

Official Record

Recording requested By
PIOCHE PUBLIC UTILITIES

Lincoln County - NV
Leslie Boucher - Recorder

Fee: Page 1 of 5
RPTT. Recorded By: LB
Book- 252 Page- 0632



APN _____

APN _____

APN _____

Development Agreement between PPU And JES UC for a pressure reducing valve and a Pressure
Title of Document reducing valve station

Affirmation Statement

Re 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 Cheaney Office Manager
Signature Title

Rita Cheaney
Print

12/14/09
Date

Grantees address and mail tax statement:

PPU
Po Box 35
Pioche, NV 89043



**DEVELOPMENT AGREEMENT BETWEEN
PIOCHE PUBLIC UTILITY AND J & S LLC FOR A PRESSURE REDUCING
VALVE, AND A PRESSURE REDUCING VALVE STATION.**

This Joint Development Agreement is entered between the PIOCHE PUBLIC UTILITIES, a subdivision of Lincoln County and the State of Nevada ("PPU") and J & S PROPERTIES, a Nevada Limited Liability Company ("J & S").

WITNESS

WHEREAS, J & S owns property, which may be entitled for subdivision and development if J & S constructs a pressure reducing valve and pressure reducing valve station; and

WHEREAS, PPU supplies water and power to J & S for its subdivision and development; and

WHEREAS, J & S lacks the present ability to install such infrastructure, but PPU holds the present ability to install such infrastructure.

NOW, THEREFORE, PPU and J & S enter this binding agreement to proceed with the construction of the Project (a pressure reducing valve and pressure-reducing-valve station as described above) under the following terms and conditions:

PPU OBLIGATIONS

1. PPU, in its sole discretion, shall determine the design and specifications of the Project except as expressly indicated otherwise in this agreement.
2. PPU shall notify J & S not less than fifteen (15) days before projection commencement of the design plans and estimated costs.
3. PPU will perform or cause to be performed all of the design, engineering, and construction of the Project except as expressly provided otherwise by this agreement.

4. PPU shall notify J & S within fifteen (15) days after projection completion.

J & S OBLIGATIONS

5. As soon as practical, but in any event not later than thirty (30) days from the execution of this agreement, J & S shall convey to PPU all of its right, title and interest in any property required to complete the Project. It is anticipated that such land will include, but not necessarily limited to, the land more particularly described on Exhibit A "Pressure Reducing Valve Station Property."
6. After receiving notice of completion from PPU, J & S agrees to reimburse PPU with a one-time lump sum payment in an amount (supported by appropriate documentation) equal to on-site construction costs, including third party soft costs, costs for resolution of environmental issues (if any), dirt and debris removal, and on-site utility relocation, if necessary for project construction. J & S is only responsible for the cost of a 6" pressure reducing valve and pressure-reducing-valve station. Such amount shall not exceed twenty thousand dollars (\$20, 000.00).
7. J & S shall reimburse PPU within 2 years after PPU provides notice of completion or within 30 days after selling any property owned by J & S and located within Lincoln County.
8. After receiving notice of completion from PPU, J & S shall grant unto PPU a lien in the amount calculated in paragraph 6 of this section together with interest at an annual rate of 4.375% from the date of completion, upon its property at Parcel 1 of the J & S Properties parcel map recorded in Book C Page 207 of the Lincoln County Records, document number 126537. Such parcel is commonly referred to as APN: 001-250-18.

Q



DEFAULT

9. J & S shall be in default under this agreement if it fails to perform, in all material respects, any covenants made by it or obligations assumed by it under this agreement, which failure adversely affects PPU's interest under this agreement, and in such an event, PPU shall be entitled to all available legal and equitable remedies, including, but not limited to, the right to a lien against all property owned by J & S, including all costs of enforcement of this agreement, with reasonable attorneys' fees.

MISCELLANEOUS PROVISIONS

10. Written Amendments. This agreement may not be changed or terminated orally. This agreement and all the covenants, terms, and provisions contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
11. Choice of Law. This agreement is and shall constitute a contract under and is to be construed in accordance with the laws of the State of Nevada.
12. One Document. This agreement may be executed in one or more counterparts, each of which shall have the force and effect of an original, and all of which shall constitute but one document.
13. Notices. All notices required to be given under this agreement shall be deemed given upon the earlier of actual receipt or two (2) days after being mailed by registered or certified mail, return receipt requested, addressed as follows: if to PPU, to c/o Nathan Adams, (or the then current) Manager, P.O. BOX 35 Pioche, Nevada 89043, with a copy to Gregory J. Barlow, Esq., (or the then current)



District Attorney; if to J & S, at 850 S. Boulder Highway Suite 247 Henderson, NV 89015.

14. Assignment of Lien. PPU may assign this lien in the same manner as any other chose in action after perfecting it by recording.

15. Deficiency Judgment. If PPU forecloses the lien expressly granted above and the proceeds of sale, after payment of the costs of sale, are insufficient to satisfy the lien amount included in the decree of sale, then PPU shall retain its right to any other cause of action against J & S to satisfy the debt.

16. Time is of the essence and a material provision of this agreement.

PIOCHE PUBLIC UTILITIES

Dated: 12/1/09

By: *Charles Martensen*

J & S PROPERTIES, LLC

Dated: 12/11/09

By: *Jim Vincent*