

PROFESSIONAL SERVICES AGREEMENT

This Agreement is entered into this 21ST day of MAY, 2013, by and between Olsson Associates., a Nebraska corporation, (Olsson Associates), and Arizona Power Authority (herein referred to as "Client" or "APA Commission") for professional and related services to be provided to Client.

I SCOPE OF SERVICES

Client hereby engages Olsson Associates in an advisory capacity and Olsson Associates accepts such engagement upon the terms and conditions set forth in this Agreement. Olsson Associates shall provide to Client the services set forth herein, including Exhibit A, "Scope of Services," attached hereto.

II FEES FOR SERVICES

For services provided by Olsson Associates to Client pursuant to this Agreement, Client shall pay Olsson Associates in accordance with the rates and charges set forth in Exhibit B, "Fees for Services," attached hereto.

III BILLING AND PAYMENT

Olsson Associates shall submit a monthly statement to Client setting forth the amount due for services and itemizing amounts due for expenses. Client shall pay the full amount of such statement within thirty (30) days after receipt and approval.

IV INDEPENDENT CONTRACTOR

Olsson Associates shall provide services to Client as an independent contractor. Neither this Agreement nor any conduct hereunder shall create or be deemed to create a relationship between Olsson Associates and Client of employer-employee, partnership, joint venture, or any other common enterprise.

Olsson Associates shall have no authority to bind Client to, assume, or enter into any obligation, commitment, or agreement.

Olsson Associates shall be responsible for payment of all taxes including federal, state, and local taxes arising out of Olsson Associates' activities under this Agreement.

V

TERMINATION OF AGREEMENT

- (a) The initial term of this Agreement shall commence on the date of execution of this Agreement, and terminate one year from the date of execution or if the total billing equals or is greater than \$149,250. Subsequently, this Agreement shall continue in full force and effect on a month-to-month basis with prior written APA Commission approval.
- (b) Notwithstanding any other provision of this Agreement, either party may terminate this Agreement by giving thirty (30) days' advance written notice to the other party.
- (c) Upon termination of this Agreement, Olsson Associates shall have no further obligation to provide services to Client. If the Agreement is terminated prior to completion of the services to be provided hereunder, Olsson Associates shall render a final bill for services to Client within thirty (30) days after the date of termination, and Client shall pay Olsson Associates for all fees earned and expenses incurred prior to the date of the termination notice in accordance with Section III.

VI

INSURANCE

- (a) Olsson Associates shall maintain in effect at its own expense, employer's liability insurance, one-million dollars (\$1,000,000) aggregate of comprehensive general liability insurance (bodily injury and property damage), five-hundred thousand dollars (\$500,000) aggregate of comprehensive automobile liability insurance (bodily injury and property damage) with respect to Olsson Associates employees and vehicles assigned to the prosecution of work under this Agreement, and one-million dollars (\$1,000,000) aggregate of professional liability insurance. Olsson Associates shall also maintain Arizona statutory workers' compensation insurance.
- (b) Olsson Associates shall obtain and thereafter maintain in effect, if available, such additional insurance as may be requested in writing by Client, the cost of which will be reimbursed by Client.

VII

LIABILITY

- (a) Olsson Associates shall indemnify and hold harmless Client, its directors, officers, partners, agents, and employees from and against any and all liability, claims, demands, damages, losses, and expenses, including but not limited to attorney's fees, for which Olsson Associates is determined to be legally liable resulting from negligent acts, errors, or omissions by Olsson Associates, its directors, officers, agents, and employees in performance of services required by this Agreement. Liability, claims, demands, damages, losses, or expenses resulting from the negligent acts, errors or omissions, whether active or passive, by Client, its directors, officers, partners, agents, employees, or by others are excluded from Olsson Associates' obligations pursuant to this paragraph.

- (b) Olsson Associates' obligations to indemnify and hold Client harmless shall be expressly limited to the proceeds of its applicable insurance coverage.
- (c) Client shall indemnify and hold harmless Olsson Associates, its directors, officers, agents, and employees from and against any and all liability, claims, demands, damages, losses, and expenses, including but not limited to attorney's fees, for which Client is determined to be legally liable resulting from negligent acts, errors or omissions by Client, its directors, officers, partners, agents, and employees. Liability, claims, demands, damages, losses, or expenses resulting from the negligent acts, errors, or omissions, whether active or passive, by Olsson Associates, its directors, officers, agents, employees, or by others are excluded from Client's obligations pursuant to this paragraph.
- (d) Nothing in this Agreement shall be construed to create a duty to any standard of care with reference to, or any liability to any person not a party to this Agreement.
- (e) Nothing in this Agreement shall give rise to any claim against or liability of the State of Arizona.
- (f) Neither Olsson Associates nor Client shall be liable to the other for punitive, incidental, or consequential damages.

VIII CONFIDENTIAL INFORMATION

During the term of this Agreement and for a period of ten (10) years thereafter, Olsson Associates shall hold Confidential Information in the strictest confidence, and shall not without the prior written consent of the Client disclose any such Confidential Information to any person.

- (a) Confidential Information includes, but is not limited to trade secrets as defined by the common law and statute in Arizona or any future Arizona statute, processes, policies, procedures, techniques, designs, drawings, know-how, show-how, technical information, specifications, computer software and source code, information and data relating to the development, research, testing, costs, marketing and uses of the Services (as defined herein), the Client's budgets and strategic plans, and the identity and special needs of Customers, databases, data, all technology relating to the Client's businesses, systems methods of operation, client or Customer lists, Customer information, solicitation leads, marketing and advertising materials, methods and manuals and forms, all of which pertain to the activities or operations of the Client, names, home addresses and all telephone numbers and e-mail addresses of the Client's executives, former executives, clients and former clients. For purposes of this Agreement, the following shall not constitute Confidential Information:
- Information which is or subsequently becomes generally available to the public through no act of the Consultant,

- Information set forth in the written records of the Consultant prior to disclosure to the Consultant by or on behalf of the Client which information is given to the Client in writing as of or prior to the date of this Agreement, and
- Information which is lawfully obtained by the Consultant in writing from a third party (excluding any Affiliates of the Consultant) who did not acquire such confidential information or trade secret, directly or indirectly, from Consultant or the Client.

VIII SUCCESSORS IN INTEREST

This Agreement shall be binding on, and inure to the benefit of, each party's successors in interest, including their heirs, legatees, assignees, and legal representatives.

IX WAIVER

Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

X SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation, or liability on or with regard to either party. Each party shall be individually and severally liable for its own obligations under this Agreement.

XI AMENDMENT

All changes or modifications to this Agreement shall be in writing and signed by both parties.

XII DISPUTE RESOLUTION AND GOVERNING LAW

(a) Agreement to Mediate. The parties agree that any claim or dispute relating to this Agreement, or any other matters, disputes, or claims between us, shall be subject to non-binding mediation within 30 days of either party making a request to the other by letter. Any such mediation will be held in the Phoenix, Arizona metropolitan area, and unless otherwise agreed, shall be conducted according to the mediation rules of the National Arbitration Forum.

(b) **Governing Law; Submission to Jurisdiction.** This Agreement is a contract under the laws of the State of Arizona and shall for all purposes be governed by and construed in accordance with the laws of the State of Arizona, without regard to applicable conflict of laws principles. The Parties hereby submit to the jurisdiction of the Superior Court of the State of Arizona or of any other Arizona state court sitting in Maricopa County, Arizona for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Parties irrevocably waive, to the fullest extent permitted by applicable law, any objection that either Party may now or hereafter have to laying of venue of any such proceeding brought in such a court and any claim that any such proceeding has been brought in an inconvenient forum.

**XIII
CONFLICT OF INTEREST**

Olsson Associates shall promptly disclose any conflict of interest which exists or may arise during the term of this Agreement. Should any such conflict of interest arise, Olsson Associates and Client shall consult as to the proper resolution of the issue.

**XIV
ENTIRE AGREEMENT**

This Agreement constitutes the complete and final expression of the agreement of the parties and is intended as a complete and exclusive statement of the terms of their agreements and supersedes all prior and contemporaneous offers, promises, representations, negotiations, discussions, communications, and agreements which may have been made in connection with the subject matter hereof.

**XV
SEVERABILITY**

If any provision of this Agreement is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, it shall be considered severable from the remainder of this Agreement and shall not cause the remainder to be invalid or unenforceable. In such event, the parties shall reform this Agreement to replace such stricken provision with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.

**XVI
NOTICES**

(a) Any notice, demand, information, invoice, report, or item otherwise required, authorized, or provided for in this Agreement, unless otherwise specified herein, shall be deemed properly given if delivered in person, sent by United States Mail, First Class postage prepaid, or electronic mail with a read receipt:

To Olsson Associates: Mr. Mike Powell
 Olsson Associates
 7250 N. 16th Street, Suite 210
 Phoenix, AZ 85020
 mpowell@olssonassociates.com

To Arizona Power Authority: Mr. Michael Gazda
 Arizona Power Authority
 1810 W. Adams Street
 Phoenix, AZ 85007-2697
 Olsson@powerauthority.org
 cc: Doug@powerauthority.org

(b) All notices shall be deemed effective upon receipt by the party to whom such notice is given.

**XVII
SIGNATURE CLAUSE**

The signatories hereto represent that they are authorized to enter into this Agreement on behalf of the party for whom they sign.

Arizona Power Authority

Olsson Associates

By: 

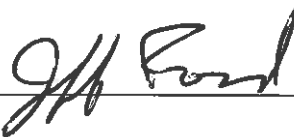
By: 

EXHIBIT A

Scope of Services

Olsson Associates shall assist the Arizona Power Authority Commission in developing and analyzing Preliminary Proposals and develop a Final Marketing Plan for allocating Hoover Resources Post-2017, and to respond to Commission questions, vet and review proposals, and respond to public concerns, comments, and related issues raised in the process.

Olsson Associates shall perform services as stated in their proposal dated March 1, 2013 submitted in response to the Arizona Power Authority Request for Proposal.