

August 14, 2026

Julie Kennedy
General Manager, Grand Rapids Public Utilities
500 SE 4th St.
Grand Rapids, MN 55744
jakenedy@grpuc.org

<<sent via email>>

Re: Electric System Study and Long-Range Plan

Dear Ms. Kennedy,

HDR Engineering, Inc. (HDR) is pleased to present this proposal to support Grand Rapids Public Utilities (GRPU) in evaluating the Utility's existing electric system and preparing long-range plans (LRP's) for the continued reliable operation of the electric system.

Our team is committed to the success of this project. We are of the firm belief that an open and collaborative approach between GRPU and HDR during the project scoping and definition phase, and throughout the life of the project, will align both teams to produce meaningful and cost-effective results. A discussion of the project and adjustment to the project parameters, if necessary, would be welcome.

We look forward to working with the team at Grand Rapids Public Utilities. Thank you for the opportunity to offer our services. Should you require further information, please do not hesitate to contact Project Manager, Alex Schmidt, at 608.888.5873 or Alexander.Schmidt@hdrinc.com

Sincerely,
HDR Engineering, Inc.



Alexander Schmidt
Project Manager



Keith Quernemoen
Senior Vice President

Project Understanding

HDR is providing this proposal to GRPU as a scope and fee to develop an Electric System Study and LRP for the electric utility.

HDR understands the current distribution system is normally served via four feeders from the “Main Sub” and via one feeder from the “Tioga Sub”. The substations are fed from transmission lines owned and operated by Minnesota Power Company. GRPU’s wholesale power provider is Minnesota Power.

The focus of this study will prioritize analyzing GRPU’s existing distribution system and evaluating service constraints and limitations at the substation and distribution feeder levels. The existing and projected distribution feeder capacity and distribution feeder capacity between adjacent feeder ties will be reviewed for overall system reliability considerations. The study will account for future load additions based on GRPU input and develop long-term plans to reliably meet both current and projected service demands over a 10-year timeframe. These results can then be utilized for GRPU’s budgeting and planning purposes.

Project Approach

The approach to the project will be a collaborative effort with GRPU and HDR staff to review the existing system, discuss existing and projected operating concerns, document key considerations, develop planning design criteria, and develop long term plans for the electric system. The approach will review typical utility data, maps, and other items to provide an overview of the system with projections of future considerations. This information will be used to develop plans with GRPU’s input for the long-term sustainability of the electric utility system. Initial project alternatives will be identified and key alternatives for each project element will be selected for further evaluation and analysis by HDR.

Communication between GRPU and HDR will be completed via calls, emails, and screen shares as needed.

Task 1.0 – Project Management

TASK OBJECTIVE

This task will be used for invoicing, administration, and other adjacent activities.

HDR ACTIVITIES

- Communicate with GRPU throughout the project.
- Perform administrative tasks.
- Provide and maintain internal HDR safety forms and documentation.
- Apply HDR’s Quality Management System (QMS) policies and procedures consistent with the needs of the project.
- Maintain files for project records including correspondence and reports.
- Accomplish close-out activities when the project is complete.

GRPU ACTIVITIES

- Communicate with HDR throughout the project.

DELIVERABLES

- Monthly invoices (PDF)

Task 2.0 – Kickoff Meeting and Data Gathering

TASK OBJECTIVE

An initial kickoff meeting will be held with GRPU staff and the HDR team after the notice to proceed to review project details. Initial data will be gathered as needed, which may include photos, equipment test reports, existing Milsoft WindMil models, GRPU purchase power bill, annual reports, past GRPU electric systems studies, and other items that may be available.

Minnesota Power provides service to GRPU and may have additional information available for the existing substations and service points. HDR and GRPU can request data as may be available from Minnesota Power. This may include metering and load data, substation data, and other items to be determined.

HDR ACTIVITIES

- Schedule and participate in kick-off meeting.
- Define data requests including WindMil model and other support documents, if necessary.
- Review GRPU provided data.
- Follow up with questions on initial data, if necessary.

GRPU ACTIVITIES

- Participate in kick-off meeting.
- Provide current WindMil model.
- Provide copies of pertinent documents and information associated with the project.

DELIVERABLES

- Kick-off meeting agenda and minutes in bullet item format (PDF)
- Data request log, if necessary (PDF)

Task 3.0 – Evaluation of Existing Milsoft WindMil Model

TASK OBJECTIVE

GRPU and HDR staff will review and exchange data to evaluate the accuracy of the electric system model to be used for the study.

HDR ACTIVITIES

- Obtain and review additional data, drawings, reports, and other pertinent information including but not limited to:
 - Substation one-line diagrams showing the existing bus, transformer, switches, fuses and recloser configuration.
 - Existing system peak substation/feeder demands and power factor.
 - Historical peak substation data (kW and total annual kWh) for the past 10+ years.
 - Amperage readings taken near peak at key locations of the distribution system.
 - Copy of past electric system studies.
 - Existing, complete, and functional Milsoft WindMil model.

GRPU ACTIVITIES

- Provide copies of pertinent documents and information associated with the project.
- Respond to inquiries on observed data inconsistencies.

DELIVERABLES

- Summary of existing model evaluation (PDF)

Task 4.0 – Existing System Analysis

TASK OBJECTIVE

GRPU and HDR staff will use available information to conduct existing system analyses for the study.

HDR ACTIVITIES

- Conduct existing system, normal configuration load flow and short-circuit current analyses
- Additional items for consideration include but are not limited to:
 - Existing electrical facilities and operational procedures.
 - Historical growth patterns and discussion of possible growth areas.
 - Area comprehensive plans, if available, for GRPU, Grand Rapids, or others. These plans may provide insight into the area's future plans.
 - Proposed system upgrades.
 - Available system age data and other records for the electrical system, including the substations, and distribution system.
 - Areas of special concern.
 - Design criteria used to evaluate the existing and projected electrical system performance under normal and contingent (N-1) conditions.
 - Reliability, geographical, environmental aspects and operating considerations.

GRPU ACTIVITIES

- Respond to inquiries as required.

Task 5.0 – Develop Projected Loads, Long-Range Plans, and Planning Level Budgets

TASK OBJECTIVE

HDR will conduct a majority of the existing and projected system analyses under this task. The focus will be on utilizing existing facilities with recommended upgrades or improvements to address system constraints, if any, and future plans for the long-term sustainability of the electric utility system.

HDR ACTIVITIES

- Develop applicable substation and feeder Load Projection demand trends and incorporate into existing system, projected loading model
 - The projections will include consideration of historical growth/reductions, areas of development for potential growth, utility personnel knowledge of future plans, utility best practices, and other criteria.
- Conduct projected system evaluations considering the loss of one substation and its associated feeders for first level contingency (N-1) scenarios.
- Evaluate applicable projects to address observed system deficiencies for a projected system, projected loading model solution.
- Develop draft LRP report summarizing findings.
- Develop planning level budgets for recommended work plans. Budgets will be based on available data, industry trends and other best practices.
- HDR will have a mid-point meeting to discuss current progress and expected future loads.

GRPU ACTIVITIES

- Participate in mid-point meeting and respond to inquiries as required.

DELIVERABLES

- Meeting minutes from mid-point meeting (PDF)

Task 6.0 – Prepare Executive Summary, Report, and Supporting Data

TASK OBJECTIVE

This task will be utilized to summarize the findings from the previous tasks and arrange it in a formal report document. A draft LRP will be prepared and delivered to GRPU staff for input, followed by a Final LRP document accounting for comments and suggested revisions. HDR will provide the following services.

HDR ACTIVITIES

- Prepare Draft LRP document containing:
 - Introduction
 - Purpose of Report
 - Summary of Report
 - Analysis of Existing System
 - Planning Criteria
 - Projected System Analysis including projected growth and the recommended and alternative evaluations
 - Projectization of recommended improvements into 5 and 10-year interims including cost estimations for projects.
- Host virtual, web-conferencing meeting to discuss Draft LRP document with GRPU staff
- Prepare Final Strategic Plan based upon comments on the Draft Strategic Plan, economics, and criteria developed with and agreed upon by GRPU staff
- Perform an internal QC Review on the Final Strategic Plan document.

GRPU ACTIVITIES

- Participate in review meeting and respond to inquiries as required.

DELIVERABLES

- Draft and Final LRP Reports (PDF)
- WindMil model load flow summaries and load projection tables (PDF)
- 10-Year Projected WindMil model
- Microsoft OneDrive folder link containing database files used and created for the LRP Plan including specialized spreadsheets created or modified during the planning process

General Assumptions

- No site visits or in-person meetings have been included in this proposal.
- HDR will be given a copy of, or access to, the existing geographic information system (GIS) for preparation of maps as needed.
- The existing Milsoft WindMil model is in working order and generally accurate with only minor updates.
 - If a Milsoft WindMil model needs to be created, that can be accomplished as an estimated time and material adder as listed in the fee schedule.
- HDR will not perform load allocation as part of this project.
- Photos or equipment ratings needed for the study will be provided from GRPU to HDR.
- The evaluation does not include arc-flash assessments, protective device coordination reviews, protective device setting recommendations, or other engineering studies or task outside of those listed within the Project Approach.
 - Additional studies can be completed under separate task orders after the system study is complete or added during the study process as we define the available data for additional fee considerations.
- No detailed transmission analysis will be completed within this study.
- No detailed generation analysis will be completed within this study.
- Invoices will be in HDR's standard invoice format.
- Load projections/forecasting will be for a minimum of 10 years.
- Load projections are anticipated to be completed and graphed using Microsoft Excel.
- GRPU personnel will work closely with HDR staff for development of plans in a collaborative effort.
- Minnesota Power, GRPU's power provider, can be briefed on planning items if future plans have the likelihood to impact the purchase power considerations. Meetings with Minnesota Power are not included in this initial proposal.
- Purchase power contract review is not included in this scope of work.
- HDR and GRPU will have one kickoff meeting, one mid-point check-in meeting, and one final meeting to go through GRPU's 90% comments. No additional meetings have been scheduled. Meetings shall be virtual.
- GRPU will provide historical costs for recommended and alternative improvements.
- GRPU will provide requested data in a timely manner (generally within 10 working days).
- GRPU will review Draft LRP and provide written comments within 10 working days following receipt of the Draft.

Our Team

We have built our team to offer you efficient and cost-effective resources. Key personnel qualifications are summarized on the following pages. Our approach to staff and scheduling of resources will remain flexible and responsive as project needs arise. Our key personnel are fully committed to the project for its duration.

Alex Schmidt, PE – Project Manager

Alexander (Alex) Schmidt is HDR's Distribution Team Lead in Madison, Wisconsin. His experience encompasses many areas of the power and industrial markets, including support for healthcare facilities, electric vehicle charging, underground distribution, photovoltaic design, and railroad sites. Alex specializes in electric vehicle charging and medium voltage electrical distribution design, with the experience and background to aid in many facets of electrical design. He manages and grows a distribution team based in Madison, designs for large infrastructure upgrades via medium or low voltage, coordinates among different groups and team members as a project manager, and serves as an expert in understanding electrical codes and industry standards.

Jason Feldmeier – Discipline Lead

Jason is an experienced Distribution Planner with 15 years of expertise in electric distribution planning and distributed energy resource (DER) interconnections. Prior to joining HDR, he built a strong foundation at WE Energies and Xcel Energy, developing deep expertise in utility operations across the Midwest. As the Milwaukee Distribution Team Lead, Jason plays a key role in strengthening HDR's distribution capabilities in the Minnesota and Wisconsin region, helping to deliver comprehensive, end-to-end services and support continued growth in this market.

Jamie Sieren – Principal In Charge

Jamie is the Area Power Business Development Leader tasked with leveraging his industry experience for coordination, oversight and development of HDR's power programs. Jamie has over 30 years of experience in system planning, substation design & management, project management, budgeting, utility operations support, procurement, and other reporting.

Additional staff

Additional staff will be engaged as needed for the preparation of data, maps, reports, quality control review, etc.

Schedule

We propose to perform the tasks described in this proposal on the schedule outlined below.

KEY MILESTONE	DURATION
Kickoff Meeting	One week after notice to proceed
Review existing model findings	6 Weeks
Determine recommended improvements & alternatives	12 Weeks
Draft Long Range Plan (LRP)	8 Weeks
GRPU to Review Draft	2 Weeks
Finalize LRP	4 Weeks

Anticipated Budget

We propose to perform the tasks described in this proposal on a time and materials basis, not to exceed anticipated fee of \$106,059, without prior authorization. This fee estimate is derived from our labor costs times a multiplier, with direct expenses billed at cost. We propose to perform this work under the terms and conditions included with this proposal.

TASK	AMOUNT
Task 1: Project Management	\$6,075
Task 2: Kickoff and Data Gathering	\$11,459
Task 3: Existing Milsoft WindMil Model Review*	\$7,915
Task 4: Existing System Analysis	\$5,202
Task 5: Develop Projected Loads, Long Range Plans, and Planning Level Budgets	\$24,977
Task 6: Prepare Executive Summary, Report, and Supporting Data**	\$50,431
TOTAL	\$106,059

*If a Milsoft WindMil model is to be created from available GIS data and other sources this will be completed as time and material with a not to exceed fee of \$30,500, for a total project fee of \$136,559.

**HDR can present this information to the Utility Commission at additional time expense costs as actual.

Authorization

The proposal presented herewith is acceptable to the Grand Rapids Public Utilities. Please proceed according to the above-stated terms. Additional work, which is beyond the scope of services described in this proposal will be negotiated and approved on a case-by-case basis.

Grand Rapids Public Utilities

By: _____
(Signature)

(Print Authorizers Name)

(Title)

(Date)

HDR Engineering, Inc.

By: _____
(Signature)

Christine Wiegert

(Print Authorizers Name)

Senior Vice President

(Title)

(Date)

HDR Engineering, Inc. Terms and Conditions for Professional Services

1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by ENGINEER and its employees under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under the same or similar circumstances at the same time and in the same locality. ENGINEER shall: (a) provide all services to OWNER in accordance with the Task Order and in accordance with the terms and conditions set forth herein; (b) comply with all applicable laws, rules, and regulations in performing the services; and (c) ensure that all persons, whether employees, agents, subcontractors, or anyone acting for or on behalf of the ENGINEER, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the services. Except as otherwise stated herein, ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER's services.

2. INSURANCE/INDEMNITY

ENGINEER agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which ENGINEER is legally liable. If flying an Unmanned Aerial System (UAS or drone), ENGINEER will procure and maintain aircraft unmanned aerial systems insurance of \$1,000,000 per occurrence.

OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. ENGINEER agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by ENGINEER's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract. The employees of both parties are intended third party beneficiaries of this waiver of consequential damages. The waiver of consequential damages shall not apply to any claim arising out of (A) ENGINEER's indemnification provided in this Paragraph 2, or (B) ENGINEER's gross negligence, willful misconduct or fraud, as determined by a final, non-appealable order of court of competent jurisdiction.

3. OPINIONS OF PROBABLE COST

Any opinions of probable project cost or probable construction cost provided by ENGINEER are made on the basis of information available to ENGINEER and on the basis of ENGINEER's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or market conditions, ENGINEER does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost ENGINEER prepares.

4. CONSTRUCTION PROCEDURES

ENGINEER's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. ENGINEER shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. ENGINEER shall not be responsible for the acts or omissions of the contractor or other parties on the project. ENGINEER shall be entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of ENGINEER beyond those set forth in this Agreement. OWNER agrees to use commercially reasonable efforts to include ENGINEER as an indemnified party in OWNER's construction contracts for the work, which shall protect ENGINEER to the same degree as OWNER. Further, OWNER agrees to use commercially reasonable efforts to have ENGINEER listed as an additional insured under the construction contractor's liability insurance policies.

5. CONTROLLING LAW

This Agreement is to be governed by the law of the state where ENGINEER's services are performed.

6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are reasonably deemed necessary by ENGINEER.

In performing professional engineering and related services hereunder, it is understood by OWNER that ENGINEER is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests.

7. SUCCESSORS, ASSIGNS AND BENEFICIARIES

OWNER and ENGINEER, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor ENGINEER will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other.

8. RE-USE OF DOCUMENTS

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the project. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER will defend, indemnify

and hold harmless ENGINEER from all claims, damages, losses and expenses, including attorney's fees, arising or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

9. TERMINATION OF AGREEMENT

OWNER or ENGINEER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services satisfactorily performed and expenses associated with the project up to the effective date of termination. If OWNER terminates this Agreement without cause, an equitable adjustment shall also be made to provide for termination settlement costs ENGINEER incurs as a result of commitments that had become firm before termination.

10. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

11. INVOICES

ENGINEER will submit monthly invoices for services rendered and OWNER will make payments to ENGINEER within thirty (30) days of OWNER's receipt of ENGINEER's invoice.

ENGINEER will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in ENGINEER's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify ENGINEER of the dispute and request clarification and/or correction. After any dispute has been settled, ENGINEER will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for ENGINEER. ENGINEER retains the right to assess OWNER interest at the rate of one-half percent (.5%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives ENGINEER's invoice. In the event undisputed portions of ENGINEER's invoices are not paid when due, ENGINEER also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

12. CHANGES

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by ENGINEER are estimates to perform the services required to complete the project as ENGINEER understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. ENGINEER will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an

increase or decrease in the cost of or time required for performance of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

13. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

14. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, ENGINEER agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

15. HAZARDOUS MATERIALS

OWNER represents to ENGINEER that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to ENGINEER the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that ENGINEER's scope of services do not include services related in any way to hazardous materials. In the event ENGINEER or any other party encounters undisclosed hazardous materials, ENGINEER shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and ENGINEER may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with ENGINEER's services under this Agreement. If ENGINEER's services hereunder cannot be performed because of the existence of hazardous materials, ENGINEER shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless ENGINEER, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's negligence or willful misconduct.

16. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between ENGINEER and OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

17. ALLOCATION OF RISK

OWNER AND ENGINEER HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING ENGINEER'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF ENGINEER (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF \$1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF ENGINEER'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. ENGINEER'S AND SUBCONSULTANTS' EMPLOYEES ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS ALLOCATION OF RISK.

HOWEVER, THE LIMITATIONS SET FORTH ABOVE SHALL NOT APPLY TO ANY CLAIM ARISING OUT OF (A) ENGINEER'S INDEMNIFICATION PROVIDED IN PARAGRAPH 2, OR (B) ENGINEER'S GROSS NEGLIGENCE, WILLFULL MISCONDUCT OR FRAUD, AS DETERMINED BY A FINAL, NON-APPEALABLE ORDER OF A COURT OF COMPETENT JURISDICTION.

18. LITIGATION SUPPORT

In the event ENGINEER is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which ENGINEER is not a party, OWNER shall reimburse ENGINEER for reasonable costs in responding and compensate ENGINEER at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

19. NO THIRD PARTY BENEFICIARIES

Except as otherwise provided in this Agreement, no third party beneficiaries are intended under this Agreement. In the event a reliance letter or certification is required under the scope of services, the parties agree to use a form that is mutually acceptable to both parties.

20. UTILITY LOCATION

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify ENGINEER of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. ENGINEER shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against ENGINEER and will indemnify and hold ENGINEER harmless from any claim of liability, injury or loss caused by or allegedly caused by ENGINEER's damaging of underground utilities that are not properly marked or are not called to ENGINEER's attention prior to beginning the underground sampling/testing.

21. UNMANNED AERIAL SYSTEMS

If operating UAS, ENGINEER will obtain all permits or exemptions required by law to operate any UAS included in the services. ENGINEER's operators have completed the training, certifications

and licensure as required by the applicable jurisdiction in which the UAS will be operated. OWNER will obtain any necessary permissions for ENGINEER to operate over private property, and assist, as necessary, with all other necessary permissions for operations.

22. OPERATIONAL TECHNOLOGY SYSTEMS

OWNER agrees that the effectiveness of operational technology systems and features designed, recommended or assessed by ENGINEER (collectively "OT Systems") are dependent upon OWNER's continued operation and maintenance of the OT Systems in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT Systems in accordance with applicable laws, regulations, and industry standards (e.g. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by ENGINEER are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, ENGINEER does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against ENGINEER resulting from any such incidents that relate to or affect OWNER's OT Systems, unless caused by ENGINEER's negligence or willful misconduct.

23. FORCE MAJEURE

ENGINEER shall not be responsible for delays caused by factors beyond ENGINEER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of ENGINEER's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond ENGINEER's reasonable control occur, the OWNER agrees that ENGINEER shall not be responsible for damages, nor shall ENGINEER be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to ENGINEER's schedule and/or compensation if impacted by the force majeure event or condition. ENGINEER shall use diligent efforts to end the delay and ensure the effects of such force majeure event are minimized. ENGINEER shall resume the performance of its obligations as soon as reasonably practicable after the removal of the force majeure event.

24. EMPLOYEE IMMUNITY

The parties to this Agreement acknowledge that an individual employee or agent may not be held individually liable for negligence with regard to services provided under this Agreement. To the maximum extent permitted by law, the parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents and representatives of each party and of any entity for whom a party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a party.

25. CONFIDENTIAL INFORMATION

All non-public, confidential or proprietary information of OWNER, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by OWNER to ENGINEER, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, solely to be used for the purpose of performing this Agreement, and may not be disclosed or copied unless authorized in advance by OWNER in writing. Upon OWNER's request, ENGINEER shall promptly return all documents and other materials received from OWNER. OWNER shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to ENGINEER at the time of disclosure; or (c) rightfully obtained by ENGINEER on a non-confidential basis from a third party. This Section is subject to any limitations or obligations imposed by the Minnesota Government Data Practices Act ("MGDPA").

26. GOVERNMENT DATA PRACTICES

ENGINEER and OWNER must comply with the MGDPA, as it applies to all data provided by OWNER under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by ENGINEER under this Agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data governed by the MGDPA, by either ENGINEER or OWNER. If ENGINEER receives a request to release the data referred to in this clause, ENGINEER must immediately notify and consult with OWNER as to how ENGINEER should respond to the request. ENGINEER's response to the request shall comply with applicable law.