



MINUTES OF THE IDAHO ENERGY RESOURCES AUTHORITY
DIRECTORS' MEETING – July 16, 2010

The meeting of the Idaho Energy Resources Authority was called to order by Chairman Robert Mooney at 8:00 A.M., MDT.

1. Attendance: Directors in attendance were: Robert Mooney, Ralph Williams, Charles Hedemark, and Randy Hill. Also attending was Ron Williams, local counsel.
2. Approval of Prior Minutes: Upon motion and second, the Minutes for June 16, 2010, were unanimously approved.
3. Horse Butte Wind Project: Mr. Williams explained to the Board the proposal by the Utah Associated Municipal Power Systems (“UAMPS”) for the IERA to assist UAMPS in financing and developing the Horse Butte Wind Project, a proposed 50 to 100 MW wind farm located in Bonneville County, Idaho. UAMPS and its members would like to take advantage of the Section 1603 cash grant program available under the American Recovery and Reinvestment Act of 2009, but in order to do so, the Project must be owned by a taxable entity on its commercial operation date. UAMPS is tax exempt.

Under the UAMPS proposal the IERA will be the majority (99%) owner of the Project Company LLC. The Project Company will enter into a “Development Agreement” with UAMPS whereby UAMPS will manage all aspects of financing, construction and development of the Project. Mr. Hill said that the Development Agreement must provide full and complete indemnity of the IERA by UAMPS. Mr. Mooney reported that he and Mr. Hunter from UAMPS have discussed and agreed that an appropriate fee for the IERA being the majority owner of the Project Company and for facilitating the development of the Project is \$1,000 per developed MW for the Project.

Following further discussion and questions with respect to the Project, the Board reviewed the draft letter Mr. Mooney proposed to send to Mr. Hunter. The Board also reviewed the request by Chapman and Cutler and Jim Burr for a waiver of potential conflicts of interest so that Chapman and Cutler can represent UAMPS in the proposed transaction. Finally, the Board reviewed the proposed Certified Copy of Resolutions with respect to the IERA negotiating participation in the Horse Butte Wind Project. Mr. Williams was instructed to add two additional resolutions to that draft, the first authorizing Mr. Mooney to send the letter to Mr. Hunter, and the second waiving the conflict of interest Chapman and Cutler. With those changes noted, upon motion by Randy Hill, seconded by Charles Hedemark the Certified Copy of Resolutions attached hereto, was approved.

4. Old and New Business: Mr. Williams gave a brief report on progress being made by Dynamis Energy on its municipal solid waste project and interest in securing bond financing from the IERA. Mr. Williams also reported on the request by the Governor’s Office to participate in a meeting on Tuesday, July 20, to discuss a possible role for the IERA in assisting in financing of energy start-up companies.

Finally, Mr. Williams and Mr. Mooney advised the Board with respect to ramifications of the recent Idaho Supreme Court decision in *City of Idaho Falls v. Fuhrman* and the apparent further extension of the Frasier Decision's mandate that municipalities must get voter approval for long term power sales contracts.

7. Adjourn: The meeting was adjourned at 8:30 A.M., MST.

Secretary

A handwritten signature in blue ink, appearing to read "R. J. Hill", is written over a horizontal line. The signature is cursive and stylized.

IDAHO ENERGY RESOURCES AUTHORITY (the "Authority")

CERTIFIED COPY OF RESOLUTIONS

WHEREAS, the Utah Associated Municipal Power Systems ("UAMPS") has asked the Authority to help facilitate the development, construction, financing and operation of the Horse Butte Wind Power Project ("Project") located in Bonneville County, Idaho; and

WHEREAS, on July 2, 2010, UAMPS, by and through Chapman and Cutler LLP, legal counsel to UAMPS, delivered to the IERA a legal memorandum ("Memorandum") describing an organizational framework in which the Authority would be the majority owner of an Idaho limited liability company which would be the "Project Company" for purposes of developing, constructing, financing and operating the Project; and

WHEREAS, the Memorandum described in general terms a "Development Agreement" and other Project related agreements that the Project Company and UAMPS would negotiate; and

WHEREAS, the Authority desires to negotiate an agreement with UAMPS that would allow the Authority to become the majority owner of the "Project Company" and facilitate the development, construction, financing and operation of the Project, in accordance with the functions and scope as outlined in the Memorandum;

NOW, THEREFORE, BE IT:

RESOLVED, that after reviewing the Memorandum and the transactions contemplated by the Memorandum, and based upon the presentations made to this Board of Directors of the Authority and upon such other matters as were deemed relevant by this Board of Directors, and after due consideration of its fiduciary duties under applicable law, this Board of Directors determines that the transactions contemplated by the Memorandum are in the best interests of the Authority and hereby declares advisable and in all respects approves the plan presented by the Memorandum and hereby approves the negotiation of an agreement between UAMPS and the Authority related to the development, construction, financing and operation of the Project as described in the Memorandum; and be it further

RESOLVED, the proper officers of the Authority or any of them acting alone be, and each of them acting individually hereby is, authorized, in the name and on behalf of the Authority, to correspond directly with Douglas Hunter, Chairman and CEO of UAMPS, proposing terms and conditions for participation by the Authority in the Project, along the lines as outlined in the draft letter reviewed by the Board and for fees and costs as modified and explained by the Chairman; and be it further

RESOLVED, that the proper officers of the Authority or any of them acting alone be, and each of them acting individually hereby is, authorized, in the name and on behalf of the Authority, to

negotiate agreements with UAMPS related to the development, construction, financing and operation of the Project; and be it further

RESOLVED, that any and all actions heretofore taken by any of the directors, officers, representatives or agents of the Authority in connection with the Project or other actions as described in the Memorandum, or otherwise referred to in the foregoing resolutions be, and each of the same hereby is, ratified, confirmed and approved in all respects as the act and deed of the Authority; and be it further

RESOLVED, that the directors, officers, representatives or agents of the Authority so authorized to negotiate with UAMPS in connection with the Project shall seek additional authorization from this Board of Directors before executing any agreements on behalf of the Authority with respect to the Project; and be it further

RESOLVED, that legal counsel to the Authority, Ronald L. Williams, is authorized, in the name and on behalf of the Authority, to accept and execute the waiver of conflicts of interest proposed by Chapman and Cutler for Jim Burr to represent UAMPS and not the IERA with respect to the Project; and be it further

RESOLVED, that any resolutions inconsistent with the foregoing or with any action of any officer pursuant to the foregoing are hereby modified or rescinded so as to be consistent herewith and therewith.

ACKNOWLEDGMENT

I, Randolph J. Hill, do hereby certify that I am the Secretary of the Idaho Energy Resources Authority, an authority and instrumentality of the State of Idaho, organized and existing under and by virtue of the laws of the State of Idaho. I do further certify that the foregoing are a true, full and correct copy of resolutions duly adopted by the Board of Directors of said Authority as of the 16th day of July, 2010.

I do further certify that said resolutions have been spread on the minutes of the proceedings of the Board of Directors of said Authority, have not been altered, amended, or repealed, and are now in full force and effect:

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19th day of July, 2010.

IDAHO ENERGY RESOURCES AUTHORITY



Randolph J. Hill, Secretary
