

**MEMORANDUM OF AGREEMENT
BETWEEN
THE CITY OF BETHEL AND BETHEL UTILITIES CORPORATION
February 28, 1997**

The City of Bethel ("City") owns, maintains and operates city street lights located on poles owned and maintained by Bethel Utilities Corporation ("BUC"). Pursuant to the terms of this Memorandum of Agreement ("Agreement"), the City and BUC agree as follows:

1. The City shall:

- a. Continue to own and operate the city street lights.
- b. Retain all and full responsibility for such ownership and operation including all costs of installation, replacement, maintenance and repairs, electricity, and liability arising from such ownership and operation.
- c. Hold BUC harmless from any liability resulting from BUC's performance, or lack thereof, under this Agreement and shall defend BUC from and indemnify BUC for any action brought against it with respect thereto.
- d. Take and field all public questions and/or complaints with respect to street lighting and shall not direct such to BUC.
- e. Direct BUC, in writing, with respect to specific requests for street light maintenance that are in addition to those items discovered in the bi-monthly inspections as well as requests for street light installations, relocations or removals..
- f. Pay BUC for all street light related invoicing within 30 days of receipt.

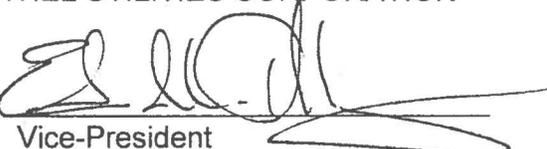
2. BUC shall:

- a. Inventory a sufficient quantity of street light components to be able to perform street light maintenance on an as-needed basis on behalf of the City.
- b. Invoice the City for all street light components at the time they are entered in BUC's inventory.
- c. Conduct bi-monthly street light inspections to determine the operational status of all city street lights and shall promptly provide the City with the results of each such inspection.
- d. Repair any improperly or non-functioning street lights discovered in the bi-monthly inspections on a time-available basis as soon as possible following completion of each such inspection.
- e. Invoice the City for all labor, equipment, and non-inventoried materials expended with respect to street light maintenance, including inspections, on a monthly basis.
- f. Charge the City for its services at its standard rates for labor and equipment, and actual delivered cost of inventoried components and materials and supplies. All such charges are subject to a 10% overhead markup.

CITY OF BETHEL

By: 
Its: City Manager

BETHEL UTILITIES CORPORATION

By: 
Its: Vice-President