

SECTION - V

LINE EXTENSION AGREEMENT

An Agreement made and entered into this ___ day of _____, 2_____, by and between Virgin Valley Water District, 500 Riverside Road, Mesquite, Nevada, the "District", and _____, "Applicant".

Whereas, the District was organized to develop and deliver a water supply to the service area including the City of Mesquite, Nevada and the Township of Bunkerville, Nevada.

Whereas, the District has developed a suitable water supply and distribution facilities; and

Whereas, Applicant desires to connect its development known as _____ to the District's water supply and distribution facilities; and

Whereas, The District is willing to provide potable water 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, the District and Applicant agree as follows:

1. **Definition.** A line extension shall mean all water system improvements proposed by the Applicant from the tie-in to the District's existing facilities to and including the water meters. The Applicants improvements to be dedicated to the District and the subject of this Line Extension Agreement shall include, but not be limited to, the water distribution system, fire hydrants, gate valves, service lines, water meters and appurtenances.

2. **Plan, Review and Approval.** Prior to commencing construction of the water system improvements, the Applicant shall submit plans and specifications in compliance with the Virgin Valley Water District's "Design Standards and Specifications for Water Works Construction" for the District's review and approval.

3. **Inspection and Acceptance of Construction.** All work shall be inspected by the District's Representative for compliance with the plans and specifications prior to acceptance by the District. No water shall be delivered by the District to the Development until the improvements have been accepted by the District.

4. **Inspection Costs.** Applicant shall deposit with the District two (2%) percent of the cost of the work, as estimated by the District's Representative, at the time the plans and specifications are approved by the District, to cover the District's cost of inspection

and record keeping. If the development is later abandoned, one-half (50%) of this deposit will be refunded.

5. **Qualified Contractor.** Applicant shall cause the work to be completed by a qualified contractor acceptable to the District, or the District may, at its option, construct the line extension with District labor forces.

6. **Deposit of Construction Costs.** If the District elects to construct the line extension, Applicant shall deposit the estimated cost of the work with the District prior to construction.

7. **Contractor's Insurance and Indemnity.** In the event the District determines not to construct the line extension, Applicant's contractor shall furnish to the District 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 and vehicle liability insurance in the principal amount of \$1,000,000. This insurance shall name the District, 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 the District; (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 the District from all damages, injuries, expenses and judgments arising out 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 one year.

8. **Conveyance of Title to Improvements.** Applicant shall convey all rights, title, estate and interest in the water system improvements to the District prior to connection to the District's water system.

9. **Release of Liens.** At the time ownership is conveyed to and assumed by the District, and before water service is initiated by the District, Applicant shall provide evidence satisfactory to the District that all labor, material, equipment rental and other costs for installing the waterlines and constructing the facilities which are to be transferred to the District have been paid in full, and that the District will receive the same, free of all liens and claims. The District may, if it elects, require a bond in favor of the District, 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 waterlines within the project and to assure the District that the lines which the District 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.

10. **Connection Fees.** Applicant agrees to pay the standard fee that has been approved by the Board of Directors for each connection it, its successors or assignees, contractors or subcontractors make to the District's water system.

11. **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 Clark County, Nevada and pursuant to the terms of a utility line agreement between such governmental entity and the District, shall be constructed pursuant to the standards adopted by the agency having jurisdiction over such roads and/or highways. In order to protect the District 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 water system within Applicant's development shall be accomplished in accordance with plans and specifications approved by the District.

12. **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 the District and delivery of water to the development as provided herein.

13. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties regarding the construction and transfer of the water system improvements and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assignees.

14. **Assignment.** Applicant's interest herein shall not be assigned without the prior written approval of the District.

15. **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.

16. **Notice.** All notices provided for in this Agreement, including a change in address of either party, shall be given in writing to the parties by United States mail, postage prepaid certified mail return receipt requested at the addresses indicated below:

17. **Compliance With Law.** This Agreement shall be construed according to the laws of the State of Nevada.

Applicant:

Responsible Person/Title

Developer

Address

City, State, Zip

Applicant:

Virgin Valley Water District:

By _____

By _____

Title _____

Title _____

Witness the hand of the Applicant:

State of _____)

County of _____)

This instrument was acknowledged before me on the _____ day of _____,
2_____, by

_____ (name) as

_____ (type of authority) of _____ (name of party
on behalf of whom the instrument was executed).

My commission expires on:

Signature of Notary Public

(Notary Stamp)

Witness the hand of the Virgin Valley Water District:

State of _____)

County of _____)

This instrument was acknowledged before me on the _____ day of _____,
2_____, by

_____(name) as

(type of authority) of _____ (name of party
on behalf of whom the

instrument was executed).

My commission expires on:

Signature of Notary Public

(Notary Stamp)