INTERLOCAL ELECTRIC SYSTEM MAINTENANCE AGREEMENT

This INTERLOCAL ELECTRIC POWER SYSTEM MAINTENANCE AGREEMENT (the "<u>Agreement</u>") is made by and between the CITY OF CALIENTE, a chartered city, municipal corporation and political subdivision of the State of Nevada ("<u>City</u>"), and the LINCOLN COUNTY POWER DISTRICT NO. 1, a Nevada general improvement district ("<u>LCPD</u>"), effective this __day of ______, 2019 (the "<u>Effective Date</u>").

RECITALS

WHEREAS, the City operates a municipal utility providing electricity to its citizens; and

WHEREAS, the City desires assistance in operating and maintaining the electric power distribution facilities which are owned by the City and that serve its citizens (the "<u>Electric System</u>"); and

WHEREAS, LCPD is able and willing to provide professional and workmanlike assistance to the City for the purpose of operating and maintaining, and from time to time repairing and expanding the Electric System; and

WHEREAS, NRS 277.180 empowers and authorizes the parties to enter an agreement for the purpose of performing any authorized governmental service, activity or undertaking.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the City and LCPD hereby agree as follows:

AGREEMENT

ARTICLE I INCORPORATION OF RECITALS; TERM

Section I.1 <u>Incorporation of Recitals</u>. City and LCPD acknowledge the truth of the Recitals set forth above, and all such Recitals are hereby incorporated into this Agreement.

Section I.2 <u>Term.</u> This Agreement is effective as of the Effective Date and will remain in effect for a period of ten (10) years (the "<u>Initial Term</u>"). This Agreement will renew at the conclusion of the Initial Term, and any Additional Term, for a further period of three (3) years (each such period an "<u>Additional Term</u>" and the Initial Term and each Additional Term are, collectively, the "<u>Term</u>"), if LCPD notifies the City of this renewal at least eighteen (18) months prior to the conclusion of the then-current period and the City does not object to this renewal within six (6) months of LCPD's notice. If LCPD fails to notify the City pursuant to this section, then the Agreement will automatically terminate at the conclusion of the then-current period unless (i) the City provides LCPD with notice to renew this Agreement prior to this automatic non-renewal taking effect, and (ii) LCPD provides the City with notice of acceptance of this renewal. Each notice and objection (if any) made pursuant to this section must be made in writing and delivered to the address stated in section 6.3.

ARTICLE II OBLIGATIONS OF LCPD

LCPD shall plan, manage, Section II.1 Routine Operation and Maintenance. coordinate and perform routine operation and maintenance services ("O&M") on and to the Electric System in accordance with prudent utility practice. For purposes of this Agreement, prudent utility practice shall mean practices, methods and acts which, in the exercise of professional judgment and in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result and expediency, including, but not limited to, any practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto. O&M includes biannual patrol of the Electric System and completion of all necessary repairs, pole testing of wood distribution poles, replacement of fuses, arresters, crossarms, insulators, guy wires, anchors and related items, tree trimming to maintain clearance of overhead lines, replacement of up to twenty (20) wood distribution poles per year, location of underground power lines, maintenance of streetlights including bulb and photo sensor replacement, installation and removal of seasonal street decorations, completion of oil testing and analysis of substation transformers and voltage regulators, coordination of system fusing and protection, completion of service connections and disconnections that require de-energization of transformers by operating cutouts and medium voltage switches, and all other services that may be desired and agreed to in writing between the parties hereto. If agreed upon by the Authorized Representatives, employees of the City who LCPD in its sole discretion determines are qualified to perform the necessary work may assist LCPD in carrying out functions otherwise to be provided by LCPD under this section of the Agreement. If the Authorized Representatives determine that this use of City employees should reduce LCPD costs incurred to perform these services, then the Authorized Representatives shall agree in writing as to any reduction in the Annual Charge prior to this use of City employees.

Section II.2 <u>Emergency Response</u>. If electric service provided by the Electric System is interrupted by reason of wind, fire, ice, rain, flooding, vandalism or equipment failure due to equipment age or other causes beyond the control of the parties hereto, then, upon telephonic notification to an authorized representative for LCPD of such failure by the City to LCPD, LCPD shall make all necessary repairs or other actions to restore electric service.

Section II.2.1 <u>Initial Assessment</u>. Upon telephonic notification to an authorized representative of LCPD by the City, LCPD shall provide two qualified electrical workers for initial emergency response as soon as is reasonably possible under the circumstances. Initial responders will assess damage, restore service when possible, and request additional personnel and equipment to assist in service restoration when needed. The City expressly understands that LCPD makes no guarantee as to the time necessary to restore electric service to any particular customer of the City as such service restoration will depend on the extent and nature of the damage.

Section II.2.2 <u>Insurance Claims</u>. The City shall be responsible to submit any insurance claims, as necessary, to third-party insurers for work performed by LCPD under this Section 2.2. LCPD shall provide data relating to the cost of repairs, as necessary, to support submittal of claims insurers by the City. The City shall promptly pay for all repair work under

this Agreement in accordance with Section 3.2 regardless of claim status or reimbursement to the City from third-party insurers.

Section II.3 <u>Line Extension</u>. Upon written request from City, LCPD shall prepare a cost estimate for any proposed, requested or otherwise contemplated extension of the Electric System. Upon written authorization by City, and payment of all necessary amounts to complete construction of such an extension to LCPD, LCPD shall schedule and construct all necessary improvements to complete the extension.

Section II.4 <u>Capital Projects</u>. LCPD shall prepare a capital improvement plan and associated budget concerning the Electric System annually (the "<u>CIP</u>"). Such CIP must be delivered to City by January 1st of each fiscal year during the Term, and must, at a minimum, include LCPD's recommendations for substation equipment upgrades and replacements, conductor upgrades, installation of distribution system reclosers and circuit sectionalizing devices, capacitor banks, voltage regulators and similar items, conversion of overhead circuits to underground circuits, conversion of automatic meter reading technology to advanced metering infrastructure systems, and a budgetary estimated cost of implementing each such recommendation.

Section II.4.1 <u>Capital Project Implementation</u>. LCPD will not perform any work or proceed to incur any costs to implement any aspect of an annual CIP until such time as the parties enter into a written CIP implementation plan detailing the details of the work to be performed, the schedule to complete the work, and the estimated cost of the work to be performed. The CIP plan will detail work to be performed by the City, work to be performed by LCPD, and any work to be performed by third-party subcontractors to either. Any CIP implementation plan developed during the Term of this Agreement must be approved by the governing bodies of both parties.

Section II.5 <u>Standard of Work; Warranty.</u> This Agreement reflects a relationship in which LCPD assists the City for the City's benefit. All work performed by LCPD pursuant to this Article II must be completed in accordance with applicable OSHA and NESC requirements. If LCPD furnishes materials to fulfill its obligations under this Agreement, then LCPD shall only provide new materials suitable for the intended use unless City acknowledges in writing to the use of used or refurbished items. For assistance rendered in the form of recommendations, opinions or conclusions, LCPD offers no warranty, express or implied, regarding the accuracy, validity or applicability of such recommendations, opinions or conclusions, and City acknowledges that use or reliance on same is at City's own risk.

Section II.6 <u>Interruption of Electric Service</u>. LCPD shall use all reasonable efforts to perform the services described in this Agreement. However, it is expressly understood and agreed that LCPD shall not be liable to the City or customers of the City's Electric System for injury or damages of any kind for interruptions in electric service resulting from any cause.

Section II.6.1 <u>Notification</u>. LCPD may interrupt electric service as necessary for repairs to, or changes of, equipment or facilities as needed to fulfill its responsibilities under this Agreement. Except in cases of emergency, LCPD shall notify the City in advance of planned or

scheduled service interruptions. The City shall retain responsibility to provide notice of planned or scheduled service interruptions to affected customers of the City.

Section 2.7 <u>Authorized Representatives</u>. The Authorized Representatives set forth in **Exhibit A** are authorized to act on behalf of the parties in regard to the services described in sections 2.1, 2.2 and 2.3; and are empowered by their respective parties to execute revised exhibits hereto. Except for modifications to exhibits, the Authorized Representatives shall have no authority to modify this Agreement. A party may replace its Authorized Representative at any time by giving written notice to the other party and shall notify the other party within thirty (30) days.

Section 2.7.1 <u>Supervision</u>. Each party shall retain supervision and responsibility for their own personnel. The City shall not direct LCPD employees. Routine communication between the City and LCPD shall occur through the Authorized Representatives, including the scheduling of any activity pursuant to section 2.1, 2.2 and 2.3.

Section 2.7.2 <u>Standard Operating Procedures</u>. The Authorized Representatives shall develop standard operating procedures as necessary to implement the provisions of this Agreement. Such standard operating procedures may include such items as emergency and afterwork hours call-out procedures, tree trimming notifications, planned service interruption notifications and the like.

Section 2.8 <u>Reporting to City.</u> A representative of LCPD shall be available to attend, upon reasonable prior written request by the City, one (1) meeting of the Caliente City Council every month during the Term to provide an update on the administration of this Agreement.

ARTICLE III OBLIGATIONS OF CITY

Section III.1 Ownership of Electric System; Services Not Provided by LCPD. The parties acknowledge that City is the electric service provider in and for the City of Caliente, Nevada, the owner of the Electric System, and that all customer-initiated inquiries and requests must be directed to and addressed by City. City is solely responsible for completing service connections and disconnections involving only pulling or setting a single phase 120/240 V meter, meter reading, customer billing, customer collections, customer communications, processing and administration of customer service requests and any service agreements, resolution of customer complaints, acquiring insurance on and for City-owned electric facilities, engineering analysis for proposed loads in excess of 500 kVA, engineering analysis for proposed distributed energy generation facilities in excess of 500 kW, and preparation, implementation and enforcement of Electric System customer policies.

Section III.2 Payment.

Section III.2.1 <u>Routine Operation and Maintenance</u>. The annual charge for O&M for the first year of the Initial Term is \$261,800 (the "<u>Annual Charge</u>"), and such Annual Charge will be prorated based on the Effective Date. On January 1, 2020, and on the first day of every calendar year thereafter during the Term, the Annual Charge will automatically increase in

an amount equal to the year-over-year percent change for the then most recently published Consumer Price Index, West Region, Mountain Division, but in no case will the Annual Charge decrease. LCPD shall invoice by the first (1st) business day of each month, and City shall pay by the fifteenth (15th) of each month, 1/12th of the Annual Charge for the then-occurring year. If LCPD is required to replace materials or equipment related to the Electric System, then LCPD shall first utilize materials or equipment from City's now existing electric utility inventory. LCPD shall credit the cost of any such material or equipment against the next monthly installment of the Annual Charge invoiced by LCPD to City.

Section III.2.2 <u>Reimbursement</u>. For all other services or assistance (other than O&M) provided by LCPD to City pursuant to the terms of this Agreement, City shall reimburse LCPD for any and all costs actually incurred by LCPD in providing such services or assistance. LCPD shall invoice any such outstanding costs to City on January 1, April 1, July 1, and October 1 of each year during the Term. City shall pay any such invoice, in full, within fifteen (15) days of receipt.

Section 3.2.3 <u>Invoices</u>. Invoices issued in accordance with Section 3.2.2 shall be determined in accordance with the following:

Section 3.2.3.1 <u>Materials</u>. For materials provided, the cost of materials plus an amount of twenty-five (25) percent representing the cost of purchasing, receiving, stocking and handling the materials.

Section 3.2.3.2<u>Equipment and Tools</u>. For rented equipment and tools used, the rental cost of such equipment and tools. For equipment and tools owned by LCPD, the cost established for use of such tool equipment and tools by LCPD as set forth in <u>Exhibit B</u> to this Agreement (with respect to costs based on mileage, that mileage will be measured for a round trip from LCPD's headquarters to the site used on behalf of the City).

Section 3.2.3.3 <u>Test Equipment</u>. For rented specialized test equipment used for diagnostic analysis of medium voltage electric system equipment or for communication systems, the rental cost of such specialized test equipment. For specialized test equipment owned by LCPD, the cost established for use of such tool equipment and tools by LCPD as set forth in **Exhibit C** to this Agreement.

Section 3.2.3.4<u>Labor</u>. For skilled labor, unskilled labor or technical support labor, the hourly wage paid to each employee performing the work, plus an amount not more than fifty-five (55) percent for all direct and indirect labor overheads to cover all employee benefits and allowances for vacation, sick leave, holiday pay, retirement benefits, all payroll taxes, workers' compensation, employer's liability insurance, administrative and general expenses, and other benefits imposed by applicable law, regulation incurred by the Party performing the work. Billed time for labor shall include hours worked, and time spent traveling to and from the site of the work from LCPD's duty reporting location. The direct cost for hours worked in excess of an employee's shift shall be billed at 1.5 times the employee's normal hourly rate.

Section 3.2.3.5 <u>Subcontracted Services</u>. For services subcontracted to third parties, the cost of such subcontracted services to LCPD.

Section 3.2.4 <u>Backup Data</u>. Back up data (including but not limited to copies of timesheets, invoices, receipts and expense report for materials and supplies) shall be available for review by the City in support of each invoice issued in accordance with section 3.2.2. To review backup data for an invoice, the Authorized Representative of the City must request such review within ninety (90) days following receipt of an invoice. Backup data will be available for review by the Authorized Representative of the City at the LCPD office during normal working hours.

Section 3.2.5 <u>Payment Disputes</u>. The City shall pay all amounts when due, including any amounts in dispute. The Authorized Representatives of the parties shall meet to discuss any amounts in dispute by the City.

Section III.3 <u>Budget</u>. City shall allocate sufficient funds in its annual budget to satisfy its obligations under this Agreement.

ARTICLE IV INDEMNITY

Section IV.1 <u>Indemnity</u>. To the fullest extent of limited liability as set forth in Section 4.2, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of the party, its officers, employees and agents. This obligation will not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that would otherwise exist as to any party or person described in this provision. The indemnification obligation under this provision is conditioned upon receipt of written notice by the indemnifying party within 30 days of the indemnified party's actual notice of any actual or pending claim or cause of action. The indemnifying party shall not be liable to hold harmless any attorneys' fees and costs for the indemnified party's chosen right to participate with legal counsel.

Section IV.1.1 <u>Insurance</u>. The City and LCPD shall procure and maintain such policies of general liability insurance as shall be necessary to insure the City and LCPD against any claim or claims for damages arising by reason of property damage, personal injury or death occasioned directly or indirectly in connection with the operation and maintenance of the Electric System, or the performance of activities undertaken by the parties in connection with this Agreement. LCPD shall be a named insured on City policies. The limits of such insurance policies shall not be less than:

Section 4.1.1.1<u>General Liability</u>. General liability protection per occurrence limit shall not be less than \$5,000,000. General liability protection shall at a minimum include coverage riders for personal injury, medical payments, fire legal liability, pollution liability, and property damage.

Section 4.1.1.2<u>Auto Liability and Physical Damage Insurance</u>. Each party shall maintain auto liability insurance for their respective vehicle fleet and each shall retain sole responsibility for the operation of their fleet and liability occasioned therefrom.

Section 4.1.1.3 <u>Workers' Compensation and Employer's Liability</u>. Each party shall maintain statutorily-required insurance for injury to employees and each shall retain sole responsibility for the activities of their employees and liability occasioned therefrom.

Section IV.2 <u>Limitation of Liability</u>. The parties do not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties is not subject to punitive damages. Actual damages for breach will never exceed the amount of funds that have been appropriated for payment under this Agreement, but not yet paid, for the fiscal year budget in existence at the time of the breach. To the extent applicable, actual contract damages for any breach are limited by NRS 353.260 and NRS 354.626.

ARTICLE V DEFAULT, REMEDIES AND TERMINATION

Section V.1 <u>Default</u>. The failure of either party to observe or perform any of the covenants, conditions, provisions or terms of this Agreement and the continuation of such failure for more than thirty (30) days after Notice of Default is given to the defaulting party by the non-defaulting party shall be a default (an "<u>Event of Default</u>").

Section V.2 Notice and Opportunity to Cure.

Section V.2.1 <u>Notice of Default</u>. Upon the occurrence of an Event of Default hereunder, the non-defaulting party shall deliver a notice to the nonperforming party (the "<u>Notice of Default</u>"), stating the nature of the obligation which such nonperforming party has failed to perform, and stating the applicable period of time, if any, permitted to cure the default.

Section V.2.2 <u>Failure to Give Notice</u>; <u>No Waiver</u>. Failure to give, or delay in giving, the Notice of Default does not constitute a waiver of any obligation, requirement or covenant required to be performed hereunder. No failure or delay by either party in asserting any rights and remedies as to any breach operates as a waiver of any breach or of any rights or remedies. Delay by either party in asserting any of its rights and remedies will not deprive such party or the right to institute and maintain any action or proceeding which it may deem appropriate to protect, assert or enforce any such rights or remedies.

Section V.3 Remedies Upon Default.

Section V.3.1 <u>Non-defaulting Party's Right to Terminate</u>. Upon the occurrence of any Event of Default, the non-defaulting party may, in addition to any and all other rights or remedies provided for hereunder and/or provided by law, terminate this Agreement.

Section V.3.2 <u>Non-defaulting Party's Right to Continue Agreement</u>. Upon the occurrence of any Event of Default, this Agreement will not terminate unless the non-defaulting party makes such election by giving written notice to the defaulting party to terminate the Agreement. For so long as this Agreement continues in effect, the parties hereto may enforce all

of their rights and remedies under this Agreement, including, without limitation, the right to recover all monetary payments as they become due hereunder.

Section V.3.3 <u>Parties' Right to Injunction; Specific Performance</u>. Upon the occurrence of any Event of Default, by either party, the non-defaulting party may commence an action against the defaulting party for damages, injunction, and/or specific performance.

Section V.4 Remedies Cumulative. No remedy specified in this Article V will be considered exclusive of any other remedy, but the same will be cumulative and in addition to every other remedy provided hereunder or now or hereafter existing at law or in equity or by statute, and every power and remedy provided by this Agreement may be exercised from time to time and as often as occasion may arise or as may be deemed expedient, subject to any limitations set forth herein.

Section V.5 <u>Survival of Obligations</u>. Nothing herein will be deemed to affect the respective rights of the parties to this Agreement to indemnification for liability arising prior to the termination of this Agreement for personal injuries or property damage, nor shall anything herein be deemed to affect the right of the parties to equitable relief where such relief is appropriate. No expiration or termination of the Agreement by operation of law or otherwise will relieve either of the parties of their respective previously accrued liabilities and obligations hereunder, all of which shall survive such expiration or termination.

ARTICLE VI GENERAL PROVISIONS

Section VI.1 Force Majeure; Extension of Times for Performance. Subject to the limitations set forth below, performance by either party will not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended where delays are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions or priority, litigation, including court delays, unusually severe weather, acts or omissions of the other party, acts or failures to act of any public or governmental agency or entity (other than the parties which shall not excuse delay in performance), or any other cause beyond the affected party's reasonable control (all of the foregoing "Force Majeure").

Section VI.2 <u>Severability</u>. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

Section VI.3 <u>Notices</u>. All notices, demands, consents or requests that are either required or desired to be given or furnished hereunder shall be in writing and shall be deemed to have been properly given if either delivered personally or by overnight commercial courier or sent by United States registered or certified mail, postage prepaid, return receipt requested, to the address of the parties set forth below. Such notice shall be effective upon receipt or refusal if by personal delivery, the first Business Day (a day other than a Saturday, Sunday or holiday on

which national banks are authorized to be closed, and Nevada Day Observed) after the deposit of such notice with an overnight courier service by the time deadline for next Business Day delivery if by commercial courier, and upon the earliest of receipt or refusal (which shall include a failure to respond to notification of delivery by the U.S. Postal Service) if sent by U.S. Postal Service registered or certified mail. By notice complying with the foregoing, each party may from time to time change the address to be subsequently applicable to it for the purpose of the foregoing.

All notices and other communications hereunder may be addressed to the parties at the following addresses, but with the understanding that the copies thereof shall not constitute notice:

If to LCPD: Lincoln County Power District No. 1

> 201 Bullionville Road Panaca, Nevada 89042 Attn: General Manager

Holland & Hart LLP With a copy to:

9555 Hillwood Drive, 2nd Floor

Las Vegas, NV 89134 Attn: Gian Brown

If to City: City of Caliente

> 100 Depot Avenue PO Box 1006

Caliente, Nevada 89008

Attn: City Clerk

or to such other addresses as they may hereafter designate.

Section VI.4 Captions; Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both parties, and the parties agree that since both parties have participated in the negotiation and drafting of this Agreement with the advice of counsel, this Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared the same.

Section VI.5 Successors and Assigns. Neither party to this Agreement may assign its interests or delegate its rights or duties under this Agreement without the prior written consent of the other party.

Section VI.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed in the Seventh Judicial District Court in and for Lincoln County, or in the United States District Court for the District of Nevada.

Section VI.7 <u>Attorney's Fees</u>. If either party commences an action against the other to enforce any obligation contained herein, or to interpret any provision hereof, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees, costs and necessary disbursements, as determined by the court having jurisdiction over the action.

Section VI.8 <u>Indemnity Includes Defense Costs</u>. In any case where either party is obligated under an express provision of this Agreement, to indemnify and to save the other party harmless from any damage or liability, the same shall be deemed to include defense of the indemnitee by the indemnitor, such defense to be through legal counsel reasonably acceptable to the indemnitee.

Section VI.9 No Third-Party Beneficiaries; Disclaimer of Partnership. This Agreement is not intended to and shall not be construed to give any third-party any interest or rights with respect to or in connection with this Agreement or any provision contained herein or contemplated hereby. The parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each party is a public agency separate and distinct from the other party and, subject only to the terms of this Agreement, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties and obligations under this Agreement. Nothing contained herein shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one party whatsoever with respect to the indebtedness, liabilities, and obligations of the other party.

Section VI.10 <u>Exhibits</u>. The initial exhibits are attached hereto and made a part hereof, and each shall be in force and effect in accordance with its respective provisions until superseded by a subsequent exhibit executed by the Authorized Representatives. Each superseding Exhibit shall be attached to and become a part of this Agreement.

Section VI.11 Entire Agreement. This Agreement and its associated Exhibits contain the entire agreement between the parties relative to the transactions covered hereby. All previous correspondence, communications, discussions, agreements, understandings or proposals and acceptances thereof between the parties or their representative, whether oral or written, are deemed to have been integrated into and superseded by this Agreement and are of no further force and effect except as expressly provided in this Agreement.

Section VI.12 <u>Waiver</u>; <u>Modification</u>. No waiver of any breach or any covenant or provision of this Agreement shall be deemed a waiver of any subsequent breach of the same or any other covenant or provision hereof. No waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed and extension of time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. Except as provided in Section 6.10, this Agreement may be amended or modified only by a written instrument executed by the parties.

Section VI.13 <u>Time is of the Essence</u>. Time is of the essence of this Agreement and of each provision hereof.

Section VI.14 <u>Counterparts</u>. This Agreement may be executed in one or more counterparts each of which shall be an original and all of which together shall constitute one and the same instrument.

Section VI.15 <u>Action by the Parties</u>. Except as may be otherwise specifically provided herein, whenever approval, notice, direction, consent or request by City is required or permitted under this Agreement, such action shall be in writing, and such action may be given, made or taken by City's Authorized Representative or by any person who shall have been designated by the Authorized Representative, without further approval by the City Council unless the Authorized Representative determines in his or her discretion that such matter requires consideration by the City Council.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement is effective as of the date set forth above.

CITY OF CALIENTE, a chartered city, municipal corporation and political subdivision of the State of Nevada

	By:
	Name:
	Its:
LINCOLN COUNTY POWER DISTRIC	CT NO. 1, a Nevada general improvement district
	By:
	Name:
	Its:

EXHIBIT A AUTHORIZED REPRESENTATIVES OF THE PARTIES

Notwithstanding anything to the contrary in this Agreement, this Exhibit A sets forth the Authorized Representatives of the parties.

Lincoln County Power District No. 1 Authorized Representative: David Luttrell

Email: dluttrell@lcpd1.com Telephone: 775-728-8204 Cellular: 775-962-1040

City of Caliente

Authorized Representative: Grant Perkins Email: gperkins@cityofcaliente.com

Telephone: 775-726-3131 Cellular: 775-962-1282

EXHIBIT B BILLING RATES FOR MOBILE EQUIPMENT OWNED BY LINCOLN COUNTY POWER DISTRICT NO. 1

Equipment Description	Billing Unit	Billing Rate
Pickup Truck, ½ or ¾ Ton, 4-Wheel	Miles	IRS Allowed Mileage Rate
Drive		
Line Truck, 1-Ton, 4-Wheel Drive	Miles	IRS Allowed Mileage Rate
Flatbed Material Transport Truck, 6-	Miles	\$0.87/mile
Ton		
Flatbed Material/Equipment Transport	Miles	\$0.10/mile
Trailer, Single or Tandem Axle		
Pole Trailer, Single or Tandem Axle	Miles	\$0.32/mile
Cable Trailer, Three Reel, Hydraulic,	Miles	\$0.32/mile
Self-Loading		
Cable Trailer, Three Reel, Hydraulic,	Operating Hours	\$6.25/hour
Self-Loading		
Cable Trailer, Single Reel	Miles	\$0.10/mile
Cable Trailer, Single Reel	Operating Hours	\$2.00/hour
Underground Cable Puller, 8,000 lb.	Miles	\$0.32/mile
with Hydraulic Guide Sheave		
Underground Cable Puller, 8,000 lb.	Operating Hours	\$40.62/hour
with Hydraulic Guide Sheave		
Mobile Air Compressor	Miles	\$0.10/mile
Mobile Air Compressor	Operating Hours	\$7.80/hour
Semi-Truck with Low Boy Trailer, 25	Miles	\$1.15/mile
Ton		
Water Truck, 3,000 Gallon	Miles	\$0.94/Mile
Trailer Mounted Water Tank, 500	Miles	\$0.10/Mile
Gallon		
Four Drum Overhead Conductor	Operating Hours	\$5.80/hour
Puller, 3,000 lb.		
Tensioner, Bull Wheel	Operating Hours	\$1.12/hour
Forklift, All-Terrain, 9,000 lb.	Operating Hours	\$50.00/hour
Snowcat, 4 Seat, with Material Bed	Operating Hours	\$375.00/hour
Motor Grader	Operating Hours	\$87.50/hour
Backhoe, All-Wheel Drive, 14'	Operating Hours	\$50.00/hour
Digging Depth		
Light Plant, Trailer Mounted	Operating Hours	\$7.80/hour
Trencher, Self-Propelled, Under 50	Operating Hours	\$18.14/hour
hp., to 60" Depth		
Bucket Truck, to 44 Foot Working	Miles	\$0.94/mile
Height		01.07
Bucket Truck, to 44 Foot Working	Operating Hours	81.25/hour

Height		
Bucket Truck, to 55 Foot Working	Miles	\$0.94/mile
Height		
Bucket Truck, to 55 Foot Working	Operating Hours	106.25/hour
Height		
Pressure Digger, 15' Depth, 52,000	Miles	\$0.94/mile
ft/lb. Torque		
Pressure Digger, 15' Depth, 52,000	Operating Hours	\$118.75/hour
ft/lb. Torque		
Pressure Digger, 10' Depth, 22,000	Miles	\$0.94/mile
ft/lb. Torque		
Pressure Digger, 10' Depth, 22,000	Operating Hours	\$96.50/hour
ft/lb. Torque		
Digger Derrick Truck, to 47 Foot	Miles	\$0.94/mile
Sheave Height, 12,000 ft/lb Torque		
Digger Derrick Truck, to 47 Foot	Operating Hours	\$100.00/hour
Sheave Height, 12,000 ft/lb Torque		
Derrick Truck, to 55 Foot Sheave	Miles	\$0.94/mile
Height		
Derrick Truck, to 55 Foot Sheave	Operating Hours	\$75.00/hour
Height		

EXHIBIT C BILLING RATES FOR TEST EQUIPMENT OWNED BY LINCOLN COUNTY POWER DISTRICT NO. 1

Equipment Description	Billing Unit	Billing Rate
Substation Oil Filtration Press	Hours	\$3.00/hour
Substation Oil Moisture Dryer, Trailer	Hours	\$1.50/hour
Mounted		

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