

**FIRST AMENDMENT TO
LAKE SISKIYOU HYDROELECTRIC PROJECT
OPERATION AND MAINTENANCE AGREEMENT
(Increasing Reimbursable Costs)**

THIS FIRST AMENDMENT is to that Operation and Maintenance Agreement ("Agreement") executed on January 1, 2011 between the Siskiyou Power Authority ("Authority") and Northbrook Power Management, LLC ("Operator").

WHEREAS, Section 5.4 of the Agreement provides that Operator "may supply parts, equipment and tools identified in Section 4.2...necessary to perform duties or repairs, which said costs plus five percent (5%) of said costs will be considered Reimbursable Costs"; and

WHEREAS, Section 5.4 limits the Reimbursable Costs for parts, equipment and tools supplied by Operator at a markup of five percent (5%) to twenty-five thousand dollars (\$25,000.00) per fiscal year, unless prior written consent is obtained from Authority, or other specified extenuating circumstances exist; and

WHEREAS, the parties desire to increase the amount of Reimbursable Costs under Section 5.4 for Operator supplied parts, equipment and tools by increasing the amount to one hundred thousand dollars (\$100,000.00) per fiscal year.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

Section 5.4 of the Agreement shall be amended to read as follows:

Section 5.4. Reimbursable Costs. OPERATOR may supply parts, equipment and tools identified in Section 4.2 (Additional Costs) necessary to perform duties or repairs, which said costs plus five percent (5%) of said costs will be considered Reimbursable Costs. OPERATOR may incur up to twenty-five thousand dollars (\$25,000.00) in Reimbursable Costs in any one Fiscal Year, after which no further Reimbursable Costs shall be incurred unless incurred in accordance with (i) prior written consent of the AUTHORITY, (ii) the applicable Annual Budget, or (iii) Sections 3.13 (Emergency) or 3.14 (Extraordinary Circumstances) of this Agreement. Effective July 1, 2017, the amount of the Reimbursable Costs OPERATOR may incur in any one Fiscal Year under this section shall increase from twenty-five thousand dollars (\$25,000.00) to up to one hundred thousand dollars (\$100,000.00).

OPERATOR shall create a master list of all tools owned by the Authority and shall update the list as tools are purchased.

All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment on the ____ day of _____ 2017.

NORTHBROOK POWER MANAGEMENT, LLC

By:  _____

Name and Title JOHN C. AHLRICHS, PRESIDENT
TAXPAYER I.D. on file

SISKIYOU POWER AUTHORITY

By: _____

Michael N. Kobseff, Chair
Board of Directors

ATTEST:
COLLEEN SETZER
Clerk, Board of Supervisors

By: _____
Deputy

ACCOUNTING:
Fund 2511 Organization 205011 Account 728000