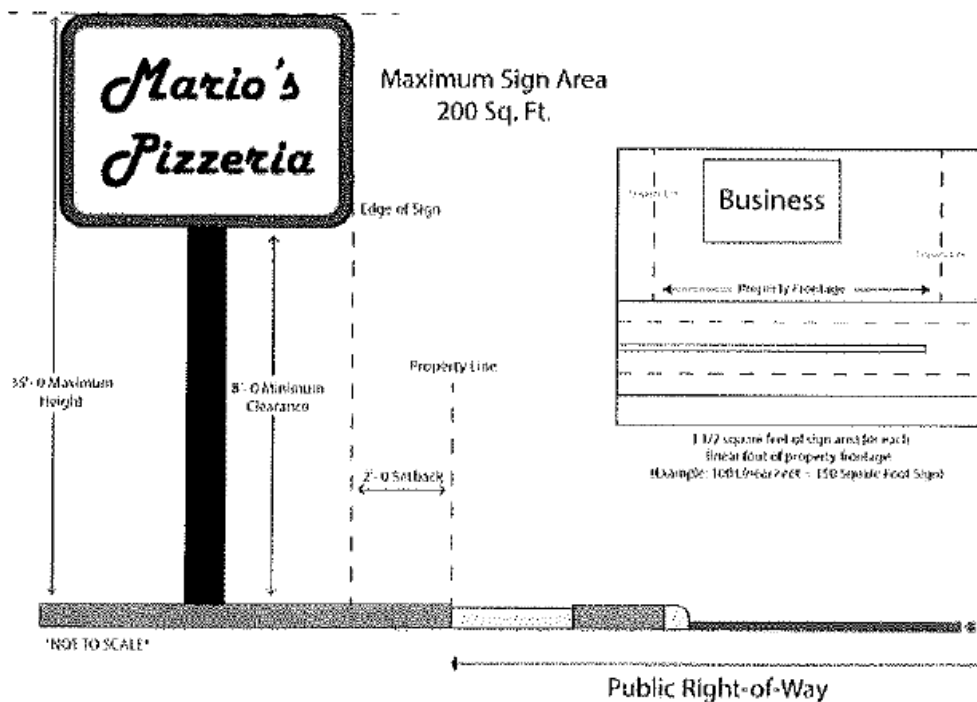
3. The maximum sign height is thirty five feet (35') above pavement grade or ground level. On properties adjacent to freeways, where the sign is freeway oriented, maximum sign height may be determined from freeway grade;
  4. Minimum sign clearance from grade to the bottom of the sign is eight feet (8');
  5. Ground/monument signs shall comply with regulations found in section 17.48.140 of this chapter;
  6. Minimum sign setback from all property lines is two feet (2').
  7. Pole signs are only allowed in the Commercial and Manufacturing Zones for parcels or developments that are directly adjacent to or abutting either Interstate 15 or Interstate 215 and must be freeway oriented.
- B. Attached Signs For Each Occupancy: On premises signs may not exceed a total of three (3) square feet of sign area for each linear foot of building frontage.
- C. Planned Center Signs: The Planning Commission may allow common signs displaying advertising for all uses with a planned center on multiple parcels of property that may or may not have separate ownership. The Planning Commission will consider the following criteria as basis for approval of the signs:
1. Signs must be integrated into the development with a common theme or integrated architecturally with the buildings.
  2. Location, number, and size of all signs must receive approval by the Planning Commission and meet the provisions within the Sign Code.
  3. The applicant must submit elevations of all signs, and a site plan showing the location of the proposed signs.
  4. Additional standards for pedestal signs are located within section 17.48.140 of this chapter.
- D. Pylon Signs: Are permitted within the C-D Zone (not permitted within the M-G Zone) and shall comply with the regulations found in section 17.48.140 of this chapter. (Ord. 19-14)
- E. E. Screen Signs: Are allowed subject to the following standards:
1. Property must have a minimum of three (3) acres.
  2. Shall be located within 150 feet of the I-15 freeway right-of-way.
  3. Shall be oriented towards the I-15 freeway.
  4. Must be incorporated as an architectural element of the building.
  5. Only one (1) screen sign is permitted per property.
  6. May not exceed five (5) sq ft per linear foot of building frontage.
  - 5-7. Must be located a minimum of fifty feet (50') above the finished grade.

17.48.200: COMMERCIAL AND MANUFACTURING ZONE SIGNS:

In Commercial and Manufacturing Zones, signs indicating the business, commodities, service, industry, or other activity sold, offered, or conducted on the premises are permitted as follows:

- A. Detached On-Site Signs: Detached on site signs are to be erected as follows:
  1. One detached on premises sign for each developed parcel not exceeding one and one-half ( $1\frac{1}{2}$ ) square feet of sign area for each linear foot of street frontage. No sign may exceed a total sign area of two hundred (200) square feet per side (see figure 22 of this subsection A1). A maximum of two (2) sides are allowed;

FIGURE 22



2. If a developed parcel has in excess of two hundred (200) linear feet of street frontage, additional signs may be allowed, provided the distance between detached signs on each parcel may not be less than two hundred feet (200') as measured in a straight line;

3. The maximum sign height is thirty five feet (35') above pavement grade or ground level. On properties adjacent to freeways, where the sign is freeway oriented, maximum sign height may be determined from freeway grade;
  4. Minimum sign clearance from grade to the bottom of the sign is eight feet (8');
  5. Ground/monument signs shall comply with regulations found in section 17.48.140 of this chapter;
  6. Minimum sign setback from all property lines is two feet (2').
  7. Pole signs are only allowed in the Commercial and Manufacturing Zones for parcels or developments that are directly adjacent to or abutting either Interstate 15 or Interstate 215 and must be freeway oriented.
- B. Attached Signs For Each Occupancy: On premises signs may not exceed a total of three (3) square feet of sign area for each linear foot of building frontage.
- C. Planned Center Signs: The Planning Commission may allow common signs displaying advertising for all uses with a planned center on multiple parcels of property that may or may not have separate ownership. The Planning Commission will consider the following criteria as basis for approval of the signs:
1. Signs must be integrated into the development with a common theme or integrated architecturally with the buildings.
  2. Location, number, and size of all signs must receive approval by the Planning Commission and meet the provisions within the Sign Code.
  3. The applicant must submit elevations of all signs, and a site plan showing the location of the proposed signs.
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1. Property must have a minimum of three (3) acres.
  2. Shall be located within 150 feet of the I-15 freeway right-of-way.
  3. Shall be oriented towards the I-15 freeway.
  4. Must be incorporated as an architectural element of the building.
  5. Only one (1) screen sign is permitted per property.
  6. May not exceed five (5) sq ft per linear foot of building frontage.
  7. Must be located a minimum of fifty feet (50') above the finished grade.





# MURRAY CITY COUNCIL





# Land Use Text Amendment Chapter 17.48 Sign Code

Sections 17.48.040 & 17.48.200

Adding definition and regulations regarding  
screen signs





## Proposed Changes

### Add Screen Sign Definition

**SCREEN SIGN:** A screen sign is a sign that consists of a screen like material that is attached to a wall or parking deck and is capable of displaying electronic messages. Screen signs must conform to the architectural and aesthetic quality of the building they are attached to.





## Proposed Changes

### Add Screen Sign Regulations

1. Property must have a minimum of three (3) acres.
2. Shall be located within 150 feet of the I-15 freeway right-of-way.
3. Shall be oriented towards the I-15 freeway.
4. Must be incorporated as an architectural element of the building.
5. Only one (1) screen sign is permitted per property.
6. May not exceed five (5) sq ft per linear foot of building frontage.
7. Must be located a minimum of fifty feet (50') above the finished grade.





## Examples





## Findings

1. The proposed text amendment is in harmony with objective 5 of the Economic Development Element of the General Plan to “increase the sustainability of the city’s tax base through increased office property values and by creating additional employment centers” by allowing unique features that are not found in many areas in the valley.
2. The proposed change is in harmony with Initiative 2 of the General Plan which states “create office/employment centers” by allowing innovative elements that attracts businesses to office developments.
3. Staff finds that continuing to review and update development standards furthers the City’s mission of “[guiding] growth to promote prosperity and sustain a high quality of life for those who live, work, shop, and recreate in Murray.
4. The Planning Commission held a public hearing on August 15<sup>th</sup>, 2024, and voted 5-0 to recommend the City Council approve the requested amendment.



## Staff Recommendation

Staff recommends and the Planning Commission recommend the City Council **APPROVE** the proposed amendments to Sections 17.48.040 and 17.48.200 within the Sign Code as reviewed in the Staff Report.





THANK YOU!







# Discussion Item #7



**MURRAY**

# Community and Economic Development

## Murray City Staff MCCD Zone Amendment

### Council Action Request

Committee of the Whole

Meeting Date: November 12, 2024

<b>Department Director</b> Phil Markham  <b>Phone #</b> 801-270-2427  <b>Presenters</b> David Rodgers	<b>Purpose of Proposal</b> Amend Murray Cody Chapter 17.170.120 MCCD Zone  <b>Action Requested</b> Code Amendment  <b>Attachments</b> Slides  <b>Budget Impact</b> None Anticipated  <b>Description of this Item</b> Planning Division Staff proposes amendments to Chapter 17.170.120 (F) Murray City Center District MCCD Height Regulations.  This request allows an additional 15' of height and a change of one additional story to a portion of the zone located East of State Street and South of Vine Street.  The Planning Commission conducted a public hearing on October 3rd, 2024 and voted 6-1 recommending that the City Council approve the requested changes.
<b>Required Time for Presentation</b> 10 minutes  <b>Is This Time Sensitive</b> No  <b>Mayor's Approval</b>          <b>Date</b> October 29, 2024	

# MURRAY CITY CORPORATION

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on the 19<sup>TH</sup> day of November, 2024, at the hour of 6:30 p.m., in the City Council Chambers of the Murray City Hall, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will hold and conduct a Public Hearing on and pertaining to text amendments to Section 17.170.120 of the Murray City Municipal Code relating to height regulations in the Murray City Center District (MCCD).

The purpose of this hearing is to receive public comment concerning the proposed text amendments as described above.

DATED this 16<sup>th</sup> day of October 2024.



MURRAY CITY CORPORATION

A handwritten signature in black ink, appearing to read "Brooke Smith", written over a horizontal line.

Brooke Smith  
City Recorder

DATES OF POSTING: November 8, 2024  
PH24-43

LOCATIONS OF POSTINGS – AT LEAST 10 CALENDAR DAYS BEFORE THE PUBLIC HEARING:

1. Utah Public Notice Website
2. Murray City Website
3. Posted at Murray City Hall
4. Mailed to Affected Entities

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING SECTION 17.170.120 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO HEIGHT REGULATIONS IN THE MURRAY CITY CENTER DISTRICT (MCCD).

BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

*Section 1. Purpose.* The purpose of this ordinance is to amend Section 17.170.120 of the Murray City Municipal Code relating to height regulations in the Murray City Center District (MCCD).

*Section 2. Amend Section 17.170.120 of the Murray City Municipal Code.* Section 17.170.120 of the Murray City Municipal Code shall be amended to read as follows:

**17.170.120: HEIGHT REGULATIONS:**

The following height restrictions shall apply in the MCCD Zone.

A. Buildings shall not exceed ten (10) stories in height or one hundred thirty-five feet (135') whichever is less. A pedestrian scaled facade must be provided on lower floors.

B. For new buildings located west of State Street and south of 4800 South, a minimum height of forty feet (40') or four (4) stories, whichever is less, is required.

C. Buildings located east of State Street are exempt from the minimum height requirement.

D. The height of a structure located adjacent to a residential zoning district may not exceed fifty feet (50') within sixty feet (60') of a residential zoning district.

E. On properties located north of Court Avenue that are adjacent to Center Street, buildings shall not be erected to a height greater than thirty five feet (35').

F. New buildings located east of State Street and south of Vine Street shall not exceed ~~six-seven~~ (67) stories in height or ~~seventy-eighty-five~~ feet (~~70'85'~~), whichever is less.

G. Public or quasi-public utility buildings and structures are exempt from the minimum height regulations above. This exemption does not include office buildings for public or quasi-public utility companies. (Ord. 23-04: Ord. 21-21: Ord. 19-40)

....

*Section 3. Effective date.* This Ordinance shall take effect upon first publication.



PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on  
this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

MURRAY CITY MUNICIPAL COUNCIL

\_\_\_\_\_  
Pam Cotter, Chair

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

MAYOR'S ACTION:

DATED this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brett A. Hales, Mayor

ATTEST:

\_\_\_\_\_  
Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance, or a summary hereof, was published  
according to law on the \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Brooke Smith, City Recorder

~DRAFT~

Minutes of the Planning Commission meeting held on Thursday, October 3<sup>rd</sup>, 2024, at 6:30 p.m. in the Murray City Council Chambers, 10 East 4800 South, Murray, Utah.

A recording of this meeting is available for viewing at <http://www.murray.utah.gov> or in the Community and Economic Development office located at 10 East 4800 South, Suite 260.

The public was able to view the meeting via the live stream at <http://www.murraycitylive.com> or <https://www.facebook.com/Murraycityutah/>. Anyone who wanted to make a comment on an agenda item was able to submit comments via email at [planningcommission@murray.utah.gov](mailto:planningcommission@murray.utah.gov).

Present: Maren Patterson, Chair  
Ned Hacker, Vice Chair  
Lisa Milkavich  
Jake Pehrson  
Michael Henrie  
Michael Richards  
Pete Hristou  
Phil Markham, CED Director  
Zachary Smallwood, Planning Division Manager  
David Rodgers, Senior Planner  
Ruth Ruach, Planner I  
Mark Richardson, Deputy Attorney  
Mark Morris, VODA  
Members of the Public (per sign-in sheet)

The Staff Review meeting was held from 6:00 p.m. to 6:30 p.m. The Planning Commission members briefly reviewed the applications on the agenda. An audio recording is available at the Murray City Community and Economic Development Department Office.

#### CALL MEETING TO ORDER

Chair Patterson called the meeting to order at XXX p.m.

#### BUSINESS ITEMS

#### APPROVAL OF MINUTES

XXX made a motion to approve the minutes for September 5<sup>th</sup>, 2024, and September 19<sup>th</sup>, 2024. Seconded by XXX. A voice vote was made with all in favor.

#### CONFLICT(S) OF INTEREST

There were no conflicts of interest for this meeting.

#### FINDINGS OF FACT

XXX made a motion to approve the findings of facts for Ereksen State Farm Conditional Use Permit and for Kombustion Motorsports Conditional Use Permit. A voice vote was taken with all in favor.

CONDITIONAL USE PERMIT(S) – ADMINISTRATIVE ACTION

Vara Salon Suites - Project # 24-101 - 4770 South 900 East - Conditional Use Permit for Tattoo Use in the C-D Zone

Loris Ventures LLC was present to represent this request. Ruth Ruach presented the application requesting Conditional Use Permit approval to allow a body art studio within the C-D Zone on the property located at 4770 South 900 East.

Eleven notices of the public meeting were sent to all property owners for parcels located within 300 feet of the subject property.

XXX opened the public comment period for this agenda item.

XXX closed the public comment period for this agenda item.

XXX made a motion that the Planning Commission APPROVE a Conditional Use Permit to allow a body art studio at the property addressed 4770 S 900 E, subject to the following conditions:

1. The applicant shall obtain a Murray City Business License prior to beginning operations at this location.
2. The project shall comply with all applicable building and fire code standards.
3. The applicant shall obtain permits for any new attached or detached signs proposed for the business.

Seconded by XXX. Roll call vote:

A Patterson  
A Hacker  
A Milkavich  
A Pehrson  
A Richards  
A Henrie

Motion passes: X-X

SUBDIVISION REVIEW – ADMINISTRATIVE ACTION

93 Woodrow Flag Lot Subdivision - Project # 24-099 - 93 West Woodrow Street - Preliminary and Final Subdivision Review for a Flag Lot Subdivision

Kyle Zack, from 10 Pointe Properties, was present to represent this request. Zachary Smallwood presented the application for Preliminary and Final Flag Lot Subdivision approval for property in the R-1-8 Zone located at 93 West Woodrow Street.

Seventy-four notices of the public meeting were sent to affected entities and all property owners for parcels located within 300 feet of the subject property.

XXX opened the public comment period for this agenda item.

XXX closed the public comment period for this agenda item.

XXX made a motion that the Planning Commission GRANT preliminary and final subdivision approval for a Flag Lot Subdivision for the proposed 93 Woodrow Subdivision located at 93 West Woodrow Street, subject to the following conditions:

1. The applicant shall meet all requirements of the City Engineer, including the following:
  - A. Meet City subdivision requirements and standards – City Code Title 16.
  - B. Address all engineering and survey review comments prior to printing the plat to mylar.
  - C. Provide grading, drainage, and utility plan – City Code Chapter 16.08.
  - D. Meet City storm drainage requirements, on-site retention is required – City Code Chapter 13.52.050
  - E. Provide standard front rear and side yard PUE's on lots – City Code Chapter 16.16.100.
  - F. Provide separate utilities to proposed lots.
  - G. Provide Woodrow Street right-of-way dedication to accommodate future street improvements (asphalt, curb, and gutter & sidewalk) – City Code Chapter 17.76.120.
  - H. Provide any required easements and vacate any unused easements within the proposed buildable areas and street - City Code Chapter 16.16.100.
  - I. Obtain a City Excavation Permit for work within City roadways – City Code Chapter 12.16.020.
2. The applicant shall prepare a Final Subdivision Plat which complies with all requirements of Title 16, Murray City Subdivision Ordinance.
3. The applicant shall meet all requirements of the Murray City Water Department.
4. The applicant shall meet all requirements of the Murray City Wastewater Department.
5. The applicant shall meet all requirements of the Murray City Fire Department.
6. The applicant shall obtain building permits for any new construction on the property.
7. The Final Plat shall adhere to the requirements for Flag Lot Subdivisions contained in Section 17.76.140 of the Murray City Land Use Ordinance and as outlined in the Staff Report.
8. The applicant shall meet all applicable Building and Fire Codes.
9. The applicant shall provide complete plans, structural calculations and soils reports stamped and signed by the appropriate design professionals at the time of submittal for building permits.

10. The subdivision plat shall be recorded within one year of the final approval or the final plat shall be null and void.

Seconded by XXX. Roll call vote:

A Patterson  
A Hacker  
A Milkavich  
A Pehrson  
A Richards  
A Henrie

Motion passes: X-X

#### LAND USE TEXT AMENDMENT(S) – LEGISLATIVE ACTION

##### Chapter 17.170.120 of the Murray City Center District - Project # 24-109 - Amending height allowances for properties east of State Street and south of Vine Street

David Rodgers presented the proposed amendments to Chapter 17.170.120 (F) Murray City Center District M CCD Height Regulations. The request allows an additional 15' of height and a change of one additional story to a portion of the zone in the M CCD Zone East of State Street and South of Vine Street. Mr. Rodgers read the text of the original code. He showed the map of the parcels located in the M CCD zone, as well as map of the heights in the lot addressed in the subject properties. He discussed the reason for the text amendment, as the RDA has entered into an agreement with a developer for the old city hall site. He said that there was a measurement issue when heights were being measured from different roads around the property. He said notices were sent to adjacent property owners, with no comments received. He said the proposed changes are in harmony with the multiple aspects of the General Plan. Notices were sent to affected entities for this amendment. As of the date of this report, one sign company inquired about the changes. Staff recommends the Planning Commission forward a recommendation of approval to the City Council.

Commissioner Henrie expressed his concern about the number of stories that was previously approved now being different. Mr. Smallwood said it's acceptable for that to have occurred because the project has not had Land Use approvals yet. He said it will be final once the Redevelopment Agency has entered into an agreement with the developer.

The commissioners had a discussion as to why the height requirements were different for this zone. Commissioner Henrie felt concerned as to why there was a difference with surrounding areas. Commissioner Pehrson said he agreed and that heights should be consistent for the zone. Commissioner Henrie felt that certain sections of the amendment should be removed. Commissioner Pehrson said that the amendment should be approved as it's written.

Commissioner Milkavich expressed concern that maybe the height was changed for the benefit of the developer, but also said that she doesn't want to do something to lose a developer. Mr. Smallwood said one reason for the height reduction is due to costs related to parking structures. Commissioner Henrie feels less like they're giving into a developer if they omit the height requirement. Commissioner Pehrson said that what the Planning Commission is doing is reviewing

what the RDA envisioned and for them to approve if it can be accomplished. He said the Planning Commission should make the recommended changes that will allow the process to move forward.

Chair Patterson expressed concern that the affected entities were properly notified. Mr. Rodgers assured her that they followed correct procedures in contacting property owners within the required radius. Mr. Smallwood added that they are also required to post electronic notices to the city's and state's website. He also said that any resident can subscribe to notices on the city's website.

Chair Patterson expressed her frustration that this proposal to reduce the height from ten to seven stories went through originally. She said she doesn't understand why it extends as far south as it does. She thought they zoned a very small part of the MCCD for the potential redevelopment of the old city hall. She doesn't understand why they limited all the properties around it. She feels that her opinion doesn't matter because this is going back to the City Council, who asked for the change to begin with.

Chair Patterson opened the agenda item for public comment. Seeing none, the public comment period was closed.

The commissioners discussed the properties that would be affected by the height change. They discussed the option of striking section (F), which limits the height of buildings in the zone to seven stories. Mr. Smallwood said that some members of the City Council are not in favor of increased heights in many of the zones. They requested that staff work to reduce heights.

Mr. Richardson, the commissioners, and staff discussed the proper parliamentary procedures for making a motion to omit Section (F) and how that affects forwarding a recommendation on to the City Council. Mr. Richardson said that the motion would need to be reworded because if it doesn't pass, then they don't have anything to forward to the City Council. They discussed the implications of making two motions and that it would result in forwarding a negative recommendation.

Commissioner Henrie made a motion that the Planning Commission amend the proposed amendments to Section 17.170.120 (F) within the MCCD zone to strike, Section (F) from Chapter 17.170.120.

The motion failed for a second.

Chair Patterson called for another motion.

Commissioner Hristou made a motion to forward a recommendation of approval to the City Council for the proposed amendments to Section 17.17. 0.1, 20. 20 (F) within the MCCD zone, as reviewed in the staff report.

Commissioner Pehrson seconded. Roll call vote:

A Patterson  
A Hacker  
A Milkavich  
A Pehrson

A Richards  
X Henrie

Motion passes: 5-1

#### DISCUSSION ITEMS & TRAINING

Form Based Code Updates - Review of work conducted on the Form Based Code for the City Center Area

Open and Public Meetings Act Training - Yearly training on the Utah State Open and Public Meetings Act

#### ANNOUNCEMENTS AND QUESTIONS

The next scheduled meeting will be held on Thursday, October 17<sup>th</sup>, 2024, at 6:30 p.m. MST in the Murray City Council Chambers, 10 East 4800 South, Murray, Utah.

#### ADJOURNMENT

XXX made a motion to adjourn the meeting at XXX p.m.



---

Philip J. Markham, Director  
Community & Economic Development Department



## AGENDA ITEM # 06 Chapter 17.170.120 MCCD Zone Amendment

<b>ITEM TYPE:</b>	Text Amendment		
<b>ADDRESS:</b>	MCCD Zone East of State St. and South of Vine St.	<b>MEETING DATE:</b>	October 3, 2024
<b>APPLICANT:</b>	Community & Economic Development Department	<b>STAFF:</b>	David Rodgers, Senior Planner
<b>PARCEL ID:</b>	N/A	<b>PROJECT NUMBER:</b>	24-109
<b>REQUEST:</b>	Planning Division Staff proposes amendments to Chapter 17.170.120 (F) Murray City Center District MCCD Height Regulations. The request allows an additional 15' of height and a change of one additional story to a portion of the zone in the location indicated above.		

### I. STAFF REVIEW & ANALYSIS

#### History & Background

In November of 2023, the Murray City RDA Board entered into an agreement with the Triumph Group to purchase the property located at 5025 State Street for them to redevelop the property into a mixed-use development with restaurants, medical office, and for-sale housing units.

As the full scale of the project continues to be developed, it was determined that due to the grade of the site, the project as proposed would not be possible under the current standards. These changes will allow the developer to build the project as it was originally envisioned and shown to the RDA Board during the negotiations for the purchase.

#### Review of Proposed Changes

The code change will allow an additional fifteen feet (15') of height and an additional story to the MCCD Zone in the area south of Vine Street and east of State Street. Due to some elevation changes on this site, the developer is currently not able to build to the standard they expected to when measuring heights from Myrtle Ave. With these changes, Triumph Group will be able to develop the parcel according to the original plan. The proposed changes are narrowly tailored to the site in question and do not extend to other areas of the MCCD Zone.



## II. DEPARTMENT REVIEWS

The draft changes were provided to each department for their reviews the week of September 17th. All departments recommended approval with no comments or concerns.

## III. PUBLIC INPUT

Notices were sent to Affected Entities for this amendment. As of the date of this report, one sign company inquired about the changes.

## IV. FINDINGS

Based on the analysis of the proposed amendments and review of the Murray City General Plan, staff concludes the following:

1. The proposed change is in harmony with Initiative 1 of the General Plan which states “Revitalize Downtown east of State Street” by allowing innovative elements that attracts businesses and residents to the future development at this location.
2. Staff finds that continuing to review and update development standards furthers the City’s mission of “[guiding] growth to promote prosperity and sustain a high quality of life for those who live, work, shop, and recreate in Murray.
3. The proposed text amendment is in harmony with objective 2 of the Land Use and Urban Design Element of the General Plan to “encourage Revitalization in the Core of the City” by offering zoning incentives for areas targeted for revitalization.
4. Staff finds that the update to the code supports the Neighborhoods & Housing element of the General Plan to “support a range of housing types” by encouraging the development to prioritize for sale units of various sizes.

## V. CONCLUSION/RECOMMENDATION

Based on the background, analysis, and the findings within this report, Staff recommends that the Planning Commission **forward a recommendation of APPROVAL to the City Council for the proposed amendments to Sections 17.170.120 (F) within the MCCD Zone as reviewed in the Staff Report.**



## NOTICE OF PUBLIC HEARING

October 3rd, 2024, 6:30 PM

The Murray City Planning Commission will hold a public hearing in the Murray City Municipal Council Chambers, located at 10 East 4800 South, Murray, UT to receive public comment on the following application:

**Amendments to Chapter 17.170 Murray City Center District MCCD. This is a request by Murray City Planning Staff to amend section 17.170.120 Height Regulations. The Planning Commission will review suggested edits to the code to allow for 15' of additional height and a change of one additional story to the number of stories permitted for properties located east of State Street and south of Vine Street.**

The meeting is open, and the public is welcome to attend in person or you may submit comments via email at [planningcommission@murray.utah.gov](mailto:planningcommission@murray.utah.gov). If you would like to view the meeting online, you may watch via livestream at [www.murraycitylive.com](http://www.murraycitylive.com) or [www.facebook.com/MurrayCityUtah/](https://www.facebook.com/MurrayCityUtah/).

*Comments are limited to 3 minutes or less, written comments will be read into the meeting record.*

If you have questions or comments concerning any of these items, please contact the Murray City Planning Division at 801-270-2430, or e-mail [planning@murray.utah.gov](mailto:planning@murray.utah.gov).

Special accommodations for the hearing or visually impaired will be upon a request to the office of the Murray City Recorder (801-264-2660). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

17.170.120: HEIGHT REGULATIONS:

The following height restrictions shall apply in the MCCD Zone.

- A. Buildings shall not exceed ten (10) stories in height or one hundred thirty-five feet (135') whichever is less. A pedestrian scaled facade must be provided on lower floors.
- B. For new buildings located west of State Street and south of 4800 South, a minimum height of forty feet (40') or four (4) stories, whichever is less, is required.
- C. Buildings located east of State Street are exempt from the minimum height requirement.
- D. The height of a structure located adjacent to a residential zoning district may not exceed fifty feet (50') within sixty feet (60') of a residential zoning district.
- E. On properties located north of Court Avenue that are adjacent to Center Street, buildings shall not be erected to a height greater than thirty five feet (35').
- F. New buildings located east of State Street and south of Vine Street shall not exceed six (6) stories in height or seventy feet (70'), whichever is less.
- G. Public or quasi-public utility buildings and structures are exempt from the minimum height regulations above. This exemption does not include office buildings for public or quasi-public utility companies. (Ord. 23-04: Ord. 21-21: Ord. 19-40)

17.170.120: HEIGHT REGULATIONS:

The following height restrictions shall apply in the MCCD Zone.

- A. Buildings shall not exceed ten (10) stories in height or one hundred thirty-five feet (135') whichever is less. A pedestrian scaled facade must be provided on lower floors.
- B. For new buildings located west of State Street and south of 4800 South, a minimum height of forty feet (40') or four (4) stories, whichever is less, is required.
- C. Buildings located east of State Street are exempt from the minimum height requirement.
- D. The height of a structure located adjacent to a residential zoning district may not exceed fifty feet (50') within sixty feet (60') of a residential zoning district.
- E. On properties located north of Court Avenue that are adjacent to Center Street, buildings shall not be erected to a height greater than thirty five feet (35').
- F. New buildings located east of State Street and south of Vine Street shall not exceed ~~six~~ seven (~~67~~) stories in height or ~~eighty-five~~ seventy feet (~~85-70~~'), whichever is less.
- G. Public or quasi-public utility buildings and structures are exempt from the minimum height regulations above. This exemption does not include office buildings for public or quasi-public utility companies. (Ord. 23-04: Ord. 21-21: Ord. 19-40)

17.170.120: HEIGHT REGULATIONS:

The following height restrictions shall apply in the MCCD Zone.

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- B. For new buildings located west of State Street and south of 4800 South, a minimum height of forty feet (40') or four (4) stories, whichever is less, is required.
- C. Buildings located east of State Street are exempt from the minimum height requirement.
- D. The height of a structure located adjacent to a residential zoning district may not exceed fifty feet (50') within sixty feet (60') of a residential zoning district.
- E. On properties located north of Court Avenue that are adjacent to Center Street, buildings shall not be erected to a height greater than thirty five feet (35').
- F. New buildings located east of State Street and south of Vine Street shall not exceed seven (7) stories in height or eighty-five feet (85'), whichever is less.
- G. Public or quasi-public utility buildings and structures are exempt from the minimum height regulations above. This exemption does not include office buildings for public or quasi-public utility companies. (Ord. 23-04: Ord. 21-21: Ord. 19-40)





# MURRAY CITY COUNCIL

November 12<sup>th</sup>, 2024





# MCCD Zone Text Amendment

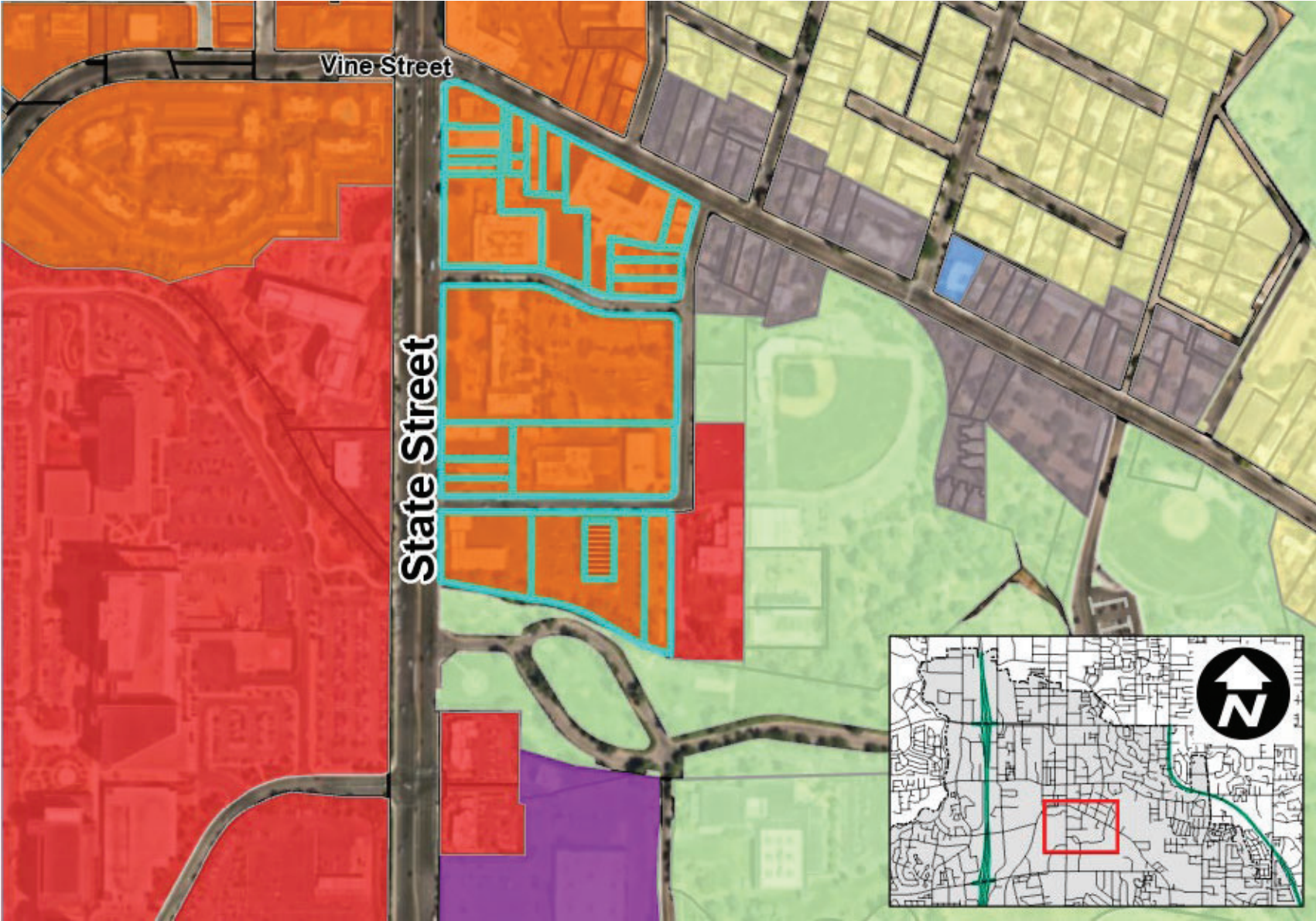
Text Amendment modifying the height of a  
specific area of the MCCD Zone

MCCD Zone East of State Street and South of  
Vine Street





Impacted Parcels







## Site Details



# Revised Code Language

## 17.170.120: HEIGHT REGULATIONS:

The following height restrictions shall apply in the MCCD Zone.

- A. Buildings shall not exceed ten (10) stories in height or one hundred thirty-five feet (135') whichever is less. A pedestrian scaled facade must be provided on lower floors.
- B. For new buildings located west of State Street and south of 4800 South, a minimum height of forty feet (40') or four (4) stories, whichever is less, is required.
- C. Buildings located east of State Street are exempt from the minimum height requirement.
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- E. On properties located north of Court Avenue that are adjacent to Center Street, buildings shall not be erected to a height greater than thirty five feet (35').
- F. New buildings located east of State Street and south of Vine Street shall not exceed ~~six~~ seven (~~67~~) stories in height or ~~eighty-five~~ seventy feet (~~85~~ 70'), whichever is less.
- G. Public or quasi-public utility buildings and structures are exempt from the minimum height regulations above. This exemption does not include office buildings for public or quasi-public utility companies. (Ord. 23-04: Ord. 21-21: Ord. 19-40)



## Findings

1. The proposed change is in harmony with Initiative 1 of the General Plan which states “Revitalize Downtown east of State Street” by allowing innovative elements that attracts businesses and residents to the future development at this location.
2. Staff finds that continuing to review and update development standards furthers the City’s mission of “[guiding] growth to promote prosperity and sustain a high quality of life for those who live, work, shop, and recreate in Murray.
3. The proposed text amendment is in harmony with objective 2 of the Land Use and Urban Design Element of the General Plan to “encourage Revitalization in the Core of the City” by offering zoning incentives for areas targeted for revitalization.
4. Staff finds that the update to the code supports the Neighborhoods & Housing element of the General Plan to “support a range of housing types” by encouraging the development to prioritize for sale units of various sizes.
5. The Planning Commission conducted a public hearing on October 3<sup>rd</sup>, 2024, and voted 6-1 recommending that the City Council approve the requested changes.



## Staff Recommendation

Staff and the Planning Commission recommend that the City Council **APPROVE** the proposed amendments to Sections 17.170.120 (F) within the MCCD Zone.





THANK YOU!







# Discussion Item #8



**MURRAY**

# City Council

## 2025 Council Meeting Schedule

### Council Action Request

### Committee of the Whole and Council Meeting

Meeting Date: November 12, 2024

<b>Department Director</b> Jennifer Kennedy	<b>Purpose of Proposal</b> Set the 2025 City Council Meeting Schedule.
<b>Phone #</b> 801-264-2622	<b>Action Requested</b> Approve resolution.
<b>Presenters</b> Jennifer Kennedy	<b>Attachments</b> Resolution, proposed schedule and list of anticipated 2025 events.
	<b>Budget Impact</b> None
<b>Required Time for Presentation</b>	<b>Description of this Item</b> Review and adopt the City Council meeting schedule for 2025.
<b>Is This Time Sensitive</b> Yes	
<b>Mayor's Approval</b>	
<b>Date</b> October 22, 2024	

RESOLUTION NO. R24-

A RESOLUTION ADOPTING THE REGULAR MEETING SCHEDULE OF  
THE MURRAY CITY MUNICIPAL COUNCIL FOR CALENDAR YEAR  
2025.

BE IT RESOLVED by the Murray City Municipal Council as follows:

1. The regular meeting schedule of the Murray City Municipal Council for calendar year 2025 shall be as provided in the attachment.

2. The Murray City Municipal Council reserves the right to change the schedule or cancel any meetings it deems necessary consistent with the Utah Open and Public Meetings Act.

3. The City Recorder is directed to publish the attached schedule.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council of Murray City, Utah, this     day of November 2024.

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

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Brooke Smith, City Recorder



## **ATTACHMENT**

Meeting Schedule of the Murray City Municipal Council  
for Calendar Year 2025



**MURRAY**  
CITY COUNCIL

## **MURRAY CITY MUNICIPAL COUNCIL**

### **2025 MEETING SCHEDULE**

**Murray City Hall, 10 East 4800 South**

COMMITTEE OF THE WHOLE  
COUNCIL MEETING 6:30 p.m.

Tuesday, January 7  
Tuesday, January 21

Tuesday, February 4  
Tuesday, February 18

Tuesday, March 4  
Tuesday, March 18

Tuesday, April 1  
Tuesday, April 15

Tuesday, May 6  
Tuesday, May 20

Tuesday, June 3  
Tuesday, June 17

Tuesday, July 1  
Tuesday, July 15

Tuesday, August 5  
Tuesday, August 19

Tuesday, September 2  
Tuesday, September 16

Tuesday, October 7  
Tuesday, October 21

Tuesday, November 4  
Tuesday, November 18

Tuesday, December 2  
Tuesday, December 16

## 2025 City Council Conferences & Events

### City School Coordinating Council Meetings (Quarterly – Second Wednesday of the Month/No meeting in July)

January 8, 2025

April 9, 2025

October 8, 2025

### Conferences and Events

January 22, 2025	ULCT Local Officials Day at the Legislature
February 24-26, 2025	APPA Legislative Rally (Washington D.C.)
March 10-12, 2025	National League of Cities (Washington D.C.)
April 16-18, 2025	ULCT Mid-Year Conference (St. George) – Tentative
May 18-20, 2025	ICSC (Las Vegas, NV) *
June 6-11, 2025	APPA National Conference (New Orleans, LA)
August 17-19, 2025	UAMPS Conference (Lake Tahoe, CA) – Tentative **
September 2025	ULCT Annual Convention (Salt Palace Convention Center) – Tentative

### Budget Process

January/February	Mid-Year Budget Review (Date TBD)
May 6, 2025	CM - Mayor's Budget (Last date allowed by State Statute - can be earlier)
May 12-16, 2025	Budget Review with Departments & Reconciliation (Dependent upon receipt of Mayor's Budget.)
May 20, 2025	CM - Adopt Tentative Council Budget & Set Public Hearing
June 3, 2025	CM - Budget Public Hearing
June 17, 2025	CM - Adopt Final FY 2025-2026 Budgets (June 30 – last date allowed by State Statute, unless Truth in Taxation Hearing for property tax increase)
August 2025	Truth in Taxation Meeting (if needed – Date TBD)

### Miscellaneous

June 1-7, 2025	Declaration of Candidacy (Council Districts 2 and 4 and Mayor)
July 4, 2025	Murray Fun Day
November 4, 2025	Election Day (Council Districts 2 and 4 and Mayor)
December 2025	Council Holiday Party for Employees
December 2025	Intermountain Power Association Annual Meeting & Luncheon
December 2025	UAMPS Meeting and Dinner

\* By invitation of the Mayor. Generally for the RDA Chair and Vice Chair

\*\* Council Meeting scheduled for August 19, 2025



**MURRAY**  
CITY COUNCIL

**Adjournment**