

JIM BRIDGER POWER PLANT HOUSING ASSISTANCE PROGRAM

Benefits are being provided to assist eligible relocating Jim Bridger plant non-bargaining employees with the significant housing market situation being driven by the energy boom affecting the Rock Springs/Green River, Wyoming area.

Eligibility for assistance has been determined based on an assessment of housing market escalation over the last five years and in conjunction with workforce demands. All eligible employees that request and receive housing assistance benefits will be required to sign a retention housing assistance agreement.

- **Housing Assistance Eligibility:**

Jim Bridger plant employees, salaried and hourly, non-bargaining with a facility hire date on or after July 1, 2007, who

- ❖ Were hired from an area outside of Rock Springs/Green River (100 mile radius), and
- ❖ Sign a retention housing assistance agreement at the time benefits are committed, with an agreement term consistent with the elected program's benefit payout term

Housing assistance benefits will be available only through the defined programs. Employees need to contact the following individual to determine the level of benefit and program they qualify for:

Contact Tammy Rivard, Home Services, at (866) 401-1876 ext. 57336 or via email at tammy.rivard@hslrelocation.com.

- **Term of Housing Assistance Benefit Offering:**

1. Housing assistance benefits are being offered starting July 2007 to eligible employees, based on the above eligibility criteria.
2. The housing assistance benefit offering will be in place until December 31, 2008.
3. The company can terminate and/or extend the offering at any time based on management's discretion.

- **Housing Assistance Benefits:**

Housing assistance benefits are being offered to eligible employees based on two categories and through the below defined programs:

Category 1-Rent Assistance (for those not purchasing a home)

1. Total gross assistance benefit of \$20,000 and reduced by any sign-on bonus amounts for non-represented eligible employees.
2. Fifty (50) percent of net benefit to be paid in five annual cash payments, at the completion of each 12 months employment from the date of signed five-year retention housing assistance agreement with:
 - a. The remaining fifty (50) percent of net benefit paid at the completion of the full five-year retention housing assistance agreement term.
 - b. Housing assistance benefit payments will be processed through ordinary payroll processes and are subject to payroll taxes.

Category 2 – Home Ownership Assistance

1. Total gross assistance benefit of twenty (20) percent of purchase price of home or \$50,000, whichever is less, reduced by any sign-on bonus amounts for non-represented eligible employees, and
2. Paid in accordance with one of the following programs:
 - ❖ **Mortgage Interest Subsidy** (for those eligible who have not purchased a home, but plan to)
 - a. Set dollar amount annually, paid over a minimum five-year term directly to lender.
 - b. Execution of a five-year retention housing assistance agreement.
 - c. Termination of benefits if employee terminates, is severed or relocates.
 - d. Housing assistance benefit amounts are processed as taxable income annually.

| Mortgage Interest Subsidy | | | | | | |
|---|------------------|--|----------------------|----------------------------|----------------------------------|--|
| 1. Set dollar amount annually, paid by company directly to lender monthly | | | | | | |
| 2. Minimum term of 5 years, maximum of 10 years | | | | | | |
| Attributes: | | | | | | |
| 1. Lowers employee payments for 5+ years resulting in gradual payment rise as employee compensation rises | | | | | | |
| 2. Subsidy covers interest but employee gets interest tax benefit when filing personal income tax returns | | | | | | |
| 3. Employee responsible for payroll taxes on monthly subsidy payment – handled automatically through payroll processing | | | | | | |
| 4. Employee must qualify for full finance amount but 100% financing is allowable under the program | | | | | | |
| Assumptions: | | Subsidy EXAMPLE (\$50,000- 5 years) | | | | |
| Loan Amount: | \$250,000 | | | | | |
| Mortgage Note Rate: | 6.25% | | | | | |
| Qualifying Note Rate | 6.25% | | | | | |
| Term: | 30 Yr Fixed Rate | | | | | |
| Year | Interest Rate | P&I at Note Rate | P&I Paid by Employee | Monthly Subsidy Assistance | Annual Subsidy Rec'd By Employee | |
| 1 | .110% | \$1,539.29 | \$ 705.96 | \$833.33 | \$10,000 | |
| 2 | .110% | \$1,539.29 | \$ 705.96 | \$833.33 | \$10,000 | |
| 3 | .110% | \$1,539.29 | \$ 705.96 | \$833.33 | \$10,000 | |
| 4 | .110% | \$1,539.29 | \$ 705.96 | \$833.33 | \$10,000 | |
| 5 | .110% | \$1,539.29 | \$ 705.96 | \$833.33 | \$10,000 | |
| 6. | 6.25% | \$1,539.29 | \$1,539.29 | -0- | -0- | |
| Total Subsidy Cost: | | | | | \$50,000 | |

- ❖ Corporate Second Mortgage Guaranty (for those eligible who have not purchased a home, but plan to)
 - a. Execution of a five-year retention housing assistance agreement.
 - b. Second mortgage established for total benefit amount.
 - c. Second mortgage term is five years.
 - d. Company pays monthly second mortgage payments.
 - e. Second mortgage is recorded as lien on property.
 - f. Guarantor (Company) has right to call principal due, if employee terminates, is severed or relocates.
 - g. Housing assistance benefit amounts are processed as taxable income annually.

| | |
|--|--|
| <p>2nd Mortgage Guaranty</p> <ol style="list-style-type: none"> 1. Company Guarantees 2nd Mortgage for benefit amount (20% of purchase price up to maximum of \$50,000) 2. Recorded as lien on Property, Guarantor has right to call the principal due if employee terminates or relocates <p>Attributes:</p> <ol style="list-style-type: none"> 1. Serves as down payment 2. Employee only required to qualify for 1st mortgage amount with 100% financing allowable under the program 3. Likely avoids mortgage insurance resulting in lower payments for term of 1st mortgage 4. Employee gets interest tax benefit when filing personal income tax returns 5. Employee responsible for payroll taxes on monthly 2nd payment – handled automatically through payroll processing | |
| <p>Corporate Second EXAMPLE (\$50,000)</p> | |
| <p>Example without Corporate Second</p> <p>Purchase - \$250,000 Mortgage Amt - \$250,000 Interest Rate – 6.25% (used for example) Product – 30 Year Fixed Principal + Interest Pymt. = \$1,539.29/mo</p> <p>Note: Mortgage Insurance Additional</p> | <p>Example with Corporate Second</p> <p>Purchase - \$250,000 Corporate 2nd - \$50,000 Mortgage Amt - \$200,000 Interest Rate – 6.25% (used for example) Product – 30 Year Fixed Principal + Interest Pymt. = \$1,231.43/mo</p> <p>Note: Mortgage Insurance Avoided</p> |

❖ **Cash Payment Program** (for those eligible who have already purchased a home)

- a. Execution of a five-year retention housing assistance agreement with PacifiCorp, service to date applied, and a minimum three-year future commitment to remain from date of execution.
- b. Benefit amount to be based on proof of mortgage purchase price, pro-rated over five-year employment term then adjusted (reduced) for:
 - Sign-on bonus amounts (if previously provided) for non-represented employees, and
 - Up to a maximum of three service years completed with remaining benefit to be paid directly to employee through payroll processing in annual installments, paid at the completion of each 12 months employment from the date of signed employment and benefit commitment agreement for remaining agreement term.
- c. Housing assistance benefit payments will be processed through ordinary payroll processes and subject to payroll taxes.

| Cash Payment Attributes | |
|--------------------------------|--|
| 1. | Benefit amount = 20% of purchase price or \$50,000, whichever is lower <ul style="list-style-type: none"> • Prorated over five-year employment term = annual gross benefit • Annual gross benefit reduced for sign-on bonus (for non-represented eligible employees) and then reduced for term from purchase date (maximum three years) = net benefit to be paid over minimum three-year remaining employment term |
| 2. | Annual net benefit amounts paid to employee through payroll processing following completion of each 12 months employment from signature date of employment agreement |

Cash Payment EXAMPLE (\$50,000)

| Purchase Date | | Minimum 3 Yr Employment Commitment | | | | | Net | Net | |
|---------------|-------|------------------------------------|-------|--------------------------|-------|-------|------|-----------|-----------|
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | Benefit | benefit |
| Yr1 | | | | | | | | | |
| 10000 | Yr2 | | | Minimum 3 yr future term | | | | | |
| | 10000 | Yr3 | Yr4 | Yr5 | | | | \$ 50,000 | \$ 20,000 |
| | | 10000 | 6666 | 6667 | 6667 | | | | |
| | Yr1 | | | | | | | | |
| | 10000 | Yr2 | Yr3 | Yr4 | Yr5 | | | \$ 50,000 | \$ 30,000 |
| | | 10000 | 10000 | 10000 | 10000 | | | | |
| | Yr1 | | | | | | | | |
| | | 10000 | Yr2 | Yr3 | Yr4 | Yr5 | | \$ 50,000 | \$ 40,000 |
| | | | 10000 | 10000 | 10000 | 10000 | | | |
| | Yr1 | | | | | | | | |
| | | 6000 | Yr2 | Yr3 | Yr4 | Yr5 | | \$ 30,000 | \$ 24,000 |
| | | | 6000 | 6000 | 6000 | 6000 | 6000 | | |