



FORMAL COMPLAINT

ORIGINAL

U.S. Department



0000024399

United States Attorney
District of Arizona

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August 10, 2005

VIA HAND DELIVERY

Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, Arizona 85007

E-01750A-05-0579

RE: Mohave Electric Cooperative, Inc.

To Whom It May Concern:

Enclosed for filing is an original complaint against Mohave Electric Cooperative, Inc. It is my understanding that the Commission will provide Mohave Electric Cooperative, Inc. with notice of the complaint. Please correct me if I am mistaken and please let me know if the Commission needs any additional information to process and consider the complaint.

Thank you.

Sincerely yours,

PAUL K. CHARLTON
United States Attorney
District of Arizona

MARK WENKER
Assistant United States Attorney

MW/
Encl.

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BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of the Complaint of the Bureau)
of Indian Affairs, United States of America,) COMPLAINT
Against Mohave Electric Cooperative, Inc.)
as to Services to the Havasupai and Hualapai) Docket No. _____
Indian Reservations.)
_____)

I
JURISDICTION

1. Mohave Electric Cooperative, Inc. (Mohave) is an Arizona public service corporation under the jurisdiction of, and regulated by the Arizona Corporation Commission (Commission). See, e.g., Arizona Revised Statute Annotated (A.R.S.) Const. Art. 15, §§ 2 & 3; A.R.S. §§ 40-202(L) and 40-203; Commission Rule R14-2-201(45).

2. The Commission is empowered to establish rules and regulations governing public service corporations which provide or deliver electricity and related services in Arizona. See, e.g., A.R.S. Const. Art.15, § 3; A.R.S. §§ 40-202, 40-321(A) and 40-321(B). The Commission has promulgated rules relevant to the instant dispute. Those rules are contained in Title 14 of the Arizona Administrative Code, Public Service Corporations; Corporations And Associations; Securities Regulation; Chapter 2. Corporation Commission Fixed Utilities, R14-2-101 et seq.

3. The Commission has jurisdiction over Mohave and the matters alleged in this Complaint. See, A.R.S. § 40-246(A) ("Complaint may be made ... setting forth any act or thing done or omitted to be done by any public service corporation in violation, or claimed to be in violation, of any provision of law or order or rule of the commission")

II PARTIES

4. The parties to this dispute are Mohave Electric Cooperative, Inc., P.O. Box 1045, Bullhead City, Arizona, 86430, and the Bureau of Indian Affairs, U.S. Department of the Interior, an executive agency of the United States of America, P.O. Box 10, Phoenix, Arizona, 85001.

III FACTUAL ALLEGATIONS

5. The BIA and others have suffered and continue to suffer resulting from Mohave's actions in: attempting to dispose of Mohave's power line (the Power Line); discontinuing electrical distribution service; and ceasing to maintain the Power Line.

6. For many years, Mohave has provided, through the Power Line, electricity (as defined by A.R.S. § 40-201(13)), electrical distribution service (as defined by A.R.S. § 40-201(7)), and related services, to the BIA and others. The Power Line is a part of Mohave's electrical distribution facilities (as defined by A.R.S. § 40-201(6)). The Power Line starts at Mohave's Nelson Substation and runs approximately 70 miles north, northeast, to the Long Mesa Transformer, located at the rim of the Grand Canyon, Arizona. For many years, the BIA, the Indian Health Service (I.H.S.), the Havasupai Indian Tribe and its members at Havasuapi Village residing in Havasupai Village, have received Mohave electricity delivered through the Power Line, then to the Long Mesa Substation, and, finally, through BIA electrical lines connecting the Long Mesa Substation with Havasupai Village. Now, Mohave disclaims any responsibility for the Power Line, and disclaims any responsibility to provide electrical distribution service and related services, to the BIA, members of the Havasupai Tribe and others within the Havasupai Indian Reservation.

7. Prior to and subsequent to Mohave's construction of the Power Line, no commercial or cooperative electrical power provider ever constructed or maintained electrical distribution facilities through which electricity was provided to Long Mesa and Havasupai Village.

8. To further the national governmental objective to meet the health, safety, and other needs of the residents in Havasupai Village, prior to 1981, the BIA constructed electrical lines within the Village. The BIA also constructed an electrical line running from Long Mesa (located at the top of the Grand Canyon) down into the Canyon to a terminus at Havasupai Village. See the Contract No. GS-00S-67021 between United States of America and Mohave (the Contract), Addendum No. 1, p. 4, attached as Exhibit 1 (discussing the "Government's distribution facilities from Long Mesa into the Havasupai Village").

9. Also prior to 1981, the BIA operated a diesel generator at Long Mesa to provide, through lines connecting the generator with electrical equipment in Havasupai Village, electricity to Havasupai Village to serve BIA and other government functions. See id. at Addendum No. 1, p. 3, lines 1-6 (discussing the BIA's generating plant). The diesel generator turned out to be an unreliable source of electrical energy and the BIA looked elsewhere for a more reliable source. Subsequently, the diesel generator was removed from the Long Mesa location and is no longer available to supply electricity to Havasupai Village.

10. On October 1, 1981, the BIA and Mohave entered into the Contract. The Contract required Mohave:

- a. to provide, not later than April 1, 1982, electricity and electrical distribution service to the BIA at Long Mesa for further delivery of the electricity to BIA and other Federal facilities in Havasupai Village. See id.

at p. 1, § 5.

- b. to sell and deliver electrical service through Mohave's electrical distribution facilities to the BIA at Long Mesa. See Exhibit 1, at p. 1, "Point Of Delivery."¹
- c. to make electricity available to members of the Hualapai and Havasupai Indian Reservations. Exhibit 1, at p.1, "Service Location"; Id., at Addendum No. 1, p. 1, 1st ¶ 1; Id., at pp. 8-9, "Use of Service."²
- d. to make available electricity and electrical distribution service provided by Mohave to Indian residential and commercial installations on Havasupai and Hualapai Indian Reservations. Id.

In return, the Contract obligated the BIA to purchase and receive from Mohave electricity and electrical distribution service at the "Service Location," and more particularly at the "Point of Delivery."

11. When it entered into the Contract, Mohave knew and acknowledged that the BIA would use the electricity and electrical distribution service to meet the present and future needs

¹ "POINT OF DELIVERY: The Contractor shall make and pay for all connections between the systems of the Contractor and the Government at the point of delivery. The point of delivery is described as follows: Line side of Long Mesa Power Transformer, as more fully described in Addendum No. 1 and Exhibit 1."

² "SERVICE LOCATION: The Contractor shall furnish to the Government all electrical energy which the Government may request during the term of this contract up to 1,500KW for the operation of its facilities located on the Hualapai and Havasupai Indian Reservations, as more fully described in Addendum No. 1."

"MOHAVE ELECTRIC COOPERATIVE, INC. * * * agrees to Contract with the UNITED STATES OF AMERICA * * * to supply electric energy to serve existing and future residential and commercial installations on the Hualapai and Havasupai Indian Reservations located north of Route 66 on and adjacent to the Supai Road, Coconino County, Arizona. The electrical service fee is to be paid by the U.S. Bureau of Indian Affairs, Department of the Interior."

of the governmental, tribal and individual needs of those located in Havasupai Village, and to meet the existing and future needs of the residential and commercial needs on the Havasupai and Hualapai Tribes. See Exhibit 1, at Addendum No. 1 p. 1, 1st ¶³; id., at pp. 8 - 9 at "Use of Service".⁴

12. The Contract required Mohave to construct its Power Line beginning at Mohave's then existing facilities and running a distance of approximately 70 miles, to a point of termination at the line side of the Long Mesa Power transformer (which was agreed to be the point of delivery for the power Mohave contracted to provide the BIA). See id., at Addendum No. 1, p. 1, "Location Of Proposed Service"; see also, Exhibit 1, at p. 3, "Technical Provisions," ¶ 1⁵; see also Exhibit 1, at Addendum No. 1, p. 1, 2nd ¶ "Location of Proposed Services"⁶ and at p. 1, ¶ 2, "Point of Delivery"⁷. The Contract provided that Mohave would own the Power Line and, further, that the Power Line would remain Mohave Electric's sole property. Exhibit 1, at

³ "MOHAVE ... agrees to Contract with the United States of America ... to supply electric energy to serve existing and future residential and commercial installations on the Havasupai and Hualapai Indian Reservations"

⁴ "USE OF SERVICE

The Government shall utilize the electric energy supplied under this Contract only in connection with the needs of the respective Indian Tribes or their customers or for any other such uses as may be required by the diversification or expansion of the needs related thereto."

⁵ "CONTRACTOR'S FACILITIES

(a) The Contractor, at its expense, shall furnish, install, operate, and maintain all facilities required to furnish electricity, as herein provided, to, and measure such electricity, at the specified delivery point."

⁶ "LOCATION OF PROPOSED SERVICE

Mohave shall construct a power line from its existing facilities, a distance of approximately 70 miles, to a point of termination at the line side of the Long Mesa transformer, which shall be the point of delivery."

⁷ "POINT OF DELIVERY: The Contractor shall make and pay for all connections between the systems of the Contractor and the Government at the point of delivery. The point of delivery is described as follows: Line side of Long Mesa Power Transformer, as more fully described in Addendum and Exhibit 1."

Addendum No. 1, p. 4, "Ownership of Facilities."⁸

13. The Contract provided that the electricity Mohave was required to provide to the BIA would be metered on the 24.9 kilovolt side of the BIA substation. See Exhibit 1, at Addendum No. 1, p. 2, "Service Characteristics."⁹ The Contract required the BIA to provide Mohave with a suitable location for Mohave's metering and other facilities in the area of the point of delivery, and required the BIA to install, operate and maintain the necessary substation and other facilities required for the BIA's receipt of the power and energy beyond the point of delivery described above. Id. at "Facilities."¹⁰ The BIA met the subject requirements described above.

14. The initial term of the Contract between the BIA and Mohave was for 10 years. Exhibit 1, at p. 1, ¶ "5, TERM OF CONTRACT"¹¹. The Contract also provided that Mohave consented to the BIA's rights and option to renew the Contract for two additional 10 year periods. Id. at Addendum No. 1, p. 7.¹² No time was or is specified in the Contract as to when the BIA

⁸ "OWNERSHIP OF FACILITIES

All facilities to be provided by or on behalf of Mohave shall be and remain its sole property. All facilities to be provided by the Government beyond the point of interconnection shall be and remain its sole property."

⁹ "SERVICE CHARACTERISTICS

Electrical service to be supplied hereunder shall be in the form of three-phase 60 Hertz at a nominal voltage of 14.4/24.9 kilovolts and shall be metered at 24.9 kilovolts primary, with all metering facilities to be furnished by Mohave on the 24.9 kilovolt side of the Government substation, and metering facilities shall provide kilowatt hours, recorded kilowatt demand on a 15-minute integrated basis, recorded KVAR flow or power factor, and other information as required." (Underlining supplied).

¹⁰ "FACILITIES

The Government shall provide a suitable location for Mohave's metering and other facilities, in the area of the point of delivery"

¹¹ "TERM OF CONTRACT: The term of this contract shall be for a period of 10 year(s) from the date that the Contractor makes electricity available and the Government is ready to receive electricity from the Contractor at the Service Location."

¹² "Mohave consents to the Government's right and option to renew this Contract for two (2) additional ten (10) year periods."

was required to exercise its right and option to renew the Contract. See id.; see also id. at p. 7 "Termination Provisions" (no date specified as to the time a renewal option must be exercised).

15. On January 18, 1981, the BIA granted to Mohave an easement for thirty years for the right-of-way along a prescribed route across the Hualapai Reservation to construct, install, operate and maintain an electrical distribution line across the Hualapai Reservation. Exhibit 2. On December 14, 1984, the BIA granted to Mohave an easement for thirty years for the right-of-way along a prescribed route across the Havasupai Reservation to construct, install, operate and maintain an electrical distribution line across the Havasupai Reservation. Exhibit 3.

16. Subsequently, Mohave entered into retail power contracts with, inter alia, several retail customers.¹³

¹³ Account # 63626-000
Arizona Telephone Company
500' South Havasupai Tribal Electrical System
near 8th pole South of H-Frame
Long Mesa Tower
Allis Chalmers 15 Kva
S/N# 3800523
Meter # 87476817

Account # 44567-003
Diamond A Ranch
Camp 16 Suapi Line
Ermco 15 Kva
S/N# 59907005790
Meter #. 96866745

Account # 29740-001
Department of Interior
Fire Tower - Supai Road
Thornton Tower
Westinghouse 15 Kva
S/N# 83A440266
Meter # 86549384

Account # 896-084
Hualapai Tribal Council
Hunters Building - Youth Camp
15 Kva (Plate missing)
Meter # 95245102

Account # 896-084
Hualapai Tribal Council
Lake Circulation Pump
Youth Camp Pond
B & B 10 Kva
S/N# 86NH104-026
Meter # 88058929

Account # 896-060
Hualapai Tribal Council
Frazier Wells Pump
Well #1
Howard 15 Kva
S/N# 92244-4484
Westinghouse 15 Kva
S/N# 81A271882
Meter # 93703033

(continued...)

17. On April 19, 1993, the BIA informed Mohave by letter that:

Under the Contract, the Government has the right of renewal for two additional ten year periods. The Government hereby notifies Mohave Electric of its intent to exercise this option.

Prior to exercising this option, we need to re-negotiate and amend the existing contract. The contract makes reference to construction of overhead transmission and/or distribution lines. Construction was completed and the Government reimbursed Mohave all costs associated with the construction. Therefore, some of this language needs to be deleted.

Exhibit 4, at p. 1, 3rd and 4th ¶¶.

¹³(...continued)

Account # 896-073
Hualapai Tribal Council
Frazier Wells Pump 2
Well #2
Ermco 15 Kva
S/N# 3924931238
Ermco 15 Kva
S/N# 3924931223
Ermco 15 Kva
S/N# 3924931257
Meter # 01365750

Account # 896-100
Hualapai Tribal Council
Water Well T28N R7W
Fish Pond
Transformers (see above)
Meter # 01684104Er

Account # 28135-001
Bravo, W C
Supai Line near Frazier Wells
RTE 10 Kva
SN# 4303728
Meter # 95528410

Mile Post 32
Recloser 55-25

Account # 451-055
TCIA - Department of Interior - BIA
Long Mesa Radio Repeater Site
Long Mesa End
Cooper 5 Kva
S/N# 9902093970
Meter # 61718916

Account # 896-027
Hualapai Tribal Council
Pump at Tank Well
Ermco 10 Kva
S/N# 30107311444
Meter # 97298158

Account # 44561-006
Cabin on Nelson Road
Ermco 10 Kva
SN# 30107311428
Meter # 57788387

18. Mohave did not timely respond to the BIA's April 19, 1993 letter. Although prior to that 1993 letter the BIA paid off the entire construction cost of the Power Line, Mohave continued billing the BIA the "standard amount of facilities charge," during the March 1992 - January 1995 period. See Mohave's February 2, 1995, letter, Exhibit 5, at p. 2, 6th and 7th ¶¶, and the "standard charge." It was not until June 15, 1995 that Mohave informed the BIA that Mohave believed the Contract had expired in 1992. Exhibit 6.¹⁴

19. According to an attachment to Mohave's May 30, 1986 filing with the Arizona Corporation Commission, "NONPROFIT-AMENDMENT ARTICLES OF INCORPORATION TO ARTICLES OF INCORPORATION OF MOHAVE ELECTRIC CO-OPERATIVE, INC. (bearing a filing number of 2350270014), Mohave acknowledged Long Mesa was within its service area. Exhibit 7. However, contrary to this representation and contrary to the express provisions of the Contract (see notes 1 - 6 above), and despite the fact that Mohave owns the Power Line and has an easement right of way for the Power Line, Mohave announced in its June 6, 1996 letter to the BIA that it would unilaterally transfer the Power Line to the BIA, and that Mohave would relocate its metering equipment from the Long Mesa point of interconnection to Mohave's Nelson Substation, some 63.3 miles back down the Power Line from Long Mesa.

¹⁴ Apparently, Mohave contends that it sent the BIA a letter in March of 1992 in anticipation of the expiration of the Contract. Mohave has not produced any reliable evidence to support this allegation. The BIA has reviewed an unsigned letter, which is not on Mohave's letterhead stationary, that Mohave contends is evidence of its alleged March 1992 letter to the BIA. The BIA's Contract file does not contain the alleged letter. The Contract requires all notices to be in writing and to be by personal, registered mail, certified mail or telegram. Exhibit 1, at Addendum No. 1, p. 9 "NOTICES." The alleged letter does not bear a certified mail number or a request for return receipt. Mohave has not produced any evidence of the alleged delivery of the letter, as required by the Contract.

Exhibit 8.¹⁵ Thereafter, Mohave moved its metering equipment to its Nelson Substation. See BIA's August 31, 1998 letter to Mohave. Exhibit 9.

20. In addition to the BIA, the Hualapai and Havasupai Indian Tribes, and their members, Mohave has had approximately fourteen additional customers on the Power Line between the Nelson Substation and the point of delivery to the BIA, which is the line side of the Long Mesa Power Transformer. See Exhibit 1, at p. 1, ¶ 2. Apparently, Mohave contends that it deducted from the BIA's bill the charges for these other customers. See Exhibit 9, at p. 2. However, Mohave has not provided the BIA with an accounting of these alleged deductions.

21. The BIA relied on Mohave's actions and inactions as evidencing that the Contract continued in its existence following the first ten years of the Contract. The BIA made payments under the Contract terms, as amended by the BIA's payoff of the construction charges, and Mohave received those payments without objection.

22. Mohave's 1995 assertion that the Contract was terminated in 1992 by virtue of the alleged BIA's failure to seasonably exercise an option alleged described above was and is inconsistent with Mohave's previous and ongoing, charges, and collections described above.

23. In its March 6, 2002 letter to Mohave, and its March 5, 2002 contract modification

¹⁵ "We have carefully reviewed many aspects of the expired contract and of the service itself. We recognize that the BIA reimbursed Mohave for the construction of the power line from Mohave's Nelson substation to a point near the Grand Canyon, with a length of approximately 63.3 miles, and Mohave retains ownership of this line. The review of all aspects has resulted in a determination that continuing with this service as it currently exists is not in the best interest of the members of Mohave Electric. We intend to transfer ownership of this line to the BIA. This transfer will require the relocation of the metering equipment from [sic.] the present location near the Grand Canyon to a location near or at the Nelson Substation.

We request that you arrange for your representative to contact Mohave's Engineering Department in order to commence activities which will culminate in the orderly transfer of facilities within one hundred and twenty (120) days from today."

(attached to the March 6th letter), the BIA informed Mohave that the BIA exercised its second ten year option under the Contract. Exhibit 10. In its March 20, 2002, letter to the BIA, Mohave refused to cooperate with the BIA in the exercise of that option, contending that the Contract had expired. Exhibit 11.

24. On July 23, 2003, Mohave stated, in part, that it "has quit claimed, transferred, and conveyed to the Havasupai [Indian Tribe], the Hualapai [Indian Tribe] and the BIA all and any of its right, title and interest in and to the 70-mile Hualapai wholesale power line facility located on its tribal lands together with associated rights-of-way, including meters, service drops, transformers and other associated material, and including six tribal and BIA customer accounts, title and rights to which are to be shared in such proportions and relationships as you may establish among yourselves." Exhibit 12.

25. In its August 7, 2003 letter to the BIA, the Havasupai Tribe and the Hualapai Tribe, Mohave alleged that the BIA and the Tribes now owned certain accounts and facilities, including Mohave contracts, accounts, and service agreements. Exhibit 13.

26. Mohave attached to its August 7th letter a notice of quitclaim executed on July 22, 2003. Exhibit 13. Through the quitclaim, Mohave purported to quitclaim to the United States and the Tribes Mohave's power lines, meters and service drops from Mohave's Nelson Substation along the 70 mile Power Line. Also, through the Notice, Mohave attempted to quitclaim to the BIA and the Tribes the unexpired easements for the right-of-way for the 70 mile Power Line from Nelson to Long Mesa. Further, Mohave purported to quitclaim to the BIA and the Tribes Mohave's interests established under a "Pole Line License Agreement" between Mohave and Boquillas Cattle Company.

27. On September 2, 2003, the BIA informed Mohave that an attempted conveyance does not vest title in the grantee until it is accepted by the grantee; that the BIA had not determined whether it would accept the quitclaim described in the preceding paragraph; and that Mohave was precluded by A.R.S. § 40-285(A) from disposing of its interests in the Nelson-Long Mesa Power Line without first securing an appropriate authorizing order from the Commission. Exhibit 14.

28. On September 12, 2003, the BIA informed Mohave that the BIA did not accept Mohave's quitclaim deed; that Mohave's quitclaim deed was void; that Mohave was responsible for continuing to provide service to all its customers along the Nelson-Long Mesa Power Line, to continue to operate and maintain the Power Line; and that the BIA did not accept Mohave's purported transfer of Mohave's accounts, contracts and responsibilities for Mohave's customers along the Nelson-Long Mesa Power Line. Exhibit 15.

29. Mohave has charged the BIA for electricity provided to other of Mohave's customers. See Mohave's September 2, 2003, bill to the BIA stating: "Notice: The Prior Balance Has Been Reduced By \$414.48 For 9,832 KWH Billed To Other Meters." Exhibit 16.

30. The BIA has paid under protest and requested that Mohave provide and accounting of its charges. See Mohave's March 4, 2004 letter, attached as Exhibit 17.

31. Mohave has refused to give the BIA an accounting, and has stated:

Mohave Electric, Inc., "abandoned," transferred, conveyed and quitclaimed the lines, rights-of-way and services to and in favor of the tribes and the BIA in 2003.

See id.

32. In order to prevent preserve the health and safety of all electricity users, the BIA

continues to pay under protest because Mohave 's billings include charges for Mohave's customers other than the BIA who receive electricity from Mohave along the Power Line. See Exhibit 18.

33. The BIA has been and is being injured by: Mohave's assertions that the Contract is terminated; Mohave's actions and threats of actions in attempting to terminate its ownership and responsibility over the 70 mile powerline; Mohave's attempts to terminate providing electrical and electrical distribution service to residential customers and to require the BIA to provide retail service to Mohave's former customers; Mohave's relocation of its meter from Long Mesa to its Nelson Substation; Mohave's failing to offset the costs charged to BIA for Mohave's deliveries of service to Mohave's other retail customers; and Mohave's other decisions, actions, and attempted actions as described above.

34. The BIA has incurred substantial costs related to the upkeep and maintenance of the Power Line.

35. The BIA relied on Mohave's actions, billings, collections, and other matters and things set forth herein and, based on that reliance, did not obtain a substitute for to provide electricity and electrical distribution service at the locations and at the charges provided for in the Contract.

36. Mohave has provided electricity and electrical distribution service to the BIA at Long Mesa since at least 1982. Through this service, the BIA has been and is able to provide electricity to its facilities in Havasupai Village, and make electricity available to Havasupai Village residents who have no other source of electricity. Other than the Power Line, there are no other transmission or distribution lines to service the BIA at either Long Mesa or to service

the BIA or the Havasupai Tribe and its members at Havasupai Village. Mohave is attempting to leave the BIA and the Indians in Havasupai Village and retail customers of Mohave without service and to require the BIA to provide service to Mohave's retail customers.

IV.

CLAIM FOR RELIEF - BREACH OF STATUTES AND REGULATIONS

37. Mohave is precluded from disposing of its Power Line that extends from Mohave's Nelson substation to the line side of the Long Mesa Power Transformer without first having secured permission from the Arizona Corporation Commission an order authorizing it to do so. See A.R.S. § 40-285(A) ("A public service corporation shall not ... otherwise dispose of or encumber the whole or any part of its ... plant or system necessary or useful in the performance of its duties to the public ... without having first secured from the commission an order authorizing it so to do ... Every such disposition, encumbrance or merger made other than in accordance with the order of the commission authorizing it is void."); A.C.C. R-14-2-202.B ("Any utility proposing to discontinue or abandon utility service currently in use by the public shall prior to such action obtain authority therefor from the Commission.").

38. Mohave has wrongfully threatened, and is presently wrongfully threatening, to dispose of its Power Line and its easement for the right-of-way without first having secured from the Commission an order authorizing it to do so.

39. Mohave is wrongfully failing and refusing to maintain, repair and replace, as needed, components of the Power Line.

40. Wherefore, the BIA requests the Commission to enter an order declaring:

(A) Mohave shall not transfer or abandon the Power Line or the easement for the

right-of-way;

(B) The Power Line is part of Mohave's service territory;

(C) The BIA is a retail customer of Mohave for receipt of electricity and electrical distribution service over the Power Line;

(D) Mohave's point of delivery of electricity and electrical distribution service to the BIA is the line side of the Long Mesa Transformer;

(E) Mohave shall forthwith place a meter on the Power Line on the line side of the Long Mesa Transformer for the determination of the electricity used by the BIA;

(F) Mohave shall cease charging the BIA for electricity and electrical distribution service of that portion of the Power Line costs attributable to Mohave's approximately fourteen customers rather than attributable to the BIA;

(G) Mohave shall continue to provide electricity and electrical distribution service at Long Mesa to the BIA under the Contract;

(H) Mohave shall continue to operate, maintain, repair and replace the Power Line as needed;

(I) Mohave's attempted quitclaim of Mohave's Nelson - Long Mesa Power Line, and Mohave's easement for the right-of-way to the BIA and the Tribes is in violation of A.R.S. § 40-285;

(J) Mohave shall provide restitution for past BIA expenditures concerning the maintenance and upkeep of the Power Line as well as past BIA payments for electricity and electrical distribution service for the approximately fourteen non-BIA customers utilizing the Power Line; and

(K) granting the BIA such additional and further relief as is appropriate under the circumstances.

Respectfully submitted this 9 day of August, 2005.

PAUL K. CHARLTON
United States Attorney
District of Arizona


Mark J. Wenker
Assistant United States Attorney

EXHIBIT 1

GENERAL SERVICES ADMINISTRATION
NEGOTIATED ELECTRIC UTILITY CONTRACT

Exhibit B

CONTRACT NUMBER

GS-OOS-67021

The Contractor identified below agrees to sell and deliver to the UNITED STATES OF AMERICA, hereinafter referred to as the "Government," and the Government agrees to purchase and receive from the Contractor electric power and energy at the Service Location hereinafter referred to, subject to (1) the terms and conditions set forth on the face and reverse side of this page and on any continuation pages attached hereto; (2) Technical Provisions (GSA FORM 1684); and (3) Supplemental Provisions (GSA FORM 1685).

- SERVICE LOCATION:** The Contractor shall furnish to the Government all electric energy which the Government may request during the term of this contract up to 1,500 KW for the operation of its facilities located at Hualapai and Havasupai Indian Reservations, as more fully described in Addendum No. 1.
- POINT OF DELIVERY:** The Contractor shall make and pay for all connections between the systems of the Contractor and the Government at the point of delivery. The point of delivery is described as follows:
Line side of Long Mesa Power Transformer, as more fully described in Addendum No. 1 and Exhibit 1.
- SERVICE CHARACTERISTICS:** Electric energy to be supplied hereunder shall be alternating current three (3) phase, sixty cycles, and shall be delivered at 14,4/24,9 kilovolts as normal, with allowable variation of 10 percent above or below normal. The electric energy furnished hereunder shall be metered at 24.9 kilo-volts. All as more fully described in Addendum No. 1.
- CHARGE:** The Contractor shall be paid for the services herein contracted for pursuant to charges described in Addendum No. 1 which is attached and made a part hereof, commencing with the period in which electricity is initially furnished hereunder and continuing until this contract is terminated, except that the minimum charge, if any, specified in said Rate Schedule(s) shall be equitably prorated for the periods in which commencement and/or termination of this contract shall occur. All as more fully described in Addendum No. 1.
- TERM OF CONTRACT:** The term of this contract shall be for a period of 10 year(s) from the date that the Contractor makes electricity available and the Government is ready to receive electricity from the Contractor at the Service Location. The Contractor shall make every reasonable effort to commence to deliver electricity to the Government at the Service Location not later than the 1st day of April, 1982. The Government shall, as promptly as possible, advise the Contractor of the date it will be ready to receive electricity under this contract.
- SPECIAL TERMS AND CONDITIONS:** If there are any Special Terms and Conditions to this contract they are attached and identified as follows: GSA Form 1684; GSA Form 1685 (Rev. 7-76);
(If none, so specify) Addendum No. 1; Exhibit 1

EXECUTION BY CONTRACTOR	DATE	EXECUTION BY GOVERNMENT	DATE
NAME OF CONTRACTOR (Type or firm) Mohave Electric Cooperative, Inc. <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION		UNITED STATES OF AMERICA ACTING THROUGH THE ADMINISTRATOR OF GENERAL SERVICES	
ADDRESS P. O. Box 1045 Bullhead City, AZ 86430		BY <i>Curtis G. Gorman</i> TITLE <u>Deputy Area Director,</u> (Contracting Officer)	
SIGNATURE OF PERSON AUTHORIZED <i>[Signature]</i> PRESIDENT		THIS CONTRACT IS EXECUTED PURSUANT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, 63 STAT. 377, AS AMENDED.	
SIGNATURE FOR PAYMENT SHOULD BE MAILED TO		ACCOUNTING AND APPROPRIATION DATA	

TERMS AND CONDITIONS

1. INVOICES.

Invoices for payment shall be prepared and submitted in duplicate unless otherwise specified by the Government. All invoices shall contain statements of the meter readings at the beginning and the ending of the billing period, meter constants, consumption during the billing period, and such other pertinent data as may be required to substantiate the billing or such other pertinent data as may be requested by the Government.

2. PAYMENT OF SERVICES.

(a) All bills for payment of services under this contract shall be paid without penalty or interest, and the Government shall be entitled to any discounts customarily applicable to payment of bills by any customer of the Contractor.

(b) For purposes of charges under the contract, any demands due to faulty operation of, or excessive or fluctuating voltage on, the Contractor's system shall not be included as part of the Government's demand.

(c) Payments hereunder shall not be made in advance of services rendered. The Government shall, however, use due diligence to effect payment of all bills for services rendered under this contract within thirty (30) days from the date such bills are received.

(d) Nothing herein contained shall be construed as binding the Government to expend in any one fiscal year any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the subject matter of this contract or to involve the Government in any contract or other obligation for the further expenditure of money in excess of such appropriation.

3. DAMAGE AND INJURY.

The Government shall in no event be liable or responsible for damage or injury to any person or property occasioned through the use or operation of the Contractor's facilities or the action of the Contractor, its employees and agents in performing under this contract.

4. ACCESS TO SERVICE LOCATION.

(a) The Government hereby grants to the Contractor, free of any rental or similar charge, but subject to the limitations specified in this contract, a revocable permit to enter the Service Location for any proper purpose under this contract, including use of site or sites agreed upon by the parties hereto for the installation, operation, and maintenance of the facilities of the Contractor. Authorized representatives of the Contractor will be allowed access to the facilities of the Contractor and the Government at suitable times to perform the obligations of the Contractor with respect to such facilities. It is expressly understood, however, that proper military or Governmental authority may limit or restrict the right of access herein granted in any manner considered by such authority to be necessary for the national security.

(b) The Contractor shall, at its expense, obtain all rights of way and easements necessary to permit it to perform under this contract.

TECHNICAL PROVISIONS (ELECTRIC UTILITY CONTRACT)

1. CONTRACTOR'S FACILITIES

(a) The Contractor, at its expense, shall furnish, install, operate, and maintain all facilities required to furnish electricity, as herein provided, to, and measure such electricity at, the specified delivery point.

(b) All taxes and other charges in connection with the facilities provided hereunder by the Contractor under this contract shall be for the account of and assumed by the Contractor.

2. METERS AND METERING EQUIPMENT

(a) All electricity furnished by the Contractor shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, calibrated, and read by the Contractor at its expense. In the event any meter fails to register or registers incorrectly the electricity furnished therethrough, the parties shall, after considering all the evidence available from the Contractor's and Government's records, agree upon the length of period during which such meter failed to register or registered incorrectly and the quantity of electricity delivered therethrough during such period and, upon agreement, an appropriate adjustment based thereon shall be made in the Government's bills. For the purpose of the preceding sentence, any meter which registers not more than two percent (2%) slow or fast shall be deemed correct.

(b) All meters shall be installed and inspected upon installation, at the expense of the Contractor, in a manner provided by the rules of the local regulatory commission for other customers of the Contractor using similar service. Subsequent inspection, periodic testing, repair and replacement of meters shall be done at the Contractor's expense in such place and manner as are also provided by the said rules of the local regulatory commission. Whenever any meter shall be found to be defective it shall be replaced or repaired immediately. Should there be no local regulatory commission rules relating thereto, installation, inspection, repair and replacement shall be done in a manner agreed to by the Government and the Contractor. The Government shall have the right to request that a special meter test be made at any time. If any test made at the Government's request discloses that the meter tested is registering correctly or within two percent (2%) of normal, the Government shall bear the expense of such test. The expense of other tests shall be borne by the Contractor. In any event, at its option, the Government may, subject to arrangements satisfactory to the Contractor and at the Government's expense, have such meter or meters as it deems inaccurate tested by the National Bureau of Standards, the findings of which shall be conclusive.

(c) The Contractor, so far as possible, shall read all meters at periodic intervals of approximately thirty (30) days. All billings based on meter readings of less than twenty-six (26) days or more than thirty-five (35) days shall be prorated accordingly.

3. PUBLIC REGULATION AND CHANGE OF RATES

(a) Electricity furnished under this contract shall be subject to regulation in the manner and to the extent prescribed by any Federal, State, or local regulatory commission having jurisdiction over the supply of electricity to the Contractor's customers generally. If during the term of this contract the public regulatory commission having such jurisdiction receives for file in authorized manner rates that are higher or rates that are lower than those stipulated herein and as a replacement thereof, the Contractor agrees to continue to furnish electricity as stipulated in this contract and the Government agrees to pay for such electricity at the higher or lower rates from and after the date when such rates are made effective. If during the term of this contract the Contractor applies to any such regulatory body for a change of rates or in the type of service to be performed under this contract, a copy of such application, petition, revised schedule or tariff, or similar document will be mailed to the Contracting Officer of the Government concurrently with the filing of such document with the regulatory body.

(b) Subject to paragraph (a) of this Article, in the event the Contractor, during the term of this contract, shall make effective

any new rate schedule or amended rate schedule applicable to the class of service furnished to the Government at the Service Location which may contain a lower rate or conditions of service more favorable to the Government for such class of service, the Contractor shall make such lower rate or conditions of service available to the Government, and, unless otherwise notified in writing by the Government, the Contractor shall substitute such new rate schedule or amended rate schedule for the rate schedule then in effect hereunder for such Service Location, commencing with the billing period in which such rate schedule becomes effective.

(c) Reasonable notice shall, so far as possible, be given by the Government to the Contractor respecting any material changes proposed in the volume or characteristics of electricity required.

(d) In the event of a permanent change in the class of service furnished the Government at the Service Location, electricity shall, effective sixty (60) days after written request is made by either party or at such other time as may be agreed upon, thereafter be available to such Service Location at the lowest available rate schedule of the Contractor which is applicable to the class of service furnished following such permanent change.

(e) The Contractor hereby represents and warrants to the Government that the rate schedules available hereunder are not in excess of the lowest rate schedules now available to present and prospective customers under like conditions of service, and agrees that during the life of this contract, the Government shall continue to have available to it the lowest applicable schedule and similar conditions of service.

4. SUPPLY OF ELECTRICITY See Addendum No. H/S E/S

(a) The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of electricity at the Service Location, but shall not be liable for damages, breach of contract or otherwise, to the Government for failure, suspension, diminution, or other variations of supply occasioned by or in consequence of any cause beyond the reasonable control of the Contractor, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes or other catastrophes, or strikes, *Provided*, that when any such failure, suspension, diminution, or variation of supply due to any such cause shall aggregate more than ten (10) consecutive hours but less than fifteen (15) consecutive days, an equitable adjustment shall be made in the rates specified in the applicable rate schedules (including minimum charges, if any); *Provided further, however*, that if any such failure, suspension, diminution, or other variations of supply occasioned by such causes shall aggregate fifteen (15) or more consecutive days, the Contractor shall suspend its billing under this contract (including the minimum charges, if any), effective with the beginning of the next ensuing billing period; *Provided, however*, that if the Government desires to use electricity in a lesser amount than the minimum provided for in this contract and the Contractor can furnish such electricity, it will be supplied and billed under the Contractor's most favorable schedule applicable to such use. If the Contractor is unable to provide a regular and uninterrupted supply of electricity at the Service Location because of any of the foregoing causes for a period of sixty (60) consecutive days or more, the Government shall have the right at any time thereafter to terminate this contract without payment by it of any charge or penalty.

(b) In the event the Government is unable to operate the Service Location in whole or in part for any cause beyond its reasonable control, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes or other catastrophes, or strikes for a period in excess of fifteen (15) consecutive days, the Contractor shall suspend its billing under this contract (including minimum charges, if any), for a period reasonably required to replace or repair the Government facilities, or otherwise to resume regular operations, effective with the beginning of the next ensuing billing period; *Provided, however*, that if the Government desires to use electricity in a lesser amount during such period of suspension than the minimum provided for in this contract, it will be supplied and billed under the Contractor's most favorable schedule applicable to such use.

**SUPPLEMENTAL PROVISIONS
(UTILITY SERVICE CONTRACT)**

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term "head of the agency" or "Secretary" as used herein means the Secretary, the Under Secretary, any Assistant Secretary, or any other head or assistant head of the executive or military department or other Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) Except as otherwise provided in this contract, the term "sub-contracts" includes purchase orders under this contract.

2. EXAMINATION OF RECORDS BY COMPTROLLER GENERAL

(a) This clause is applicable if the amount of this contract exceeds \$2,500 and was entered into by means of negotiation, including small business restricted advertising, but is not applicable if this contract was entered into by means of formal advertising.

(b) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this contract or such lesser time specified in either Appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(c) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract or such lesser time specified in either Appendix M of the Armed Services Procurement Regulation or the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (1) purchase orders not exceeding \$2,500 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(d) The periods of access and examination described in (b) and (c), above, for records which relate to (1) appeals under the "Disputes" clause of this contract, (2) litigation or the settlement of claims arising out of the performance of this contract, or (3) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigation, claims, or exceptions have been disposed of.

3. EQUAL OPPORTUNITY

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).)

During the performance of this contract, the Contractor agrees as follows:

(a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Contractor will include the provisions of paragraphs (a) through (f) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. *Provided, however,* That in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to (1) contracts, (2) subcontracts, and (3) agreements with applicants who are themselves performing federally assisted construction contracts, exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

aining the informaty specified in 29 CFR 516.2(a). Such records shall be preserved (hereinafter) from the completion of the contract.

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

5. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

6. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

7. CONVICT LABOR

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c)(2)) and Executive Order 11755, December 29, 1973.

8. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

(a) *Overtime requirements.* No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers, mechanics, apprentices, trainees, watchmen, and guards shall require or permit any laborer, mechanic, apprentice, trainee, watchman, or guard in any workweek in which he is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer, mechanic, apprentice, trainee, watchman, or guard receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

(b) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, apprentice, trainee, watchman, or guard employed in violation of the provisions of paragraph (a) in the sum of \$10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of eight hours or in excess of his standard workweek of forty hours without payment of the overtime wages required by paragraph (a).

(c) *Withholding for unpaid wages and liquidated damages.* The Contracting Officer may withhold from the Government Prime Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).

(d) *Subcontracts.* The Contractor shall insert paragraphs (a) through (c) of this clause in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

(e) *Records.* The Contractor shall maintain payroll records con-

9. DISPUTES

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard, and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above. Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

(c) The provisions of (a) above shall not apply to disputes which are subject to the jurisdiction of a Federal, State, or other appropriate regulatory body. The provisions of (a) above shall also be subject to the requirements of the law with respect to the rendering of utility services and the collection of regulated rates.

10. ORDER OF PRECEDENCE

To the extent of any inconsistency between the provisions of this contract and any schedule, rider, or exhibit incorporated in this contract by reference or otherwise, or any of the Contractor's rules and regulations, the provisions of this contract shall control.

11. DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

(This clause is applicable pursuant to 41 CFR 60-250 if this contract is for \$10,000 or more.)

(a) The contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprentice-ship.

(b) The contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local government agencies holding Federal contracts of \$10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs (d) and (e).

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive orders or regulations regarding nondiscrimination in employment.

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate

for each hiring location (1) the number of individuals hired during the reporting period, (2) the number of disabled veterans of the Vietnam era hired, (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. The contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment, and placement.

(e) Whenever the contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The contractor may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d), and (e) of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and non-production; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings as are compensated on a salary basis of less than \$25,000 per year. This term includes full-time employment, temporary employment of more than three days' duration, and part-time employment. It does not include openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) "Appropriate office of the State employment service system" means the local office of the Federal/State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) "Openings which the contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists.

(4) "Openings which the contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the contractor and representatives of his employees.

(i) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act

(j) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(k) The contractor agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notice shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(l) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by terms of the Vietnam Era Veterans Readjustment Assistance Act, and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(m) The Contractor will include the provisions of this clause in every subcontract of any order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

12. PAYMENT OF INTEREST ON CONTRACTORS' CLAIMS

(a) If an appeal is filed by the contractor from a final decision of the contracting officer under the disputes clause of this contract, denying a claim arising under the contract, simple interest on the amount of the claim finally determined owed by the Government shall be payable to the contractor. Such interest shall be at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97, from the date the contractor furnishes to the contracting officer his written appeal under the disputes clause of this contract, to the date of (1) a final judgment by a court of competent jurisdiction, or (2) mailing to the contractor of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a board of contract appeals.

(b) Notwithstanding (a), above, (1) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal, and (2) interest shall not be paid for any period of time that the contracting officer determines the contractor has unduly delayed in pursuing his remedies before a board of contract appeals or a court of competent jurisdiction.

13. UTILIZATION OF MINORITY BUSINESS ENTERPRISES

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The Contractor agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American Eskimos, and American Aleuts. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

14. UTILIZATION OF SMALL BUSINESS CONCERNS

(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(b) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

15. UTILIZATION OF LABOR SURPLUS AREA CONCERNS

(The following clause is applicable if this contract exceeds \$5,000.)

(a) It is the policy of the Government to award contracts to labor surplus area concerns that (1) have been certified by the Secretary of Labor (hereafter referred to as certified-eligible concerns with first or second preferences) regarding the employment of a proportionate number of disadvantaged individuals and have agreed to perform substantially (i) in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas or (ii) in other areas of the United States, respectively, or (2) are noncertified concerns which have agreed to perform substantially in persistent or substantial labor surplus areas, where this can be done consistent with the efficient performance of the contract and at prices no higher than are obtainable elsewhere. The Contractor agrees to use his best efforts to place his subcontracts in accordance with this policy.

(b) In complying with paragraph (a) of this clause and with paragraph (b) of the clause of this contract entitled "Utilization of Small Business Concerns" the Contractor in placing his subcontracts shall observe the following order of preference: (1) Certified-eligible concerns with a first preference which are also small business concerns; (2) other certified-eligible concerns with a first preference; (3) certified-eligible concerns with a second preference which are also small business concerns; (4) other certified-eligible concerns with a second preference; (5) persistent or substantial labor surplus area concerns which are also small business concerns; (6) other persistent

ent or substantial labor surplus area contracts; and (7) small business concerns which are not labor surplus area contracts.

16. EMPLOYMENT OF THE HANDICAPPED

(a) The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

(c) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

(d) The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

(e) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of section 503 of the Act and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(f) The contractor will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs, may direct to enforce such provisions, including action for noncompliance.

17. CLEAN AIR AND WATER

(Applicable only if the contract exceeds \$100,000, or the contracting officer has determined that orders under an indefinite quantity contract in any one year will exceed \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by the EPA, or the contract is not otherwise exempt.)

(a) The Contractor agrees as follows:

(1) To comply with the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Public Law 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.

(2) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

(3) To use his best efforts to comply with clean air standards and clean water standards at the facility in which the contract is being performed.

(4) To insert the substance of the provisions of this clause into any nonexempt subcontract, including this paragraph (a)(4).

(b) The terms used in this clause have the following meanings:

(1) The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Public Law 91-604).

(2) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-500).

(3) The term "clean air standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under section 111(c) or section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) The term "clean water standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Water Act (33 U.S.C. 1317).

(5) The term "compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

(6) The term "facility" means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a contractor or subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collocated in one geographical area.

ADDENDUM NO. 1

TO

GSA CONTRACT NO. GS-OOS-67021

MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona corporation, (hereafter called "Mohave"), agrees to Contract with the UNITED STATES OF AMERICA, acting through the Administrator of the General Services Administration on behalf of the U.S. Bureau of Indian Affairs, Department of the Interior, (hereinafter called "Government"), to supply electric energy to serve existing and future residential and commercial installations on the Hualapai and Havasupai Indian Reservations located north of Route 66 on and adjacent to the Supai Road, Coconino County, Arizona. The electrical service fee is to be paid by the U. S. Bureau of Indian Affairs, Department of the Interior.

LOCATION OF PROPOSED SERVICE

Mohave shall construct a power line from its existing facilities, a distance of approximately 70 miles, to a point of termination at the line side at the Long Mesa Power transformer, which shall be the point of delivery. This transmission line and line extension shall be constructed along the right-of-way which is set forth on the existing plant marked as Exhibit "I" attached hereto.

Mohave agrees that the Government may elect to serve the Hualapai Reservation by means of other interconnects and line extensions which shall be constructed for the U. S. Government by separate agreement with Mohave, upon such terms that provide to Mohave its total investment required to make such an extension; and further provided, that such load of additional

extensions do not exceed the "maximum of demand" provided on page 3 of this Agreement.

CONSTRUCTION STANDARDS

Construction of the lines and facilities shall be in accordance with Rules for the Installation and Maintenance of Electric Supply Stations and Equipment, Part I of the National Electrical Safety Code, latest edition, as published by the Institute of Electrical and Electronic Engineers, Inc. (IEEE). Materials and equipment shall meet NEMA, ANSI and REA standards.

SERVICE CHARACTERISTICS

Electric service to be supplied shall be in the form of three-phase, 60 Hertz at a nominal voltage of 14.4/24.9 kilovolts and shall be metered at 24.9 kilovolts primary, with all metering facilities to be furnished by Mohave on the 24.9 kilovolt side of the Government substation, and metering facilities shall provide kilowatt hours, recorded kilowatt demand on a 15-minute integrated basis, recorded KVAR flow or power factor, and other information as required.

RIGHT OF ACCESS

For the purpose of constructing, inspecting, maintaining or operating the facilities, duly authorized representatives of Mohave shall have the right of ingress to and egress from the Government's premises at all reasonable times.

FACILITIES

The Government shall provide a suitable location for Mohave's metering and other facilities, in the area of the point of delivery and shall supply, install, operate and maintain the necessary sub-station and other facilities required for the receipt of electric power and energy at 24.9 kilovolts beyond the point of delivery as herein described.

A generating plant located at the rim of the Grand Canyon overlooking the Havasupai Reservation may be utilized by the Government to provide emergency power to the Havasupai Reservation in the event of a power outage on Mohave's system. Switching arrangements shall be provided by Mohave to insure that this above-referenced plant shall not backfeed into the Mohave system.

MAXIMUM DEMAND

Mohave agrees to supply or make available a minimum of 500 kW up to a maximum of 1500 kW as the Government's total capacity rights for the term of this Agreement or life of the facilities whichever is first to occur, in return for the Government's agreement to pay Mohave a monthly Facility Charge. Government agrees that it's capacity rights are limited to a maximum of 1500 kW.

CONTINUITY OF SERVICE

In the supply of electricity, considering the nature of a 70 mile radial 14.4/24.9 kV distribution line, Mohave shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, Governmental authority, action of the elements, public enemy, accident, strikes, organized or unorganized interference of any kind, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of Mohave, Mohave shall not be liable for such failure or interruption or for damages, consequential or otherwise, Mohave shall use its best efforts to give the Government reasonable notice as to any planned outages and/or duration of outages should such be known to be of longer than four hours duration.

When any such failure, suspension, diminution or variation of supply due to any such cause shall be less than fifteen (15) consecutive days, no equitable adjustment shall be made in the rates specified in the applicable rate schedules or monthly Facility Charge; provided further, however, that if any such failure, suspension, diminution, or other variations of supply occasioned by such causes shall be fifteen (15) or more consecutive days, Mohave shall suspend its billing under this Contract and an equitable adjustment shall be made in the monthly Facility Charge effective with the beginning of the next ensuing billing period. (For the purposes of this paragraph, an "equitable adjustment" is the reduction of the monthly Facility Charge by 1/30th for each additional consecutive day (beyond the fifteen (15) days mentioned above) service is not provided).

In the event the Government's distribution facilities from Long Mesa into the Havasupai Village are not operable in whole or part for any cause beyond its reasonable control, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes or other catastrophes, or strikes for a period in excess of fifteen (15) consecutive days, Mohave shall suspend its billing under this Contract (except for monthly Facility Charge) for a period reasonable required to replace or repair the Government Facilities, or otherwise to resume regular operations.

OWNERSHIP OF FACILITIES

All facilities to be provided by or on behalf of Mohave shall be and remain its sole property. All facilities to be provided by the Government beyond the point of interconnection shall be and remain its sole property.

RESPONSIBILITY AS TO USE OF SERVICE FACILITIES

Each party shall coordinate, install and maintain compatible protective devices on its side of the interconnection to protect its system from adverse conditions on the system of the other party. The Government will exercise due diligence to operate its system in accordance

with the standards of modern practice and in a manner which will not cause any system problems, jeopardize Mohave's transmission system, or cause Mohave to make system improvements on Mohave's electric system which, in the judgment of Mohave and the Government, would not otherwise be necessary.

Mohave and the Government will each assume all responsibility on their respective sides of the point for the electric services supplied to the Government hereunder, as well as for any apparatus used in connection with such supply, including the Long Mesa Generating Plant and its associated equipment.

The Government will exercise due diligence to assure that the electrical characteristics of the load, such as deviation from sine wave or unusual short interval fluctuations in demand, shall not be such as to result in impairment of service to other customers of Mohave, or in interference with operation of telephone, television or other communication facilities. In this regard, the deviation from phase balance will be limited to a reasonable percentage of contract demand at all times.

RELOCATION OF FACILITIES

In the event the Government requires any power lines or other facilities to be moved for any reason after initial construction, Mohave agrees to relocate such facilities upon reasonable written request by the Government, the expense of such relocation shall be borne by the Government, and shall be made separate and distinct from construction costs incorporated in this Agreement.

ACQUISITION OF RIGHT-OF-WAY

Mohave shall obtain all necessary right-of-way, including property under Federal and state jurisdiction, and shall prepare an environmental report applicable for the proposed facilities and power lines.

JOINT USE OF POWER FACILITIES

Mohave understands that the Arizona Telephone Company provides telephone service to the area involved, and that joint use of telephone power facilities, where appropriate, and inductive coordination will be the responsibility of the Arizona Telephone Company and Mohave.

CONSTRUCTION COSTS

Mohave estimates that the Construction of all facilities will be as follows:

For labor and material for overhead transmission
and/or distribution facilities from Mohave's
source of supply to the Long Mesa Generating Plant:
\$1,600,000.00

Under this proposal, Mohave will provide all funds necessary for the construction of the aforementioned facilities.

FACILITIES CHARGES

For Mohave to recover costs associated with the construction and operation of facilities to make electric service available to the Government, the Government, upon verification of Mohave's cost of construction agrees to pay Mohave as a Facility Charge an annual amount equal to the sum of:

- (1) 4.44% (percent) of the lesser of the cost of construction or \$1,600,000 and/or other amount(s) concurred in by the Government Contracting Officer;
- (2) All state and local property taxes assessed against the facilities that Mohave constructs because of this contract;
- (3) The (a) operation and maintenance expenses, (b) cost of replacements less original book value of

replaced facilities and (c) cost of system improvements that Mohave constructs as a result of this Contract.

One Twelfth of the Facility Charge shall be paid each month. The first payment shall be due and payable when electric power and energy become available. Mohave consents to the Government's right and option to renew this Contract for two (2) additional ten (10) year periods.

TERMINATION PROVISIONS

If the Government does not exercise its renewal option or terminates this Contract, the Government shall pay, in U. S. currency, in a single payment, an amount equal to Mohave's undepreciated value plus facility removal costs, less salvage value, of the facilities that Mohave constructs because of this contract.

If Mohave terminates this Contract without legal cause, the Government shall be liable only for the Facility Charge payment and actual energy used up to the effective date of the termination.

If the Government shall fail to make any contract payment within fifteen (15) days after such payment is due, Mohave may discontinue service to the Government upon giving fifteen (15) days written notice to the Government of its intentions to do so; provided, however, that such discontinuance of service shall not relieve the Government of any of its obligations under this Contract.

INTERIM CONSTRUCTION ACCOUNTING

The Government Contracting Officer or his authorized representative may, at any time, have Mohave's invoice(s) or voucher(s) and/or statement of costs representing costs related to the construction of the subject facilities audited. The amount of construction costs to be included in the Facility Charge shall be subject to reduction for amounts included in

the related invoice(s) or voucher(s) or statement of costs which are found by the Contracting Officer or his authorized representative on the basis of audit, not to constitute allowable costs. The cost referred to herein shall be allowable, allocable and reasonable to this Contract and consistent with sound and generally accepted accounting principles.

If, at any time, Mohave has reason to believe that the total cost of the subject facilities will be greater than the estimated \$1,600,000.00, Mohave shall notify the Contracting Officer giving its revised estimate.

The Government shall not be obligated to pay Facility Charges for those facilities based on a figure in excess of the estimated \$1,600,000.00, unless and until the Contracting Officer shall notify Mohave, in writing, that such estimated cost has been increased and shall have in such notice specified the modified estimated cost. No notice, communication or representation of any person other than the Contracting Officer shall effect an increase in the \$1,600,000.00 estimated cost of facilities, regardless of the reasons for increasing said costs.

MONTHLY FACILITY CHARGES AND RATES

The Government shall pay Mohave the monthly Facility Charge and, in addition, shall pay Mohave power rates according to Mohave's Rate Schedule "L" (Large Power) marked Exhibit "2", attached. The Exhibit by this reference is incorporated herein.

Exhibit 2
 Billings pertaining to both the Facility Charge and Exhibit 2 may be increased by an amount equal to the sum of applicable taxes, fees, assessments or other charges not provided for in either the Facility Charge or Exhibit 2.

USE OF SERVICE

The Government shall utilize the electric energy supplied under this Contract only in connection with the needs of the respective Indian tribes or their customers or for such other uses as may be required by the

diversification or expansion of the needs related thereto.

The Government agrees that Mohave may elect to serve the Hualapai Indian Reservation upon its own arrangements from the utility plant proposed to be constructed provided that contemplated system capacities are not unreasonably exceeded. Mohave agrees that for any extension from facilities provided by Mohave, Mohave shall credit a one-time charge of \$50.00 per connected kVA installed capacity, but not less than \$500.00, to the Government and shall deduct this amount from its next monthly billing. The Government shall have the option to waive all or any portion of any such fees.

NOTICES

All formal notices, demands or requests given or made under this Contract shall be in writing and shall be deemed properly given or made if delivered personally or sent by registered mail, certified mail or telegram to the person designated below:

NOTICE TO MOHAVE:

Mohave Electric Cooperative, Inc.

P. O. Box 1045

Bullhead City, Arizona 86430

attention: General Manager

NOTICE TO GOVERNMENT:

Assistant Area Director of Administration.

Bureau of Indian Affairs

U. S. Department of Interior

P. O. Box 7007

Phoenix, Arizona 85011

APPROVALS AND CONTINGENCIES

Mohave shall obtain from state and Federal authorities or agencies as may have jurisdiction, the necessary approval of the Contract or matters with respect thereto, of all franchises, authorizations, permits, licenses, certificates of public convenience and necessity, right-of-way and orders to the extent required by law in order to enable it to perform all of its obligations hereunder. Mohave shall not be obligated to commence construction of any facilities until it has obtained all such approvals and shall have received assurance from the Government that it will be given ingress and egress rights for the construction, operation, and maintenance of said facilities.

Mohave agrees to seek a loan with an interest rate of no more than two (2) percent per annum in an amount sufficient to build the facilities Mohave constructs as a result of this contract. Mohave shall not be obligated under this contract until it has obtained such loan to be amortized over a thirty (30) year period. This Contract shall not become effective until it has been approved in writing by the Rural Electrification Administration and accepted by the Arizona Corporation Commission.

ASSIGNMENT OF AGREEMENT

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns, of the respective parties hereto.

REGULATORY AUTHORITY

The electric services furnished under this Contract shall be subject to regulation in the manner and to the extent prescribed by any federal, state or local regulatory commission having jurisdiction over the supply of electric services to Mohave's customers generally.

MOHAVE ELECTRIC COOPERATIVE, INC.

Rate Schedule "L"

(Large Power)

Availability:

1. Available to commercial and industrial type consumers who require more than 50 KVA of transformer capacity within the utility's service area.

Character of Service:

1. Alternating current, single or three phase, 60 Hertz, at available primary or secondary voltages.

Net Rate/Month: (or part thereof/service)

Demand Charge: \$6.90 /KW

Energy Charge:

All KWH/Month @ \$.017 /KWH

The total demand charges/month plus the energy charges/month shall be the total charges/month.

Minimum Monthly Charges:

The Monthly minimum charge shall be the highest of the following:

1. Minimum monthly charge established in accordance with the Utility's Line Extension Policy.
2. Or, \$1.50 /KVA/month of installed transformer capacity.

Metering:

1. The utility shall install suitable demand and power factor metering instrumentation for billing under this schedule. No consumer shall be placed on this schedule without demand metering.

Billing Demand:

1. The billing demand shall be the maximum Kilowatt demand established by a consumer for any Fifteen (15) minute period during the billing month.

Power Factor Adjustment:

1. The utility may increase the measured KW of demand one (1) percent for each one (1) percent the power factor is less than 90%.

Primary Service:

1. Primary electric service is available at primary distribution voltages.
2. Primary service metered at primary voltages, the Kilowatthour consumption shall be the metered KWH. Metering at secondary voltages, the KWH billed shall be the metered KWH plus 5% (X1.05) to allow for transformer losses.

Terms of Payment:

1. The charges per month in the foregoing rate are net, and are due and payable within ten (10) days from the date on the monthly bill.

Taxes:

1. Billing under this schedule may be increased by an amount equal to the sum of applicable taxes, fees, or charges (exclusive of Ad Valorem, State and Federal income taxes) payable by the utility and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

Fuel & Purchased Power Cost Adjustment:

1. The utility may, if the purchased power expense is increased or decreased above or below the base power cost of \$.02106 /KWH sold, flow through to the user such increases or decreases.

Conditions of Service:

1. The consumer, rates and schedules shall be subject to the rules and regulations of the Cooperative.
2. The consumer's electric wiring facilities shall conform to the Cooperative's, City, State, and National electric codes.
3. The consumer shall not resell or share electric service with others.
4. The consumer shall be allowed to consume the kilowatts (KW) or kilowatthours (KWH), at the applicable rate herein, for the monthly minimum charge.
5. Electric service under this rate schedule shall require the consumer to execute a contract.

This rate schedule was approved by the Arizona Corporation Commission in open meeting held in Phoenix on December 20, 1976. It supersedes all previous rate schedules.

Effective February 1, 1977

EXHIBIT 2

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS
Truxton Canon Agency

GRANT OF EASEMENT FOR RIGHT-OF-WAY

Ownership Hualapai Tribe

Tract No. _____

KNOW ALL MEN BY THESE PRESENTS:

That the United States of America, acting by and through the Superintendent Truxton Canon Agency, Bureau of Indian Affairs, Department of the Interior, hereinafter referred to as "Grantor", under authority contained in 230 DM 1, 10 BIAM 3, 10 BIAM 11; and pursuant to the provisions of the Act of February 5, 1948 (62 Stat. 17; 25 U.S.C. 323-328), and Part 161, Title 25, Code of Federal Regulations, in consideration of one dollar (\$1.00) and other good and valuable consideration, does hereby grant to Mohave Electric Cooperative, Inc. of P.O. Box 1045, Bullhead City, AZ 86430, a cooperative authorized to do business in the State of Arizona, its successors or assigns, hereinafter, referred to as "Grantee", a right-of-way for the following purposes, namely; to be used to construct, install, operate and maintain an electrical distribution line, along with the right to ingress thereto and egress therefrom across tribal lands of the Hualapai Indian Tribe of the Hualapai Reservation in the counties of Yavapai and Mohave and State of Arizona.

The right-of-way application herein granted shall be 50 feet in width and approximately 42.1229 miles in length, and occupying approximately 255.2904 acres, and is described as:

Beginning at Station 1137 + 00; T30N, R6W, Section 24, Thence South 55° 32' West to Station 1144 + 92; T30N, R6W, Section 24, Thence South 51° 28' West to Station 1254 + 77; T30N, R6W, Section 27; Thence South 33° 04' West to Station 1495 + 08; T29N, R6W, Section 17, Thence South 47° 04' West to Station 1554 + 82; T29N, R6W, Section 18, Thence South 58° 50' West to Station 1595 + 02; T29N, R7W, Section 24, Thence South 45° 59' West to Station 1611 + 99; T29N, R7W, Section 24, Thence South 26° 14' West to Station 1668 + 12; T29N, R7W, Section 26, Thence South 34° 35' West to Station 1762 + 02; T29N, R7W, Section 34, Thence North 86° 25' West to Station 1770 + 70; T29N, R7W, Section 34, Thence North 86° 25' West to Station 1775 + 42; T29N, R7W, Section 34, Thence South 35° 29' West to Station 1790 + 17; T28N, R7W, Section 3, Thence South 43° 34' West to Station 1830 + 17; T28N, R7W, Section 4, Thence South 61° 24' West to Station 1839 + 94; T28N, R7W, Section 4, Thence South 44° 35' West to Station 1849 + 72; T28N, R7W, Section 9, Thence South 24° 01' West to Station 1858 + 85; T28N, R7W, Section 9, Thence South 20° 34' West to Station 1867 + 10; T28N, R7W, Section 9, Thence South 7° 45' East to Station 1876 + 10; T28N, R7W, Section 9, Thence South 23° 21' West to Station 1882 + 12; T28N, R7W, Section 9, Thence South 34° 45' West to Station 1887 + 12; T28N, R7W, Section 9, Thence South 37° 51' West to Station 1896 + 40; T28N, R7W, Section 8, Thence South 34° 43' West to Station 1901 + 70; T28N, R7W, Section 8, Thence South 39° 28' West to Station 1905 + 44; T28N, R7W, Section 17; Thence South 19° 53' West to Station 1925 + 73; T28N, R7W, Section 17, Thence South 34° 34' West to Station 1937 + 75; T28N, R7W, Section 17, Thence South 34° 32' West to Station 1946 + 25; T28N, R7W, Section 17, Thence South 21° 27' West to Station 1984 + 31; T28N, R7W, Section 20, Thence South 7° 55' West to Station 1985 + 55; T28N, R7W, Section 20, Thence South 7° 55' West to Station 1988 + 21; T28N, R7W, Section 20, Thence South 35° 17' West to Station 2039 + 53; T28N, R7W, Section 30, Thence South 26° 29' West to Station 2062 + 36; T28N, R7W, Section 30, Thence South 29° 29' West to Station 2066 + 73; T28N, R7W, Section 30, Thence South 21° 48' West to Station 2100 + 68; T28N, R7W, Section 31, Thence South 31° 44' West to Station 2186 + 81; T27N, R8W, Section 1, Thence South 48° 01' West to Station 2190 + 79; T27N, R8W, Section 1, Thence South 58° 57' West to Station 2195 + 89; T27N, R8W, Section 2, Thence South 62° 13' West to Station 2204 + 39; T27N, R8W, Section 2, Thence South 39° 35' West to Station 2214 + 08; T27N, R8W, Section 2, Thence South 14° 45' West to Station 2277 + 21; T27N, R8W, Section 14, Thence South 15° 17' West to Station 2299 + 85; T27N, R8W, Section 14, Thence South 36° 59' West to Station 2315 + 81; T27N, R8W, Section 15, Thence South 36° 59' West to Station 2321 + 80; T27N, R8W, Section 15, Thence South 24° 43' West to

Station 2331 + 87; T27N, R8W, Section 15, Thence South 25° 08' West to Station 2342 + 17; T27N, R8W, Section 15, Thence South 22° 52' West to Station 2366 + 72; T27N, R8W, Section 22, Thence South 11° 32' West to Station 2379 + 46; T27N, R8W, Section 22, Thence South 4° 24' East to Station 2389 + 93; T27N, R8W, Section 22, Thence South 37° 17' West to Station 2396 + 05; T27N, R8W, Section 22, Thence South 7° 23' West to Station 2400 + 60; T27N, R8W, Section 22, Thence South 23° 18' West to Station 2405 + 06; T27N, R8W, Section 22, Thence South 22° 29' West to Station 2407 + 40; T27N, R8W, Section 22, Thence South 22° 29' West to Station 2409 + 83; T27N, R8W, Section 27, Thence South 20° 54' West to Station 2417 + 93; T27N, R8W, Section 27, Thence South 12° 09' West to Station 2455 + 77; T27N, R8W, Section 27, Thence South 25° 13' West to Station 2457 + 53; T27N, R8W, Section 27, Thence South 24° 44' West to Station 2463 + 43; T27N, R8W, Section 28, Thence South 23° 50' West to Station 2492 + 24; T27N, R8W, Section 33, Thence South 50° 09' West to Station 2505 + 38; T27N, R8W, Section 33, Thence South 87° 29' West to Station 2514 + 26; T27N, R8W, Section 33, Thence North 68° 30' West to Station 2519 + 49; T27N, R8W, Section 33, Thence North 39° 54' West to Station 2530 + 74; T27N, R8W, Section 33, Thence South 33° 23' West to Station 2542 + 87; T27N, R8W, Section 33, Thence South 34° 18' West to Station 2555 + 29; T27N, R8W, Section 32, Thence South 5° 06' East to Station 2560 + 69; T27N, R8W, Section 32, Thence South 5° 47' East to Station 2565 + 03; T27N, R8W, Section 32, Thence South 5° 03' East to Station 2574 + 16; T26N, R8W, Section 5, Thence South 7° 50' East to Station 2579 + 73; T26N, R8W, Section 5, Thence South 8° 08' East to Station 2583 + 33; T26N, R8W, Section 5, Thence South 12° 24' East to Station 2586 + 42; T26N, R8W, Section 5, Thence South 12° 24' East to Station 2595 + 51; T26N, R8W, Section 5, Thence South 28° 04' West to Station 2611 + 31; T26N, R8W, Section 5, Thence South 40° 11' West to Station 2616 + 37; T26N, R8W, Section 5, Thence South 21° 54' West to Station 2620 + 84; T26N, R8W, Section 5, Thence South 9° 04' West to Station 2629 + 49; T26N, R8W, Section 8, Thence South 18° 37' East to Station 2633 + 05; T26N, R8W, Section 8, Thence South 7° 23' West to Station 2638 + 85; T26N, R8W, Section 8, Thence South 28° 07' West to Station 2655 + 92; T26N, R8W, Section 8, Thence South 36° 31' West to Station 2669 + 55; T26N, R8W, Section 8, Thence South 44° 28' West to Station 2718 + 85; T26N, R8W, Section 18, Thence South 33° 24' West to Station 2730 + 47; T26N, R8W, Section 18, Thence South 29° 16' West to Station 2739 + 05; T26N, R8W, Section 18, Thence South 43° 28' West to Station 2746 + 30; T26N, R8W, Section 18, Thence South 40° 24' West to Station 2773 + 24; T26N, R9W, Section 24, Thence South 40° 03' West to Station 2841 + 06; T26N, R9W, Section 25, Thence South 62° 52' West to Station 2867 + 65; T26N, R9W, Section 26, Thence South 76° 14' West to Station 2877 + 05; T26N, R9W, Section 26, Thence South 69° 13' West to Station 2882 + 57; T26N, R9W, Section 26, Thence South 59° 19' West to Station 2890 + 50; T26N, R9W, Section 26, Thence South 53° 55' West to Station 2913 + 48; T26N, R9W, Section 26, Thence South 53° 27' West to Station 2932 + 20; T26N, R9W, Section 27, Thence South 43° 03' West to Station 2976 + 70; T26N, R9W, Section 34, Thence South 36° 08' West to Station 3088 + 00; T25N, R9W, Section 8, Thence South 39° 49' West to Station 3118 + 00; T25N, R9W, Section 8, Thence South 40° 46' West to Station 3160 + 10; T25N, R9W, Section 7, Thence South 38° 48' West to Station 3199 + 60; T25N, R9W, Section 18, Thence South 46° 52' West to Station 3229 + 11; T25N, R10W, Section 13, Thence South 59° 27' West to Station 3273 + 91; T25N, R10W, Section 24, Thence South 36° 54' West to Station 3321 + 03; T25N, R10W, Section 23, Thence South 30° 35' West to Station 3324 + 49; T25N, R10W, Section 26, Thence South 0° 01' West to Station 3356 + 09; T25N, R10W, Section 26, Thence South 15° 25' West to Station 3367 + 43; T25N, R10W, Section 26, G & SRBM and ending at Station 3367 + 43; as shown on the maps of definite location, attached hereto and made a part hereof, in four sheets numbered 3 thru 6 and entitled "Proposed Centerline For 14.4/24.9 KV Electric Distribution Line Across Hualapai Indian Reservation." Ties to the public survey are shown on said maps along the route of the right-of-way.

This right-of-way is subject to any prior valid existing right or adverse claim and is for a period of thirty (30) years, so long as said right-of-way shall actually be used for the purpose above specified: PROVIDED, that this right-of-way shall be terminable in whole or in part by the Grantor for any of the following causes upon a 30-day written notice and failure of the Grantee within said notice period to correct the basis of termination per 25 CFR 161.20:

- a. Failure to comply with any terms or conditions of the grant or the applicable regulations.
- b. A non-use of the right-of-way for a consecutive two-year period for the purpose for which it was granted.

- c. An abandonment of the right-of-way.
- d. Failure of Grantee, upon completion of construction, to file with the Grantor an "Affidavit of Completion" pursuant to 25 CFR 161.16.

The conditions of the this easement shall extend to and be binding upon and shall inure to the benefit of the successors and assigns of the Grantee.

In Witness whereof, Grantor has executed this Grant of Easement this 18th day of January, 1982.

UNITED STATES OF AMERICA

By: 

(Superintendent)

U.S. Department of the Interior
Bureau of Indian Affairs

STATE OF ARIZONA)

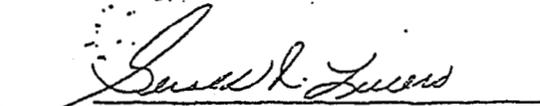
AND)

COUNTY OF MOHAVE)

ACKNOWLEDGEMENT OF GRANTING OFFICER

Before me, a Notary Public, in and for said County and State of
 this 18TH day of JANUARY, 1982, personally appeared _____
PAUL J. SMITH, Superintendent, whose name is sub-
 scribed to the foregoing "Grant of Easement" for right-of-way as Superin-
 tendent, Truxton Canon Agency, Bureau of Indian Affairs, and who acknowledged
 that he now is and was at the time of signing the same Superintendent of the
 Truxton Canon Agency, Bureau of Indian Affairs; and he personally acknowl-
 edged to me that he executed the said document in his official capacity and
 pursuant to authority delegated to him for the uses and purposes setforth
 herein.

My Comm. Expires: 12/31/85



 Notary Public

My Commission Expires: _____

LEGAL DESCRIPTION

HUALAPAI INDIAN RESERVATION

Said Right-of-Way to be approximately 42.1229 miles in length, 50 feet in width, and occupying approximately 255.2904 acres, and more particularly described and shown on the map of definite location to be attached and made a part hereof.

Beginning at Station 1137 + 00; T30N, R6W, Section 24,

Thence South $55^{\circ} 32'$ West to Station 1144 + 92;
T30N, R6W, Section 24,
Thence South $51^{\circ} 28'$ West to Station 1264 + 77;
T30N, R6W, Section 27,
Thence South $33^{\circ} 04'$ West to Station 1495 + 08;
T29N, R6W, Section 17,
Thence South $47^{\circ} 04'$ West to Station 1554 + 82;
T29N, R6W, Section 18,
Thence South $58^{\circ} 50'$ West to Station 1595 + 02;
T29N, R7W, Section 24,
Thence South $45^{\circ} 59'$ West to Station 1611 + 99;
T29N, R7W, Section 24,
Thence South $26^{\circ} 14'$ West to Station 1668 + 12;
T29N, R7W, Section 26,
Thence South $34^{\circ} 35'$ West to Station 1762 + 02;
T29N, R7W, Section 34,
Thence North $86^{\circ} 25'$ West to Station 1770 + 70;
T29N, R7W, Section 34,
Thence North $86^{\circ} 25'$ West to Station 1775 + 42;
T29N, R7W, Section 34,
Thence South $35^{\circ} 29'$ West to Station 1790 + 17;
T28N, R7W, Section 3,
Thence South $43^{\circ} 34'$ West to Station 1830 + 17;
T28N, R7W, Section 4,
Thence South $61^{\circ} 24'$ West to Station 1839 + 94;
T28N, R7W, Section 4,
Thence South $44^{\circ} 35'$ West to Station 1849 + 72;
T28N, R7W, Section 9,
Thence South $24^{\circ} 01'$ West to Station 1858 + 85;
T28N, R7W, Section 9,
Thence South $20^{\circ} 34'$ West to Station 1867 + 10;
T28N, R7W, Section 9,
Thence South $7^{\circ} 45'$ East to Station 1876 + 10;
T28N, R7W, Section 9,
Thence South $23^{\circ} 21'$ West to Station 1882 + 12;
T28N, R7W, Section 9,
Thence South $34^{\circ} 45'$ West to Station 1887 + 12;
T28N, R7W, Section 9,
Thence South $37^{\circ} 51'$ West to Station 1896 + 40;
T28N, R7W, Section 8,
Thence South $34^{\circ} 43'$ West to Station 1901 + 70;
T28N, R7W, Section 8,

Thence South 39° 28' West to Station 1905 + 44;
T28N, R7W, Section 17,
Thence South 19° 53' West to Station 1925 + 73;
T28N, R7W, Section 17,
Thence South 34° 34' West to Station 1937 + 75;
T28N, R7W, Section 17,
Thence South 34° 32' West to Station 1946 + 25;
T28N, R7W, Section 17,
Thence South 21° 27' West to Station 1984 + 31;
T28N, R7W, Section 20,
Thence South 7° 55' West to Station 1985 + 55;
T28N, R7W, Section 20,
Thence South 7° 55' West to Station 1988 + 21;
T28N, R7W, Section 20,
Thence South 35° 17' West to Station 2039 + 53;
T28N, R7W, Section 30,
Thence South 26° 29' West to Station 2062 + 36;
T28N, R7W, Section 30,
Thence South 29° 29' West to Station 2066 + 73;
T28N, R7W, Section 30,
Thence South 21° 48' West to Station 2100 + 68;
T28N, R7W, Section 31,
Thence South 31° 44' West to Station 2186 + 81;
T27N, R8W, Section 1,
Thence South 48° 01' West to Station 2190 + 79;
T27N, R8W, Section 1,
Thence South 58° 57' West to Station 2195 + 89;
T27N, R8W, Section 2,
Thence South 62° 13' West to Station 2204 + 39;
T27N, R8W, Section 2,
Thence South 39° 35' West to Station 2214 + 08;
T27N, R8W, Section 2,
Thence South 14° 45' West to Station 2277 + 21;
T27N, R8W, Section 14,
Thence South 15° 17' West to Station 2299 + 85;
T27N, R8W, Section 14,
Thence South 36° 59' West to Station 2315 + 81;
T27N, R8W, Section 15,
Thence South 36° 59' West to Station 2321 + 80;
T27N, R8W, Section 15,
Thence South 24° 48' West to Station 2331 + 87;
T27N, R8W, Section 15,
Thence South 25° 08' West to Station 2342 + 17;
T27N, R8W, Section 15,
Thence South 22° 52' West to Station 2366 + 72;
T27N, R8W, Section 22,
Thence South 11° 32' West to Station 2379 + 46;
T27N, R8W, Section 22,
Thence South 4° 24' East to Station 2389 + 93;
T27N, R8W, Section 22,
Thence South 37° 17' West to Station 2396 + 05;
T27N, R8W, Section 22,
Thence South 7° 23' West to Station 2400 + 60;
T27N, R8W, Section 22,

Thence South 23° 18' West to Station 2405 + 06;
T27N, R8W, Section 22,
Thence South 22° 29' West to Station 2407 + 40;
T27N, R8W, Section 22,
Thence South 22° 29' West to Station 2409 + 83;
T27N, R8W, Section 27,
Thence South 20° 54' West to Station 2417 + 93;
T27N, R8W, Section 27,
Thence South 12° 09' West to Station 2455 + 77;
T27N, R8W, Section 27,
Thence South 25° 13' West to Station 2457 + 53;
T27N, R8W, Section 27,
Thence South 24° 44' West to Station 2463 + 43,
T27N, R8W, Section 28,
Thence South 23° 50' West to Station 2492 + 24;
T27N, R8W, Section 33,
Thence South 50° 09' West to Station 2505 + 38;
T27N, R8W, Section 33,
Thence South 87° 29' West to Station 2514 + 26;
T27N, R8W, Section 33,
Thence North 68° 30' West to Station 2519 + 49;
T27N, R8W, Section 33,
Thence North 39° 54' West to Station 2530 + 74;
T27N, R8W, Section 33,
Thence South 33° 23' West to Station 2542 + 87;
T27N, R8W, Section 33,
Thence South 34° 18' West to Station 2555 + 29;
T27N, R8W, Section 32,
Thence South 5° 06' East to Station 2560 + 69;
T27N, R8W, Section 32,
Thence South 5° 47' East to Station 2565 + 08;
T27N, R8W, Section 32,
Thence South 5° 03' East to Station 2574 + 16;
T26N, R8W, Section 5,
Thence South 7° 50' East to Station 2579 + 73;
T26N, R8W, Section 5,
Thence South 8° 08' East to Station 2583 + 33;
T26N, R8W, Section 5,
Thence South 12° 24' East to Station 2586 + 42;
T26N, R8W, Section 5,
Thence South 12° 24' East to Station 2595 + 51;
T26N, R8W, Section 5,
Thence South 28° 04' West to Station 2611 + 31;
T26N, R8W, Section 5,
Thence South 40° 11' West to Station 2616 + 37;
T26N, R8W, Section 5,
Thence South 21° 54' West to Station 2620 + 84;
T26N, R8W, Section 5,
Thence South 9° 04' West to Station 2629 + 49;
T26N, R8W, Section 8,
Thence South 18° 37' East to Station 2633 + 05;
T26N, R8W, Section 8,
Thence South 7° 23' West to Station 2638 + 85;
T26N, R8W, Section 8,

Thence South $28^{\circ} 07'$ West to Station 2655 + 92;
T26N, R8W, Section 8,
Thence South $36^{\circ} 31'$ West to Station 2669 + 55;
T26N, R8W, Section 8,
Thence South $44^{\circ} 28'$ West to Station 2718 + 85;
T26N, R8W, Section 18,
Thence South $33^{\circ} 24'$ West to Station 2730 + 47;
T26N, R8W, Section 18,
Thence South $29^{\circ} 16'$ West to Station 2739 + 05;
T26N, R8W, Section 18,
Thence South $43^{\circ} 28'$ West to Station 2746 + 30;
T26N, R8W, Section 18,
Thence South $40^{\circ} 24'$ West to Station 2773 + 24;
T26N, R9W, Section 24,
Thence South $40^{\circ} 03'$ West to Station 2841 + 06;
T26N, R9W, Section 25,
Thence South $62^{\circ} 52'$ West to Station 2867 + 65;
T26N, R9W, Section 26,
Thence South $76^{\circ} 14'$ West to Station 2877 + 05;
T26N, R9W, Section 26,
Thence South $69^{\circ} 13'$ West to Station 2882 + 57;
T26N, R9W, Section 26,
Thence South $59^{\circ} 19'$ West to Station 2890 + 50;
T26N, R9W, Section 26,
Thence South $53^{\circ} 55'$ West to Station 2913 + 48;
T26N, R9W, Section 26,
Thence South $53^{\circ} 27'$ West to Station 2932 + 20;
T26N, R9W, Section 27,
Thence South $43^{\circ} 03'$ West to Station 2976 + 70;
T26N, R9W, Section 34,
Thence South $36^{\circ} 08'$ West to Station 3088 + 00;
T25N, R9W, Section 8,
Thence South $39^{\circ} 49'$ West to Station 3118 + 00;
T25N, R9W, Section 8,
Thence South $40^{\circ} 46'$ West to Station 3160 + 10;
T25N, R9W, Section 7,
Thence South $38^{\circ} 48'$ West to Station 3199 + 60;
T25N, R9W, Section 18,
Thence South $46^{\circ} 52'$ West to Station 3229 + 11;
T25N, R10W, Section 13,
Thence South $59^{\circ} 27'$ West to Station 3273 + 91;
T25N, R10W, Section 24,
Thence South $36^{\circ} 54'$ West to Station 3321 + 03;
T25N, R10W, Section 23,
Thence South $30^{\circ} 35'$ West to Station 3324 + 49;
T25N, R10W, Section 26,
Thence South $0^{\circ} 01'$ West to Station 3356 + 09;
T25N, R10W, Section 26,
Thence South $15^{\circ} 25'$ West to Station 3367 + 43
T25N, R10W, Section 26, G. & SRBM and ending
at Station 3367 + 43.

RESOLUTION

At the regular meeting of the Board of Directors of the Mohave Electric Cooperative, Inc., held October 19 1979, at Kingman Arizona, County of Mohave, State of Arizona, the following resolution is adopted:

WHEREAS, Mohave Electric Cooperative, Inc., is required from time to time to secure Rights-of-Way on Indian lands, for the construction of it's electric facilities.

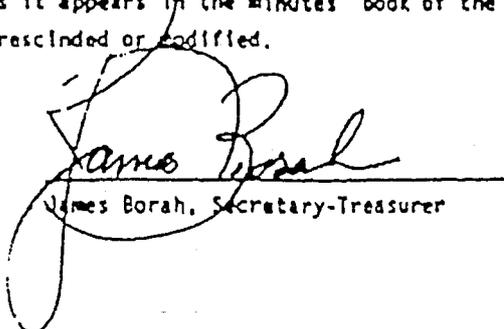
WHEREAS, Mohave Electric Cooperative, Inc. has been requested by the Indian Health service to provide Electric service to a water pumping system providing water to the residents of the Hualapai Reservation.

BE IT THEREFORE RESOLVED, that the General Manager of Mohave Electric Cooperative, Inc., be authorized to make application for all necessary Rights-of-Ways on Indian lands and further authorized to execute all necessary documents.

CERTIFICATION

I, James Borah, Secretary of the Mohave Electric Cooperative, Inc., do hereby certify that the foregoing is a true and correct copy of the resolution passed at the regular meeting of the Board of Directors of the Mohave Electric Cooperative, Inc., of Mohave County, State of Arizona, held on this 19 day of October 1979, as it appears in the minutes book of the Cooperative and that it has not been rescinded or modified.

(CORPORATE SEAL)


James Borah, Secretary-Treasurer

RESOLUTION NO. 36-77
 OF THE GOVERNING BODY OF THE
 HUALAPAI TRIBE OF THE HUALAPAI RESERVATION
 (A FEDERALLY CHARTERED INDIAN CORPORATION)
 PEACH SPRINGS, ARIZONA



- WHEREAS, the Mohave Electric Cooperative, whose business address is P.O. Box 1045, Bullhead City, AZ 86434, is planning to construct an electric power distribution line to Supai Village for the Havasupai Tribe, and
- WHEREAS, the proposed electric powerline will originate from existing distribution lines that Mohave Electric Cooperative now has installed along highway 66 and then be constructed in a northerly direction to Long Mesa on the Havasupai Reservation, and
- WHEREAS, the Hualapai Tribe, when projecting tribal development plans into the future, realizes that they will need electric power sources along the Supai-Frazier Wells road (Route 18) in order to be able to implement any future developments on this part of the reservation, and
- WHEREAS, the Hualapai Tribe has already indicated, by enacting Resolution No. 13-75, that they want this electric line routed across the Hualapai Reservation and will authorize granting a right-of-way without charge based on the length of the loan not to exceed thirty (30) years.
- NOW, THEREFORE, BE IT RESOLVED that the Hualapai Tribe requests that the proposed electric power distribution line that Mohave Electric Cooperative is planning or construct to Supai Village be routed along the Supai-Frazier Wells road (Route 18), and the maps presented showing that the line will be constructed along route 18 as near possible.
- BE IT FURTHER RESOLVED that in consideration of the advantages accruing to the Hualapai Tribe, including the availability of power to the area of Frazier Wells and the possibility of a line over to the Youth Camp and to the Fire Tower, that the Hualapai Tribe authorizes the Bureau of Indian Affairs to grant a right-of-way easement as per maps submitted for the electric power distribution line to be built by the Mohave Electric Cooperative across the Hualapai Reservation without charge, and further based on the fact that the loan shall not exceed thirty (30) years, and that the easement shall be only for the period of said loan.

Page 2
Resolution 36-77

C E R T I F I C A T I O N

I, the undersigned, as Chairman of the Hualapai Tribal Council, hereby certify that the Hualapai Tribal Council of the Hualapai Tribe is composed of nine (9) Members of whom six (6) constituting a quorum were present at a regular meeting thereof held on this 6th day of August 1977; and that the foregoing resolution was duly adopted by the affirmative vote of five (5) to zero (0) members pursuant to authority of Article VI Section I (a) (b) of the Revised Constitution and Bylaws of the Hualapai Tribe Approved October 22, 1955.

Carl Hawthorne
CHAIRMAN, Hualapai Tribal Council

ATTEST:

William H. Kibbey
SECRETARY, Hualapai Tribal Council

EXHIBIT 3

RECEIVED

05 JAN 21 AM 11:42

605-1-85

BUREAU OF INDIAN AFFAIRS
ALBUQUERQUE, N.M.UNITED STATES
DEPARTMENT OF THE INTERIORBUREAU OF INDIAN AFFAIRS
Truxton Canon AgencyGRANT EASEMENT FOR RIGHT-OF-WAYOwnership Havasupai Tribe

Tract No. _____

KNOW ALL MEN BY THESE PRESENTS:

That the United States of America, acting by and through the Superintendent, Truxton Canon Agency, Bureau of Indian Affairs, Department of the Interior, hereinafter referred to as "Grantor", under authority contained in 230 DM 1. 10 BIAM 3, and 10 BIAM 11; and pursuant to the provisions of the Act of February 5, 1948 (62 Stat. 17; 25 U.S.C. 323-328), and Part 161, Title 25, Code of Federal Regulations, in consideration of one dollar (\$1.00) and other good and valuable consideration, does hereby grant to Mohave Electric Cooperative, Inc., of P. O. Box 1045, Bullhead City, Arizona 86430, a cooperative authorized to do business in the State of Arizona, its successors or assigns, hereinafter, referred to as "Grantee", a right-of-way for the following purposes, namely; to be used to construct, install, operate and maintain an electrical distribution line, along with the right to ingress thereto and egress therefrom across tribal lands of the Havasupai Indian Tribe of the Havasupai Reservation in the county of Coconino and State of Arizona.

The right-of-way application herein granted shall be 50 feet in width for a distance of 7.58 miles, to occupy approximately 45.9538 acres, and is described as:

Beginning at Station 0+00 Long Mesa which is unsurveyed: Thence South 37° 12' West to Station 17 + 40; Thence South 45° 26' West to Station 37 + 90; Thence South 19° 06' West to Station 53 + 40; Thence South 25° 35' West to Station 82 + 90 Thence South 46° 53' West to Station 107 + 40; Thence South 0° 26' West to Station 119 + 20; Thence South 20° 49' East to Station 130 + 70; Thence South 23° 34' East to Station 154 + 95; Thence South 24° 49' East to Station 176 + 05; Thence South 39° 35' West to Station 216 + 45; Thence South 21° 59' West to Station 228 + 04; Thence South 9° 26' East to Station 265 + 09; Thence South 40° 16' West to Station 315 + 01; Thence South 53° 59' West to Station 339 + 46; Thence South 15° 18' East to Station 372 + 71; Thence South 21° 27' West to Station 388 + 71; Thence South 45° 55' West to Station 400 + 35; Through Section 18, and 19, Township 32 North, Range 4 West, G & SRBM and ending at Station 400 + 35; as shown on the map of definite location, attached hereto and made a part hereof, in two sheets numbered 1 & 2 and entitled "Proposed Centerline For 14.4/24.9 KV Electric Distribution Line Across Hualapai Indian Reservation." Ties to the Public Survey are shown on said maps along the route of the right-of-way.

This right-of-way is subject to any prior valid existing right or adverse claim and is for a period of thirty (30) years so long as said right-of-way shall actually be used for the purpose above specified: PROVIDED, that this right-of-way shall be terminable in whole or in part by the Grantor for any of the following causes upon a 30-day written notice and failure of the Grantee within said notice period to correct the basis of termination per 25 CFR 169.20:

- a. Failure to comply with any terms or conditions of the grant or the applicable regulations.
- b. A non-use of the right-of-way for a consecutive two year period for the purpose of which it was granted.

- c. An abandonment of the right-of-way.
- d. Failure of Grantee, upon completion of construction, to file with the Grantor an "Affidavit of Completion" pursuant to 25 CFR 169.16.

The conditions of the easement shall extend to and be binding upon and shall inure to the benefit of the successors and assigns of the Grantee.

In Witness whereof, Grantor has executed this Grant of Easement this
14th day of December, 1984.

UNITED STATES OF AMERICA

By: C. S. Hansen
(Superintendent)

U. S. Department of the Interior
Bureau of Indian Affairs

STATE OF ARIZONA)
AND)
COUNTY OF MOHAVE)

ACKNOWLEDGEMENT OF GRANTING OFFICER

Before me, a Notary Public, in and for said County and State of this
14th day of December, 1984, personally appeared E.L.
Denson, Superintendent, whose name is sub-
scribed to the foregoing "Grant of Easement" for right-of-way as Superin-
tendent, Truxton Canon Agency, Bureau of Indian Affairs, and who acknowledged
that he now, is and was at the time of signing the same Superintendent of the
Truxton Canon Agency, Bureau of Indian Affairs; and he personally acknowledged
to me that he executed the said document in his official capacity and pur-
suant to authority delegated to him for the uses and purposes setforth herein.

Gerald C. Lucero
Notary Public

My Commission Expires: 5/28/85



RECEIVED
605-1-85
JAN 21 11:42
BUREAU OF INDIAN AFFAIRS
ALBUQUERQUE, N.M.

LEGAL DESCRIPTION

HAVASUPAI INDIAN RESERVATION

Said Right-of-Way to be approximately 7.5823 miles in length, 50 feet in width, and occupying approximately 45.9538 acres, and more particularly described and shown on the map of definite location to be attached and made a part hereof.

Beginning at Station 0+00 Long Mesa which is unsurveyed:

Thence South 37° 12' West to Station 17 + 40;
 Thence South 45° 26' West to Station 37 + 90;
 Thence South 19° 06' West to Station 53 + 40;
 Thence South 25° 35' West to Station 82 + 90;
 Thence South 46° 53' West to Station 107 + 40;
 Thence South 0° 26' West to Station 119 + 20;
 Thence South 20° 49' East to Station 130 + 70;
 Thence South 23° 34' East to Station 154 + 95;
 Thence South 24° 49' East to Station 176 + 05;
 Thence South 39° 35' West to Station 216 + 45;
 Thence South 21° 59' West to Station 228 + 04;
 Thence South 9° 26' East to Station 265 + 09;
 Thence South 40° 16' West to Station 315 + 01;
 Thence South 53° 59' West to Station 339 + 46;
 Thence South 15° 18' East to Station 372 + 71;
 Thence South 21° 27' West to Station 388 + 71;
 Thence South 45° 55' West to Station 400 + 35;

Through Section 18, and 19, Township 32 North, Range 4 West, G.S & R.M.
 and ending at Station 400 + 35.

L. RECORDS
 BIA INDIAN AFFAIRS
 ALBUQUERQUE, N. MEX.

605-1-85
 85 JAN 21 AM 11: 57

RECEIVED

EXHIBIT 4

RECEIVED
PROPERTY OFFICE
PROPERTY SAFETY
APR 20 1 52 PM '93

Branch of Acquisition. Federal Assistance
Section IV/ Contracts & Grants/MS-211

APR 19 1993

CERTIFIED RETURN RECEIPT REQUESTED

Mr. Robert Broz, General Manager
Mohave Electric Cooperative, Inc.
P.O. Box 1045
Bullhead City, Arizona 86430

Dear Mr. Broz:

This is regarding GSA Contract No. GS-00S-67021. Negotiated Electric Utility Contract between Mohave Electric Cooperative, Inc. and the Bureau of Indian Affairs (Government).

On April 1, 1982, the Government entered into Contract No. GS-00S-67021 with Mohave Electric Cooperative, Inc. to furnish the Government all electric energy which the Government may request during the term of this contract. Said services was to supply electric energy to existing and future residential and commercial installations on the Hualapai and Havasupai Indian Reservation located in Northeastern Arizona. The term of this contract was for ten years and has since expired.

Under the Contract, the Government has the right of renewal for two additional ten year periods. The Government hereby notifies Mohave Electric of its intent to exercise this option.

Prior to exercising our option, we need to re-negotiate and amend the existing contract. The contract makes reference to construction of overhead transmission and/or distribution facilities. Construction was completed and the Government reimbursed Mohave all cost associated with the construction. Therefore, some of this language needs to be deleted.

Whereas, language in the contract relative to the monthly facility charge, allows "for Mohave to recover cost associated with the construction and operation of facilities to make electric service available to the Government, the Government upon verification of Mohave's cost of construction agrees to pay Mohave as a Facility Charge an annual amount equal to the sum of:

- (1) 4.44% (percent) or the lesser of the cost of construction or \$1,600,000 and/or other amount(s) concurred by the Government Contracting Officer;
- (2) All state and local property taxes assessed against the facilities and Mohave constructs because of this contract;

- (3) The (a) operation and maintenance expenses. (b) cost of replacement less original book value of replaced facilities and (c) cost of system improvements that Mohave constructs as a result of this contract."

Also, under provision "Interim Construction Accounting" the Government has the right to audit all construction costs related to the construction of the subject facilities.

The Government hereby notifies Mohave Electric of its intention to exercise its right under the contract to verify and audit all construction cost and monthly facility charges. This audit will be coordinated through the U.S. Department of Interior, Office of Inspector General. Mohave Electric will receive proper notification of any audit arrangements.

When the Government has obtained the audit results, the Government will propose a negotiation meeting with Mohave Electric for continued electrical services under the contract.

If you have any questions, please call the Rose Velarde, Contracting Officer, at (602) 379-6760.

Sincerely,

Rose M. Velarde
1420-3228-0793
Contracting Officer

cc: PAO Facility Manager/MS-220
Director, Facilities Management and Construction Center
Attention: Mr. Richard Crissler
Facility Manager, Truxton Canon Agency
Supt., Truxton Canon Agency
Eddie Quotskuyva, Supervisory Contract Specialist

EXHIBIT 5

MOHAVE

electric cooperative

P.O. Box 1045, Bullhead City, Arizona 86430

February 2, 1995

FAX LETTER

Mr. Lawrence A. Kopas
United States Department of the Interior
Office of the Inspector General

EX 11

Re: Audit of BIA Contract

Dear Mr. Kopas:

The following is what we have retrieved from the files to this point regarding amounts and dates of past billing amounts to the BIA for facilities charges.

According to our records, from January of 1982 thorough April of 1991, the monthly billing for Facilities Charge was \$15,504.48. Of this amount, \$4,238.91 was payment for the cost of construction and the balance of \$11,265.57, which, as I have indicated, has been described to me as strictly a negotiated amount, was for operations, maintenance, property taxes and depreciation. Each of these amounts were described and shown separately on those bills, as shown on the copy attached.

I am guessing that some of the confusion for the BIA in Phoenix may have come about because each of the amounts comprising the facilities charge was calculated using a component equal to the construction cost which was multiplied by the negotiated factors and then divided by 12 to produce a monthly billing amount. The construction cost portion of the facilities charge ceased with the payment for the balance of the construction costs by the BIA, but certainly the other costs, as is indicated and provided for in the contract, did not cease just because the construction cost was used as a factor in the calculation of those other costs. The line will eventually need to be replaced, hence there was a negotiated component for depreciation reserve, and operations, maintenance and property taxes obviously continued and hence the negotiated components for those costs have continued as well.

During or near May of 1991, our records indicate the BIA paid the balance of the amount owed for construction. There was what I gather was a final amount of \$1,836.90 for the balance of construction included in the May 1991 bill, which, with the basic charge of \$11,265.57, brought the total facilities charge for May of 1991 to \$13,102.47.

From June of 1991 through January of 1993, the monthly billing for the facilities charge remained at the basic amount of \$11,265.57, for operations, maintenance, property taxes and depreciation.

FAX LETTER - Kopas (continued)
Page 2 of 3
February 2, 1995

Billings from February of 1993 to present have been affected by the Hualapai Tax billing to Mohave Electric for the portion of the line for the BIA which passes through the Hualapai Reservation. These Hualapai Tax additional amounts, which I believe began in 1991, were billed to Mohave and, since February of 1993, have been directly passed on to the BIA on the monthly bill for service, usually having been shown separately on the bill with a description such as "Tax Reimbursement." As was described during telephone conversations with the BIA and in letters, this wording was used only to facilitate the record keeping for the BIA. This Hualapai Tax was and is an obviously allowed addition to the facilities charge according to the contract. But, prior to putting this on the bill as an addition to the facilities charge, a totally separate billing was attempted and pursued for many months, beginning in 1991.

There was significant difficulty in collecting any of the Hualapai Tax amounts from the BIA, although Mohave Electric was being billed additional amounts each year. Finally a separate payment was made in May of 1993 and, as directed by the Cooperative attorney, we had also already begun including a monthly amount on the regular monthly bill as a separately stated portion of the monthly facilities charge for additional billings, information about all of which has all already been separately provided to the BIA by the Cooperative attorney.

The February 1993 billing showed an amount of \$4,299.90, in addition to the standard amount of \$11,254.57, for a total of \$15,565.47.

The billing from March of 1993 through August of 1994 included an amount of \$1,419.06 for Hualapai Taxes, plus the standard amount of \$11,265.57, for a total of \$12,684.63.

The billing for September of 1994 included an amount of \$1,603.84, as the final portion of Hualapai Tax related outstanding and past due amounts, for a total of \$12,869.41.

The October 1994 billing included only the standard amount of facilities charge of \$11,265.57, for operations, maintenance, property taxes and depreciation.

Having received a new bill from the Hualapai Tribe for the Hualapai Tax, the bills from November of 1994 through January of 1995 have included an amount for Hualapai Tax of \$1,446.58, which combined with the standard charge, has resulted in a total current facilities charge of \$12,712.15.

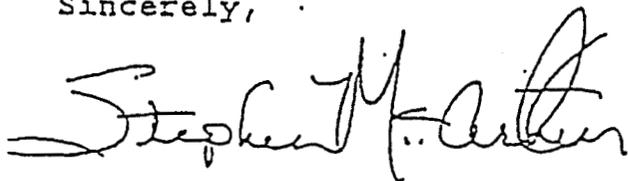
FAX LETTER - Kopas (continued)
Page 3 of 3
February 2, 1995

A recap showing the billing periods and charges is as follows:

From	To	Monthly Amount
January 1982	April 1991	\$15,504.48
May 1991	..	13,102.47
June 1991	January 1993	11,265.57
February 1993		15,565.47
March 1993	August 1994	12,684.63
September 1994		12,869.41
October 1994		11,265.57
November 1994	January 1995	12,712.15

I am hopeful this information will help facilitate your work and not add to the confusion. If you have questions or want copies of anything, please call.

Sincerely,



Stephen McArthur
Comptroller

Attachment (1)

EXHIBIT 6

MOHAVE



electric cooperative

P.O. Box 1045, Bullhead City, Arizona 86430

RECEIVED
BIA - PAO
CONTRACT & GRANTS

JUN 21 8 21 AM '95

June 15, 1995

Area Director of Administration
Bureau of Indian Affairs, Phoenix Area Office
U. S. Department of the Interior
P. O. Box 10
Phoenix, Arizona 85001

RE: Contract GS-OOS-67021

Dear Sir:

According to the terms of the above referenced contract, we sent a certified letter, dated June 7, 1995, to the address specified in the contract. That letter has been returned with an indication the forwarding order has expired.

The purpose of this letter is to request information regarding the expired contract above referenced. The contract, between Mohave Electric Cooperative, Inc. (Mohave), and the United States of America, Department of Interior, Bureau of Indian Affairs (BIA), provided for the supply of electric energy to the Hualapai and Havasupai Indian Reservations.

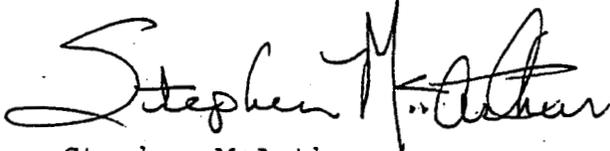
During the recent contract audit by the Office of the Inspector General, Department of the Interior, which was requested by the Phoenix office of the BIA, the audit team noted that the contract had not been renewed and was well past the renewal date of April 1, 1992. Mohave was subsequently reminded that a certified letter, as was required by the terms of the contract, was mailed to the BIA during March 1992. In that letter, Mohave requested the BIA to provide Mohave with the intentions of the BIA toward the renewal options of the contract. No response was received to that letter request. According to Mohave's records and Mohave's understanding of the contract, the contract expired on April 1, 1992. The BIA clearly declined to exercise the renewal option as was required by the agreement.

Mohave now requests the intentions of the BIA regarding the old contract and the existing service. Does the BIA now wish to discuss a new contract, since the old contract has obviously expired, or is the intent of the BIA for Mohave to cease to provide service, which was an aspect provided for in the old contract?

LETTER - Bureau of Indian Affairs
June 15, 1995
Page 2 of 2

Mohave needs to receive a written response prior to June 29, 1995. If you have questions or require any additional information, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Stephen McArthur". The signature is written in black ink and is positioned above the printed name and title.

Stephen McArthur
Comptroller

EXHIBIT 7

2 3 5 0 2 7 0 0 1 4

M E C Member Newsletter

News from Mohave Electric Cooperative

March/April 1986

Notice of director elections and district and annual meetings

District 1 meeting April 11

District 1 meetings are rotated according to the location of the director whose term is expiring. This year the term of Eugene "Pat" Cook is expiring so the meeting will be held at the Owens-Whitney School in Wikieup, Ariz., at 7 p.m. on Friday, April 11 for the purpose of electing a person to fill the seat. Cook has announced his intention to seek re-election to the District 1 director's seat. Nominations for any other candidates also will be entertained. Registration will begin at 6:30 p.m. The agenda will include:

1. Determination of a quorum.
2. Reading of notice of meeting and proof of mailing of said notice.
3. Reading of unapproved minutes of previous meeting.
4. Election of director.
5. Reports.
6. Adjournment.

There will be a drawing for a water heater jacket and credits on electric bills at the conclusion of the meeting.

General membership meeting April 15

The Annual Membership Meeting of the Mohave Electric Cooperative will be held on Tuesday, April 15 at Mohave High School immediately following the District 1 meeting. The purpose of the meeting is to make known to the membership the financial condition of the cooperative. The agenda will include:

1. Determination of the presence of a quorum.
2. Reading of the notice of meeting and proof of mailing of said notice.
3. Reading of unapproved minutes from the previous meeting.
4. Reports of the officers.
5. Old business.
6. New business.
7. Adjournment.

The grand door prize, a video cassette recorder and other prizes of electric bill credits will be awarded by a drawing at the close of the annual meeting.

Members attending any of the co-op meetings are asked to bring the mailing label from this annual report to the meeting. Labels turned in at the district meetings will make the membership eligible for the video cassette recorder which will be given away at the conclusion of the annual membership meeting in Bullhead City.

District 1 boundaries

District 1 encompasses the entire service area of the co-op that lies east of Kingman and includes the Hualapai Valley, Lake Mead Rancheros, Hackberry, Valentine, Truxton, Peach Springs, Nelson, Frazier Wells,

Pica Valley, and Long Mesa. It also includes the area south of Kingman which includes the Hualapai Mountains, Cedar Mesa, Trout Creek, Big Sandy, Wikieup, and Signal.

Continued on page 4a.

235027 0014

Notice of proposed amendment to Article VII

Notice of
 proposed amendment
 to Article VII
 of the
 Articles of Conversion
 (Articles of Incorporation)
 of
 Mohave Electric
 Cooperative, Inc.

Pursuant to Arizona Revised Statutes §10-756, the following proposed amendment to the Articles of Conversion (Articles of Incorporation) of Mohave Electric Cooperative, Inc. shall be presented at the annual meeting of members to be held on April 15, 1986 at 7:30 p.m. at Mohave High School Auditorium on Highway 95.

Article VII is amended to read as follows:

The Corporate existence of Mohave Electric Cooperative, Incorporated is about to expire on May 24, 1986. The said Mohave Electric Cooperative, Incorporated existence is hereby renewed and continued for twenty-five (25) years thereafter with the privilege of renewal as provided by law.

EXHIBIT 8

P. 4
200



RECEIVED
BIA - PAO
CONTRACTS & GRANTS

P.O. Box 1045, Bullhead City, Arizona 86430

JUN 19 1 40 PM '96

electric cooperative

June 6, 1996

Mr. Barry Welsh
Acting Manager
Bureau of Indian Affairs (BIA)
Phoenix Area Office
One North First Street, 4th Floor
Phoenix, Arizona 85004

Re: Line Serving BIA

Dear Mr. Welsh:

PHOENIX AREA DIRECTOR
JUN 17 11 37 AM '96
BUREAU OF INDIAN AFFAIRS
RECEIVED

We have received correspondence from the BIA regarding the expired contract between the BIA and Mohave Electric. Enclosed for your review are copies of past correspondence sent by Mohave Electric to the BIA. These two letters are specifically related to the possible renewal of the contract.

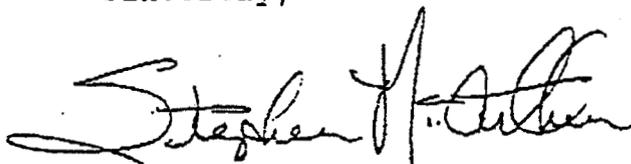
The first letter, dated March 17, 1992, and sent by certified mail as specified in the contract, notified the BIA that the contract was due to expire on April 1, 1992. Mohave Requested the BIA to provide a written response by March 31, 1992, describing the intentions of the BIA regarding any proposal for contract renewal. The second letter, dated June 15, 1995, and which was also sent by certified mail, was sent to again request information about the intentions of the BIA concerning the now expired contract. This letter requested a written response by June 29, 1995, with a description of the intentions of the BIA, and more specifically as to whether the BIA wished to discuss a new contract or if there was a desire for Mohave Electric to cease service. Neither of these letters ever received a direct response.

We have carefully reviewed many aspects of the expired contract and of the service itself. We recognize that the BIA reimbursed Mohave for the construction of the power line from Mohave's Nelson substation to a point near the Grand Canyon, with a length of approximately 63.3 miles, and Mohave retains ownership of this line. The review of all aspects has resulted in a determination that continuing with this service as it currently exists is not in the best interests of the members of Mohave Electric. We intend to transfer ownership of this line to the BIA. This transfer will require the relocation of the metering equipment from the present location near the Grand Canyon to a location near or at the Nelson Substation.

LETTER - Welch (continued)
June 6, 1996
Page 2 of 2

We request that you arrange for your representative to contact Mohave's Engineering Department in order to commence activities which will culminate in the orderly transfer of facilities within one hundred and twenty (120) days from today.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stephen McArthur".

Stephen McArthur
Comptroller

cc: Michael A. Curtis, legal counsel

EXHIBIT 9



IN REPLY REFER TO:

United States Department of the Interior



BUREAU OF INDIAN AFFAIRS

Truxton Canon Agency
Valentine, Arizona 86437

Office of the Superintendent
(520) 769-2286 ext. 302

August 31, 1998

Mr. Stephen McArthur, Comptroller
Mohave Electric Cooperative
P.O. Box 1045
Bullhead City, Arizona 86403

Dear Mr. McArthur:

It is apparent from your August 25, 1998 letter that we have not communicated effectively with each other regarding the Havasupai electric service you provide.

Our BIA staff started out in March trying to get the key to the Long Mesa Master Meter so we could read the master meter on the same day we read the BIA customer meters in Supai. This would enable us to make a more accurate correlation between the amounts of electric for which we are paying and the amounts of electric for which we are billing and collecting.

After numerous telephone calls and requests to MEC, Mr. Tom Longtin advised Mr. Steve Wood, our Facilities Manager, that the Long Mesa Master Meter had been removed, and now the meter readings are coming from the Nelson sub-station (some 65 miles away).

I called and asked you about the movement of the meter and you told me that the BIA approved MEC's moving this meter. I was in most of the meetings with you and your attorneys and recall no such agreement being made at any of the meetings in which I was in attendance. I am following up with the other BIA personnel who attended those meetings to see what type of agreement might have been made. I would like to know the nature and details of the agreement from your perspective also. As the line officer for this agency, it seems I would have been involved in such an agreement.

It does not seem practical or prudent to have moved the meter from Long Mesa. I request you advise me on what the requirements will be to have it re-installed at Long Mesa and how quickly it can be done.

It was also late March or early April when Jim Williams and I started asking you and Greg in your accounting office for the rates we are paying for all of our meters. You continued to put us off. First we were told you would send them, then that we had to put our request in writing (which we did on two occasions), and then we followed up with several telephone calls.

Recently, you told me the reason you had not sent us the rates was because your office had failed to deduct the other customers on the line from our bills. This overbilling has continued from the time you took out the Long Mesa Master Meter. You said you had been conducting an audit of those accounts to be certain that when you did give us the information that it would be accurate. You told me the BIA had overpaid MEC over \$6,000 in the past year for those additional accounts.

In April 1997, our electric bills for Havasupai were reduced from around \$25,000 - \$30,000 per month, down to around \$12,000 - \$15,000. We are trying to figure out why. It could be that MEC has been charging us for construction costs or operation and maintenance costs, for which there was a correction made. We do not want to find out a year from now that for some reason you have under-billed us leaving a large debt which we have to pay back.

I asked you how you determined the technical loss on the 65 miles of line between Nelson sub-station and that I thought the BIA should not be responsible for that loss. You did not estimate the actual loss but said it is insignificant, probably less than 2-3%, and it would not impact our energy delivery or electric costs. Although I did not argue the point with you, I certainly was not, and am not, in agreement with your conclusion.

By my letter to Mr. Bob Broz dated July 21, 1998, I requested specific information on the rates we are being charged for electric, the date the Long Mesa Master Meter was taken out of service and the reasons for taking that meter out of service, and your estimates of the technical line loss between the Nelson sub-station and the Long Mesa Master Meter.

You and I did discuss the information I was asking for and you did fax me three pages on July 21, 1998. These pages included a cover sheet and the rate schedules, #504 and #615. As I understand it, Rate #615 applies to the Long Mesa Master Meter and Rate #504 applies to all the rest of the meters we have in the Truxton Canon Agency. Is this correct? That fax did not fully answer my questions about the rates we are paying and did not respond to the other questions in my letter.

I have been waiting for a reply to my July 21, 1998 letter. I asked in the letter that you contact me if a response could not be made within ten days. Since I did not receive a response and more than ten days had passed, I followed up with my August 24 letter.

Please provide me the information I requested in the July 21, 1998 and August 24, 1998 letters. In addition, I request that you provide me a copy of the audit which you conducted on the customer accounts which have been billed to BIA inappropriately.

I would like to resolve these issues as quickly and painless as possible. Please let me know how you wish to proceed.

Sincerely

A handwritten signature in cursive script, appearing to read "Robert R. McNichols". The signature is written in dark ink and is positioned above the printed name and title.

Robert R. McNichols
Superintendent

EXHIBIT 10



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
WESTERN REGIONAL OFFICE
P.O. BOX 10
PHOENIX, ARIZONA 85001

IN REPLY
REFER TO:

Branch of Acquisition and
Federal Assistance, MS-210
602/379-6760

March 6, 2002

CERTIFIED MAIL NO. 7000 1530 0000 1277 3949
RETURN RECEIPT REQUESTED

Mr. Robert Broz, General Manager
Mohave Electric Cooperative, Inc.
P.O. Box 1045
Bullhead City, Arizona 86430

Dear Mr. Broz:

Reference GSA Contract No. GS-00S-67021, Negotiated Electric Utility Contract (the Contract) between Mohave Electric Cooperative, Inc. (MEC) and the Bureau of Indian Affairs (the Government).

In accordance with the Contract, the Government exercises its option to extend the contract for a ten year period from April 1, 2002 through March 31, 2012.

The Government's exercise of its option as described above does not constitute a waiver, and the Government expressly reserves, any potential claims the Government may have concerning MEC's past and future billings and the Government's past and future payments under the Contract. Some of these potential claims were noted in the Inspector General's Audit Report No. 95-E-1045, "Review of Mohave Electric Cooperative, Inc., Calendar Year 1994 Charges Under Bureau of Indian Affairs Contract No. GS-00S-67021" (June 1995), previously provided to MEC.

The Government's understanding of the status of some of the component parts of charges and payments under the Contract are as follows:

1. Subsequent to the original making of the Contract, as of 1991, the Government paid in full to MEC the cost of the construction of the facilities built to deliver power from MEC to the Government at the line side of the Long Mesa Transformer. Accordingly, the Contract was amended through the above described conduct of MEC and the Government to delete the charge contained in the contract at Addendum No. 1, p. 6, paragraph "FACILITIES CHARGES," subparagraph "(1)".
2. No payment is owed by the Government to MEC for the charge described in the Contract at addendum No. 1, p. 6, paragraph "FACILITIES CHARGES," subparagraph "(2)" until MEC provides the Government with properly supported invoice documenting those charges.
3. No payment is owed by the Government to MEC for the charge described in the Contract at Addendum No. 1, p. 6, paragraph "FACILITIES CHARGES," subparagraph "(3)" until MEC provides

OPTIONAL FORM 92 (7-92)

FAX TRANSMITTAL

of pages ▶ 5

To	Nan Jackson	From	
Dept./Agency		Phone #	

the Government with properly supported invoices documenting those charges.

Pursuant to paragraph 2 of the Contract, MEC's point of delivery to the Government is the line side of the Long Mesa Transformer. The Government has been advised and thus suspects that MEC moved the metering device from the line side of the Long Mesa Transformer to MEC's Nelson substation. If this suspicion is substantiated, the Government objects to MEC's unilateral change in the point of metering and billing from the Nelson substation and submits that MEC is required to meter and bill the Government's use at the line side of the Long Mesa Transformer as required by the Contract.

The Government has been advised and thus suspects that MEC serves, in addition to the Government, approximately fourteen additional customers located between the Nelson substation and the line side of the Long Mesa Transformer. The Government has been advised and thus suspects that MEC deducts from the Government's monthly bill what MEC unilaterally calculates as being the electrical usage for these other fourteen MEC customers. If the Government's suspicions described are correct, the Government suspects that MEC may have charged in the past and may be now charging the Government: costs of power losses that occur in the seventy mile electrical line; costs of power losses that occur in service lines that deliver power to MEC's other fourteen customers between MEC's Nelson substation and Long Mesa; costs of any un-metered power such as jumped meters, etc. The Government expects MEC to address, under the terms of the Contract and to the Government's satisfaction, these and other issues that have arisen or that may arise during the term of the exercised option to the Contract.

The Government requests MEC to provide the Government, within thirty (30) calendar days of the date of this letter, a written explanation of MEC's monthly charges to the Government with reference to MEC's rate schedule approved by the Arizona Corporation Commission. A full explanation of how MEC calculated its charges to the Government for the most recent month is requested with particular attention to the monthly service charge; the monthly demand charge per KW; and the energy charge per KWH.

If additional information or assistance is needed, please contact this office at (602) 379-6760.

Sincerely,

(Sgd) Lloyd M. Brewer

Contracting Officer

Enclosure

cc: WRO, Regional Director
Supt., Truxton Canon Field Office
Facilities Management, Attn: Ralph Esquerra
Field Solicitor's Office, Attn: Daniel L. Jackson
Augustine Hanna, Havasupai Tribal Chairman
Daniel C. Shiel, Rothstein, Donatelli, Hughes, Dahlstrom, Schoenburg & Enfield, LLP
Louise Benson, Hualapai Tribal Chairperson

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 1
2. AMENDMENT/MODIFICATION NO. 1	3. EFFECTIVE DATE 04/01/02	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY Bureau of Indian Affairs - Western Regional Office Acquisition & Federal Assistance 400 N. 5th Street, Phoenix, Az 85004 P.O. Box 10, Phoenix, Az 85001	CODE	7. ADMINISTERED BY (If other than Item 6) Renee Holly, Contract Specialist Phone: 602.379.3822 FAX: 602.379.6763	CODE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) Mohave Electric Cooperative, Inc. P.O. Box 1045 Bullhead City, Arizona 86430		(X)	9A. AMENDMENT OF SOLICITATION NO.
			9B. DATED (SEE ITEM 11)
		X	10A. MODIFICATION OF CONTRACT/ORDER NO. GS-OOS-67021
			10B. DATED (SEE ITEM 11) 04/01/82
CODE	FACILITY CODE		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS			

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
 (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) Unilateral Modification IAW Contract Terms and Conditions

E. IMPORTANT: Contractor is not, is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Electric Utility Contract to Provide Electric Energy for the Operation of Government Facilities Located at Hualapai and Havasupai Indian Reservations, Arizona.

This modification is issued to exercise the Governments option to extend the contract performance period an additional 10 years in accordance with the Contract Terms and Conditions.

Performance Period - FROM: April 1, 2002 THROUGH: March 31, 2012

Except as provided herein, all terms and conditions of the document referenced in Item 8A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Lloyd M. Brewer, Contracting Officer
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED
	16B. UNITED STATES OF AMERICA <i>Lloyd M. Brewer</i> (Signature of Contracting Officer)
	16C. DATE SIGNED 3-5-02

EXHIBIT 11

RECEIVED

Law Offices

MARTINEZ & CURTIS, P.C.

Michael A. Curtis
 Jay M. Martinez (1843-2000)
 William P. Sullivan
 Susan D. Goodwin
 Larry K. Udall
 Anja K. Wendel
 Paul R. Michaud
 Kelly Y. Schwab
 Phyllis L. New

2712 North Seventh Street

2002 MAR 22 PHOENIX, ARIZONA 85006-1090

Telephone (602) 248-0372
 Telecopier (602) 266-8290

BIA-PHX-ACQUISITIONS
 AND FED ASSISTANCE

OF COUNSEL
 Joseph F. Adate
 Thomas Hine
 G. Eugene Neil
 Jeffrey A. Katz
 Richard S. Allemann

REFER TO FILE NO. 1234
 1234-7-19

March 20, 2002

Mr. Lloyd Brewer, Contracting Officer
 U.S. Department of Interior
 Bureau of Indian Affairs
 Western Regional Office
 Post Office Box 10
 Phoenix, Arizona 85001

Re: Your Letter of March 6, 2002

Dear Mr. Brewer:

Your letter to Mohave Electric Cooperative has been referred to our offices as General Counsel for the Cooperative. Your letter refers to GSA Contract No. G8-00S-67021, Negotiated Electric Utility Contract between Mohave Electric Cooperative, Inc. and the Bureau of Indian Affairs, and requests that this specific Contract be extended through 2012. Unfortunately, that Contract expired of its own terms in 1992 when the Bureau of Indian Affairs did not seek an extension of the Contract. It no longer exists. Therefore, that Contract (no longer being in existence) is not in effect, and cannot be extended as requested.

At the present time, Mohave advises the BIA has been and is being served electric service at the Nelson Substation by Mohave under a month-to-month contract at sufferance pursuant to a rate approved by the Arizona Corporation Commission which service Mohave chose to implement at the time that the aforementioned Contract terminated in 1992. If BIA wishes to negotiate a formal written Electric Service contract to replace the contract at sufferance, Mohave would be willing to do so only through settlement negotiations connected with litigation now pending between the parties.

Mr. Lloyd Brewer, Contracting Officer
March 20, 2002
Page 2

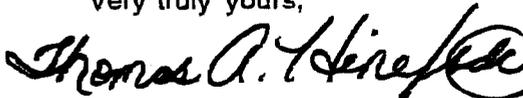
If you should have any questions or need any more information, since this account and service are in litigation please contact the following:

Thomas A. Hine, 2712 N. 7th St, Phoenix, Az 85006-1090 (602)870-1828.
Michael A. Curtis, 2712 N. 7th St, Phoenix, Az 85006-1090 (602)248-0372

With Copies to:

Robert Broz, Chief Executive Officer, Mohave Electric Cooperative, Inc.

Very truly yours,



Michael A. Curtis
Thomas A. Hine
For the Firm

cc: Robert Broz, MEC
Lane Tucker, Esq., Department of Justice

EXHIBIT 12

Law Offices
MARTINEZ & CURTIS, P.C.

Michael A. Curtis
Jay M. Martinez (1943-2000)
William P. Sullivan
Susan D. Goodwin
Larry K. Udall
Anja K. Wendel
Paul R. Michaud
Kelly Y. Schwab
Phyllis L. New

RECEIVED-BIA-PHX 2712 North Seventh Street
PHOENIX, ARIZONA 85006-1090

2003 JUL 25 P 2:17

Telephone (602) 248-0372
Telecopier (602) 266-8290

AREA DIRECTOR

OF COUNSEL
Joseph F. Abate
Thomas Hine
G. Eugene Neil
Jeffrey A. Katz
Richard S. Allemann

100
400

REFER TO FILE NO. 1234-1-3-1
1234-7-19

July 23, 2003

Mr. Wayne Nordwall
Regional Director
U.S. Bureau of Indian Affairs
400 North Fifth Street
14th Floor
Phoenix, Arizona 85004-3908

Ms. Louise Benson, Chairperson
Hualapai Nation
Post Office Box 179
Peach Springs, Arizona 86434

Don Watahomigie, Chairman
Havasupai Nation
Post Office Box 10
Supai, Arizona 86435

Re: Conveyance of Facilities and Associated Rights-of-Way, Customers
and Services

Dear Chairpersons and Mr. Nordwall:

Please be advised that Mohave Electric Cooperative, Inc. ("MEC") has quit claimed, transferred, and conveyed to the Havasupai, the Hualapai and the BIA all and any of its right, title and interest in and to the 70-mile Hualapai wholesale power line facility located on tribal lands together with the associated rights-of-way, including meters, service drops, transformers and other associated material, and including the six tribal and BIA customer accounts, title and rights to which are to be shared in such proportions and relationships as you may establish among yourselves. The original BIA and MEC agreement having terminated in 1992, negotiations having failed, service to the BIA having been located for many years at the Nelson Substation, there being no authority for Mohave to lawfully serve on Tribal lands or otherwise outside its certificated area, and the property not being necessary or useful, the conveyance in consideration of continued wholesale service at Nelson was required. The transferred facilities are not within the Mohave certificated service area. No Tribe has authorized Mohave to serve.

Mr. Wayne Nordwall, Chairperson Louise Benson
and Chairman Don Watahomigie

7/23/03

Page 2

MEC is informed and advised that the BIA has been extending retail services for over thirty (30) years on the reservations, has been securing overhead, maintenance and repair services from the Citizens and APS electric companies, and continues to be the authorized retail electric service provider on the Tribal lands of the Havasupai and Hualapai. Copies of the conveyance are being provided under separate cover. The property is no longer necessary or useful for Mohave given the Nelson delivery point and physical and legal circumstances.

Mohave looks forward to continuing to provide wholesale electric service at its Nelson substation to you under its ACC approved Large Commercial Rate which is its lowest tariff.

Very truly yours,



Michael A. Curtis
For the Firm

MAC/sdc

cc: Mohave Management

EXHIBIT 13



P.O. Box 1045, Bullhead City, Arizona 86430

M. Nichols
8/18/03

August 7, 2003

Ms. Louise Benson, Chairperson
Hualapai Nation
Post Office Box 179
Peach Springs, Arizona 86434

Mr. Don Watahomigie, Chairman
Havasupai Nation
Post Office Box 10
Supai, Arizona 86435

Mr. Robert R. McNichols, Superintendent
Bureau of Indian Affairs
Truxton Canyon Agency
Post Office Box 37
Valentine, Arizona 86437

RECEIVED
AUG 10 2003
BIA Truxton Canon
Valentine, AZ

Re: Description of Counts and Properties Transferred to Joint Ownerships

Dear Ladies and Gentlemen:

The following is a description of the accounts and facilities that are now owned by your entities, as your interests may be established.

The attached listings sets forth the account numbers, the name, the location, the description of the facility, the serial number and the meter number.

Very truly yours,
Mohave Electric Cooperative

By *Robert R. McNichols*
General Counsel

Enclosure: Complete List of Accounts, Facilities, and Identification of Facilities;
Copy of Quit Claim Deed

cc: Mohave Electric Cooperative (w/o Enclosure)

Account # 63626-000
Arizona Telephone Company
500' South Havasupai Tribal Electric System
near 8th pole South of H-Frame
Long Mesa Tower
Allis Chalmers 15 Kva
S/N# 3800523
Meter # 87476817

Account # 44567-003
Diamond A Ranch
Camp 16 Supai Line
Ernco 15 Kva
S/N# 59907005790
Meter # 96866745

Account # 29740-001
Department of Interior
Fire Tower - Supai Road
Thorton Tower
Westinghouse 15 Kva
S/N# 83A440266
Meter # 86549384

Account # 896-084
Hualapai Tribal Council
Hunters Building - Youth Camp
15 Kva (Plate missing)
Meter # 95245102

Account # 896-084
Hualapai Tribal Council
Lake Circulation Pump
Youth Camp Pond
B & B 10 Kva
S/N# 86NH104-026
Meter # 88058929

Account # 896-060
Hualapai Tribal Council
Frazier Wells Pump
Well #1
Howard 15 Kva
S/N# 92244-4484
Westinghouse 15 Kva
S/N# 81A271882
Meter # 93703033

Account # 896-073
Hualapai Tribal Council
Frazier Wells Pump 2
Well # 2
Ermco 15 Kva
S/N# 3924931238
Ermco 15 Kva
S/N# 3924931233
Ermco 15 Kva
S/N# 3924931257
Meter # 01365750

Account # 896-100
Hualapai Tribal Council
Water Well T28N R7W
Fish Pond
Transformers (see above)
Meter # 01684104

Account # 28135-001
Bravo, W C
Supai Line near Frazier Wells
RTE 10 Kva
SN# 4303728
Meter # 95528410

Mile Post 32
Recloser
NS5-25

Account # 451-055
TCIA - Department of Interior - BIA
Long Mesa Radio Repeater Site
Long Mesa End
Cooper 5 Kva
S/N# 9902093970
Meter # 61718916

Account # 896-027
Hualapai Tribal Council
Pump at Tank Well
Well site Nelson Road
Ermco 10 Kva
S/N# 30107311444
Meter # 97298158

Account # 44561-006
Cabin on Nelson Road
Ermco 10 Kva
SN# 30107311428
Meter # 57788387

CONFORMED COPY
FEE # 2003-60541
DATE 7-22-03
BOOK 4596
PAGES 422-440

When Recorded, Return to:
Mohave Electric Cooperative c/o
2712 North Seventh Street
Phoenix, Arizona 85006-1090
Attn: Michael A. Curtis, Esq.

NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST
AND ABANDONMENT OF PROPERTY

For good and valuable consideration of being customers at the Large Commercial Customer Rate of the Mohave Electric Cooperative, Inc. at the Nelson Substation, the receipt of which is hereby acknowledged, Mohave Electric Cooperative, Inc., an Arizona not-for-profit corporation, (hereinafter called "GRANTOR"), does hereby quit claim, grant, bargain and convey and abandon to the United States Department of Interior, Bureau of Indian Affairs the Hualapai Indian Tribe, and the Havasupai Indian Tribe (hereinafter called "GRANTEES"), as their respective interests may be established or reflected in the real and personal property and fixtures (the "Premises") including power lines, meters and service drop situated in Mohave, Yavapai and Coconino Counties, Arizona, described on Exhibits "A", "B" and "C" attached hereto and by this reference incorporated herein and as illustrated in Exhibit "D", together with all tenements, appurtenances, and all estates and rights of GRANTOR in and to the Premises and the rights of reversion and reversions, remainder and remainders thereof and thereto and all right, title and interest of GRANTOR in and to all streets, roads and public places, open or proposed, and all easements, and rights-of-way, public or private, now or hereafter used in connection with the Premises and all water and water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) in or hereafter relating to or used in connection with the Premises and all reports, approvals, permits, rights, studies and contracts pertaining thereto now or hereafter in the possession or control of GRANTOR;

Furthermore, GRANTOR hereby assigns and transfers all of its rights, title and interest in any Pole Line License Agreement, attached hereto as Exhibit "C" and by reference incorporated herein, to GRANTEES, as their respective interests may be established or reflected in the Premises;

TO HAVE AND TO HOLD the same unto the GRANTEES, their successors and assigns forever as may be determined among themselves as their interests are determined.

This NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT, is executed voluntarily and not as a result of duress or threats of any kind, and is bona fide and not given to hinder, delay or defraud the rights of creditors or contravene the Bankruptcy Laws of the United States.

This NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT is not given as security for the payment or repayment of money or indebtedness, or as security of any kind or nature; and there is no agreement or understanding, oral or written, between GRANTOR and GRANTEES herein, or any other person whomsoever relative to a reconveyance of the above-described property to said GRANTOR, or to a sale or conveyance to anyone else for the benefit of GRANTOR, or to any division of any proceeds realized from said property by sale or otherwise.

The actual possession of the property herein conveyed has, by delivery of this deed, been surrendered and delivered to GRANTEES, and GRANTOR intends by this NOTICE OF QUIT CLAIM, CONVEYANCE AND ASSIGNMENT OF INTEREST AND ABANDONMENT to vest the absolute and unconditional title to said property in GRANTEES as their respective interests may be established, and forever to estop and bar GRANTOR and GRANTOR'S successors or assigns from having or claiming any right, title or interest of any nature whatsoever, either in law or in equity or in possession or an expectancy in and to said property or any part thereof.

Words and expressions used herein shall be applicable according to the contents hereof, and without regard to the number or gender of such words or expressions.

DATED this 22nd day of JULY, 2003.

MOHAVE ELECTRIC COOPERATIVE, INC.

By  Its Chief Executive Officer

STATE OF ARIZONA)
)
County of Mohave) ss.

Acknowledged before me this 22nd day of July, 2003, by Robert Broz, Chief Executive Officer of Mohave Electric Cooperative, Inc., an Arizona corporation.

Sharon Sutton
Notary Public

My Commission Expires:

July 12, 2006



EXHIBIT A

Thence South $39^{\circ} 22'$ West to Station 1905 + 44;
 T28N, R7W, Section 17,
 Thence South $19^{\circ} 53'$ West to Station 1925 + 73;
 T28N, R7W, Section 17,
 Thence South $34^{\circ} 34'$ West to Station 1937 + 75;
 T28N, R7W, Section 17,
 Thence South $34^{\circ} 32'$ West to Station 1946 + 25;
 T28N, R7W, Section 17,
 Thence South $21^{\circ} 27'$ West to Station 1984 + 31;
 T28N, R7W, Section 20,
 Thence South $7^{\circ} 55'$ West to Station 1985 + 55;
 T28N, R7W, Section 20,
 Thence South $7^{\circ} 55'$ West to Station 1988 + 21;
 T28N, R7W, Section 20,
 Thence South $35^{\circ} 17'$ West to Station 2059 + 53;
 T28N, R7W, Section 30,
 Thence South $26^{\circ} 29'$ West to Station 2062 + 36;
 T28N, R7W, Section 30,
 Thence South $29^{\circ} 29'$ West to Station 2066 + 73;
 T28N, R7W, Section 30,
 Thence South $21^{\circ} 48'$ West to Station 2100 + 68;
 T28N, R7W, Section 31,
 Thence South $31^{\circ} 44'$ West to Station 2186 + 81;
 T27N, R8W, Section 1,
 Thence South $48^{\circ} 01'$ West to Station 2190 + 79;
 T27N, R8W, Section 1,
 Thence South $58^{\circ} 57'$ West to Station 2195 + 89;
 T27N, R8W, Section 2,
 Thence South $62^{\circ} 13'$ West to Station 2204 + 39;
 T27N, R8W, Section 2,
 Thence South $39^{\circ} 35'$ West to Station 2214 + 03;
 T27N, R8W, Section 2,
 Thence South $14^{\circ} 45'$ West to Station 2277 + 21;
 T27N, R8W, Section 14,
 Thence South $15^{\circ} 17'$ West to Station 2299 + 85;
 T27N, R8W, Section 14,
 Thence South $36^{\circ} 59'$ West to Station 2315 + 81;
 T27N, R8W, Section 15,
 Thence South $36^{\circ} 59'$ West to Station 2321 + 80;
 T27N, R8W, Section 15,
 Thence South $24^{\circ} 48'$ West to Station 2331 + 87;
 T27N, R8W, Section 15,
 Thence South $25^{\circ} 08'$ West to Station 2342 + 17;
 T27N, R8W, Section 15,
 Thence South $22^{\circ} 52'$ West to Station 2366 + 72;
 T27N, R8W, Section 22,
 Thence South $11^{\circ} 32'$ West to Station 2379 + 46;
 T27N, R8W, Section 22,
 Thence South $4^{\circ} 24'$ East to Station 2389 + 93;
 T27N, R8W, Section 22,
 Thence South $37^{\circ} 17'$ West to Station 2396 + 05;
 T27N, R8W, Section 22,
 Thence South $7^{\circ} 23'$ West to Station 2400 + 60;
 T27N, R8W, Section 22,

Thence South 23° 18' West to Station 2405 + 06;
T27N, R8W, Section 22,
Thence South 22° 29' West to Station 2407 + 40;
T27N, R8W, Section 22,
Thence South 22° 29' West to Station 2409 + 53;
T27N, R8W, Section 27,
Thence South 20° 34' West to Station 2417 + 93;
T27N, R8W, Section 27,
Thence South 12° 09' West to Station 2455 + 77;
T27N, R8W, Section 27,
Thence South 25° 13' West to Station 2457 + 53;
T27N, R8W, Section 27,
Thence South 24° 44' West to Station 2463 + 43;
T27N, R8W, Section 28,
Thence South 23° 50' West to Station 2492 + 24;
T27N, R8W, Section 33,
Thence South 50° 09' West to Station 2505 + 33;
T27N, R8W, Section 33,
Thence South 81° 29' West to Station 2514 + 26;
T27N, R8W, Section 33,
Thence North 68° 30' West to Station 2519 + 49;
T27N, R8W, Section 33,
Thence North 39° 54' West to Station 2530 + 74;
T27N, R8W, Section 33,
Thence South 33° 21' West to Station 2542 + 87;
T27N, R8W, Section 33,
Thence South 34° 18' West to Station 2555 + 29;
T27N, R8W, Section 32,
Thence South 5° 06' East to Station 2560 + 69;
T27N, R8W, Section 32,
Thence South 5° 47' East to Station 2565 + 03;
T27N, R8W, Section 32,
Thence South 5° 03' East to Station 2574 + 16;
T26N, R8W, Section 5,
Thence South 7° 50' East to Station 2575 + 73;
T26N, R8W, Section 5,
Thence South 8° 08' East to Station 2583 + 33;
T26N, R8W, Section 5,
Thence South 12° 24' East to Station 2586 + 42;
T26N, R8W, Section 5,
Thence South 12° 24' East to Station 2595 + 51;
T26N, R8W, Section 5,
Thence South 29° 04' West to Station 2611 + 31;
T26N, R8W, Section 5,
Thence South 40° 11' West to Station 2616 + 37;
T26N, R8W, Section 5,
Thence South 21° 54' West to Station 2620 + 84;
T26N, R8W, Section 5,
Thence South 9° 04' West to Station 2629 + 49;
T26N, R8W, Section 8,
Thence South 18° 37' East to Station 2633 + 01;
T26N, R8W, Section 8,
Thence South 7° 23' West to Station 2638 + 85;
T26N, R8W, Section 8.

THENCE South 23° 07' West to Station 2655 + 92;
 T26N, R8W, Section 8,
 Thence South 35° 11' West to Station 2669 + 55;
 T26N, R8W, Section 8,
 Thence South 44° 28' West to Station 2718 + 05;
 T26N, R8W, Section 18,
 Thence South 33° 24' West to Station 2730 + 47;
 T26N, R8W, Section 18,
 Thence South 29° 16' West to Station 2739 + 05;
 T26N, R8W, Section 18,
 Thence South 43° 29' West to Station 2746 + 30;
 T26N, R8W, Section 18,
 Thence South 40° 24' West to Station 2771 + 24;
 T26N, R9W, Section 24,
 Thence South 40° 03' West to Station 2841 - 06;
 T26N, R9W, Section 25,
 Thence South 62° 52' West to Station 2257 + 65;
 T26N, R9W, Section 26,
 Thence South 76° 14' West to Station 2877 + 05;
 T26N, R9W, Section 26,
 Thence South 69° 11' West to Station 2882 + 17;
 T26N, R9W, Section 26,
 Thence South 59° 19' West to Station 2890 + 50;
 T26N, R9W, Section 26,
 Thence South 53° 53' West to Station 2913 + 49;
 T26N, R9W, Section 26,
 Thence South 53° 27' West to Station 2932 + 20;
 T26N, R9W, Section 27,
 Thence South 43° 03' West to Station 2976 + 70;
 T26N, R9W, Section 34,
 Thence South 36° 08' West to Station 3033 + 00;
 T25N, R9W, Section 8,
 Thence South 39° 49' West to Station 3118 + 00;
 T25N, R9W, Section 6,
 Thence South 40° 46' West to Station 3160 + 10;
 T25N, R9W, Section 7,
 Thence South 38° 48' West to Station 3199 + 60;
 T25N, R9W, Section 18,
 Thence South 46° 52' West to Station 3229 + 11;
 T25N, R10W, Section 13,
 Thence South 59° 27' West to Station 3271 + 91;
 T25N, R10W, Section 24,
 Thence South 36° 54' West to Station 3321 + 03;
 T25N, R10W, Section 23,
 Thence South 30° 35' West to Station 3324 + 69;
 T25N, R10W, Section 26,
 Thence South 0° 01' West to Station 3356 + 09;
 T25N, R10W, Section 26,
 Thence South 15° 25' West to Station 3367 + 43
 T25N, R10W, Section 26, C. & S.R.M. and ending
 at Station 3367 + 43.

EXHIBIT B

LEGAL DESCRIPTION

NAVASUPAI INDIAN RESERVATION

Said Right-of-Way to be approximately 7.5523 miles in length, 50 feet in width, and occupying approximately 45.9538 acres, and more particularly described and shown on the map of definite location to be attached and made a part hereof.

Beginning at Station 0+00 Long Mesa which is unsurveyed:

- Thence South 37° 12' West to Station 17 + 40;
- Thence South 45° 26' West to Station 37 + 90;
- Thence South 19° 06' West to Station 53 + 40;
- Thence South 25° 35' West to Station 82 + 90;
- Thence South 48° 53' West to Station 107 + 40;
- Thence South 0° 26' West to Station 119 + 20;
- Thence South 20° 49' East to Station 130 + 70;
- Thence South 23° 34' East to Station 154 + 95;
- Thence South 24° 49' East to Station 176 + 05;
- Thence South 39° 35' West to Station 216 + 45;
- Thence South 21° 59' West to Station 228 + 04;
- Thence South 9° 26' East to Station 265 + 09;
- Thence South 40° 16' West to Station 315 + 01;
- Thence South 53° 59' West to Station 339 + 46;
- Thence South 15° 18' East to Station 372 + 71;
- Thence South 21° 27' West to Station 388 + 71;
- Thence South 45° 55' West to Station 400 + 35;

Through Section 18, and 19, Township 32 North, Range 4 West, G.S & R.M.
and ending at Station 400 + 35.

EXHIBIT C

STATE OF ARIZONA
COUNTY OF COCHISE

WITNESS MY HAND AND
OFFICIAL SEAL

BY [Signature]
DEPUTY 1891



I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT
WAS FILED FOR RECORD IN COCHISE COUNTY
STATE OF ARIZONA

HELENE MUGENS
COCHISE COUNTY RECORDER

12976
DOCKET 803 PAGE 498-51
DATE SEP 15 1980 -2 00

REQUEST OF Mohave Electric Coop
P. O. BOX 1045, Bullhead City, AZ

five, Inc., P. O. BOX 1045, Bullhead City, AZ
POLE LINE LICENSE AGREEMENT

THIS AGREEMENT, dated September 4, 1980 between BOQUILLAS CATTLE COMPANY, an Arizona corporation, hereinafter called "Owner", and MOHAVE ELECTRIC COOPERATIVE, INC., a corporation, hereinafter called "Licensee",

WITNESSETH THAT:

1. DESCRIPTION OF PREMISES. Owner hereby gives to Licensee a nonexclusive license, terminable as hereinafter provided, to use, for the purposes and subject to the covenants, conditions and provisions hereinafter set forth, to each and all of which the parties hereby mutually agree, the parcel or parcels of land, hereinafter called the "premises", situated in the County of Cochise, State of Arizona, described as follows:

A strip of land twenty (20.00) feet in width, lying ten (10.00) feet on each side of a centerline delineated in red upon the map attached hereto and made a part hereof as Exhibit A, through Sections 24, 25, 26, 35 and 36, Township 32 North, Range 5 West, C. & S. R. M.; Sections 2, 10, 11, 15, 22, 23, 28 and 33, Township 31 North, Range 5 West, C. & S. R. M.; Sections 4, 8, 9, 17 and 18, Township 30 North, Range 5 West, C. & S. R. M.; and Section 24, Township 30 North, Range 6 West, C. & S. R. M. together with appurtenant areas for anchor-guy purposes.

2. CONSIDERATION. As consideration for this license, Licensee shall pay to Owner, upon execution hereof, the sum of Two Thousand Dollars (\$2,000.00).

3. USE OF PREMISES. Licensee may use the premises for the purpose of installing, operating, maintaining, repairing, replacing and removing in and along the premises a wooden or steel pole line consisting of a single line of poles, together with necessary cross arms, wires, guys and other fittings, and for no other purposes or purposes whatever. Owner reserves the right to use, and to permit others to use, the premises for any and all purposes which do not preclude such use of the Premises by Licensee and, without limiting the generality of the foregoing, reserves the right to lay, construct and install other pole lines, roads, ditches, fences, pipe lines and other facilities in, upon, across or along the premises.

4. NO WARRANTY OF TITLE-LICENSE SUBJECT TO EXISTING RIGHTS OF OTHERS. Owner makes no warranty of title whatever. The rights of Licensee hereunder are subject to all existing rights of others in the premises, whether shown of record or not.



GET 8

V
ORIC
T3041, SW

DOCKET 803 PAGE 498

500-004

5. **TERM.** Unless sooner terminated as herein provided, this license shall continue in effect for a period of twenty-five (25) years from the date hereof. Licensee may, at any time and from time to time by delivering a quitclaim deed to Owner, terminate this license as to all or any part or parts of the premises. This license shall in any event automatically terminate as to any part or parts of the premises along which Licensee shall not operate a pole line for a period of three (3) consecutive years.

6. **ACCESS.** Licensee shall be entitled to ingress and egress to and from the premises over adjoining lands of Owner only with the prior written consent of Owner, and Owner may, if it so desires, require that all of Licensee's operations hereunder be strictly confined to the premises. Acquiescence by Owner in passage by Licensee over adjoining lands of Owner shall in no event be construed as acquiescence in future passage over such lands. Whenever Licensee finds it necessary to make an opening in any fence of Owner now or hereafter crossing the premises, Licensee shall immediately install and thereafter maintain in such opening a gate or a cattle guard (as Owner may specify) of a type approved by Owner. All gates in fences of Owner shall be kept closed at all times except when necessarily open for actual passage.

7. **INSTALLATION OF POLE LINE.** The location of all poles and guys shall be subject to the prior written approval by Owner. All wire strung over or across the premises shall at all points have a clearance of at least eighteen (18) feet above the surface of the ground. All holes and other excavations made by Licensee upon the premises at any time shall be backfilled as soon as practicable and the surface of the ground restored to a contour and condition satisfactory to Owner. All trees, brush and underbrush cut by Licensee shall be promptly removed and disposed of by Licensee.

8. **MAINTENANCE.** Licensee shall at all times maintain the pole line in a safe and sound condition of repair and in conformity with any and all applicable laws, ordinances, rules, regulations, requirements and orders of the national, state, county or municipal governments.

9. **RELOCATION.** Whenever Owner by written notice to Licensee shall require that all poles and other equipment installed by Licensee be removed from the premises or any specified part thereof and relocated either temporarily or permanently (as Owner shall specify) between the same terminal points upon other land of Owner described in such notice, then Licensee shall at its own risk and expense promptly comply with such notice and restore the surface of the ground from which such removal is made to a contour and condition satisfactory to Owner. Forthwith upon the completion of any permanent relocation pursuant to such notice this license shall terminate as to the part of the premises from which the poles and other equipment are so removed, and whenever a description of the land upon which such poles and other equipment are so relocated is affixed to this instrument and duly executed by both parties, then this license and each and all of the provisions hereof shall attach and apply to such land so described.

10. **TAXES.** Licensee shall pay when due all taxes and assessments levied or assessed against or referable to the pole line or its rights hereunder, and Licensee shall reimburse Owner for any sums paid by Owner to protect its title from the lien of any such tax or assessment.

11. INDEMNIFICATION. Licensee shall use the premises at its own sole risk. If Licensee shall at any time damage or destroy any growing crop or any other pole line, fence, pipe line, ditch, road, building or other improvement or any other personal property in connection with its operations hereunder, it shall promptly pay to the owner thereof the full amount of damage thereto. Neither Owner nor any of its subsidiaries or affiliated companies shall be liable for any injury or death of any person or persons or damage to or destruction of any property arising out of or in connection with, either in whole or in part and whether directly or indirectly, the existence or use of the pole line or any operations by or on behalf of Licensee hereunder; and Licensee agrees to indemnify Owner, its subsidiaries and affiliated companies against and hold them free and harmless of any claims, demands, costs, losses, damages or liability on account of any such injury or death of any person or persons or damage to or destruction of property. Licensee shall keep the premises free of any liens arising out of Licensee's holding of this license or its operations hereunder. Licensee shall at once notify Owner of all such claims or demands or the attaching of any such lien.

12. QUITCLAIM AND RESTORATION OF THE PREMISES UPON TERMINATION. In the event this license shall terminate in any manner as to all or any part of the premises, such termination shall not relieve Licensee from any obligation or liability theretofore accrued hereunder, nor prejudice or in any way affect the right of Owner to enforce any rights or remedies it may have had before such termination. Upon any such termination Licensee shall promptly execute, acknowledge and deliver to Owner a good and sufficient quitclaim deed of its rights hereunder in and to the land to which such termination applies and Licensee shall at once surrender to Owner such possession as Licensee may have under this license in such land; provided, however, that immediately after such termination Licensee shall remove from such land any and all poles, wires and other equipment installed under this license in or on such land by Licensee and shall restore such land to a contour and condition satisfactory to Owner, for which purposes Licensee may enter upon such land for a period of three (3) months from and after such termination. If Licensee shall fail within such period of three (3) months to complete such removal of such poles, wires and other equipment and such restoration of such land, then all such poles, wires and other equipment remaining in or on such land shall be and become the property of Owner absolutely, and Owner at its option may leave the same in their then location or may remove them and restore the ground at the sole expense of Licensee, and in addition, if it so desires, Owner may dispose of such poles, wires and other equipment, at the sole expense of Licensee; provided, however, that if Owner should (although in no way obligated to do so) realize any proceeds from such disposition, such proceeds shall be applied to the expense of such removal, restoration and disposition, relieving Licensee of liability therefor pro tanto, and any balance after such expense is fully paid may be retained by Owner. Owner shall not be liable or in anywise responsible for any damage or loss resulting to Licensee from such removal, restoration or disposition, and Licensee shall pay to Owner upon demand the entire cost and expense to Owner of such removal, restoration and disposition, less any proceeds of such disposition.

13. DEFAULT BY LICENSEE. Licensee agrees that it will keep, perform and observe all the covenants, conditions and provisions of this agreement on its part to be kept, performed and observed. In addition to any other remedies available to Owner, in the event Licensee shall fail to keep, perform and observe any covenant, condition or provision of this agreement, and such failure shall continue for a period of ten (10) days after written notice thereof given by Owner to Licensee, then Owner may at its option by further written notice to Licensee, terminate this license and all rights and interest

of Licensee hereunder. Licensee shall pay upon demand all costs and expenses (including attorneys' fees in a reasonable amount) incurred by Owner to enforce any of the covenants, conditions and provisions of this agreement, or to dispossess Licensee, irrespective of whether or not court action shall be brought. All amounts of money payable by Licensee to Owner hereunder, if not paid when due, shall bear interest from due date until paid at the rate of nine percent (9%) per annum, compounded semiannually.

14. NO WAIVER-NOTICES. The use of paragraph headings in this agreement is solely for convenience, and they shall be wholly disregarded in the construction of this agreement. The waiver by Owner of any breach by Licensee of any provision of this agreement shall not be or be deemed to be a waiver of such provision, or a waiver of any other prior or subsequent breach thereof, or a waiver of any breach of any other provision of this agreement. Any notice or demand by either party to the other in connection with this agreement shall be deemed to be fully given or made when written and deposited in a sealed envelope in the United States mail, registered or certified and postage prepaid, and addressed to the party to whom given at the address specified opposite its signature to this agreement. Either party may change its address by giving the other party written notice of its new address as herein provided.

15. ASSIGNMENTS. This agreement shall bind and inure to the benefit of the respective heirs, administrators, executors, successors and assigns of the parties hereto; provided; however, the Licensee shall not assign or otherwise transfer this license or any of Licensee's rights hereunder, either voluntarily or involuntarily or by operation of law, without the prior written consent of Owner, and any assignment or other transfer or attempted assignment or other transfer contrary to the provisions hereof shall be absolutely null and void and of no effect whatever. In the event of any such assignment or other transfer or attempted assignment or other transfer contrary to the provisions hereof, Owner may terminate this license at once by giving written notice to Licensee.

IN WITNESS WHEREOF, the parties have executed this instrument the day and year first hereinabove written.

Address:

P.O. Box 9380
Bakersfield, CA 93389
Attn: Property Titles

BOUQUILLAS CATTLE COMPANY

By [Signature] Vice President

and by [Signature] Assistant Secretary

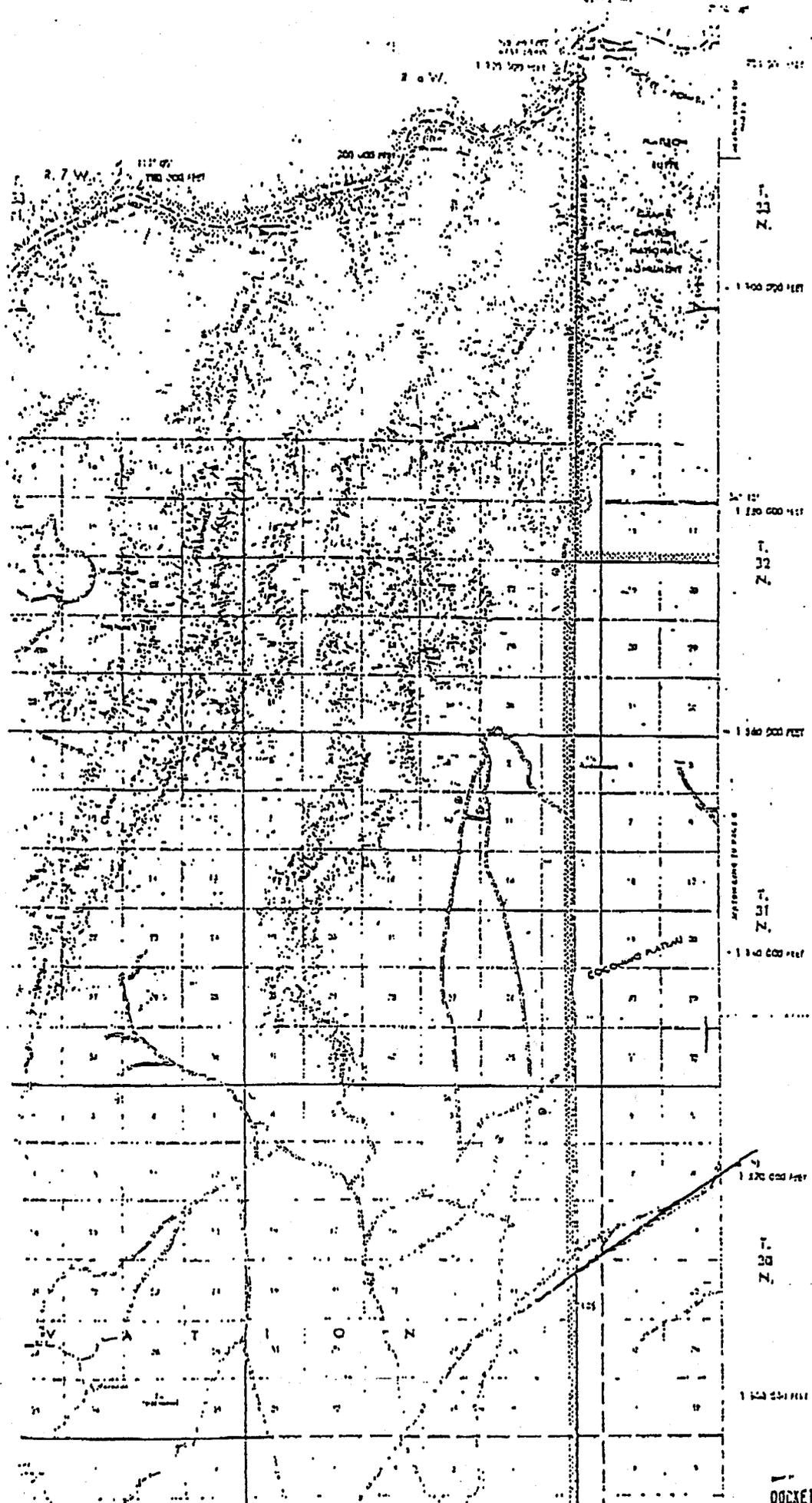
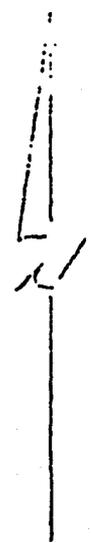
Address:

P.O. Box 1045
Bullhead City, AZ 86430

MOHAVE ELECTRIC COOPERATIVE, INC.

By [Signature] President

and by [Signature] Secretary



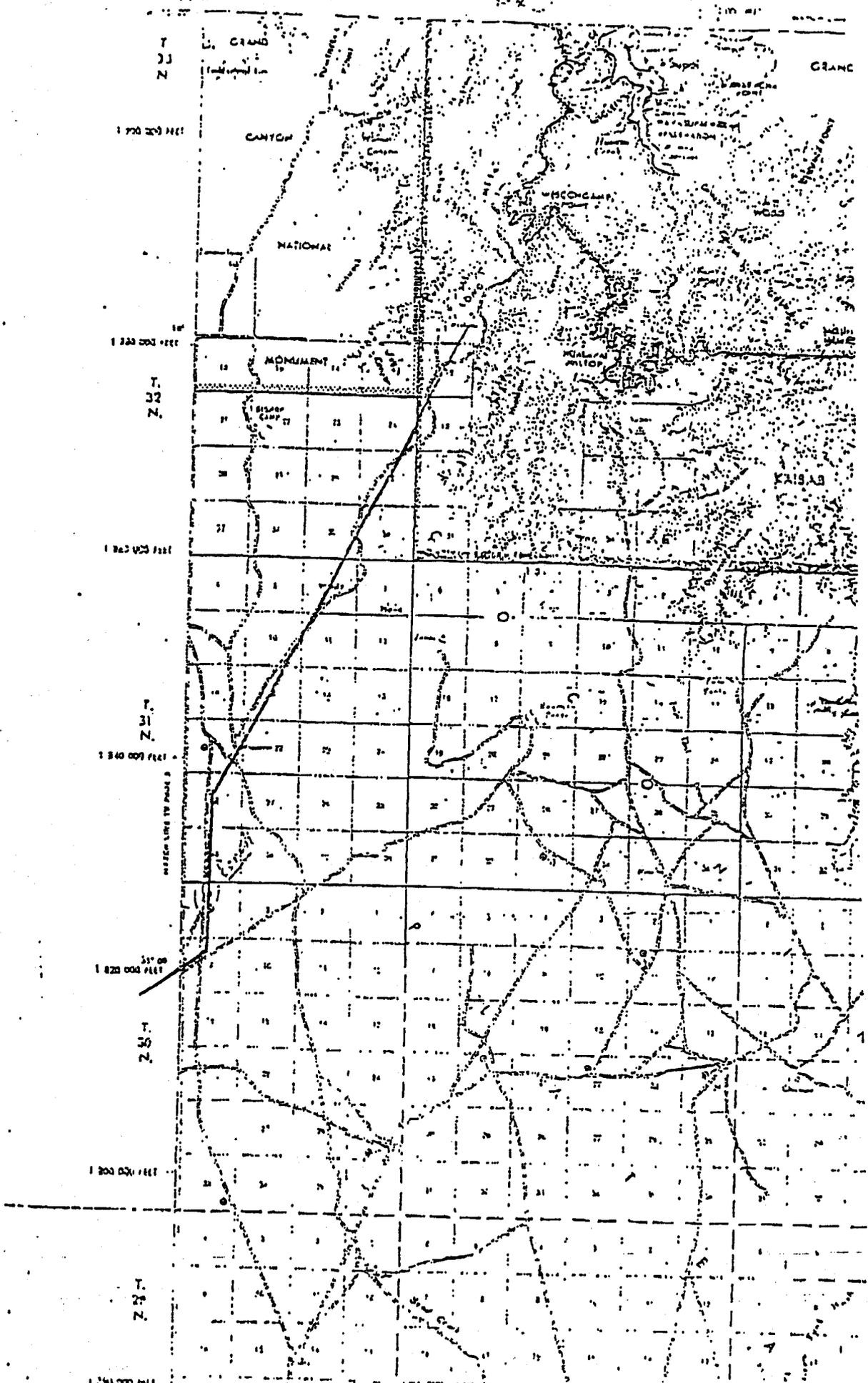
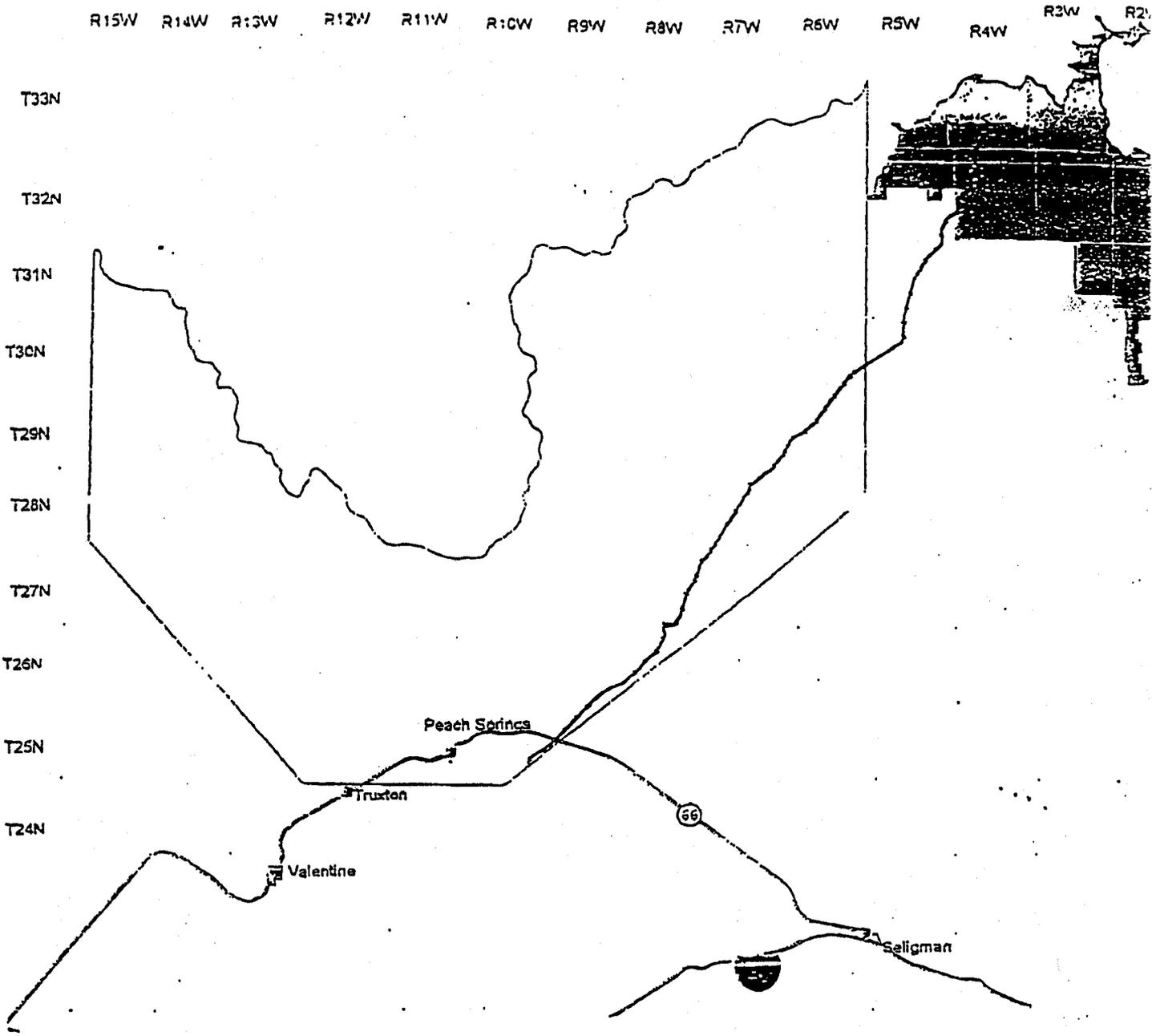


EXHIBIT D

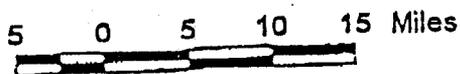
(FOR ILLUSTRATIVE PURPOSES ONLY)



Data Sources:
 Bureau of Indian Affairs
 State of Arizona
 Environmental Systems Research Institute, Inc.
 U.S. Geological Survey

EXPLANATION

- Transmission Line ROW (Approximate)
- Major Road
- Havasupai Indian Reservation
- Hualapai Indian Reservation



Map of Approximate Location of Mohave Electric Cooperative's Transmission Line Right-of-Way, Havasupai and Hualapai Indian Reservations

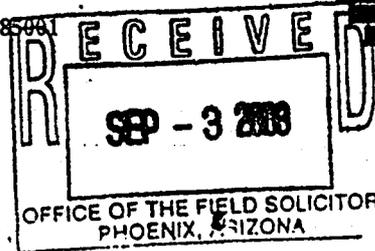
Bureau of Indian Affairs Western Regional Office
 October 2000

EXHIBIT 14



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
WESTERN REGIONAL OFFICE
P.O. BOX 10
PHOENIX, ARIZONA 85001

TAKE
PRIDE IN
AMERICA



IN REPLY
REFER TO:

Office of the Regional Director
(602) 379-6600
Fax: 379-4413

September 2, 2003

CERTIFIED MAIL #7001 2510 0004 6401 3244 - RETURN RECEIPT REQUESTED

Mr. Robert Broz
Chief Executive Officer
Mohave Electric Cooperative, Inc.
P.O. Box 1045
Bullhead City, Arizona 86430

RE: Mohave Electric's Nelson-Long Mesa Line

Dear Mr. Broz:

We have received Mr. Curtis' letter dated August 7, 2003, and the copy of the "Notice of Quit Claim, Conveyance and Assignment of Interest" dated July 22, 2003, enclosed with that letter by which Mohave Electric purports to quit claim, convey and assign all of its interests in the power line from the Nelson Substation to the Long Mesa Power Transformer, together with associated rights-of-way and other interests (collectively, the "Nelson-Long Mesa Line,") to the Department of the Interior, the Bureau of Indian Affairs, the Hualapai Tribe and the Havasupai Tribe.

A deed purporting to convey an interest in real property does not vest title in the grantee until it is accepted by the grantee. *Morelos v. Morelos*, 129 Ariz. 354, 356 (Ct. App. 1981), rehg. denied; *Roosevelt Savings Bank of City of New York v. State Farm Fire and Casualty Co.*, 27 Ariz. App. 522, 524 (Ct. App. 1976). Therefore, Mohave Electric's unilateral recording and attempted delivery of this quit claim deed does not convey any of Mohave Electric's interests in the Nelson-Long Mesa Line unless and until the Department and the Bureau of Indian Affairs accept it. At this time, the Department and Bureau of Indian Affairs have not yet determined whether they will or will not accept Mohave Electric's quit claim and conveyance of the Nelson-Long Mesa Line. A determination will not be made until review of the matter is completed.

Moreover, pursuant to A.R.S. § 40-285(A), as a public service corporation Mohave Electric is precluded from selling, leasing, assigning, mortgaging or otherwise disposing of its interests in the Nelson-Long Mesa Line without first securing an appropriate authorizing order from the Arizona Corporation Commission.

Therefore, Mohave Electric remains the owner of all its interests in the Nelson-Long Mesa Line at the present time. Accordingly, we fully expect that Mohave Electric will continue to provide electric power service to all customers served by the Nelson-Long Mesa Line and to the Bureau of Indian Affairs without interruption, and to operate and maintain the line and all associated facilities, in accordance Arizona law and Mohave Electric's existing obligations.

Sincerely,

WAYNE C. NORDWALL

Wayne C. Nordwall
Western Regional Director

cc: Phoenix Field Solicitor
Superintendent, Truxton Canon Field Office

EXHIBIT 15



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
WESTERN REGIONAL OFFICE
P.O. BOX 10
PHOENIX, ARIZONA 85001



IN REPLY
REFER TO:

Branch of Land and Water Resources
(602) 379-6789

SEP 12 2003

VIA CERTIFIED MAIL #7000 0600 0023 5995 5492 - RETURN RECEIPT REQUESTED

Mr. Robert Broz
Chief Executive Officer
Mohave Electric Cooperative, Inc.
P.O. Box 1045
Bullhead City, AZ 86430

RE: Mohave Electric's Nelson-Long Mesa Line

Dear Mr. Broz:

This letter follows up on our letter to you dated September 2, 2003, and gives our further response to Mr. Curtis' letter dated August 7, 2003, and to the "Notice of Quit Claim, Conveyance and Assignment of Interest" dated July 22, 2003, by which Mohave Electric purports to quit claim, convey and assign all of its interests in the power line from the Nelson Substation to the Long Mesa Power Transformer, together with associated rights-of-way and other interests (collectively, the Nelson-Long Mesa Line), to the Department of the Interior (Department), the Bureau of Indian Affairs (BIA), the Hualapai Tribe and the Havasupai Tribe. In particular, our September 2, 2003, letter stated that the Department and BIA would determine whether they would or would not accept Mohave Electric's quit claim and conveyance of the Nelson-Long Mesa Line following review of the matter. That review is now complete.

The Department and the BIA have determined that they do not accept Mohave Electric's purported quit claim deed. Consequently, under Arizona law as cited in our September 2, 2003, letter, Mohave Electric's purported quit claim, conveyance and assignment of its interests in the Nelson-Long Mesa Line is void and of no effect. Therefore, Mohave Electric continues to own all interests in the Nelson-Long Mesa Line described in the purported quit claim deed.

In addition, the Department and the BIA reject Mohave Electric's attempt to disclaim all responsibility for the ongoing operation and maintenance of the Nelson-Long Mesa Line, and for the provision of electric power service to the customers and accounts served by the Line, including those identified in Mr. Curtis' August 7, 2003, letter. In addition, through the Nelson-Long Mesa Line, Mohave Electric delivers power to the BIA at Long Mesa substation on the Havasupai Reservation which the BIA in turn distributes to approximately 160 customers in

Supai Village at the bottom of the canyon. Any interruption of power service by Mohave Electric on the Nelson-Long Mesa Line would cause very serious consequences for the entire Supai Village community. Pursuant to Arizona statute A.R.S. § 40-285(A) and ongoing contractual obligations, Mohave Electric is responsible for continuing to provide uninterrupted power service to all its customers along the Nelson-Long Mesa Line and to operate and maintain the Line, which it still owns.

We understand that on or about July 23, 2003, Mohave Electric sent notices to its customer accounts on the Nelson-Long Mesa Line, including the BIA-Truxton Cañon Agency, giving the customers the erroneous information that their retail electric service had been transferred to the BIA and that, in the future, the BIA would be responsible for their electric service and for reading meters and billing customers. Because Mohave Electric continues to own and be responsible for the Nelson-Long Mesa Line, and for providing service to its customers, these statements are clearly untrue and misleading. Therefore, we must insist that Mohave Electric immediately notify all affected customers that the previous notice was incorrect and that Mohave Electric will continue to be responsible for providing their electric power, and for meter reading and billing.

The Department and the BIA are diligently reviewing the complex issues associated with the Nelson-Long Mesa Line and are dedicated to finding a resolution that will assure the future supply of reliable, affordable electric power for users on the Havasupai Reservation and Hualapai Reservation. At the present time, however, Mohave Electric has a continuing obligation to own, operate, and maintain the Nelson-Long Mesa Line and to provide electric power service to all its customers served by the line, and to the BIA at Long Mesa Power Transformer for transmission to Supai Village. If Mohave Power ceases to provide full and uninterrupted service to all customers served by the Nelson-Long Mesa Line and to the BIA, or ceases to operate and maintain the line and all associated facilities, the Department and the BIA will have no choice but to initiate proceedings before the Arizona Corporation Commission or another appropriate forum to secure Mohave Power's compliance with its existing legal and contractual duties.

Sincerely,

Wayne Nordwall
Regional Director

cc: Phoenix Field Solicitor
Superintendent, Truxton Canon Field Office

EXHIBIT 16



P.O. Box 2000
Bullhead City, Arizona 86430
(928) 763-1100

electric cooperative
A Touchstone Energy Cooperative

DEPARTMENT OF INTERIOR
TRUXTON CANYON AGENCY
PO BOX 37
VALENTINE AZ 864

ACCOUNT NUMBER 29740
INVOICE DATE 09/02/03
PAGE NUMBER 1

SUB ACCT	SERVICE LOCATION	DESCRIPTION	AMOUNT
1	LONG MESA-SUPAI	PRIOR BALANCE	(414.48)
	RATE 615 MULTIPLIER 1200	KWH USED 230,400	10,501.63
	FROM 07/23/03	KW USED 444.00	4,329.00
	TO 08/25/03	CUSTOMER CHARGE	70.00
		EPS CHARGE	13.00
		PURCH POWER ADJ	(1,382.40)
		STATE TAX	757.75
		COUNTY TAX	125.16
		TOTAL	13,999.66

*Last month
Rec'd 9/4*
→

RECEIVED
SEP 04 2003
BIA Truxton Canon
Valentine, AZ

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
(414.48)	14,414.14	09/12/03	13,999.66

NOTICE: THE PRIOR BALANCE HAS BEEN REDUCED BY \$414.48 FOR 9,842 KWH BILLED TO OTHER METERS

Please mail stub with payment or bring entire bill with payment to:

ACCOUNT DEPT OF INTERIOR 29740-001
Invoice Date 09/02/03
Total Amt Due 13,999.66

Mohave Electric Cooperative, Inc.
P.O. Box 2000
928 Hancock Road
Bullhead City, AZ 86430

PLEASE DO NOT FOLD

EXHIBIT 17



P.O. Box 1045, Bullhead City, AZ 86430

March 4, 2004

Sent via facsimile and U.S. Mail

Robert R. McNichols, Superintendent
U.S. Department of the Interior
Bureau of Indian Affairs
Truxton Canon Field Office
P.O. Box 37
13067 East Highway 66
Valentine, Arizona 86437-0037
928.769.3302 Telephone
928.769.2444 Facsimile

McNichols
RECEIVED
MAR 08 2004
BIA Truxton Canon
Valentine, AZ

Re: Account No. 29740-000

Dear Mr. McNichols:

This letter is in response to your facsimile dated February 13, 2004 requesting an accounting of the retail customers on the line between Nelson Substation and Long Mesa. The power line (described above – there is no “Mohave Electric line”) is the property of the Hualapai Nation, the Havasupai Nation, and the Bureau of Indian Affairs (BIA) as all of you choose to divide your respective interests and ownership of that line and its rights-of-ways and associated facilities and materials. Mohave Electric Cooperative, Inc. “abandoned,” transferred, conveyed and quitclaimed the lines, rights-of-ways and services to and in favor of the tribes and the BIA in 2003. Please refer to the prior correspondence on this matter to Mr. Nordwall. Mohave Electric has no retail customers being served off of the 70-mile line.

Since August of 2003, the BIA and the tribes have been given complete authority to make themselves whole while providing electricity. The BIA has trust duty (with existing capability) to serve the electric needs of the reservation’s electric consumers (and the physical means to do so). Lawful authority exists for the BIA and the tribes to recover all electric service costs for service on the reservations, and because this area is outside of the jurisdiction of the Arizona Corporation Commission and inside the tribal boundaries, it is not subject to any regulatory authority other than that of the BIA and the sovereign tribes (who have granted no one else any retail electric authority). The BIA has been aware that it needs to enter into discussions with the Hualapai and the Havasupai to determine how it will operate the line and facilities to serve the tribes and the BIA’s electric service needs on the reservation.

There is no reason for the tribes or the BIA to lose any revenue. You have care, custody, possession, control and ownership (to the extent that you and the tribes agree on ownership) of distribution facilities, meters and accounts. You have the capability, together with the tribes, of reading the meters and conducting the mathematical calculations to determine the agreed-upon electric rate that you choose to invoice.

Robert R. McNichols, BIA Superintendent
March 4, 2004
Page 2 of 2

In summary, Mohave Electric has no retail transactions associated with the line. In fact, in communications to you and the tribes, Mohave Electric did not invoice for two (2) months (August and September 2003) the electric usage associated with services transferred, so that the BIA and the tribes could make the appropriate transition and billings. The BIA is already established with a metering and billing capability because it fulfills that function as part of its trustee's function for the benefit of the Supai. Mohave Electric has no contract with the BIA other than a power delivery contract at the Nelson Substation, and has no authority to operate in retail outside of its certificated area. The BIA and the tribes are perfectly positioned to recover any costs of power.

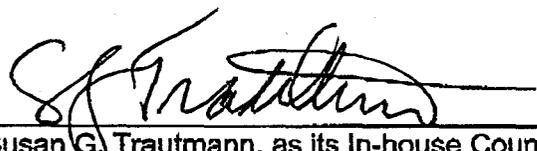
If appropriate compensation arrangements can be made, Mohave Electric continues to be willing to provide maintenance and repair services on the power line. UniSource (the successor in interest to Citizens Electric, the certificated provider for the reservation) and APS are also providers of these services previously used by the BIA.

Mohave Electric hopes this explanation satisfies your request. In the opinion of Mohave Electric, the invoices to the BIA are correct and the BIA is enabled to serve and recover the costs associated with service of electricity on the reservations. Continued prompt payment of the Mohave Electric invoices will assure continued reliable service without interruption.

Sincerely,

MOHAVE ELECTRIC COOPERATIVE, INC., an Arizona not-for-profit corporation

By:


Susan G. Trautmann, as its In-house Counsel

Telephone: 928.763.4115
Facsimile: 928.763.3315

Cc: Robert E. Broz, CEO
Michael A. Curtis, General Counsel

EXHIBIT 18



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
Truxton Cañon Field Office
P.O. Box 37, 13067 East Highway 66
Valentine, Arizona 86437-0037

IN REPLY REFER TO:
Office of the Superintendent
(928) 769-3302

August 03, 2005

Bob Broz, General Manager
Mohave Electric Cooperative
P.O. Box 2000
Bullhead City, AZ 86430

Certified Letter: 7003 2260 0007 4360 0833

Dear Mr. Broz:

Mohave Electric Cooperative is continuing to bill the Bureau of Indian Affairs for several of your retail customers on the Havasupai Electric line. We believe that to include your customers into our invoice to be a fraudulent practice. We have paid our invoices over the past 23 months UNDER PROTEST and raised this issue with you each month, without any resolution. We also believe that the point of delivery of electric service to BIA should be at Long Mesa, not the Nelson Sub-station.

Once again, we are paying the full amount of the invoice dated 08/01/05 in the amount of \$13,729.26 for Account Number 29740 UNDER PROTEST.

We are aware that there are at least 12 retail meters connected to the 70-mile electrical line between Mohave Electric Cooperative's Nelson Sub-station and Long Mesa (point of delivery) that are retail customers of Mohave Electric Cooperative. We have been told by your office that those customers have made payments directly to Mohave Electric Cooperative in the past. It is our understanding that Mohave Electric Cooperative has been sending invoices to these 12-or-so retail customers on the line, collecting from those customers, and deducting the cumulative amounts from the BIA billing for Account Number 29740. While we have made requests in the past that Mohave Electric Cooperative provide us an accounting of those customers and meter readings being deducted from our bill, you have not done so.

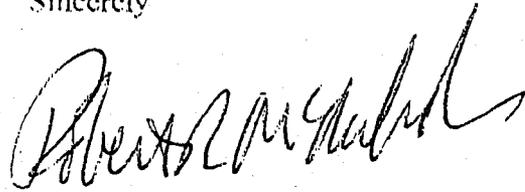
The Bureau of Indian Affairs hereby demands an accounting and explanation of the components of the Mohave Electric Cooperative's invoices dated October 01, 2003 and each invoice thereafter for account number 29740 so that we can understand what we are being billed for and what we are paying for. We further demand an accounting and explanation of the components for each of the invoices for the 12 months preceding the October 01, 2003 invoice for Account Number 29740.

We have approved and processed payment to Mohave Electric Cooperative in the full amount of the invoice UNDER PROTEST believing that a portion of the charges should be allocable to Mohave Electric Cooperative's retail customers. If MEC has included in the BIA invoices any charges for uses other than Supai Village beyond Long Mesa, the BIA protests those charges, and are paying those invoices under protest.

Page 2

If there are questions, please contact me at the above telephone number or address.

Sincerely

A handwritten signature in black ink, appearing to read "Robert R. McNichols". The signature is fluid and cursive, with a large initial "R" and a long, sweeping tail.

Robert R. McNichols
Superintendent

Enclosures:

Invoice dated 08/03/05



P.O. Box 2000
 Bullhead City, Arizona 86430
 (928) 763-1100

Received
 8/3/05

electric cooperative
 A Touchstone Energy Cooperative

DEPARTMENT OF INTERIOR 3143
 TRUXTON CANYON AGENCY
 PO BOX 37
 VALENTINE AZ 86437-0037

ACCOUNT NUMBER 0 29740
 INVOICE DATE 08/01/05
 PAGE NUMBER 1

SUB ACCT	SERVICE LOCATION	DESCRIPTION	AMOUNT
000	LONG MESA-SUPAI	KWH USED 211200	9626.50
	RATE-615 MULTIPLIER- 1200	KW DEMAND 456.00	4446.00
	METER 2089297	CUSTOMER CHARGE	70.00
	READ 06/21 1388	PURCH POWER ADJ.0060000-	1267.20-
	READ 07/22 1564	MANDATED BY ACC,	
		ENVIRONMENTAL PORTFOLIO SURCHG	13.00
		STATE TAX	721.74
		COUNTY TAX	119.22
		TOTAL	13729.26

RECEIVED
 AUG 03 2005
 BIA Truxton Canon
 Valentine, AZ

BALANCE FORWARD	CURRENT AMOUNT	CURRENT DUE DATE	TOTAL AMOUNT DUE
.00	13729.26	08/11/05	13729.26

VISITING OUR COUNTRY'S MOST POIGNANT AND HISTORICAL SITES WAS EXCITING AND LIFE CHANGING FOR WASHINGTON D.C. YOUTH TOUR REPRESENTATIVES GINA PEREZ, JAMES MIEDING, AND LORENA QUINONES. WATCH FOR UPCOMING INFORMATION ON THE 2006 TOUR!

Please mail stub with payment or bring entire bill with payment to:

Mohave Electric Cooperative, Inc.
 P.O. Box 2000
 928 Hancock Road
 Bullhead City, AZ 86430

ACCOUNT DEPARTMENT OF 29740-000
 Invoice Date 08/01/05
 Total Amt Due 13729.26

PLEASE DO NOT FOLD