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CUSTOMER COPY

Distribution Design and Construction Contract

CUSTOMER IMPROVEMENTS
SRP - XCT 341
P.O. Box 52025
Phoenix, AZ 85072-2025

SRP Contact: Stephen Duran
Contact Phone: (602) 236-4199
Contact Fax:
Date: 04/09/2013

ATTN: Paul Mood
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona (SRP), and Town of Fountain Hills (Customer) enter into this contract (Contract) for the design and construction of electrical facilities for the following Customer project (Project):

Customer Project:	Avenue of the Fountains Median Improvements TE	Job Order #:	KEP00255
Location:	16831 E Avenue of the Fountains	Tracking #:	81920868
Project Information:	Commercial 401-1000A 3 Phase per AMP	Total Amps:	400
Square Footage:	Min: , Max:	Dev. Type:	PAC
Delivery Voltage(s):	120/208V	Originating Cost Center: 82515	

This Contract includes the attached Terms and Conditions and describes the general obligations of SRP and Customer. Any changes, amendments, or modifications to this Contract must be in writing and signed by both parties. Customer understands that SRP will not begin design services until Customer signs and returns this contract and pays the Contribution in Aid of Construction (CIAC) fee below. If the job is cancelled or Customer fails to diligently proceed to completion (as described below), the portion of the CIAC fee that was not used (if any) may, at SRP's discretion, be refunded. Upon completion of the design services, SRP shall provide Customer a set of design drawings for the Project, which will contain construction details. Additional fees, if applicable, will be billed separately under an Addendum to this Contract signed by both parties.

Description	Amount
CIAC fee:	$26,800.00
Comments:	400A 3ph 120/208V Installation + Survey Costs

SRP shall not be required to perform inspections or begin any construction or installation work on the Project until Customer (i) accepts the design drawings by signing them, (ii) pays SRP the CIAC fee, and (iii) provides to SRP a copy of a deed or deeds evidencing ownership of all of the real property that is encompassed within or will be affected by the Project (the Real Property). If the deed(s) show that Customer is not the sole owner of all of the Real Property, Customer shall provide written documentation acceptable to SRP that establishes Customer's authority to act on behalf of each of the other owners in connection with the Project before SRP will begin any construction or installation work under this Contract. If Customer is unable to provide such documentation, and as a result SRP is required to modify its designs for the Project, Customer shall be responsible for paying in advance the estimated additional costs of the redesign work.

SRP may terminate this Contract if Customer fails to satisfy all Real Property-related conditions within forty-five (45) days, or if Customer fails to hold a preconstruction meeting with SRP within one hundred twenty (120) days, or if Customer fails to commence actual construction of the SRP facilities within one hundred eighty (180) days, after SRP provides the design drawings to Customer. SRP may also terminate this Contract if, in SRP's determination, Customer is not actively constructing the SRP facilities for the Project.

SRP's delivery of this Contract to Customer constitutes an offer to perform the design and construction services on the terms and conditions set forth in this Contract. Customer may accept this offer by signing this Contract (with no additions, deletions, or modifications) and returning it to SRP with the CIAC fee, payable by check or money order. This offer shall expire if Customer has not signed and returned this Contract to SRP with the CIAC fee on or before 05/09/2013.

If Customer changes the Project, or if there is any change to the information regarding the Project provided by Customer and relied upon by SRP, SRP will charge Customer and Customer shall pay for any additional costs incurred by SRP, including but not limited to redesign and engineering costs. Such costs may be retained by SRP from any funds previously collected from Customer, or billed directly to Customer, as appropriate.

Customer understands and agrees to the terms and conditions of this Contract. The undersigned represents and warrants that he or she has the authority to sign this Contract on behalf of Customer.

Authorized Signature:	Ken Buchanan	**Date:**	4-18-13
Printed Name:	Ken Buchanan	**Title:**	Town Manager
SRP Authorized Signature:		**Date:**	4/23/13
Printed Name:	Ryan Earwood	**Email:**	SADURAN@SRPNET.COM

Terms and Conditions

1. The existing applicable SRP Rules and Regulations, as they may be amended or revised from time to time by SRP, and all terms and conditions thereof, are adopted and incorporated herein by reference as part of this Contract except as specifically modified herein. The Rules and Regulations can be found at http://www.srpnet.com and are on file at the principal offices of SRP.
2. SRP shall construct all electric facilities up to the point(s) of delivery, including any connections to electric, in accordance with the SRP Rules and Regulations and SRP construction specifications and practices.
3. CUSTOMER shall provide SRP all drawings and data requested by SRP that are pertinent to the design of the Customer Project. SRP shall review such drawings and data for compatibility with SRP facilities and shall have sole discretion in determining whether the CUSTOMER facilities may be used with SRP's facilities.
4. Customer shall provide SRP all requested easements, including any easements required from third parties, for SRP to access and maintain the electric facilities installed under this Contract, using SRP's standard form(s) of easement. Customer, at all times, shall permit SRP to access and maintain any SRP electric facility on Customer property. Customer understands and agrees that SRP shall have no obligation to provide electric service to the Project unless and until Customer has provided all such easements.
5. CUSTOMER shall require that any construction work performed by CUSTOMER or its contractor or subcontractor shall be in accordance with national and local building and safety codes, the SRP Electric Service Specifications and construction drawings, and the Electric Utility Service Entrance Requirements Committee.
6. CUSTOMER shall secure all required State, County, and local permits and approvals to receive electric service.
7. Unless otherwise agreed in writing by SRP, Customer shall perform, at Customer's sole expense, all trenching, provision and installation of conduit, backfilling and surveying with property pins and grade stakes ("Customer Work"). All Customer Work shall conform to SRP's standards. Customer shall forward all results of survey to SRP for review and approval. Upon Customer's request, SRP may provide survey services for the Project under a separate written agreement.
8. SRP shall not be responsible for, and Customer shall indemnify, defend and hold harmless SRP and members of its governing bodies, its officers, agents and employees, for, from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, expenses and liabilities ("Claims") arising out of or relating to Customer's performance of the Customer Work, including without limitation Claims arising out of the performance of Customer Work on property not owned by Customer.
9. Prior to SRP's installing any electric facility, the CUSTOMER shall install all water and sewer facilities and backfill. CUSTOMER shall not install any curb, sidewalk, paving, or any conflicting foundation within the development boundaries until SRP completes the installation of the electric facilities.
10. CUSTOMER shall permit SRP to inspect, at any time, any CUSTOMER provided facility. Any inspection by SRP shall not be deemed an approval of any CUSTOMER provided facility or a waiver by SRP of any right to enforce strict compliance with the terms and conditions of this Contract.
11. CUSTOMER, upon demand, shall reimburse SRP for the costs of relocation of facilities found to be installed at the wrong location or grade due to CUSTOMER requested changes in property lines, easement grade, and/or errors in staking, trenching, or survey.
12. If Customer's load grows to a total coincident demand of 6,740 kVA or greater, but less than 11,800 kVA, the load will be served from at least one dedicated SRP feeder circuit or a substation dedicated to serve only Customer. Any dedicated feeder circuit(s) or substations shall be provided by SRP at the sole expense of Customer. Notwithstanding the foregoing, Customer may elect to provide its own substation at Customer's sole expense. Any dedicated substation, whether provided by SRP or Customer, shall be owned, operated, and maintained by Customer or its agents at Customer's sole expense.
13. CUSTOMER shall indemnify, defend, and hold harmless SRP, the members of its governing bodies, and its directors, officers, employees, agents and contractors for, from and against any loss, damage, liability, cost, or expense incurred by SRP, members of its governing bodies, directors, officers, employees, agents or contractors arising out of any act or omission of CUSTOMER, or its directors, officers, employees, agents, contractors, or subcontractors. CUSTOMER's obligation under this section shall extend to defend SRP when SRP, or members of its governing bodies, directors, officers, employees, agents or contractors are allegedly concurrently negligent with CUSTOMER, its directors, officers, employees, agents, contractors, or subcontractors, but shall not extend to any liability caused by the sole negligence of SRP. CUSTOMER shall release SRP from any loss, damage, liability, cost, or expense incurred by CUSTOMER arising out of (i) any delay by SRP in performing, completing, or inspecting any work or (ii) any loss or damage to any installation prohibited by Section 9 caused by the negligent act or omission of SRP.
14. This Contract shall be interpreted, governed by and construed in accordance with the substantive and procedural laws of the State of Arizona, without regard to conflicts of law principles. SRP and CUSTOMER agree that any action, suit, or proceeding arising out of or relating to this Contract shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction and venue of such court. To the fullest extent permitted by law, SRP and CUSTOMER hereby irrevocably waive any and all

Terms and Conditions
Continued

rights to a trial by jury and covenant and agree that neither will request a trial by jury, with respect to any legal proceeding arising out of or relating to this Contract.

15. The title to all work performed by SRP, or performed by CUSTOMER at SRP's request and accepted by SRP, shall remain with SRP at all times.
16. CUSTOMER shall meet with an SRP inspector before construction begins. **The meeting may be scheduled by calling Customer Improvements 602-236-0436 or the SRP Distribution Design Consultant**.
17. Security deposits for electrical service also may be required. Please call 602.236.8833 at least 30 days prior to the meter-set need-date.