

**NOTICE OF MEETING OF THE
THATCHER TOWN COUNCIL
August 28, 2017**

Pursuant to A.R.S. 38 431.02, notice is hereby given to the members of the Town Council of the Town of Thatcher and the general public that the Town Council will hold **its Regular Meeting that is open to the public on August 28, 2017 beginning at 6:00 PM., in the Council Chambers, Thatcher Town Hall, located at 3700 West Main Street, Thatcher, Arizona.**

AGENDA

1. Welcome and Call Meeting to Order.

2. Pledge of Allegiance.

3. Roll Call.

4. **PUBLIC HEARING:**

5. **OPEN CALL TO THE PUBLIC:**

Anyone wishing to address the Council on an issue not on the agenda is allowed to speak at this time. Comments are limited to 5 minutes and the Council may only direct staff to study the matter, respond to criticism or schedule the matter for a future meeting.

6. **PUBLIC APPEARANCES:**

7. **CONSENT AGENDA:** Action Item

A. Approve minutes of the July 17, 2017 regular Council Meeting.

B. Planning and Zoning Monthly Report.

C. Police Monthly Report.

D. Approval of Invoices.

E. Financial Reports.

8. **OLD BUSINESS:** Discussion, consideration and possible action

9. **NEW BUSINESS:** Discussion, consideration and possible action

A. Paving Bid Award.

B. CDBG Project Bid Award.

C. **RESOLUTION NO. 660-2017:** A RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE POOLED TRANSMISSION AGREEMENT AMONG THE TOWN OF THATCHER AND OTHER FIRM TRANSMISSION SERVICE CONTRACTORS (HEREINAFTER REFERRED TO AS THE "POOLED TRANSMISSION AGREEMENT") AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.

- D. **RESOLUTION 661-2017:** A RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTRACT BETWEEN THE UNITED STATES, DEPARTMENT OF ENERGY, WESTERN AREA POWER ADMINISTRATION AND FIRM TRANSMISSION SERVICE CONTRACTORS FOR POOLED TRANSMISSION ARRANGEMENTS (HEREINAFTER THE “WAPA POOLED TRANSMISSION AGREEMENT”) AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.
- E. **RESOLUTION NO. 662-2017:** RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL AUTHORIZING THE MODIFICATION OF EXISTING CONTRACT NUMBER 16-DSR-12703 BETWEEN UNITED STATES DEPARTMENT OF ENERGY WESTERN AREA POWER ADMINISTRATION DESERT SOUTHWEST REGION AND THE TOWN OF THATCHER FOR FIRM TRANSMISSION SERVICE ARRANGEMENTS AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.
- F. **RESOLUTION NO. 668-2017:** RESOLUTION OF THE TOWN OF THATCHER, ARIZONA, TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE HOOVER POWER POOLING AGREEMENT AMONG THE TOWN OF THATCHER, THE ARIZONA POWER AUTHORITY, AND K.R. SALINE AND ASSOCIATES, PLC, AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.
- G. **RESOLUTION NO. 666-2017:** RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE DYNAMIC SIGNAL MANAGEMENT AGREEMENT BETWEEN SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AND THE TOWN OF THATCHER, ARIZONA AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.
- H. **RESOLUTION 663-2017:** RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT BETWEEN AND AMONG MESQUITE POWER, LLC AND THE TOWN OF THATCHER AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.
- I. **RESOLUTION 664-2017:** RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE THIRD AMENDMENT OF THE ADMINISTRATION AND SCHEDULING AGREEMENT BETWEEN SOUTHWEST PUBLIC POWER AGENCY, INC., AS THE AGENT AND THE TOWN OF THATCHER, AS THE PARTICIPANT AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.

- J. **RESOLUTION NO. 667-2017:** RESOLUTION OF THE TOWN OF THATCHER, ARIZONA, TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AMENDMENT NO. 7 TO CONTRACT NO. 94-PAO-10592 (WITH WESTERN) AND AMENDMENT NO. 7 TO THE AMENDED AND RESTATED INTEGRATED SCHEDULING AGREEMENT.

- K. **RESOLUTION NO. 665-2017:** A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF THATCHER, GRAHAM COUNTY, ARIZONA, AUTHORIZING THE TOWN TO INTER INTO AN AGREEMENT WITH THE BANK OF MONTREAL FOR A PURCHASING CARD PROGRAM.

10. INFORMATIONAL ITEMS:

- A. Town Manager's Report:
- B. Fire Department Report.
- C. Police Department Report.

11. COMMITTEE REPORTS:

- A. Safe House
- B. Chamber of Commerce
- C. SEAGO

12. ADJOURNMENT

The agenda may be inspected at the Thatcher Town Hall, 3700 W. Main Street, Thatcher, Arizona. All individuals addressing the Council shall limit their presentations or comments to 5 minutes or less and no more than twice on any one subject.

Handicapped individuals with special accessibility needs may contact Heath Brown, ADA Coordinator the Town of Thatcher, at (928) 428-2290 or (800) 367-8938 (TDD Relay). If possible, such requests should be made 72 hours in advance.

Posted by: _____

Date: _____ Time: _____

UNAPPROVED MINUTES

NOTICE OF THE REGULAR MEETING OF THE THATCHER TOWN COUNCIL July 17, 2017

Councilmember's present: Mayor Rivera, Vice Mayor Allen, Councilman Griffin, Councilman Rapier, Councilman Bryce, Councilman Larson

Staff present: Town Manager Terry Hinton, Town Engineer Heath Brown, Town Attorney Matt Clifford, Deputy Clerk Michelle Mortensen

Absent: Police Chief Shaffen Woods,

Visitors: Bret Whitmer, Matt Petersen, John Howard, Justin Layton, Heston Welker, Rue Mattice, Logan Rapier

AGENDA

Welcome and Call Meeting to Order at 5:00 by Mayor Rivera. He asked Heavenly Father to watch over our men and women in the armed forces, our first responders, and police and fire.

Pledge of Allegiance led by Councilman Rapier.

PUBLIC APPEARANCES:

PROCLAMATION – CHILD SUPPORT AWARENESS MONTH

EXECUTIVE SESSION: Pursuant to A.R.S. Section 38-431.02 (A)(1)(7) the Council may go into Executive Session to discuss personnel matters and to consult with the Town Attorney for legal advice.

- A. Selection of Councilmember replacement and administration of the oath of office.

Mayor Rivera explained the interview process. Motion made by Councilman Rapier at 5:05 and seconded by Councilman Griffin to go into executive session. Motion carries unanimously. Motion was made by Councilman Rapier and seconded by Councilman Griffin at 7:12 to return to regular session. Motion was made by Councilman Rapier and seconded by Councilman Bryce to appoint Heston Welker to fill the remaining term of Donald Innes.

CONSENT AGENDA:

Action Item

- A. Approve minutes of the June 19, 2017 Regular Council Meeting.
- B. Planning and Zoning Monthly Report.
- C. Police Monthly Report.
- D. Approval of Invoices.
- E. Financial Reports.

Motion was made by Councilman Griffin and seconded by Vice Mayor Allen to approve consent agenda. Motion carries unanimously.

OLD BUSINESS:

None.

NEW BUSINESS:

- A. Use of the League approved P-Card program.

Mr. Hinton stated that we have sat through a couple of classes on the P-Card which is approved by the League. There are no fees and we can't really see anything wrong with it. You are able to set a limit on how much each individual can spend and where the money can be spent. We can still do business the way we normally do but think this will give us a little more control. Councilman Griffin asked what the check and balances is. Mr. Hinton stated they will still have to fill out a P.O. which will go with the bill. It's not a whole lot different with what we are doing now, only with no interest or fees involved. Motion was made by Councilman Griffin and seconded by Vice Mayor Allen to approve the use of P-Card program. Motion carries unanimously.

- B. **RESOLUTION NO. 659-2017:** A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF THATCHER, GRAHAM COUNTY, ARIZONA, AUTHORIZING THE MAYOR AND MANAGER TO EXECUTE FOR AND ON BEHALF OF THE TOWN OF THATCHER, ARIZONA, A REVISION TO THE MULTI-SPECIES CONSERVATION PROGRAM WITH WAPA.

Mr. Hinton stated that because we get federal power we are automatically a part of this. A portion of our rates go towards this conservation along the Colorado River. Motion was made by Councilman Rapier to approve Resolution 659-2017 and seconded by Councilman Griffin. Motion carries unanimously.

INFORMATIONAL ITEMS:

- A. Town Manager's Report:

The roundabout is done. We have one more light to put in and we are looking for a brighter light for the pole in the middle. We will be doing some clean up around there the next few days. We are dragging our feet to start the shade structure because we may get a ten day grant to move dirt behind the dam. Vice Mayor Allen asked who had been moving the sand. Mr. Hinton answered we have to hopefully have some of the sand drop out before it hits the dam. After that we will move to the shade structure and from there to the curbing along Hoopes Ave. Next council meeting we should have the bids for the paving. Next council meeting is during the league meeting, so we would like to move it back to August 28th. Then we would have the CDBG bid as well as the one for the paving. We should have a conceptual drawing of the town lake and soccer fields by that date as well. We have some sand bags already filled and are planning on using those for people who can't do it themselves. We have sand and bags ready for people to fill at the town yard, trying to be as proactive as we can. The biggest problem we have in Daley Estates is the bridge out in Daley Estates which was built too high. The wash builds up with sand and the boxes with debris and so when that happens, the water starts going around it and

there are houses on both sides. Councilman Rapier asked if we need to look at that. Mr. Hinton said it is something that will be a long term fix. The new Stonegarden truck is here. We ended the year with a \$30,000 surplus in general fund even after spending more on parks than we had budgeted. There was a deficit in sanitation and a surplus in both electric and sewer. Councilman Rapier asked if there was an increase in sales tax and Mr. Hinton answered no, it is still pretty flat.

A. Fire Department Report.

Mr. Payne stated that nine of us went to swift water rescue training getting prepared in case someone gets stranded in a wash. It was good training and we learned a lot. Some of our guys will have the opportunity to get certified in swift water rescue. Fire school is coming up in September. For the 24th celebration we will be wetting down the participants in the 5K run.

B. Police Department Report.

Chief Woods was absent.

COMMITTEE REPORTS:

A. Safe House

Councilman Bryce stated that they are trying to raise funds. They are also trying to work with the police departments. If they have a domestic incident then they can send over an advocate to help with the situation.

B. Chamber of Commerce

John Howard stated that the Chamber is looking to get more involved with the Salsa Fest. The Rural Policy Forum is also next month.

C. SEAGO

Mayor Rivera stated that there is nothing new to report.

ADJOURNMENT

Motion was made by Councilman Griffin and seconded by Vice Mayor Allen at 7:52 to adjourn council meeting. Motion carries unanimously.

POLICE DEPARTMENT ACTIVITY REPORT 2017

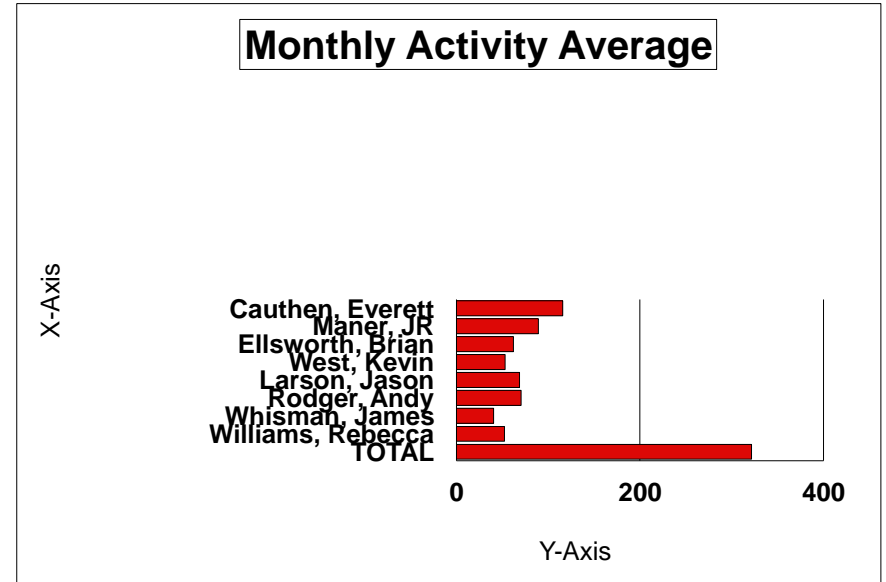
MONTHLY ACTIVITY & MILEAGE

NAME	CA	A	JR	TC	W	TOT	Miles	Car #	Mileage	Hrs	Cont/H
Cauthen, Everett	54	4	0	2	50	110	816	203	81596	191	0.58
Maner, JR	35	8	0	8	38	89	934	P206	74367	192	0.46
Ellsworth, Brian	22	2	0	3	9	36	666	207	20638	182	0.20
West, Kevin	18	1	0	0	3	22	703	P203	63873	168	0.13
Larson, Jason	23	1	0	6	21	51	655	P207	32955	106	0.48
Rodger, Andy	19	3	0	1	34	57	1155	213	28883	214	0.27
Whisman, James	27	3	0	0	6	36	1121	P209	42321	172	0.21
Williams, Rebecca	<u>37</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>50</u>	<u>573</u>	2015	24333	<u>145</u>	<u>0.34</u>
TOTAL	235	25	0	20	171	451	6623			1370	0.33

NAME	YTD ACTIVITY												Total	Avg.	YTD		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			Hours	Cont/H	
Cauthen, Everett	98	129	135	92	108	138	110							810	116	1417	0.57
Maner, JR	80	96	91	88	74	107	89							625	89	1330	0.47
Ellsworth, Brian	103	51	84	58	46	55	36							433	62	1266	0.34
West, Kevin	63	58	58	48	66	55	22							370	53	1104	0.34
Larson, Jason	67	80	101	74	56	52	51							481	69	1032	0.47
Rodger, Andy	91	61	89	71	75	49	57							493	70	1242	0.40
Whisman, James	86	50	46	12	17	35	36							282	40	1139	0.25
Williams, Rebecca	<u>73</u>	<u>45</u>	<u>33</u>	<u>72</u>	<u>46</u>	<u>47</u>	<u>50</u>							<u>366</u>	<u>52</u>	<u>1131</u>	<u>0.32</u>
TOTAL	661	570	637	515	488	538	451	0	0	0	0	0	0	3860	322	9661	0.40

NAME	YTD MILEAGE												Total	Avg.	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Cauthen, Everett	1731	1436	1343	1034	1632	1739	816							9731	1390
Maner, JR	913	1006	1177	992	903	1663	934							7588	1084
Ellsworth, Brian	967	885	933	647	927	978	666							6003	858
West, Kevin	803	747	1063	918	958	712	703							5904	843
Larson, Jason	326	775	629	910	802	769	655							4866	695
Rodger, Andy	1271	756	828	1870	1314		1155							7194	1199
Whisman, James	1040	643	717	386	514		1121							4421	737
Williams, Rebecca	<u>1085</u>	<u>566</u>	<u>592</u>	<u>644</u>	<u>767</u>	<u>849</u>	<u>573</u>							<u>5076</u>	<u>725</u>
TOTAL	8136	6814	7282	7401	7817	6710	6623	0	0	0	0	0	0	50783	4232

NAME	Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sept		Oct		Nov		Dec		YTD TOTAL		YTD AVG.			
	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W	TC	W		
Cauthen, Everett	0	61	11	85	8	90	2	58	4	66	4	64	2	50												31	474	4	68	
Hopson, James	4	42	7	46	4	60	8	46	2	37	8	56	8	38												41	325	6	46	
Ellsworth, Brian	6	49	4	21	10	28	3	14	8	12	4	16	3	9												38	149	5	21	
West, Kevin	4	23	4	14	1	28	3	16	1	21	1	7	0	3												14	112	2	16	
Larson, Jason	0	7	4	51	9	65	12	23	0	39	4	26	6	21												35	232	5	33	
Rodger, Andy	1	59	2	44	4	56	1	44	6	44	0	34	1	34												15	315	2	45	
Whisman, James	0	48	2	14	0	18	0	0	0	1	3	5	0	6												5	92	1	13	
Williams, Rebecca	<u>4</u>	<u>12</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>10</u>	<u>5</u>	<u>27</u>	<u>2</u>	<u>13</u>	<u>2</u>	<u>8</u>	<u>0</u>	<u>10</u>													<u>17</u>	<u>82</u>	<u>2</u>	<u>12</u>
TOTAL	19	301	37	277	37	355	34	228	23	233	26	216	20	171	0	0.00	0	0	0	0	0	0	0	0	0	0	196	1781	15.68	142.48



Thatcher Police Department Chief's Report
2016

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
Complaints Answered	195	181	206	209	221	185	188	229	225	213	196	205	2248
Arrests	20	19	21	20	23	13	27	22	35	19	14	11	733
Juvenile Referrals	3	7	7	3	2	2	2	3	5	7	0	2	41
Traffic Citations	37	37	30	22	35	34	27	50	33	51	40	36	396
Warnings	157	192	217	154	185	238	183	213	202	285	239	263	2265
MONTHLY TOTAL	412	436	481	408	466	472	427	517	500	575	489	517	5700
YEARLY TOTAL	412	848	1329	1737	2203	2675	3102	3619	4119	4694	5183	5700	5700

CURRENT MONTH BREAKDOWN

COMPLAINT BREAKDOWN

						<u>Property</u>	<u>MILES</u>
Accidents	17	Sex Offenses	0	Thefts	11	Stolen	\$ 4650 9442
Traffic Comp	7	Crim Damage	5	Disturbance	2	Recovered	3700
Veh Assist	17	Alarm	22	Fire	7	Difference	950
Domestic	2	Assault	0	Deaths	0		
DUI	5	Animal	5	Juv Comp	2		
Missing Person	0	Drugs	3	Gen Comp	109		
Alcohol Viol	2	Homicide	0				

YEAR TO DATE BREAKDOWN

COMPLAINT BREAKDOWN

						<u>Property</u>	<u>MILES</u>
Accidents	166	Sex Offenses	6	Thefts	166	Stolen	\$ 70145 106595
Traffic Comp	106	Crim Damage	75	Disturbance	31	Recovered	9524
Veh Assist	172	Alarm	189	Fire	44	Difference	60621
Domestic	66	Assault	13	Deaths	5		
DUI	36	Animal	87	Juv Comp	35		
Missing Person	10	Drugs	63	Gen Comp	1374		
Alcohol Viol	13	Homicide	0				

Thatcher Police Department Chief's Report
2017

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	TOTAL
Complaints Answered	326	237	228	230	218	277	235						1751
Arrests	13	20	19	18	12	19	25						126
Juvenile Referrals	2	0	2	8	2	1	0						15
Traffic Citations	19	37	37	34	23	26	20						196
Warnings	301	277	355	228	233	216	171						1781
MONTHLY TOTAL	661	571	641	518	488	539	451						3869
YEARLY TOTAL	661	1232	1873	2391	2879	3418	3869						3869

CURRENT MONTH BREAKDOWN

COMPLAINT BREAKDOWN

						<u>Property</u>	<u>MILES</u>
Accidents	10	Sex Offenses	0	Thefts	15	Stolen	\$ 6012 7562
Traffic Comp	3	Crim Damage	5	Disturbance	2	Recovered	45
Veh Assist	17	Alarm	23	Fire	4	Difference	5967
Domestic	11	Assault	1	Deaths	0		
DUI	1	Animal	16	Juv Comp	3		
Missing Person	1	Drugs	6	Gen Comp	136		
Alcohol Viol	1	Homicide	0				

YEAR TO DATE BREAKDOWN

COMPLAINT BREAKDOWN

						<u>Property</u>	<u>MILES</u>
Accidents	85	Sex Offenses	6	Thefts	71	Stolen	\$ 17394 57925
Traffic Comp	64	Crim Damage	25	Disturbance	16	Recovered	1062
Veh Assist	108	Alarm	104	Fire	23	Difference	16332
Domestic	47	Assault	7	Deaths	5		
DUI	16	Animal	114	Juv Comp	24		
Missing Person	7	Drugs	20	Gen Comp	1083		
Alcohol Viol	3	Homicide	0				

Report Criteria:

Detail report.
Invoices with totals above \$0.00 included.
Only paid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
03-20300							
1351	AMERICAN GENERAL LIFE CO	CA0853/06261	ACCIDENT INS	06/26/2017	1,114.03	1,114.03	07/13/2017
Total 03-20300:					1,114.03	1,114.03	
10-20300							
4523	GROUP ADMINISTRATORS, LTD	AUG2017	HEALTH INSURANCE	07/21/2017	18,121.52	18,121.52	07/24/2017
4523	GROUP ADMINISTRATORS, LTD	JULY2017	HEALTH INSURANCE	07/07/2017	18,121.52	18,121.52	07/13/2017
Total 10-20300:					36,243.04	36,243.04	
10-20320							
1960	ARIZONA STATE TREASURER	JUNE 2017	COLLECTED FUNDS	07/11/2017	4,515.49	4,515.49	07/13/2017
1627	AZ DEPT OF PUBLIC SAFETY	JUNE 2017	ZOS5	07/11/2017	.56	.56	07/13/2017
3521	DENNY'S	CR2012-038	RESTITUTION-J. STEPHENS	07/20/2017	69.34	69.34	07/24/2017
3820	EASTERN ARIZONA COLLEGE	JUNE 2017	Z0512 OFFICER FUND	07/11/2017	4.45	4.45	07/13/2017
4470	GRAHAM COUNTY SHERIFF'S	JUNE 2017	DUI HOUSING FEES	07/11/2017	85.00	85.00	07/13/2017
4505	GRAHAM COUNTY TREASURE	JUNE 2017	Z052 ADDITIONAL ASSESMEN	07/11/2017	11.14	11.14	07/13/2017
9015	LOUIE TARTAGLIA	CR2016-151/0	RESTITUTION	07/17/2017	50.00	50.00	07/24/2017
6850	SAFEBWAY STORES, INC.	CR2015-197	RESTITUTION C.YOUNG	07/11/2017	20.00	20.00	07/13/2017
8245	WALMART COMMUNITY/GEMB	CR2006-002	RESTITUTION-H.BLAKE	07/19/2017	48.18	48.18	07/24/2017
Total 10-20320:					4,804.16	4,804.16	
10-33-333							
10120	THS FOOTBALL PROGRAM	2017	STRENGTH CAMP	07/18/2017	241.71	241.71	07/18/2017
Total 10-33-333:					241.71	241.71	
10-50-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	1,137.86	1,137.86	07/13/2017
Total 10-50-302:					1,137.86	1,137.86	
10-50-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	6.94	6.94	07/18/2017
Total 10-50-310:					6.94	6.94	
10-50-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	21.90	21.90	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	554.33	554.33	07/13/2017
Total 10-50-311:					576.23	576.23	
10-50-344							
2320	CHASE CARD SERVICES	EACOURIER0	COUNCIL AD	06/22/2017	68.85	68.85	07/18/2017
3850	EASTERN ARIZONA COURIER	1706000630	PRINTING & ADVERTISING	06/30/2017	937.89	937.89	07/13/2017
3850	EASTERN ARIZONA COURIER	1706000998	PRINTING & ADVERTISING	06/30/2017	387.18	387.18	07/13/2017
Total 10-50-344:					1,393.92	1,393.92	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
10-50-405							
6250	PETTY CASH	061917	SAFEWAY	06/19/2017	150.00	150.00	07/18/2017
Total 10-50-405:					150.00	150.00	
10-50-505							
2320	CHASE CARD SERVICES	HOLIDAYINN0	HOTEL-CLIFFORD	06/21/2017	117.07	117.07	07/18/2017
6250	PETTY CASH	061417	BOB-TRAINING	06/14/2017	44.00	44.00	07/18/2017
Total 10-50-505:					161.07	161.07	
10-50-510							
5877	MOUNTAIN STATES EMPLOYER	JULY17-18	DUES	07/06/2017	4,935.94	4,935.94	07/06/2017
Total 10-50-510:					4,935.94	4,935.94	
10-50-512							
7075	SEAGO	FY2018	RTAC AND ANNUAL DUES	07/01/2017	2,677.00	2,677.00	07/13/2017
Total 10-50-512:					2,677.00	2,677.00	
10-50-514							
10334	BETH GREEN	070317	SUMMER LIBRARY	07/03/2017	108.00	108.00	07/03/2017
808	CAMERON MACK	070317	THATCHER LIBRARY	07/03/2017	70.00	70.00	07/03/2017
805	CANDICE HINTON	070317	THATCHER LIBRARY	07/03/2017	240.00	240.00	07/03/2017
2320	CHASE CARD SERVICES	OTC	SUMMER LIBRARY	06/08/2017	228.76	228.76	07/18/2017
10335	JENNY KNUDSEN	070317	SUMMER LIBRARY	07/03/2017	156.00	156.00	07/03/2017
10336	KILEY KNUDSEN	070317	SUMMER LIBRARY	07/03/2017	90.00	90.00	07/03/2017
10337	MADDY KAMAE	070317	SUMMER LIBRARY	07/03/2017	50.00	50.00	07/03/2017
Total 10-50-514:					942.76	942.76	
10-50-600							
5442	LOCAL FIRST ARIZONA FOUND	RURAL POLIC	RURAL POLICY FORUM	07/24/2017	2,500.00	2,500.00	07/26/2017
Total 10-50-600:					2,500.00	2,500.00	
10-50-755							
2320	CHASE CARD SERVICES	APPLE06/01	KEYBOARD	06/01/2017	248.59	248.59	07/18/2017
Total 10-50-755:					248.59	248.59	
10-52-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	1,067.00	1,067.00	07/18/2017
Total 10-52-127:					1,067.00	1,067.00	
10-52-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	1,137.86	1,137.86	07/13/2017
Total 10-52-302:					1,137.86	1,137.86	
10-52-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	45.88	45.88	07/18/2017
Total 10-52-310:					45.88	45.88	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
10-52-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	5.43	5.43	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	137.40	137.40	07/13/2017
Total 10-52-311:					142.83	142.83	
10-52-312							
4302	CITY OF SAFFORD	15-268.01/063	SPLASHPARK/CEMETERY	06/30/2017	555.77	555.77	07/13/2017
4302	CITY OF SAFFORD	15-970.00/063	EAGLE MEADOW	06/30/2017	159.96	159.96	07/13/2017
4302	CITY OF SAFFORD	16-161.01/063	TOWN HALL	06/30/2017	872.13	872.13	07/13/2017
4302	CITY OF SAFFORD	17-528.01	FIRE DEPARTMENT	06/30/2017	52.76	52.76	07/13/2017
4302	CITY OF SAFFORD	17-529.02/063	3670 W MAIN	06/30/2017	31.10	31.10	07/13/2017
Total 10-52-312:					1,671.72	1,671.72	
10-52-314							
4406	GRAHAM CO UTILITIES	4743-012/0714	TOWN HALL	07/14/2017	55.42	55.42	07/18/2017
4406	GRAHAM CO UTILITIES	4743-018/0714	3670 W MAIN	07/14/2017	38.35	38.35	07/18/2017
Total 10-52-314:					93.77	93.77	
10-52-340							
4840	INTERSTATE ELECTRONICS IN	10359	COPIES	06/30/2017	206.33	206.33	07/18/2017
4840	INTERSTATE ELECTRONICS IN	10360	COPIES	06/30/2017	511.50	511.50	07/18/2017
Total 10-52-340:					717.83	717.83	
10-52-342							
1335	AMERICAN DYNA-MITE	071717	PEST CONTROL	07/17/2017	60.00	60.00	07/18/2017
7903	HUGHES SUPPLY	S150424575.0	A.C. FOR MAGISTRATE BLDG	06/19/2017	2,817.92	2,817.92	07/18/2017
6896	SAFFORD FLOOR COVERINGS,	060817	FLOORING POLICE FLOOR	06/08/2017	125.00	125.00	07/18/2017
Total 10-52-342:					3,002.92	3,002.92	
10-52-344							
3850	EASTERN ARIZONA COURIER	1706000630	PRINTING & ADVERTISING	06/30/2017	625.26	625.26	07/13/2017
3850	EASTERN ARIZONA COURIER	1706000998	PRINTING & ADVERTISING	06/30/2017	258.12	258.12	07/13/2017
Total 10-52-344:					883.38	883.38	
10-52-347							
2905	CASELLE, INC.	81472	SOFTWARE SUPPORT	07/01/2017	682.50	682.50	07/18/2017
Total 10-52-347:					682.50	682.50	
10-52-350							
51	TERRY HINTON	JUNE2017	PICKUP ALLOWANCE	07/18/2017	800.00	800.00	07/18/2017
Total 10-52-350:					800.00	800.00	
10-52-402							
1600	ARIZ DEPT OF REVENUE-TPT	JUNE 2017	USE TAX	06/30/2017	1,395.00	1,395.00	07/13/2017
Total 10-52-402:					1,395.00	1,395.00	
10-52-505							
115	MICHELLE MORTENSEN	AMCA2017	TRAINING	07/13/2017	314.04	314.04	07/18/2017
6250	PETTY CASH	060617	DENNYS	06/06/2017	32.36	32.36	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
51	TERRY HINTON	AMCA2017	ACMA CONFERENCE	07/18/2017	243.30	243.30	07/18/2017
Total 10-52-505:					589.70	589.70	
10-52-510							
5945	NATIONAL LEAGUE OF CITIES	126989	MEMBERSHIP DUES	05/23/2017	809.00	809.00	07/18/2017
Total 10-52-510:					809.00	809.00	
10-52-530							
6190	SE BOTTLING CO OF AZ, INC	205965	SODAS	06/14/2017	45.10	45.10	07/13/2017
Total 10-52-530:					45.10	45.10	
10-52-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	184.96	184.96	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	8.14	8.14	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	109.03	109.03	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	173.37	173.37	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	44.98	44.98	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	6.25	6.25	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	73.10	73.10	07/24/2017
Total 10-52-540:					599.83	599.83	
10-52-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	50.07	50.07	07/18/2017
Total 10-52-543:					50.07	50.07	
10-52-590							
8235	WATER DEPOT	3319	REFILL	07/11/2017	46.00	46.00	07/18/2017
Total 10-52-590:					46.00	46.00	
10-52-747							
2320	CHASE CARD SERVICES	INTUIT06/14	INTUIT	06/14/2017	150.15	150.15	07/18/2017
Total 10-52-747:					150.15	150.15	
10-55-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	248.41	248.41	07/13/2017
Total 10-55-302:					248.41	248.41	
10-55-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	2.36	2.36	07/18/2017
Total 10-55-310:					2.36	2.36	
10-55-327							
3460	DAVID B. GRIFFITH	CR2017-026	INDIGENT ATTORNEY-SCHADE	05/23/2017	300.00	300.00	07/18/2017
4975	JEREMY J WAITE ESQUIRE, P.C	CR2017-071	INDIGENT ATTORNEY-OLIVAS	07/01/2017	600.00	600.00	07/18/2017
Total 10-55-327:					900.00	900.00	
10-55-505							
2320	CHASE CARD SERVICES	MARRIOTT	HOTEL-RHODES	06/24/2017	308.97	308.97	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-55-505:					308.97	308.97	
10-55-510							
5248	LJCAA	2017/2018	MEMBERSHIP	07/18/2017	25.00	25.00	07/18/2017
Total 10-55-510:					25.00	25.00	
10-55-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	26.97	26.97	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	1.19	1.19	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	15.90	15.90	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	25.28	25.28	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	6.56	6.56	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	.91	.91	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	10.66	10.66	07/24/2017
Total 10-55-540:					87.47	87.47	
10-62-102							
669	SEAN HINTON	071517	WEIGHT ROOM	07/15/2017	144.00	144.00	07/18/2017
Total 10-62-102:					144.00	144.00	
10-62-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	1,233.00	1,233.00	07/18/2017
Total 10-62-127:					1,233.00	1,233.00	
10-62-150							
1930	ARIZONA STATE PRISON - SAF	S01111170706	LABOR	07/11/2017	108.75	108.75	07/18/2017
1930	ARIZONA STATE PRISON - SAF	TOT17-14	LABOR	07/13/2017	7.31	7.31	07/18/2017
Total 10-62-150:					116.06	116.06	
10-62-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	2,271.71	2,271.71	07/13/2017
Total 10-62-302:					2,271.71	2,271.71	
10-62-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	4.12	4.12	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	104.23	104.23	07/13/2017
Total 10-62-311:					108.35	108.35	
10-62-312							
4302	CITY OF SAFFORD	13-425.01/063	DALEY ESTATES PARK	06/30/2017	313.29	313.29	07/13/2017
4302	CITY OF SAFFORD	16-385.01/063	REAY LANE PARK	06/30/2017	33.29	33.29	07/13/2017
4302	CITY OF SAFFORD	17-830.01/063	LANDSCAPE METER	06/30/2017	321.44	321.44	07/13/2017
Total 10-62-312:					668.02	668.02	
10-62-316							
4406	GRAHAM CO UTILITIES	4743-001/0714	DALEY PARK	07/14/2017	11.89	11.89	07/18/2017
4406	GRAHAM CO UTILITIES	4743-015/0714	D P 4134-3	07/14/2017	9.62	9.62	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-62-316:					21.51	21.51	
10-62-317							
10338	ALYSSA GRIFFIN	070317	SWIM TEAM	07/03/2017	350.00	350.00	07/03/2017
10190	BAILEY CHRISTENSEN	070317	SWIM TEAM	07/03/2017	600.00	600.00	07/03/2017
10191	LARK PETERSON	070317	SWIM TEAM	07/03/2017	1,200.00	1,200.00	07/03/2017
794	LEISEL M GRIFFIN	070317	SWIM TEAM	07/03/2017	520.00	520.00	07/03/2017
725	LORI CHRISTENSEN	070317	SWIM TEAM	07/03/2017	2,400.00	2,400.00	07/03/2017
793	SADIE BARRON	070317	SWIM TEAM	07/03/2017	740.00	740.00	07/03/2017
796	SPENCER OLIVER	070317	SWIM TEAM	07/03/2017	800.00	800.00	07/03/2017
Total 10-62-317:					6,610.00	6,610.00	
10-62-323							
662	Ashtyn Lunt	070317	BASEBALL UMPIRE	07/03/2017	65.00	65.00	07/03/2017
2320	CHASE CARD SERVICES	CROWN0620	BASEBALL AWARDS	06/20/2017	1,014.06	1,014.06	07/18/2017
Total 10-62-323:					1,079.06	1,079.06	
10-62-326							
2101	AUBREY HILL	TENNIS2017	TENNIS CAMP	07/18/2017	100.00	100.00	07/18/2017
618	CHRISTOPHER M COOK	TENNIS2017	TENNIS CAMP	07/18/2017	246.69	246.69	07/18/2017
717	COLTON COOK	TENNIS2017	TENNIS CAMP	07/18/2017	125.00	125.00	07/18/2017
528	JULIE COOK	TENNIS2017	TENNIS CAMP	07/18/2017	125.00	125.00	07/18/2017
661	LEAH MEEHL	TENNIS2017	TENNIS CAMP	07/18/2017	200.00	200.00	07/18/2017
762	LOGAN MCMASTER	TENNIS2017	TENNIS CAMP	07/18/2017	125.00	125.00	07/18/2017
7855	TROPHIES 'N TEES	TENNIS2017	TENNIS CAMP	07/18/2017	208.31	208.31	07/18/2017
Total 10-62-326:					1,130.00	1,130.00	
10-62-341							
5666	MAXIMUM SPLASH, LLC	062217	CANNON BLASTER	06/22/2017	2,249.67	2,249.67	07/13/2017
5868	MOST DEPENDABLE FOUNTAIN	47107	SPLASH PAD REPAIR KIT	06/28/2017	40.00	40.00	07/13/2017
1818	STOTZ EQUIPMENT	03446W	CREDIT	04/04/2017	40.54-	40.54-	07/18/2017
1818	STOTZ EQUIPMENT	P27981	BLADE	07/06/2017	441.07	441.07	07/18/2017
7795	TRACTOR SUPPLY CREDIT PLA	100141373	MOWER RUNNER	06/06/2017	129.15	129.15	07/18/2017
Total 10-62-341:					2,819.35	2,819.35	
10-62-350							
3075	FIRST CALL AUTO PARTS	2752-122323	STOPLIGHT	06/22/2017	12.49	12.49	07/13/2017
9014	GILA VALLEY POLARIS	5125	SIDE VIEW MIRRORS	06/22/2017	59.95	59.95	07/18/2017
Total 10-62-350:					72.44	72.44	
10-62-523							
823	AINSLEY ALLEN	070317	SUMMER BASEBALL UMP	07/13/2017	10.00	10.00	07/03/2017
10167	ALECK VERDUGO	070317	BASEBALL UMP	07/03/2017	75.00	75.00	07/03/2017
830	ALICIA LUZANIA	070317	SUMMER BASEBALL	07/03/2017	70.00	70.00	07/03/2017
10229	ALYSSA ORR	070317	SUMMER BASEBALL	07/03/2017	175.00	175.00	07/03/2017
693	AMANDA ORR	070317	BASEBALL UMP	07/03/2017	100.00	100.00	07/03/2017
406	AMY WEST	070317	SUMMER BASEBALL	07/03/2017	60.00	60.00	07/03/2017
10183	ANDIE JOHNSON	070317	SUMMER BASEBALL	07/03/2017	230.00	230.00	07/03/2017
622	ARIC PETERSEN	070317	BASEBALL WORKER	07/03/2017	285.00	285.00	07/03/2017
633	ART TRUJILLO	070317	BASEBALL UMP	07/03/2017	120.00	120.00	07/03/2017
828	ASHLIE MCCLAIN	070317	SUMMER BASEBALL	07/03/2017	60.00	60.00	07/03/2017
10177	BAILEY FRANTZ	070317	SUMMER BASEBALL	07/03/2017	130.00	130.00	07/03/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
9008	BRADEN OLIVER	070317	BASEBALL UMP	07/03/2017	150.00	150.00	07/03/2017
600	BREANN ELLETT	070317	BASEBALL UMP	07/03/2017	30.00	30.00	07/03/2017
831	CHERISH REYNOLDS	070317	SUMMER BASEBAL	07/03/2017	70.00	70.00	07/03/2017
675	CONNIE ALLEN	070317	BASEBALL UMPIRE	07/03/2017	15.00	15.00	07/03/2017
10176	CORIN SALYER	070317	SUMMER BASEBALL	07/03/2017	80.00	80.00	07/03/2017
10187	CUV WILLETT	070317	SUMMER BASEBALL	07/03/2017	80.00	80.00	07/03/2017
10331	DUSTIN SEALE	070317	BASEBALL UMP	07/03/2017	30.00	30.00	07/03/2017
826	EMILY STAUFFER	070317	SUMMER BASEBALL	07/03/2017	80.00	80.00	07/03/2017
10193	GABBY ROMERO	070317	SUMMER BASEBALL	07/03/2017	320.00	320.00	07/03/2017
10178	HANNAH JACOB	070317	SUMMER BASEBALL	07/03/2017	160.00	160.00	07/03/2017
832	HOLLY REYNOLDS	070317	SUMMER BASEBALL	07/03/2017	20.00	20.00	07/03/2017
822	HUNTER RIOS	070317	SUMMER BASEBALL	07/03/2017	60.00	60.00	07/03/2017
10332	JACOB NELSON	070317	SUMMER BASEBALL	07/03/2017	40.00	40.00	07/03/2017
643	JACOB SCARLETT	070317	BASEBALL UMPHIRE	07/03/2017	230.00	230.00	07/03/2017
788	JARED WILLIAMS	070317	BASEBALL UMPIRE	07/03/2017	100.00	100.00	07/03/2017
638	JONATHAN TRUJILLO	070317	BASEBALL WORKER	07/03/2017	130.00	130.00	07/03/2017
10169	JUSTICE FRENCH	070317	SUMMER BASEBALL	07/03/2017	240.00	240.00	07/03/2017
777	LAILA WEST	070317	UMPIRE	07/03/2017	205.00	205.00	07/03/2017
10333	LANDEN PETERSEN	070317	SUMMER BASEBALL	07/03/2017	45.00	45.00	07/03/2017
821	MARK WREN	070317	SUMMER BASEBALL	07/03/2017	185.00	185.00	07/03/2017
729	MASON STEWART	070317	SUMMER BASEBALL	07/03/2017	110.00	110.00	07/03/2017
10186	NIC MERRITT	070317	SUMMER BASEBALL	07/03/2017	200.00	200.00	07/03/2017
724	SELENA TORRIO	070317	BASEBALL UMP	07/03/2017	170.00	170.00	07/03/2017
9210	SETH LUNT	070317	UMPIRE	07/03/2017	310.00	310.00	07/03/2017
827	TREVEN CLARK	070317	SUMMER BASEBALL	07/03/2017	345.00	345.00	07/03/2017
Total 10-62-523:					4,720.00	4,720.00	
10-62-538							
8334	WILBUR-ELLIS	9391696	TURF MAKER	06/22/2017	3,372.72	3,372.72	07/13/2017
Total 10-62-538:					3,372.72	3,372.72	
10-62-541							
2210	CLASS C SOLUTIONS GROUP	1047721002	NUTS & BOLTS	06/23/2017	6.23	6.23	07/18/2017
2210	CLASS C SOLUTIONS GROUP	1345061001	NUTS & BOLTS	07/07/2017	34.33	34.33	07/18/2017
5666	MAXIMUM SPLASH, LLC	062217	CANNON BLASTER	06/22/2017	2,249.67	2,249.67	07/13/2017
Total 10-62-541:					2,290.23	2,290.23	
10-62-542							
5415	LESLIE'S POOL SUPPLIES INC	3000-433617	SPLASH PAD SUPPLIES	07/17/2017	212.85	212.85	07/24/2017
Total 10-62-542:					212.85	212.85	
10-62-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	50.07	50.07	07/18/2017
Total 10-62-543:					50.07	50.07	
10-62-550							
6775	ROCKY MOUNTAIN DISTRIBUTI	958846	SUPPLIES	07/13/2017	346.05	346.05	07/18/2017
Total 10-62-550:					346.05	346.05	
10-62-555							
3075	FIRST CALL AUTO PARTS	2752-123225	DEX-VI	06/27/2017	135.31	135.31	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-123476	WIPER BLADES	06/28/2017	96.05	96.05	07/13/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
3075	FIRST CALL AUTO PARTS	2752-123644	FLOOR DRY	06/29/2017	74.10	74.10	07/13/2017
Total 10-62-555:					305.46	305.46	
10-62-590							
5905	MT GRAHAM SUPPLY	4107	PORTAJON AT BASEBALL FIELD	07/17/2017	180.00	180.00	07/18/2017
Total 10-62-590:					180.00	180.00	
10-62-650							
7820	TRI COUNTY MATERIALS INC	72433	CONCRETE-CEMETERY	06/12/2017	227.86	227.86	07/13/2017
7820	TRI COUNTY MATERIALS INC	72589	CONCRETE	06/28/2017	227.86	227.86	07/13/2017
Total 10-62-650:					455.72	455.72	
10-62-667							
4125	FERTIZONA - THATCHER, LLC	19018114	GLYSTAR PLUS	07/06/2017	138.58	138.58	07/24/2017
7795	TRACTOR SUPPLY CREDIT PLA	100141311	SPREADER	06/06/2017	79.63	79.63	07/18/2017
Total 10-62-667:					218.21	218.21	
10-62-730							
5666	MAXIMUM SPLASH, LLC	062217	CANNON BLASTER	06/22/2017	2,249.66	2,249.66	07/13/2017
Total 10-62-730:					2,249.66	2,249.66	
10-62-741							
3613	DOG WASTE DEPOT	164783	BAG DISPENSER	07/06/2017	239.96	239.96	07/18/2017
Total 10-62-741:					239.96	239.96	
10-70-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	6,728.00	6,728.00	07/18/2017
Total 10-70-127:					6,728.00	6,728.00	
10-70-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	7,724.63	7,724.63	07/13/2017
Total 10-70-302:					7,724.63	7,724.63	
10-70-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	20.71	20.71	07/18/2017
Total 10-70-310:					20.71	20.71	
10-70-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	32.76	32.76	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	829.12	829.12	07/13/2017
Total 10-70-311:					861.88	861.88	
10-70-325							
3895	EDWARDS & GINN, P.C.	170216	E&G TRAINING/AZ LAW MANUA	07/02/2017	3,750.00	3,750.00	07/18/2017
Total 10-70-325:					3,750.00	3,750.00	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
10-70-341							
5245	KUSTOM SIGNALS INC	542249	PROLASER	06/22/2017	121.00	121.00	07/18/2017
Total 10-70-341:					121.00	121.00	
10-70-344							
3850	EASTERN ARIZONA COURIER	1706000630	PRINTING & ADVERTISING	06/30/2017	1,031.68	1,031.68	07/13/2017
3850	EASTERN ARIZONA COURIER	1706000998	PRINTING & ADVERTISING	06/30/2017	425.89	425.89	07/13/2017
Total 10-70-344:					1,457.57	1,457.57	
10-70-350							
3870	E A GLASS	1-51058	WINSHIELD REPAIR-FORD	07/17/2017	211.00	211.00	07/24/2017
3075	FIRST CALL AUTO PARTS	2752-124471	WIPER BLADES	07/03/2017	51.76	51.76	07/18/2017
6999	SANDERSON FORD	296954	SENDER AND PUM	07/05/2017	151.22	151.22	07/18/2017
Total 10-70-350:					413.98	413.98	
10-70-505							
120	Andrew Rodger	TASER RE-CE	TRAINING	07/17/2017	171.67	171.67	07/18/2017
122	BRIAN ELLSWORTH	DUI CONF 201	DUI CONFERENCE	07/16/2017	132.00	132.00	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	180.61	180.61	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	180.61	180.61	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	140.23	140.23	07/18/2017
2320	CHASE CARD SERVICES	MAVERICK	GAS	06/09/2017	50.88	50.88	07/18/2017
2320	CHASE CARD SERVICES	NBI0620	NBI	06/20/2017	359.00	359.00	07/18/2017
2320	CHASE CARD SERVICES	PRESCOTT06	HOTEL-LARSON	06/07/2017	156.60	156.60	07/18/2017
10121	J.R. MANER	071117	TRAVEL & TRAINING	07/04/2017	112.00	.00	07/06/2017
10121	J.R. MANER	071117	TRAINING-ARIDE	07/04/2017	199.92	.00	07/06/2017
10121	J.R. MANER	JULY2017	TRAINING	07/06/2017	199.92	199.92	07/06/2017
80	KRIS LEMON	0712HOTEL	TRAINING & TRAVEL	07/06/2017	105.97	105.97	07/06/2017
6250	PETTY CASH	071717	PARKING	07/17/2017	50.00	50.00	07/18/2017
Total 10-70-505:					2,039.41	1,727.49	
10-70-510							
6780	ROCKY MOUNTAIN INFO NETW	21203	DUES/SUBSCRIPTIONS	07/14/2017	50.00	50.00	07/18/2017
Total 10-70-510:					50.00	50.00	
10-70-535							
6250	PETTY CASH	060717	POSTAGE	06/17/2017	11.74	11.74	07/18/2017
Total 10-70-535:					11.74	11.74	
10-70-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	104.04	104.04	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	4.58	4.58	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	61.33	61.33	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	97.52	97.52	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	25.30	25.30	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	3.52	3.52	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	41.12	41.12	07/24/2017
Total 10-70-540:					337.41	337.41	
10-70-541							
2320	CHASE CARD SERVICES	ADORAMA061	ADORAMA	06/14/2017	416.66	416.66	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-70-541:					416.66	416.66	
10-70-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	50.07	50.07	07/18/2017
Total 10-70-543:					50.07	50.07	
10-70-550							
2320	CHASE CARD SERVICES	ADORAMA061	ADORAMA	06/14/2017	416.67	416.67	07/18/2017
3075	FIRST CALL AUTO PARTS	2752-126180	5AMP GLASS	07/13/2017	10.56	10.56	07/18/2017
Total 10-70-550:					427.23	427.23	
10-70-553							
3765	EAST PENN MANUFACTURING	1706293062-0	BATTERIES	06/30/2017	109.88	109.88	07/18/2017
Total 10-70-553:					109.88	109.88	
10-70-741							
2320	CHASE CARD SERVICES	ADORAMA061	ADORAMA	06/14/2017	416.66	416.66	07/18/2017
Total 10-70-741:					416.66	416.66	
10-70-748							
2320	CHASE CARD SERVICES	TLO06/12	TLO TRANSUNION	06/12/2017	1,320.00	1,320.00	07/18/2017
Total 10-70-748:					1,320.00	1,320.00	
10-72-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	2,260.00	2,260.00	07/18/2017
Total 10-72-127:					2,260.00	2,260.00	
10-72-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	1,875.07	1,875.07	07/13/2017
Total 10-72-302:					1,875.07	1,875.07	
10-72-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	9.18	9.18	07/18/2017
Total 10-72-310:					9.18	9.18	
10-72-505							
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	180.61	180.61	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	140.23	140.23	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	140.23	140.23	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	140.23	140.23	07/18/2017
2320	CHASE CARD SERVICES	AZFIRETRAINI	FIRE TRAINING	06/21/2017	180.61	180.61	07/18/2017
Total 10-72-505:					781.91	781.91	
10-72-530							
2346	BASHAS' INC	335735	SHAMPOO MACHINE	06/30/2017	59.97	59.97	07/18/2017
205	RUE MATTICE	479589	4TH JULY BREAKFAST	07/04/2017	175.75	175.75	07/18/2017
6190	SE BOTTLING CO OF AZ, INC	206929	SODAS	06/28/2017	180.40	180.40	07/13/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-72-530:					416.12	416.12	
10-72-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	3.86	3.86	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	.15	.15	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	2.27	2.27	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	3.61	3.61	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	.93	.93	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	.14	.14	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	1.52	1.52	07/24/2017
Total 10-72-540:					12.48	12.48	
10-72-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	12.52	12.52	07/18/2017
Total 10-72-543:					12.52	12.52	
10-72-553							
6785	RON KOKOT	HUMMER TIR	HUMMER TIRE&WHEELS	06/27/2017	500.00	500.00	07/18/2017
Total 10-72-553:					500.00	500.00	
10-72-741							
4225	GALLS	8422060-2	LIGHTBAR	06/13/2017	2,619.66	2,619.66	07/18/2017
5250	L. N. CURTIS & SONS	111579	MOUNT RACK	06/30/2017	325.99	325.99	07/18/2017
6180	PECK'S WELDING	647812	ALUM TREAD	06/28/2017	181.22	181.22	07/18/2017
7795	TRACTOR SUPPLY CREDIT PLA	200176089	5GAL COOLER	06/27/2017	27.26	27.26	07/18/2017
Total 10-72-741:					3,154.13	3,154.13	
10-81-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	665.00	665.00	07/18/2017
Total 10-81-127:					665.00	665.00	
10-81-140							
7919	UNIFIRST CORPORATION	3100844179	UNIFORMS	06/21/2017	168.07	168.07	07/18/2017
7919	UNIFIRST CORPORATION	3100845262	UNIFORMS	06/28/2017	168.07	168.07	07/18/2017
7919	UNIFIRST CORPORATION	3100846373	UNIFORMS	07/05/2017	168.77	168.77	07/18/2017
7919	UNIFIRST CORPORATION	3100847471	UNIFORMS	07/12/2017	172.79	172.79	07/18/2017
Total 10-81-140:					677.70	677.70	
10-81-150							
1930	ARIZONA STATE PRISON - SAF	S01111170706	LABOR	07/11/2017	142.50	142.50	07/18/2017
1930	ARIZONA STATE PRISON - SAF	TOT17-14	LABOR	07/13/2017	7.31	7.31	07/18/2017
Total 10-81-150:					149.81	149.81	
10-81-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	681.11	681.11	07/13/2017
Total 10-81-302:					681.11	681.11	
10-81-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	4.59	4.59	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-81-310:					4.59	4.59	
10-81-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	4.77	4.77	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	120.81	120.81	07/13/2017
Total 10-81-311:					125.58	125.58	
10-81-312							
4302	CITY OF SAFFORD	15-273.01/063	SHOP	06/30/2017	108.44	108.44	07/13/2017
Total 10-81-312:					108.44	108.44	
10-81-342							
1998	RATTLE SNAKE EXTERMINATIN	47714	EXTERMINATING SERVICES	07/05/2017	140.00	140.00	07/18/2017
Total 10-81-342:					140.00	140.00	
10-81-533							
5788	MITCHELL 1	IB20295465	WEB TEAMWORKS	06/26/2017	227.64	227.64	07/18/2017
7232	SNAP ON TOOLS	06201721272	VERSUS CART MONITOR	06/20/2017	6,456.01	6,456.01	07/18/2017
7232	SNAP ON TOOLS	06271721380	ALUM LIGHT	06/27/2017	172.38	172.38	07/18/2017
Total 10-81-533:					6,856.03	6,856.03	
10-81-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	11.56	11.56	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	.51	.51	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	6.81	6.81	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	10.84	10.84	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	2.81	2.81	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	.39	.39	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	4.57	4.57	07/24/2017
Total 10-81-540:					37.49	37.49	
10-81-541							
2210	CLASS C SOLUTIONS GROUP	1047721002	NUTS & BOLTS	06/23/2017	19.48	19.48	07/18/2017
2210	CLASS C SOLUTIONS GROUP	1345061001	NUTS & BOLTS	07/07/2017	107.29	107.29	07/18/2017
5530	MACK'S AUTO SUPPLY	812880	L56 44#	06/27/2017	177.61	177.61	07/18/2017
5530	MACK'S AUTO SUPPLY	813080	L56 44#	06/28/2017	355.23	355.23	07/18/2017
Total 10-81-541:					659.61	659.61	
10-81-542							
8360	WINZER	5865878	WELDING JACKET	05/18/2017	1,203.89	1,203.89	07/18/2017
Total 10-81-542:					1,203.89	1,203.89	
10-81-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	50.07	50.07	07/18/2017
Total 10-81-543:					50.07	50.07	
10-81-555							
5530	MACK'S AUTO SUPPLY	814221	CEMENT	07/10/2017	43.28	43.28	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-81-555:					43.28	43.28	
10-84-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	4,321.00	4,321.00	07/18/2017
Total 10-84-127:					4,321.00	4,321.00	
10-84-150							
1930	ARIZONA STATE PRISON - SAF	S01111170706	LABOR	07/11/2017	30.00	30.00	07/18/2017
1930	ARIZONA STATE PRISON - SAF	TOT17-14	LABOR	07/13/2017	7.32	7.32	07/18/2017
Total 10-84-150:					37.32	37.32	
10-84-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	1,137.86	1,137.86	07/13/2017
Total 10-84-302:					1,137.86	1,137.86	
10-84-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	6.94	6.94	07/18/2017
Total 10-84-310:					6.94	6.94	
10-84-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	6.83	6.83	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	172.93	172.93	07/13/2017
Total 10-84-311:					179.76	179.76	
10-84-316							
4406	GRAHAM CO UTILITIES	4743-005/0714	DALEY ESTATES STREET LIGH	07/14/2017	222.83	222.83	07/18/2017
4406	GRAHAM CO UTILITIES	4743-016/0714	QUAIL RIDGE	07/14/2017	4.81	4.81	07/18/2017
4406	GRAHAM CO UTILITIES	4743-017/0714	GILA RIVER APTS	07/14/2017	4.81	4.81	07/18/2017
4406	GRAHAM CO UTILITIES	4743-019/0714	CHURCH ST	07/14/2017	14.14	14.14	07/18/2017
4406	GRAHAM CO UTILITIES	4743-020/0714	S BAUER AVE STREET LIGHT	07/14/2017	4.42	4.42	07/18/2017
Total 10-84-316:					251.01	251.01	
10-84-341							
4000	EMPIRE SOUTHWEST	EMPS4158677	O RING	07/14/2017	131.47	131.47	07/24/2017
4000	EMPIRE SOUTHWEST	EMPS4159667	RING	07/17/2017	26.85	26.85	07/24/2017
4000	EMPIRE SOUTHWEST	EMPS4159668	SEAL	07/17/2017	75.98	75.98	07/24/2017
3075	FIRST CALL AUTO PARTS	2752-123111	WAL 18354	06/26/2017	65.30	65.30	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-123149	FAN CLUTCH	06/26/2017	68.75	68.75	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-123340	STARTER	06/27/2017	206.77	206.77	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-123667	BRAKE HOSE	06/29/2017	13.54	13.54	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-124389	ELECT F/PUMP	07/03/2017	130.32	130.32	07/18/2017
3075	FIRST CALL AUTO PARTS	2752-124479	PWR GEAR	07/03/2017	310.92	310.92	07/18/2017
3075	FIRST CALL AUTO PARTS	2752-124735	WIRE LOOM	07/05/2017	135.43	135.43	07/18/2017
3075	FIRST CALL AUTO PARTS	2752-124780	DOR 696-202	07/05/2017	30.58	30.58	07/18/2017
3075	FIRST CALL AUTO PARTS	2752-124876	BATTERY	07/06/2017	274.72	274.72	07/18/2017
3075	FIRST CALL AUTO PARTS	EB26079611	MAY EARNBACK	06/22/2017	10.25-	10.25-	07/13/2017
5530	MACK'S AUTO SUPPLY	812948	THERMOSTAT	06/28/2017	7.56	7.56	07/18/2017
5530	MACK'S AUTO SUPPLY	813048	OIL SEAL	06/28/2017	8.79	8.79	07/18/2017
7353	SOUTHWEST SWEEPER SALES	8189	SWITCH	06/26/2017	50.29	50.29	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 10-84-341:					1,527.02	1,527.02	
10-84-350							
3075	FIRST CALL AUTO PARTS	2752-125614	WINDOW REG	07/10/2017	274.55	274.55	07/18/2017
Total 10-84-350:					274.55	274.55	
10-84-541							
2210	CLASS C SOLUTIONS GROUP	1047721002	NUTS & BOLTS	06/23/2017	19.48	19.48	07/18/2017
2210	CLASS C SOLUTIONS GROUP	1345061001	NUTS & BOLTS	07/07/2017	107.29	107.29	07/18/2017
Total 10-84-541:					126.77	126.77	
10-84-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	12.52	12.52	07/18/2017
Total 10-84-543:					12.52	12.52	
10-84-555							
4000	EMPIRE SOUTHWEST	EMPS4145472	OIL HYDRO	06/26/2017	174.08	174.08	07/18/2017
6294	WESTERN REFINING WHOLES	304688CT	RED DYE	06/30/2017	456.07	456.07	07/13/2017
Total 10-84-555:					630.15	630.15	
10-84-590							
7820	TRI COUNTY MATERIALS INC	72437	CONCRETE-CATCLAW ST	06/12/2017	319.80	319.80	07/13/2017
Total 10-84-590:					319.80	319.80	
10-85-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	2,271.71	2,271.71	07/13/2017
Total 10-85-302:					2,271.71	2,271.71	
10-85-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	9.18	9.18	07/18/2017
Total 10-85-310:					9.18	9.18	
10-85-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	8.24	8.24	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	208.46	208.46	07/13/2017
Total 10-85-311:					216.70	216.70	
10-85-325							
6250	PETTY CASH	071317	LA CASITA	07/13/2017	50.00	50.00	07/18/2017
Total 10-85-325:					50.00	50.00	
10-85-344							
3850	EASTERN ARIZONA COURIER	1706000630	PRINTING & ADVERTISING	06/30/2017	312.63	312.63	07/13/2017
3850	EASTERN ARIZONA COURIER	1706000998	PRINTING & ADVERTISING	06/30/2017	129.06	129.06	07/13/2017
Total 10-85-344:					441.69	441.69	

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
10-85-348							
2320	CHASE CARD SERVICES	AMAZ0607	AMAZON	06/07/2017	270.50	270.50	07/18/2017
2320	CHASE CARD SERVICES	AMAZ0613	ADHESIVE	06/13/2017	232.93	232.93	07/18/2017
Total 10-85-348:					503.43	503.43	
10-85-505							
2320	CHASE CARD SERVICES	EB ARIZ06051	AZ RURAL FORUM	06/05/2017	105.44	105.44	07/18/2017
Total 10-85-505:					105.44	105.44	
10-85-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	26.97	26.97	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	1.19	1.19	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	15.90	15.90	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	25.28	25.28	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	6.56	6.56	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	.91	.91	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	10.66	10.66	07/24/2017
Total 10-85-540:					87.47	87.47	
10-87-850							
3615	DONALD E ZELECHOWSKI	7/16-6/17	AUDITING SERVICES	07/11/2017	3,856.00	3,856.00	07/13/2017
Total 10-87-850:					3,856.00	3,856.00	
10-87-853							
6037	OB SPORTS GOLF MANAGEME	2017-27	UTILITY BILLING-GCEC	06/23/2017	7,524.14	7,524.14	07/13/2017
Total 10-87-853:					7,524.14	7,524.14	
20-80-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	2,271.71	2,271.71	07/13/2017
Total 20-80-302:					2,271.71	2,271.71	
20-80-770							
2530	BORDER CONSTRUCTION	5436199	EXPANSION BOARD	06/22/2017	1,720.56	1,720.56	07/18/2017
2982	CENTERLINE SUPPLY WEST, IN	00079840	SIGN	07/10/2017	166.61	166.61	07/24/2017
2320	CHASE CARD SERVICES	WILBURELLIS	TURF	06/21/2017	3,372.72	3,372.72	07/18/2017
3145	CKC MATERIALS DIVISION	C1257	PSI	06/30/2017	2,076.04	2,076.04	07/13/2017
6250	PETTY CASH	071217	ROUNDBOUT	07/12/2017	20.00	20.00	07/18/2017
7030	SCARBOROUGH PLUMBING	9913	JUNE RENTAL	06/30/2017	75.00	75.00	07/18/2017
7820	TRI COUNTY MATERIALS INC	72456	CONCRETE	06/14/2017	1,113.97	1,113.97	07/13/2017
7820	TRI COUNTY MATERIALS INC	72457	CONCRETE	06/14/2017	2,227.94	2,227.94	07/13/2017
7820	TRI COUNTY MATERIALS INC	72469	CONCRETE	06/15/2017	1,012.70	1,012.70	07/13/2017
7820	TRI COUNTY MATERIALS INC	72470	CONCRETE	06/15/2017	1,012.70	1,012.70	07/13/2017
7820	TRI COUNTY MATERIALS INC	72526	CONCRETE	06/21/2017	1,113.97	1,113.97	07/13/2017
7820	TRI COUNTY MATERIALS INC	72528	CONCRETE	06/21/2017	1,113.97	1,113.97	07/13/2017
7820	TRI COUNTY MATERIALS INC	72536	CONCRETE	06/22/2017	1,012.70	1,012.70	07/13/2017
7820	TRI COUNTY MATERIALS INC	72537	CONCRETE	06/22/2017	1,012.70	1,012.70	07/13/2017
7820	TRI COUNTY MATERIALS INC	72538	CONCRETE	06/22/2017	708.89	708.89	07/13/2017
7820	TRI COUNTY MATERIALS INC	72571	CONCRETE	06/27/2017	1,113.97	1,113.97	07/13/2017
7820	TRI COUNTY MATERIALS INC	72582	CONCRETE	06/28/2017	1,113.97	1,113.97	07/13/2017
7820	TRI COUNTY MATERIALS INC	72597	CONCRETE	06/29/2017	1,027.70	1,027.70	07/13/2017
7820	TRI COUNTY MATERIALS INC	M30890	AB	06/01/2017	1,128.68	1,128.68	07/13/2017
7820	TRI COUNTY MATERIALS INC	M31009	AB	06/12/2017	1,010.04	1,010.04	07/13/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
7820	TRI COUNTY MATERIALS INC	M31091	AB	06/19/2017	695.57	695.57	07/13/2017
7820	TRI COUNTY MATERIALS INC	M31165	AB	06/26/2017	960.47	960.47	07/13/2017
7820	TRI COUNTY MATERIALS INC	M31203	AB	06/28/2017	460.62	460.62	07/13/2017
8315	WESTERN UNITED ELECTRIC S	4099143	LUMENS	06/26/2017	802.58	802.58	07/13/2017
Total 20-80-770:					26,074.07	26,074.07	
30-75-301							
6300	PIONEER TITLE AGENCY	104-33-0311	EASEMENT	07/18/2017	1,515.00	1,515.00	07/18/2017
6300	PIONEER TITLE AGENCY	104-33-031G	EASEMENT	07/18/2017	1,420.00	1,420.00	07/18/2017
6300	PIONEER TITLE AGENCY	115-WAKEFIEL	EASEMENT-APPRAISAL	07/19/2017	600.00	600.00	07/24/2017
6300	PIONEER TITLE AGENCY	229-ELLERMA	EASEMENT-APPRAISAL	07/19/2017	600.00	600.00	07/24/2017
6300	PIONEER TITLE AGENCY	3513 W CHUR	EASEMENT	07/25/2017	1,140.00	1,140.00	07/26/2017
Total 30-75-301:					5,275.00	5,275.00	
45-83-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	716.00	716.00	07/18/2017
Total 45-83-127:					716.00	716.00	
45-83-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	4,543.43	4,543.43	07/13/2017
Total 45-83-302:					4,543.43	4,543.43	
45-83-334							
4302	CITY OF SAFFORD	01-432.01/063	LANDFILL	06/30/2017	8,810.33	8,810.33	07/13/2017
Total 45-83-334:					8,810.33	8,810.33	
45-83-341							
3164	COHONE TECHNOLOGIES, LLC	00343300	HYRAULIC PUMP	06/22/2017	2,655.21	2,655.21	07/18/2017
3164	COHONE TECHNOLOGIES, LLC	00835973	JOYSTICK	07/05/2017	567.93	567.93	07/18/2017
3800	EASTERN ARIZONA AG CENTE	CS89205	HOSE ASSAY	06/29/2017	82.96	82.96	07/18/2017
3800	EASTERN ARIZONA AG CENTE	CS89462	O RING	07/10/2017	11.35	11.35	07/18/2017
5530	MACK'S AUTO SUPPLY	812392	1 SP 36IN UNITS	06/23/2017	386.26	386.26	07/18/2017
8175	VANGUARD TRUCK CENTER	169866T	CAB SHOCKS	06/22/2017	153.63	153.63	07/18/2017
8175	VANGUARD TRUCK CENTER	169870T	SWITCH	06/22/2017	138.48	138.48	07/18/2017
8175	VANGUARD TRUCK CENTER	CREDIT	CREDIT	05/31/2017	36.77-	36.77-	07/18/2017
Total 45-83-341:					3,959.05	3,959.05	
45-83-541							
2210	CLASS C SOLUTIONS GROUP	1047721002	NUTS & BOLTS	06/23/2017	19.48	19.48	07/18/2017
2210	CLASS C SOLUTIONS GROUP	1345061001	NUTS & BOLTS	07/07/2017	107.29	107.29	07/18/2017
Total 45-83-541:					126.77	126.77	
45-83-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	12.52	12.52	07/18/2017
Total 45-83-543:					12.52	12.52	
45-83-553							
2545	BIG O TIRES	22456	REPAIR	06/30/2017	582.43	582.43	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 45-83-553:					582.43	582.43	
50-86-127							
1647	AMRRP-WC FUND	APR-JUNE201	SEWER	07/15/2017	349.00	349.00	07/18/2017
Total 50-86-127:					349.00	349.00	
50-86-150							
1930	ARIZONA STATE PRISON - SAF	S01111170706	LABOR	07/11/2017	30.00	30.00	07/18/2017
1930	ARIZONA STATE PRISON - SAF	TOT17-14	LABOR	07/13/2017	7.31	7.31	07/18/2017
Total 50-86-150:					37.31	37.31	
50-86-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	6,815.14	6,815.14	07/13/2017
Total 50-86-302:					6,815.14	6,815.14	
50-86-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	4.59	4.59	07/18/2017
Total 50-86-310:					4.59	4.59	
50-86-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	1.40	1.40	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	35.53	35.53	07/13/2017
Total 50-86-311:					36.93	36.93	
50-86-325							
2320	CHASE CARD SERVICES	INTLCODE060	NEW CODE BOOKS	06/09/2017	2,420.39	2,420.39	07/18/2017
3110	CITY OF PHOENIX	400848281	BI SYSTEM USE	07/13/2017	275.00	275.00	07/24/2017
Total 50-86-325:					2,695.39	2,695.39	
50-86-333							
5440	LEGEND TECHNICAL SERVICE	1710206	PROFESSIONAL SERVICES	07/17/2017	40.00	40.00	07/18/2017
Total 50-86-333:					40.00	40.00	
50-86-341							
3075	FIRST CALL AUTO PARTS	2752-122358	AIR FILTER	06/22/2017	36.26	36.26	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-122359	OIL FILTER	06/22/2017	25.53	25.53	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-123039	SEAL INSTALL	06/26/2017	98.18	98.18	07/13/2017
3075	FIRST CALL AUTO PARTS	2752-123618	OIL FILTER	06/29/2017	12.09	12.09	07/13/2017
7795	TRACTOR SUPPLY CREDIT PLA	100143386	MUFFLER	06/21/2017	29.45	29.45	07/18/2017
Total 50-86-341:					201.51	201.51	
50-86-347							
2905	CASELLE, INC.	81472	SOFTWARE SUPPORT	07/01/2017	341.25	341.25	07/18/2017
Total 50-86-347:					341.25	341.25	
50-86-350							
3075	FIRST CALL AUTO PARTS	2752-122321	RETURN	06/22/2017	57.26-	57.26-	07/13/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 50-86-350:					57.26-	57.26-	
50-86-520							
4184	FREEDOM MAILING SERVICES,	31650	OUTSOURCE BILLING	07/05/2017	95.38	95.38	07/13/2017
Total 50-86-520:					95.38	95.38	
50-86-537							
6500	PHESCO INTERNATIONAL, LLC	1518	ML KONTROL	07/12/2017	1,372.55	1,372.55	07/24/2017
Total 50-86-537:					1,372.55	1,372.55	
50-86-541							
2210	CLASS C SOLUTIONS GROUP	1047721002	NUTS & BOLTS	06/23/2017	6.23	6.23	07/18/2017
2210	CLASS C SOLUTIONS GROUP	1345061001	NUTS & BOLTS	07/07/2017	34.33	34.33	07/18/2017
Total 50-86-541:					40.56	40.56	
50-86-543							
8265	WAXIE SANITARY SUPPLY	76813043	CLEANING SUPPLIES	07/12/2017	12.49	12.49	07/18/2017
Total 50-86-543:					12.49	12.49	
50-86-555							
7314	SOUTHWESTERN BG, INC	47510	ENGINE DEGREAGER	06/27/2017	504.61	504.61	07/18/2017
Total 50-86-555:					504.61	504.61	
50-86-571							
1300	ALLEN PUMP CO	55668	REAY LN WATER STAND REPAI	06/30/2017	2,594.31	2,594.31	07/24/2017
Total 50-86-571:					2,594.31	2,594.31	
50-86-590							
7795	TRACTOR SUPPLY CREDIT PLA	100141429	SEALANT	06/07/2017	26.69	26.69	07/18/2017
7795	TRACTOR SUPPLY CREDIT PLA	100144022	2PC DIAMOND TIP	06/26/2017	15.80	15.80	07/18/2017
Total 50-86-590:					42.49	42.49	
50-86-775							
7820	TRI COUNTY MATERIALS INC	M31051	COLD MIX	06/14/2017	615.62	615.62	07/13/2017
Total 50-86-775:					615.62	615.62	
55-20210							
1600	ARIZ DEPT OF REVENUE-TPT	JUNE 2017	SALES TAXES	06/30/2017	11,508.89	11,508.89	07/13/2017
Total 55-20210:					11,508.89	11,508.89	
55-33-800							
6250	PETTY CASH	071817	SHORT	07/18/2017	7.84	7.84	07/18/2017
Total 55-33-800:					7.84	7.84	
55-88-127							
1647	AMRRP-WC FUND	APR-JUNE201	WORKERS COMP INS	07/15/2017	1,665.00	1,665.00	07/18/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
Total 55-88-127:					1,665.00	1,665.00	
55-88-150							
1930	ARIZONA STATE PRISON - SAF	S01111170706	LABOR	07/11/2017	45.00	45.00	07/18/2017
1930	ARIZONA STATE PRISON - SAF	TOT17-14	LABOR	07/13/2017	7.31	7.31	07/18/2017
Total 55-88-150:					52.31	52.31	
55-88-302							
1845	AZ MUNICIPAL RISK RETEN PO	10693	INSURANCE PREMIUM	07/02/2017	7,949.00	7,949.00	07/13/2017
Total 55-88-302:					7,949.00	7,949.00	
55-88-310							
8050	CENTURY LINK	9284285110/06	TELEPHONE	06/22/2017	13.62	13.62	07/18/2017
Total 55-88-310:					13.62	13.62	
55-88-311							
7827	TRANSWORLD NETWORK COR	14107583-B36	INTERNET	07/16/2017	8.16	8.16	07/24/2017
8195	VERIZON WIRELESS	9788237339	AIR CARDS/CELL	06/26/2017	206.11	206.11	07/13/2017
Total 55-88-311:					214.27	214.27	
55-88-325							
5235	K.R. SALINE & ASSOCIATES, PL	TCH309	CONSULTING SERVICES	06/30/2017	2,625.58	2,625.58	07/13/2017
Total 55-88-325:					2,625.58	2,625.58	
55-88-344							
3850	EASTERN ARIZONA COURIER	1706000630	PRINTING & ADVERTISING	06/30/2017	218.85	218.85	07/13/2017
3850	EASTERN ARIZONA COURIER	1706000998	PRINTING & ADVERTISING	06/30/2017	90.34	90.34	07/13/2017
Total 55-88-344:					309.19	309.19	
55-88-347							
2905	CASELLE, INC.	81472	SOFTWARE SUPPORT	07/01/2017	341.25	341.25	07/18/2017
Total 55-88-347:					341.25	341.25	
55-88-350							
6441	PREFERRED AERIAL TECHNOL	161123	ANNUAL INSPECTION	05/16/2017	1,750.00	1,750.00	07/13/2017
Total 55-88-350:					1,750.00	1,750.00	
55-88-381							
7355	ARIZONA ELECTRIC POWER C	JUNE2017	TRANSMISSION SERVICES	07/10/2017	21,001.42	21,001.42	07/18/2017
4406	GRAHAM CO UTILITIES	JUNE2017	WHEELING	07/12/2017	8,458.00	8,458.00	07/18/2017
4406	GRAHAM CO UTILITIES	JUNE27	GCEC TRANSFER	06/27/2017	6,128.70	6,128.70	07/18/2017
8005	US DEPARTMENT OF ENERGY	978220	PARKER DAVIS FIRM ELECTRIC	06/30/2017	106,888.94	106,888.94	07/13/2017
Total 55-88-381:					142,477.06	142,477.06	
55-88-385							
1885	ARIZONA POWER AUTHORITY	OY2017-0637	MONTHLY ENERGY BILL	07/10/2017	5,561.40	5,561.40	07/13/2017
2728	BUREAU OF RECLAMATION	90548624	ADVANCE FUNDS CONTRACT	07/15/2017	2,886.64	2,886.64	07/18/2017
8005	US DEPARTMENT OF ENERGY	978576	POINT TO POINT TRANSMISSIO	07/03/2017	557.70	557.70	07/13/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
8005	US DEPARTMENT OF ENERGY	GG1229B0617	PURCHASE OF POWER	07/06/2017	2,439.00	2,439.00	07/13/2017
8005	US DEPARTMENT OF ENERGY	JJPB1229A061	PURCHASE OF POWER	07/18/2017	4,735.26	4,735.26	07/18/2017
Total 55-88-385:					16,180.00	16,180.00	
55-88-505							
2346	BASHAS' INC	365744	FRUIT TRAY	06/19/2017	32.79	32.79	07/18/2017
2320	CHASE CARD SERVICES	SAFEWAY06/1	SAFEWAY	06/19/2017	27.66	27.66	07/18/2017
Total 55-88-505:					60.45	60.45	
55-88-510							
1840	ARIZONA MUNICIPAL POWER U	FY17/18 APR-J	Dues/Subscriptions	06/30/2017	750.00	750.00	07/13/2017
Total 55-88-510:					750.00	750.00	
55-88-520							
4184	FREEDOM MAILING SERVICES,	31650	OUTSOURCE BILLING	07/05/2017	95.38	95.38	07/13/2017
Total 55-88-520:					95.38	95.38	
55-88-525							
2780	BYRAM LABORATORIES	28844	AMR DATA TRANSFERS	06/29/2017	749.70	749.70	07/18/2017
Total 55-88-525:					749.70	749.70	
55-88-535							
4184	FREEDOM MAILING SERVICES,	31650	POSTAGE	07/05/2017	523.74	523.74	07/13/2017
6250	PETTY CASH	060717	POSTAGE	06/17/2017	25.00	25.00	07/18/2017
6250	PETTY CASH	060817	POSTAGE	06/08/2017	18.70	18.70	07/18/2017
6250	PETTY CASH	061517	POSTAGE	06/15/2017	2.90	2.90	07/18/2017
6250	PETTY CASH	062017	POSTAGE	06/20/2017	.58	.58	07/18/2017
6250	PETTY CASH	071717	POSTAGE	07/17/2017	8.12	8.12	07/18/2017
Total 55-88-535:					579.04	579.04	
55-88-540							
6520	QUILL CORPORATION	7548510	OFFICE SUPPLIES	06/14/2017	26.97	26.97	07/18/2017
6520	QUILL CORPORATION	7759802	OFFICE SUPPLIES	06/23/2017	1.19	1.19	07/18/2017
6520	QUILL CORPORATION	7894796	OFFICE SUPPLIES	06/28/2017	15.90	15.90	07/18/2017
6520	QUILL CORPORATION	7927524	OFFICE SUPPLIES	06/29/2017	25.28	25.28	07/18/2017
6520	QUILL CORPORATION	7930614	OFFICE SUPPLIES	06/29/2017	6.56	6.56	07/18/2017
6520	QUILL CORPORATION	8190917	OFFICE SUPPLIES	07/12/2017	.91	.91	07/24/2017
6520	QUILL CORPORATION	8226850	OFFICE SUPPLIES	07/13/2017	10.66	10.66	07/24/2017
Total 55-88-540:					87.47	87.47	
55-88-541							
2210	CLASS C SOLUTIONS GROUP	1047721002	NUTS & BOLTS	06/23/2017	7.02	7.02	07/18/2017
2210	CLASS C SOLUTIONS GROUP	1345061001	NUTS & BOLTS	07/07/2017	38.63	38.63	07/18/2017
Total 55-88-541:					45.65	45.65	
55-88-760							
2830	C E S SAFFORD	SAF/034751	VOLTAGE MARKERS	06/13/2017	8.25	8.25	07/13/2017
2830	C E S SAFFORD	SAF/034803	FUSE	06/20/2017	59.21	59.21	07/13/2017
2830	C E S SAFFORD	SAF/034807	REDUCER	06/21/2017	13.38	13.38	07/13/2017
2830	C E S SAFFORD	SAF/034858	TAP CONN	06/26/2017	79.87	79.87	07/13/2017

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
2830	C E S SAFFORD	SAF/034859	SUPPLIES	06/26/2017	6.37	6.37	07/13/2017
7903	HUGHES SUPPLY	S150500973.0	PVC	07/05/2017	133.69	133.69	07/18/2017
4795	INDUSTRIAL ELECTRICAL SER	6307	A.C. TOWNHALL	04/11/2017	92.74	92.74	07/13/2017
7795	TRACTOR SUPPLY CREDIT PLA	200175551	APAPTER SET	06/22/2017	58.22	58.22	07/18/2017
Total 55-88-760:					451.73	451.73	
55-88-780							
2830	C E S SAFFORD	SAF/034802	CONDUET	06/20/2017	7.57	7.57	07/13/2017
Total 55-88-780:					7.57	7.57	
55-88-781							
8315	WESTERN UNITED ELECTRIC S	4096338	MVOLT	04/22/2017	1,055.49	1,055.49	07/13/2017
Total 55-88-781:					1,055.49	1,055.49	
55-88-783							
8315	WESTERN UNITED ELECTRIC S	4096337	5KVA	04/22/2017	1,389.70	1,389.70	07/13/2017
Total 55-88-783:					1,389.70	1,389.70	
55-88-784							
4510	GRAINGER, INC	9473260041	AIR FILTER	06/14/2017	68.34	68.34	07/18/2017
5950	NCE MANAGEMENT TRUST	57459	KEYS	06/19/2017	3.00	3.00	07/18/2017
5950	NCE MANAGEMENT TRUST	57554	KEYS	07/05/2017	6.00	6.00	07/18/2017
7795	TRACTOR SUPPLY CREDIT PLA	200172976	CRESENT	05/30/2017	34.25	34.25	07/18/2017
Total 55-88-784:					111.59	111.59	
Grand Totals:					432,712.69	432,400.77	

Dated: _____

Mayor: _____

Vice Mayor: _____

Town Council: _____

Depty Clerk: _____

<u>Vendor</u>	<u>Vendor Name</u>	<u>Invoice Number</u>	<u>Description</u>	<u>Invoice Date</u>	<u>Net Invoice Amount</u>	<u>Amount Paid</u>	<u>Date Paid</u>
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Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Only paid invoices included.

TOWN OF THATCHER
FUND SUMMARY
FOR THE 1 MONTHS ENDING JULY 31, 2017

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
TOWN TAXES	253,201.30	253,201.30	3,000,000.00	2,746,798.70	8.4
INTERGOVERNMENTAL REVENUE	114,095.88	114,095.88	1,411,051.00	1,296,955.12	8.1
CHARGES FOR SERVICES	5,278.55	5,278.55	167,500.00	162,221.45	3.2
LICENSES/PERMITS	2,513.50	2,513.50	17,050.00	14,536.50	14.7
FINES/FOREITS	.00	.00	50.00	50.00	.0
MISCELLANEOUS	121.41	121.41	26,200.00	26,078.59	.5
INTEREST ON INVESTMENTS	7,214.06	7,214.06	35,000.00	27,785.94	20.6
SOURCE 39	.00	.00	.00	.00	.0
	<u>382,424.70</u>	<u>382,424.70</u>	<u>4,656,851.00</u>	<u>4,274,426.30</u>	<u>8.2</u>
<u>EXPENDITURES</u>					
MAYOR AND COUNCIL	14,705.31	14,705.31	247,699.00	232,993.69	5.9
ADMINISTRATION	31,865.10	31,865.10	279,922.00	248,056.90	11.4
MAGISTRATE	12,993.10	12,993.10	112,868.00	99,874.90	11.5
COMMUNITY DEVELOPMENT	.00	.00	.00	.00	.0
PARKS/RECREATION	81,798.05	81,798.05	450,110.00	368,311.95	18.2
POLICE	336,127.96	336,127.96	2,099,072.00	1,762,944.04	16.0
FIRE	9,021.41	9,021.41	122,825.00	113,803.59	7.3
SHOP	34,676.37	34,676.37	280,484.00	245,807.63	12.4
SANITATION	.00	.00	.00	.00	.0
STREETS	59,725.03	59,725.03	673,503.00	613,777.97	8.9
COMMUNITY DEVELOPMENT	42,146.32	42,146.32	379,739.00	337,592.68	11.1
MISCELLANEOUS EXPENSES	11,380.14	11,380.14	4,195,500.00	4,184,119.86	.3
	<u>634,438.79</u>	<u>634,438.79</u>	<u>8,841,722.00</u>	<u>8,207,283.21</u>	<u>7.2</u>
	<u>(252,014.09)</u>	<u>(252,014.09)</u>	<u>(4,184,871.00)</u>	<u>(3,932,856.91)</u>	<u>(6.0)</u>

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

HURF FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>PCNT</u>
<u>REVENUE</u>					
INTERGOVERNMENTAL REVENUE	33,795.89	33,795.89	421,611.00	387,815.11	8.0
INTEREST ON INVESTMENTS	.54	.54	.00	(.54)	.0
	<u>33,796.43</u>	<u>33,796.43</u>	<u>421,611.00</u>	<u>387,814.57</u>	<u>8.0</u>
<u>EXPENDITURES</u>					
SPECIAL REVENUE EXPENDITURES	28,345.78	28,345.78	421,611.00	393,265.22	6.7
DEPARTMENT 87	.00	.00	.00	.00	.0
	<u>28,345.78</u>	<u>28,345.78</u>	<u>421,611.00</u>	<u>393,265.22</u>	<u>6.7</u>
	<u>5,450.65</u>	<u>5,450.65</u>	<u>.00</u>	<u>(5,450.65)</u>	<u>.0</u>

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

LTAF FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>PCNT</u>
<u>REVENUE</u>					
INTERGOVERNMENTAL REVENUE	.00	.00	.00	.00	.0
INTEREST ON INVESTMENTS	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
<u>EXPENDITURES</u>					
SPECIAL REVENUE EXPENDITURES	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

MISCELLANEOUS GRANTS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
INTERGOVERNMENTAL REVENUE	3,335.80	3,335.80	456,800.00	453,464.20	.7
SOURCE 37	.00	.00	.00	.00	.0
	<u>3,335.80</u>	<u>3,335.80</u>	<u>456,800.00</u>	<u>453,464.20</u>	<u>.7</u>
<u>EXPENDITURES</u>					
POLICE	.00	.00	.00	.00	.0
GRANT-EXPENDITURES	8,606.50	8,606.50	456,800.00	448,193.50	1.9
	<u>8,606.50</u>	<u>8,606.50</u>	<u>456,800.00</u>	<u>448,193.50</u>	<u>1.9</u>
	<u>(5,270.70)</u>	<u>(5,270.70)</u>	<u>.00</u>	<u>5,270.70</u>	<u>.0</u>

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

IMPROVEMENT DISTRICT FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>PCNT</u>
<u>REVENUE</u>					
SOURCE 30	.00	.00	.00	.00	.0
	.00	.00	.00	.00	.0
 <u>EXPENDITURES</u>					
	.00	.00	.00	.00	.0
	.00	.00	.00	.00	.0

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

SANITATION ENTERPRISE FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>PCNT</u>
<u>REVENUE</u>					
CHARGES FOR SERVICES	24,764.43	24,764.43	275,000.00	250,235.57	9.0
SOURCE 36	.00	.00	.00	.00	.0
INTEREST ON INVESTMENTS	.00	.00	.00	.00	.0
SOURCE 38	.00	.00	.00	.00	.0
	<u>24,764.43</u>	<u>24,764.43</u>	<u>275,000.00</u>	<u>250,235.57</u>	<u>9.0</u>
<u>EXPENDITURES</u>					
DEPARTMENT 83	30,396.22	30,396.22	297,376.00	266,979.78	10.2
	<u>30,396.22</u>	<u>30,396.22</u>	<u>297,376.00</u>	<u>266,979.78</u>	<u>10.2</u>
	<u>(5,631.79)</u>	<u>(5,631.79)</u>	<u>(22,376.00)</u>	<u>(16,744.21)</u>	<u>(25.2)</u>

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

SEWER ENTERPRISE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
INTERGOVERNMENTAL REVENUE	.00	.00	.00	.00	.0
CHARGES FOR SERVICES	33,454.84	33,454.84	303,000.00	269,545.16	11.0
MISCELLANEOUS	.00	.00	.00	.00	.0
INTEREST ON INVESTMENTS	.00	.00	.00	.00	.0
SOURCE 38	.00	.00	.00	.00	.0
	<u>33,454.84</u>	<u>33,454.84</u>	<u>303,000.00</u>	<u>269,545.16</u>	<u>11.0</u>
 <u>EXPENDITURES</u>					
SEWER	<u>26,597.23</u>	<u>26,597.23</u>	<u>303,000.00</u>	<u>276,402.77</u>	<u>8.8</u>
	<u>26,597.23</u>	<u>26,597.23</u>	<u>303,000.00</u>	<u>276,402.77</u>	<u>8.8</u>
	<u>6,857.61</u>	<u>6,857.61</u>	<u>.00</u>	<u>(6,857.61)</u>	<u>.0</u>

TOWN OF THATCHER
 FUND SUMMARY
 FOR THE 1 MONTHS ENDING JULY 31, 2017

ELECTRIC ENTERPRISE FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>PCNT</u>
<u>REVENUE</u>					
CHARGES FOR SERVICES	494,482.02	494,482.02	4,684,356.00	4,189,873.98	10.6
INTEREST ON INVESTMENTS	1,151.34	1,151.34	5,000.00	3,848.66	23.0
	<u>495,633.36</u>	<u>495,633.36</u>	<u>4,689,356.00</u>	<u>4,193,722.64</u>	<u>10.6</u>
<u>EXPENDITURES</u>					
ELECTRIC	<u>240,307.25</u>	<u>240,307.25</u>	<u>5,689,357.00</u>	<u>5,449,049.75</u>	<u>4.2</u>
	<u>240,307.25</u>	<u>240,307.25</u>	<u>5,689,357.00</u>	<u>5,449,049.75</u>	<u>4.2</u>
	<u><u>255,326.11</u></u>	<u><u>255,326.11</u></u>	<u><u>(1,000,001.00)</u></u>	<u><u>(1,255,327.11)</u></u>	<u><u>25.5</u></u>

Town of Thatcher - Public Works Department
 Project No. 17-001
Hoopes Avenue Paving Project

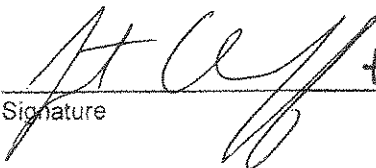
Bid Schedule

Item No.	Pay Item	Estimated Quantity	Unit	Cost	
				Unit \$	Item \$
1	Pulverize Existing Asphalt	16,600	Sq. Yds.	1.50	24,900.00
2	Mill Existing Asphalt	26,790	Sq. Yds.	2.00	53,580.00
3	Install Tack Oil	9.0	Ton	1,800.00	16,200.00
4	Install Asphalt Concrete	5,240	Ton	80.00	419,200.00
5	Traffic Control	1	Lump Sum	22,000.00	22,000.00
6	Adjust Manhole	9	Ea	800.00	7,200.00
7	Adjust Valve	17	Ea	600.00	10,200.00
8	Adjust Survey Monument	3	Ea	600.00	1,800.00
9	Apply Fog Seal	55,300	Sq. Yds.	0.45	24,885.00
12	Reserved for change orders				
Total Base Bid (Items 1-8),					\$ 579,965.00

General Notes

- > Line item prices shall reflect all expenses including taxes, permit fees, insurance, bonding, and other associated costs incidental to the work.
- > Final payment will be based on unit prices bid multiplied by the actual quantities furnished and accepted.
- > **The Town of Thatcher has a set budget for this project. If Total Bid exceeds budget, some quantities may be trimmed to bring cost into budget**

Bid Authorization

 for **CKC CONSTRUCTION**

Signature

08/17/2017

Date

RESOLUTION NO. 660-2017

A RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE POOLED TRANSMISSION AGREEMENT AMONG THE TOWN OF THATCHER AND OTHER FIRM TRANSMISSION SERVICE CONTRACTORS (HEREINAFTER REFERRED TO AS THE “POOLED TRANSMISSION AGREEMENT”) AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, the Town of Thatcher (“Thatcher”) has been offered the opportunity to execute a Pooled Transmission Agreement among Thatcher and other Firm Transmission Service Contractors, a true and correct copy of which is attached hereto as **Exhibit 1**;

WHEREAS, it is proposed that Thatcher enter into the Pooled Transmission Agreement;

WHEREAS, the Pooled Transmission Agreement is in the appropriate form to be executed and delivered for the intended purposes;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council of the Town of Thatcher, Arizona (the “Town Council”) that:

1. The Pooled Transmission Agreement, as presented to the Town Council, a copy of which is attached hereto as **Exhibit 1**, is authorized, approved, and adopted, and Terry Hinton, Town Manager, is hereby authorized to execute the same on behalf of Thatcher with only such changes, insertions and omissions consistent with this Resolution as may be approved by the Town Manager executing the Pooled Transmission Agreement, in consultation with Thatcher’s legal counsel and engineering consultant.”

a. The Town Manager may take any and all other actions necessary in connection with the execution of the Pooled Transmission Agreement.

b. From and after the execution and delivery of the Pooled Transmission Agreement, the members of the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and deliver all such documents as may be necessary to carry out, perform and comply with the provisions of the Pooled Transmission Agreement.

c. All actions heretofore taken by Thatcher and its Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of the Pooled Transmission Agreement are hereby, in all respects, authorized, ratified, approved and confirmed.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28TH day of August, 2017.

By: _____
Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

EXHIBIT “1”

POOLED TRANSMISSION AGREEMENT

This Pooled Transmission Agreement (“Agreement”) is dated this _____ day of _____, 2017.

Original Contracting Parties are the Parties who have executed this Agreement as of September 30, 2017, as set forth on Exhibit A hereto.

Recitals

- A. The Pooled Transmission Use of Reserved Transmission Capacity will result in greater efficiencies and more economic use of the Parties’ resources.
- B. The Parties have been and are implementing individual power and water conservation programs under federal and state laws and regulations. The Energy Policy Act of 1992 requires each of the Parties to undertake resource planning. The Pooled Transmission Use of Reserved Transmission Capacity provided for in this Agreement will facilitate greater efficiencies and dispatch economies and will further the goals of the Energy Policy Act to increase and encourage efficient use of federal transmission resources.
- C. Each of the Parties has entered into a contract with Western for firm transmission service for the delivery of BCP power and/or Other Energy over the transmission path set forth in Exhibit A of each Parties FTS Contract.
- D. A Party may lay-off or exchange BCP power and/or Other Energy to or with other Parties. The Parties wish to use Reserved Transmission Capacity to cause such BCP power and/or Other Energy to be delivered to the Party taking such power. The Parties taking such power will be responsible for paying for such Reserved Transmission Capacity, as provided herein.

Therefore, in consideration of the terms and conditions set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. DEFINITIONS

For purposes of this Agreement, the terms set forth below have the following meanings:

- 1.1. Additional Parties: Entities becoming Parties to this Agreement after the Effective Date, pursuant to Section 8 hereof.
- 1.2. BCP power: Capacity and energy from the Boulder Canyon Project.
- 1.3. Billing Period: A Billing Period is one calendar month.

- 1.4. Effective Date: September 1, 2017 [**Dennis/Jack – Let’s discuss timing**].
- 1.5. Direct BCP Contract: A contract between Western and a Party for the sale and purchase of BCP power.
- 1.6. FTS Contract: An agreement with Western for firm transmission service from the P-DP transmission system and/or the Pacific Intertie transmission system.
- 1.7. Original Contracting Parties: The Parties who have executed this Agreement as of _____, 2017, as set forth on **Exhibit A** hereto.
- 1.8. Other Energy: Such energy, in addition to BCP power, that may become available to a Party over the Reserved Transmission Capacity.
- 1.9. Pacific Intertie transmission: The United States Pacific Northwest-Pacific Southwest Intertie Project transmission system.
- 1.10. Parker-Davis Project transmission: The United States Parker-Davis Project (P-DP) transmission system.
- 1.11. Parties: Original Contracting Parties and any Additional Parties, less any terminated Parties.
- 1.12. Pooled Transmission Use: The use of Reserved Transmission Capacity pursuant to this Agreement and the Western Agreement.
- 1.13. Power Sales Contract: A contract between the Arizona Power Authority and a Party, with an effective date of October 1, 2017, for the sale and purchase of BCP power.
- 1.14. Reserved Transmission Capacity: The quantity of transmission system capacity expressed in kilowatts (kW) that a Party has contracted for and Western has reserved each month for the delivery of BCP power and/or Other Energy, pursuant to that Party’s FTS Contract.
- 1.15. Scheduling Agent: KR Saline & Associates or such other entity whom the Parties designate, to act on their behalf in the performance of this Agreement and the Western Agreement.
- 1.16. Statement of Pooled Transmission Use: A document provided by the Scheduling Agent to Western identifying the Parties and the amount of Reserved Transmission Capacity for which Western should bill each Party for the **upcoming** Billing Period. [**Timing**]
- 1.17. Western Agreement: Contract No. _____ between Western and the Parties for Pooled Transmission Arrangements, as amended from time to time.

2. OBJECTIVE

- 2.1. The objective of Pooled Transmission Use is to utilize the load and resource diversity among the Parties and the various resources available to each Party to schedule BCP power and/or Other Energy in a manner which results in the efficient use of transmission and the reduction of resource costs to the Parties.

3. SCHEDULING AGENT

- 3.1. The Parties shall designate and each Party shall contract with the Scheduling Agent to fulfill the scheduling and accounting functions required for the operation of this Agreement and the Western Agreement. The contract shall provide for allocation and payment of the Scheduling Agent's fees and costs.

The agreements with the Scheduling Agent may be written, verbal, or an extension of existing arrangements with the Scheduling Agent. Each Party shall execute such documentation as is necessary to allow the Scheduling Agent to act as that Party's authorized representative for the purpose of allocating the monthly cost of the Parties' Reserved Transmission Capacity to each of the Parties, based upon the amount of Reserved Transmission Capacity used by that Party or reserved in a FTS Contract and not used by any Party.

- 3.2. The Scheduling Agent shall use reasonable efforts to accommodate the Pooled Transmission Use requests by the Parties under this Agreement. The Scheduling Agent relies upon information provided by the Parties and is not responsible for the accuracy of such information or effects of Pooled Transmission Use undertaken in reliance on such information.
- 3.3. The Scheduling Agent shall not be responsible for decisions for power supply or any power bills, late charges, or other costs incurred by the Parties as a result of this Agreement or Pooled Transmission Use.
- 3.4. Nothing herein modifies or governs any agreement between a Party and the Scheduling Agent.

4. WESTERN AGREEMENT

- 4.1. Each Party shall enter into the Western Agreement, wherein the Party authorizes Western to allow the Parties to use another Party's Reserved Transmission Capacity for the delivery of BCP power and/or Other Energy. Pursuant to the Western Agreement, prior to each Billing Period, the Scheduling Agent will submit a Statement of Pooled Transmission Use to Western and Western will bill each Party for the amount of Reserved Transmission Capacity identified in the Statement of Pooled Transmission Use for that Party.

5. POOLED TRANSMISSION USE AMONG THE PARTIES

- 5.1. Each Party may use its Reserved Transmission Capacity to deliver that Party's BCP power and/or Other Energy to that Party or to other Parties. The Party taking such power will be responsible for paying for the Reserved Transmission Capacity associated with the delivery of such power, as set forth in each Statement of Pooled Transmission Use. To the extent a Party has contracted for more Reserved Transmission Capacity than is needed to deliver that Party's BCP power and/or Other Energy, that Party shall pay for such excess Reserved Transmission Capacity.
- 5.2. The Western Agreement allows the Parties to use another Party's Reserved Transmission Capacity for a Billing Period. Such Pooled Transmission Use will be identified through the use of Statements of Pooled Transmission Use.
- 5.3. This Agreement does not create any rights to FTS Contract resources other than the right to participate in the Pooled Transmission Use of such resources as provided herein and in the Western Agreement. This Agreement does not create any rights to power or transmission for Parties which do not have contracts with Western for such resources.

6. POOLED TRANSMISSION USE SCHEDULING

- 6.1. At least 15 calendar days prior to the beginning of the Billing Period, the Scheduling Agent shall provide the Parties with a proposed Statement of Pooled Transmission Use for the upcoming Billing Period. Each Party shall, within 5 calendar days of receiving a proposed Statement of Pooled Transmission Use, approve or disapprove the proposed Statement of Pooled Transmission Use. Any Party failing to respond to the Scheduling Agent within 5 calendar days of receiving the proposed Statement of Pooled Transmission Use shall be deemed to have approved the proposed Statement of Pooled Transmission Use.
- 6.2. A Statement of Pooled Transmission Use for a Billing Period will be provided to Western at least 10 days prior to the beginning of the Billing Period.
- 6.3. Approval or deemed approval of the Statement of Pooled Transmission Use pursuant to paragraph 6.1 hereof results in the commitment of that Party's Reserved Transmission Capacity, as provided in the Statement of Pooled Transmission Use. The Scheduling Agent shall submit the Statement of Pooled Transmission Use to Western. Each Party agrees to pay Western for the amount of Reserved Transmission Capacity attributed to that Party in each Statement of Pooled Transmission Use submitted to Western.
- 6.4. The Scheduling Agent will attempt to accommodate any changes from Western or the Parties if it is reasonably possible to do so without adversely affecting other Parties.

7. AMOUNTS DUE

- 7.1. In the month following each Billing Period, each Party shall pay Western, when due, the amounts due for Reserved Transmission Capacity billed to that Party for the Billing Period pursuant to the Statement of Pooled Transmission Use for that Billing Period. Upon request, copies of bills will be sent by the Parties to the Scheduling Agent. Each Party is responsible for payment of any late fees or penalties arising as a result of the failure to pay the amounts billed when due, whether or not that Party has been properly billed.
- 7.2. Following the receipt by the Scheduling Agent of copies of bills, the Scheduling Agent will reconcile any differences between bills paid and resources set forth in the Statement of Pooled Transmission Use. The Scheduling Agent shall provide a monthly reconciliation statement to the Parties. If there is a difference between the bills paid and the resources set forth in the Statement of Pooled Transmission Use, the reconciliation statement shall identify the amount owed by each Party and the Party or Parties to which payment should be made. Within 10 days of receipt of the reconciliation statement, any Party owing another Party shall pay that Party the amount due.

8. ADDITIONAL PARTIES

- 8.1. Other entities may become Additional Parties to this Agreement, subject to the consent of the then-existing Parties pursuant to Section 9 hereof and the execution of such documents as are necessary to add a Party to this Agreement. The consent of the then-existing Parties is within those Parties' sole discretion. The then-existing Parties may make their consent contingent upon the requesting entity agreeing to terms and conditions other than those set forth in this Agreement, including but not limited to current compliance with then-existing federal and state power and water conservation programs, the payment of a reasonable participation fee, and limitations on the right to receive the resources available for redistribution.
- 8.2. In order to be eligible to become an Additional Party, an entity must, at the time of application to become an Additional Party, have the following characteristics: (a) an FTS Contract with Western for the purchase of firm transmission service; (b) a Power Sales Contract with the Arizona Power Authority or a Direct BCP Contract with Western for the purchase of BCP power; and (c) such other characteristics as are established by the Parties pursuant to Section 10 hereof.

9. PARTY DECISIONS

- 9.1. Certain decisions under this Agreement will require action by all of the Parties. Such decisions include the following:
- a. Acceptance of Additional Parties;
 - b. Establishment of eligibility characteristics for Additional Parties;

- c. Termination of a Party pursuant to paragraph 11.2 hereof; and
 - d. Such other matters as the Parties may designate in writing.
- 9.2. In the event a unanimous consensus cannot be reached by the Parties regarding the above-listed matters, the decision shall be made by a majority vote. The decision of a majority of the Parties with respect to these matters shall be binding on all Parties.
- 9.3. When a decision regarding the above-described matters must be made, the Scheduling Agent shall provide reasonable notice to the Parties of the issue to be addressed and shall set a time, date, and location for the Parties to meet to take action on the issue. Parties unable to have a representative attend a meeting may participate via telephone or may authorize (in writing) the Scheduling Agent or another Party to vote on behalf of the absent Party.

10. TERM

- 10.1. Term of this Agreement shall be from the Effective Date until such time as all Parties have terminated their status as Parties or have been terminated pursuant to Section 11.2 hereof.

11. TERMINATION OF PARTY STATUS

- 11.1. Any Party can terminate its status as a Party to this Agreement at any time by giving thirty days written notice of termination to the Scheduling Agent and Western. Upon termination of a Party's status as a Party, all obligations previously incurred by the terminated Party and the remaining Parties pursuant to this Agreement shall survive until satisfied. Upon receipt of a notice of termination, the Scheduling Agent shall notify all remaining Parties and Western of such receipt. Any Party terminating its status as a Party is automatically terminated as a Party to the Western Agreement, except as may be limited by the Western Agreement.
- 11.2. The Parties, in their reasonable discretion, may terminate the status of any Party as a Party to this Agreement and the Western Agreement. A decision to terminate a Party is reasonable if any of the following conditions exist:
- a. The Party no longer has an FTS Contract with Western;
 - b. The Party no longer has a Power Sales Contract with Arizona Power Authority or a Direct BCP Contract with Western;
 - c. The Party breaches this Agreement or any related agreements with the Scheduling Agent, Western, or other entities.
- 11.3. Upon termination of a Party pursuant to paragraph 11.2 hereof, the remaining Parties shall give written notice of termination to the terminated Party, stating the reason(s) for termination. Termination shall become effective at the end of the then-current

Contract Season, after receipt by the terminated Party of the notice of termination; Provided, however, that all obligations previously incurred by the terminated Party and the remaining Parties pursuant to this Agreement shall survive until satisfied. Termination pursuant to paragraph 11.2 also terminates that Party's status as a party to the Western Agreement, except as may be limited by the Western Agreement. The Parties may request the Scheduling Agent to give the notice of termination described in this paragraph 11.3. Notice of such termination shall also be given to Western.

12. GENERAL TERMS AND CONDITIONS

- 12.1. Intergovernmental Agreement: Prior to execution, each Party that is a "public agency," as that term is defined in A.R.S. § 11-951, has submitted this Agreement to its attorney to determine that the Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to such Party.
- 12.2. Counterparts: This Agreement may be executed in counterparts.
- 12.3. Authority: Each person executing this Agreement on behalf of a Party warrants that he or she is duly authorized to enter into this Agreement on behalf of, and to bind, the entity represented.
- 12.4. Severability: To the extent any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, such provision is severable from the remainder of the Agreement, which shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed.

AGUILA IRRIGATION DISTRICT

AK-CHIN ENERGY SERVICES

By _____
Its _____

By _____
Its _____

BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT

CHANDLER HEIGHTS CITRUS IRRIGATION DISTRICT

By _____
Its _____

By _____
Its _____

CORTARO-MARANA IRRIGATION DISTRICT

ELECTRICAL DISTRICT NUMBER TWO OF PINAL COUNTY

By _____
Its _____

By _____
Its _____

ELECTRICAL DISTRICT NUMBER THREE OF PINAL COUNTY

ELECTRICAL DISTRICT NUMBER FOUR OF PINAL COUNTY

By _____
Its _____

By _____
Its _____

ELECTRICAL DISTRICT NUMBER SIX OF PINAL COUNTY

ELECTRICAL DISTRICT NUMBER SEVEN OF THE STATE OF ARIZONA AND THE COUNTY OF MARICOPA

By _____
Its _____

By _____
Its _____

ELECTRICAL DISTRICT NUMBER EIGHT OF MARICOPA COUNTY

GILA RIVER INDIAN COMMUNITY AUTHORITY

By _____
Its _____

By _____
Its _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed.

HARQUAHALA VALLEY POWER DISTRICT

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE

By _____
Its _____

By _____
Its _____

MCMULLEN VALLEY WATER CONSERVATION AND DRAINAGE DISTRICT

NAVAJO TRIBAL UTILITY AUTHORITY

By _____
Its _____

By _____
Its _____

OCOTILLO WATER CONSERVATION DISTRICT

QUEEN CREEK IRRIGATION DISTRICT

By _____
Its _____

By _____
Its _____

ROOSEVELT IRRIGATION DISTRICT

CITY OF SAFFORD

By _____
Its _____

By _____
Its _____

SAN TAN IRRIGATION DISTRICT

TONOPAH IRRIGATION DISTRICT

By _____
Its _____

By _____
Its _____

TOWN OF THATCHER

TOWN OF WICKENBURG

By _____
Its _____

By _____
Its _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed.

CITY OF WILLIAMS

WELLTON-MOHAWK IRRIGATION AND
DRAINAGE DISTRICT

By _____
Its _____

By _____
Its _____

RESOLUTION 661-2017

A RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CONTRACT BETWEEN THE UNITED STATES, DEPARTMENT OF ENERGY, WESTERN AREA POWER ADMINISTRATION AND FIRM TRANSMISSION SERVICE CONTRACTORS FOR POOLED TRANSMISSION ARRANGEMENTS (HEREINAFTER THE “WAPA POOLED TRANSMISSION AGREEMENT”) AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, the Town of Thatcher (“Thatcher”) has been offered the opportunity to execute the WAPA Pooled Transmission Agreement among Thatcher, other Firm Transmission Service Contractors, and the United States, Department of Energy, Western Area Power Administration (“WAPA”);

WHEREAS, the WAPA Pooled Transmission Agreement allows the parties thereto to use Reserved Transmission Capacity of the parties to deliver laid-off or exchanged BCP Power or Other Energy to the parties taking such power, as those terms are defined in the same;

WHEREAS, it is proposed that Thatcher enter into the WAPA Pooled Transmission Agreement, a true and correct copy of which is attached hereto as **Exhibit 1**;

WHEREAS, the WAPA Pooled Transmission Agreement is in the appropriate form to be executed and delivered for the intended purposes;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council of the Town of Thatcher, Arizona (the “Town Council”) that:

1. The WAPA Pooled Transmission Agreement, as presented to the Town Council, a copy of which is attached hereto as **Exhibit 1**, is authorized, approved, and adopted, and Terry Hinton, Town Manager, is hereby authorized to execute the same on behalf of Thatcher with only such changes, insertions and omissions consistent with this Resolution as may be approved by the Town Manager executing the WAPA Pooled Transmission Agreement, in consultation with Thatcher’s legal counsel and engineering consultant.

a. The Town Manager may take any and all other actions necessary in connection with the execution of the WAPA Pooled Transmission Agreement.

b. From and after the execution and delivery of the WAPA Pooled Transmission Agreement, the members of the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and

deliver all such documents as may be necessary to carry out, perform and comply with the provisions of the WAPA Pooled Transmission Agreement.

c. All actions heretofore taken by Thatcher and its Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of the WAPA Pooled Transmission Agreement are hereby, in all respects, authorized, ratified, approved and confirmed.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28th day of August, 2017.

By: _____
Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

EXHIBIT “1”



United States
Department of Energy

WESTERN AREA
POWER ADMINISTRATION

Desert Southwest
Regional Office

CONTRACT

CONTRACT NO. _____

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

AND

FIRM TRANSMISSION SERVICE CONTRACTORS

FOR

POOLED TRANSMISSION ARRANGEMENTS

CONTRACT NO. _____

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

AND

FIRM TRANSMISSION SERVICE CONTRACTORS

FOR

POOLED TRANSMISSION ARRANGEMENTS

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CONTRACT NO. _____

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

AND

FIRM TRANSMISSION SERVICE CONTRACTORS

FOR

POOLED TRANSMISSION ARRANGEMENTS

1. **PREAMBLE:** This Contract is made this ____ day of _____, 2017, pursuant to the Acts of Congress approved June 17, 1902 (32 Stat. 388); December 21, 1928 (45 Stat. 1057); August 4, 1939 (53 Stat. 1187); July 19, 1940 (54 Stat. 774); May 28, 1954 (68 Stat. 143); August 31, 1964 (78 Stat. 756); September 30, 1968 (82 Stat. 885); June 24, 1974 (88 Stat. 266); August 4, 1977 (91 Stat. 565); August 17, 1984 (98 Stat. 1333); December 20, 2011 (125 Stat. 777, 43 U.S.C. 619a); and acts amendatory or supplementary to the foregoing Acts; between and among the UNITED STATES OF AMERICA acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called Western, represented by the officer executing this Contract, or a duly appointed successor hereinafter called Contracting Officer; and the Parties who have executed this Contract as of September 30, 2017, as set forth on **Exhibit A** hereto. Additional firm transmission service contractors of Western may become Parties to this Contract.

2. **EXPLANATORY RECITALS:**

2.1 Each of the Parties has entered into a contract with Western for firm transmission service for the delivery of BCP power and/or Other Energy over the transmission path set forth in Exhibit A of each Party's FTS Contract.

2.2 A Party may lay-off or exchange BCP power and/or Other Energy to or with other Parties. The Parties wish to use Reserved Transmission Capacity to cause such BCP power and/or Other Energy to be delivered to the Party taking such power. The Parties taking such power will be responsible for paying for such Reserved Transmission Capacity, as provided herein.

3. **AGREEMENT:** The Parties and Western agree to the terms and conditions set forth herein.

4. **DEFINITIONS:** For purposes of this Contract, the terms set forth below have the following meanings:

4.1 **Additional Parties:** Entities becoming Parties to this Contract after the effective date of the Contract, pursuant to Section 10 hereof.

4.2 **BCP power:** Capacity and energy from the Boulder Canyon Project.

4.3 **Billing Period:** A period of one calendar month.

4.4 **Contract:** This Contract No. _____.

4.5 **FTS Contract:** A contract with Western for firm transmission service from the P-DP transmission system and/or the Pacific Intertie transmission system.

4.6 **Original Contracting Parties:** The Parties who have executed this Contract as of September 30, 2017, as set forth on Exhibit A hereto.

4.7 **Other Energy:** Such energy, in addition to BCP power, that may become available to a Party over the P-DP transmission system or the Pacific Intertie transmission system over the transmission path specified in Exhibit A of the Party's FTS Contract.

4.8 **Pacific Intertie transmission:** The United States Pacific Northwest-Pacific Southwest Intertie Project transmission system.

4.9 **Parker-Davis Project transmission:** The United States Parker-Davis Project (P-DP) transmission system.

4.10 **Parties:** The Original Contracting Parties and Additional Parties, less any terminated Parties, not including Western.

4.11 Pooled Transmission Use: The use of Reserved Transmission Capacity pursuant to this Contract and the Transmission Pooling Agreement.

4.12 Reserved Transmission Capacity: The quantity of transmission system capacity expressed in megawatts (MW) that a Party has contracted for and Western has reserved each month for the delivery of BCP power and/or Other Energy, pursuant to that Party's FTS Contract.

4.13 Scheduling Agent: The entity that the Parties designate to act on their behalf in the performance of this Contract.

4.14 Statement of Pooled Transmission Use: The document provided by the Scheduling Agent to Western identifying the Parties and the amount of Reserved Transmission Capacity for which Western should bill each Party for the upcoming Billing Period.

4.15 Transmission Pooling Agreement: The Transmission Pooling Agreement dated _____, 2017, among the Original Contracting Parties, as that agreement may be amended from time-to-time and as Parties are added to or terminated from that agreement.

5. **TERM OF CONTRACT:**

5.1 This Contract shall become effective as of October 1, 2017, and, subject to prior termination as otherwise provided herein, this Contract shall remain in effect until midnight, September 30, 2067.

5.2 This Contract may be terminated by Western no less than one hundred eighty (180) days after written notice of termination is provided to the Scheduling Agent.

5.3 Any Party may terminate its status as a Party to this Contract by giving one hundred eighty (180 days' written notice of termination to Western and the Scheduling Agent.

5.4 Participation in this Contract is contingent upon a Party's status as a Party to the Pooled Transmission Agreement. Termination of a Party's status under the Pooled

Transmission Agreement results in the termination of a Party's status under this Contract. The notice of such termination shall be given to Western in writing by the Scheduling Agent.

5.5 Upon termination of this Contract or termination of a Party's status under the Pooled Transmission Agreement, all obligations incurred by Western or any Party pursuant to this Contract shall survive until satisfied.

6. **AUTHORITY OF SCHEDULING AGENT:**

6.1 Each Party to this Contract warrants that the Scheduling Agent is authorized to act on its behalf with respect to those matters provided for in this Contract which are the functions and responsibilities of the Scheduling Agent and to bind the Parties individually. The Scheduling Agent is specifically authorized to request and receive from Western copies of all invoices and correspondence to any Party relating to the Party's FTS Contract, transmission use and billing, along with any other information relevant to pooled transmission activities for each of the Parties.

6.2 The Parties have provided Western in writing the name of the Parties' designated Scheduling Agent. The Parties may change designation of Scheduling Agent by written notice to Western.

7. **POOLED TRANSMISSION USE AMONG THE PARTIES:**

7.1 Each Party may use its Reserved Transmission Capacity to deliver that Party's BCP power and/or Other Energy to that Party or to other Parties, or to entities providing scheduling entity services, dynamic signal management services or transmission/distribution services to the Party or other Parties taking delivery of the Party's BCP power and/or Other Energy.

7.2 Prior to each Billing Period, the Scheduling Agent will provide Western with a Statement of Pooled Transmission Use, which will identify the Parties and the amount of Reserved Transmission Capacity for which Western should bill each Party for the upcoming Billing Period.

7.3 A Statement of Pooled Transmission Use for a Billing Period shall be provided to Western at least five (5) days prior to the beginning of the Billing Period.

7.4 Western shall notify the Scheduling Agent three (3) days prior to the Billing Period of any limitations described in Section 9 hereof that may impair Western's implementation of the Statement of Pooled Transmission Use. The Scheduling Agent and Western shall work together to eliminate any such limitations to the extent practicable.

7.5 The Statement of Pooled Transmission Use shall list by FTS Contract, each Party's billing share of the Reserved Transmission Capacity of all of the Parties.

7.6 The time line requirements set forth in this Section 7 shall be abided by to the maximum extent possible. The Parties recognize that, at Western's discretion, exceptions to the time lines may occur from time to time, and in those isolated circumstances may be changed to accommodate administration of the Transmission Pooling Agreement and/or the FTS Contracts as they may be amended from time to time, or as otherwise agreed upon between the Scheduling Agent and Western.

7.7 This Contract does not create any rights to Reserved Transmission Capacity or any rights to Western's transmission system other than the right to participate in the Pooled Transmission Use of the Reserved Transmission Capacity, as provided herein. This Contract does not create any rights to power or any rights to Western's transmission system for Parties which do not have contract with Western for such resources.

8. **BILLING AND PAYMENT:**

8.1 Western shall bill the Parties in accordance with the General Power Contract Provisions (GPCP) made a part of this Contract under Section 16 hereof, based upon the Statement of Pooled Transmission Use.

8.2 Nonpayment of bills in full when due will be considered in the manner set forth in the GPCP. Each Party will be held separately accountable for any late charges

occurring as a result of alternate payment methods by the Party(s) billed for the Reserved Transmission Capacity.

8.3 Each Party's obligation to pay Western shall be based on the amount of Reserved Transmission Capacity set forth in the Statement of Pooled Transmission Use. Western shall bill each Party based upon the Statement of Pooled Transmission Use.

8.4 Each Party hereby waives and releases Western from any claims against Western as a result of the good faith compliance of Western with the directions of the Scheduling Agent.

9. **LIMITATIONS:** Western's obligation to deliver the firm transmission service described in Section 7 hereof is subject to the following limitations:

9.1 The Parties' FTS Contracts shall govern the terms and conditions with respect to FTS resources;

9.2 Reserved Transmission Capacity shall be used only by Parties that have an FTS Contract; and

9.3 The Reserved Transmission Capacity used by all of the Parties for any Billing Period shall not exceed the sum of the Parties' Reserved Transmission Capacity for such Billing Period.

10. **ADDITIONAL PARTIES:**

10.1 Other Western firm transmission service contractors or subcontractors may become Additional Parties to this Contract, subject to the written consent of Western and the then existing Parties and the execution of an Additional Party amendment. The consent of the then existing Parties shall be evidenced by the Scheduling Agent's written approval of an Additional Party amendment.

10.2 In determining whether to add an Additional Party neither the Parties nor Western shall withhold consent for reasons that are arbitrary or would constitute unconstitutional discrimination against the Additional Party. An Additional Party may have conditions imposed upon its membership if the addition of the Additional Party is

reasonably likely to have a quantifiable negative economic impact on one or more of the then existing Parties.

11. **ACKNOWLEDGMENTS:** Western and the Parties agree that the Pooled Transmission Use of Reserved Transmission Capacity pursuant to this Contract is not a violation of any Party's FTS Contract.
12. **INTERGOVERNMENTAL CONTRACT:** Each Party that is a "public agency," as that term is defined in A.R.S. § 11-951, has submitted this Contract to its attorney to determine that the Contract is in proper form and is within the powers and authority granted under the laws of the State of Arizona to such Party.
13. **SIGNATURE IN COUNTERPARTS:** This Contract may be executed in any number of counterparts and shall be deemed to constitute a single document with the same force and effect as if all of the Parties hereto, having signed a counterpart, had signed all other counterparts. The Scheduling Agent or the signing party shall cause each Party's executed counterpart to be delivered to Western and Western shall distribute conformed copies of the signed counterpart to each Party and the Scheduling Agent.
14. **SEVERABILITY:** To the extent any provision of this Contract is found by a court of competent jurisdiction to be unenforceable, such provision is severable from the remainder of the Contract, which shall remain in full force and effect.
15. **AUTHORITY:** The Contracting Officer and each person executing this Contract on behalf of a Party are duly authorized to enter into this Contract on behalf of and to bind the entity represented.
16. **GENERAL POWER CONTRACT PROVISIONS:** The General Power Contract Provisions (GPCP) effective September 1, 2007, are attached hereto, and are hereby made a part of this Contract the same as if they had been expressly set forth herein; provided, Provisions 7, 8, 9, 12, and 15 through 28 shall not be applicable hereto; and further provided, that in Provision 3, the term "capacity" shall mean "transmission

capacity”; and further provided, that if a provision in the GPCP is in conflict with this Contract, the terms of this Contract shall control.

17. **CONTINGENT UPON AUTHORIZATION:** Continued expenditures by the United States are contingent upon Congress making the necessary authorization required for the continued performance of United States’ obligations under this Contract. In case such authorization is not made, the Contractor(s) hereby releases the United States from its contractual obligations and from all liability due to failure of Congress to make such authorization.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No. _____, to be executed the date first written above.

DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

By _____
Jean Gray
Title Assistant Regional Mgr.
_____ for Power Marketing
Address Desert Southwest Regional Office

Ref: FTS Contract No. _____

AGUILA IRRIGATION DISTRICT

By _____
Title _____
Address _____

Ref: FTS Contract No. _____

AK-CHIN ENERGY SERVICES

By _____
Title _____
Address _____

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No.

_____, to be executed the date first written above.

Ref: FTS Contract No. _____

BUCKEYE WATER CONSERVATION AND
DRAINAGE DISTRICT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

CHANDLER HEIGHTS CITRUS IRRIGATION
DISTRICT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

CORTARO-MARANA IRRIGATION DISTRICT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

ELECTRICAL DISTRICT NUMBER TWO

By _____

Title _____

Address _____

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No. _____, to be executed the date first written above.

Ref: FTS Contract No. _____ ELECTRICAL DISTRICT NUMBER THREE

By _____

Title _____

Address _____

Ref: FTS Contract No. _____ ELECTRICAL DISTRICT NUMBER FOUR

By _____

Title _____

Address _____

Ref: FTS Contract No. _____ ELECTRICAL DISTRICT NUMBER SIX

By _____

Title _____

Address _____

Ref: FTS Contract No. _____ ELECTRICAL DISTRICT NUMBER SEVEN

By _____

Title _____

Address _____

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No. _____, to be executed the date first written above.

Ref: FTS Contract No. _____

ELECTRICAL DISTRICT NUMBER EIGHT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

GILA RIVER INDIAN COMMUNITY
AUTHORITY

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

HARQUAHALA VALLEY POWER DISTRICT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

MARICOPA WATER DISTRICT

By _____

Title _____

Address _____

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No.

_____, to be executed the date first written above.

Ref: FTS Contract No. _____

McMULLEN VALLEY WATER
CONSERVATION AND DRAINAGE DISTRICT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

NAVAJO TRIBAL UTILITY AUTHORITY

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

OCOTILLO WATER CONSERVATION
DISTRICT

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

QUEEN CREEK IRRIGATION DISTRICT

By _____

Title _____

Address _____

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No. _____, to be executed the date first written above.

Ref: FTS Contract No. _____ ROOSEVELT IRRIGATION DISTRICT
By _____
Title _____
Address _____

Ref: FTS Contract No. _____ CITY OF SAFFORD
By _____
Title _____
Address _____

Ref: FTS Contract No. _____ SAN TAN IRRIGATION PROJECT
By _____
Title _____
Address _____

Ref: FTS Contract No. _____ TONOPAH IRRIGATION DISTRICT
By _____
Title _____
Address _____

IN WITNESS WHEREOF, the Parties and Western have caused this Contract No.

_____, to be executed the date first written above.

Ref: FTS Contract No. _____

TOWN OF THATCHER

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

TOWN OF WICKENBURG

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

CITY OF WILLIAMS

By _____

Title _____

Address _____

Ref: FTS Contract No. _____

WELLTON-MOHAWK IRRIGATION AND
DRAINAGE DISTRICT

By _____

Title _____

Address _____

RESOLUTION NO. 662-2017

RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL AUTHORIZING THE MODIFICATION OF EXISTING CONTRACT NUMBER 16-DSR-12703 BETWEEN UNITED STATES DEPARTMENT OF ENERGY WESTERN AREA POWER ADMINISTRATION DESERT SOUTHWEST REGION AND THE TOWN OF THATCHER FOR FIRM TRANSMISSION SERVICE ARRANGEMENTS AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, on September 13, 2016, Town of Thatcher (“Thatcher”) entered into Contract No. 16-DSR-12703, Between United States Department of Energy, Western Area Power Administration, Desert Southwest Region and Thatcher For Firm Transmission Service Arrangements (hereinafter the “FTS Agreement”);

WHEREAS, the FTS Agreement provides for certain requirements with respect to reserved transmission capacity;

WHEREAS, the WAPA Pooled Transmission Agreement and the Pooled Transmission Agreement will result in greater efficiencies and more economic use of the Parties’ resources; and

WHEREAS, the WAPA Pooled Transmission Agreement and the Pooled Transmission Agreement will allow participants to reduce individual amounts of capacity reserved in each FTS Agreement.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council of the Town of Thatcher, Arizona (the “Town Council”) that:

1. Thatcher is to negotiate, and take any and all actions necessary, to modify and reduce the individual reserved transmission capacity requirements of the FTS Agreement.

a. Terry Hinton, Town Manager, is authorized to prepare and execute such documents necessary to modify and reduce the individual reserved transmission capacity requirements of the FTS Agreement, in consultation with Thatcher’s legal counsel and engineering consultant.

b. All actions heretofore taken by Thatcher and its Town Council that are consistent with this Resolution and which were directed toward modifying and reducing the individual reserved transmission capacity requirements of the FTS Agreement are hereby, in all respects, authorized, ratified, approved and confirmed.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28th day of August, 2017.

By: _____
Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

RESOLUTION NO. 668-2017

RESOLUTION OF THE TOWN OF THATCHER, ARIZONA, TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZATING THE EXECUTION OF THE HOOVER POWER POOLING AGREEMENT AMONG THE TOWN OF THATCHER, THE ARIZONA POWER AUTHORITY, AND K.R. SALINE AND ASSOCIATES, PLC, AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH.

WHEREAS, Town of Thatcher (the “Town”) has been offered the opportunity to execute an agreement among the Town, the Arizona Power Authority (“APA”), and K.R. Saline and Associates, PLC (“KRSA”), designating KRSA as the administrative agent and agreeing that the Town is bound by the terms and conditions of the Program, as defined herein (the “2017 Resource Exchange Program – Group I Form Agreement” or the “Agreement”);

WHEREAS, the APA adopted the Hoover Power Pooling Program (the “Program”) in the summer of 2017, which is attached hereto as **Exhibit 1** and incorporated herein by reference;

WHEREAS, the Program becomes effective October 1, 2017, and stays effected until September 30, 2022, continually and automatically thereafter for four-year increments unless and until terminated by the APA;

WHEREAS, the Program recognizes the Resource Exchange Program as an existing power pool that will continue under the Program for post-2017 Hoover Allocations, subject to the Town executing the Agreement;

WHEREAS, the Agreement, upon execution, will allow the Town to participate with other Hoover Power Customers, identified in **Exhibit 2** hereto, in power pooling and resource exchanges; and

WHEREAS, the Town Council has reviewed the Agreement, included at the end of **Exhibit 1** hereto.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council that:

1. The 2017 Resource Exchange Program – Group I Form Agreement, a copy of which is attached hereto as **Exhibit 1**, is authorized, approved, and adopted, and Bob Rivera, Mayor of the Town, is hereby authorized to execute the same on behalf of the Town with only such changes, insertions and omissions consistent with this Resolution as may be approved by the Mayor of the Town executing the 2017 Resource Exchange Program – Group I Form Agreement, in consultation with the Town’s legal counsel and engineering consultant.

a. The Town Manager and/or Mayor of the Town may take any and all other actions necessary in connection with the execution of the 2017 Resource Exchange Program – Group I Form Agreement.

b. From and after the execution and delivery of the 2017 Resource Exchange Program – Group I Form Agreement, the Town Manager, Mayor of the Town and members of the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and deliver all such documents as may be necessary to carry out, perform and comply with the provisions of the 2017 Resource Exchange Program – Group I Form Agreement.

c. All actions heretofore taken by the Town Manager and/or Mayor of the Town and the Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of the 2017 Resource Exchange Program – Group I Form Agreement are hereby, in all respects, authorized, ratified, approved and confirmed.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28th day of August, 2017.

Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

Exhibit 1

Hoover Power Pooling Program Agreement

COMMISSION

Dalton Cole
Chairman

Russell L. Jones
Vice Chairman

Stephen M. Brophy
Lawrence V. Robertson Jr.
John F. Sullivan



Arizona Power Authority
1810 W. Adams St. Phoenix, AZ 85007
Tel (602) 368-4265 Fax (602) 253-7970

STAFF

Ed Gerak
Executive Director

John T. Underhill, Jr.
Interim Deputy Director

Heather J. Cole
Executive Secretary

HOOVER POWER POOLING PROGRAM

The Hoover Power Pooling Program (the “Program”) provides information regarding the Arizona Power Authority’s (the “Authority”) current approach to Customers’ scheduling practices of Hoover Power with respect to the use of “Power Pools,” as that term is defined herein. The Program is advisory only and does not impose additional requirements or penalties on the Authority’s customers or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act.

It has been, and continues to be, the Program of the Authority to encourage and facilitate transactions between and among the Authority’s Contractors that maximize the value of the Hoover resources to such Contractors and their Customers. This Program preserves and extends that intent in conjunction with the new Hoover contracts and services thereunder beginning October 1, 2017.

Authority customers may elect to work directly with the Authority staff when scheduling their Hoover Power Entitlement or they may elect to participate with the Authority through a Power Pool as described herein. This Program is approved by the Authority Commission in accordance with its rules and replaces Authority power pooling arrangements expiring on September 30, 2017.

This Program is intended to deal only with Hoover Power and not the management of customer loads and resources by customers or their representatives.

Preamble

The Participants implement individual power and water conservation programs under federal and state statutes and regulations. For example, the Energy Program Act of 1992 (“EPACT”) requires integrated resource planning. The Cooperative Scheduling provided for in this Program will improve efficiencies and economics of electric system dispatch and will further the goals of, and compliance with, EPACT by increasing efficient use of federal power resources.

The eligible Participants are party to an Authority Power Sales Contract (“PSC”), as authorized by Arizona statutes and regulations, with an Allocation of Hoover A Power, Hoover B Power, and Hoover D-1 and/or D-2 Power (“Hoover Power”). The Cooperative Scheduling provided for in this Program shall comply with the Participants’ contractual obligations to the Authority, state and federal law and the Authority’s rules.

Principles¹

- A. Authority customers participating in the development and operation of a Power Pool will identify the Participants in the Power Pool and the Administrative Agent for the Power Pool.
- B. Participants in a Power Pool will provide to the Authority written authorization for the Administrative Agent designated to act on their behalf under their PSC.
- C. The Participants' planning, scheduling, accounting, and other arrangements prepared by them or for their purposes shall remain the property of the Participant.
- D. Information related to the Hoover Power resource, such as monthly capacity and energy Entitlements including layoff, exchange, and/or banking activities will likely appear on Authority and Western reports and will not be proprietary and confidential.
- E. Each Administrative Agent will receive a copy of Hoover Power Allocations and Entitlements for each month for all of the Authority's customers in any customer's Power Pool. The Authority will provide information in advance when it is available from Western.
- F. The Participants' modifications to the Hoover Power Entitlements will be limited to monthly adjustments among the Power Pool Participants. The Power Pools may include exchanges and layoffs with other Authority customers or other Authority Power Pools. Pursuant to the PSC, adjustments of any kind will require Authority oversight and approval, but such approval shall not be unreasonably withheld. The Administrative Agent will communicate any proposed adjustments with the Authority staff, who will verify these adjustments with the Scheduling Entity(ies), and other Administrative Agents as necessary.
- G. An Administrative Agent may attend operations, scheduling, and accounting coordination sessions on behalf of its Power Pool Participants. The Authority and Power Pool Participants agree to determine appropriate Power Pool information exchange procedures to protect commercially sensitive Participant information while allowing them to fully identify how Hoover Power is scheduled.
- H. An Administrative Agent, in coordination with other approved Power Pools, may participate in monthly Entitlement adjustments between these pools and customers with Authority oversight and approval; however, such approval shall not be unreasonably withheld.
- I. An Administrative Agent may coordinate the purchase by the Authority of supplemental and firming capacity and energy to be re-sold by the Authority to Power Pool Participants. These purchases will be in accordance with agreements between the Authority and the selling party providing the capacity and/or energy.
- J. The Administrative Agent will confirm bulk schedules with the Power Pool Participants' Scheduling Entity(ies) and load serving entity(ies) to confirm monthly, hourly and daily schedules in accordance with good utility practices.
- K. The Authority will not be responsible for the planning and scheduling activities for customer resources that do not involve Hoover Dam capacity and energy.

¹ All capitalized terms shall have the meaning identified in Section 1 hereof.

L. It is the intent of the Authority that Power Pool schedule modifications will not interfere with other customers' deliveries of Hoover Power, negatively impact other customer's use of their Hoover Power Entitlements via another Power Pool or program, or enable utility customers to engage in practices not acceptable to the host utility.

M. The Authority will prepare billings for Hoover Power for all Authority customers.

1. **DEFINITIONS**

For the purpose of this Program, the terms set forth below have the following meanings:

1.1 Administrative Agent: The person, entity or entities whom the Participants in a Power Pool designate from time to time pursuant to paragraph 4.1 hereof.

1.2 Allocation: The Hoover Capacity and Hoover Energy that the Customer is entitled to receive at the Point of Delivery based on the Allocation in the Post-2017 Marketing Plan, or the Boulder Canyon Project-Post 2017 Resource Pool adopted by Western on December 18, 2014 (79 Fed. Reg. 75544), including associated Ancillary Services and Environmental Attributes.

1.3 Authority: The Arizona Power Authority.

1.4 Authority Power Sales Contract or "PSC" as defined above: A power sales contract between the Authority and a Participant relating to Hoover A, Hoover B, Hoover C, Hoover D-1, and/or Hoover D-2 capacity and energy.

1.5 Contract Year: October 1 of any year through September 30 of the subsequent year.

1.6 Cooperative Scheduling: Cooperative scheduling and voluntary exchanging of the Participants' Hoover Power and any additional resources that the Participants in a Power Pool may cooperatively schedule and/or exchange.

1.7 Effective Date: The date on which the Authority approves operation of a Power Pool under this Program.

1.8 Entitlement: That portion of the Customer's Allocation that the Customer is entitled to receive at the Point of Delivery for the then current Contract Year as reflected in the Capacity and Energy Schedule and adjusted for Hoover power plant outages and lake level restrictions.

1.9 Hoover A: The capacity and energy offered to the Authority pursuant to Section 2. (a) of the Hoover Power Allocation Act of 2011 and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

1.10 Hoover B: The capacity and energy offered to the Authority pursuant to Section 2. (b) of the Hoover Power Allocation Act of 2011 and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

1.11 Hoover C: The capacity and energy offered to the Authority pursuant to Section 2. (c) of the Hoover Power Allocation Act of 2011 and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

1.12 Hoover D-1: The capacity and energy offered to the Authority pursuant to Section 2. (d) of the Hoover Power Allocation Act of 2011 and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

1.13 Hoover D-2: The capacity and energy offered to the Authority pursuant to Section 2. (d) of the Hoover Power Allocation Act of 2011 and purchased by the Authority pursuant to the Boulder Canyon Project Agreement.

1.14 Hoover Power: Hoover A, Hoover B, Hoover C, Hoover D-1, and Hoover D-2 capacity and/or energy. As used herein, Hoover Power shall mean Monthly Capacity, Monthly Energy and Hoover C, unless the context otherwise requires.

1.15 Monthly Capacity: The quantity of Entitlement capacity expressed in kilowatts (kW) that each Participant is entitled to receive each month pursuant to that Participant's Authority Power Sales Contract.

1.16 Monthly Energy: The quantity of available energy expressed in kilowatt-hours (kWh) that the Authority is committed to supply and each Participant is entitled to receive each month pursuant to that Participant's Authority Power Sales Contract.

1.17 Monthly Scheduling Meeting: A monthly meeting among the Participants, Administrative Agents, and a designated employee or employees of the Authority, to discuss the scheduling of customers' Hoover Power, taking into consideration requests for Cooperative Scheduling. The Monthly Scheduling Meeting is described more fully herein in Section 8.

1.18 Participants: Authority customers who have executed a Power Pool Agreement.

1.19 Power Pool(s): Any group of two or more Authority customers that chose to work together as a pool in the Cooperative Scheduling of Hoover Capacity and Hoover Energy pursuant to the Program.

1.20 Power Pool Agreement: A contract, as contemplated by and authorized pursuant to the PSC, between any group of two or more Authority customers that chose to work together in the Cooperative Scheduling of Hoover Capacity and/or Hoover Energy.

Terms in initial capitalization and not defined in this document shall have the meanings given them in the Authority Power Sales Contract.

2. OBJECTIVE

2.1 The objective of a Power Pool is to use Cooperative Scheduling to utilize the load and resource diversity among the Participants of each Power Pool, for the optimum scheduling of Hoover Power and the various additional resources available to each Participant. The Participants expect full utilization of Hoover Power and wish to maximize efficient use of all resources at reduced costs to such Participants while, at the same time, enabling the Authority to retain their responsibilities required by state statutes, regulations, and as reflected in the PSC.

3. EXISTING AND APPROVED POWER POOLS

3.1 This Program is intended to provide specific guidelines for any proposed or existing Power Pool and to identify certain additional requirements on the Participants and the Administrative Agents.

3.2 The Auditor General Report No. 16-111, Recommendation 2.1, specifies that the Authority should ensure that any power pooling arrangements established under the new contracts beginning October 1, 2017, are approved in accordance with its rules. The Auditor General expects the Resource Exchange Program to continue but under the terms of this Program effective October 1, 2017.

3.3 At present, the only approved Power Pool overseen by the Authority is an established Power Pool known as the Resource Exchange Program (“REP”). The REP was established by the Arizona Power Authority Commission in 1993, initially as a pilot program, to provide a mechanism for the layoff of Hoover capacity and/or energy and subsequent purchase of the resultant layoff capacity and/or energy by other Authority customers participating in the REP. It has evolved to provide longer term planning windows for layoffs, so Hoover Power is used more efficiently and can accommodate seasonal exchanges with entities like Page Utility and customers with in lieu surface water opportunities. The REP has demonstrated wide spread benefits to many customers who utilize the pooling and exchanges to increase the value of Hoover to their customers and those benefits are intended to be facilitated by this Program, as contemplated by the PSC.

4. ADMINISTRATIVE AGENT

4.1 The Participants of each Power Pool shall select an Administrative Agent. Each Power Pool Participant shall contract with its Administrative Agent, as necessary, to fulfill the scheduling and accounting functions required for the operation of the PSC and this Program, which contract may be an extension of an existing contract. Each Participant shall execute such documentation as is necessary to authorize the Administrative Agent to act as that Participant’s representative for purposes of scheduling Hoover Power, and any additional resources that are Cooperatively Scheduled, and for such other purposes as are necessary or convenient to carry out activities of an approved Power Pool, including, but not limited to, obtaining copies of power bills and schedules. Each Participant shall provide written notice to the Authority of such authorization. Any Participant that does not notify the Authority that it has selected an Administrative Agent may act on its own behalf in performance of an approved Power Pool.

4.2 Each Administrative Agent shall use its reasonable best efforts to propose schedules that fully utilize the Power Pool Participants’ Hoover Power Entitlements, and any other Authority resources, as directed and requested by its Power Pool Participants, in accordance with the intent and purpose of the PSC and this Program. An Administrative Agent is authorized to rely upon information provided by the Participants and shall not be responsible for the accuracy of such information or the results or consequences of Cooperative Scheduling undertaken in reliance on such information.

4.3 Each Administrative Agent shall execute a Program Agreement in a form consistent with the form set forth in Exhibit I hereto. Exhibit I outlines specifics for the operation of the existing group

of Participants operating under the REP. The additional Exhibits are examples of other Power Pools that may be created pursuant to the PSC, consistent with this Program.

5. COOPERATIVE SCHEDULING, REPORTING, BILLING AND PAYMENT PROCEDURES

5.1 This Program allows the Participants in a Power Pool to Cooperatively Schedule Hoover Power.

5.2 Prior to the tender or relinquishment of Hoover Power to the Authority pursuant to Section 29(b) of the Authority Power Sales Contract, but subject to the provisions of the Authority Power Sales Contract, Cooperative Scheduling may be undertaken within a single Contract Year for not less than a one-month period by the Administrative Agent on behalf of those Participants which have so directed, or such other period as requested by the Administrative Agent and approved by the Authority.

5.3 Participants taking part in Cooperative Scheduling shall provide, or cause to be provided to the Authority, a monthly schedule stating each Participant's Hoover Power Entitlement before the Cooperative Schedule for such month, the amounts of Hoover Power Cooperatively Scheduled to, from or with each Participant, and the net resulting schedule of each Participant. Each Participant's resulting net Hoover Power schedule will be the schedule the Authority employs for the month pursuant to the terms and conditions of the PSC and this Program.

5.4 As soon as practicable after monthly schedules are finalized, each Administrative Agent shall prepare a report describing the Cooperative Scheduling undertaken by that Administrative Agent for its Power Pool Participants for that scheduling period. Any Participant acting on its own behalf in the performance of the approved Power Pool shall cause a similar report to be provided for its activities. The form of the report may be modified from time to time, as discussed and agreed to at the Monthly Scheduling Meetings discussed herein at Section 8. A copy of the report shall be made available to the Authority.

5.5 Each Participant who Cooperatively Schedules Hoover Power agrees to assume the financial obligation for any amount of Hoover Power scheduled for it pursuant to any Power Pool Agreement.

a. The Authority shall bill each Participant for all additional amounts of Hoover Power in a manner consistent with the then current Authority monthly billing process.

b. Each Participant agrees to pay the Authority for such additional unit of Hoover Power scheduled for it in a manner consistent with the payment process required for Hoover Power. Should a Participant fail to pay for such additional amount of Hoover Power, the Authority may elect to employ the collection process for such amount in a manner consistent with collection of unpaid bills for Hoover Power.

5.6 Each Participant ("Disposing Participant") agrees that the Cooperative Scheduling of any of its Monthly Capacity and Monthly Energy Entitlement to another Participant ("Acquiring Participant") pursuant to any Power Pool Agreement shall not relieve the Disposing Participant of its underlying obligation to pay for its Monthly Capacity and Monthly Energy pursuant to the

Authority Power Sales Contracts. Each Disposing Participant having part or all of its Monthly Capacity and Monthly Energy Cooperatively Scheduled to another Participant agrees (i) that the Authority bill rendered to such other-Acquiring Participant shall constitute legally sufficient billing by the Authority in compliance with the Authority Power Sales Contract to the Disposing Participant whose Monthly Capacity and Monthly Energy is scheduled to another, should the Authority exercise its rights to collect payment in full from any such Disposing Participant; and (ii) that the administration of any Power Pool Agreement shall not, in any manner, affect the Authority's right to collect payment from any Participant for its Monthly Capacity and Monthly Energy pursuant to the Authority Power Sales Contract.

5.7 To maximize the value of the Hoover Resource, the Authority recognizes the benefit that flexibility provides to the Customers. Hoover A shall be purchased and scheduled under a Power Pool Agreement only by Participants having a power purchase certificate and shall be used within the area covered by the power purchase certificate. Except for this restriction, Hoover A, B, D-1, D-2 can be exchanged, purchased and scheduled under a Power Pool Agreement with Participants having a Hoover A, B, D-1, and/or D-2 allocation, subject to the terms and conditions of the Authority Power Sales Contract and limited to available transmission.

5.8 No Participant may demand more resource than another Participant is willing to make available to the requesting Participant. No Participant may demand that another Participant accept more of the offering Participant's resource than the other Participant is willing to accept. Notwithstanding a Power Pool Agreement, each Participant is responsible for providing for its own power supply

5.9 This Program does not create any separate rights to Hoover Power, and no Power Pool Agreement shall cause the Authority to be in violation of any of its obligations under the Boulder Canyon Project Agreement or any provision of federal or state statutes or regulations.

5.10 Cooperative Scheduling may include any resources available to any of the Participants. If additional resources can be Cooperatively Scheduled or exchanged, the Participants may individually or collectively request its Administrative Agent to cooperatively schedule or exchange such additional resources.

5.11 The Authority requests reports of activities only as they relate to Hoover Power.

6. MONTHLY SCHEDULING

6.1 Each Administrative Agent or the Participant shall submit the schedules to the Authority at least four working days before the end of the month, to the extent practicable.

6.2 Each Administrative Agent will attempt to accommodate changes reasonably requested by other Administrative Agents or the Authority if it is reasonably possible to do so without adversely affecting the Participants for whom the Administrative Agent is authorized to act.

7. PARTICIPANTS

7.1 In order to be eligible to become a Participant, an entity must, at the time of delivering the Power Pool Agreement to the Authority, be at least one of the following: (i) a party to an Authority

Power Sales Contract with an Allocation of Hoover A Power, (ii) a party to an Authority Power Sales Contract with an Allocation of Hoover B Power, (iii) a party to an Authority Power Sales Contract with an Allocation of Hoover C energy, a party to an Authority Power Sales Contract with an Allocation of Hoover D-1 Power or a party to an Authority Power Sales Contract with an Allocation of Hoover D-2 Power.

7.2 Eligible entities may become Participants by executing a Power Pool Agreement, which will become an Exhibit to this Program, that identifies those eligible entities participating and the specific attributes of their respective power pooling arrangements, and delivering it to the Authority. Exhibit I includes the attributes of the REP and will be known as Power Pool Group I. Exhibit II includes the participants and attributes of the Municipal Power Exchange (“MPX”) and will be known as Power Pool Group II. This Program identifies the policies associated with the creation of additional Power Pool Groups that may be formed pursuant to the PSC and Exhibit III includes the attributes of a third entity that will be known as Power Pool Group III.

8. MONTHLY SCHEDULING MEETING

8.1 Hoover Power shall be scheduled pursuant to the PSC, taking into account Power Pool Agreements, as contemplated by Section 5 and 6 herein.

8.2 All Participants are invited to participate in Monthly Scheduling Meetings. The Authority will identify a representative employee or employees to participate in the Monthly Scheduling Meetings. Each Participant may participate in the Monthly Scheduling Meetings, directly or through an Administrative Agent.

8.3 At the Monthly Scheduling Meeting, Participants and the representative employee(s) of the Authority may discuss, as needed, any of the following:

- a. Identification of the form of report to be prepared by the Administrative Agent pursuant to Section 5.4 hereof;
- b. Identification and resolution, to the maximum extent feasible, of scheduling issues between or among the Participants, Power Pools, Scheduling Entities, Administrative Agents and other Authority customers;
- c. Discussion of Cooperative Scheduling, and related issues with the Administrative Agents; and
- d. Review with the Administrative Agent(s), any concerns over the use of Hoover Power or equitable distribution.

8.4 Participants, or their Administrative Agent, may participate and be present via telephone or webinar, but must request any such accommodation at least twenty-four (24) hours before any Monthly Scheduling Meeting.

8.5 The Authority will provide notice of the Monthly Scheduling Meetings, via email, to all Participants, or their Administrative Agent, at the email address(es) provided by the Participants, or their Administrative Agent(s) to the representative employee(s) of the Authority.

8.6 Any Participant, on its own or acting through its Administrative Agent, may request meetings in addition to the Monthly Scheduling Meetings with any other Participants and/or the representative employee(s) of the Authority, to discuss any concerns regarding scheduling Hoover Power, including, but not limited to, concerns related to Power Pools. Notice of any such additional meeting will be provided in a manner consistent with Section 8.5 herein.

8.7 The Authority, at the request of an Administrative Agent, any Participant, or on its own behalf, may have meetings at any time in addition to a regularly schedule Monthly Scheduling Meeting to discuss any concerns regarding scheduling Hoover Power, including, but not limited to, concerns related to Power Pools. Notice of any such additional meetings will be provided in a manner consistent with Section 8.5 herein.

8.8 The Authority and any Participant(s) may meet in addition to any of the meetings contemplated herein to discuss other topics.

9. TERM

9.1 This Program shall become effective October 1, 2017 and shall remain in effect for five (5) years through September 30, 2022. Unless otherwise terminated by the Authority Commissioners, this program shall automatically renew for consecutive five (5) year terms. Commissioners will notice the program participants at least six months prior to termination of the program.

10. TERMINATION OF PARTICIPANT STATUS

10.1 Termination of a Participant's status as a Participant may occur in any of the following ways:

a. Any Participant may terminate its status as a Participant in an approved Power Pool at any time by giving written notice of termination to the Authority.

b. If a Participant no longer meets the eligibility requirements set forth in Section 7 hereof, its status as a Participant is automatically terminated.

10.2 Upon termination of a Participant's status as a Participant, all obligations previously incurred by the terminated Participant and the remaining Participants pursuant to PSC and any Power Pool Agreement shall survive until satisfied.

11. ACKNOWLEDGMENTS

11.1 Each of the Participants and the Authority agree that it is their several and joint intention that all the terms, covenants and conditions of Authority Power Sales Contracts shall remain in full force and effect, without change, and that the terms and provisions of any Power Pool Agreement shall not alter the terms, covenants and conditions of the Authority Power Sales Contracts in any way and that if a dispute arises concerning the rights of the parties under Power Pool Agreement and the rights of the parties under the Authority Power Sales Contract, the provisions of the Authority Power Sales Contract shall control.

11.2 Each of the Participants and the Authority agree that participation in an approved Power Pool shall not be considered (a) a tender or relinquishment of Hoover Capacity or Hoover Energy

for purposes of Section 7 of the Authority Power Sales Contract, or (b) standing alone, as justification for any determination pursuant to Section 27 of the Authority Power Sales Contract and/or R12-14-401.D. of the Authority's rules that a Participant's Hoover Power Entitlement has exceeded, for a period of three consecutive Contract Years, the electric load of the Participant or that the Participant's Hoover Power Entitlement can reasonably be expected to exceed, in whole or part, the Participant's loads in the future or future needs; provided, however, the load information provided to the Authority pursuant to any Power Pool Agreement, the PSC, or this Program may be used by the Authority in any such determination.

11.3 Participation in Cooperative Scheduling pursuant to an approved Power Pool does not preclude participation in other Cooperative Scheduling, pooling or exchange arrangements.

Unanimously adopted by the Arizona Power Authority Commission this _____ day of _____, 2017.

Attest:

Dalton H. Cole, Jr., Chairman

Heather J. Cole, Executive Secretary

Power Pool Group I

Identifying Name:

2017 Resource Exchange Program – Group I

Administrative Agent:

KR Saline & Associates, PLC
Attention: Dennis L Delaney, P.E

Group Participants:

- 1) Aguila Irrigation District
- 2) Ak-Chin Energy Services
- 3) Avra Valley Irrigation District
- 4) Buckeye Water Conservation & Drainage District
- 5) Chandler Heights Citrus Irrigation District
- 6) City of Safford
- 7) City of Williams
- 8) Cortaro-Marana Irrigation District
- 9) Electrical District No. 3, Pinal County
- 10) Electrical District No. 4, Pinal County
- 11) Electrical District No. 6, Pinal County
- 12) Electrical District No. 7, Maricopa County
- 13) Electrical District No. 8, Maricopa County
- 14) Harquahala Valley Power District
- 15) Maricopa County Municipal Water Conservation District
- 16) McMullen Valley Water Conservation and Drainage District
- 17) Ocotillo Water Conservation District
- 18) Queen Creek Irrigation District
- 19) Roosevelt Irrigation District
- 20) Roosevelt Water Conservation District
- 21) San Tan Irrigation District
- 22) Tonopah Irrigation District
- 23) Town of Thatcher
- 24) Town of Wickenburg

Group I Description:

The Resource Exchange Program (REP) was established by the Arizona Power Authority Commission in 1993, initially as an experiment, to provide a mechanism for the layoff of Hoover capacity and/or energy and subsequent purchase of the resultant layoff capacity and/or energy by other Authority customers participating in the REP. It has evolved over time to optimize the benefits and reduce overall operating costs through the use of efficient scheduling and the tools provided in the Hoover Power contracts. This Group I is established to provide all of the existing REP attributes and is limited to the coordinated use of Hoover Power by the Group I participants.

The Group I Administrative Agent will submit power schedules to the Authority for each of the Group I participants on a monthly basis.

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

AGUILA IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

AK-CHIN ENERGY SERVICES

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

AVAR VALLEY IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

**BUCKEYE WATER CONSERVATION &
DRAINAGE DISTRICT**

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

CHANDLER HEIGHTS CITRUS IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

CITY OF SAFFORD

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

CITY OF WILLIAMS

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

CORTARO-MARANA IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ELECTRICAL DISTRICT NO. 3, PINAL COUNTY

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ELECTRICAL DISTRICT NO. 4, PINAL COUNTY

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ELECTRICAL DISTRICT NO. 6, PINAL COUNTY

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ELECTRICAL DISTRICT NO. 7, MARICOPA COUNTY

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ELECTRICAL DISTRICT NO. 8, MARICOPA COUNTY

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

HARQUAHALA VALLEY POWER DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

**MARICOPA COUNTY MUNICIPAL WATER
CONSERVATION DISTRICT**

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

**MCMULLEN VALLEY WATER CONSERVATION
AND DRAINAGE DISTRICT**

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

OCOTILLO WATER CONSERVATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

QUEEN CREEK IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ROOSEVELT IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

ROOSEVELT WATER CONSERVATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

SAN TAN IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

TONOPAH IRRIGATION DISTRICT

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

TOWN OF THATCHER

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Group I Operations:

The Administrative Agent will consult with the Group I participants each month to determine the most efficient and cost-effective strategy for each participant, after receiving from the Authority the monthly Entitlements for each entity. The Administrative Agent will administer the Group I operations subject to Authority oversight consistent with contracts with the Authority.

The Administrative Agent, with the consent of the other participants, may expand or contract the list of Group I Participants set forth above and any new participant will execute this Program Agreement.

AGREEMENT:

Each of the undersigned agrees to be bound by the terms and conditions of the Program.

ARIZONA POWER AUTHORITY

By: _____

Its: _____

Dated: _____

TOWN OF WICKENBURG

By: _____

Its: _____

Dated: _____

KR SALINE & ASSOCIATES, PLC

By: _____

Its: _____

Dated: _____

Exhibit 2

Other Hoover Power Customers

1. Aguila Irrigation Town
2. Ak-Chin Energy Services
3. Avra Valley Irrigation Town
4. Buckeye Water Conservation and Drainage Town
5. Chandler Heights Citrus Irrigation Town
6. City of Safford
7. City of Williams
8. Cortaro-Marana Irrigation Town
9. Electrical Town Number Three of Pinal County
10. Electrical Town Number Four of Pinal County
11. Electrical Town Number Six of Pinal County
12. Electrical Town Number Seven of Maricopa County
13. Electrical Town Number Eight of Maricopa County
14. Harquahala Valley Power Town
15. Maricopa County Municipal Water Conservation Town Number One
16. McMullen Valley Water Conservation & Drainage Town
17. Ocotillo Water Conservation Town
18. Queen Creek Irrigation Town
19. Roosevelt Irrigation Town
20. Roosevelt Water Conservation Town
21. San Tan Irrigation Town
22. Tonopah Irrigation Town
23. Town of Thatcher
24. Town of Wickenburg

RESOLUTION NO. 666-2017

RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE DYNAMIC SIGNAL MANAGEMENT AGREEMENT BETWEEN SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT AND THE TOWN OF THATCHER, ARIZONA AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, the Town of Thatcher (“Thatcher”) has been offered the opportunity to execute a Dynamic Signal Management Agreement among Thatcher and the Arizona Electric Power Cooperative, Inc. (“AEPSCO”) (hereinafter referred to as a “Dynamic Signal Management Agreement”), which is attached hereto as **Exhibit 1** and incorporated herein by reference;

WHEREAS, the Hoover Power Allocation Act of 2011 (125 Stat. 777, 43 U.S.C. § 619a) (the “2011 Hoover Act”) statutorily allocated Hoover Capacity, Hoover Energy, and Hoover C Energy (as those terms are hereinafter defined) to certain named contractors including the Arizona Power Authority, a public body corporate and politic, organized and existing under A.R.S. Section 30-101, et seq. (together with any lawful successor to its duties and functions, the “Authority”);

WHEREAS, in accordance with the 2011 Hoover Act, the Authority entered into an Electric Service Contract (the “Electric Service Contract”) with the Western Area Power Administration, an agency of the Department of Energy of the United States of America (together with any successor or assign to its duties and functions, “WAPA”), under which the Authority purchases the Hoover Capacity, Hoover Energy, and Hoover C Energy that was allocated, under the 2011 Hoover Act, to the Authority and certain other nontribal entities in the State of Arizona, together with any other resources made available to the Authority under the Electric Service Contract (collectively, “Arizona’s Allocation”);

WHEREAS, in accordance with the 2011 Hoover Act and the authority granted to it under Arizona Revised Statutes Sections 30-101 et seq., and Sections 45-1701 et seq., the Authority entered into a Power Sales Contract with an effective date of October 1, 2017 (each, an “APA Contract”), with Thatcher, under which the Authority sells Thatcher, and Thatcher purchases, the share of Arizona’s Allocation allocated to Thatcher, either by the 2011 Hoover Act or by the Authority’s Final Hoover Power Marketing Plan-Post-2017 (each, a “Customer Allocation”);

WHEREAS, under the APA Contract, Thatcher has the right to its share of Ancillary Services (as hereinafter defined), which it may access through use of a dynamic signal;

WHEREAS, the Dynamic Signal Management Agreement allows AEPSCO to provide dynamic signal management for Thatcher for its Ancillary Services, as the term is defined in the same; and

WHEREAS, the Dynamic Signal Management Agreement allows for the provision of Supplemental Power, purchases of Firming Power, and Banking as the terms are defined in the same.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council that:

1. The Dynamic Signal Management Agreement, as presented to the Town Council, a copy of which is attached hereto as **Exhibit 1**, is authorized, approved, and adopted, and Terry Hinton, Town Manager, is hereby authorized to execute the same on behalf of Thatcher with only such changes, insertions and omissions consistent with this Resolution as may be approved by the Town Manager executing the Dynamic Signal Management Agreement, in consultation with Thatcher's legal counsel and engineering consultant.

a. The Town Manager may take any and all other actions necessary in connection with the execution of the Dynamic Signal Management Agreement.

b. From and after the execution and delivery of the Dynamic Signal Management Agreement, the members of the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and deliver all such documents as may be necessary to carry out, perform and comply with the provisions of Dynamic Signal Management Agreement.

c. All actions heretofore taken by Thatcher and its Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of the Dynamic Signal Management Agreement are hereby, in all respects, authorized, ratified, approved and confirmed.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28th day of August, 2017.

Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

EXHIBIT “1”

AGREEMENT
BETWEEN
TOWN OF THATCHER
AND
ARIZONA ELECTRIC POWER COOPERATIVE, INC.
FOR
HOOVER DYNAMIC SIGNAL MANAGEMENT/ANCILLARY SERVICES

1. INTRODUCTION:

This Dynamic Signal Management/Ancillary Services Agreement (“Agreement”) is made this _____ day of _____ 2017, by and between Town of Thatcher, an Arizona Power Authority (“APA”) Hoover Customer (“Customer”), and Arizona Electric Power Cooperative, Inc. (“AEPCO”), a non-profit cooperative corporation organized and existing under the generation and transmission electric cooperative laws of the State of Arizona. Customer and AEPCO are also hereinafter referred to individually as “Party” or collectively as “Parties”.

2. EXPLANATORY RECITALS:

2.1 AEPCO provides electric capacity and energy to six distribution cooperatives that comprise its Class A Members, and AEPCO and its Arizona Class A Members operate their electric systems within the Balancing Authority Area (as hereinafter defined) of the Western Area Power Administration’s Desert Southwest Region (“WALC”);

2.2 AEPCO provides scheduling, trading and other services to other customers and Class D Members;

2.3 AEPCO is the Transmission Provider for its Class A Members and other customers, and operates its transmission system and controls the AEPCO generation as a metered subsystem within the Balancing Authority Area of WALC.

2.4 The Customer is a (describe the type of entity and what laws it is established under).

- 2.5 Section 5(e) of the Power Sales Contract (PSC), between the APA and Customer, dated [REDACTED], 2016, provides that each APA Customer “shall have the right to a pro-rata share of available Ancillary Services, based upon the Customer’s Allocation...”, the “Customer may access such Ancillary Services through the use of a dynamic signal”, and “any Agreement related to use of Ancillary Services...of a dynamic signal will be subject to review by the Authority, which approval shall not be unreasonably withheld.”
- 2.6 Section 5(h) of the PSC provides that the “Customer, through use of a dynamic signal, shall have the right on a pro-rata basis to Loaded Synchronized Generation, Operating Reserves – Spinning, and Operating Reserves – Supplemental, the sum of which shall not exceed the portion of the Customer’s Allocation of Hoover Capacity that is available.”
- 2.7 Customer and AEPCO have entered into an agreement, which includes trading and scheduling services, and the Parties desire to enter into this Agreement, which allows AEPCO the use of Customer’s pro-rata share of the Hoover dynamic signal as provided for in Customer’s PSC.
- 2.8 This Agreement will provide portions of the services necessary for Customer to manage its loads and resources for the term of this Agreement.

3. **AGREEMENT:** The Parties agree that the foregoing Explanatory Recitals reflect their common understanding, and further agree to the terms and conditions set forth hereinafter:

4. **EFFECTIVE DATE AND TERM:**

- 4.1 This Agreement will become effective and binding on October 1, 2017, and shall continue in effect through the earlier of: (i) September 30, 2067, which is representative of the term of the PSC between the Customer and the APA; or (ii) the date this Agreement is terminated pursuant to Section 4.2.
- 4.2 Either Party may terminate this Agreement for any reason, by giving the other Party no less than two (2) years prior written notice of such termination.
- 4.3 All obligations pursuant to this Agreement incurred prior to its termination shall be preserved until satisfied.

5. **DEFINITIONS:** For purposes of this Agreement, capitalized terms shall have the meaning set forth in this Section, whether used in the singular or plural:

- 5.1 Ancillary Services means those services defined in the Western Area Power Administration (WAPA) Open Access Transmission Tariff (OATT), as revised, that are necessary to support the transmission of capacity and energy from Customer's Hoover resource delivery point to Customer's load, while maintaining reliable operation of a Transmission Provider's transmission system in accordance with good utility practices.
- 5.2 AEPCO Metered Sub-system means the area within the Balancing Authority Area of WALC for which AEPCO is responsible to maintain a balance between AEPCO and other third-party loads and resources under parameters agreed to between WALC and AEPCO, as in effect from time to time.
- 5.3 Balancing Area or BA means the entity responsible for maintaining scheduled interchange and electric system frequency in its Balancing Authority Area.
- 5.4 Customer Hoover Energy means the allocated Hoover energy awarded to Customer pursuant to Exhibit B to its executed APA Power Sales Contract, dated , 2016, which exhibit is attached to this Agreement as Exhibit A.
- 5.5 Customer Hoover Capacity means the allocated Hoover capacity awarded to Customer pursuant to Exhibit B to its executed APA Power Sales Contract, dated , 2016, which exhibit is attached to this Agreement as Exhibit A.
- 5.6 Customer Load means all capacity and energy requirements necessary to serve Customer's full energy needs.
- 5.7 Customer Resources means all capacity and energy resources available to Customer to fulfill Customer's Load requirements.

6. **DYNAMIC SIGNAL MANAGEMENT / ANCILLARY SERVICES:** AEPCO shall have the right to use Customer's pro-rata share of the Hoover dynamic signal. Customer Hoover Energy used by AEPCO for its own purposes or supplied to the WALC BA shall be returned to Customer in kind on a mutually agreeable schedule.

- 6.1** AEPCO shall manage the scheduling of Customer Load and Customer Resources and AEPCO loads and resources on an hourly basis to assure that requirements for Ancillary Services, as defined by the WAPA OATT are met. The Parties will jointly prepare, authorize and revise as needed through mutual consent, procedures by which the Parties will cooperate in the use of Customer Resources and AEPCO resources to efficiently meet their joint ancillary services requirements. Such procedures shall include, but not be limited to: (i) developing metering and scheduling instructions to optimize the joint use of Customer's Hoover capacity; (ii) use of Customer's Resources and AEPCO resources to over-generate with respect to Customer's Load and AEPCO loads when the WALC BA requires excess resources in the AEPCO Metered Sub-System; (iii) use of AEPCO generation to under-generate with respect to Customer Load and AEPCO loads when WALC BA requires deficient resources in the AEPCO Metered Sub-system; and (iv) complying with Hoover energy limitations.
- 6.2** **AEPCO Ancillary Service Responsibilities.** AEPCO and Customer agree that AEPCO may utilize AEPCO and Customer Hoover Capacity or equivalent to meet AEPCO's ancillary services requirements for the AEPCO Metered Sub-system. AEPCO will coordinate with the APA regarding Hoover monthly energy schedules.
- 6.3** **Customer Ancillary Services Responsibilities.** Customer shall self-provide generation related ancillary services through the term of this Agreement. Customer represents it has the ability, as described in section 2.5 of this Agreement, to use its pro-rata share of its Hoover dynamic signal to self-provide these services. Customer will endeavor to obtain approval from the APA to establish AEPCO as its agent and scheduling entity for the Customer Hoover Capacity and Energy and use of the Hoover dynamic signal. The Parties agree that this provision by Customer of its pro-rata share of the Hoover dynamic signal to AEPCO serves as self-provision of ancillary services only as it relates to Customer's pro-rata share of the Customer Hoover Capacity as provided for in Customer's PSC.

7. COMPENSATION FOR SERVICES: AEPCO and Customer agree the following provisions represent reasonable and fair exchange for services as described in this Agreement and no further compensation is due to either Party:

7.1 Customer shall designate AEPCO, at no cost, as its agent for use of its pro-rata share of the Hoover dynamic signal as provided for in Sections 2.4 and 2.5 of this Agreement.

7.2 AEPCO shall use Customer's pro-rata share of the Hoover dynamic signal to allow Customer to self-provide ancillary services for all or any portion of the ancillary services obligation for Customer Resources required by AEPCO up to the pro rata share of the Hoover dynamic schedule available to AEPCO.

7.3 Customer shall allow AEPCO to use Customer's pro-rate share of Hoover dynamic signal when not needed by Customer for the overall efficient operations of the AEPCO Metered Sub-system. Such use of Customer's Hoover Energy by AEPCO shall be tracked and returned in-kind to Customer as provided for in Section 6.

7.4 AEPCO shall not charge Customer ancillary service charges for Customer's ancillary services obligation required by AEPCO up to the amount of the pro rata share of the Hoover dynamic schedule available to AEPCO as provided for in Section 7.2.

8. DISPUTE RESOLUTION: Should any dispute arise between the Parties concerning the implementation or interpretation of any provision of this Agreement, or the duties or obligations of the Parties under this Agreement, each Party agrees to notify the other Party in writing within fifteen (15) days of the initial dispute. The Parties agree to mutually work towards a resolution of the dispute within fifteen (15) day of the delivery of the notice of dispute. If the Parties are unable to reach a mutually agreeable resolution of the dispute, the dispute will be elevated to each Parties designated senior executive as identified below. Such executives shall work towards a mutually agreeable resolution of the dispute within ten (10) calendar days. Any resolution reached by the Parties senior executives shall be deemed binding on both Parties. In the event the senior executives cannot reach a mutually agreeable resolution, each Party may pursue any remedies made available to them by law.

8.1 AEPCO's designated senior executive shall be the Senior Vice President and Chief Operating Officer of AEPCO.

8.2 Customer's designated senior executive shall be.....

8.3 Either Party may change its designated senior executive by providing thirty (30) days written notice to the other Party.

9. CONFIDENTIALITY: Neither Party shall disclose the terms or conditions of this Agreement to a third party (other than the Party's employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; provided, however, each Party shall, to the extent practicable, use commercially reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

10. NOTICES: Any notice, demand, or request required by this Agreement to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, electronic delivery with acknowledged receipt, postage prepaid, or prepaid common courier addressed to each Party at the address listed below. The initial addresses listed below may be changed by thirty (30) days advance written notice to the other Party.

For Customer:

For AEPCO:

Jon Martell
Executive Director of Energy Services
1000 S. Hwy. 80 / P.O. Box 670
Benson, AZ 85602

- 11. THIRD PARTY BENEFICIARY:** Unless expressly provided in this Agreement, nothing herein is intended or shall be construed to confer any benefit upon a third party.
- 12. GOVERNING LAW AND VENUE:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona, without giving effect to its conflicts of law principles. The proper venue for any proceeding at law or in equity shall be Maricopa County, Arizona, and the Parties waive any right to object to the venue.
- 13. ASSIGNMENT:** A Party shall not transfer or assign or otherwise dispose of all or any part of its rights or interests under this Agreement, without the prior written approval of the other Party.
- 14. EXECUTION BY COUNTERPARTS:** This Agreement may be executed in several counterparts, including by facsimile signature, each of which will be deemed to be an original and all of which, when taken together, will constitute a single agreement.
- 15. ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties hereto with respect to the matters addressed herein. All understanding and agreements previously made with respect to the subject matter of this Agreement between the Parties superseded by this Agreement.
- 16. AUTHORITY TO EXECUTE:** Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to execute this Agreement and that it binds and obligates such Party.
- 17. SIGNATURES:** The Parties have caused this Hoover Dynamic Signal Management / Ancillary Services Agreement to be executed by the duly authorized officials.

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

1000 S. Highway 80

P.O. Box 670

Benson, AZ 85602

By: _____

Title: Executive Vice President and Chief Executive Officer

Date: _____

TOWN OF THATCHER

Address

Address

By: _____

Title: _____

Date: _____

Exhibit A

Please insert Exhibit B from Customer APA PSC.

RESOLUTION 663-2017

RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT BETWEEN AND AMONG MESQUITE POWER, LLC AND THE TOWN OF THATCHER AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, the Town of Thatcher (“Thatcher”) has been offered the opportunity to execute the Amended and Restated Power Purchase Agreement among Thatcher, other Buyers, as the term is defined therein, and Mesquite Power, LLC (“Mesquite”) (hereinafter the “Amended and Restated PPA”);

WHEREAS, Sempra Generation, LLC, a Delaware limited liability company (formerly known as Sempra Generation, a California corporation) (“Sempra Generation”), and Thatcher executed that certain Power Purchase Agreement, dated June 30, 2011 (as amended prior to the Restatement Effective Date, the “Original PPA”), pursuant to which Sempra Generation agreed to sell, and Thatcher agreed to purchase, certain quantities of capacity and energy for a 25-year period that commenced on January 1, 2015;

WHEREAS, Sempra Generation and Thatcher entered into the first amendment to the Original PPA on February 13, 2013, and the second amendment to the Original PPA on July 31, 2014;

WHEREAS, on April 9 2015, Sempra Generation assigned the Original PPA to Mesquite and Thatcher entered into the third amendment to the Original PPA in connection with such assignment;

WHEREAS, Thatcher and Mesquite wish to extend the term of the Original PPA and make certain other modifications to the original transaction;

WHEREAS, Thatcher and Mesquite now wish to amend and restate the Original PPA in its entirety, as set forth in the Amended and Restated PPA, which is attached hereto as **Exhibit 1** and incorporated herein by reference; and

WHEREAS, the Town Council of the Town of Thatcher (the “Town Council”) has reviewed the Amended and Restated PPA and has been fully advised of its terms and provisions.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council that:

1. The Amended and Restated PPA, as presented to the Town Council, a copy of which is attached hereto as **Exhibit 1**, is authorized, approved, and adopted, and Terry Hinton, Town Manager, is hereby authorized to execute the same on behalf of Thatcher with only such changes, insertions and omissions consistent with this

Resolution as may be approved by the Town Manager executing the Amended and Restated PPA, in consultation with Thatcher’s legal counsel and engineering consultant.

a. The Town Manager may take any and all other actions necessary in connection with the execution of the Amended and Restated PPA.

b. From and after the execution and delivery of the Amended and Restated PPA, the members of the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and deliver all such documents as may be necessary to carry out, perform and comply with the provisions of the Amended and Restated PPA.

c. All actions heretofore taken by Thatcher and its Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of the Amended and Restated PPA are hereby, in all respects, authorized, ratified, approved and confirmed.

d. Provided that the Amended and Restated PPA, as attached hereto as **Exhibit 1**, ultimately may have terms changed such that the Capacity, Contract Capacity, and/or Incremental Capacity, as those terms are defined in the same, may change in an amount not less than 7MW and not to exceed 9MW, and that this Resolution fully authorizes and ratifies that the execution of the Amended and Restated PPA by Thatcher with changes to **Exhibit 1** consistent with this Paragraph.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28th day of August, 2017.

By: _____
Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

AMENDED AND RESTATED

POWER PURCHASE AGREEMENT

by and between

MESQUITE POWER, LLC

and

THE UNDERSIGNED BUYERS

AUGUST 31, 2017

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AMENDED AND RESTATED POWER PURCHASE AGREEMENT

This AMENDED AND RESTATED POWER PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of this 31 day of August, 2017 (the “Restatement Effective Date”) by and among MESQUITE POWER, LLC, a Delaware limited liability company (“Seller”), and the undersigned buyers (each individually a “Buyer” and collectively “Buyers”).

WHEREAS, Sempra Generation, LLC, a Delaware limited liability company (formerly known as Sempra Generation, a California corporation) (“Sempra Generation”), and the Buyers (or their predecessors in interest) executed that certain Power Purchase Agreement, dated June 30, 2011 (as amended prior to the Restatement Effective Date, the “Original PPA”), pursuant to which Sempra Generation agreed to sell and the Buyers (or their predecessors in interest) agreed to purchase certain quantities of capacity and energy for a 25-year period that commenced on January 1, 2015; and

WHEREAS, Sempra Generation and the Buyers (or their predecessors in interest) entered into the first amendment to the Original PPA on February 13, 2013 and the second amendment to the Original PPA on July 31, 2014; and

WHEREAS, on April 9 2015, Sempra Generation assigned the Original PPA to Seller, and the Parties entered into the third amendment to the Original PPA in connection with such assignment; and

WHEREAS, Buyers and Seller wish to extend the term of the Original PPA and make certain other modifications to the original transaction; and

WHEREAS, Buyers and Seller now wish to amend and restate the Original PPA in its entirety, as set forth herein;

NOW THEREFORE, in consideration of the foregoing premises, the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, each for itself, its successors and assigns, and for the benefit of the others, their successors and assigns, hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. When used in this Agreement, including any Exhibits hereto, the following terms, whether used in the singular or plural, shall have the following definitions:

“AAA” has the meaning set forth in Section 16.4(a).

“Administrative and Scheduling Agent” has the meaning set forth in Section 5.1.

“Adjustment Fraction” has the meaning set forth in Section 7.1(c).

“AEPCO” means Arizona Electric Power Cooperative, Inc.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of a majority of the outstanding capital stock or other equity interests having ordinary voting power, or otherwise having the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person.

“Agreement” has the meaning set forth in the preamble.

“Amended Terms” means the changes to the following provisions of the Original PPA that are made in this Agreement: (a) the extension of the Contract Term pursuant to Section 2.1, (b) the increase in the Contract Capacity to include the Incremental Capacity on and after the Capacity Increase Date in Section 4.2 (and as reflected on Exhibit A), and (c) the adjustments to the Monthly Reservation Charge and the Hourly Energy Rate applicable from and after the Capacity Increase Date pursuant to Section 8.1 and Exhibit G.

“Bankruptcy Proceeding” means with respect to a Person, such Person (i) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (ii) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (iii) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and solely with respect to any such proceeding or petition that is instituted or presented by a party other than the Party with respect to which such petition or proceeding relates is not dismissed within fifteen (15) days after the filing thereof, (iv) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, (vi) causes or is subject to any event with respect to it which, under applicable Law, has an analogous effect to any of the events specified in clauses (i) through (v), or (vii) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“Business Day” means a day that is not a Saturday, a Sunday or a day on which banking institutions are not required to be open, or are authorized or required to close, in the State of Arizona.

“Buyer” or “Buyers” has the meaning set forth in the preamble.

“Buyer Event of Default” has the meaning set forth in Section 12.2.

“Capacity” means the ability of generating equipment to produce Energy, measured in MW.

“Capacity Increase Date” means May 1, 2021.

“Capacity Pro Rata Share” means, with respect to each Buyer, a fraction, the numerator of which is such Buyer’s Capacity amount subscribed hereunder, as adjusted from time to time in accordance with Section 4.2, Section 12.4 and Article XX, and the denominator of which is the Contract Capacity at the applicable time, as set forth on Exhibit A.

“Claim Notice” has the meaning set forth in Section 13.4.

“Contract Capacity” has the meaning set forth in Section 4.2.

“Contract Term” has the meaning set forth in Section 2.1.

“Credit Rating” means with respect to any entity, on the relevant date of determination, the respective ratings then assigned to such entity’s unsecured, senior long-term debt, or deposit obligations (not supported by third party credit enhancement) by a Ratings Agency. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations by any Ratings Agency, then “Credit Rating” shall mean the general corporate credit rating or long-term issuer rating assigned by a Ratings Agency, as the case may be.

“Credit Support Cap” means, at any time, (a) \$150,000,000, minus (b) the aggregate, as of such time, of all payments that have been made under and all drawings that have been made on all Seller Guarantees and Qualifying Letters of Credit, respectively, provided by Seller on or prior to such time, plus (c) the aggregate amount, as of such time, of all cash collateral that has been returned to Seller by the Administrative and Scheduling Agent pursuant to Section 10.2(b)(ii)(E) on or prior to such time.

“Day-Ahead Schedule” has the meaning set forth in Section 6.2.

“Default Interest Rate” means, for any date, the lesser of (i) the highest rate permitted by Law or (ii) the Interest Rate plus an annual rate of two percent (2%) converted to a daily rate.

“Delinquency Notice” has the meaning set forth in Section 9.3.

“Delinquent Amount” has the meaning set forth in Section 9.3.

“Delinquent Buyer” has the meaning set forth in Section 9.3.

“Delivered Firm Energy” means the quantity of Firm Energy, Scheduled by Buyers and delivered by Seller to Buyers at the Delivery Point in the relevant time period, expressed in MWh.

“Delivery Point” means the Palo Verde/Hassayampa common bus.

“Demand” has the meaning set forth in Section 16.4(a).

“Energy” means electricity (measured in kWh or MWh, as the case may be).

“Energy Manager” has the meaning set forth in Section 5.2.

“Energy Pro Rata Share” means, with respect to each Buyer, a fraction, the numerator of which is the total amount of Firm Energy Scheduled by such Buyer and the denominator of which is the total amount of Scheduled Firm Energy, in each case, in the applicable period.

“Facility” means the south block of the Mesquite Power Station, a two-unit natural gas fired combined cycle power generation facility located approximately 40 miles west of Phoenix, Arizona, consisting of Steam Turbine 4, Combustion Turbine 5, and Combustion Turbine 6, with a total net generating capacity of 625 MW.

“Firm Energy” means the Energy associated with the Contract Capacity.

“Fixed O&M Rate” means the rate per kW-month determined in accordance with the formula set forth in Exhibit E.

“Force Majeure” has the meaning set forth in Section 15.1.

“Forced Outage” means a “Forced Outage” as defined in the NERC Generating Unit Availability Data System Forced Outage reporting guidelines.

“Gas Price” has the meaning set forth in Exhibit G.

“Greenhouse Gas” means emissions into the atmosphere of gases that are regulated by one or more governmental authorities as a result of their contribution to the greenhouse effect heating of the surface of the earth. Greenhouse gases include carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄), which are produced as the result of combustion or transport of fossil fuels. Other greenhouse gases may include hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆), which are generated in a variety of industrial processes. Greenhouse gases may be defined, or expressed, in terms of a ton of CO₂-equivalent, in order to allow comparison between the different effects of gases on the environment.

“Greenhouse Gas Emissions Reduction Program” means any Law that limits or taxes or imposes any surcharge on the production, emission, or release of any Greenhouse Gas, and that applies to the generation of energy in the state of Arizona or the purchase, sale or delivery of Energy at the Delivery Point for use in Arizona.

“Guarantor” means the issuer of a Seller Guarantee.

“Hourly Energy Rate” means the rate per MWh for imputed fuel costs and variable operations and maintenance costs as determined for each applicable hour in accordance with Exhibit G.

“Indemnitee” has the meaning set forth in Section 13.3.

“Indemnitor” has the meaning set forth in Section 13.3(a).

“Incremental Capacity” means the 204 MW of Contract Capacity in addition to the Initial Capacity to become effective on the Capacity Increase Date.

“Initial Capacity” has the meaning set forth in Section 4.2.

“Interest Rate” means, for any date, the prime rate reported in *The Wall Street Journal’s* “Money Rates” column (or any similar column published in *The Wall Street Journal* in replacement thereof) for the immediately preceding Business Day, converted to a daily rate. In the event *The Wall Street Journal* ceases to report the prime rate, the prime rate for purposes of this Agreement shall be the prevailing prime rate (or base rate) charged by major banks in the United States of America.

“Investment Grade” means with respect to any entity, that (a) it has a Credit Rating of at least (i) BBB- from S&P and Baa3 from Moody’s, if it is rated by both S&P and Moody’s or (ii) BBB- from S&P or Baa3 from Moody’s if it is rated by either S&P or Moody’s but not by both.

“kW” means kilowatt (a unit of Capacity).

“kWh” means kilowatt-hour (a unit of Energy).

“Law” means any law, rule, regulation, order, writ, judgment, decree or other legal or regulatory determination by a court, regulatory agency or governmental authority of competent jurisdiction.

“LC Drawing Event” has the meaning set forth in Section 12.1.

“Letter of Credit Default” means with respect to a letter of credit provided by a Buyer pursuant to Section 10.2(d), the occurrence of any of the following events:

- (a) The issuer of the letter of credit fails to maintain a Credit Rating of at least “A-“ by S&P and “A3” by Moody’s and total assets of at least \$10,000,000,000 (Ten Billion Dollars);
- (b) The issuer of the letter of credit fails to comply with or perform its obligations under the letter of credit;
- (c) The issuer of the letter of credit disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such letter of credit;
- (d) The issuer of the letter of credit fails to honor the Administrative and Scheduling Agent’s properly documented request to draw on such letter of credit;
- (e) Such letter of credit fails or ceases to be in full force and effect at any time; or
- (f) The issuer of the letter of credit becomes subject to a Bankruptcy Proceeding;

provided that no Letter of Credit Default shall occur or be continuing in any event with respect to a letter of credit after the time such letter of credit is canceled or returned.

“Losses” has the meaning set forth in Section 13.1.

“Market Price” means (i) for any Peak Hour, the price per MWh as reported in the issue of Platts Megawatt Daily published for the relevant day, in the section styled “Day Ahead Markets”, under the column “Index”, in the subsection “West” and “On Peak”, and adjacent to the listing captioned “Palo Verde”, and (ii) for any hour that is not a Peak Hour, the price per MWh as reported in the issue of Platts Megawatt Daily published for the relevant day, in the section styled “Day Ahead Markets”, under the column “Index”, in the subsection “West” and “Off Peak”, and adjacent to the listing captioned “Palo Verde”.

“MMBtu” means one million British thermal units.

“Monthly Energy Charge” has the meaning set forth in Section 8.3.

“Monthly Fixed O&M Charge” has the meaning set forth in Section 8.2.

“Monthly Reservation Charge” has the meaning assigned in Section 8.1.

“Monthly Spreadsheet” has the meaning assigned in Section 9.2.

“Moody’s” means Moody’s Investor Services, Inc., or its successor.

“MW” means megawatt (one MW equals 1,000 kW).

“MWh” means megawatt-hour (one MWh equals 1,000 kWh).

“NERC Tag” means the form for providing details of a scheduled transfer of energy from a seller to a buyer, as established from time to time by the North American Electric Reliability Council or its successor.

“Original PPA” has the meaning set forth in the recitals.

“Pacific Prevailing Time” or “PPT” means Pacific Standard Time or Pacific Daylight Time, as in effect in the State of California on a given day.

“Party” or “Parties” means one of Seller, Buyer(s) or more than one of Seller, Buyer(s), or their permitted assigns and transferees, as the context requires.

“Payment Failure” has the meaning set forth in Section 9.3.

“Peak Hours” means for any Service Month, each of the hours in such Service Month beginning with the hour ending 07:00 Arizona time and ending with the hour ending 22:00 Arizona time on any Monday, Tuesday, Wednesday, Thursday, Friday and Saturday, excluding NERC holidays.

“Permitted Forced Outage Hour” means each hour that the Facility is unavailable as the result of a Forced Outage, irrespective of whether Buyers have Scheduled any Firm Energy in the hour; provided that for any calendar year such hours shall not exceed one hundred twenty-five (125) hours in the period from May 15 through October 15, or two hundred twenty-five (225) hours in the remainder of the calendar year.

“Person” means any natural person, corporation, partnership, limited liability company, firm, association, trust, governmental authority or any other entity, whether acting in an individual, fiduciary or other capacity.

“Pro Rata” has the meaning set forth in Section 9.2.

“Prudent Utility Practices” shall mean the practices, methods and acts including but not limited to the generally accepted practices, methods and acts engaged in or approved by the non-utility operators of similar electric generating facilities which at the time such practice, method or act is employed, and in the exercise of reasonable judgment in light of the facts known at such time, would be expected to accomplish the desired result in a workmanlike manner, consistent with (a) applicable Laws and governmental requirements, and (b) commercially reasonable reliability, safety and environmental protection. Prudent Utility Practices shall not require the use of the optimum practice, method or act, but only requires the use of acceptable practices, methods or acts generally accepted in the independent power industry in the United States.

“Qualifying Letter of Credit” means an irrevocable standby letter of credit with an initial term of at least one year for the benefit of the Administrative and Scheduling Agent, issued by a U.S. commercial bank or a U.S. branch of a foreign bank with such bank having (a) a Credit Rating of at least “A-” from S&P and “A3” from Moody’s, and (b) total assets (determined in accordance with GAAP) of at least \$10,000,000,000 (Ten Billion Dollars), and which letter of credit (i) is substantially in the form of Exhibit M or another form of letter of credit reasonably satisfactory to the Administrative and Scheduling Agent, (ii) permits automatic renewal of the relevant Qualifying Letter of Credit (which may be subject to an outside stated expiration date), and (iii) may be utilized by the Administrative and Scheduling Agent pursuant to Section 10.2(b)(ii)(D) to satisfy all present and future payment obligations of Seller under this Agreement when due. If a single Qualifying Letter of Credit is provided, it shall be in the amount of the then-applicable Credit Support Cap at the time such letter of credit is issued and delivered to the Administrative and Scheduling Agent. If multiple Qualifying Letters of Credit are provided, the aggregate amount of such letters of credit shall be the then-applicable Credit Support Cap at the time each such letter of credit is issued and delivered to the Administrative and Scheduling Agent.

“Ratings Agency” means S&P, Moody’s or any other rating agency agreed to by the Parties in writing.

“Replacement Price” means the price at which the Administrative and Scheduling Agent and/or any Buyer(s), acting in a commercially reasonable manner, purchases for delivery at the Delivery Point a replacement for any Scheduled Firm Energy not delivered by Seller, plus (i) costs reasonably incurred by the Administrative and Scheduling Agent and/or Buyer(s) in purchasing such substitute product and (ii) additional transmission charges, if any, reasonably incurred by Administrative and Scheduling Agent and/or Buyers to the Delivery Point, or, absent a purchase, the Market Price for such hour(s); provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, but will include any penalties incurred under any open access transmission tariff(s) utilized by Buyers, nor shall Buyers be required to utilize or change their utilization of their owned or controlled assets or market positions to minimize Seller’s liability.

“Replenishment Failure” has the meaning set forth in Section 9.3.

“Restatement Effective Date” has the meaning set forth in the preamble.

“RUS” means the Rural Utilities Service, an agency of the United States Department of Agriculture.

“RUS Buyers” has the meaning set forth in Section 3.1(a).

“Sales Price” means the price at which Seller, acting in a commercially reasonable manner, resells any Scheduled Firm Energy not received by Buyers, deducting from such proceeds any (i) costs reasonably incurred by Seller in reselling such Firm Energy and (ii) additional transmission charges, if any, reasonably incurred by Seller in delivering such Firm Energy to the third-party purchasers, or absent a sale, the Market Price for such hour(s); provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, but will include any penalties incurred under any open access transmission tariff utilized by Seller, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyers’ liability. For purposes of this definition, Seller shall be considered to have resold such product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner whereby Seller repurchases its obligation to purchase and receive the product from another party at the Delivery Point.

“Schedule” or “Scheduling” or “Scheduled” means Buyers, through the Administrative and Scheduling Agent, communicating with the Seller that a particular amount of Firm Energy is to be delivered at the Delivery Point.

“Scheduling Day” means Monday through Friday, excluding holidays observed by the Western Electricity Coordinating Council. The Scheduling Day applicable to each operating day shall be as set forth in the scheduling rules and applicable “preschedule calendar” established from time to time by the Western Electricity Coordinating Council.

“Seller” has the meaning set forth in the preamble.

“Seller Event of Default” has the meaning set forth in Section 12.1.

“Seller Guarantee” has the meaning set forth in Section 10.2(b)(i).

“Seller Guarantee Default” means the occurrence of any of the following events with respect to a Seller Guarantee provided by Seller pursuant to Section 10.2(b):

- (a) Guarantor becomes subject to a Bankruptcy Proceeding;
- (b) Any representation or warranty made by Guarantor in the Seller Guarantee is false or misleading in any material respect when made or when deemed made or repeated;
- (c) Guarantor consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such

consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of the Guarantor under the Seller Guarantee pursuant to an agreement reasonably satisfactory to the Buyers;

- (d) Guarantor fails to make any payment required or to perform any other material covenant or obligation under the Seller Guarantee and such failure is not cured within three (3) Business Days after written notice by the Administrative and Scheduling Agent to Guarantor;
- (e) Guarantor fails at any time to maintain the Seller Guarantee in full force and effect, unless Seller has satisfied all of its obligations under this Agreement or Seller and Guarantor have received the written consent of the Administrative and Scheduling Agent (acting on behalf of all the Buyers) to the termination of the Seller Guarantee; or
- (f) Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of the Seller Guarantee.

“Seller Letter of Credit Default” means the occurrence of any of the following events with respect to any Qualifying Letter of Credit provided by Seller pursuant to Sections 10.2(b) or 12.1(g):

- (a) The issuer of the Qualifying Letter of Credit fails to maintain a Credit Rating of at least “A-” by S&P and “A3” by Moody’s and total assets of at least \$10,000,000,000 (Ten Billion Dollars);
- (b) The issuer of the Qualifying Letter of Credit fails to comply with or perform its obligations under the Qualifying Letter of Credit;
- (c) The issuer of the Qualifying Letter of Credit disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Qualifying Letter of Credit;
- (d) The issuer of the Qualifying Letter of Credit fails to honor the Administrative and Scheduling Agent’s properly documented request to draw on such Qualifying Letter of Credit;
- (e) Such Qualifying Letter of Credit fails or ceases to be in full force and effect at any time; or
- (f) The issuer of the Qualifying Letter of Credit becomes subject to a Bankruptcy Proceeding.

“Sempra Generation” has the meaning set forth in the recitals.

“Service Month” has the meaning set forth in Section 8.1.

“Step-Up Cap” has the meaning set forth in Section 12.4.

“Suspended Buyer” has the meaning set forth in Section 9.2.

“S&P” means the Standard & Poor’s Rating Group (a division of The McGraw-Hill Companies, Inc.), or its successor.

“Third Party Claims” has the meaning set forth in Section 13.3(a).

“Transmission Providers” means the Person or Persons transmitting Scheduled Firm Energy on behalf of Buyers from the Delivery Point.

“Unexcused Failed Hour” means an hour during which Seller fails to satisfy its obligation to deliver all or part of the Scheduled Firm Energy to any Buyer or Buyers, which failure is not excused under the provisions of Section 7.1. No more than one Unexcused Failed Hour shall occur during any one hour, regardless of how many Buyers are affected thereby.

“Variable O&M Rate” means the rate per MWh determined in accordance with the formula set forth in Exhibit F.

“Western” means Western Area Power Administration.

ARTICLE II

TERM

Section 2.1. Term. The Original PPA was effective as of June 30, 2011. This Agreement shall be effective as of the Restatement Effective Date, and shall continue in effect until December 31, 2046 (the “Contract Term”), unless earlier terminated (in its entirety or as to a particular Buyer) in accordance with the terms of this Agreement.

ARTICLE III

CONTINGENCIES

Section 3.1. RUS Approval.

(a) The effectiveness of the Amended Terms as to those Buyers that are regulated by RUS (set forth on Exhibit B) (each, an “RUS Buyer”) is conditioned on approval by RUS of the Amended Terms as they apply to each such RUS Buyer. No later than thirty (30) days after the Restatement Effective Date, each RUS Buyer shall make an appropriate submission to RUS seeking the approval of the Amended Terms with respect to such RUS Buyer. Each RUS Buyer shall use reasonable best efforts to secure RUS approval. Seller and each RUS Buyer shall (at its own expense) cooperate with and assist one another in securing the necessary approval from RUS; provided that to the extent any information to be provided by Seller to RUS is deemed confidential information by Seller, Seller’s obligation to provide such information may be conditioned upon RUS agreeing to maintain its confidentiality pursuant to a protective order or a confidentiality agreement.

(b) In the event RUS should deny approval of the Amended Terms or require as a condition of approval of the Amended Terms any modifications of this Agreement, then the Parties shall amend this Agreement in accordance with Section 3.3.

Section 3.2. AEPCO Early Termination Option. On or before January 17, 2018, AEPCO shall provide notice to all Parties stating whether it will terminate its participation in this Agreement effective as of the Capacity Increase Date or remain a Buyer under this Agreement for the remainder of the Contract Term. If no such notice has been provided by January 17, 2018, AEPCO's right of early termination under this Section 3.2 shall be deemed to have been waived. If AEPCO provides timely notice of election to terminate hereunder, Exhibit A and Exhibit Q shall be amended as described in Exhibit P, to be effective on and after the Capacity Increase Date (subject to adjustment pursuant to Section 3.3, Section 12.4 and Article XX). Early termination by AEPCO under this Section 3.2 shall be without penalty or further liability on the part of the Parties relating to the period on and after the Capacity Increase Date, but shall not extinguish or diminish its obligations related to the period prior to the Capacity Increase Date.

Section 3.3. Retention of Original PPA. If (a) RUS denies approval of the Amended Terms or requires as a condition of approval of the Amended Terms any modifications of this Agreement, or (b) if any Buyer listed on Exhibit C cancels the Amended Terms in accordance with Section 20.1(c), then absent agreement of the Parties to an alternative course of action, this Agreement shall be amended as soon as practicable in a manner consistent with Exhibit O so as to retain the terms of the Original PPA with respect to Seller and the affected RUS Buyer(s) and/or the affected Buyer(s) listed on Exhibit C, as applicable. All such affected and all unaffected Buyers shall cooperate in amending this Agreement pursuant to this Section 3.3, and such amendments shall be effective upon execution by Seller and Buyers then having Capacity Pro Rata Shares in the aggregate of sixty-six percent (66%) or more.

ARTICLE IV

PURCHASE AND SALE

Section 4.1. Product. Subject to and in accordance with the terms and conditions of this Agreement, during the period from the Restatement Effective Date to the end of the Contract Term, Seller shall sell and make available to Buyers at the Delivery Point, and Buyers shall purchase and pay for, Contract Capacity and Firm Energy in amounts Scheduled by Buyers from time to time pursuant to Article VI.

Section 4.2. Contract Capacity. The "Contract Capacity" shall be (a) before the Capacity Increase Date, 271 MW, subject to, for the purposes and during the time periods set forth therein, Rider 1 (the "Initial Capacity"), and (b) on and after the Capacity Increase Date, 475 MW, in each case, subject to adjustment under Section 3.2, Section 3.3, Section 12.4 and Article XX. Contract Capacity shall at all times be stated in MW.

Each Buyer hereby subscribes for the amount of Incremental Capacity set forth opposite its name on Exhibit A under the heading "Subscribed Amount of Incremental Capacity (MW)" to become effective on the Capacity Increase Date, subject to adjustment in accordance with

Section 3.2, Section 3.3, Section 12.4 and Article XX. Upon the occurrence of the Capacity Increase Date, each Buyer's Capacity Pro Rata Share shall automatically be adjusted to reflect (a) the addition of such Buyer's subscription for Incremental Capacity to such Buyer's then current Initial Capacity subscription amount and (b) the then current aggregate Contract Capacity, and the Parties shall revise Exhibit A as soon as practicable to reflect the revised Capacity Pro Rata Shares and Capacity amounts of the Buyers.

Section 4.3. Firmness of Product. Notwithstanding that Firm Energy may frequently be sourced from the Facility, this is not a unit-contingent sale and Seller's obligation to provide Firm Energy shall not be excused at any time by full or partial unavailability of the Facility or any other generating resource(s) owned by Seller, any change in operations of the Facility, or any curtailment or interruption of transmission service supporting Seller's delivery of the Firm Energy to the Delivery Point.

Section 4.4. Sources of Firm Energy. It is the Parties' understanding that the source of Firm Energy to be provided to Buyers in accordance with the Schedules submitted pursuant to Article VI shall be determined by Seller in its sole discretion and may include the Facility, Seller's other generating facilities or the market.

Section 4.5. Designated Capacity; Designated Network Resources.

(a) To the extent regulatory requirements or market structure changes result in the establishment of a resource adequacy requirement or other form of capacity demonstration obligation in any balancing authority area where any Buyer's load is located that requires such Buyer to identify specific generating resources underlying its firm power contracts, such Buyer shall be permitted to designate Capacity (up to an amount equal to the product of the Contract Capacity and such Buyer's Capacity Pro Rata Share) from the Facility or from a comparable substitute resource designated by Seller.

(b) If at any time additional information regarding the resources supporting Seller's obligations under this Agreement is required by any Transmission Provider(s) in order for this Agreement to qualify as a designated network resource or is otherwise required in connection with the obligations of any Buyer(s) under an applicable transmission tariff, Seller shall reasonably cooperate with and assist such Buyer(s) in providing the required information. For the sake of clarity, Seller neither represents nor warrants that this Agreement will qualify as a designated network resource or otherwise satisfy the obligations of any Buyer under any transmission tariff, and under no circumstances shall Seller have any liability hereunder in the event that this Agreement does not qualify as a designated network resource or otherwise satisfy any obligations of any Buyer under any transmission tariff.

Section 4.6. Title and Risk of Loss. Title to and risk of loss related to Scheduled Firm Energy shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Firm Energy Scheduled by the Administrative and Scheduling Agent free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any Person arising prior to delivery at the Delivery Point.

ARTICLE V

AGENTS

Section 5.1. Appointment of Administrative and Scheduling Agent. The Buyers have appointed an entity to act as Buyers' agent in matters concerning this Agreement, and to be a liaison between Buyers and Seller ("Administrative and Scheduling Agent"). The identity of the current Administrative and Scheduling Agent is reflected in Exhibit D, which shall be updated promptly by notice from the Buyers to reflect any change in the appointment of the Administrative and Scheduling Agent.

Section 5.2. Seller's Energy Manager. Throughout the Contract Term, Seller or its Affiliate shall at all times either satisfy the following requirements, or appoint as Seller's agent an entity ("Energy Manager") that satisfies such requirements, to support Seller's operational performance under this Agreement:

(a) Registration as, and compliance in all material respects with all requirements applicable to, a "Purchasing-Selling Entity" in the Western Electricity Coordinating Council;

(b) Round-the-clock (24-7) scheduling and real-time operations staffed with personnel reasonably qualified to perform such operations and who are knowledgeable regarding the high-voltage transmission system in Arizona;

(c) Capability of engaging in short-term transactions for the sale and purchase of electric energy at the Palo Verde hub through the WSPP Agreement (or through enabling agreements with a reasonable number of counterparties) or ownership or control of electric generating assets other than the Facility; and

(d) Maintaining such other reasonable technical capabilities as are necessary to perform Seller's operational responsibilities under this Agreement.

Notwithstanding the foregoing, for so long as Seller is not in breach of any of its other obligations under this Agreement, Seller's failure to comply with the above requirements shall not constitute a breach of a material covenant or obligation under this Agreement for purposes of Section 12.1(f). If Seller is in breach of any of its other obligations under this Agreement but is in compliance with this Section 5.2, Seller's compliance with this Section 5.2 shall not be deemed to cure such breach by Seller of such other obligations. The identity of the current Energy Manager is reflected in Exhibit D, which shall be updated promptly by notice from Seller to the Administrative and Scheduling Agent to reflect any change in the appointment of the Energy Manager.

Section 5.3. Contact Information. Individual employees of the Administrative and Scheduling Agent and the Energy Manager who have been assigned principal responsibility for particular functions within their respective entity's scope of duties, together with their roles and contact information, shall be identified on Exhibit D. The Parties and their respective agents shall keep this information updated by promptly providing notice of any changes.

Section 5.4. Continuing Liability of Principals. Each Party is responsible for the actions or inactions of its agent. The appointment of the Administrative and Scheduling Agent by the Buyers shall not diminish the liability of any Buyer for its responsibilities and obligations hereunder, and Seller shall have no recourse against the Administrative and Scheduling Agent in connection with such responsibilities and obligations. The appointment of the Energy Manager by Seller shall not diminish the liability of Seller for its responsibilities and obligations hereunder, and no Buyer shall have recourse against the Energy Manager in connection with such responsibilities and obligations.

ARTICLE VI

SCHEDULING

Section 6.1. Contract Entitlement. The Administrative and Scheduling Agent, on behalf of the Buyers, shall have the right to Schedule Firm Energy, up to the total Contract Capacity, for delivery by Seller at the Delivery Point on and after the Restatement Effective Date.

Section 6.2. Day-Ahead Dispatch.

(a) By 0900 PPT each Scheduling Day, Seller will provide to the Administrative and Scheduling Agent a projection of the Gas Price that will be applicable for the operating day(s) for which Day-Ahead Schedules are to be provided on the following Scheduling Day, to assist Buyers in determining their Day-Ahead Schedules. For example: On a Monday, Seller provides its projection of the Gas Price for Wednesday, which Buyers may take into account in developing the Day-Ahead Schedule to be provided on Tuesday. Buyers and the Administrative and Scheduling Agent acknowledge that any projections provided by Seller pursuant to this Section 6.2 are being provided as an accommodation to Buyers and the Administrative and Scheduling Agent and that Seller makes no representations or warranties with respect to the accuracy of such projections. In no instance shall Seller have any liability to Buyers or the Administrative and Scheduling Agent in connection with any use by or reliance on such projections by any Buyer or the Administrative and Scheduling Agent. In addition to providing the projected gas price information, Seller shall also inform the Administrative and Scheduling Agent (i) whether the Facility is expected to be out of service due to continuation of a known Forced Outage during any of the operating day(s) for which Day-Ahead Schedules are to be provided on the following Scheduling Day and (ii) the nature and expected duration of any such Forced Outage.

(b) By no later than 0615 PPT each Scheduling Day, the Administrative and Scheduling Agent shall provide to Seller a single Schedule (which may entail multiple NERC Tags) by email or other reasonable means clearly identifying for each hour of the following operating day(s) the quantity of Firm Energy to be delivered by Seller at the Delivery Point for the account of the Buyers (the "Day-Ahead Schedule"). The Day-Ahead Schedule shall be binding on the Seller and the Buyers, except as provided for in Section 6.3. The Seller and the Administrative and Scheduling Agent may agree in writing to a different day-ahead Scheduling procedure at any time.

(c) The Firm Energy Scheduled in any given hour may range from zero MW up to the Contract Capacity.

(d) Seller shall be responsible for providing all NERC Tags for transactions hereunder.

Section 6.3. Operating Information and Intraday Scheduling Changes.

(a) Seller shall as soon as reasonably practicable report to the Administrative and Scheduling Agent the existence of (and the nature of and expected duration of) any Forced Outage of the Facility occurring during a period in which a Greenhouse Gas Emissions Reduction Program is in effect.

(b) After being informed of a Forced Outage of the Facility pursuant to Section 6.3(a), the Administrative and Scheduling Agent may, by notice to Seller to be given as soon as reasonably practicable but in no event later than two (2) hours after being so informed, reduce the Schedule for any or all remaining hours of the operating day(s) for which the Day-Ahead Schedule had already been provided. Seller shall honor all such Schedule reductions, which shall commence as soon as reasonably practicable but in no event later than two (2) hours after the top of the hour following delivery of such notice to Seller by the Administrative and Scheduling Agent.

(c) During periods in which Section 6.3(b) is not applicable, the Administrative and Scheduling Agent may request changes in the Schedule for any hour(s) of the operating day. Seller shall work in good faith to accommodate to the greatest extent practicable any such request, but shall have no liability to any Buyer or the Administrative and Scheduling Agent to the extent that Seller fails to accommodate all or any portion of any such request.

Section 6.4. Transmission Scheduling. The Parties acknowledge and agree that the provisions of this Article VI do not govern transmission scheduling obligations and practices associated with the Firm Energy beyond the Delivery Point. Such activities, including the timing of providing NERC Tags and other notifications to the applicable Transmission Providers, will be governed by the applicable transmission tariffs.

Section 6.5. Recording. The Administrative and Scheduling Agent and Seller each consents to the creation of a tape or electronic recording of all Scheduling-related telephone conversations between the Administrative and Scheduling Agent and Seller (with or without the use of a warning tone). Any such recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to a dispute regarding Scheduling under this Agreement. In addition, the Administrative and Scheduling Agent and Seller each waives any further notice of such monitoring or recording, and agrees to notify such of its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees as required by applicable law, regulation or tariff.

Section 6.6. Quality of Energy. All Energy delivered to the Delivery Point hereunder will be three-phase, 60 Hertz, alternating current.

ARTICLE VII

FAILURE TO DELIVER OR RECEIVE

Section 7.1. Seller's Failure.

(a) Seller's obligations to sell and deliver shall be excused only to the extent that, and for the period during which, such performance is prevented by Force Majeure or by the non-performance of the affected Buyer(s).

(b) If Seller fails to deliver to Buyers all or part of the Firm Energy Scheduled by the Administrative and Scheduling Agent, and such failure is not excused, then Seller shall pay or credit the Administrative and Scheduling Agent, for the benefit of Buyers, on the next invoice following receipt of documentation from the Administrative and Scheduling Agent reasonably supporting the Replacement Price(s) applicable to the affected Buyer(s) in each hour for which this calculation must be made, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting (i) the sum of the energy (fuel and variable O&M) charges that would have been payable with respect to the undelivered amount from (ii) the Replacement Price.

(c) In addition, the Monthly Reservation Charge and the Monthly Fixed O&M Charge for any Service Month in which there is an unexcused failure to deliver all or part of the Firm Energy as Scheduled by the Administrative and Scheduling Agent shall be adjusted as follows: The Monthly Reservation Charge and the Monthly Fixed O&M Charge that would otherwise be due with respect to such Service Month shall be multiplied by a fraction (the "Adjustment Fraction"), the numerator of which is the MWh of Delivered Firm Energy in such Service Month and the denominator of which is the total number of MWh of Firm Energy that was Scheduled (excepting MWhs of Scheduled Firm Energy for which there was an excused failure to deliver) in such Service Month.

(d) Notwithstanding the foregoing, during the period specified in Section 12.3(b) relating to a Seller Event of Default pursuant to Section 12.1(b):

(i) with respect to any Service Month ending before the Capacity Increase Date, the damages provided for in Section 7.1(b) shall be increased by twenty-five percent (25%); or

(ii) with respect to any Service Month thereafter, (x) the damages provided for in Section 7.1(b) shall be calculated using two times the Replacement Price in part (ii) thereof, and (y) the adjustment to the Monthly Reservation Charge and the Monthly Fixed O&M Charge in Section 7.1(c) shall be determined using the square of the Adjustment Fraction.

(e) Seller recognizes that financial compensation for failure to deliver Firm Energy as and when required is a remedy of last resort, and Seller represents that it will undertake all commercial and operational actions necessary and practically available to ensure physical delivery of all Scheduled Firm Energy to the Delivery Point.

Section 7.2. Buyers' Failure. Each Buyer's obligations to receive shall be excused only to the extent that, and for the period during which, such performance is prevented by Force Majeure or as otherwise provided in this Section 7.2. A failure to receive Scheduled Firm Energy shall occur only if, and only to the extent that, one or more NERC Tags submitted by Seller for delivery of a portion of the Firm Energy from the Delivery Point to one or more Buyers is denied, interrupted or curtailed by one or more Transmission Providers, and (i) neither the Administrative and Scheduling Agent nor the affected Buyer(s) requests one or more replacement NERC Tags, or (ii) replacement NERC Tags are requested by the Administrative and Scheduling Agent or the affected Buyer(s) and submitted by Seller but are not honored by the Transmission Providers. A failure to receive Scheduled Firm Energy shall be excused if (x) replacement NERC Tags are requested by the Administrative and Scheduling Agent or the affected Buyer(s) but are not submitted by Seller or (y) there is a failure to deliver by Seller. In the event of any such failure to receive Scheduled Firm Energy, if such failure is not excused as provided in this Section 7.2, then the Administrative and Scheduling Agent shall, on behalf of Buyers, on the date payment would otherwise be due in respect of the Service Month in which the failure occurred, pay an amount for such deficiency equal to the positive difference, if any, obtained by subtracting (a) the Sales Price from (b) the sum of the energy (fuel and variable O&M) charges that would have been payable with respect to the amount not received.

ARTICLE VIII

CHARGES

Section 8.1. Monthly Reservation Charge. For each calendar month of the Contract Term (each, a "Service Month"), each Buyer's monthly reservation payment obligation shall be equal to its Capacity Pro Rata Share of the Monthly Reservation Charge. The "Monthly Reservation Charge" shall be the product of (a) for each Service Month commencing prior to the Capacity Increase Date, \$8,250/MW, or for each Service Month commencing on or after the Capacity Increase Date, \$6,000/MW, and (b) the then-current Contract Capacity, subject, however, to adjustment with respect to any particular Service Month as provided in Section 7.1(c) or Section 7.1(d), as applicable. In accordance with Article IX, the Monthly Reservation Charge (and all other monthly charges described herein) shall be invoiced in the month immediately following the Service Month, with any corrections thereto made as soon as practicable. Notwithstanding the foregoing, if the Agreement is terminated at a time other than at the end of a calendar month, the Monthly Reservation Charge for the final Service Month shall be pro-rated accordingly.

Section 8.2. Monthly Fixed O&M Charge. For each Service Month, each Buyer's monthly fixed O&M payment obligation shall be its Capacity Pro Rata Share of an amount equal to the product of (a) the Fixed O&M Rate for the Service Month, (b) one thousand (1,000), and (c) the then-current Contract Capacity (such product being the "Monthly Fixed O&M Charge"). The "Fixed O&M Rate" for the applicable Service Month shall be determined pursuant to Exhibit E attached hereto, and subject, however, to adjustment with respect to any particular Service Month as provided in Section 7.1(c) or Section 7.1(d), as applicable. Notwithstanding the foregoing, if the Agreement is terminated at a time other than at the end of a calendar month, the Monthly Fixed O&M Charge for the final Service Month shall be pro-rated accordingly.

Section 8.3. Monthly Energy Charge. The “Monthly Energy Charge” for each Buyer shall be the sum, for a given Service Month, of the charges determined pursuant to (a) or (b) below for each day of the Service Month.

(a) For each day of any Service Month in which a Greenhouse Gas Emissions Reduction Program is not in effect, each Buyer’s energy payment obligation shall be the product of the Delivered Firm Energy for that day on account of the Buyer (as set forth in the Monthly Spreadsheet) and the Hourly Energy Rate for such day as determined in accordance with Exhibit G.

(b) For each day of any Service Month in which a Greenhouse Gas Emissions Reduction Program is in effect, each Buyer’s energy payment obligation shall be the sum of the hourly energy charges for that day, as determined in (i) and (ii) below.

(i) For each Permitted Forced Outage Hour during the day, the Buyer’s energy charge shall be the product of the total quantity of Delivered Firm Energy in the hour (as set forth in the Monthly Spreadsheet) on account of the Buyer multiplied by the Market Price. All energy charges assessed for Permitted Forced Outage Hours shall be supported by documentation reasonably establishing: (X) that the hour qualified as a Permitted Forced Outage Hour, and (Y) the Market Price.

(ii) For each hour during the day that is not a Permitted Forced Outage Hour, the Buyer’s energy charge shall be the product of the total quantity of Delivered Firm Energy in the hour (as set forth in the Monthly Spreadsheet) on account of the Buyer multiplied by the Hourly Energy Rate for such day as determined in accordance with Exhibit G.

Section 8.4. Greenhouse Gas Regulations. To the extent applicable in one or more hours of a given Service Month, each Buyer shall also pay its Energy Pro Rata Share in each hour of GHG Charges as determined in accordance with Exhibit H.

Section 8.5. Fixed Rates. Irrespective of any change in Law or market conditions affecting Seller or any Buyer, and notwithstanding any assertion by Seller that certain costs are not covered, or any assertion by any Buyer that the charges payable by any Buyer hereunder do not reflect Seller’s actual cost in providing Delivered Firm Energy or otherwise do not reflect the actual cost of operating the Facility, the Buyers’ payment obligations in connection with the Capacity and Firm Energy provided by Seller hereunder shall be those charges provided for in Section 8.1 through Section 8.4 and Exhibits E through H, and the rates established in those sections and exhibits shall be subject to adjustment solely as expressly provided for herein.

ARTICLE IX

BILLING AND PAYMENT

Section 9.1. Billing. On or before the tenth (10th) day following the end of each Service Month (but following good faith efforts to complete monthly energy checkout), Seller shall deliver to the Administrative and Scheduling Agent an invoice detailing the total Delivered

Firm Energy, measured in MWh, for each day of the Service Month, the Gas Price in \$/MMBtu applicable in each day of the Service Month, the Hourly Energy Rate (\$ per MWh) applicable in each day of the Service Month, and the total charges and credits to be paid by Buyers for the Monthly Reservation Charge, the Monthly Fixed O&M Charge, the Monthly Energy Charge, and any other charges properly assessed to Buyers pursuant to this Agreement, for such Service Month. For any month in which charges for unexcused failure to receive apply pursuant to Section 7.2, Seller shall also provide with the invoice documentation reasonably supporting the Sales Price for each applicable hour. In each invoice, any amounts owed by Seller to Buyers shall be netted against the amounts owed by Buyers to Seller.

Section 9.2. Payment. Promptly following its receipt of each invoice pursuant to Section 9.1, the Administrative and Scheduling Agent shall determine the payment due from each of the Buyers, and provide an invoice to each Buyer reflecting its payment obligation for the just-concluded Service Month. The Administrative and Scheduling Agent will also promptly provide to Seller a spreadsheet (the "Monthly Spreadsheet") showing the amount of Delivered Firm Energy on each day in the just-concluded Service Month on account of each Buyer, which Monthly Spreadsheet shall not allocate to any Buyer on any day (i) any Delivered Firm Energy in excess of the maximum Firm Energy it could have Scheduled in that day from its Capacity Pro Rata Share, or (ii) any Delivered Firm Energy to any Delinquent Buyer or any Buyer with respect to which Seller has suspended performance pursuant to Section 12.3(c) ("Suspended Buyer"). Each Monthly Spreadsheet shall be binding and conclusive as to each Buyer for purposes of determining each Buyer's payment obligations pursuant to Section 8.3 and Section 8.4. In the event that the Administrative and Scheduling Agent fails in whole or in part to comply with the terms of this Section 9.2, any Delivered Firm Energy in the applicable Service Month that is (i) not allocated to one or more Buyers by the Monthly Spreadsheet or (ii) allocated to one or more Delinquent Buyers or Suspended Buyers, shall be deemed allocated across all Buyers that are neither Delinquent Buyers nor Suspended Buyers based on the ratio of each such Buyer's then current Capacity amount to the sum of all such Buyers' then current Capacity amounts (such allocation being referred to herein as "Pro Rata"). Each Buyer shall pay its individually invoiced amount to the Administrative and Scheduling Agent. The Administrative and Scheduling Agent shall make payment of the aggregate invoice to Seller on or before ten (10) days after the Administrative and Scheduling Agent's receipt of the aggregate invoice, by means of wire transfer of immediately available funds, or other acceptable method agreed to in writing by Seller and the Administrative and Scheduling Agent. Notwithstanding anything to the contrary in this paragraph, the Buyers are free to make sales of Firm Energy among themselves; however, such sales and settlements therefor shall be strictly between the affected Buyers and shall not affect any of the rights or obligations hereunder of the Administrative and Scheduling Agent or any Party hereto.

Section 9.3. Late Payments by Buyers. If (i) for any reason other than as permitted by and in accordance with Section 9.4 below, the Administrative and Scheduling Agent pays less than the full amount of the aggregate invoice (a "Payment Failure"), or (ii) the working capital fund established pursuant to Section 10.2(a) is not replenished as required thereby (a "Replenishment Failure"), the Administrative and Scheduling Agent shall (1) with respect to any Payment Failure, on or before the date on which such payment is due, and (2) with respect to any Replenishment Failure, on or before the tenth (10th) Business Day of such month, provide notice (a "Delinquency Notice") to Seller and to Buyers allocating such unpaid or un-replenished

amount (each such allocated amount, a “Delinquent Amount”) to one or more responsible Buyers (each a “Delinquent Buyer”). Such allocation shall be binding and conclusive as to each Delinquent Buyer and with respect to each Delinquent Amount for all purposes hereunder. In the event that the Administrative and Scheduling Agent fails to provide a timely Delinquency Notice, any unpaid or un-replenished amounts, as the case may be, shall be allocated Pro Rata across all Buyers that are not Delinquent Buyers or Suspended Buyers, and a Delinquency Notice shall be deemed to have been delivered as of the date that such Delinquent Amounts are due. Each Delinquent Amount in connection with a Payment Failure shall accrue interest computed at the Default Interest Rate for each calendar day from the due date to the date paid.

Section 9.4. Disputes. The Administrative and Scheduling Agent may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement within twenty four (24) months of the date of the invoice or adjustment to an invoice. If the Administrative and Scheduling Agent in good faith disputes the amount of any invoice, it shall promptly notify Seller of the disputed amount and the reason therefor and shall pay the undisputed amount of such invoice. Any disputes resulting from this Article IX shall be settled in accordance with the provisions of Article XVI.

Section 9.5. Adjustments. Any adjustments to amounts invoiced and paid for a given Service Month (*e.g.*, to reflect resolution of any dispute and/or billing corrections) shall be made on the next monthly invoice following the event giving rise to such adjustment. Where the adjustment is to rectify an overpayment, Seller shall provide a credit that includes interest accrued from the original payment date to the date of the credit, at the Interest Rate. Where the adjustment is to rectify an underpayment, Seller shall be entitled to an additional payment of interest accrued from the date on which the original payment was due to the date of such adjustment, at the Interest Rate. If any credit in favor of Buyers exceeds the amount that would otherwise be due for the current Service Month, or if any credit in favor of Buyers would be due following Buyers’ payment of the final invoice, Seller shall pay the net refund to the Administrative and Scheduling Agent no later than when the invoice would otherwise be due for such Service Month (or, if Buyers have paid the final invoice, no later than fifteen (15) days of calculation of the adjustment). If any adjustment in favor of Seller would be due following Buyers’ payment of the final invoice, each affected Buyer shall pay the adjusted amount to Seller no later than fifteen (15) days of calculation of the adjustment.

Section 9.6. Liabilities Several, Not Joint. Except as provided in Section 9.2, Section 9.3 and Section 12.4, neither the Administrative and Scheduling Agent nor any Buyer shall be liable to Seller for the obligations of any other Buyer; in particular, neither the Administrative and Scheduling Agent nor any Buyer shall be required to remedy the failure of any other Buyer to make payments required hereunder, or any interest attributable thereto.

Section 9.7. Audit. The Administrative and Scheduling Agent has the right with reasonable prior notice, at the sole expense of Buyers, to examine the records of Seller during regular business hours to the extent reasonably necessary to verify the accuracy of any invoice, or calculations provided with or supporting such invoice, rendered pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, or calculations provided with or supporting such invoice, the necessary adjustments in such invoice, or calculations provided with or supporting such invoice, and the payments made pursuant to such inaccurate invoice, or

calculations provided with or supporting such invoice, shall be adjusted in the next invoice, provided that the Administrative and Scheduling Agent brought it to the attention of Seller within twenty four (24) months after issuance of the inaccurate invoice. This Section 9.7 shall survive any termination of this Agreement for a period of two years from the date on which the last invoice is rendered to the Administrative and Scheduling Agent pursuant to this Agreement.

Section 9.8. Records. Seller shall maintain accurate and detailed records relating to its hourly deliveries of Energy for five years or for such longer period as may be required by any Transmission Provider. Seller will develop, maintain and keep originals or copies of all other accounting records, statistical information, and supporting documents relating to the performance of its obligations hereunder in accordance with the longest of the applicable record-retention requirements of the Federal Energy Regulatory Commission, RUS, Arizona Corporation Commission and all other regulatory bodies and taxing authorities having jurisdiction over Seller; provided that all such applicable accounting records shall be retained so long as any dispute exists regarding such information or payments due under this Agreement. All such records shall be available for inspection by the Administrative and Scheduling Agent during regular business hours, and the Administrative and Scheduling Agent shall have the right (at Buyers' expense) to make copies thereof, and to provide to the Buyers copies of such documents and other information obtained from Seller hereunder.

ARTICLE X

CREDITWORTHINESS

Section 10.1. Financial Information. Seller may require Buyers to provide financial information reasonably needed to ascertain Buyers' ability to perform under this Agreement or to meet any other obligation which may accrue, including without limitation the obligation to pay damages in the event of failure to perform. The Administrative and Scheduling Agent may require Seller to provide financial information reasonably needed to ascertain Seller's ability to perform under this Agreement or to meet any other obligation which may accrue, including without limitation the obligation to pay damages in the event of failure to perform.

Section 10.2. Credit Support.

(a) Buyer's Obligations. The Buyers shall fund and the Administrative and Scheduling Agent shall maintain a working capital fund equal to two (2) months' estimated charges under Section 8.1 through 8.3. All such estimates shall be prepared by Seller on the basis of full dispatch of the Contract Capacity for all Peak Hours during each month. The "Gas Price" used to calculate the estimated Monthly Energy Charge shall be equal to the sum of (x) the average NYMEX Henry Hub Futures settlement price, plus (y) the average SoCal Basis Swap (Platts IFERC) Futures settlement price, in each case for the applicable quarter and as of the first (1st) Business Day of the month preceding the calendar quarter for which the calculation is being made. Seller shall estimate such charges quarterly, as of the beginning of the month prior to the applicable calendar quarter (*e.g.*, as of March 1 for the second calendar quarter), and Seller shall include with its next invoice to the Administrative and Scheduling Agent Seller's calculation of the two months' estimated charges, and Seller's calculation of such amount shall be binding absent manifest error. If the updated amount calculated by Seller is more than ten

percent (10%) higher or lower than the currently effective working capital fund requirement, such updated amount shall be the new working capital fund requirement for the coming quarter, which shall be identified as a line item on Seller's invoice. If such updated amount is within ten percent (10%) (higher or lower) of the currently effective working capital fund requirement, there shall be no change. The working capital fund shall be available to the Administrative and Scheduling Agent to make timely payments of monthly invoices under Section 9.2 prior to receipt of payments from all Buyers of their individual shares of such invoices. Following any such drawdown of the working capital fund, the fund shall be replenished by Buyers' payments no later than the fifth (5th) Business Day of the following month.

(b) Seller's Obligations.

(i) Seller's obligations hereunder shall at all times be secured by one or more (but not more than three) Qualifying Letters of Credit in amounts which together total the then-applicable Credit Support Cap; provided that (A) in connection with any assignment of this Agreement by Seller pursuant to Section 14.2(b), Section 14.2(c), Section 14.2(d) or Section 14.3, Seller may replace all of the then-applicable Qualifying Letters of Credit with a Guarantee substantially in the form attached hereto as Exhibit K (a "Seller Guarantee") issued by any Affiliate of Seller that is Investment Grade in the amount of the then-applicable Credit Support Cap, and (B) Seller may, with the prior written consent of Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then-current Contract Capacity (which consent shall not be unreasonably withheld, conditioned or delayed), replace all of the then-applicable Qualifying Letters of Credit or the then-applicable Seller Guarantee with a new Seller Guarantee issued by any Affiliate of Seller that is Investment Grade in the amount of the then-applicable Credit Support Cap. Upon any replacement of a Seller Guarantee, in its entirety, with either a new Seller Guarantee pursuant to this Section 10.2(b)(i) or one or more (but not more than three) Qualifying Letters of Credit (either voluntarily by Seller at any time in accordance with this Section 10.2(b) or as required pursuant to Section 12.1(g)), if neither Seller nor the guarantor under the Seller Guarantee being replaced is then in default (or would be, with the passage of time and/or the giving of notice, be in default) of its obligations to the Buyers (other than any default that is cured by delivery of such new Seller Guarantee or one or more Qualifying Letters of Credit), the guarantor under the Seller Guarantee so replaced shall be automatically and unconditionally released from all of its obligations under such Seller Guarantee. Upon replacement of any Qualifying Letter of Credit in accordance with this Section 10.2(b) or Section 12.1(g), the Administrative and Scheduling Agent shall upon request by Seller surrender the Qualifying Letter of Credit so replaced to the issuing bank for cancellation and provide such other documentation (but not payment) as is reasonably required by such issuing bank for cancellation of such Qualifying Letter of Credit. Each Seller Guarantee provided hereunder shall be accompanied by an opinion of counsel for the issuer of the Seller Guarantee, in form and substance reasonably acceptable to the Administrative and Scheduling Agent, with respect to the enforceability of the Seller Guarantee.

(ii) In the event that Seller provides one or more Qualifying Letters of Credit pursuant to this Section 10.2(b) or Section 12.1(g):

(A) if the issuing bank has indicated its intent not to renew any such Qualifying Letter of Credit or such Qualifying Letter of Credit will otherwise expire on its stated expiration date, Seller shall provide a substitute Qualifying Letter of Credit (that has an effective date no later than the date of expiration of such expiring Qualifying Letter of Credit) at least thirty (30) days prior to the expiration of the outstanding Qualifying Letter of Credit;

(B) all letter of credit costs relating to any Qualifying Letter of Credit shall be borne by Seller;

(C) any such Qualifying Letter of Credit may be extended, reinstated or replaced from time to time so long as such extended or reinstated letter of credit continues to constitute, or such replacement letter of credit constitutes, a Qualifying Letter of Credit;

(D) the Administrative and Scheduling Agent may draw upon such Qualifying Letter of Credit for any of the reasons and subject to the conditions set forth in Clause 3 of Exhibit A to Exhibit M attached to this Agreement in connection with:

(1) amounts that are due and payable by Seller under this Agreement, including, without limitation, as a result of any Seller Event of Default, in which case the Administrative and Scheduling Agent may draw only such amounts that are due and payable by Seller;

(2) Seller's failure to timely replace such Qualifying Letter of Credit if it fails to remain a Qualifying Letter of Credit, in which case the Administrative and Scheduling Agent may draw the entire available amount of the Qualifying Letter of Credit; or

(3) Seller's failure to replace such Qualifying Letter of Credit at least thirty (30) days prior to its then effective expiry date, in which case the Administrative and Scheduling Agent may draw the entire available amount of the Qualifying Letter of Credit.

(E) Notwithstanding anything to the contrary in this Agreement, the proceeds received by the Administrative and Scheduling Agent from any drawing on a Qualifying Letter of Credit shall (I) in the event of a drawing described in Section 10.2(b)(ii)(D)(1) above, be applied by the Administrative and Scheduling Agent to any amounts due and payable by Seller under this Agreement, in which case Seller's payment obligations shall be deemed satisfied to the extent of such drawing, and (II) in the event of a drawing described in Section

10.2(b)(ii)(D)(2) or Section 10.2(b)(ii)(D)(3) above, be held as cash collateral to secure Seller's obligations to the Buyers under this Agreement and shall be deemed to be qualifying credit support satisfying the requirements of Section 10.2(b) of this Agreement. So long as the Administrative and Scheduling Agent holds any such cash collateral, the Administrative and Scheduling Agent shall be entitled to draw upon such cash collateral only to the extent Seller fails to pay one or more Buyers amounts due and payable under this Agreement. In the event that Seller delivers to the Administrative and Scheduling Agent a substitute Qualifying Letter of Credit or (where permitted) a new Seller Guarantee satisfying the requirements of this Agreement after any such drawing, then the Administrative and Scheduling Agent shall return such cash collateral to Seller upon the Administrative and Scheduling Agent's receipt of such substitute Qualifying Letter of Credit or Seller Guarantee.

(F) If the credit support provided by Seller pursuant to this Section 10.2(b) consists of either (1) more than one Qualifying Letters of Credit, or (2) at least one Qualifying Letter of Credit and at least one cash deposit held pursuant to Section 10.2(b)(ii)(E), and the Administrative Agent is entitled to draw upon such credit support in accordance with this Agreement (excluding drawings for the reasons described in Section 10.2(b)(ii)(D)(2) and Section 10.2(b)(ii)(D)(3)) and the terms of such credit support, then the Administrative and Scheduling Agent shall draw from such multiple forms of credit support on a pro rata basis, based on the respective total amounts available under each such Qualifying Letter of Credit or in cash deposit; provided, however, that in the event the issuer of any such Qualifying Letter of Credit fails to honor the Administrative and Scheduling Agent's properly documented request to draw on such Qualifying Letter of Credit in accordance with the terms thereof, then the Administrative and Scheduling Agent may draw such requested but unpaid amount from any other outstanding Qualifying Letters of Credit or cash deposits.

(c) No Margining. No collateral posting will be required for any Buyer (or the Administrative and Scheduling Agent) or the Seller for margining on the mark-to-market value of this Agreement. Further, and notwithstanding anything herein to the contrary, each Buyer and Seller hereby irrevocably and unconditionally waives any rights it may have under applicable Law to request "adequate assurances" or other performance assurance or security for any other Parties' obligations hereunder other than as provided for in Section 10.2(a) and Section 10.2(b).

(d) Letters of Credit.

(i) Notwithstanding anything contained in this Section 10.2 to the contrary, as an alternative to cash, a Buyer may fund its required contribution to the working capital fund in the form of a letter of credit that the Administrative and Scheduling Agent may utilize to make payments to Seller when due

hereunder, provided that any letter of credit provided by a Buyer hereunder shall be an irrevocable, nontransferable standby letter of credit issued by (1) the National Rural Utilities Cooperative Finance Corporation, or (2) a U.S. commercial bank or a U.S. branch of a foreign bank with such bank having (A) a Credit Rating of at least “A-“ from S&P and “A3” from Moody’s, and (B) total assets (determined in accordance with GAAP) of at least \$10,000,000,000 (Ten Billion Dollars), substantially in the form of Exhibit L and reasonably acceptable to the Administrative and Scheduling Agent. All letter of credit costs shall be borne by the applicable Buyer.

(ii) Each Buyer funding its required contribution to the working capital fund in the form of a letter of credit shall: (A) take all actions necessary to ensure that the issuing bank permits automatic renewal as provided in the relevant letter of credit, and (B) if the issuing bank has indicated its intent not to renew such letter of credit, provide a substitute letter of credit acceptable to the Administrative and Scheduling Agent that complies with the requirements of this Section 10.2(d) (or cash) at least twenty (20) Business Days prior to the expiration of the outstanding letter of credit.

(iii) Upon the occurrence of a Letter of Credit Default with respect to a letter of credit provided by a Buyer under this Section 10.2(d), such Buyer shall provide a substitute letter of credit acceptable to the Administrative and Scheduling Agent that complies with the requirements of this Section 10.2(d) (or cash) within five (5) Business Days after such occurrence.

(iv) Failure of a Buyer to provide a substitute letter of credit (or cash) as required under this Section 10.2(d) shall be considered a Replenishment Failure for purposes of Section 12.2(b), and the amount required to be replenished by such Buyer with such substitute letter of credit (or cash) shall be deemed a Delinquent Amount for purposes of Section 12.2(b).

(v) In the event of any termination of this Agreement with respect to any defaulting Buyer pursuant to Section 12.3(c)(i), Seller may require that the Administrative and Scheduling Agent assign all of its rights as a beneficiary under any letter of credit provided by such terminated Buyer under this Section 10.2(d) (to the extent those rights have not already been exercised by the Administrative and Scheduling Agent prior to receiving notice from Seller hereunder), and the Administrative and Scheduling Agent shall take all necessary steps to effect such assignment.

ARTICLE XI

TRANSMISSION ARRANGEMENTS

Section 11.1. Seller’s Obligations. Seller shall arrange and be responsible for transmission service to the Delivery Point, shall schedule or arrange for scheduling services with all applicable transmission providers to deliver Firm Energy to the Delivery Point, and shall be

responsible for all costs or charges imposed on or associated with the transmission service to the Delivery Point. In addition, Seller shall be responsible for all imbalance charges assessed due to deliveries of Energy of less than or more than the Firm Energy Scheduled by Buyers, and shall be responsible for submitting to the Transmission Providers all NERC Tags associated with delivery of the Scheduled Firm Energy to the Buyers.

Section 11.2. Buyers' Obligations. Except as provided in Section 11.1 with respect to the responsibility for imbalances and NERC Tags associated with Scheduled Firm Energy, Buyers shall arrange and be responsible for transmission service after the Delivery Point, shall schedule or arrange for scheduling services with all applicable Transmission Providers to accept Firm Energy from the Delivery Point, and shall be responsible for all costs or charges imposed on or associated with the transmission service after the Delivery Point. In addition, Buyers shall provide Seller with timely and adequately detailed information necessary for Seller to meet its responsibility to submit NERC Tags associated with delivery of the Scheduled Firm Energy to the Buyers. Seller and the Administrative and Scheduling Agent shall agree in writing upon the format and means of communication of such information.

ARTICLE XII

DEFAULT AND REMEDIES

Section 12.1. Seller Event of Default. The following shall constitute events of default on the part of Seller ("Seller Event of Default"):

(a) Seller fails to pay or credit any amount due to one or more Buyers under this Agreement and such failure continues for ten (10) days following receipt of written notice thereof from the Administrative and Scheduling Agent.

(b) A total of (i) one hundred (100) or more Unexcused Failed Hours shall occur during any rolling period of twelve (12) calendar months ending before the Capacity Increase Date or (ii) one hundred seventy-five (175) or more Unexcused Failed Hours shall occur during any rolling period of twelve (12) calendar months ending on or after the Capacity Increase Date.

(c) Seller becomes subject to a Bankruptcy Proceeding.

(d) Any representation or warranty made by the Seller herein is false or misleading in any material respect when made or when deemed made or repeated.

(e) Seller consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of the Seller hereunder pursuant to an agreement reasonably satisfactory to the Buyers, absent consent of the Buyers to Seller retaining the Agreement pursuant to Section 14.2(b).

(f) Seller commits a breach of its material covenants or obligations under this Agreement not otherwise excused by Force Majeure, other than a payment default as set forth in Section 12.1(a) or a non-delivery default under Section 12.1(b), unless:

(i) Seller commences and diligently proceeds to cure such breach upon delivery of written notice of such breach from the Administrative and Scheduling Agent; and

(ii) the breach is cured within ten (10) days of delivery of such written notice; provided, however, that if (A) such breach is not, by its nature, capable of being cured within such ten (10) day period, and (B) Seller is diligently and in good faith proceeding to attempt to cure such breach, Seller shall be allowed such additional time, which shall in no event exceed an additional twenty (20) days, as may reasonably be required to cure such breach.

(g) The occurrence of (i) a Seller Guarantee Default where such Seller Guarantee Default is not cured within five (5) Business Days after its occurrence, or (ii) a Seller Letter of Credit Default where such Seller Letter of Credit Default is not cured within ten (10) Business Days after its occurrence, in each case, by Seller providing to the Administrative and Scheduling Agent replacement credit support in the form of one or more (but not more than three) Qualifying Letters of Credit.

Notwithstanding anything to the contrary in this Agreement, in the event a Qualifying Letter of Credit is drawn pursuant to Section 10.2(b)(ii)(D)(2) or Section 10.2(b)(ii)(D)(3) above (each, an “LC Drawing Event”), then, so long as no other Seller Letter of Credit Default has occurred and is continuing, the occurrence of an LC Drawing Event shall not in and of itself be a default or Seller Event of Default under this Agreement, and such LC Drawing Event shall effect a cure of any default or Seller Event of Default arising as a result of the event that gave rise to such LC Drawing Event.

Section 12.2. Buyer Event of Default. The following shall constitute an event of default on the part of any Buyer (“Buyer Event of Default”):

(a) For Delinquent Amounts in connection with a Payment Failure, the Delinquent Buyer fails to pay directly to Seller such Delinquent Buyer’s Delinquent Amount within ten (10) days following delivery or deemed delivery by the Administrative and Scheduling Agent of the applicable Delinquency Notice.

(b) For Delinquent Amounts in connection with a Replenishment Failure, the Delinquent Buyer fails to deliver to the Administrative and Scheduling Agent for inclusion in the working capital fund established pursuant to Section 10.2(a) such Delinquent Buyer’s Delinquent Amount within ten (10) days following delivery or deemed delivery by the Administrative and Scheduling Agent of the applicable Delinquency Notice.

(c) A Buyer becomes subject to a Bankruptcy Proceeding.

(d) Any representation or warranty made by a Buyer is false or misleading in any material respect when made or when deemed made or repeated.

(e) A Buyer consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of the Buyer under this Agreement by operation of Law or pursuant to an agreement reasonably satisfactory to the Seller.

(f) A Buyer commits a breach of its obligations under this Agreement not otherwise excused by Force Majeure, other than a payment default as set forth in Section 12.2(a) or Section 12.2(b), unless:

(i) such Buyer commences and diligently proceeds to cure such breach upon delivery of written notice of such breach from Seller; and

(ii) the breach is cured within ten (10) days of delivery of such written notice; provided, however, that if (A) such breach is not, by its nature, capable of being cured within such ten (10) day period, and (B) such Buyer is diligently and in good faith proceeding to attempt to cure such breach, such Buyer shall be allowed such additional time, which shall in no event exceed an additional twenty (20) days, as may reasonably be required to cure such breach.

Section 12.3. Procedure and Remedies.

(a) Upon the occurrence and during the continuance of a Seller Event of Default, the Administrative and Scheduling Agent (acting on behalf of all Buyers) shall have the right, in the sole and absolute discretion of the Buyers collectively, to do any or all of the following: (i) terminate this Agreement effective upon the provision of written notice to Seller (or upon such later date as may be specified in such notice); and/or (ii) pursue any and all other remedies available at Law or in equity, subject to the dispute resolution procedures set forth in Article XVI and the other limitations set forth in this Agreement.

(b) In addition to the remedies set forth in Section 12.3(a), once a Seller Event of Default under Section 12.1(b) has occurred, the enhanced damages provided for in Section 7.1(d) shall apply until a rolling period of twelve (12) calendar months has passed during which Seller has had (i) less than one hundred (100) Unexcused Failed Hours, if such twelve-month period ends before the Capacity Increase Date, or (ii) less than one hundred seventy-five (175) Unexcused Failed Hours, if such twelve-month period ends on or after the Capacity Increase Date. For the avoidance of doubt, the Parties expressly recognize and agree that Buyers' election not to terminate this Agreement due to a Seller Event of Default under Section 12.1(b) shall not constitute a waiver of, nor shall it diminish in any way, Buyers' right to receive damages for non-delivery (including failure to comply with Section 4.5(a)).

(c) Upon the occurrence and during the continuance of a Buyer Event of Default, Seller shall have the right, in its sole and absolute discretion, to do any or all of the following: (i) terminate this Agreement with respect to such Buyer, effective upon at least twenty (20) days' written notice to all Buyers and the Administrative and Scheduling Agent; (ii) suspend performance with respect to the defaulting Buyer during such notice period, and/or (iii) pursue any and all other remedies against the defaulting Buyer available at Law or in equity, subject to

the dispute resolution procedures set forth in Article XVI and the other limitations set forth in this Agreement. Any suspension under (ii) above shall be effective immediately upon written notice to the defaulting Buyer and the Administrative and Scheduling Agent.

Section 12.4. Buyers' Step-Up Obligations. In the event of termination of this Agreement with respect to any defaulting Buyer(s) pursuant to Section 12.3(c)(i), absent agreement in writing by Seller and the remaining Buyers on a different re-allocation (and/or the addition of new buyers under this Agreement), each Buyer that remains as a Party to this Agreement shall, effective as of the date of termination as to the defaulting Buyer(s), (a) increase its amount of Initial Capacity subscribed hereunder by an amount equal to (x) such Buyer's then current Initial Capacity amount, divided by the sum of all remaining Buyers' then current Initial Capacity amounts, times (y) the Initial Capacity amount held by the terminated Buyer(s) and (b) increase its amount of Incremental Capacity subscribed hereunder by an amount equal to (x) such Buyer's then current Incremental Capacity amount, divided by the sum of all remaining Buyers' then current Incremental Capacity amounts, times (y) the Incremental Capacity amount held by the terminated Buyer(s); provided, however, that in no event shall any such increase (whether caused by a single Buyer's default and termination or the cumulative result over time of multiple Buyers' defaults and termination) result in a Buyer having an Initial Capacity amount that exceeds one hundred twenty percent (120%) of its Initial Capacity amount as reflected under the column entitled "Baseline – Initial Capacity (MW)" on Exhibit Q or an Incremental Capacity amount that exceeds one hundred twenty percent (120%) of its Incremental Capacity amount as reflected under the column entitled "Baseline – Incremental Capacity (MW)" on Exhibit Q (each, a "Step-Up Cap") without the prior consent of such Buyer; provided further that to the extent one or more terminations would result in application of either Step-Up Cap, and if requested by Seller, Buyers shall work in good faith using commercially reasonable efforts to obtain additional buyers to take and pay for the Contract Capacity affected by application of such Step-Up Cap. The addition of any such additional buyers shall be subject to the prior written consent of Seller, which shall not be unreasonably withheld. In the event that either Step-Up Cap applies (*i.e.*, to the extent that one or more Buyer(s) have not consented to waive application of such Step-Up Cap) and no additional buyers are added to this Agreement, the Contract Capacity will be reduced to the total of the remaining Buyers' increased Capacity amounts; provided, however, that if the effect of this provision would be to reduce the Contract Capacity to less than 160 MW at any time before the Capacity Increase Date or 280 MW at any time on or after the Capacity Increase Date, Seller may terminate this Agreement in its entirety, without penalty or further liability on the part of the Parties, upon prior notice thereof to the Administrative and Scheduling Agent of at least one hundred eighty (180) days. In all cases of the reallocation of Capacity among Buyers and/or the addition of new buyers under this Section 12.4, Exhibit A shall be amended to reflect the revised Capacity Pro Rata Shares and Capacity amounts in respect of the remaining Buyers; in addition, where applicable, the reduced Contract Capacity shall also be reflected on the amended Exhibit A. All such changes to Exhibit A shall be effective as of the first calendar day of the month immediately following the termination of the defaulting Buyer pursuant to Section 12.3(c). Notwithstanding anything else in this Agreement, the step-up obligations of the Buyers hereunder shall not require any non-defaulting Buyer to pay any damages, arrearages, or any other costs related to the defaulting Buyer's or Buyers' obligations prior to the effective date of the termination.

Section 12.5. Rights of Specific Performance. In addition to the remedies specified hereunder, upon the occurrence of a Seller Event of Default or a Buyer Event of Default, which does not arise from the failure to make a payment of money hereunder, the non-defaulting Party(ies) shall have a right to obtain equitable relief, including specific performance of the defaulting Party's non-monetary obligations hereunder.

ARTICLE XIII

INDEMNIFICATION

Section 13.1. Indemnity by Seller. Subject to the terms and conditions set forth in this Article XIII and except to the extent caused by the fraud, gross negligence or the willful misconduct or willful breach of obligation under this Agreement of any Indemnitee, Seller shall indemnify and hold Buyers, their Affiliates, members, directors, officers, attorneys, employees, subcontractors, agents and assigns harmless for, from and against any and all Third Party Claims, including reasonable attorneys' fees and costs of investigation, litigation, settlement and judgment (collectively "Losses"), which any of them may sustain or suffer as a result of the nonperformance or breach of any covenant or agreement made or undertaken by Seller in this Agreement.

Section 13.2. Indemnity by Buyers. Subject to the terms and conditions set forth in this Article XIII and except to the extent caused by the fraud, gross negligence or the willful misconduct or willful breach of obligation under this Agreement of any Indemnitee, each Buyer shall (severally and not jointly) indemnify and hold Seller and its Affiliates, members, directors, officers, attorneys, employees, subcontractors, agents and assigns harmless for, from and against any and all Losses which any of them may sustain or suffer as a result of the nonperformance or breach of any covenant or agreement made or undertaken by such Buyer in this Agreement. Each Buyer's several indemnification responsibility hereunder shall be commensurate with its own nonperformance or breach (and shall therefore be zero for any Buyer that is not in breach or nonperformance).

Section 13.3. Further Qualifications Respecting Indemnification. The right of a Person listed as being entitled to indemnification in Section 13.1 or Section 13.2 (an "Indemnitee") to be indemnified hereunder shall be subject to the following further qualifications:

(a) Upon receipt of notice of any demand, assertion, claim, action or proceeding, judicial, governmental or otherwise, from any third party (such third party actions being collectively referred to herein as "Third Party Claims"), the Indemnitee shall give written notice thereof to the indemnifying Party (the "Indemnitor") as soon as reasonably practicable, but not later than thirty (30) days after the date the Indemnitee obtains actual knowledge of the basis or alleged basis for the right of indemnity;

(b) In computing Losses, such amounts shall be computed net of any related recoveries to which the Indemnitee is entitled under insurance policies, or other related payments received from third parties, and net of any tax benefits actually received by the Indemnitee or for which it is eligible, taking into account the income tax treatment of such indemnification; and

(c) The Indemnitee shall use commercially reasonable efforts to mitigate all Losses for which indemnification may be available hereunder, including availing itself of any defenses, limitations, rights of contribution, claims against third parties and other rights at Law or equity. The Indemnitee's commercially reasonable efforts shall include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any Loss for which indemnification would otherwise be due, such expenditures being included in indemnified Losses hereunder.

Section 13.4. Procedures Respecting Third Party Claims. In notifying the Indemnitor of any Third Party Claim (the "Claim Notice"), the Indemnitee shall provide the Indemnitor with a copy of such Third Party Claim or other documents received and shall otherwise make available to the Indemnitor all relevant information material to the defense of such claim and within the Indemnitee's possession. The Indemnitor shall have the right, by written notice given to the Indemnitee within fifteen (15) days after the date of the Claim Notice, to assume and control the defense of the Third Party Claim that is the subject of such Claim Notice, including the employment of counsel selected by the Indemnitor after consultation with the Indemnitee, and the Indemnitor shall pay all expenses of, and the Indemnitee shall cooperate fully with the Indemnitor in connection with, the conduct of such defense. The Indemnitee shall have the right to employ separate counsel in any such proceeding and to participate in (but not control) the defense of such Third Party Claim, but the fees and expenses of such counsel shall be borne by the Indemnitee unless the Indemnitor shall otherwise agree in writing; provided, however, if the named parties to any such proceeding (including any impleaded parties) include both the Indemnitee and the Indemnitor, the Indemnitor requires that the same counsel represent both the Indemnitee and the Indemnitor, and representation of both Parties by the same counsel would be inappropriate due to actual or potential differing interests between them, then the Indemnitee shall have the right to retain its own counsel at the cost and expense of the Indemnitor. If the Indemnitor shall have failed to assume the defense of any Third Party Claim in accordance with the provisions of this Section 13.4, then, as among the Parties, the Indemnitee shall have the absolute right to control the defense of such Third Party Claim, and, if and when it is finally determined that the Indemnitee is entitled to indemnification from the Indemnitor hereunder, the fees and expenses of the Indemnitee's counsel shall be borne by the Indemnitor; provided that the Indemnitor shall be entitled, at its expense, to participate in (but not control) such defense. The Indemnitor shall have the right to settle or compromise any such Third Party Claim for which it is providing indemnity so long as such settlement does not impose any obligations on the Indemnitee (except with respect to (a) obligations to pay money (which amounts, if payable by the Indemnitee, shall constitute Losses) and (b) providing releases of the third party). The Indemnitor shall be liable for any settlement effected by the Indemnitee without the Indemnitor's consent only if the Indemnitee has assumed the defense because the Indemnitor has failed or refused to do so.

ARTICLE XIV

ASSIGNMENT

Section 14.1. Assignments by Buyers.

(a) Any Buyer may, with prompt notice to but without the need for consent of Seller, (i) assign all of its rights and obligations hereunder to any entity that acquires all or substantially all of such Buyer's electrical system and that assumes in writing all obligations of the assigning Buyer, which assumption shall be in form and substance reasonably acceptable to Seller, (ii) assign, transfer, pledge or otherwise dispose of its rights and interest hereunder to the RUS, but only if such Buyer is a RUS Buyer. In the event of any permitted assignment by one or more Buyers, Exhibit A shall be adjusted accordingly.

(b) Unless Seller consents in writing to such Buyer retaining this Agreement, if any Buyer transfers all or substantially all of its electrical system to another party, such Buyer shall assign all of its rights and obligations hereunder to the entity that acquires such business.

Section 14.2. Assignment by Seller.

(a) Seller may, with prompt prior notice to but without the need for consent of Buyers, assign, transfer, pledge or otherwise dispose of its rights and interest under this Agreement to a trustee or lending institution for the purposes of financing or refinancing any of its assets, including upon or pursuant to the exercise of remedies with respect to such financing or refinancing, or by way of assignments, transfers, pledges or other dispositions in lieu thereof. Buyers shall, in connection with any such financing, execute such agreements and certificates as reasonably requested by the applicable lenders and that otherwise include terms reasonably customary in project financings, which agreements and certificates shall be binding on all Buyers when executed by Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity.

(b) If Seller transfers all or substantially all of its business (including the Facility) to another Person, then unless Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity consent in writing to the Seller retaining this Agreement (which consent may be denied by any Buyer in its sole discretion), Seller shall, with prompt prior notice to but without the need for consent of Buyers, assign this Agreement and all of Seller's rights and interest hereunder to the Person to which Seller's business is being transferred, or to an Affiliate of the Person to which Seller's business is being transferred, and shall require such assignee to assume in writing all obligations of Seller, which assumption shall be materially in the form attached as Exhibit N hereto or otherwise in form and substance reasonably acceptable to Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity.

(c) If Seller transfers the Facility (but not all or substantially all of Seller's business) to another Person, then unless Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity consent in writing to the Seller retaining this Agreement (which consent may be denied by any Buyer in its sole discretion), Seller shall, with prompt prior notice to but without the need for consent of Buyers, assign this Agreement and all of Seller's rights and interest hereunder to the Person to which the Facility is being transferred, or to an Affiliate of the Person to which the Facility is being transferred, and shall require such assignee to assume in writing all obligations of Seller, which assumption shall be materially in the form attached as Exhibit N hereto or

otherwise in form and substance reasonably acceptable to Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity.

(d) If the Seller under this Agreement is an Affiliate of the Person that owns the Facility as a result of an assignment pursuant to Section 14.2(b), Section 14.2(c), this Section 14.2(d) or Section 14.3, then if a proposed transaction or other disposition would result in the Seller and the owner of the Facility no longer being Affiliates, then unless Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity consent in writing to the Seller retaining this Agreement (which consent may be denied by any Buyer in its sole discretion), Seller shall, with prompt prior notice to but without the need for consent of Buyers, assign this Agreement and all of Seller's rights and interest hereunder to the Person who owns the Facility, or to an Affiliate of the Person who owns the Facility, and shall require such assignee to assume in writing all obligations of Seller, which assumption shall be materially in the form attached as Exhibit N hereto or otherwise in form and substance reasonably acceptable to Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity.

Section 14.3. Other Assignments. Except as provided in Section 14.1 and Section 14.2, any proposed assignment by any Buyer shall require the prior written consent of Seller, and any proposed assignment by Seller shall require the prior written consent of Buyers then having Capacity Pro Rata Shares that in the aggregate are greater than or equal to sixty-six percent (66%) of the then current Contract Capacity. In each case, consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that it shall be reasonable for a Buyer to require as a condition to its consent to an assignment of this Agreement to a Person by Seller that the Facility be assigned and transferred to the same Person or an Affiliate of such Person.

Section 14.4. Notice. Irrespective of whether consent is required, notice of any proposed assignment other than assignment to RUS shall be given to the other Parties at least forty-five (45) days prior to the date of the assignment. Notice of any assignment to RUS shall be made promptly by the affected Buyer. Any purported assignment made without complying with the requirements of this Article XIV shall be null and void.

Section 14.5. Effect of Assignment on Party Status. No assignment shall relieve the assignor of its obligations hereunder in the event the assignee fails to perform, unless the other Parties agree in writing in advance to waive the assignor's continuing obligations pursuant to this Agreement. To the extent an assignment occurs in accordance with the terms of this Article XIV other than Section 14.2(a) and the assignee expressly agrees in writing to assume all of the assignor's rights and obligations so assigned, those remaining Parties to this Agreement shall release the assignor from any further liability in respect of the rights and obligations so assigned.

ARTICLE XV

FORCE MAJEURE

Section 15.1. Force Majeure. The term “Force Majeure” shall mean causes beyond the reasonable control of, and without the fault or negligence (including failure to comply with Prudent Utility Practices) of, the Party claiming Force Majeure, including, but not limited to, acts of God; strikes and other labor disturbances; earthquake; storm; fire; lightning; epidemic; war; riot or civil disturbance; or sabotage. Notwithstanding the foregoing, under no circumstances shall Force Majeure include any of the following: (i) changes in market conditions that affect the cost of or demand for power; (ii) change in Law; (iii) any lack of profitability to a Party or other financial consideration of a Party; (iv) unavailability of the Facility; or (v) unavailability of transmission service to the Delivery Point from any specific source of supply to the extent that it is possible for Seller to utilize alternative resources (including market purchases) and/or transmission arrangements to deliver Scheduled Firm Energy, as required pursuant to Section 4.3.

Section 15.2. Effect on Performance.

(a) If any Party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, that Party shall be excused from whatever performance it is unable to perform due to the Force Majeure to the extent so affected, provided that:

(i) the Party affected by such Force Majeure, as soon as reasonably practical after the commencement of such effect, gives the other Parties prompt oral notice, followed by a written notice within forty-eight (48) hours after such oral notice, fully describing the particulars of the occurrence;

(ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

(iii) the Party whose performance is affected by such Force Majeure uses its commercially reasonable efforts to overcome and remedy its inability to perform as soon as possible; and

(iv) the event of Force Majeure must not have been caused by or contributed to by any negligent or intentional act, error or omission of the affected Party or any of its Affiliates, and must not be caused by or contributed to by any failure to comply with any Law by the affected Party or any of its Affiliates, or by any breach or default of this Agreement by the affected Party or any of its Affiliates.

Notwithstanding the foregoing, the affected Party shall not be obligated to settle strikes or labor disturbances on terms other than those acceptable to such Party in its sole discretion, in order to overcome the effects of the Force Majeure and reinstate full performance of its obligations under this Agreement.

(b) Notwithstanding anything in this Article XV to the contrary, no payment obligation arising under this Agreement prior to the date of an event of Force Majeure shall be excused by such event of Force Majeure.

ARTICLE XVI

DISPUTE RESOLUTION

Section 16.1. Attempts to Resolve Dispute. Any controversy between or among Seller and any one or more of the Buyers, arising out of or relating to this Agreement, or any breach hereof or default hereunder may be submitted to binding arbitration upon written agreement of all Parties involved in the dispute, or otherwise may be resolved in a court of competent jurisdiction as specified in Section 16.2 and Section 19.3; provided, however, that no Party shall seek to arbitrate or litigate a controversy between or among the Parties without the Party's most senior executive first attempting in good faith to resolve the dispute with the most senior executive(s) of the other Party(ies) involved in the dispute. Such executives shall decide, within ten (10) Business Days of a written notice of the dispute, the negotiation period during which they will attempt to resolve the dispute before any Parties may initiate arbitration or litigation. If such executives fail for any reason to agree upon a negotiation period during which they will attempt to resolve the controversy, then the negotiation period shall end forty-five (45) days after the written notice of dispute.

Section 16.2. Limited Waiver of Sovereign Immunity. The Parties acknowledge that Buyers listed in Exhibit I (each a "Tribal Utility Buyer" and collectively the "Tribal Utility Buyers") are tribal utilities of their respective Indian Tribe, Nation, and/or Community listed therein.

(a) Each Tribal Utility Buyer irrevocably waives its sovereign immunity for the limited purposes of any action or arbitration (i) arising out of or pertaining to this Agreement, (ii) enforcing the arbitration agreement under Section 16.4, , and (iii) enforcing any arbitration award rendered in an arbitration under Section 16.4. Each limited waiver provided herein shall be authorized pursuant to a resolution from either (y) the governing body of the Tribal Utility Buyer if duly authorized to waive its sovereign immunity without the approval or consent from its associated Indian Tribe, Nation or Community or (z) the governing body of the Indian Tribe, Nation or Community that is associated with the Tribal Utility Buyer if the Tribal Utility Buyer is not independently authorized to waive its sovereign immunity. Each Tribal Utility Buyer further agrees that it will not raise failure to exhaust federal administrative or tribal administrative or judicial remedies as a defense to any such action. The waivers provided herein are limited to actions filed in the United States District Court for the District of Arizona, and appropriate appellate review, if and to the extent that jurisdiction is otherwise proper in those courts. If jurisdiction is not proper in the above-listed courts, then such waivers shall extend to actions filed in the courts of the State of Arizona and appropriate appellate review of such courts. If such federal and state courts are finally determined not to have jurisdiction over such action, then the waivers shall extend to actions filed in any court of competent jurisdiction. With respect to actions filed as specified above in a court of the State of Arizona, venue shall be exclusively in the Maricopa County, Arizona, Superior Court. The limited waivers provided herein apply only

to Tribal Utility Buyers and shall not, under any circumstances, be interpreted, construed or extended to include any sovereign immunity rights independently or separately held by an Indian Tribe, Nation or Community that is associated with a Tribal Utility Buyer.

(b) The limited waivers set forth in this Section 16.2 shall apply to the enforcement of the arbitration agreement in Section 16.4, including a pre-arbitration injunction, pre-arbitration attachment, other order in aid of arbitration proceedings, or the enforcement of any award in arbitration, or the orders or judgments in litigation under Section 16.2. However, the remedies rendered in any such arbitration or litigation shall be limited to specific performance of this Agreement or money damages. The court or arbitrator shall have the authority to order execution against (a) any assets or revenues of the Tribal Utility Buyer, including without limitation all revenues of such Tribal Utility Buyer, excluding all realty owned by the Tribal Utility Buyer upon which any assets of such Tribal Utility Buyer are located, and (b) proceeds of any applicable insurance policies maintained by the Tribal Utility Buyer. In no instance shall any enforcement be allowed against any assets of an Indian Tribe, Nation or Community that is associated with a Tribal Utility Buyer, other than the limited assets of the Tribal Utility Buyer set forth in this Section 16.2.

Section 16.3. Jurisdiction. Each of the Parties irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the exclusive jurisdiction of the courts as specified in Section 16.2 and Section 19.3 or the laying of the venue of any such proceeding brought as specified in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum or is subject to exhaustion of tribal remedies. Each of the Parties hereby consents to service of process by registered mail at its address set forth herein and agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other Parties.

Section 16.4. Voluntary Binding Arbitration. If, following failure of negotiations pursuant to Section 16.1, all of the Parties involved in a dispute agree to binding arbitration of the dispute, the following procedures will be used (absent agreement of the affected Parties to different procedures):

(a) The dispute shall be finally settled by binding arbitration before a panel of three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then in effect, except as modified herein. The Party or Parties seeking relief from one or more other Parties shall prepare and submit a request for arbitration (the “Demand”), which will include statements of the facts and circumstances surrounding the dispute, the legal obligation breached by the other Party(ies), the amount in controversy and the requested relief. The Demand shall be accompanied by all relevant supporting documents.

(b) Arbitration shall be held in Phoenix, Arizona. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1 et seq.

(c) The Party asserting a claim for relief and the Party opposing such relief shall each select one arbitrator within ten (10) days of the receipt of the Demand, or if such Party to the dispute or claim fails to make such selection within ten (10) days from the receipt of the Demand, the AAA shall make such appointment upon the written request of the other party. If

more than two Parties are involved in the arbitration, all Parties seeking relief shall collectively appoint one arbitrator, and all Parties opposing relief shall collectively appoint one arbitrator. The two arbitrators thus appointed shall select the third arbitrator, who shall act as the chairman of the panel. If the two arbitrators fail to agree on a third arbitrator within thirty (30) days of the selection of the second arbitrator, the AAA shall make such appointment.

(d) The award shall be in writing (stating the award and the reasons therefor) and shall be final and binding upon the Parties who agreed to arbitrate the dispute, and shall be the sole and exclusive remedy between such Parties regarding any claims, counterclaims, issues, or accountings presented to the arbitration panel. The arbitration panel shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. Judgment upon any award may be entered in any court having jurisdiction as specified in Section 16.2 and Section 19.3.

(e) This Agreement and the rights and obligations of the Parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder.

(f) Unless otherwise ordered by the arbitrators, each Party shall bear its own costs and fees, including attorneys' fees and expenses. The Parties expressly agree that the arbitrators shall have no power to consider or award any form of damages barred by Section 19.1, or any other multiple or enhanced damages, whether statutory or common law.

(g) Each Party understands that, to the extent it agrees to arbitration pursuant to this section, it will not be able to bring a lawsuit concerning the affected dispute, except as necessary to enforce this Section 16.4 or an arbitration award.

Section 16.5. Standard of Review. No Party shall make unilateral application to the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act for a change in the rates, terms and conditions herein, or seek or support any relief under Section 206 of the Federal Power Act concerning the rates, terms and conditions herein and each of the Parties irrevocably waives all of its rights, under applicable Law, if any, unilaterally to seek or support a change in the rates, charges, classifications, terms or conditions set forth in this Agreement. By this provision, each Party expressly waives its right to seek or support: (i) an order from the U.S. Federal Energy Regulatory Commission finding that the market-based rate(s), charges, classifications, terms or conditions agreed to by the Parties are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any changes in market conditions. Absent the amendment of this Agreement in accordance with Section 19.10, the standard of review for changes to any section of this Agreement shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008), or, if such standard is not available as a matter of Law, the most stringent standard of review permissible under applicable Law. The Parties acknowledge and agree that changes in market conditions or economic hardship to any Party will not render the rate(s), charges, classifications, terms or conditions of this Agreement "unjust, unreasonable,

unduly discriminatory or preferential” within the meaning of Section 206 of the Federal Power Act.

ARTICLE XVII

REPRESENTATIONS AND WARRANTIES

Section 17.1. Mutual Representations. Each Party represents and warrants to the other Parties that, as of the Restatement Effective Date:

(a) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute and deliver this Agreement and to perform its obligations under this Agreement and has taken all necessary corporate, company, partnership, governmental and/or other actions to authorize such execution and delivery and performance of such obligations;

(c) its execution and delivery of this Agreement and its performance of its obligations under this Agreement do not violate or conflict with any Law applicable to it; with any provision of its charter or bylaws (or comparable constituent documents); with any order or judgment of any court or other agency of government applicable to it or any of its assets; or with any contractual restriction binding on or affecting it or any of its assets;

(d) except as otherwise permitted herein, it has neither initiated nor received written notice of any action, proceeding or investigation pending, nor to its knowledge is any such action, proceeding or investigation threatened (or any basis therefor known to it) that questions the validity of this Agreement, or that would materially or adversely affect its rights or obligations as a Party;

(e) all authorizations of and exemptions, actions or approvals by, and all notices to or filings with, any governmental authority that are required to have been obtained or made by it at the time this representation is made with respect to this Agreement have been obtained or made and are in full force and effect, and all conditions of any such authorizations, exemptions, actions or approvals have been complied with; and

(f) subject to the approval of the Amended Terms by RUS (with respect to each RUS Buyer only), this Agreement constitutes the Party’s legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors’ rights generally and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at Law).

Section 17.2. Exclusivity of Seller Representations. The representations and warranties made by the Seller in this Agreement are in lieu of and are exclusive of all other representations and warranties, including any implied warranties of merchantability, suitability or fitness for any particular purpose or any other implied warranty. The Seller hereby disclaims any such other or implied representations or warranties, notwithstanding the delivery or disclosure to one or more

Buyers or their directors, officers, employees, agents or representatives of any documentation or other information.

ARTICLE XVIII

NOTICES

Except as otherwise specified in this Agreement, any notice, request, demand, statement or payment provided for in this Agreement shall be in writing and shall be sufficiently given if delivered by overnight mail, overnight courier or hand delivered against written receipt, or if transmitted and received by facsimile transmission addressed as set forth in Exhibit J or to such other address as may be designated by a Party from time to time by notice to the other Parties in accordance with this Article XVIII. Any such notice shall be effective only upon delivery and receipt thereof.

ARTICLE XIX

MISCELLANEOUS

Section 19.1. No Consequential Damages. Except to the extent (a) awarded in favor of any Third Party Claim or (b) arising out of fraud or criminal conduct, in the event of any breach of the obligations of any Party hereto, each Party shall be liable hereunder solely for direct and actual damages and under no circumstances shall any Party be liable hereunder for any consequential (including, but not limited to, lost profits and business interruption), incidental, special, punitive, exemplary, indirect or other similar damages.

Section 19.2. Entire Agreement. From and after the Restatement Date, this Agreement and all amendments hereto contain the complete agreement among the Parties with respect to the matters contained herein and supersedes all other negotiations or agreements, whether written or oral, with respect to the subject matter hereof, including the Original PPA; provided, that the Original PPA shall govern the obligations of the Parties with respect to the period prior to the Restatement Effective Date.

Section 19.3. Governing Law; Venue and Jurisdiction.

(a) This Agreement shall be governed by, construed, interpreted and applied in accordance with the laws of the State of Arizona, without giving effect to any principle regarding conflict of laws that would result in the application of the laws of any other jurisdiction.

(b) The Parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of Arizona (or, if that court refuses jurisdiction, in the Maricopa County, Arizona Superior Court) for the purposes of any cause of action arising out of or based upon this agreement or relating to the subject matter hereof or for the enforcement of any arbitration award hereunder.

Section 19.4. Non-Waiver. No delay or failure by a Party to exercise any of its rights, powers or remedies under this Agreement following any breach or default by any other Party

shall be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind on the part of any Party of any breach or default, or any waiver on the part of any Party of any provision or condition of this Agreement, shall be effective only if in writing and then only to the extent specifically set forth in such writing.

Section 19.5. Severability. If an arbitration panel, court or regulatory agency having jurisdiction over the Parties or over this Agreement determines that any of the provisions of this Agreement, or any part thereof, is invalid, void, illegal or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid, will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated is not affected in any manner materially adverse to any Party. Upon any such determination of invalidity, the Parties shall, within ten (10) days of such determination, commence to negotiate in good faith new provisions to restore this Agreement as nearly as possible to its original intent and effect.

Section 19.6. Interpretation; Headings. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require. Unless otherwise expressly provided, the words “include,” “includes” and “including” do not limit the preceding words or terms and shall be deemed to be followed by the words “without limitation.” The headings herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

Section 19.7. No Partnership or Joint Venture. This Agreement does not establish and should not be construed as establishing any partnership or joint venture by and among the Parties, and none of the Parties shall have any duties, obligations or liabilities arising under such a relationship. The Parties acknowledge and agree that Seller is not in any way affiliated with Buyers and that Seller is an independent contractor hired by Buyers solely to perform the activities set forth herein.

Section 19.8. Confidentiality.

(a) Without prior written consent, which shall not be unreasonably withheld or delayed, no Party shall disclose the terms of this Agreement to a third party (other than the Energy Manager, the Administrative and Scheduling Agent, and such Party’s and its Affiliates’ employees, officers, directors, members, partners, lenders, potential lenders, potential equity investors, counsel, accountants, financial advisors or consultants) except in order to comply with any applicable Law; provided, however, that, except in connection with disclosures required under applicable public records Laws, each Party shall notify the other Parties of any proceeding of which it is aware that may result in such disclosure, and the Party subject to such proceeding shall use reasonable best efforts to prevent or limit the disclosure.

(b) The Parties shall be entitled to all remedies available at Law or in equity to enforce, or seek relief in connection with, the confidentiality obligations set forth in this Section

19.8; provided, however, that all monetary damages shall be limited to actual direct damages and shall not include consequential damages.

Section 19.9. No Third-Party Benefits. This Agreement shall not impart any rights enforceable by any third party (other than permitted successors or assignees bound by this Agreement). Nothing in this Agreement, express or implied, shall be construed to create any interest, beneficial or otherwise, for any third party.

Section 19.10. Amendment. This Agreement may not be amended or modified except by a written instrument signed by Seller and Buyers then having Capacity Pro Rata Shares in the aggregate of sixty-six percent (66%) or more; provided that no amendment or modification having a material adverse effect on any Buyer, including without limitation any increase in the pricing established in Article VIII payable by any Buyer, shall be effected without the written consent of such Buyer.

Section 19.11. Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary to effect the purpose and intent of this Agreement.

Section 19.12. Counterparts; Facsimile. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Any facsimile copies hereof or signature hereon shall, for all purposes, be deemed originals.

Section 19.13. Expenses. Each Party shall pay its own costs and expenses, including the fees and expenses of its agents, representatives, advisors, counsel and accountants, necessary for the negotiation, preparation, execution and delivery of this Agreement.

Section 19.14. Replacement of Discontinued Indices. In the event that any index or other cost or data source specified in this Agreement is no longer published, the Parties shall agree in good faith on a substitute index or other cost or data source to be used thereafter. If the Parties are unable to agree on a substitute index or other cost or data source, the matter will be subject to resolution in accordance with Article XVI.

ARTICLE XX

ARIZONA STATUTORY PROVISIONS

Section 20.1. Cancellation Rights Under A.R.S. § 38-511.

(a) The Parties hereby acknowledge that the Buyers listed on Exhibit C are political subdivisions that, pursuant to A.R.S. § 38-511, “may, within three years after its execution, cancel any contract, without penalty or further obligation, ... if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of [that political subdivision] is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.” The cancellation “shall be effective when written notice from ... the chief executive officer or

governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time.” It is agreed and understood by all of the Parties that the representation by Spiegel & McDiarmid LLP of Buyers and the Administrative and Scheduling Agent, collectively, in connection with this Agreement is not intended to be and shall not constitute a basis for invoking cancellation pursuant to A.R.S. § 38-511.

(b) It is further acknowledged by the Buyers listed on Exhibit C that (i) each of them has engaged legal counsel and/or technical consultants to represent them in connection with the development of this Agreement and activities related thereto, which legal counsel or technical consultants simultaneously represented one or more other Buyers in connection with the same activities, and (ii) such joint representation was consented to by the Buyers listed on Exhibit C and is a commonly used and efficient means of obtaining expert assistance with respect to matters of common interest to certain of the Buyers.

(c) Each of the Buyers listed on Exhibit C agrees that if it elects to exercise its cancellation right pursuant to A.R.S. § 38-511 (based upon facts that were not known to it at the time of execution of this Agreement, or based upon facts known prior to execution if, contrary to the parties’ intentions, such facts would constitute a valid basis for exercising the cancellation right), it shall provide at least twelve (12) months’ notice of such cancellation. If a Buyer listed on Exhibit C exercises its cancellation rights under this paragraph (c), then the Contract Capacity shall be reduced by the MW of Capacity subscribed by the terminated Buyer at the time of such termination, and the Capacity Pro Rata Shares of the remaining Buyers shall be adjusted accordingly in a revised Exhibit A. Notwithstanding the foregoing, if a Buyer listed on Exhibit C exercises its cancellation rights within three (3) years after the Restatement Effective Date, such cancellation shall affect only the Amended Terms, and the Agreement shall be amended in accordance with Section 3.3.

Section 20.2. Rights and Obligations Under A.R.S. § 41-4401. In light of the fact that certain of the Buyers are government entities subject to A.R.S. § 41-4401, Seller warrants to such Buyers that it has registered with and will continue to participate in the E-Verify program established by the United States Department of Homeland Security and Social Security Administration, or any successor program; that it warrants compliance with all federal immigration laws and understands that any breach of this warranty subjects Seller to potential penalties, including termination of this Agreement as to those Buyers subject to A.R.S § 41-4401, except as provided in A.R.S. § 41-4401(C), and understands that the Buyers subject to A.R.S § 41-4401 have the right to inspect the papers of Seller or any of its employees involved in Seller’s performance of this Agreement to ensure compliance with this paragraph. If any of the Buyers subject to A.R.S § 41-4401 exercises its termination rights pursuant to the statute, then the Contract Capacity shall be reduced by the MW of Capacity subscribed by the terminated Buyer(s) at the time of such termination, and the Capacity Pro Rata Shares of the remaining Buyers shall be adjusted accordingly in a revised Exhibit A.

[Signatures begin on next page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

MESQUITE POWER, LLC

By: _____
Name:
Title:

AGUILA IRRIGATION DISTRICT

By: _____
Name:
Title:

AK-CHIN ENERGY SERVICES

By: _____
Name:
Title:

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

By: _____
Name:
Title:

BUCKEYE WATER CONSERVATION & DRAINAGE DISTRICT

By: _____
Name:
Title:

CITY OF SAFFORD

By: _____
Name:
Title:

ELECTRICAL DISTRICT NO. 2 OF PINAL COUNTY

By: _____
Name:
Title:

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY

By: _____
Name:
Title:

ELECTRICAL DISTRICT NO. 4 OF PINAL COUNTY

By: _____
Name:
Title:

ELECTRICAL DISTRICT NO. 6 OF PINAL COUNTY

By: _____
Name:
Title:

ELECTRICAL DISTRICT NO. 7 OF MARICOPA COUNTY

By: _____
Name:
Title:

ELECTRICAL DISTRICT NO. 8 OF MARICOPA COUNTY

By: _____
Name:
Title:

GILA RIVER INDIAN COMMUNITY UTILITY AUTHORITY

By: _____
Name:
Title:

HARQUAHALA VALLEY POWER DISTRICT

By: _____
Name:
Title:

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NO. 1

By: _____
Name:
Title:

MCMULLEN VALLEY WATER CONSERVATION & DRAINAGE DISTRICT

By: _____
Name:
Title:

NAVAJO TRIBAL UTILITY AUTHORITY

By: _____
Name:
Title:

OCOTILLO WATER CONSERVATION DISTRICT

By: _____
Name:
Title:

ROOSEVELT IRRIGATION DISTRICT

By: _____
Name:
Title:

TONOPAH IRRIGATION DISTRICT

By: _____
Name:
Title:

TOWN OF THATCHER

By: _____
Name:
Title:

Exhibit A
Original version as of the Restatement Effective Date

BUYERS' CAPACITY PRO RATA SHARES

BUYER	Before Capacity Increase Date		On and after Capacity Increase Date		
	Subscribed Amount of Initial Capacity (MW)	Capacity Pro Rata Share – Initial Capacity	Subscribed Amount of Incremental Capacity (MW)	Aggregate Subscribed Capacity (Initial Capacity plus Incremental Capacity (MW))	Capacity Pro Rata Share – Aggregate (Initial Capacity plus Incremental Capacity)
Aguila Irrigation District	3.00	0.01107	3.00	6.00	0.01263
Ak-Chin Energy Services	5.00	0.01845	0.00	5.00	0.01053
Arizona Electric Power Cooperative, Inc.	2.00	0.00738	8.00	10.00	0.02105
Buckeye Water Conservation & Drainage District	3.00	0.01107	1.00	4.00	0.00842
City of Safford	15.00	0.05535	3.00	18.00	0.03789
Electrical District No. 2 of Pinal County	20.00	0.07380	15.00	35.00	0.07368
Electrical District No. 3 of Pinal County	85.00	0.31365	64.00	149.00	0.31368
Electrical District No. 4 of Pinal County	25.00	0.09225	15.00	40.00	0.08421
Electrical District No. 6 of Pinal County	3.00	0.01107	0.00	3.00	0.00632
Electrical District No. 7 of Maricopa County	3.00	0.01107	2.00	5.00	0.01053
Electrical District No. 8 of Maricopa County	25.00	0.09225	20.00	45.00	0.09474
Gila River Indian Community Utility Authority	30.00	0.11070	30.00	60.00	0.12632

BUYER	Before Capacity Increase Date		On and after Capacity Increase Date		
	Subscribed Amount of Initial Capacity (MW)	Capacity Pro Rata Share – Initial Capacity	Subscribed Amount of Incremental Capacity (MW)	Aggregate Subscribed Capacity (Initial Capacity plus Incremental Capacity (MW))	Capacity Pro Rata Share – Aggregate (Initial Capacity plus Incremental Capacity)
Harquahala Valley Power District	5.00	0.01845	10.00	15.00	0.03158
Maricopa County Municipal Water Conservation District No. 1	3.00	0.01107	2.00	5.00	0.01053
McMullen Valley Water Conservation & Drainage District	5.00	0.01845	10.00	15.00	0.03158
Navajo Tribal Utility Authority	20.00	0.07380	15.00	35.00	0.07368
Ocotillo Water Conservation District	1.00	0.00369	0.00	1.00	0.00211
Roosevelt Irrigation District	8.00	0.02952	2.00	10.00	0.02105
Tonopah Irrigation District	3.00	0.01107	3.00	6.00	0.01263
Town of Thatcher	7.00	0.02583	1.00	8.00	0.01684
TOTAL	271.00	1.00000	204.00	475.00	1.00000

NOTES:

- Notwithstanding anything contained herein, this Exhibit shall be subject to the terms of Rider 1 to the Agreement for the period in which those terms expressly apply.
- The amounts set forth in the table above shall be subject to adjustment from time to time in accordance with the Agreement.

RUS BUYERS¹

Navajo Tribal Utility Authority

¹ Although AEPCO is regulated by the RUS, it is not an “RUS Buyer” for purposes of Section 3.1 of the Agreement.

BUYERS SUBJECT TO A.R.S. § 38-511

City of Safford

Town of Thatcher

ADMINISTRATIVE AND SCHEDULING AGENT AND PERSONNEL

The Administrative and Scheduling Agent is Southwest Public Power Agency, Inc.:

Southwest Public Power Agency, Inc.
c/o Dennis Delaney
SPPA Project Manager
K.R. Saline & Associates, PLC
160 North Pasadena, Suite 101
Mesa, AZ 85201-6764
480-610-8741
dld@krsaline.com

The Energy Manager is BP Energy Company:

General Contact Information:

BP Energy Company
201 Helios Way
Houston, Texas 77079
Attention: Contract Services
Facsimile No.: 713-323-0203
Telephone No.: 713-323-2000

Operational/Scheduling Contact Information:

Email Notices:

GBPMesquite@bp.com (note: this is a group email with multiple recipients)

During normal business hours:

John Speights
John.speights@bp.com
713-323-3710

24 Hour desk:

713.323.6044

FIXED O&M RATE

The Fixed O&M Rate shall be \$1.98/kW/month in 2010 dollars, consisting of Part A, which shall be equal to \$0.33/kW/month in 2010 dollars, and Part B, which shall be equal to \$1.65/kW/month in 2010 dollars. Part A and Part B shall be subject to escalation as provided for below.

Commencing as of June 30, 2011, Part A of the Fixed O&M Rate shall escalate annually on a calendar year basis at a rate of two and one-half percent (2.5%) per year.

Each year, Part B of the Fixed O&M Rate shall be adjusted by an amount equal to the percentage by which the final published "CPI-U Index" as of December 31 of the preceding year is greater than or less than the final published "CPI-U Index" as of December 31, 2010. In 2014 and each following year, within ten (10) Business Days after publication of the final "CPI-U Index" for December 31 of the preceding calendar year, Seller shall calculate an updated Fixed O&M Rate using such "CPI-U Index" and shall provide notice of the updated rate to the Administrative and Scheduling Agent (with supporting documentation). Until such "CPI-U Index" is finalized, Seller shall bill Buyers based on the "CPI-U Index" from the preceding calendar year, and if such preceding "CPI-U Index" changes upon finalization of the most recent December 31 "CPI-U Index", Seller shall calculate an updated Fixed O&M Rate using the most recent finalized December 31 "CPI-U Index" and a "true-up" amount equal to the amount by which the aggregate Monthly Fixed O&M Charge paid by Buyers from the beginning of the current calendar year differs from the aggregate Monthly Fixed O&M Charge that would have been payable by Buyers over the same period applying the most recent finalized December 31 "CPI-U Index." Seller shall provide notice of such updated rate and "true-up" amount to the Administrative and Scheduling Agent (with supporting documentation) within ten (10) Business Days of publication of the most recent finalized December 31 "CPI-U Index". The then current updated Fixed O&M Rate shall be applied in the next monthly invoice issued following the notice of the revised rate and shall remain in effect until the next update. The "true-up" amount (whether credit or surcharge) shall be reflected as an adjustment on the next monthly invoice in accordance with Section 9.5.

For purposes of calculating the Fixed O&M Rate, the "CPI-U Index" shall be that index identified as Consumer Price Index All Urban Consumers determined and reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor.

The "CPI-U Index" shall be determined to the nearest three decimal places. If the next succeeding place is five or more, the preceding decimal place shall be raised to the next higher figure. The adjustment of the Fixed O&M Rate shall be calculated to the nearest one-hundredth of one percent.

To further clarify the intention of the Parties with respect to the form and components of the annual calculation of Part B of the Fixed O&M Rate, attached to this Exhibit E is a Supplement showing the calculation for a hypothetical future year.

Supplement for Exhibit E, Part A:

General Description of Fixed O&M Rate Calculation:

Part A of the Fixed O&M Rate is \$0.33/kW-mo in 2010 dollars escalated at an annual rate of 2.5% per year commencing as of June 30, 2011.

The following table depicts the rate applicable to each year of the contract expressed in \$/kW-mo.

Year	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Rate (\$/kW-mo.)	\$0.330	\$0.330	\$0.338	\$0.347	\$0.355
Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Rate (\$/kW-mo.)	\$0.364	\$0.373	\$0.383	\$0.392	\$0.402
Year	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Rate (\$/kW-mo.)	\$0.412	\$0.422	\$0.433	\$0.444	\$0.455
Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Rate (\$/kW-mo.)	\$0.466	\$0.478	\$0.490	\$0.502	\$0.515
Year	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Rate (\$/kW-mo.)	\$0.528	\$0.541	\$0.554	\$0.568	\$0.582
Year	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
Rate (\$/kW-mo.)	\$0.597	\$0.612	\$0.627	\$0.643	\$0.659
Year	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>
Rate (\$/kW-mo.)	\$0.675	\$0.692	\$0.710	\$0.727	\$0.745
Year	<u>2045</u>	<u>2046</u>			
Rate (\$/kW-mo.)	\$0.764	\$0.783			

Supplement for Exhibit E, Part B

General Description of Fixed O&M Rate Escalation Calculation:

Part B of the Fixed O&M Rate applicable to 2017 is based on the percentage change in Consumer Price Index All Urban Consumers (CPI-U) from December 2010 to December 2016 times \$1.65/kW-mo, **

The CPI-U for December of a given year is not finalized for up to six months after such December occurs. Therefore, a Fixed O&M Rate True-Up will be included as a separate line item in the invoice occurring on the month the CPI-U for December is finalized by the US Department of Labor, Bureau of Labor Statistics or as soon as reasonably practicable.

The CPI-U is available for download on the US Department of Labor, Bureau of Labor Statistics website at:

http://ftp.bls.gov/pub/special_requests/cpi/cpiui.txt

<http://data.bls.gov/cgi-bin/srgate>

For reference, an excerpt of the historic CPI-U is provided below:

Consumer Price Index - All Urban Consumers

Series ID: CUUR0000SA0,CUUS0000SA0
 Not Seasonally Adjusted
 Area: US City Average
 Item: All items
 Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	202.4	203.5	205.4	206.7	207.9	208.4	208.3	207.9	208.5	208.9	210.2	210.0
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432
2017	242.839	243.603	243.801	244.524	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Example of the Fixed O&M Rate Calculation for 2017:

Inputs for Fixed O&M Calculation:

Fixed O&M Rate Part B in 2010 dollars**
 Final CPI-U December 2010
 Final CPI-U December 2015
 Final CPI-U December 2016

Input
\$ 1.650/kW-mo <i>a</i>
219.179 <i>b</i>
236.525 <i>c</i>
241.432 <i>d</i>

Inputs for Fixed O&M Calculation:

Month Current Year Indice is Finalized (e.g. Month 5=May)
 2017 Cum. KW's billed at 2016 Final Fixed O&M Rate Part B
 (e.g. Only January through April since index assumed finalized in May, so updated billing reflected in May)

Input
5 <i>e</i>
1,004,000 <i>f</i>

2017 Billed Fixed O&M Rate:

2016 Fixed O&M Rate Part B
 2017 Fixed O&M Rate Part B
 2017 Fixed O&M Rate True-Up

Result
\$ 1.781/kW-mo <i>aa=c/b*a</i>
\$ 1.818/kW-mo <i>bb=d/b*a</i>
\$37,148.00 <i>cc=(bb-aa)*f</i>

** The Fixed O&M Rate reflects the parties agreement to carve out \$0.33/kw-mo which will escalate at 2.5% as shown in Part A of this Supplement to Exhibit E

Supplement for Exhibit E, Part B (cont)

Fixed O&M Monthly Billing Example

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
kWs Assumed	251,000	251,000	251,000	251,000	271,000	271,000	271,000	271,000	271,000	271,000	251,000	251,000	3,132,000
Billed Rate Excluding True-Up (\$/kW-mo.)	\$ 1.781/kW-mo	\$ 1.781/kW-mo	\$ 1.781/kW-mo	\$ 1.781/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	
Billed Rate Including True-Up (\$/kW-mo.)	\$ 1.781/kW-mo	\$ 1.781/kW-mo	\$ 1.781/kW-mo	\$ 1.781/kW-mo	\$ 1.955/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.818/kW-mo	\$ 1.817/kW-mo
Actual Billing	\$447,031	\$447,031	\$447,031	\$447,031	\$529,826	\$492,678	\$492,678	\$492,678	\$492,678	\$492,678	\$456,318	\$456,318	\$5,693,976
Cumulative Billing	\$447,031	\$894,062	\$1,341,093	\$1,788,124	\$2,317,950	\$2,810,628	\$3,303,306	\$3,795,984	\$4,288,662	\$4,781,340	\$5,237,658	\$5,693,976	

VARIABLE O&M RATE

The Variable O&M Rate shall be \$2.53/MWh in 2010 dollars, subject to escalation as provided for below.

Each year, the Variable O&M Rate shall be adjusted by the following weighted average percentage: a sixty percent (60%) weighting of the percentage by which the “Materials Index” as of December 31 of the preceding year is greater than or less than the “Materials Index” as of December 31, 2010, and a forty percent (40%) weighting of the percentage by which the “US Labor Index” as of December 31 of the preceding year is greater than or less than the “US Labor Index” as of December 31, 2010. In 2014 and each following year, within ten (10) Business Days after publication of the final “Materials Index” and “US Labor Index” for December 31 of the preceding calendar year, Seller shall calculate an updated Variable O&M Rate using such indices, and shall provide notice of the updated rate to the Administrative and Scheduling Agent (with supporting documentation). Until such “Materials Index” and “US Labor Index” is finalized, Seller shall bill Buyers based on the “Materials Index” and “US Labor Index” from the preceding calendar year, and if such preceding “Materials Index” or “US Labor Index” changes upon finalization, Seller shall calculate an updated Variable O&M Rate using the most recent finalized December 31 “Materials Index” or “US Labor Index”, as the case may be, and a “true- up” amount equal to the amount by which the aggregate Monthly Variable O&M Charge paid by Buyers from the beginning of the current calendar year differs from the aggregate Monthly Variable O&M Charge that would have been payable by Buyers over the same period applying the most recent finalized December 31 “Materials Index” and “US Labor Index”. Seller shall provide notice of such updated rate and “true-up” amount to the Administrative and Scheduling Agent (with supporting documentation) within ten (10) Business Days of publication of the most recent finalized December 31 “Materials Index” and “US Labor Index”. The then current updated Variable O&M Rate shall be applied in the next monthly invoice issued following the notice of the revised rate and shall remain in effect until the next update. The “true-up” amount (whether credit or surcharge) shall be reflected as an adjustment on the next monthly invoice, in accordance with Section 9.5.

For purposes of this provision, the following definitions apply: (a) the “Materials Index” shall be that index identified as WPU1076 (Item: Fabricated Steel Plate) determined and reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor; and (b) the “US Labor Index” shall be that index identified as CEU3133360008 (Data Type: Average Hourly Earnings of Production and Nonsupervisory Employees; Industry: Turbine and Power Transmission Equipment) determined and reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor.

The “US Labor Index” shall be determined to the nearest second decimal place. The “Materials Index” shall be determined to the nearest first decimal place. In either case, if the next succeeding place is five or more, the preceding decimal place shall be

raised to the next higher figure. The adjustment of the Variable O&M Rate shall be calculated to the nearest one-hundredth of one percent.

To further clarify the intention of the Parties with respect to the form and components of the annual calculation of the Variable O&M Rate, attached to this Exhibit F is a Supplement showing the calculation for a hypothetical future year.

Supplement for Exhibit F

General Description of Variable O&M Rate Escalation Calculation:

The Variable O&M Rate applicable to 2017 is based on the weighted average percentage change in Materials Index (WPU1076) and the US Labor Index (CEU3133360008) from December 2010 to December 2016 times \$2.530/MWh.

The Materials Index and the US Labor Index are subject to revision up to six months after the original publication. Therefore, a Variable O&M Rate True-Up will be included as a separate line item in the invoice occurring on the month both the Materials Index and the US Labor Index for December are revised by the US Department of Labor, Bureau of Labor Statistics or as soon as reasonably practicable. This means that if the Materials Index estimate for December is revised in May and the estimate of the US Labor Index is revised in April, the Variable O&M Rate True-Up will occur in May or as soon as reasonably practicable thereafter.

The Materials Index (WPU1076) and the US Labor Index (CEU3133360008) are available for download on the US Department of Labor, Bureau of Labor Statistics website at:

<http://data.bls.gov/cgi-bin/srgate>

For reference, an excerpt of the historic Materials Index (WPU1076) is provided below:

Producer Price Index-Commodities

Series ID: WPU1076
 Not Seasonally Adjusted
 Group: Metals and Metal Products
 Item: Fabricated Steel Plate
 Base Date: 198200

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	171.6	171.6	173.8	172.6	173.1	174.2	174.2	175.5	175.5	175.5	176.9	181.4
2008	190.0	199.0	199.0	202.3	207.8	210.5	215.7	220.0	221.5	221.8	221.1	221.0
2009	217.2	212.3	208.7	206.6	201.5	198.5	198.3	198.0	199.1	199.2	196.0	196.4
2010	196.4	196.8	197.0	198.6	199.9	199.3	199.3	200.6	201.4	201.5	201.6	202.6
2011	203.5	204.7	205.7	207.9	209.7	209.9	210.1	210.1	210.0	210.1	208.5	208.7
2012	208.6	209.7	210.0	212.2	211.9	212.1	213.1	212.8	212.8	213.6	214.2	212.6
2013	214.0	213.8	213.5	212.9	213.9	213.7	213.6	213.5	213.8	213.1	212.4	212.7
2014	212.8	212.9	213.4	213.8	214.6	215.3	215.2	215.2	215.7	216.1	215.8	215.7
2015	215.3	214.9	214.7	214.3	213.9	213.9	213.8	213.2	213.0	212.9	213.1	212.8
2016	212.7	212.6	211.7	211.3	211.8	212.8	212.7	212.3	212.6	212.4	212.6	213.2
2017	214.4(P)	214.6(P)	214.9(P)	216.1(P)	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

(P) : Preliminary. All indexes are subject to revision four months after original publication

For reference, an excerpt of the historic US Labor Index (CEU3133360008) is provided below:

Employment, Hours, and Earnings from the Current Employment Statistics Survey (National)

Series ID: CEU3133360008
 Not Seasonally Adjusted
 Super Sector: Durable Goods
 Industry: Turbine and Power Transmission Equipment
 NAICS Code: 3336
 Data Type: Average Hourly Earnings of Production and Nonsupervisory Employees

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	21.18	20.99	20.66	21.02	20.90	20.96	21.33	20.67	20.70	20.43	20.24	20.98
2008	20.94	20.63	20.72	20.97	21.07	20.76	20.82	20.55	20.98	21.01	21.10	21.30
2009	21.12	20.88	21.09	20.49	20.51	20.48	20.92	20.67	20.33	20.35	20.41	21.05
2010	20.41	20.30	19.42	21.27	21.58	21.43	21.43	21.64	21.27	20.91	21.34	21.23
2011	21.48	21.25	20.91	20.88	20.72	20.57	20.74	20.81	20.60	20.72	20.63	21.00
2012	21.06	20.70	20.55	20.47	20.45	20.51	20.62	20.64	20.86	20.77	20.80	21.10
2013	21.13	21.99	21.85	21.98	21.65	21.63	21.83	21.86	21.64	21.62	21.41	21.36
2014	21.28	21.28	20.88	21.25	21.09	21.14	21.61	22.03	22.44	21.14	21.68	21.60
2015	21.64	21.37	21.08	21.15	20.99	20.83	20.89	20.58	20.81	20.80	20.78	21.61
2016	21.70	21.50	21.81	22.14	22.30	22.64	22.73	22.67	23.06	23.22	23.65	23.69
2017	23.97	23.70	23.80	23.94(P)	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

(P) : Preliminary. All indexes are subject to revision four months after original publication

Supplement for Exhibit F (cont)

Example of the Variable O&M Rate Calculation:

Inputs for Variable O&M Calculation:

Input	
Variable O&M Rate in 2010 dollars	\$ 2.530/MWh <i>a</i>
Final Materials Index December 2010	202.6 <i>b</i>
Final Materials Index December 2015	212.8 <i>c</i>
Final Materials Index December 2016	213.2 <i>d</i>
Weight Applied to Materials Index	60% <i>e</i>
Final US Labor Index December 2010	21.23 <i>f</i>
Final US Labor Index December 2015	21.61 <i>g</i>
Final US Labor Index December 2016	23.69 <i>h</i>
Weight Applied to US Labor Index	40% <i>i</i>

2017 Variable O&M Calculation:

Result	
2016 Final Variable O&M Rate (Materials)	\$ 1.594/MWh <i>bb=c/b*e*a</i>
2017 Final Variable O&M Rate (Materials)	\$ 1.597/MWh <i>cc=d/b*e*a</i>
2016 Final Variable O&M Rate (US Labor)	\$ 1.030/MWh <i>dd=g/f*a*i</i>
2017 Final Variable O&M Rate (US Labor)	\$ 1.129/MWh <i>ee=h/f*a*i</i>

Inputs for Variable O&M Calculation:

Input	
Month Indices are Finalized (e.g. Month 5=May)	5 <i>j</i>
2017 Cum. MWh's billed at 2016 Variable O&M Rate (e.g. Only January through April since indices assumed finalized in May so updated billing reflected in May)	251,806 <i>k</i>

2017 Billed Variable O&M Rate:

Result	
2016 Variable O&M Rate (e.g. Billed January through May)	\$ 2.625/MWh <i>ff=bb+dd</i>
2017 Variable O&M Rate (e.g. Billed June through December)	\$ 2.727/MWh <i>gg=cc+ee</i>
2017 O&M Rate True-Up (e.g. Billed in June)	\$25,684.21 <i>hh=(gg-ff)*k</i>

Supplement for Exhibit F (cont)

Variable O&M Monthly Billing Example

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
MWh/mo (Actual for Jan-May; Assumed June-Dec)	60,523	46,985	67,565	76,733	91,372	91,372	91,372	91,372	91,372	91,372	91,372	91,372	982,782
Billing Rate (excluding true-up) (\$/MWh)	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	
Billing Rate (including true-up) (\$/MWh)	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 2.63/MWh	\$ 3.01/MWh	\$ 2.73/MWh	\$ 2.73/MWh	\$ 2.73/MWh	\$ 2.73/MWh	\$ 2.73/MWh	\$ 2.73/MWh	\$ 2.73/MWh	\$ 2.72/MWh
Actual Billing	\$158,873	\$123,336	\$177,358	\$201,424	\$274,856	\$249,171	\$249,171	\$249,171	\$249,171	\$249,171	\$249,171	\$249,171	\$2,680,047
Cumulative Billing	\$158,873	\$282,209	\$459,567	\$660,991	\$935,846	\$1,185,018	\$1,434,189	\$1,683,361	\$1,932,532	\$2,181,704	\$2,430,875	\$2,680,047	

HOURLY ENERGY RATE

For each hour of a given day in a Service Month, other than Permitted Forced Outage Hours (during which the pricing set forth in Section 8.3(b)(i) applies), the Hourly Energy Rate shall be calculated in accordance with the following formula:

Hourly Energy Rate_d = (Contract Heat Rate x Gas Price_d x Gas Factor) + Variable O&M Rate_m

Where:

Contract Heat Rate is (a) for each Service Month commencing prior to the Capacity Increase Date, 7.4 MMBtu/MWh, and (b) for each Service Month commencing on or after the Capacity Increase Date, 7.833 MMBtu/MWh.

Gas Factor is (a) for each Service Month commencing prior to the Capacity Increase Date, 1.05, and (b) for each Service Month commencing on or after the Capacity Increase Date, 1.00.

Gas Price_d is the price, expressed in dollars per MMBtu, as reported in the issue of Platts Gas Daily published for the relevant day, in the section styled "Daily Price Survey," under the column "Midpoint," in the Subsection "others," and adjacent to the listing captioned "SoCal Gas."

Variable O&M Rate_m is the rate determined in accordance with Exhibit F for the relevant Service Month.

m is the applicable Service Month.

d is the applicable day within the Service Month.

GREENHOUSE GAS CHARGES

Buyers shall reimburse Seller for taxes, charges, fees or costs arising out of any Greenhouse Gas Emissions Reduction Program (any such taxes, charges, fees or costs, net of applied GHG Credits and associated revenue as discussed below shall be referred to as “GHG Charges”) solely as provided for in this Exhibit H.

This Exhibit H shall apply, and GHG Charges shall be assessed, only during any period in which a Greenhouse Gas Emissions Reduction Program is in effect. During any such period, the GHG Charges to be assessed to Buyers hereunder, if any, shall consist of either (a) or (b) for each hour of each billing period:

- (a) For any hour that is not a Permitted Forced Outage Hour, the GHG Charges shall be equal to the lesser of (i) an amount equal to (u) a deemed Greenhouse Gas emissions rate equal to the most recent 12-month average of the Facility’s actual emissions rate (in pounds/MWh (CO₂ equivalent)) as demonstrated by Seller as set forth below, *divided by* (v) 2205 (*i.e.*, lbs/metric ton) *multiplied by* (w) the quantity of Delivered Firm Energy during such hour in MW *multiplied by* (x) the then current market price for Greenhouse Gas emissions applicable to energy delivered at the Delivery Point expressed in \$/metric ton (CO₂ equivalent), less the value of any GHG Credits (including revenue sharing) as agreed upon pursuant to the “GHG Credits” paragraph below or (ii) an amount equal to (y) the positive difference, if any, obtained by subtracting (1) the Hourly Energy Rate from (2) the Market Price for such hour, *multiplied by* (z) the quantity of Delivered Firm Energy during such hour in MW. For any hour in which the Market Price is less than the Hourly Energy Rate, the GHG Charges shall be zero.
- (b) For each Permitted Forced Outage Hour, the GHG Charges shall be zero (however, the alternative pricing in Section 8.3(b)(i) of the Agreement shall apply).

Seller shall include all applicable GHG Charges on the monthly invoices provided to Seller under Article IX of the Agreement. Each invoice that includes GHG Charges shall be supported by documentation reasonably establishing: (a) the most recent 12-month average of the Facility’s actual emissions rate (in pounds/MWh (CO₂ equivalent)), (b) the existence and amount of any Permitted Forced Outage Hours, (c) the then current market price for Greenhouse Gas emissions applicable to energy delivered at the Delivery Point expressed in \$/metric ton (CO₂ equivalent), and (d) the Market Price for each hour.

The Administrative and Scheduling Agent may, in good faith, dispute Seller’s calculation of GHG Charges, assessment of GHG Charges, application of GHG Credits or revenues, or any associated methodologies, pursuant to Section 9.4.

GHG Credits and GHG Revenue Sharing. If Seller has the right to obtain, at no cost to Seller, an allocation of allowances or credits that may be used to comply with Greenhouse Gas Emissions Reduction Program requirements and reduce the GHG

Charges hereunder (“GHG Credits”), then Seller shall obtain and, subject to the equitable apportionment described below, utilize such GHG Credits in order to reduce the GHG Charges payable by Buyers hereunder. If Seller is allocated or receives revenues, whether specific to the Facility or to Seller’s portfolio of generating units, associated with any allowance or credit associated with Greenhouse Gas emissions attributable to Seller’s supply of Scheduled Firm Energy, then Seller shall net any such revenue or, if allocated to Seller’s portfolio of generating units, the proportional amount of such revenue, received by Seller in that billing period against the GHG Charges for that billing period. The portion of such GHG Credits and/or GHG revenues required to be so utilized shall be as set forth in an amendment to this Agreement to be executed as soon as reasonably practicable after institution of the applicable Greenhouse Gas Emissions Reduction Program, which amendment shall equitably apportion the applicable GHG Credits and GHG revenues for use hereunder so as to preserve the balance of risks, rewards, and costs originally set forth in this Agreement. If the Parties cannot mutually agree to amend the Agreement, the matter may be submitted to dispute resolution processes in accordance with the provisions of this Agreement.

The Parties understand and acknowledge that compliance with any Greenhouse Gas Emissions Reduction Program requirements applicable to Seller are the Seller’s sole responsibility. Buyers shall under no circumstances be responsible for procuring emissions allowances or credits to ensure Seller’s compliance. Any fees, penalties or other costs associated with Seller’s non-compliance with an applicable Greenhouse Gas Emissions Reduction Program shall be borne solely by Seller and not passed through to Buyers pursuant to this Exhibit H or otherwise.

BUYERS THAT ARE TRIBAL UTILITY BUYERS

Tribal Utility Buyer	Associated Tribe, Nation, and/or Community
Ak-Chin Energy Services	Ak-Chin Indian Community
Gila River Indian Community Utility Authority	Gila River Indian Community
Navajo Tribal Utility Authority	Navajo Nation

ADDRESSES FOR NOTICE TO PARTIES

TO SELLER:

Mesquite Power, LLC
 c/o ArcLight Capital Partners, LLC
 200 Clarendon Street, 55th Floor
 Boston, MA 02117
 Attention: Ted Burke
 Telephone: (617) 531-6351
 Fax: (617) 867-4698

TO ADMINISTRATIVE AND SCHEDULING AGENT:

Dennis Delaney
 SPPA Project Manager
 K.R. Saline & Associates, PLC
 160 North Pasadena, Suite 101
 Mesa, AZ 85201-6764
 480-610-8741
 dld@krsaline.com

TO BUYERS:

<p>Aguila Irrigation District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Manager</p>	<p>Ak-Chin Energy Services 42507 W Peters & Nall Rd Maricopa, AZ 85138 Attention: ACES Board Chairman With a copy to: Leonard S. Gold, Power Manager Utility Strategies Consulting Group 4645 S. Lakeshore Dr, Suite 16 Tempe, AZ 85282</p>
<p>Arizona Electric Power Cooperative, Inc. 1000 South Highway 80 P.O. Box 670 Benson, AZ 85602 Attn: Chief Executive Officer</p>	<p>Buckeye Water Conservation & Drainage District P.O. Box 1726 Buckeye, AZ 85326-0160 Attn: General Manager</p>
<p>City of Safford P.O. Box 272 Safford, AZ 85548 Attn: City Manager</p>	<p>Electrical District No. 2 of Pinal County Mailing Address: P.O. Box 548 Coolidge, AZ 85128 Physical Address:</p>

	5575 N. Eleven Mile Corner Rd. Casa Grande, AZ 85194 Fax: 520-723-5252 Attn: General Manager
Electrical District No. 3 of Pinal County 41630 W. Louis Johnson Dr. Maricopa, AZ 85239 Attn: General Manager	Electrical District No. 4 of Pinal County P. O. Box 605 Eloy, AZ 85131 Attn: District Manager
[reserved]	Electrical District No. 6 34630 N. Schnepf Rd. San Tan Valley, AZ 85140 Attn: Board President
Electrical District No. 7 14629 West Peoria Ave Waddell, AZ 85355 Attn: District Manager	Electrical District No. 8 P.O. Box 99 Salome, AZ 85348 Attn: General Manager
Gila River Indian Community Utility Authority 6640 W. Sundust Rd. Ste 5091 Chandler, AZ 85226-4211 Attention: General Manager With a copy to: Leonard S. Gold, Power Manager Utility Strategies Consulting Group 4645 S. Lakeshore Dr, Suite 16 Tempe, AZ 85282	Harquahala Valley Power District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Manager
Maricopa County Municipal Water Conservation District No. 1 P.O. Box 900 Waddell, AZ 85355-0900 Attn: General Manager	McMullen Valley Water Conservation & Drainage District P.O. Box 70 Salome, AZ 85348 Attn: General Manager
Navajo Tribal Utility Authority Route 12 North P. O. Box 170 Fort Defiance, AZ 86504-0170 Attn: General Manager	Ocotillo Water Conservation District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Manager
Roosevelt Irrigation District 103 West Baseline Road Buckeye, AZ 85326 Attn: Superintendent	Tonopah Irrigation District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Administrator

Town of Thatcher P. O. Box 670 Thatcher, AZ 85552 Attn: Town Manager	

FORM OF SELLER GUARANTEE

GUARANTEE, dated as of [_____], by [_____], a [_____], (“Guarantor”), in favor of each of the parties set forth on Exhibit A attached hereto (each a “Counterparty”, and collectively the “Counterparties”).

1. **Guarantee.** To induce each Counterparty to consent to the release and termination of [*insert description of credit support being replaced*] under that certain Amended and Restated Power Purchase Agreement dated as of [_____, 2017] (as heretofore or hereafter further amended and/or restated at any relevant time, the “Agreement”) with Mesquite Power, LLC (“Affiliate”), Guarantor unconditionally and absolutely guarantees to each Counterparty and its successors, endorsees and assigns the prompt payment when due, subject to any applicable grace period, of all present and future payment obligations of Affiliate under the Agreement, including (without limitation) damages for breach or non-performance by Affiliate under the Agreement (collectively, the “Obligations”); provided that in no event shall Guarantor’s aggregate liability hereunder exceed \$[*insert then-current Credit Support Cap*].

2. **Nature of Guarantee.** Guarantor’s obligations hereunder shall not be affected by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations that might otherwise constitute a legal or equitable discharge of or defense to Guarantor not available to Affiliate. Guarantor agrees that each Counterparty may resort to Guarantor for payment of any of the Obligations whether or not such Counterparty shall have resorted to any collateral therefor or shall have proceeded against Affiliate or any other obligor principally or secondarily obligated with respect to any of the Obligations. No Counterparty shall be obligated to file any claim relating to the Obligations in the event that Affiliate becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of any Counterparty to so file shall not affect the Guarantor’s obligations hereunder. If any payment to a Counterparty in respect of the Obligations is rescinded or must otherwise be returned for any reason whatsoever, Guarantor shall remain liable hereunder to the Counterparties with respect to such Obligations as if such payment had not been made; if the rescinding or return of the payment resulted in the discharge of this Guarantee, this Guarantee shall be reinstated and treated as if such discharge had not taken effect. The liability of Guarantor hereunder shall in no way be affected by: (a) the release or discharge of Affiliate in any creditors’, receivership, bankruptcy or other proceedings; (b) the impairment, limitation or modification of liability of Affiliate or the estate of Affiliate in bankruptcy, or of any remedy for the enforcement of Affiliate’s liability under the Agreement resulting from the operation of any present or future provision of the Federal Bankruptcy Code or other statute or from the decision in any court; (c) the rejection or disaffirmance of the Agreement in any such proceedings; (d) the assignment or transfer of the Agreement by Affiliate; (e) any disability or other defense of Affiliate; or (f) the cessation from any cause whatsoever of the liability of Affiliate.

3. **Changes in Obligations, Collateral therefor and Agreements Relating thereto; Waiver of Certain Notices.** Guarantor agrees that each Counterparty may at

any time and from time to time, either before or after the maturity thereof, without notice to or further consent of such Guarantor, extend the time of payment of, exchange or surrender any collateral for, or renew any of the Obligations, and may also make any agreement with Affiliate or with any other party to or person liable on any of the Obligations or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between such Counterparty and Affiliate or any such other party or person, without in any way impairing or affecting this Guarantee. The provisions of the Agreement may be changed, modified, amended or waived without the consent of or notice to Guarantor. This Guarantee shall guarantee the payment of Affiliate's Obligations under the Agreement as so changed, modified, amended or waived. Guarantor waives notice of the acceptance of this Guarantee and of the Obligations, presentment, demand for payment, notice of non-payment, non-performance, non-observance, default, dishonor and protest, and all other notices to which Guarantor might otherwise be entitled. Guarantor also waives all rights to assert or plead at any time any statute of limitations as relating to the Agreement, the obligations of Guarantor hereunder, and any and all surety defenses or other defenses in the nature thereof, including, without limitation, those of Arizona Revised Statutes Section 12-1641 et seq. and Arizona Rules of Civil Procedure Rule 17(f).

4. **Expenses.** Guarantor agrees to pay on demand all fees and out of pocket expenses (including the reasonable fees and expenses of the Counterparties' counsel) in any way relating to the enforcement or protection of the rights of the Counterparties hereunder; provided, that Guarantor shall not be liable for any expenses of any Counterparty if no payment under this Guarantee is due.

5. **Limitation and Claims; Subordination.** Until all the covenants and conditions in the Agreement on Affiliate's part to be performed and observed are fully performed and observed, Guarantor: (a) shall have no right of subrogation, contribution or reimbursement against Affiliate by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor hereunder; and (b) waives any right to enforce any remedy which Guarantor now or hereafter shall have against Affiliate by reason of any one or more payments or acts of performance in compliance with the obligations of Guarantor hereunder.

6. **No Waiver; Cumulative Rights.** No failure on the part of any Counterparty to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by any Counterparty of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to each Counterparty or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by each Counterparty at any time or from time to time.

7. **Guarantor's Successors; Assignment.** Guarantor's obligations under this Guarantee shall be binding on the successors, heirs, and assigns of Guarantor by operation of law or otherwise (including any receiver or bankruptcy trustee). Neither this Guarantee, nor any rights, interests or obligations hereunder, may be assigned by

Guarantor to any other person without the prior written consent of each Counterparty. In no event shall Guarantor be released by any assignment or delegation by it of its obligations hereunder. This Guarantee may be assigned by each Counterparty voluntarily or by operation of law without reducing or modifying the liability of Guarantor hereunder.

8. **Notices.** All notices or demands on Guarantor shall be deemed effective when received or upon refusal to receive, shall be in writing and shall be delivered by hand or by registered mail, or by facsimile transmission promptly confirmed by registered mail, addressed to Guarantor at:

[_____]
[_____]
[_____]
Attention: [_____]
Fax: [_____]

or to such other address or fax number as Guarantor shall have notified each Counterparty in a written notice delivered to the Counterparty.

9. **Continuing Guarantee.** This Guarantee shall become and remain in full force and effect and shall be binding on Guarantor, its successors and assigns, from the date set forth above until all of the Obligations have been satisfied in full (or, if earlier, until this Guarantee is replaced by other security for Affiliate’s performance solely as permitted pursuant to Section 10.2(b) of the Agreement).

10. **Governing Law; Jurisdiction and Venue.** This Guarantee shall in all respects be governed by and construed in accordance with the laws of the State of Arizona, without regard to principles of conflicts of laws. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the United States District Court for the District of Arizona or, if jurisdiction does not lie in that court, to the exclusive jurisdiction of the Superior Court of Arizona in and for Maricopa County, for the purposes of any dispute arising under this Guarantee, and the parties hereby consent to the personal jurisdiction of such courts and to extra-territorial service of process.

11. **Execution in Counterparts.** This Guarantee may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

12. **Entire Agreement.** This Guarantee constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between Guarantor and Counterparties with respect to the subject matter hereof. Neither this Guarantee nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, except by an instrument in writing signed by the party against which the enforcement of this termination, amendment or supplement, waiver or modification shall be sought.

13. **Provisions Severable.** The provisions of this Guarantee are independent of and severable from each other, and no provision shall be affected or rendered invalid

or unenforceable by virtue of the fact that any other provision may be invalid or unenforceable in whole or in part. If a court of competent jurisdiction determines that any provision of this Guarantee is invalid or unenforceable as written, such court shall interpret or reform such provision, to the fullest extent allowed by law, so as to effectuate the intent of the parties as set forth therein.

14. **Rights Cumulative.** All rights, powers and remedies of the Counterparties hereunder shall be cumulative and not alternative, and shall be in addition to all rights, powers and remedies given to the Counterparties by law. No exercise of, delay in exercising or omission to exercise, any rights, powers, remedies and/or discretion by the Counterparties shall be deemed a waiver thereof, and every such right, power, remedy and discretion may be exercised repeatedly.

15. **Waiver of Jury Trial.** In the interest of obtaining a speedier and less costly hearing of any dispute, Guarantor hereby expressly waives trial by jury in any action, proceeding, counterclaim or crossclaim and any rights to a trial by jury under any statute, rule of law or public policy in connection with any matter whatsoever arising out of or in any way relating to this Guarantee or the Agreement. Although such jury waiver is intended to be self-operative and irrevocable, Guarantor further agrees, if requested, to confirm such waivers in writing at the time of commencement of any such action, proceeding, counterclaim or crossclaim.

16. **Acknowledgment; Enforceability.** Guarantor represents and warrants to the Counterparties that Guarantor has read the Agreement and this Guarantee and understands the content hereof, and that this Guarantee is enforceable against Guarantor in accordance with its terms, and that the execution and delivery of this Guarantee does not violate or constitute a breach of any agreement to which Guarantor is a party.

17. **Guarantor's Representations and Warranties.** Guarantor represents and warrants to the Counterparties that, as of the effective date of this Guarantee:

(a) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization or incorporation;

(b) it has the power to execute and deliver this Guarantee and to perform its obligations under this Guarantee and has taken all necessary corporate, company, partnership, governmental and/or other actions to authorize such execution and delivery and performance of such obligations;

(c) its execution and delivery of this Guarantee and its performance of its obligations under this Guarantee do not violate or conflict with any Law applicable to it; with any provision of its charter or bylaws (or comparable constituent documents); with any order or judgment of any court or other agency of government applicable to it or any of its assets; or with any contractual restriction binding on or affecting it or any of its assets;

(d) except as otherwise permitted herein, it has neither initiated nor received written notice of any action, proceeding or investigation pending, nor to its

knowledge is any such action, proceeding or investigation threatened (or any basis therefor known to it) that questions the validity of this Guarantee, or that would materially or adversely affect its obligations hereunder if the matter were resolved adversely to Guarantor;

(e) all authorizations of and exemptions, actions or approvals by, and all notices to or filings with, any governmental authority that are required to have been obtained or made by it at the time this representation is made with respect to this Guarantee have been obtained or made and are in full force and effect, and all conditions of any such authorizations, exemptions, actions or approvals have been complied with; and

(f) this Guarantee constitutes the Guarantor's legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at Law).

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Guarantee has been duly executed and delivered by Guarantor to each Counterparty as of the date first above written.

GUARANTOR

[_____]

By: _____

Printed Name: _____

Title: _____

By: _____

Printed Name: _____

Title: _____

Approved as to Form:

Exhibit A to Guarantee

Counterparties

Aguila Irrigation District
Ak-Chin Energy Services
Arizona Electric Power Cooperative, Inc.
Buckeye Water Conservation & Drainage District
City of Safford
Electrical District No. 2 of Pinal County
Electrical District No. 3 of Pinal County
Electrical District No. 4 of Pinal County
Electrical District No. 6 of Pinal County
Electrical District No. 7 of Maricopa County
Electrical District No. 8 of Maricopa County
Gila River Indian Community Utility Authority
Harquahala Valley Power District
Maricopa County Municipal Water Conservation District No. 1
McMullen Valley Water Conservation & Drainage District
Navajo Tribal Utility Authority
Ocotillo Water Conservation District
Roosevelt Irrigation District
Tonopah Irrigation District
Town of Thatcher

FORM OF LETTER OF CREDIT

[Bank Letterhead]

[Name of Administrative and Scheduling Agent]
[Address of Administrative and Scheduling Agent]

Irrevocable Letter of Credit No. _____

Issuance Date:

Amount: \$[_____]

Expiration Date:

We hereby issue in your favor this irrevocable Letter of Credit No. _____ (this “Letter of Credit”) in the aggregate stated amount of [\$_____] for the account of [Name of Buyer] (the “Company”) in relation to that certain Amended and Restated Power Purchase Agreement, dated as of [____], 2017 to which Company is party and under which you are the “Administrative and Scheduling Agent” (as may have been amended, modified or supplemented from time to time to time, the “Agreement”).

This Letter of Credit is effective immediately and expires at our close of business on the expiration date shown above. Notwithstanding the foregoing, this Letter of Credit will automatically terminate upon its surrender to us for cancellation.

Funds under this Letter of Credit are available against your sight draft and demand made on us from time to time, such demand to be made by your submission of your statement, purportedly signed by your authorized officer as follows, with appropriate insertions: “_____ has failed to [describe default] its obligations under the Amended and Restated Power Purchase Agreement, dated as of [____], 2017, to which Company is a party and under which the undersigned is the “Administrative and Scheduling Agent”, and as a result the undersigned is claiming the sum of \$_____ under [Bank Name] letter of credit number _____.”

Any such presentation shall be made at our [Bank Address]. If we receive your demand certificate on or prior to the expiration or termination of this Letter of Credit, then we will honor your demand in accordance with your payment instructions, *provided*, that such documents are presented in strict compliance with the terms and conditions of this Letter of Credit.

To the extent not contrary to the express provisions hereof, this Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credit (2007 Revision), International Chamber of Commerce Publication No. 600 (the “UCP”). As to matters not addressed by the UCP, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, without reference to the conflict of law provisions thereof that would direct the application of the laws of another jurisdiction.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at [*Bank Address*], specifically referring to this Letter of Credit Number

_____.

This Letter of Credit sets forth in full our undertaking. Except as stated herein, payment of demands made under this Letter of Credit is not subject to any condition or qualification. Our obligations hereunder are primary obligations that shall not be affected by the performance or nonperformance by any party to the Agreement of any obligations under the Agreement or under any agreement between such a party and any other person. Our obligations and liabilities hereunder shall not in any way be affected, modified, amended, reduced, impaired, amplified or limited by any amendment, renewal, extension, modification, compromise, release, discharge or reference of, under, to or in connection with the Agreement or any other document or agreement (except only the certificate referred to herein). Reference herein to the Agreement shall not be deemed to incorporate the same herein by reference.

Very truly yours,

[*Bank Name*]

Authorized Signatory

FORM OF QUALIFYING LETTER OF CREDIT

[Date]

[Issuing Bank Letterhead]

Irrevocable Standby Letter of Credit No. _____
Issue Date: _____, 20__
Initial Expiry Date: _____, 20__

Beneficiary:

SOUTHWEST PUBLIC POWER
AGENCY, INC., AS AGENT
c/o K.R. Saline & Associates PLC
160 North Pasadena, Suite 101
Mesa, Arizona 85201-6764
Telephone No: (480) 610-8741
Telecopy No: (480) 610-8796
Attn.: Dennis L. Delaney, P.E.

Ladies and Gentlemen:

At the request of and based on instructions from our customer, [_____], a [_____] (“Account Party”), we hereby establish this Irrevocable Standby Letter of Credit (“Letter of Credit”) in your favor as Administrative and Scheduling Agent (such agent at any relevant time being the “Agent”) under the Amended and Restated Power Purchase Agreement dated as of [_____, 2017], among Mesquite Power, LLC, a Delaware limited liability company, as Seller, and certain listed Buyers (as heretofore or hereafter further amended and/or restated at any relevant time the “PPA”) for drawings up to a total of [_____] Dollars (US\$[_____]).

As used in this Letter of Credit: (a) each of “Dollars” and “US\$” mean lawful currency of the United States of America; (b) “ISP98” means the International Standby Practices, International Chamber of Commerce Publication No. 590; and (c) “Business Day” means a day that is not a Saturday, a Sunday or any other day on which banking institutions are not required to be open, or are authorized or required to close, in the State of our office location set forth below.

Drawings may be made by you from time to time by presentation of your certificate in the form of *Exhibit A* hereto appropriately completed (a “Certificate”) to us at our office in the United States located at:

[_____
[_____
[_____]

[_____]
Attn: [_____]
Telephone No: [_____]
Telecopy No: [_____]

or at another office in the United States designated by us with at least fifteen (15) Business Days prior written notice to and received by you.

In the alternative, presentation of any Certificate may be transmitted to us: (a) by telecopy to our telecopy number set forth above; or (b) in another electronic medium pursuant to any written permission which has been provided by us to you in our sole discretion. To the extent a presentation is made by telecopy transmission or in another permitted electronic medium, you must: (a) provide telephone notice thereof to us at our telephone number set forth above prior to or substantially simultaneously with such transmission; and (b) send the original Certificate by overnight courier to us at our office address set forth above. However, our receipt of such telephone notice or original Certificate will not be a condition to payment of the drawing described in the Certificate. Items delivered by telecopy transmission or in another permitted electronic medium will be the equivalent of originals of such items for purposes of this Letter of Credit.

We will honor each drawing made in compliance with this Letter of Credit by wire transfer of immediately available funds in the amount specified in the Certificate provided to us in connection with such drawing to the account specified in that Certificate. If any such drawing is presented by you on a Business Day at or before 12:00 noon local time at our address or telecopy number set forth above, such payment will be made not later than the close of business on the first Business Day after such presentation; drawings presented after 12:00 noon will be paid not later than close of business on the second Business Day after such presentation.

This Letter of Credit is effective immediately and will expire on the first to occur of the: (a) above Initial Expiry Date, subject to extension as described below (as so extended the "Expiry Date"); or (b) surrender by you to us of the original of this Letter of Credit, with any amendment(s) hereto, with your written consent to cancellation thereof (a "Cancellation Date"). The earliest to occur of the final extended Expiry Date or a Cancellation Date will be the "Termination Date." The Initial Expiry Date and each subsequent Expiry Date will be automatically extended for an additional consecutive period of one year unless we notify you in writing by nationally recognized overnight courier service, at least sixty (60) days prior to the then applicable Expiry Date, of our decision that the then applicable Expiry Date will not be automatically extended. Subject to the provisions herein, we authorize you to make drawings hereunder in an aggregate sum not in excess of the above amount from the date hereof through our close of business on the Termination Date. If this Letter of Credit expires during an interruption of business as described in Rule 3.14 of ISP98, we specifically agree to effect payment if this Letter of Credit is drawn against within thirty (30) days after the resumption of business.

Communications with respect to this Letter of Credit, including delivery of Certificates, shall, except as otherwise expressly provided above, be in writing and provided to you and us at our respective addresses and numbers set forth above by delivery in person or facsimile

transmission at such address, as provided in this Letter of Credit, or as and in the medium otherwise permitted in writing by the recipient.

This Letter of Credit may be transferred in whole to an entity or person who you or a successor beneficiary certify to us is a successor Agent on one or more occasions. We agree, without transfer fee to the Beneficiary, to endorse this Letter of Credit or issue a substitute letter of credit to any successor Agent (and to successively replace any such substitute letter of credit) upon return to us for cancellation of the original Letter of Credit to be endorsed or replaced, accompanied by a request relating to such letter of credit, which shall: (a) be in the form of *Exhibit B* hereto, appropriately completed; (b) be signed by an authorized signator of the transferor beneficiary; (c) specify the letter of credit number of the letter of credit to be endorsed or replaced; and (d) state the name and address of the successor Agent. Any substitute letter of credit will be in substantially the form of this Letter of Credit.

This Letter of Credit, except as otherwise expressly stated herein, is subject to ISP98, and as to matters not addressed by ISP98 the Laws of the State of [*insert Arizona, California, or New York*], including the Uniform Commercial Code as in effect in such State, will control.

This Letter of Credit sets forth in full our undertaking, which will not in any way be amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for the preceding paragraph and exhibits hereto, and any such reference will not incorporate herein by reference any document, instrument or agreement except as set forth above. Our obligations under this Letter of Credit are our individual obligations and not contingent on any reimbursement of us with respect thereto. Any drawing under this Letter of Credit will be paid from our general funds and not directly or indirectly from funds or collateral deposited with us or for our account by the Account Party or any other person or entity.

Very truly yours,

By
Authorized Signator

Exhibit A

[Beneficiary Letterhead]

DRAWING CERTIFICATE
LETTER OF CREDIT NO. _____

_____, 20__

[_____]
[_____]
[_____]
[_____]

Attn: [_____]
Telephone No: [_____]
Telecopy No: [_____]

The undersigned authorized signator of _____, as Agent ("Beneficiary"), hereby certifies to _____ Bank ("Issuing Bank"), with reference to Irrevocable Standby Letter of Credit No. _____ (the "Letter of Credit") issued by Issuing Bank and now in favor of Beneficiary (except as otherwise set forth herein, capitalized terms used and not defined herein have the meanings set forth in the Letter of Credit or, if not defined therein, in the PPA), that:

1. Beneficiary is making this drawing under the Letter of Credit in the amount of _____ Dollars (US\$_____) (the "Drawing Amount").

2. The Drawing Amount does not exceed US\$[insert face amount of letter of credit] minus the amount of all payments of any previous drawings made under the Letter of Credit.

3. Beneficiary is entitled to make this drawing because [Check one]:

[] Seller has failed to pay one or more amounts due and payable to one or more Buyers under the PPA ("Required Payments"), all applicable grace periods for the Required Payments have expired, and the sum of such unpaid Required Payments is not now less than the sum of (a) the Drawing Amount plus (b) any amounts that are being drawn from one or more other Qualifying Letters of Credit in respect of such Required Payments; or

[] The Letter of Credit is not now a Qualifying Letter of Credit and has not been replaced with a Qualifying Letter of Credit for a period of ten (10) consecutive Business Days (as defined in the PPA) after the Letter of Credit no longer constituted a Qualifying Letter of Credit; or

[] The now effective Expiry Date of the Letter of Credit is less than thirty (30) days after the date of this Certificate.

4. You are hereby directed to make payment of the requested Drawing Amount to _____ Bank, at _____ ABA No. _____ for further credit to _____ Account No. _____ Re: [_____], Attention: _____.

IN WITNESS WHEREOF, Beneficiary has executed and delivered this Certificate.

[Beneficiary]

By: _____

Name: _____

Title: _____

Exhibit B

**INSTRUCTION TO ENDORSE OR ISSUE LETTER OF CREDIT
TO SUCCESSOR AGENT**

[_____]

[_____]

[_____]

[_____]

Attn: [_____]

Telephone No: [_____]

Telecopy No: [_____]

Re: Your Irrevocable Letter of Credit No. _____ dated

Gentlemen:

For value received, the undersigned beneficiary (“Beneficiary”) hereby irrevocably transfers to:

(Name of Transferee)

(Address)

(Telephone No.)

(Telecopy No.)

(“Transferee”) all rights of Beneficiary to draw under the above letter of credit (“Letter of Credit”). Transferee shall have sole rights as beneficiary under the Letter of Credit, including without limitation sole rights relating to any amendments thereof, whether increases or extensions or other amendments and whether now existing or hereafter made. In connection with the foregoing, Beneficiary hereby irrevocably agrees and instructs you that (a) Beneficiary does not retain any right to refuse to allow you to advise to Transferee any amendment to the Letter of Credit, (b) all future amendments to the Letter of Credit are to be advised directly to Transferee without necessity of any consent of or notice to Beneficiary, and (c) there will be no substitution of Beneficiary’s draft(s) and/or other documents for those presented to you by Transferee.

We certify that Transferee has replaced and succeeded to, or is now replacing and succeeding to, our rights and obligations as Agent under the PPA.

You are hereby requested and directed to endorse the Letter of Credit to Transferee, or at your discretion reissue the Letter of Credit to Transferee having the same terms (but with the Transferee as beneficiary). We submit herewith for

endorsement and return the original Letter of Credit. The individual signing below represents that he or she is duly authorized to so sign on our behalf.

Very truly yours,

as Beneficiary

By
Title

FORM OF INSTRUMENT OF ASSIGNMENT AND ASSUMPTION

This Instrument of Assignment and Assumption (this “Assignment”), dated as of [____], 20[___] (the “Effective Date”), is entered into by and between [*Assignor Seller*], a [____] (“Assignor”), and [*Assignee Seller*], a [____] (“Assignee”).

WHEREAS, Assignor and certain Buyers are parties to that certain Amended and Restated Power Purchase Agreement, dated as of [____, 2017] (as amended through the date hereof, the “Mesquite Contract”).

WHEREAS, in accordance with Section 14.2[(b)]/[(c)]/[(d)] of the Mesquite Contract, Assignor is required to assign to Assignee all of Assignor’s rights and interests under the Mesquite Contract, and Assignee is required to assume all of Assignor’s obligations of Seller arising from and after the Effective Date, and the parties intend Assignor to be released from any further liability thereunder to the extent arising from and after the Effective Date.

WHEREAS, the parties hereto desire to execute and deliver this Assignment for the purpose of effecting the assignment and transfer by Assignor to Assignee, and the acceptance and assumption by Assignee, of the Mesquite Contract and all rights, liabilities and obligations of “Seller” (as defined in the Mesquite Contract) thereunder.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee, intending to be legally bound, agree and covenant as follows:

1. Assignor hereby assigns and transfers to Assignee, and Assignee hereby accepts and assumes and agrees to perform the Mesquite Contract, and all of Assignor’s rights, liabilities and obligations thereunder, to the extent arising from and after the Effective Date. Assignee hereby assumes and agrees to pay, discharge, perform and be responsible for all liabilities and obligations arising or accruing under or in respect of the Mesquite Contract to the extent arising from and after the Effective Date.

2. Nothing in this Assignment, express or implied, is intended or shall be construed to confer upon or give to any Person, other than Assignor and Assignee, and their respective successors and assigns, any remedy or claim under or by reason of this Assignment or any term, covenant, condition, promise or agreement hereof, and all of the terms, covenants, conditions, promises and agreements contained in this Assignment shall be for the sole and exclusive benefit of Assignor and Assignee, and their respective successors and assigns.

3. This Assignment shall be governed by and construed and enforced in accordance with, and this Assignment and all matters arising out of or relating in any way whatsoever (whether in contract, tort or otherwise) to this Assignment shall be governed by, the laws of the State of New York.

4. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall, taken together, be considered one and the

same agreement. Delivery of an executed signature page of this Assignment by facsimile or other electronic image scan transmission shall be effective as delivery of a manually executed counterpart of this Assignment.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Instrument of Assignment and Assumption as of the date first written above.

[signature blocks to be added]

MODIFICATION OF AMENDED TERMS

The following changes would be made to the Agreement if required to cancel the Amended Terms with respect to any Buyer or Buyers (each, an “Affected Buyer” for purposes of this Exhibit O) pursuant to Section 3.3 of the amended and restated Agreement.

1. Each Affected Buyer’s portion of the Incremental Capacity would be zero at all times.
2. In accordance with elections by the remaining Buyers, increases would be made to the Incremental Capacity amounts of one or more of the remaining Buyers, which increases in aggregate shall not exceed the total Incremental Capacity amount(s) of the Affected Buyer(s).
3. As of the Capacity Increase Date:
 - a. If elections made under item 2 above failed to fully reallocate the Incremental Capacity of the Affected Buyer(s), the Contract Capacity would be reduced by the amount of the Incremental Capacity of the Affected Buyer(s) that was not reallocated.
 - b. Exhibit A would be revised to reflect the updated Capacity Pro Rata Shares of all Buyers and, if applicable, to reflect the reduced Contract Capacity.
 - c. The Monthly Reservation Charge would be bifurcated. Each Buyer would pay (i) \$8250/MW for its Initial Capacity amount and (ii) \$3000/MW for its Incremental Capacity amount.
 - d. The Hourly Energy Rate would be bifurcated. The original pricing established in Exhibit G (7.4 MMBtu/MWh heat rate and Gas Factor of 1.05) would apply to a quantity of energy provided in each hour that assumes full dispatch of the Initial Capacity of the Affected Buyer(s). All remaining energy would be charged on the basis of the revised pricing (7.833 MMBtu/MWh heat rate and Gas Factor of 1.00).
 - e. The working capital fund would be bifurcated so that each Affected Buyer’s required contribution to the fund is based on its Initial Capacity amount and the above pricing provisions, while all other Buyers’ contributions would be based on their total capacity amounts and the amended capacity and energy pricing.
4. As of December 31, 2039:
 - a. Service to each Affected Buyer would terminate.
 - b. The Contract Capacity would be revised to reflect the termination of the sales to the Affected Buyer(s).
 - c. The Capacity Pro Rata Shares of all Buyers would be recalculated and Exhibit A would be revised accordingly.

ADJUSTMENTS DUE TO AEPCO EARLY TERMINATION

If AEPCO provides the notice described in Section 3.2 of the Agreement on or before January 17, 2018, then absent agreement of the Parties to an alternative course of action, the following changes would be made to the Agreement effective on and after the Capacity Increase Date.

1. Exhibit A would be revised as follows:
 - a. AEPCO's Subscribed Amount of Initial Capacity (MW) and Subscribed Amount of Incremental Capacity (MW) would decrease to zero;
 - b. the Subscribed Amount of Incremental Capacity (MW) of each Increasing Buyer (as defined below) would increase by 1 MW, for an aggregate increase of 10 MW among all Increasing Buyers; and
 - c. the Capacity Pro Rata Share – Initial Capacity, Aggregate Subscribed Capacity (Initial Capacity plus Incremental Capacity (MW)) and Capacity Pro Rata Share – Aggregate (Initial Capacity plus Incremental Capacity) of each affected Buyer would be adjusted accordingly; and
2. Exhibit Q would be revised as follows:
 - a. AEPCO's Baseline – Initial Capacity (MW) and Baseline – Incremental Capacity (MW) would decrease to zero; and
 - b. the Baseline – Incremental Capacity (MW) of each Increasing Buyer would increase by 1 MW, for an aggregate increase of 10 MW among all Increasing Buyers.

As used in this Exhibit P, "Increasing Buyer" shall mean each of the following Buyers, in each case, including such Buyer's successors and assigns: Aguila Irrigation District; City of Safford; Electrical District No. 3 of Pinal County; Electrical District No. 6 of Pinal County; Electrical District No. 7 of Maricopa County; Electrical District No. 8 of Maricopa County; Harquahala Valley Power District; McMullen Valley Water Conservation & Drainage District; Tonopah Irrigation District; and Town of Thatcher.

BASELINE AMOUNTS

BUYER	Baseline – Initial Capacity (MW)	Baseline – Incremental Capacity (MW)
Aguila Irrigation District	3.00	3.00
Ak-Chin Energy Services	5.00	0.00
Arizona Electric Power Cooperative, Inc.	2.00	8.00
Buckeye Water Conservation & Drainage District	3.00	1.00
City of Safford	15.00	3.00
Electrical District No. 2 of Pinal County	20.00	15.00
Electrical District No. 3 of Pinal County	85.00	64.00
Electrical District No. 4 of Pinal County	25.00	15.00
Electrical District No. 6 of Pinal County	3.00	0.00
Electrical District No. 7 of Maricopa County	3.00	2.00
Electrical District No. 8 of Maricopa County	25.00	20.00
Gila River Indian Community Utility Authority	30.00	30.00
Harquahala Valley Power District	5.00	10.00
Maricopa County Municipal Water Conservation District No. 1	3.00	2.00
McMullen Valley Water Conservation & Drainage District	5.00	10.00
Navajo Tribal Utility Authority	20.00	15.00
Ocotillo Water Conservation District	1.00	0.00
Roosevelt Irrigation District	8.00	2.00
Tonopah Irrigation District	3.00	3.00
Town of Thatcher	7.00	1.00
TOTAL	271.00	204.00

RIDER 1

AMENDMENTS RELATED TO ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY

Notwithstanding Exhibit A of the Agreement, for the Service Months of November and December, 2017 (the “**Initial Non-Summer Months**”), one of the Buyers, Electrical District No. 3 of Pinal County (“**ED #3**”), desires to reduce certain of its rights and obligations under the Agreement. To accommodate ED#3’s desire, the Parties agree as follows:

1. During the Initial Non-Summer Months, the term “Contract Capacity” for purposes of the definition of “Firm Energy” and for purposes of Article VI shall be deemed to mean 251 MW (subject to adjustment under Section 12.4 and Article XX). The Parties agree that, despite ED #3’s 85 MW Capacity amount set forth in Exhibit A, the portion of Firm Energy Scheduled by the Administrative and Scheduling Agent on account of ED #3 may not exceed 65 MWh in any hour during any Initial Non-Summer Month.
2. For purposes of applying Section 9.2 of the Agreement in connection with the preparation of a Monthly Spreadsheet for any Service Month that is an Initial Non-Summer Month:
 - (a) As applied to ED #3 only, the phrase “the maximum Firm Energy it could have Scheduled in that day from its Capacity Pro Rata Share” appearing in lines 8-9 shall be deemed to mean 1560 MWh; and
 - (b) For purposes of determining “Pro Rata” in connection with implementing Section 9.2 only, in applying the phrase “based on the ratio of each such Buyer’s then current Capacity amount to the sum of all such Buyers’ then current Capacity amounts” appearing in lines 17-18, ED #3’s Capacity amount shall be deemed to be 65 MW. As applied in Section 9.3 of the PPA, however, the term “Pro Rata” shall be determined using ED #3’s 85 MW Capacity amount.
3. For service provided during the Initial Non-Summer Months, the following provisions shall apply in lieu of Section 8.1 of the Agreement. For purposes of clarity, the provisions of Section 8.1 shall apply in connection with service provided during all Service Months other than the Initial Non-Summer Months.
 - (a) The total Monthly Reservation Charge shall be \$2,100,750.00, subject, however, to adjustment with respect to any particular Service Month as provided in Section 7.1(c).
 - (b) The portion of the unadjusted Monthly Reservation Charge that ED #3 is obligated to pay in such months shall be \$566,250.00 (resulting in a capacity rate of \$6,661.76/MW-month for its 85 MW Capacity amount).

- (c) The remaining \$1,534,500.00 of the unadjusted Monthly Reservation Charge (based on a capacity rate of \$8,250/MW-month) shall be allocated among the Buyers other than ED #3 on the basis of their Non-Summer Capacity Billing Shares. Each such Buyer's "**Non-Summer Capacity Billing Share**" shall be equal to its Capacity amount divided by 186 MW. The Non-Summer Capacity Billing Shares as in effect as of the time of adoption of this Rider 1 are reflected on Attachment A hereto.
 - (d) All adjustments to the Monthly Reservation Charge pursuant to Section 7.1 shall apply proportionately to all Buyers' payment obligations hereunder.
 - (e) If, during the any Initial Non-Summer Month, (i) a Buyer defaults and its rights under the Agreement are terminated pursuant to Section 12.4 of the PPA, or (ii) a termination of one or more Buyers and attendant adjustment of the Contract Capacity occurs under Article XX, the Parties shall promptly amend this Rider 1 and Attachment A hereto to take into account the reallocation of rights and obligations relating to the defaulted Capacity and Energy.
4. For the avoidance of doubt, the term "Contract Capacity" shall mean 271 MW, subject to adjustment under Section 12.4 and Article XX, and ED #3's Capacity amount shall be 85 MW, for all purposes under the Agreement other than as expressly set forth in this Rider 1, including, without limitation, the following purposes:
- (a) Each Buyer's right to designate Capacity for resource adequacy purposes under Section 4.5 of the Agreement;
 - (b) The calculation of the amount of each Buyer's monthly fixed O&M payment obligation under Section 8.2 of the Agreement;
 - (c) The calculation of the amount of each Buyer's obligation to fund the working capital fund under Section 10.2(a) of the Agreement; provided, however, that the calculation of the working capital fund amounts in any Initial Non-Summer Month shall take into account the ED #3 capacity rate and scheduling restrictions that apply pursuant to this Rider 1 as reflected in the example calculation set forth in Attachment B hereto;
 - (d) The determination of each Buyer's step-up obligations and the amount of any reductions in Contract Capacity under Section 12.4 of the Agreement;
 - (e) The calculation of the aggregate amount of Capacity Pro Rata Shares consenting to any proposed assignment by any Buyer under Section 14.3 of the Agreement;

- (f) The calculation of the aggregate amount of Capacity Pro Rata Shares executing any proposed amendment of the Agreement under Section 19.10 of the Agreement; and
 - (g) The calculation of the amount of reduction in Contract Capacity and resulting Capacity Pro Rata Share in the event a Buyer exercises its cancellation rights under Article XX of the Agreement.
5. To the extent there exist any inconsistencies between the terms or provisions of Rider 1 and the terms or provisions of the Agreement (or any Exhibit of the Agreement), the terms and provisions of Rider 1 shall control for the period in which they expressly apply.

**Attachment A to Rider 1:
Initial Non-Summer Capacity Billing Shares**

For the Initial Non-Summer Months

BUYER	Subscribed Capacity Amount (MW)	Initial Non-Summer Capacity Billing Share	Monthly Reservation Charge
Aguila Irrigation District	3.00	0.01613	\$ 24,750
Ak-Chin Energy Services	5.00	0.02688	\$ 41,250
Arizona Electric Power Cooperative, Inc.	2.00	0.01075	\$ 16,500
Buckeye Water Conservation & Drainage District	3.00	0.01613	\$ 24,750
City of Safford	15.00	0.08065	\$ 123,750
Electrical District No. 2 of Pinal County	20.00	0.10753	\$ 165,000
Electrical District No. 4 of Pinal County	25.00	0.13441	\$ 206,250
Electrical District No. 6 of Pinal County	3.00	0.01613	\$ 24,750
Electrical District No. 7 of Maricopa County	3.00	0.01613	\$ 24,750
Electrical District No. 8 of Maricopa County	25.00	0.13441	\$ 206,250
Gila River Indian Community Utility Authority	30.00	0.16129	\$ 247,500
Harquahala Valley Power District	5.00	0.02688	\$ 41,250
Maricopa County Municipal Water Conservation District No. 1	3.00	0.01613	\$ 24,750
McMullen Valley Water Conservation & Drainage District	5.00	0.02688	\$ 41,250
Navajo Tribal Utility Authority	20.00	0.10753	\$ 165,000
Ocotillo Water Conservation District	1.00	0.00538	\$ 8,250
Roosevelt Irrigation District	8.00	0.04301	\$ 66,000
Tonopah Irrigation District	3.00	0.01613	\$ 24,750
Town of Thatcher	7.00	0.03763	\$ 57,750
SUBTOTAL excluding Electrical District No.3 of Pinal County	186.00	1.00000	\$ 1,534,500
Electrical District No. 3 of Pinal County	85.00	(a)	\$ 566,250
Total	271.00		\$ 2,100,750

(a) ED3 share is equal to 65 MW * 8,250 + 20 MW * 1,500 or \$566,250 per Initial Non-Summer Month.

Attachment B to Rider 1:

Example: Calculation of the working capital fund

<i>a</i>	0.364	\$/kW-mo	FOM Rate Part A
<i>b</i>	1.790	\$/kW-mo	FOM Rate Part B
<i>c</i>	2.65	\$/MWh	VOM Rate
<i>d</i>	7.4	MWh/kW-mo	Contract Heat Rate
<i>e</i>	2,235,750	\$	Monthly Reservation Charge (Summer)
<i>f</i>	2,100,750	\$	Monthly Reservation Charge (Non-Summer)

Month	2015 On-Peak Hours	Estimated Gas Price \$/MMBtu	Capacity for FOM Charge MW	Capacity for Energy Charge MW	Monthly Energy Charge MWh	Hourly Energy Rate	Monthly Reservation Charge	Monthly FOM Charge	Monthly Energy Charge	Total Estimated Charges	Non-Sum Summer=
	<i>g</i>	<i>h</i>	<i>i</i>	<i>j</i>	<i>k=g*j</i>	<i>l=(d*h*1.05)+c</i>	<i>m=e or f</i>	<i>n=(a+b)*i*1000</i>	<i>o=k*l</i>	<i>p=m+n+o</i>	
Jan	416	2.50	271	251	104,416	22.08	\$ 2,100,750	\$ 583,734	\$ 2,304,983	\$ 4,989,467	-
Feb	384	2.50	271	251	96,384	22.08	2,100,750	583,734	2,127,677	4,812,161	-
Mar	416	2.50	271	251	104,416	22.08	2,100,750	583,734	2,304,983	4,989,467	-
Apr	416	2.85	271	251	104,416	24.79	2,100,750	583,734	2,588,943	5,273,427	-
May	400	2.85	271	271	108,400	24.79	2,235,750	583,734	2,687,724	5,507,208	1
Jun	416	2.85	271	271	112,736	24.79	2,235,750	583,734	2,795,233	5,614,717	1
Jul	416	2.65	271	271	112,736	23.24	2,235,750	583,734	2,620,041	5,439,525	1
Aug	416	2.65	271	271	112,736	23.24	2,235,750	583,734	2,620,041	5,439,525	1
Sep	400	2.65	271	271	108,400	23.24	2,235,750	583,734	2,519,270	5,338,754	1
Oct	432	2.30	271	271	117,072	20.52	2,235,750	583,734	2,402,435	5,221,919	1
Nov	384	2.30	271	251	96,384	20.52	2,100,750	583,734	1,977,896	4,662,380	-
Dec	416	2.30	271	251	104,416	20.52	2,100,750	583,734	2,142,721	4,827,205	-
	4,912				1,282,512		\$ 26,019,000	\$ 7,004,808	\$ 29,091,946	\$ 62,115,754	

	Working Capital Estimate*	Quarterly Change	Working Capital Fund	Incremental Funding
Initial Funding Requirement	9,860,730	N/A	9,860,730	9,860,730
March Assessment	10,930,234	10.85%	10,930,234	1,069,504
June Assessment	10,811,869	-1.08%	10,930,234	-
September Assessment	9,807,669	-10.27%	9,807,669	(1,122,565)

** Working Capital Estimate is calculated as the average of the subsequent quarters total estimated charges multiplied by 2. (e.g. March assessment is based on the average total estimated charges for April through May multiplied by 2)*

RESOLUTION 664-2017

RESOLUTION OF THE TOWN OF THATCHER, ARIZONA TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE THIRD AMENDMENT OF THE ADMINISTRATION AND SCHEDULING AGREEMENT BETWEEN SOUTHWEST PUBLIC POWER AGENCY, INC., AS THE AGENT AND THE TOWN OF THATCHER, AS THE PARTICIPANT AND TAKING ANY AND ALL OTHER ACTIONS NECESSARY IN CONNECTION THEREWITH

WHEREAS, Sempra Generation, LLC, a Delaware limited liability company (formerly known as Sempra Generation, a California corporation) (“Sempra Generation”), and the Town of Thatcher (“Thatcher”) executed that certain Power Purchase Agreement, dated June 30, 2011 (as amended prior to the Restatement Effective Date, the “Original PPA”), pursuant to which Sempra Generation agreed to sell, and Thatcher agreed to purchase, certain quantities of capacity and energy for a 25-year period that commenced on January 1, 2015;

WHEREAS, Sempra Generation and Thatcher entered into the first amendment to the Original PPA on February 13, 2013, and the second amendment to the Original PPA on July 31, 2014;

WHEREAS, on April 9 2015, Sempra Generation assigned the Original PPA to Mesquite and Thatcher entered into the third amendment to the Original PPA in connection with such assignment;

WHEREAS, Town of Thatcher (“Thatcher”) has been offered the opportunity to execute the Third Amendment to the Administration and Scheduling Agreement among Thatcher, Southwest Public Power Agency, Inc. (“SPPA”), and other Participants, as the term is defined therein (hereinafter the “Third Amendment to the ASA”);

WHEREAS, the ASA was originally executed and made effective as of June 30, 2011, and was subsequently amended as of January 31, 2013, and amended and restated as of July 31, 2014;

WHEREAS, following the execution of the original PPA referenced above and the original ASA, a number of the Participants, as defined therein, elected to form and become members of SPPA, and in the amended and restated version of the ASA dated as of July 31, 2014, the Participants designated SPPA to succeed Arizona Electric Power Cooperative, Inc., as the Agent;

WHEREAS, the Participants, as defined in the Third Amendment to the ASA, and Mesquite will enter into the Amended and Restated PPA which provides, among other things, increases the quantity of capacity and energy to be provided thereunder starting in 2021 and extends the term of the purchase and sale;

WHEREAS, Thatcher wishes to amend the ASA to address changes and make certain other corrections to the ASA as set forth in the Third Amendment to the ASA, attached hereto as **Exhibit 1** and incorporated herein by reference; and

WHEREAS, the Town Council has reviewed the Third Amendment to the ASA and has been fully advised of its terms and provisions.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council that:

1. The Third Amendment to the ASA, as presented to the Town Council, a copy of which is attached hereto as **Exhibit 1**, is authorized, approved, and adopted, and Terry Hinton, Town Manager, is hereby authorized to execute the same on behalf of Thatcher with only such changes, insertions and omissions consistent with this Resolution as may be approved by the Town Manager executing the Third Amendment to the ASA, in consultation with Thatcher's legal counsel and engineering consultant.

a. The Town Manager may take any and all other actions necessary in connection with the execution of the Third Amendment to the ASA.

b. From and after the execution and delivery of the Third Amendment to the ASA, the members of the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and deliver all such documents as may be necessary to carry out, perform and comply with the provisions of the Third Amendment to the ASA.

c. All actions heretofore taken by Thatcher and its Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of the Third Amendment to the ASA are hereby, in all respects, authorized, ratified, approved and confirmed.

d. Provided that the Third Amendment to the ASA, as attached hereto as **Exhibit 1**, ultimately may have terms changed such that the Capacity, Capacity Pro Rata Shares, and/or Contract Capacity, as those terms are defined in the same, may change in an amount not less than 7MW and not to exceed 9MW, and that this Resolution fully authorizes and ratifies that the execution of the Third Amendment to the ASA by Thatcher with changes to **Exhibit 1** consistent with this Paragraph.

2. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this 28th day of August, 2017.

By: _____
Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

**Third Amendment
to the
Administration and Scheduling Agreement
August 31, 2017**

This Third Amendment to the original Administration and Scheduling Agreement dated as of June 30, 2011, by which the Parties agree to further amend the Amended and Restated Administration and Scheduling Agreement, dated as of July 31, 2014 (the “Amended and Restated A&SA”), is entered into by and among AGUILA IRRIGATION DISTRICT, AK-CHIN ENERGY SERVICES, ARIZONA ELECTRIC POWER COOPERATIVE, INC., BUCKEYE WATER CONSERVATION AND DRAINAGE DISTRICT, CITY OF SAFFORD, ELECTRICAL DISTRICT NUMBER TWO OF PINAL COUNTY, ELECTRICAL DISTRICT NUMBER THREE OF PINAL COUNTY, ELECTRICAL DISTRICT NUMBER FOUR OF PINAL COUNTY, ELECTRICAL DISTRICT NUMBER SIX OF PINAL COUNTY, ELECTRICAL DISTRICT NUMBER SEVEN OF MARICOPA COUNTY, ELECTRICAL DISTRICT NUMBER EIGHT OF MARICOPA COUNTY, GILA RIVER INDIAN COMMUNITY UTILITY AUTHORITY, HARQUAHALA VALLEY POWER DISTRICT, MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE, MCMULLEN VALLEY WATER CONSERVATION & DRAINAGE DISTRICT, NAVAJO TRIBAL UTILITY AUTHORITY, OCOTILLO WATER CONSERVATION DISTRICT, ROOSEVELT IRRIGATION DISTRICT, TONOPAH IRRIGATION DISTRICT, AND TOWN OF THATCHER, each of which shall be referred to herein as a “Participant,” and SOUTHWEST PUBLIC POWER AGENCY, INC., as the Agent. The Participants and the Agent may be referred to collectively as the “Parties.”

RECITALS

WHEREAS, each of the Participants entered into the June 30, 2011 Power Purchase Agreement (“PPA”), which provided for Sempra Generation to sell and the Purchasers to purchase certain quantities of capacity and firm energy for a 25-year term beginning as of January 1, 2015;

WHEREAS, this Agreement was originally executed and made effective as of June 30, 2011, and was subsequently amended as of January 31, 2013 and amended and restated as of July 31, 2014;

WHEREAS, in the PPA as originally executed and in the original version of this Agreement, the Participants appointed Arizona Electric Power Cooperative, Inc. as an administrative and scheduling agent (“Agent”) to initially act as their representative and agent in matters concerning the PPA;

WHEREAS, following the original execution of the PPA and this Agreement, a number of the Participants elected to form and become members of Southwest Public Power Agency, Inc. (“SPPA”), and in the amended and restated version of this Agreement dated as of July 31, 2014 the Participants designated SPPA to succeed Arizona Electric Power Cooperative, Inc. as the Agent;

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

WHEREAS, Mesquite Power, LLC has succeeded Sempra Generation as the Seller under the PPA and the owner of the Facility;

WHEREAS, effective as of [date], the Participants and Mesquite Power, LLC have entered into an amended and restated version of the PPA that, among other things, increases the quantity of capacity and energy to be provided thereunder starting in 2021 and extends the term of the purchase and sale;

WHEREAS, the Participants wish to amend this Agreement to address these changes and make certain other corrections to the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Participants agree as follows:

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the PPA or the Amended and Restated A&SA, as applicable.

1. Amendments to Amended and Restated A&SA

a) The Amended and Restated A&SA shall be amended by deleting all references to the Electrical District No. 5 of Pinal County, which is no longer in existence and whose interests in the Amended and Restated A&SA and the PPA have been assumed by Electrical District No. 4 of Pinal County.

b) The definition of “PPA” in Section 1.24 of the Amended and Restated A&SA shall be amended to read, in its entirety, as follows:

“PPA” means the Amended and Restated Power Purchase Agreement between the Participants and Mesquite Power, LLC, as such may be further amended and/or restated and in effect from time to time.

c) The definition of “Seller” in Section 1.33 of the Amended and Restated A&SA shall be amended to read, in its entirety, as follows:

“Seller” means Mesquite Power, LLC, or any successor or assignee taking its place as Seller under the PPA.

d) Section 7.8 of the Amended and Restated A&SA shall be amended to read, in its entirety, as follows:

The PPA Management Committee shall establish a schedule for its regular meetings, which shall occur at least annually. The Agent shall arrange for the location and other logistical support (e.g., teleconference access, refreshments) for meetings of the PPA Management Committee, issue meeting notices, keep

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

records of the meetings, and provide all other reasonable and necessary facilitation of such meetings.

- e) The reference in Section 13.1.2 of the Amended and Restated A&SA to Section 7.1(a) of the PPA shall be deleted and replaced with “Section 7.1 of the PPA.”
- f) The reference in Section 13.1.4 of the Amended and Restated A&SA to Section 7.1(a) of the PPA shall be deleted and replaced with “Section 7.1 of the PPA.”
- g) In order to correct a typographical error, the first sentence of Section 13.5.2 of the Amended and Restated A&SA shall be amended to read as follows:

If the questioned portion of the invoice relates to (a) the Agent’s determination of energy quantities received by individual Participants and Layoff Purchasers, and the resulting assignment of energy-related PPA Charges among Participants and Layoff Purchasers, (b) the Agent’s true-up calculations, (c) the Agency Fee, or (d) any other portion of the invoice not covered by Section 13.5.1, the Agent shall review the relevant invoice.

- h) The signature pages to the Amended and Restated A&SA shall be amended by deleting the Capacity Subscription line following the signature block for each of the Participants.
- i) Appendix A to the Amended and Restated A&SA shall be replaced with Revision 2 to Appendix A, effective as of August 31, 2017, attached to this Third Amendment.
- j) Appendices B and B-1 to the Amended and Restated A&SA shall be replaced with the First Revision to Appendix B, effective as of October 2014 and Revision 1 to Appendix B-1, effective as of August 31, 2017, attached to this Third Amendment.
- k) Appendix G to the Amended and Restated A&SA shall be replaced with Revision 1 to Appendix G, effective as of August 31, 2017, attached to this Third Amendment.

2. No other change, modification or amendment to A&SA.

Except as specified herein, all of the remaining terms, provisions and conditions of the Amended and Restated A&SA shall remain unchanged, in full force and effect and fully binding on the Participants.

3. Execution.

This Third Amendment may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Any facsimile copies hereof or signature hereon shall, for all purposes, be deemed originals.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

AGUILA IRRIGATION DISTRICT

By: _____
Name:
Title:
Date:

AK-CHIN ENERGY SERVICES

By: _____
Name:
Title:
Date:

ARIZONA ELECTRIC POWER COOPERATIVE, INC.

By: _____
Name:
Title:
Date:

BUCKEYE WATER CONSERVATION & DRAINAGE DISTRICT

By: _____
Name:
Title:
Date:

CITY OF SAFFORD

By: _____
Name:
Title:
Date:

ELECTRICAL DISTRICT NO. 2 OF PINAL COUNTY

By: _____
Name:
Title:
Date:

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

ELECTRICAL DISTRICT NO. 3 OF PINAL COUNTY

By: _____
Name:
Title:
Date:

ELECTRICAL DISTRICT NO. 4 OF PINAL COUNTY

By: _____
Name:
Title:
Date:

ELECTRICAL DISTRICT NO. 6 OF PINAL COUNTY

By: _____
Name:
Title:
Date:

ELECTRICAL DISTRICT NO. 7 OF MARICOPA COUNTY

By: _____
Name:
Title:
Date:

ELECTRICAL DISTRICT NO. 8 OF MARICOPA COUNTY

By: _____
Name:
Title:
Date:

GILA RIVER INDIAN COMMUNITY UTILITY AUTHORITY

By: _____
Name:
Title:
Date:

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

HARQUAHALA VALLEY POWER DISTRICT

By: _____
Name:
Title:
Date:

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NO. 1

By: _____
Name:
Title:
Date:

MCMULLEN VALLEY WATER CONSERVATION & DRAINAGE DISTRICT

By: _____
Name:
Title:
Date:

NAVAJO TRIBAL UTILITY AUTHORITY

By: _____
Name:
Title:
Date:

OCOTILLO WATER CONSERVATION DISTRICT

By: _____
Name:
Title:
Date:

ROOSEVELT IRRIGATION DISTRICT

By: _____
Name:
Title:
Date:

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

TONOPAHA IRRIGATION DISTRICT

By: _____
Name:
Title:
Date:

TOWN OF THATCHER

By: _____
Name:
Title:
Date:

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

Appendix A
REVISION 2 DATED AS OF AUGUST 31, 2017

CAPACITY PRO RATA SHARES AND ENTITLEMENTS TO CONTRACT CAPACITY

BUYER	Through April 2021		As of May 2021	
	Subscribed Amount of Initial Capacity (MW)	Capacity Pro Rata Share - Initial Capacity	Aggregate Subscribed Capacity (Initial Capacity plus Incremental Capacity (MW))	Capacity Pro Rata Share - Aggregate (Initial Capacity plus Incremental Capacity)
Aguila Irrigation District	3.00	0.01107	6.00	0.01263
Ak-Chin Energy Services	5.00	0.01845	5.00	0.01053
Arizona Electric Power Cooperative, Inc.	2.00	0.00738	10.00	0.02105
Buckeye Water Conservation & Drainage District	3.00	0.01107	4.00	0.00842
City of Safford	15.00	0.05535	18.00	0.03789
Electrical District No. 2 of Pinal County	20.00	0.07380	35.00	0.07368
Electrical District No. 3 of Pinal County	85.00	0.31365	149.00	0.31368
Electrical District No. 4 of Pinal County	25.00	0.09225	40.00	0.08421
Electrical District No. 6 of Pinal County	3.00	0.01107	3.00	0.00632
Electrical District No. 7 of Maricopa County	3.00	0.01107	5.00	0.01053
Electrical District No. 8 of Maricopa County	25.00	0.09225	45.00	0.09474
Gila River Indian Community Utility Authority	30.00	0.11070	60.00	0.12632
Harquahala Valley Power District	5.00	0.01845	15.00	0.03158
Maricopa County Municipal Water Conservation District No. 1	3.00	0.01107	5.00	0.01053
McMullen Valley Water Conservation & Drainage District	5.00	0.01845	15.00	0.03158
Navajo Tribal Utility Authority	20.00	0.07380	35.00	0.07368
Ocotillo Water Conservation District	1.00	0.00369	1.00	0.00211
Roosevelt Irrigation District	8.00	0.02952	10.00	0.02105
Tonopah Irrigation District	3.00	0.01107	6.00	0.01263
Town of Thatcher	7.00	0.02583	8.00	0.01684
TOTAL	271.00	1.00000	475.00	1.00000

NOTE: Notwithstanding the column headings, the Subscribed Amounts of Initial Capacity and Capacity Pro Rata Shares may be modified (either before or after May 1, 2021) in accordance with the PPA.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

Appendix B
FIRST REVISION – OCTOBER 2014¹

SCHEDULING AND ADMINISTRATIVE PROTOCOLS, AGENCY FEE

The Parties, in carrying out their duties with respect to scheduling of Firm Energy and associated billing and administration functions necessary to implement the PPA shall follow these Scheduling and Administrative Protocols and provisions for the Agency Fee, as they may be modified from time to time pursuant to the Administration and Scheduling Agreement of which this Appendix B is a part. All references to Articles and Sections shall mean the referenced provisions of the Agreement, unless otherwise specified as referring to this Appendix B or the PPA. All capitalized terms used for which a definition is not supplied in this Appendix B shall have the meanings assigned them in the Agreement or in the PPA. For purposes of interpretation and application of the provisions of Sections 1, 2, 4.4, and 4.5 of this Appendix B, the term “Participant” shall be deemed to encompass each Layoff Purchaser as well as its Layoff Participant (as the context requires) for such period in which a Layoff instruction is operative pursuant to Section 10.4 of this Agreement.

1. PPA OPERATIONS WEBSITE

- 1.1. The PPA Management Committee shall have the ultimate responsibility for the development, structure and attributes of a PPA operations website (the “PPA Website”) through which all scheduling activities shall be conducted.
- 1.2. The PPA Management Committee shall review and approve (or modify, as applicable) the Agent’s proposal for the initial format, content and access for the PPA Website, and all operationally significant modifications thereto. It is expected that (a) Seller will have direct access to the PPA Website solely for purposes of (i) posting information and (ii) obtaining the aggregate Day-Ahead Schedules and information necessary for submitting NERC Tags for Firm Energy, and (b) each Participant (and its PSA) shall have access to all information posted on the PPA Website by Seller, and all information posted by the Agent that is of an aggregate nature and/or of general interest to all Participants, but shall not have access to the Firm Energy Schedules of other Participants.
- 1.3. The Agent shall use and maintain the PPA Website. The Agent shall also provide suitable backup processes for conducting essential scheduling activities during any periods in which the PPA Website is unavailable to some or all of the Parties and/or Seller.

¹ By Supermajority Vote on October 6, 2014, the PPA Management Committee elected to modify Section 6, pursuant to Section 12.2 of the Agreement.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

- 1.4. The PPA Website shall enable Seller to post, for each Scheduling Day as required pursuant to the PPA, Seller's projection of market rates and applicable gas prices for the operating day(s) for which Day-Ahead Schedules are to be provided by the Agent to Seller on the following Scheduling Day. Each Participant and its PSA shall have direct access to such information, which they may use in making decisions regarding scheduling Firm Energy for the following operating days. For example: On a Monday, Seller posts to the PPA Website actual day-ahead Tuesday market prices as a prediction of Wednesday market prices, which each Participant and its PSA may take into account in scheduling Firm Energy for Wednesday.
- 1.5. The PPA Website shall also enable Seller to post information regarding (a) any Forced Outages of the Block, as required pursuant to PPA Section 6.2, and (b) any transmission curtailments or interruptions or other modifications of NERC Tags affecting the delivery of Scheduled Firm Energy, and the PPA Website shall alert all Participants and PSAs of such information as it is posted.

2. PARTICIPANTS' SCHEDULING RESPONSIBILITIES

- 2.1. **PSA.** Each Participant must provide to the Agent the identity of its PSA authorized to access the PPA Website and conduct scheduling activities on behalf of the Participant. Alternatively, a Participant may inform the Agent that it will serve as its own PSA, or may enter into separate arrangements with the Agent pursuant to which the Agent will serve as the Participant's PSA. All costs of the Agent serving as PSA for one or more Participants shall be borne by the affected Participants under separate contractual arrangements, and shall be excluded from the Agency Fees hereunder. A single PSA may represent multiple Participants. Each Participant must inform the Agent immediately of any change in its PSA.
- 2.2. **Posting Day-Ahead Schedule.** Each PSA shall post on the PPA Website its Day-Ahead Schedule of Firm Energy for all Participants for which it is PSA, which schedule shall be posted in a standardized form and format specified by the Agent, approved by the PPA Management Committee and agreeable to Seller. Such postings shall provide all information needed by Seller to perform its obligation to provide NERC Tags for Scheduled Firm Energy. Day-Ahead Schedules shall be posted in accordance with the day-ahead scheduling procedures under the PPA. The PPA Website shall automatically aggregate the Day-Ahead Schedules of the PSAs and make such aggregated Day-Ahead Schedules available to Seller (and no longer changeable except as permitted under Section 6.3 of the PPA) at the time established pursuant to the day-ahead scheduling procedures under the PPA, which shall become the Scheduled Firm Energy.
- 2.3. Each Participant shall be responsible for transmission scheduling requirements applicable to its share of Scheduled Firm Energy, and for all risks, costs and penalties of non-compliance with such requirements.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

3. REALLOCATIONS OF A PARTICIPANT'S SCHEDULING RIGHTS

- 3.1. **Layoffs.** Each Participant shall at all times remain fully obligated with respect to its Contract Entitlement, irrespective of any sales it may make to other Participants or third parties of Firm Energy from its Contract Entitlement. However, as provided in Section 10.4, a Participant may make Layoffs to one or more Layoff Purchasers, whose PSAs will be able to directly schedule Firm Energy in accordance with the provisions of this Appendix B, and who will be directly billed by the Agent.
- 3.2. **Scheduling of Energy from Defaulting Participant's Contract Entitlement.** Each non-defaulting Participant is entitled pursuant to Section 14.3.1 to schedule a share of energy from the Contract Entitlement of a Participant that is in default for failure to make payments under the Agreement, during any period prior to the PPA Management Committee taking action on the Event of Default. In addition, the PPA Management Committee may approve voluntary or impose mandatory step-ups pursuant to Section 14.3.2. In such event, all reallocated shares of Firm Energy shall be deemed for purposes of Day-Ahead Scheduling to be a part of the Contract Entitlement of the non-defaulting Participants, and available to the applicable PSA(s) for scheduling on behalf of such non-defaulting Participants. The Agent shall inform the Participants and PSAs of the additional amounts of Firm Energy available to each non-defaulting Participant, and shall bill each non-defaulting Participant for energy charges associated with all such additional Firm Energy, in accordance with Section 14.3 of the Agreement.
- 3.3. **Reporting.** The Parties recognize that the scheduling and billing flexibility with respect to Layoff Purchasers and non-defaulting Participants under Sections 3.1 and 3.2 above (and the provisions of the Agreement referenced therein) relates solely to arrangements among the Parties under this Agreement and does not in any respect modify any provisions of the PPA. Under the PPA, the Agent must account for Scheduled Firm Energy by association with each Participant's Contract Entitlement. Therefore, the Monthly Spreadsheet provided by the Agent to Seller under Section 9.2 of the PPA, which determines the Participants' payment obligations to Seller (in their role as Buyers under the PPA), will attribute to the Layoff Participant all Firm Energy scheduled by its Layoff Purchasers, and will attribute to the defaulting Participant all Firm Energy scheduled by any non-defaulting Participant of Firm Energy in excess of its Contract Entitlement. In addition, for each month in which such scheduling occurs, the Agent shall prepare a second spreadsheet identifying actual hourly deliveries of Firm Energy to all Participants (based on the Agent's own records) and Layoff Purchasers (based on information provided by the Layoff Participants), which shall be used solely as the basis of the invoices under Article 13 of this Agreement, and shall not modify any Participant's obligations under the PPA. Such additional spreadsheet shall be provided to all Participants along with the applicable invoices.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

4. AGENT'S SCHEDULING AND ADMINISTRATIVE RESPONSIBILITIES

4.1. Routine Scheduling. The Agent's routine scheduling and billing responsibilities and functions ("Routine Scheduling Functions") shall include:

4.1.1. Performing the scheduling and energy accounting functions specified in Article 10 and in this Appendix B;

4.1.2. Performing the billing and payment functions specified in Articles 12 and 13 and in this Appendix B.

4.2. Routine Administrative. The Agent's routine administrative responsibilities and functions ("Routine Administrative Functions") shall include:

4.2.1. Establishing, maintaining, and reporting on the Working Capital Fund and its accounting pursuant to Article 12;

4.2.2. Performing the recordkeeping and information obligations specified in Sections 9.1 and 9.2.

4.2.3. Maintaining the PPA Website and the backup facilities and/or processes required by Section 1 of this Appendix B.

4.3. Non-routine Functions. Agent's non-routine responsibilities and functions ("Non-routine Functions") shall include:

4.3.1. Providing administrative services to the PPA Management Committee as set forth in Article 7.

4.3.2. Arranging for consulting and/or legal services as authorized by the PPA Management Committee.

4.3.3. Providing support to the Participants in connection with any audit of the Agent or Seller pursuant to Sections 9.3 and 9.4 of this Agreement, and in connection with any PPA-related litigation (including any proceedings before state or federal regulatory agencies) or arbitration. With respect to any litigation or arbitration, pursuant to this obligation, the Agent shall, at the request of the Participants, make available as witnesses its employees and agents who are or were involved in applicable Agency Functions. The Agent's litigation-support obligation, and its obligation to cooperate with any audit of the Agent conducted by the Participants, shall survive the termination of this Agreement as to any given Agent and its replacement by a Successor Agent.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

4.3.4. Performing all other responsibilities of the Agent indicated herein and in the PPA.

4.4. **Limitations on Agent's Responsibility.** Notwithstanding anything in this Agreement or in the PPA, the Agent shall not be obligated to perform the following services except to the extent provided for (i) in separate agreements entered into in writing between the Agent and one or more individual Participants, and/or (ii) through written modification of this Appendix B and inclusion of appropriate charges therefor in the Agency Fees:

4.4.1. Act as the Purchasing Selling Entity ("PSE") or Balancing Authority ("BA") (as both such terms are defined by NERC) on behalf of any Participant. The Agent shall not be required to notify any Participant in real-time of any modification of NERC Tags (other than through its setup of the PPA Website pursuant to Section 1.5 of this Appendix B), or to make any alternative arrangements on behalf of the affected Participant.

4.4.2. Make transmission scheduling arrangements with the Participants' transmission providers associated with the delivery of the Participants' Firm Energy from the Delivery Point under the PPA.

4.4.3. Make purchases from third parties to substitute for Firm Energy under the PPA on behalf of any Participant.

4.5. **No liability for PSA posting errors.** The Agent shall not be liable to the Participants for errors made by the PSAs in posting Participants' Day-Ahead Schedules.

5. AGENCY FEES

5.1. Routine Scheduling Fee and Routine Administrative Function Fee.

5.1.1. Except as otherwise provided in this Appendix B, for performance of the Routine Scheduling Functions and Routine Administrative Functions, the Agent shall bill and each Participant shall pay, each month, (i) a Routine Scheduling Fee of \$500 and (ii) a Routine Administrative Functions Fee equal to \$0.10 per MWH of the Participant's Scheduled Firm Energy for the preceding month. The Routine Scheduling Fee and Routine Administrative Functions Fee shall be revised by the PPA Management Committee from time to time upon review and consideration of proposals by the Agent or affected Participants to revise the structure or amount of such fees. The Parties' intention is that such fees will allow the Agent to recover its actual costs, without markup, of performing the Routine Scheduling and Administrative Functions, and allocate such costs among the Participants on an equitable basis.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

5.1.2. Notwithstanding the foregoing, for the period of time in which any Participant is a party to, and remains current in its payment of agency fees to SPPA pursuant to, the Southwest Public Power Agency, Inc., Project Agreement for the SPPA Pool, the Participant shall not be required to pay the Routine Scheduling Fee and Routine Administrative Functions Fee set forth in Section 5.1.1 of this Appendix B.

5.2. **Agency Fee for Non-routine Functions.** The Agent shall recover its actual costs of performing Non-routine Functions as they are incurred by it. Such costs shall be allocated to the Participants in accordance with their Funding Percentages as set forth in Appendix B-1. Provided, however, that if a Non-routine Function is being performed at the request of a certain set of Participants, only those Participants shall be billed for payment of the Agent's costs to perform such function, and in proportion to their relative Funding Percentages (unless a different allocation is agreed in writing among the Agent and such set of Participants prior to the Agent's performance of such function). The PPA Management Committee members of any such set of Participants may request an estimate of the Agent's costs for any Non-routine Function, but the Agent shall be entitled to bill the requesting Participants for the entirety of its actual costs so incurred.

5.3. **Agency Fees in Context of Layoffs.** In the case of a Layoff, unless agreed otherwise, an additional Routine Scheduling Fee of \$500/month charge shall apply for each Layoff Purchaser that is not already a Participant. The Layoff Participant shall communicate to the Agent what, if any, portion of the Agency Fees shall be billed directly to and paid directly by the Layoff Purchaser.

6. PERCENTAGE FOR ADDITIONAL WCF AMOUNTS

The current percentage for calculating the Participants' Additional WCF Amounts is five percent (5%), i.e., each Participant's Additional WCF Amount is equal to five percent (5%) of its Base WCF Amount.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

Appendix B-1
 REVISION 1 DATED AS OF AUGUST 31, 2017

FUNDING PERCENTAGES
(for costs of Non-routine Agency Functions)

BUYER/PARTICIPANT	Funding Percentage (Through April 2021)	Funding Percentage (As of May 2021)
Aguila Irrigation District	2.08%	2.20%
Ak-Chin Energy Services	2.63%	2.04%
Arizona Electric Power Cooperative, Inc.	1.80%	2.83%
Buckeye Water Conservation & Drainage District	2.08%	1.88%
City of Safford	5.40%	4.09%
Electrical District No. 2 of Pinal County	6.79%	6.78%
Electrical District No. 3 of Pinal County	24.78%	24.76%
Electrical District No. 4 of Pinal County	8.17%	7.57%
Electrical District No. 6 of Pinal County	2.08%	1.72%
Electrical District No. 7 of Maricopa County	2.08%	2.04%
Electrical District No. 8 of Maricopa County	8.17%	8.36%
Gila River Indian Community Utility Authority	9.55%	10.72%
Harquahala Valley Power District	2.63%	3.62%
Maricopa County Municipal Water Conservation District No. 1	2.08%	2.04%
McMullen Valley Water Conservation & Drainage District	2.63%	3.62%
Navajo Tribal Utility Authority	6.79%	6.78%
Ocotillo Water Conservation District	1.53%	1.41%
Roosevelt Irrigation District	3.46%	2.83%
Tonopah Irrigation District	2.08%	2.20%
Town of Thatcher	3.19%	2.51%
TOTAL	100.00%	100.00%

NOTE: Notwithstanding the column headings, the Funding Percentages may be modified (either before or after May 1, 2021) to take account of changes in Participants' Capacity Pro Rata Shares pursuant to the PPA.

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

Appendix G
REVISION 1 DATED AS OF AUGUST 31, 2017

ADDRESSES FOR NOTICES

TO AGENT:

Southwest Public Power Agency, Inc.

160 North Pasadena
Suite 101
Mesa, AZ 08201
Attn: Dennis L. Delaney

TO PARTICIPANTS:

<p>Aguila Irrigation District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Manager</p>	<p>Ak-Chin Energy Services 42507 W Peters & Nall Rd Maricopa, AZ 85138 Attention: ACES Board Chairman</p> <p>With a copy to:</p> <p>Ed Gerak, Power Manager Utility Strategies Consulting Group 4645 S. Lakeshore Dr, Suite 16 Tempe, AZ 85282</p>
<p>Arizona Electric Power Cooperative, Inc. 1000 South Highway 80 P.O. Box 670 Benson, AZ 85602 Attn: Chief Executive Officer</p>	<p>Buckeye Water Conservation and Drainage District P.O. Box 1726 Buckeye, AZ 85326-0160 Attn: General Manager</p>
<p>City of Safford P.O. Box 272 Safford, AZ 85548 Attn: City Manager</p>	<p>Electrical District Number Two of Pinal County Mailing Address: P.O. Box 548 Coolidge, AZ 85128</p> <p>Physical Address: 5575 N. Eleven Mile Corner Rd. Casa Grande, AZ 85194</p> <p>Fax: 520-723-5252 Attn: General Manager</p>
<p>Electrical District Number Three of Pinal County 41630 W. Louis Johnson Dr. Maricopa, AZ 85239 Attn: General Manager</p>	<p>Electrical District Number Four of Pinal County P. O. Box 605 Eloy, AZ 85131 Attn: District Manager</p>

Third Amendment to the Administration and Scheduling Agreement (August 31, 2017)

<p>[reserved]</p>	<p>Electrical District Number Six 34630 N. Schnepf Rd. San Tan Valley, AZ 85140 Attn: Board President</p>
<p>Electrical District Number Seven of Maricopa County 14629 West Peoria Ave Waddell, AZ 85355 Attn: District Manager</p>	<p>Electrical District Number Eight of Maricopa County P.O. Box 99 Salome, AZ 85348 Attn: General Manager</p>
<p>Gila River Indian Community Utility Authority 6640 W. Sundust Rd. Ste 5091 Chandler, AZ 85226-4211 Attn: General Manager</p> <p>With a copy to:</p> <p>Leonard S. Gold, Power Manager Utility Strategies Consulting Group 4645 S. Lakeshore Dr, Suite 16 Tempe, AZ 85282</p>	<p>Harquahala Valley Power District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Manager</p>
<p>Maricopa Water District P.O. Box 900 Waddell, AZ 85355-0900 Attn: General Manager</p>	<p>McMullen Valley Water Conservation & Drainage District P.O. Box 70 Salome, AZ 85348 Attn: General Manager</p>
<p>Navajo Tribal Utility Authority Route 12 North P. O. Box 170 Fort Defiance, AZ 86504-0170 Attn: General Manager</p>	<p>Ocotillo Water Conservation District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Manager</p>
<p>Roosevelt Irrigation District 103 West Baseline Road Buckeye, AZ 85326 Attn: Superintendent</p>	<p>Tonopah Irrigation District P.O. Box 1267 Mesa, AZ 85211-1267 Attn: District Administrator</p>
<p>Town of Thatcher P. O. Box 670 Thatcher, AZ 85552 Attn: Town Manager</p>	

RESOLUTION NO. 667-2017

RESOLUTION OF THE TOWN OF THATCHER, ARIZONA, TOWN COUNCIL APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AMENDMENT NO. 7 TO CONTRACT NO. 94-PAO-10592 (WITH WESTERN) AND AMENDMENT NO. 7 TO THE AMENDED AND RESTATED INTEGRATED SCHEDULING AGREEMENT

WHEREAS, the Town of Thatcher (the “Town”), entered into a contract with the United States Department of Energy, Western Area Power Administration, (“Western”), Parker-Davis Project SCLA Integrated Projects, and Firm Power Contractors for integrated federal resource and power transactions, dated October 1, 1994, Contract No. 94-PAO-10592 (“Western Contract”);

WHEREAS, the Town also entered into an Integrated Scheduling Agreement dated October 1, 1994, with several Western customers related to integrated scheduling arrangements for Salt Lake City Area/Integrated Projects (SLCA/IP) power (“Party Agreement”);

WHEREAS, the Town has been offered an amendment to the Western Contract (“Western Amendment No. 7”) and an amendment and restatement (“Party Amendment No. 7”) to the Party Agreement;

WHEREAS, it is proposed that the Town enter into Western Amendment No. 7 and Party Amendment No. 7 and there has been presented to the Town Council a copy of Western Amendment No. 7, a true and correct copy of which is attached hereto as **Exhibit 1**, and a copy of Party Amendment No. 7, a true and correct copy of which is attached hereto as **Exhibit 2**. Western Amendment No. 7 and Party Amendment No. 7 are referred to collectively herein as “Amendments No. 7;”

WHEREAS, Amendments No. 7 are in appropriate form to be executed and delivered for the intended purposes.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council that:

1. Amendments No. 7, as presented to the Town Council, copies of which are attached hereto as **Exhibit 1** and **Exhibit 2**, be and are hereby authorized, approved, and adopted and the Town is authorized to enter into and deliver Amendments No. 7 in substantially the form as presented to the Town Council, with only such changes, insertions and omissions consistent with this Resolution as may be approved by the members of the Town Council executing Amendments No. 7, in consultation with the Town’s legal counsel and engineering consultant, as such approval to be conclusively evidenced by such officers’ execution and delivery of Amendments No. 7.

2. Each of the Mayor or Vice-Mayor of the Town is hereby authorized and directed to execute and deliver Amendments No. 7 for and on behalf of and in the name of the Town.

3. From and after the execution and delivery of Amendments No. 7, the Mayor, Town Manager and the Town Council are hereby authorized, empowered and directed to perform all such acts and to execute and deliver all such documents as may be necessary to carry out, perform and comply with the provisions of Amendments No. 7.

4. All actions heretofore taken by the Town Manager, Mayor of the Town, and/or the Town Council that are consistent with this Resolution and which were directed toward the execution and delivery of Amendments No. 7 are hereby, in all respects, authorized, ratified, approved and confirmed.

5. This Resolution shall be final and shall be in full force and effect immediately upon its approval and adoption.

AUTHORIZED, APPROVED AND ADOPTED this ____ day of _____,
2017.

Bob Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

Exhibit 1

Western Amendment No. 7

AMENDMENT NO. 7

TO

CONTRACT NO. 94-PAO-10592

BETWEEN

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS

AND

ALL OTHER PARTIES TO THE AMENDED CONTRACT

AND

ROOSEVELT WATER CONSERVATION DISTRICT

FOR

INTEGRATED FEDERAL RESOURCE AND POWER TRANSACTIONS

AMENDMENT NO. 7

TO

CONTRACT NO. 94-PAO-10592

BETWEEN

**UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS**

AND

ALL OTHER PARTIES TO THE AMENDED CONTRACT

AND

ROOSEVELT WATER CONSERVATION DISTRICT

FOR

INTEGRATED FEDERAL RESOURCE AND POWER TRANSACTIONS

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1. **PREAMBLE.** This Contract Amendment is made this ____ day of _____, 2017, between the UNITED STATES OF AMERICA acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called “Western,” all other Parties to Contract No. 94-PAO-10592 (Integrated Transactions Contract), as amended and restated by Amendment No. 4 to Contract No. 94-PAO-10592, and amended by Amendment No. 5 and Amendment No. 6 to Contract No. 94-PAO-10592, hereinafter collectively referred to as the “Amended Contract” and the Roosevelt Water Conservation District (“RWCD”), pursuant to same authorities and subject to all of the provisions of the Amended Contract, except as herein provided.
2. **EXPLANATORY RECITALS.**
 - 2.1 RWCD has requested to become a Party to the Amended Contract.
 - 2.2 The Parties, including, Western, desire to amend the Amended Contract in accordance with Section 14 (Additional Parties) to include RWCD as an Additional Party to the Amended Contract.
 - 2.3 RWCD has entered into a contract with Western for firm electric service from the Salt Lake City Area Integrated Projects (SLCA/IP). RWCD has contractual rights providing for transmission of SLCA/IP power.
3. **AGREEMENT.** The Parties and Western agree to the terms and conditions set forth herein.
4. **DEFINITIONS.** For purposes of this Contract Amendment, the capitalized terms that are not defined herein have the meanings set forth in the Amended Contract.
5. **TERM OF CONTRACT.** This Contract Amendment shall become effective on _____, 2017, and shall remain in effect concurrent with the Amended Contract.
6. **ADDITIONAL PARTY.** The Parties hereby agree that by execution of this Contract Amendment, RWCD shall become an Additional Party to the Amended Contract and be bound by the terms and conditions the same as all other Parties to the Amended Contract.

7. **AUTHORITY OF INTEGRATED SCHEDULING AGENT.** RWCD warrants that the Integrated Scheduling Agent is authorized to act on its behalf with respect to those matters which are the functions and responsibilities of the Integrated Scheduling Agent as provided in the Amended Contract, and to bind RWCD.
8. **AMENDED CONTRACT TO REMAIN IN FULL FORCE.** Except as expressly, modified herein, the Amended Contract shall remain in full force and effect, and this Contract Amendment shall be subject to all terms and conditions of the Amended Contract.
9. **INTERGOVERNMENTAL CONTRACT.** Each Party that is a “public agency,” as that term is defined in A.R.S. § 11-951, has submitted this Contract Amendment to its attorney to determine that the Contract Amendment is in proper form and is within the powers and authority granted under the laws of the State of Arizona to such Party.
10. **SIGNATURE IN COUNTERPART.** This Contract Amendment may be executed in any number of counterparts and shall be deemed to constitute a single document with the same force and effect as if all of the Parties hereto, having signed a counterpart, had signed all other counterparts. The Integrated Scheduling Agent or the signing party shall cause each Party’s executed counterpart to be delivered to Western and Western shall distribute conformed copies of the signed counterpart to each Party and the Integrated Scheduling Agent.
11. **AUTHORITY.** Each person executing this Contract Amendment on behalf of a Party is duly authorized to enter into this Contract Amendment on behalf of and to bind the entity represented.

IN WITNESS WHEREOF, the Parties and Western have caused this Contract Amendment to Contract No. 94-PAO-10592, to be executed the date first written above.

DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

By _____

Title _____

Address _____

Ref: FES Contract No. 87-BCA-10000
(SLCA/IP)

AK-CHIN INDIAN COMMUNITY

By _____

Title _____

Address 42507 West Peters & Nall Road

Maricopa, Arizona 85239

Ref: FES Contract No. 87-BCA-10002
(SLCA/IP)

CHANDLER HEIGHTS CITRUS IRRIGATION
DISTRICT

By _____

Title _____

Address P. O. Box 9038

Chandler Heights, Arizona 85227

Ref: FES Contract No. 87-BCA-10016
(SLCA/IP)

CITY OF SAFFORD

By _____

Title _____

Address P. O. Box 272

Safford, Arizona 85548-0272

Ref: FES Contract No. 87-BCA-10001
(SLCA/IP)

ELECTRICAL DISTRICT NUMBER TWO

By _____

Title _____

Address P. O. Box 548

Coolidge, Arizona 85228

Ref: FES Contract No. 87-BCA-10005
(SLCA/IP)

ELECTRICAL DISTRICT NUMBER THREE

By _____

Title _____

Address 41630 West Louis Johnson Drive

Maricopa, Arizona 85239

Ref: FES Contract No. 87-BCA-10006
(SLCA/IP)

ELECTRICAL DISTRICT NUMBER FOUR

By _____

Title _____

Address P. O. Box 605

Eloy, Arizona 85231

Ref: FES Contract No. 87-BCA-10009
(SLCA/IP)

ELECTRICAL DISTRICT NUMBER SIX OF
PINAL COUNTY

By _____

Title _____

Address P. O. Box 16450

Phoenix, Arizona 85011-6450

Ref: FES Contract No. 87-BCA-10010
(SLCA/IP)

ELECTRICAL DISTRICT NUMBER SEVEN

By _____

Title _____

Address 14629 West Peoria Avenue

Waddell, Arizona 85355

Ref: FES Contract No. 87-BCA-10011
(SLCA/IP)

MARICOPA COUNTY MUNICIPAL WATER
CONSERVATION DISTRICT NUMBER ONE

By _____

Title _____

Address P. O. Box 900

Waddell, Arizona 85355-0900

Ref: FES Contract No. 87-BCA-10012
(SLCA/IP)

OCOTILLO WATER CONSERVATION
DISTRICT

By _____

Title _____

Address P. O. Box 490

Chandler, Arizona 85244-0490

Ref: FES Contract No. 87-BCA-10014
(SLCA/IP)

ROOSEVELT IRRIGATION DISTRICT

By _____

Title _____

Address 103 West Baseline

Buckeye, Arizona 85326

Ref: FES Contract No. 87-BCA-10018
(SLCA/IP)

SAN CARLOS IRRIGATION PROJECT

By _____

Title _____

Address P. O. Box 250

Coolidge, Arizona 85228

Ref: FES Contract No. 87-BCA-10019
(SLCA/IP)

SAN TAN IRRIGATION DISTRICT

By _____

Title _____

Address P. O. Box 9008

Chandler Heights, Arizona 85227

Ref: FES Contract No. 87-BCA-10020
(SLCA/IP)

TOWN OF THATCHER

By _____

Title _____

Address P. O. Box 670

Thatcher, Arizona 85552

Ref: FES Contract No. 87-BCA-10021
(SLCA/IP)

WELLTON-MOHAWK IRRIGATION AND
DRAINAGE DISTRICT

By _____

Title _____

Address 30570 Wellton-Mohawk Drive
Wellton, Arizona 85356

Ref: FES Contract No. 87-BCA-10013
(SLCA/IP)

QUEEN CREEK IRRIGATION DISTRICT

By _____

Title _____

Address P. O. Box 690
Queen Creek, Arizona 85242

Ref: FES Contract No. 02-DSR-11363
(SLCA/IP)

GILA RIVER INDIAN COMMUNITY
UTILITY AUTHORITY

By _____

Title _____

Address 6640 West Sundust Road, Box 5091
Chandler, Arizona 85226-4211

Ref: FES Contract No. 87-SLC-0013
(SLCA/IP)

NAVAJO TRIBAL UTILITY AUTHORITY

By _____

Title _____

Address P. O. Box 170
Fort Defiance, AZ 86504

Ref: FES Contract No. 87-BCA-10015
(SLCA/IP)

ROOSEVELT WATER CONSERVATION
DISTRICT

By _____

Title _____

Address _____ P. O. Box 100 _____

_____ Higley, Arizona 86236 _____

Exhibit 2

Party Amendment No. 7

(RWCD)
INTEGRATED SCHEDULING ADDITIONAL PARTY
AMENDMENT NO. 7

This Integrated Scheduling Additional Party Amendment No. 7 (“Amendment No. 7”) is dated the _____ day of _____, 2017, and is among the following entities:

Original Contracting Parties

AK-Chin Indian Community	(AK-Chin)
Electrical District Number Three of Pinal County	(ED3)
Electrical District Number Four of Pinal County	(ED4)
Electrical District Number Five of Pinal County	(ED5-Pinal)
Electrical District Number Six of Pinal County	(ED6)
Electrical District Number Seven of the State of Arizona and the County of Maricopa	(ED7)
Maricopa County Municipal Water Conservation District Number One	(MWD)
Ocotillo Water Conservation District	(OWCD)
Roosevelt Irrigation District	(RID)
Wellton-Mohawk Irrigation and Drainage District	(W-MIDD)

First Additional Parties

City of Safford	(Safford)
San Carlos Irrigation Project	(SCIP)

Second Additional Parties

Chandler Heights Citrus Irrigation District	(CHCID)
San Tan Irrigation District	(STID)

Third Additional Parties

Electrical District Number Two of Pinal County	(ED2)
Town of Thatcher	(Thatcher)

Fourth Additional Parties

Queen Creek Irrigation District	(QCID)
Electrical District Number Five of Maricopa County (now consolidated with ED6, with ED6 as the surviving entity)	(ED5-Maricopa)

Fifth Additional Party

Gila River Indian Community Utility Authority (GRICUA)

Sixth Additional Party

Navajo Tribal Utility Authority (NTUA)

Seventh Additional Party

Roosevelt Water Conservation District (RWCD)

The signatories to this Amendment No. 7 include three federally recognized Indian communities, fifteen districts which are political subdivisions of the State of Arizona, a federal reclamation project, and one city and one town which are political subdivisions of the State of Arizona.

Recitals

- A. The Original Contracting Parties entered into an Integrated Scheduling Agreement dated October 1, 1994 (the “Original Integrated Scheduling Agreement”). The Integrated Scheduling Agreement provides for Integrated Scheduling of Salt Lake City Area Integrated Projects (SLCA/IP) resources and also provides the opportunity for Integrated Scheduling of Non-Firm Energy from Western Area Power Administration (“Western”) and Supplemental Power from other entities.
- B. The First Additional Parties became parties to the Original Integrated Scheduling Agreement pursuant to an Additional Party Amendment (“Amendment No. 1”) dated September 19, 1995. In order to prevent the dilution of benefits to the Original Contracting Parties, Amendment No. 1 also created two Pools. Pool One included the Original Contracting Parties and Pool Two included the First Additional Parties.
- C. The Second Additional Parties became Parties to the Original Integrated Scheduling Agreement pursuant to Additional Party Amendment No. 2 (“Amendment No. 2”) dated February 1, 1998. Because the addition of the Second Additional Parties was not expected to dilute the benefits of either Pool, the Second Additional Parties joined as Pool One members.
- D. The Third Additional Parties became Parties to the Original Integrated Scheduling Agreement pursuant to Additional Party Amendment No. 3 (“Amendment No. 3”) dated November 29, 2000. The addition of ED2 as a Pool Two Party appeared to provide an opportunity to benefit ED2 without significantly diluting the benefits to other Parties, at least in the short term. Because of anticipated changes in resources and loads of the Parties and ED2, it is difficult to determine whether there will be ongoing mutual benefits for the Parties and ED2. In order to take advantage of near-term opportunities but maintain maximum flexibility and avoid detriment to existing Parties, ED2 was added as a Pool Two Party. Thatcher was added as a Pool Two Party because it appeared unlikely to significantly dilute the benefits to the other Parties.

- E. The Fourth Additional Parties became Parties to the Original Integrated Scheduling Agreement pursuant to that certain Amended and Restated Integrated Scheduling Agreement dated January 8, 2003 (“Amendment No. 4” or the “Amended and Restated Integrated Scheduling Agreement”), as Pool One Parties. Amendment No. 4 amended and restated in its entirety the Original Integrated Scheduling Agreement, Amendment No. 1, Amendment No. 2 and Amendment No. 3.
- F. The Fifth Additional Party became a Party to the Amended and Restated Integrated Scheduling Agreement pursuant to Additional Party Amendment No. 5, dated March 15, 2013, as a Pool Two Party.
- G. The Sixth Additional Party became a Party to the Amended and Restated Integrated Scheduling Agreement pursuant to Additional Party Amendment No. 6, dated October 15, 2013, as a Pool Two Party.
- H. The Amended and Restated Integrated Scheduling Agreement, Amendment No. 5 and Amendment No. 6 are referred to herein as the “Current Agreement.”
- I. RWCD has entered into an agreement with the United States Department of Energy, Western Area Power Administration (Western) for firm electric service from SLCA/IP. RWCD also has contractual rights providing for transmission of SLCA/IP power.
- J. The addition of RWCD to Pool Two is not anticipated to materially dilute the benefits of Integrated Scheduling to Pool One Parties or Pool Two Parties.
- K. RWCD wishes to become an Additional Party to the Current Agreement as a Pool One Party.

Therefore, in consideration of the terms and conditions set forth herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. DEFINITIONS

For purpose of this Amendment No. 7, the capitalized terms that are not defined herein have the meanings set forth in the Current Agreement.

2. WESTERN AGREEMENT

RWCD shall enter into the Western Agreement.

3. ADDITIONAL PARTY

By execution of this Amendment No. 7, RWCD becomes an Additional Party to the Current Agreement as a Pool One Party and agrees to be bound by the terms and conditions of the Current Agreement.

4. ACKNOWLEDGMENTS

The Parties agree that the administrative reallocation of SLCA/IP resources pursuant to this Amendment No. 7, the Current Agreement and the Western Agreement is not evidence that the assigning Parties no longer have a need for all or any portion of their SLCA/IP allocation. Rather, such administrative reallocations are a way to utilize the resources in a more efficient and economic manner.

5. GENERAL TERMS AND CONDITIONS

5.1 Intergovernmental Agreement: Prior to execution, each Party that is a “public agency” as that term is defined in A.R.S. § 11-951, has submitted this Amendment No. 7 to its attorney to determine that the Amendment No. 7 is in proper form and is within the powers and authority granted under the laws of the State of Arizona to such Party.

5.2 Counterparts: This Amendment No. 7 may be executed in counterparts.

5.3 Authority: Each person executing this Amendment No. 7 on behalf of a Party is duly authorized to enter into this Agreement on behalf of and to bind the entity represented.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed.

AK-CHIN INDIAN COMMUNITY

ROOSEVELT IRRIGATION DISTRICT

By: _____
Its: _____

By: _____
Its: _____

ELECTRICAL DISTRICT NUMBER TWO OF PINAL COUNTY

ELECTRICAL DISTRICT NUMBER FIVE OF PINAL COUNTY

By: _____
Its: _____

By: _____
Its: _____

ELECTRICAL DISTRICT NUMBER THREE OF PINAL COUNTY

ELECTRICAL DISTRICT NUMBER SIX OF PINAL COUNTY

By: _____
Its: _____

By: _____
Its: _____

**ELECTRICAL DISTRICT NUMBER
FOUR OF PINAL COUNTY**

By: _____
Its: _____

CITY OF SAFFORD

By: _____
Its: _____

**MARICOPA COUNTY MUNICIPAL
WATER CONSERVATION DISTRICT
NUMBER ONE**

By: _____
Its: _____

**OCOTILLO WATER CONSERVATION
DISTRICT**

By: _____
Its: _____

**ELECTRICAL DISTRICT NUMBER
SEVEN OF THE STATE OF ARIZONA
AND THE COUNTY OF MARICOPA**

By: _____
Its: _____

**WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT**

By: _____
Its: _____

**CHANDLER HEIGHTS CITRUS
IRRIGATION DISTRICT**

By: _____
Its: _____

SAN CARLOS IRRIGATION PROJECT

By: _____
Its: _____

QUEEN CREEK IRRIGATION DISTRICT

By: _____
Its: _____

SAN TAN IRRIGATION DISTRICT

By: _____
Its: _____

**GILA RIVER INDIAN COMMUNITY
UTILITY AUTHORITY**

TOWN OF THATCHER

By: _____
Its: _____

By: _____
Its: _____

**NAVAJO TRIBAL UTILITY
AUTHORITY**

**ROOSEVELT WATER CONSERVATION
DISTRICT**

By: _____
Its: _____

By: _____
Its: _____

RESOLUTION NO. 665-2017

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF THATCHER, GRAHAM COUNTY, ARIZONA, AUTHORIZING THE TOWN TO INTER INTO AN AGREEMENT WITH THE BANK OF MONTREAL FOR A PURCHASING CARD PROGRAM.

WHEREAS, the Town Council has determined that it is in the best Interests of the Town of Thatcher to inter into an agreement with BMO to authorize and operate a Purchasing Card program for the town.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE TOWN OF THATCHER, GRAHAM COUNTY, ARIZONA, that the Mayor is hereby authorized to execute for and on behalf of the Town of Thatcher, Arizona, the attached Member Account Agreement, which Amendment is duly presented to the Town Council, and which Agreement is hereby approved.

PASSED AND ADOPTED by the Town Council of the Town of Thatcher, Graham County, Arizona, this 28th day of August 2017.

APPROVED:

Robert Rivera, Mayor

ATTEST:

Terry Hinton, Town Clerk

APPROVED AS TO FORM:

Matt Clifford, Town Attorney