THIS AGREEMENT, made as of the \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_, 20\_\_, by and between, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (Owner) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Contractor). Owner and Contractor are sometimes hereinafter collectively called "the Parties."

WITNESSETH:

1.WHEREAS, the Owner owns and operates a rural electric system financed primarily by loans from or guaranteed by the United States of America, acting through the Administrator of the Rural Electrification Administration (Administrator); and

2.WHEREAS, the Contractor represents that it has sufficient experienced personnel, equipment and resources to perform, and the Owner desires the Contractor to perform, the services herein described.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained and for other good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I --

SERVICES -- STANDARD -- TERM

1.1In accordance with the generally accepted standards and practices used in the profession, trade or industry, the Contractor shall render diligently and competently the services described in Article IV (Scope of Services) upon the terms and conditions herein stated. This Agreement shall cover no projects other than those described in Article IV.

1.2Contractor accepts the relationship of trust and confidence relied upon by Owner in awarding this Agreement, Contractor, in furnishing services hereunder, shall furnish sufficient business administration, management and supervision, requisite skills and expertise and other facilities and resources to complete the services specified in Article IV in the best and soundest way and in an expeditious and economical manner consistent with the interests of Owner. Services performed by Contractor must meet Owner's satisfaction and approval, which shall not be unreasonably withheld.

1.3With respect to all services performed and to be performed by the Contractor pursuant to this Agreement,

(a)the Contractor shall comply with all applicable laws, regulations, ordinances and codes;

(b)services shall be performed by persons qualified to perform such duties efficiently. Any such person may be removed and replaced by Contractor if reasonably directed in writing by Owner; and

(c)to the extent services are of the nature required to be accomplished by persons licensed, qualified or certified under \_\_\_\_\_\_\_\_\_\_\_ or other federal, \_\_\_\_\_\_\_\_\_\_ or local law, regulation or ordinance relating to business, professional and occupational licensure, the services will, as may be required, be performed by or under the supervision of properly licensed, qualified or certified persons.

1.4Subject to Section 1.6, this Agreement will be effective from the date first set forth hereinabove and will continue until the Contractor completes performance of Article IV or until terminated pursuant to Section 1.5 hereof.

1.5Owner reserves the right to terminate any and all parts of the work in progress under this Agreement at any time upon written instructions from Owner to Contractor, whether or not the work is completed. Upon receiving such notice, Contractor will terminate work in accordance with the instructions and will render a final bill to Owner for all unpaid charges accumulated for the work done up to the date the notice is received. Additionally, Owner, by written instructions to Contractor, may, from time to time, suspend any and all parts of the work in progress under this Agreement.

1.6This Agreement is subject to the approval of the Administrator, if required.

ARTICLE II --

COMPENSATION

2.1The Owner shall pay Contractor for the services performed pursuant to this Agreement at the times and in the amounts provided in this Article II.

2.2For the service performed, Contractor will bill Owner and Owner shall pay Contractor the sum of the following items: [2.2(a) through (d) to be used when applicable]

(a)For Contractor's time, an amount equal to the actual number of hours of services rendered for Owner multiplied by the Contractor's established hourly rates, as follows:

Name and/or TitleHourly Rate

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_$\_\_\_\_ /hour

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_$\_\_\_\_ /hour

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_$\_\_\_\_ /hour

(b)For expenses incurred by Contractor in performing services hereunder, such as toll telecommunications, authorized travel and subsistence including food, lodging, and incidental expenses, automobile rental and commercial services, field employee moving expenses and cost of living payments, field employee mileage allowance when mileage to and from work (outside Contractor's home base) exceeds fifteen miles per day, and miscellaneous resident office expenses, at the cost to Contractor.

(c)For reproduction, printing, use of company vehicles, use of testing apparatus and computer services, an amount as determined from Contractor's schedule of rates in effect at the time of providing the service. Said schedule of rates will be furnished to Owner upon request.

(d)For services rendered by others as a subcontractor to Contractor, including authorized special consultations and other activities required or requested by Owner, at the cost to Contractor.

2.3Monthly invoices shall be submitted by Contractor to Owner for payment covering services performed and expenses incurred during the preceding month.

2.4Payment shall be due within sixty days after the date of receipt of invoices. In case a portion of a bill be in dispute, the undisputed amount shall be paid when due and the remainder, if any, upon determination of the correct amount. Amounts unpaid after the due date shall bear interest at the rate of 0.75 percent per month from due date to date of payment. Contractor will maintain adequate records, supporting all invoiced charges and reimbursable expenses, and will make such records available for inspection or audit by Owner or its authorized representative at all reasonable times.

2.5The estimated compensation for providing the services described in Article IV is set forth in Article IV, but is not guaranteed. Contractor shall not exceed such estimates except with Owner's prior written consent.

ARTICLE III --

GENERAL

3.1(a)Contractor shall obtain and maintain throughout the period of this Agreement (upon an occurrence basis, unless Owner agrees to a claims-made basis and coverage is afforded for a period subsequent to the term of this Agreement commensurate with the statute of limitations pertaining to the type of risk insured against) the following minimum insurance:

(i)Workers' Compensation or Occupational Disease Disablement Insurance covering all employees of Contractor who shall perform any of the obligations of Contractor hereunder, whether or not such insurance is required by the laws governing the employment of any such employee. If any employee is not subject to the workers' compensation or occupational disease disablement laws, such insurance shall extend to such employee voluntary coverage to the same extent as though such employee were subject to such laws.

(ii)Comprehensive General Liability Insurance in an amount no less than $\_\_\_ combined single limit, which shall include contractual liability insurance in an amount of no less than $\_\_\_\_ combined single limit.

(iii)Automobile Liability Insurance on all vehicles used in connection with this Agreement, whether owned, nonowned or hired in an amount no less than $\_\_\_\_ combined single limit.

(iv)Professional Liability Insurance to the extent available to and normally procured by persons performing the type of service specified hereunder, unless waived by Owner in writing, in an amount no less than the aggregate amount of risks from asserted negligence of Contractor in performing this Agreement and work contracted for others, which limit shall be identified and be satisfactory to Owner before services are rendered.

(b)Additional insurance: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

(c)Coverage obtained pursuant to this Section 3.1 shall provide for at least thirty days' written notice to Owner before any cancellation or material change, unless this requirement is waived by Owner. Additionally, Contractor shall provide at least thirty days' written notice to Owner before any cancellation or material change of said coverage.

(d)Proof evidencing compliance with the foregoing requirements is attached hereto as Exhibit A and made a part hereof.

3.2(a)Services to be performed hereunder may be subcontracted only with Owner's prior written consent, which consent shall specify the contract amount in excess of which Contractor shall submit for Owner's approval a complete list of subcontractors proposed. Such list shall include all names and addresses of subcontractors proposed, together with the extent and character of the work to be done by each. After approval thereof by Owner and within seven days after making of any subcontract, Contractor shall deliver to Owner a statement setting forth the name and address of the subcontractor and a summary description of the portion of the work subcontracted. No such approval shall relieve Contractor from any of the obligations of this Agreement and Contractor shall remain responsible to Owner as if no such subcontract has been made.

(b)If at any time Owner determines for good cause that any subcontractor is incompetent or undesirable and notifies Contractor accordingly, Contractor shall take immediate steps to eliminate the subcontracting. Subcontracting by any subcontractor shall be subject to the requirements of this Section 3.2.

(c)Contractor shall require each subcontractor to take out and maintain insurance as specified in Section 3.1 as applicable.

(d)The terms of this Agreement shall be included in every subcontract as far as they are applicable to the performance of its portion of the work. Nothing herein shall create any contract between any subcontractor and Owner, or any obligation on the part of Owner to pay, or see to the payment of, any sums to any subcontractor.

3.3(a)Contractor shall fully protect, indemnify and save harmless Owner its officers, trustees, employees and agents, from and against the following:

(i)All claims or liens of laborers, mechanics, materialmen and subcontractors.

(ii)All fines, penalties, assessments or other exactions imposed by any governmental authority arising from Contractor's failure to reasonably comply with this Agreement.

(iii)All losses and expenses, including but not limited to attorneys' fees, incurred by Owner because of the failure of Contractor to obtain and maintain in force within the limits provided any insurance required to be furnished by Contractor or because of deductibles within such coverages.

(iv)Losses, damages and expenses, including but not limited to attorneys' fees, incurred by reason of infringement of any patent rights or copyrights, except where such claims arise from designs, methods, directions or source material specified by Owner.

(v)All claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of the work hereunder, provided that such claims, damages, losses or expenses are caused in whole or in part by any negligent or wrongful act or omission, including passive or active negligence, of Contractor or its subcontractors, any of their agents or employees or anyone for whose acts any of them may be liable, except to the extent that the same results from Owner's negligent or wrongful act or omission.

(vi)Any and all claims, damage, loss and expenses including but not limited to attorneys' fees, arising out of or as a result of any act or failure to act, whether or not negligent, asserted by or on behalf of the employees, agents or subcontractors of the Contractor, in connection with work to be performed pursuant to this Agreement.

(b)Contractor's obligation to indemnify and defend the Owner pursuant to subsection (a) shall not extend to expenses, liabilities, claims, demands, causes of action, damages and expenditures incurred by Owner to the extent Owner has been indemnified, defended without qualification or reservation by an insurer, or reimbursed therefor by an insurer pursuant to a policy required to be obtained and maintained by Contractor.

(c)[This section (c) may be deleted in its entirety if services are in no way related to the improvement of real property.] To the extent that this Agreement is construed to relate to the construction, installation, alteration, modification, repair, grading, paving, clearing, site preparation or development of any real property, or any improvement of any kind whether on, above or under real property, within the state of \_\_\_\_\_\_\_\_\_\_, the indemnification contained in subsection (a) shall not extend to liability, claims, damages, losses or expenses, including attorneys' fees, arising out of: (i) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specification by Owner or its agents or employees; or (ii) the giving of or the failure to give directions or instructions by Owner, or its agents or employees, where such giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

3.4Performance of the work specified in Article IV shall be completed within any period(s) specified therein or, if none, within a reasonable time in consultation with Owner. Time is of the essence with respect to any completion date(s) specified. Owner shall not unreasonably withhold extension of completion date(s) if performance is delayed by (a) neglect or action or inaction of Owner, (b) changes in the work or suspensions ordered by Owner, or (c) other causes which by the exercise of due foresight Contractor could not reasonably have been expected to avoid and which by the exercise of due diligence it shall be unable to overcome.

3.5Notwithstanding any other provision of this Agreement, Contractor is an independent contractor with exclusive control over the manner, means and method by which services are to be performed by its employees, agents and subcontractors, and no master- servant relationship shall be created between Owner and Contractor. In this regard,

(a)When Owner notifies Contractor that Owner desires certain services to be performed for it by Contractor, the performance of such services by Contractor shall be subject to and in accordance with all of the terms and conditions of this Agreement. Contractor, before starting services on premises owned or controlled by Owner, shall make a thorough inspection of the work site to determine the difficulties and hazards incident to the doing of the work. Contractor shall take all necessary precautions for the safety of Contractor's employees, agents and subcontractors on the work, and comply and cause its employees, agents and subcontractors entering on Owner's premises in the performance of said work or in connection therewith to comply with safety rules of Owner and all applicable safety laws, regulations, ordinances or codes necessary to prevent damage or injury to property and persons.

(b)The designation of services to be performed and cessation of work shall be at the discretion of Owner and services must be performed to the standards of Articles I and IV, but Owner shall look to Contractor for results only and shall have no right at any time to direct or supervise Contractor or Contractor's employees, agents or subcontractors in the performance of said services or as to the manner, means and methods by which services are to be performed.

3.6Owner is a contractor or subcontractor for the purposes of 41 C.F.R., Chapter 60. To the extent applicable, the Equal Opportunity clause provided for in the regulations issued pursuant to Executive Order 11246 and the Affirmative Action Clauses provided for in the regulations issued pursuant to each of the Rehabilitation Act of 1973 and the Vietnam Era Veterans Readjustment Assistance Act of 1974 are incorporated by reference. Contractor shall, unless exempt, comply with all such and similar requirements as applicable. Contractor certifies that Contractor does not and will not maintain any facilities Contractor provides for Contractor's employees in a segregated manner, or permit Contractor's employees to perform their services at any location under Contractor's control where segregated facilities are maintained, and that Contractor will obtain a similar certification from Contractor's proposed subcontractors in the form approved by the federal government prior to the award of any nonexempt subcontract. Nothing herein shall be construed as creating any enforceable rights for any firm, organization or individual that is not a party to this Agreement.

3.7All data, information, documents or other materials pertaining to Owner and the project concerning which Contractor is to render services, obtained or prepared by the Contractor during the performance of this Agreement, shall remain the sole property of Owner. Without limiting the foregoing, all reports, drawings, notes, specifications, computer printouts, analysis, logs, correspondence and records and other incidental work or materials prepared, developed or furnished by Contractor hereunder shall be and shall remain the property of Owner. All of the foregoing are agreed to be the confidential and proprietary information of Owner, and Contractor shall not, without Owner's prior written consent, release the same to other parties or make any public announcements or publicity releases. All such materials retained by Contractor, upon completion or termination of any or all phases of the work, shall be delivered to Owner upon request and without any cost except for transportation charges. Nothing in this Section .7, however, shall prevent Contractor from using information that is in its possession that was obtained from sources other than Owner or its consultants or which has been published by others.

3.8All notices, instructions or approvals required or provided for by this Agreement, except of routine nature, shall be in writing and shall be deemed properly given or made if delivered personally or sent by registered or certified mail or by telegram, telex or telecopier to the person designated below:

To Owner:

Executive Vice President/General Manager

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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To Contractor:

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3.9This Agreement and any amendments hereto shall in all respects. including all matters of construction, validity and performance, be governed by, and construed in accordance with, the laws of and by courts located within the state of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

3.10The waiver of any breach of any term, covenant or condition shall not be deemed a waiver of any other term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition. All remedies are cumulative. If Contractor is an individual, reference to the neutral gender is for convenience only.

3.11This Agreement is binding upon and inures to the benefit of the Parties and their successors and assigns (and the personal representatives, heirs and devisees of Contractor, if an individual), but may not be assigned by Contractor without the prior written authorization of Owner.

3.12This Agreement supersedes all prior offers, negotiations or agreements concerning the services described in Article IV, contains the complete understandings between the Parties and may be amended only by written amendments executed by both Parties and approved by the Administrator, if required.

ARTICLE IV --

SCOPE OF SERVICES

[FOR INFORMATION ONLY -- The Scope of Services needs to include the following:

--description of the work to be performed for Owner;

--the extent to which Contractor is required to maintain and provide documentation of the work performed for Owner;

--the date by which work should be completed;

--the dollar amount not to be exceeded (specify whether this amount includes expenses);

--if the Scope of Services is broken into separate tasks, specify completion date and maximum dollar amount for each task.]

IN WITNESS HEREOF, the Parties hereto have caused this Agreement to be duly executed.

Owner: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contractor:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXHIBIT A

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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