

Open Market Power Auction Prequalification Application

The Applicant whose true and correct legal name is _____ (“Applicant”) is a _____ [Insert type of legal entity i.e. sole proprietorship, partnership, corporation or other] organized and existing under the laws of the state of _____.

Applicant desires to be pre-qualified to allow it to submit a bid for the purchase of Priest Rapids Project Output pursuant to the Contract for Open-Market Sale of Priest Rapids Project Power (“Contract”). In order to induce the District to pre-qualify applicant, and in consideration of the District’s receipt and consideration of a bid from Applicant, Applicant hereby covenants, represents and warrants to Public Utility District No. 2 of Grant County, Washington (the “District”), that:

- (a) Applicant is duly organized and in good standing under the laws of the jurisdiction of its formation.
- (b) Applicant’s submittal of a bid (if any) and its execution, delivery and performance of the Contract are and will be within its powers, and that it has been duly authorized by all necessary action to enter into such Contract, and by doing so does and will not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, or order applicable to it.
- (c) In the event that the applicant submits a bid, and the District awards the Contract to Applicant, Applicant shall; i) provide a true and correct copy of a duly adopted corporate resolution authorizing the undersigned to execute the Contract for and on behalf of the Applicant, ii) post collateral and guaranty, if required, in strict conformance with the requirements of the Contract, and iii) shall properly execute and return to the District a signed copy of the Contract by 5 p.m. Pacific Prevailing Time of the following business day of such notification.
- (d) In the event the District accepts Applicant’s bid and Applicant fails to execute the Contract or provide the required guarantees, Applicant shall pay to the District as liquidated damages an amount equal to the difference between Applicant’s bid and the amount of the bid submitted by the party to whom the District awards the Contract. Said payment shall be made within 30 days after demand by the District.
- (e) Bid submitted by Applicant shall constitute an offer to the District and shall be irrevocable. The District’s management will make a recommendation regarding award of the Contract on the day of the bid opening. Actual Contract execution will be made by the District’s General Manager or his assignee.
- (f) Applicant’s current credit rating or, if not available, the lowest credit rating on long-term unsecured debt, as represented by Standard and Poor’s Corp., Fitch

Ratings, and/or Moody's Investors Services as of the date of this form submittal, is as follows: _____

In the event of below investment grade ratings or non-rated applicants please provide both the name of the Guarantor and its Standard and Poor's Corp., Fitch Ratings, and/or Moody's Investors Services credit rating:

Guarantor Guarantor's Credit Rating

(g) In the event the applicant will post a letter of credit as collateral, please provide the name of the providing financial institution.

Institution Name

(h) The representations, warranties and covenants set forth in this Application shall remain in full force and effect throughout the bid process and, if Applicant is awarded the Contract, throughout completion of performance of the Contract.

Applicant (Entity Name) Date

Signature of Authorized Representative of Applicant

STATE/COUNTRY OF _____ COUNTY/PROVINCE OF _____

On this _____ day of _____, 20____, before me personally appeared _____ To me known to be the _____ of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed thereto (if any) is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

DATED _____

[_____]
[_____] Notary Public
[_____] My appointment expires: _____
[_____]
[_____]
[_____]
[Notary Seal]