

**ELECTRIC UTILITY TRANSFER AGREEMENT
BETWEEN
LINCOLN COUNTY POWER DISTRICT NO. 1
AND
SOUTH PANACA POWER GROUP**

This *Electric Utility Transfer Agreement* (hereinafter the Agreement), is made and entered into this Third day of April, 1996, between the Lincoln County Power District No. 1, a General Improvement District organized and existing under the provisions of Chapter 318 of the Nevada Revised Statutes (hereinafter referred to as the District), and the South Panaca Power Group, a non-profit cooperative association, (hereinafter referred to as the Corporation), sometimes individually referred to as Party and collectively as Parties.

1. **Agreement.** In consideration of the provisions, covenants, terms and conditions contained herein, the Parties agree as follows:

2. **Property.** The District agrees to receive from the Corporation and the Corporation agrees to transfer to the District the following property (hereinafter referred to as the "Property"):

- A. All real property owned by the Corporation comprising its electric power distribution system, including but not limited to poles, crossarms, guys, conductor, grounding, insulators, switches, breakers, lightning arrestors, fuses, transformers, meters, controls, and control panels;
- B. The customer list of the Corporation;
- C. All accounts receivable of the Corporation as of the closing of this Agreement;
- D. All cash on hand and on deposit with banks or other financial institutions of the Corporation as of the closing of this Agreement;
- E. Any records of the Corporation relating to the current and past customers of the Association; and
- F. All maps, blueprints, engineering reports, designs and other data relating to the Property being transferred hereunder, if any.

1 3. Utility Easements. The District agrees to accept from the Corporation and the
2 Corporation agrees to assign the following easements (hereinafter referred to as the "Utility
3 Easements*");
4

5 A. All easements held in favor of the Corporation, if any, whether or not such
6 easements have been recorded by the Corporation and whether or not the Corporation has
7 constructed or located electric power distribution facilities on the easements.
8
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10 4. Utility Responsibilities. The District agrees to assume for the Corporation and
11 the Corporation agrees to transfer the following electric utility responsibilities to the District
12 (hereinafter referred to as the "Utility Responsibilities*");
13

14 A. The right and responsibility to provide electric service, including the right
15 to sell electric energy and power, to the Corporation's existing and future customers;
16

17 B. The right and responsibility to bill and collect for electric energy and
18 power sold to the Corporation's existing and future customers; and
19

20 C. The right and responsibility to construct, operate, maintain, repair, replace
21 and remove the facilities necessary to provide electric service to the Corporation's existing and
22 future customers.
23
24

25 5. Consideration. In consideration of the transfer by the Corporation of the
26 Property to the District, the assignment by the Corporation of the Utility Easements to the
27 District and the transfer by the Corporation of the Utility Responsibilities to the District; the
28 District agrees to:
29

30 A. Relieve the Corporation of its obligations to purchase electric energy and
31 power from the District under any and all electric power sales agreements;
32

33 B. Provide electric service to the customers of the Corporation as such has
34 been provided to the customers prior to this Agreement; and
35

36 C. Assume all construction, operation, maintenance, repair, replacement and
37 removal responsibilities in regard to the Property and Utility Easements.
38
39

40 6. Closing. This Agreement shall become effective and the Property, Utility
41 Easements and Utility Responsibilities shall be transferred (hereinafter referred to as the
42 "closing") when each of the following conditions shall have been completed to the satisfaction
43 of the District, unless otherwise waived by the District:
44

45 A. Delivery by the Corporation to the District of the fully executed deed
46 attached hereto and made apart hereof;

Lincoln County

1 B. Delivery by the Corporation to the District of the fully executed Bill of
2 Sale attached hereto and made apart hereof;

3
4 C. Delivery by the Corporation to the District of the fully executed
5 Assignment attached hereto and made apart hereof;

6
7 D. Delivery by the Corporation to the District of the fully executed
8 Resolutions and Certificates attached hereto and made apart hereof;

9
10 E. Delivery by the Corporation to the District of the last meter readings taken
11 by the Corporation used in preparation of the last bills for service rendered by the Corporation
12 to its customers;

13
14 F. Delivery by the Corporation to the District of the fully executed Grant of
15 Easements by all property owners upon which the Corporation's electric power distribution
16 system is located; and

17
18 G. Delivery by the Corporation to the District of the funds sufficient to reduce
19 any and all debts owed by the Corporation to the District to within two thousand dollars
20 (\$2,000.00) of paid in-full.

21
22
23 7. Guarantees. The Property conveyed hereby shall be transferred "as is" and
24 "where is" without representation, warranty, or guaranty by the Corporation as to quantity,
25 quality, character, condition, size, or kind; or that the same is in condition or fit to be used for
26 the purpose for which intended, and no claim for any allowance or deduction will be considered.

27
28
29 8. Warranties and Representations. The Corporation warrants and represents to
30 the District that as of the date of this Agreement and upon closing shall be deemed to warrant
31 and represent as follows:

32
33 A. The Corporation has the full power, authority and legal right to execute,
34 deliver, perform, and observe the provisions of this Agreement, and has obtained all approvals
35 and consents, and has completed all proceedings necessary to carry out its obligations
36 contemplated herein;

37
38 B. This Agreement constitutes a valid and legally binding obligation of the
39 Corporation and is enforceable in accordance with its terms; and

40
41 C. The Corporation has full and unencumbered title to all of the Property
42 transferred to the District pursuant to this Agreement.

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45 9. Notices. Unless otherwise required by law, all notices required to be given
46 hereunder shall be in writing and shall be conveyed by (i) personal delivery or (ii) the United

1 States Postal Service by certified or registered mail, postage prepaid, with return receipt
2 requested as follows:
3

4 District: Lincoln County Power District No. 1
5 HC 74, Box 101
6 Pioche, NV 89043

7
8 Corporation: South Panaca Power Group
9 c/o John Wadsworth
10 Panaca, NV 89042
11

12
13 **10. Indemnification.** The Corporation agrees to indemnify, save, and hold the
14 District free and harmless from any and all liability, loss, damage, cost, or expense, including
15 reasonable attorney's fees arising out of, connected with, or related to any claim by the
16 Corporation, or any third party, which arises in any manner out of the transfer of the Property,
17 Utility Easements or Utility Responsibilities, or any other provision of this Agreement.
18

19
20 **11. Miscellaneous.**

21
22 **A. Entire Agreement.** All exhibits attached to this Agreement are
23 incorporated into this Agreement by reference and made a part hereof. This Agreement,
24 including all attachments, is the entire Agreement between the Parties pertaining to all matters
25 agreed upon or understood in connection with the transfer of the Property, Utility Easements and
26 Utility Responsibilities.
27

28 **B. Applicable Law.** This Agreement and the rights of the Parties hereto shall
29 be interpreted, governed, and construed in accordance with the laws of the State of Nevada, and
30 venue of any action shall be brought in the U.S. Federal District Court or the State Courts of
31 Nevada in Clark County.
32

33 **C. Binding Effect Nominee.** This Agreement shall be binding upon and inure
34 to the benefit of the Parties hereto and their respective successors and assigns.
35

36 **D. No Partnership, Third Person.** It is not intended by this Agreement to,
37 and nothing contained in this Agreement shall, create any partnership, joint venture, or other
38 arrangement between either Party except as specifically provided herein. No term or provision
39 of this Agreement is intended to benefit any person, partnership, corporation or other entity not
40 a party hereto, and no such other person, partnership, corporation or entity shall have any right
41 or cause of action hereunder.
42

43 **E. Survival.** Except as otherwise provided herein, all covenants, agreements,
44 warranties, and representations set forth in this Agreement or in any certificate or instrument
45 executed or delivered pursuant to this Agreement shall survive the closing and shall not merge
46 into any deed, assignment or other instrument executed or delivered pursuant hereto.

1 IN WITNESS WHEREOF, the Parties hereby enter into this Agreement as of the day
2 and year first written above.
3
4

5 LINCOLN COUNTY POWER DISTRICT NO. 1

6 By: [Signature]
7

8 Its: _____
9 President

10 ATTEST

11 [Signature]
12

13 Its: _____
14 Secretary

15 SOUTH PANACA POWER GROUP

16 By: [Signature]
17

18 Its: _____
19 President

20 ATTEST

21 [Signature]
22

23 Its: _____
24 Secretary

25 105261

26 MINUTES OF THE BOARD OF DIRECTORS AT REGULAR MEETING
27 OF LINCOLN COUNTY POWER DISTRICT NO. 1

28 MAY 29, 1996

29 50 MINUTES PAST 2 O'CLOCK

30 P.M. AT ROOM 119 OF

31 SOUTH PANACA POWER GROUP

32 SOUTH PANACA

33 YURIKO SETZER

34 BY [Signature] DEPUTY