Recording requested By PIOCHE PUBLIC UTILITIES Lincoln County - NV APN Leslie Boucher Fee: RPTT: Book- 250 Page- 0447 APN APN LINE EXTENSION POLICY **Title of Document Affirmation Statement** X I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030) I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the social security number of a person or persons as required by law: (State specific law) Rita Cheeney 8/25/2009 Grantees address and mail tax statement: Pioche Public Utilities PO Box 35

Pioche, NV 89043

DOC # 0134180

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Recorded By: LB

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SECTION - V

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LINE EXTENSION POLICY

Whereas, PPU was organized to develop and deliver a power supply to the service area including the Township of Pioche, Nevada.

Whereas, PPU has developed a suitable power supply and distribution facilities; and

Whereas, Applicant desires to connect its development known as Lik View Ranch to PPU's power supply and distribution facilities; and

Whereas, PPU is willing to provide power to Applicant's development upon certain terms and conditions:

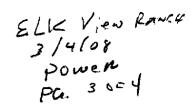
Now Therefore, for the reasons set forth above and in consideration of the mutual covenants and promises of the parties, and other good and valuable consideration, PPU and Applicant agree as follows:

- 1. **Definition**. A line extension shall mean all power system improvements proposed by the Applicant from the tie-in to PPU existing facilities to and including the power meters (if requested by applicant). The Applicants improvements to be dedicated to PPU and the subject of this Line Extension Agreement may include, but not be limited to Main Lines, the power distribution system.
- 2. Refunding. Upon written request, approved reimbursements may be made to the APPLICANT according to the following conditions. The total cost of the facilities installed will be divided equally by the number of lots developed to determine the developers average installation cost. For a period of seven years from the date of this agreement any additional metered services connected to a main that has been paid for by the developer will be assessed the developers average installation cost will be refunded to the developer. There will be no re-imbursement for Main Line Extensions.
- 3. Plan, Review and Approval. Prior to commencing construction of the power system improvements, the Applicant shall submit plans and specifications in compliance with PPU's "Design Standards and Specifications" for PPU's review and approval. All Utilities must be installed in the Public Right of Way or Deeded Easements.
- 4. Inspection and Acceptance of Construction. All Work shall be inspected by PPU's Representative for compliance with the plans and specifications prior to acceptance by PPU. No power shall be delivered by PPU to the Development until the improvements have been accepted by PPU.

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- 5. Inspection Costs. Applicant shall deposit with PPU (5%) percent of the cost of the work, as estimated by PPU's Representative, at the time the plans and specification are approved by the PPU, to cover PPU's cost of inspection and record keeping. If the development is later abandoned, one-half (50%) of this deposit will be refunded.
- 6. Qualified Contractor. PPU shall cause the work to be completed by a qualified contractor acceptable to PPU, or PPU may, at its option, construct the line extension with PPU labor forces.
- 7. Deposit of Construction Costs. If PPU elects to construct the line extension, Applicant shall deposit the estimated cost of the work with PPU prior to construction.
- 8. Contractor's Insurance and Indemnity. In the event PPU determines to not construct the line extension, Applicant's contractor shall furnish to PPU the following: (1) proof that the contractor holds a valid contractor's license in the State of Nevada; (2) proof of contractor's public liability, property damage, workman's compensation insurance, and vehicle liability insurance in the principal amount of \$2,000,000. This insurance shall name PPU, its officers, agents and employees as additional insured under the policy. In addition, the insurance policy may not be canceled or materially altered except after 30 days written notice to PPU; (3) a performance bond for the full estimated cost of the work; (4) an indemnity agreement executed by the Applicant and contractor wherein they agree to indemnify and defend PPU from all damages, injuries, expenses and judgments arising our of the construction of the work; and (5) a guarantee wherein the Applicant and its contractor warrant the workmanship and materials incorporated in the Work free from defects for a period of two years.
- 9. Conveyance of Title to Improvements. Applicant shall convey all rights, title, estate and interest in the power system improvements to PPU prior to connection to PPU's power system. Applicant shall provide prior to connection a verified accounting of costs for improvements installed under this agreement in order to qualify for a refund in section two.
- 10. Release of Liens. At the time ownership is conveyed to and assumed by PPU, and before power service is initiated by PPU, Applicant shall provide evidence satisfactory to PPU that all labor, material, equipment rental and other costs for installing the powerlines and constructing the facilities which are to be transferred to PPU have been paid in full, and that PPU will receive the same, free of all liens and claims. PPU may, if it elects, require a bond in favor of PPU, to guarantee that such payment has been or will be made.

It is intended hereby to have the Applicant bear the total cost of installing the powerlines within the project and to assure PPU that the lines which PPU will thereafter own, operate, maintain and control will be free of defects in workmanship and material and that it will be properly designed, disinfected and tested, and that all construction costs have been paid.



- 11. Connection Fees. Applicant agrees to pay the standard fees that have been approved by the Board of Lincoln County Commissioners for each connection it, its successors or assignees, contractors or subcontractors make to PPU power system.
- 12. Construction Standards. All portions of the line extension to be constructed and located within the right—of-way lines of county or state highways in Lincoln County, Nevada and pursuant to the terms of a utility line agreement between such governmental entity and PPU, shall be constructed pursuant to the standards adopted by the agency having jurisdiction over such roads and/ or highways. In order to protect PPU from liability and to insure that the line is constructed by Applicant in accordance with the terms and conditions of the utility line agreement, the terms and conditions of such utility line agreement are incorporated in this Agreement as if set forth fully herein and Applicant and Applicant's contractor shall be required to perform construction of the line extension in accordance with the terms and conditions of such utility line agreements. Construction of the power system within Applicant's development shall be accomplished in accordance with plans and specification approved by PPU.
- 13. Conditions Precedent. Compliance with the covenants, stipulations and conditions of this Line Extension Agreement shall be a condition precedent to assumption of ownership of the line by PPU and delivery of power to the development as provided herein.
- 14. Entire Agreement. This agreement constitutes the entire agreement of the parties regarding the construction and transfer of the power system improvements and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assignees.
- 15. Assignment. Applicant's interest herein shall not be assigned without the prior written approval of PPU.
- 16. Default, Attorney's Fees. In the event either party should default or otherwise fail to perform in accordance with the terms and conditions hereof, the party seeking to enforce this Agreement shall be entitled to receive from the defaulting party all costs of enforcement including reasonable attorneys' fees, whether enforcement is to be litigated or otherwise.

17. Notice. All notices provided for in t	his Agreement, including a change in address
of either party, shall be given in writing to tl	he parties by United States mail, postage
prepaid certified mail return receipt requeste	
Pioche Public Utility	Applicant Address
P.O. Box 35	
Pioche, NV 89043	

18. Compliance With Law. This agreement shall be construed according to the laws of The Seventh Judicial District of the State of Nevada.

CERTIFICATE #96-0752-11

Public