

**NAVAJO PROJECT COORDINATING COMMITTEE
AGREEMENT NO. 125**

The United States of America (US), Arizona Public Service Company (Arizona), Department of Water and Power of the City of Los Angeles (Los Angeles), Nevada Power Company (Nevada), Salt River Project Agricultural Improvement and Power District (SRP), and Tucson Electric Power Company (Tucson) (collectively, the Participants) have entered into the following agreements, among others:

- Navajo Project Participation Agreement, dated September 30, 1969, as it may have been amended;
- Navajo Project Co-Tenancy Agreement, dated March 23, 1976, as it may have been amended; and
- Navajo Project – Navajo Generating Station Operating Agreement, dated July 23, 1979, pursuant to which the Participants appointed SRP as the Operating Agent for the Navajo Generating Station and certain associated facilities.

In addition, certain of the Participants have entered into the following agreements, among others:

- Navajo Project – Western Transmission System Operating Agreement, dated July 23, 1979, pursuant to which those Participants appointed Los Angeles and Nevada as Operating Agents for the Navajo Project – Western Transmission System; and
- Navajo Project – Southern Transmission System Operating Agreement, dated July 23, 1979, pursuant to which those Participants appointed Arizona as Operating Agent for the Navajo Project – Southern Transmission System.

Effective as of December 23, 1969, Arizona, Los Angeles, Nevada, SRP, and Tucson (collectively, the Co-Tenants) entered into the Indenture of Lease—Navajo Units 1, 2 and 3 with the Navajo Tribe of Indians (Lease). In addition, the Co-Tenants applied for and received Section 323 Grants of Rights-of-Way and Easement for Navajo Project facilities on Navajo Nation lands (323 Grants), and obtained other rights-of-way, use permits and land rights on Navajo Nation, federal and non-federal lands (collectively, the Land Rights).

Prudent management of the existing Lease requires commencing removal and restoration operations as early as July, 2017. However, the Participants (other than Los Angeles, which no longer owns an interest in the Navajo Generating Station) recognize the importance of providing a glide path for the Navajo Nation and Hopi Tribe to transition for the end of generation at the Navajo Generating Station. In recognition of that need, the Participants (other than Los Angeles, which no longer owns an interest in the Navajo Generating Station) have expressed a willingness to continue generation at the Navajo Generating Station for an additional two and a

half years, through December 22, 2019, the end of the current term of the Lease, provided certain important conditions are met.

The Navajo Project Coordinating Committee, on behalf of their respective organizations, hereby agree that they may operate Navajo Generating Station through December 22, 2019, so long as:

- By July 1, 2017, the current Participants and the Navajo Nation reach agreement on necessary agreements for all decommissioning, demolition, removal, restoration, remediation, monitoring, and post-closure access after December 22, 2019 (the Navajo Agreements) (otherwise the terms and conditions of the original lease pertain) and the Navajo Nation has executed and delivered the Navajo Agreements to the Participants; and
- All necessary approvals of the Navajo Agreements, including any compliance required by the United States, are received and the Navajo Agreements have been executed and delivered by the Participants to the Navajo Nation on or before December 1, 2017.

The Navajo Project Coordinating Committee, on behalf of their respective organizations, recognizes and agrees that no action undertaken pursuant to this Coordinating Committee Agreement No. 125 imposes any obligation upon a Participant to approve or execute any agreement referenced above or necessary to the extension of the Navajo Project through December 22, 2019. Los Angeles is executing this Coordinating Committee Agreement No. 125 solely with respect to (i) the interests that Los Angeles retains in the Navajo Project and (ii) the decommissioning, demolition, removal, restoration, remediation, monitoring, and post-closure access for the Navajo Project.

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SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

Approved:

Date: 2-13-2019

By: Will R All
Coordinating Committee Representative

ARIZONA PUBLIC SERVICE COMPANY

Approved:

Date: 2-13-2017

By: Don A Han
Coordinating Committee Representative

TUCSON ELECTRIC POWER COMPANY

Approved:

Date: 2-13-2017

By: M C [Signature]
Coordinating Committee Representative

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

Approved:

Date: _____

By: _____
Coordinating Committee Representative

NEVADA POWER COMPANY

Approved:

Date: February 13, 2017

By: [Signature]
Coordinating Committee Representative

UNITED STATES OF AMERICA

Approved:

Date: 2/13/17

By: Debbie Meyers
Coordinating Committee Representative

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

Approved:

Date: _____

By: _____
Coordinating Committee Representative

ARIZONA PUBLIC SERVICE COMPANY

Approved:

Date: _____

By: _____
Coordinating Committee Representative

TUCSON ELECTRIC POWER COMPANY

Approved:

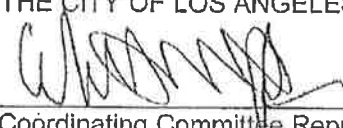
Date: _____

By: _____
Coordinating Committee Representative

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

Approved:

Date: 2/13/17

By: 
Coordinating Committee Representative

NEVADA POWER COMPANY

Approved:

Date: _____

By: _____
Coordinating Committee Representative

UNITED STATES OF AMERICA

Approved:

Date: _____

By: _____
Coordinating Committee Representative