

10/30/14

**AGREEMENT FOR CONSTRUCTION OF
POWER LINE FACILITIES AND PURCHASE OF ELECTRICAL SERVICE**

THIS AGREEMENT FOR CONSTRUCTION OF POWER LINE FACILITIES AND PURCHASE OF ELECTRICAL SERVICE (the "Agreement") is made effective as of **October 30, 2014** by and between **Roosevelt City** ("Customer"), with a mailing address of **255 S State St 36-8 ~ Roosevelt Utah 84066-2983**, and MOON LAKE ELECTRIC ASSOCIATION, INC., a Utah nonprofit corporation, with and address of 800 W Hwy 40, P.O. Box 278, Roosevelt, Utah 84066 ("Company").

RECITALS:

- A. Customer occupies, uses or owns that certain real property described on the attached Exhibit "A" (the "Property").
- B. Customer desires to obtain electric power and energy ("Electrical Service") from Company to benefit the Property and Customer.
- C. In Order for Company to provide Electric Service at the Property, it is necessary that Company construct certain required power line facilities (the "Power Line Facilities") to the Service Point. The Service Point is defined as the interconnection between Company's and Customer's facilities. In order for Customer to receive Electrical Service at the Service Point, it is necessary that Customer provide certain required service equipment.
- D. In order for Company to construct, operate, and maintain the Power Line Facilities, an easement must be granted to Company allowing Company access to the Property, and other conditions must be satisfied, as set forth below.

NOW, THEREFORE, Company agrees to construct the Power Line Facilities to the Service Point necessary to provide Electrical Service to Customer on the following terms and conditions:

AGREEMENT:

- 1. Recitals: The above recitals are an integral part of the Agreement and understanding of Customer and Company and are hereby incorporated into this Agreement by this reference.
- 2. Payment for Construction Costs: Customer agrees to make payment for the costs associated with the construction of Power Line Facilities as shown below. The Estimated Cost of Power Line Facilities is determined to the Service Point as agreed upon between Company Representative and Customer. See Exhibit "A" for more details.

Estimated Cost of Power Line Facilities	\$ <u>5,576.00</u>
Amount to be Paid	\$ <u>5,576.00</u>

If the actual cost of materials, labor, transportation and overheads for construction of the Power Line Facilities differs from the estimated cost indicated above, an appropriate adjustment will be made.

3. Possible Prorated Adjustment of Construction Costs: If within the five (5) years following completion of construction, other customers utilize the Power Line Facilities constructed under this Agreement, Company agrees to reimburse Customer a portion of the Power Line Facilities costs that benefit both Customer and the other users. The purpose of any such reimbursement is to equitably compensate Customer for the cost of the Power Line Facilities that benefit more than one (1) parcel of property and will be calculated pursuant to Company's then existing policy, procedures and Tariff Schedule. Unless agreed otherwise, prorated refunds will only be made to the original Customer unless a binding agreement between the successor or assigns and the original Customer is executed and directs Company specifically concerning the prorated payment. A copy of any such agreement must be furnished to Company.

4. Payment for Electrical Service:
 - (a) Customer agrees to purchase and acquire from Company all Electrical Service which Customer may need at the Property. Customer agrees to make timely payments for use of Electrical Service at the current respective rate charged for electricity as dictated by Tariff Schedule GS-1. This tariff may be changed from time to time.

 - (b) Company may begin billing Customer for Electrical Service as provided herein within thirty (30) days from the date Electrical Service is available, even though Customer may not be utilizing Electrical Service on such date.

5. Penalty for Default in Agreement: Should Customer fail to make a payment within twenty (20) days of the payment due date or otherwise commit a breach of this Agreement, Electrical Service may be discontinued. Discontinuance of service shall not relieve Customer of any obligations under this Agreement. Customer agrees to pay reasonable attorneys' fees, costs, and expenses of collection after default.

6. Easement and Right of Access:
 - (a) On the Property owned or controlled by Customer, Customer hereby grants to Company a 40-foot wide easement, 20 feet on either side of the center line of the Power Line Facilities, for the construction, operation, repair, replacement and maintenance thereof. The line description may be set forth on separate Grant of Easement, which Customer agrees to execute when presented by Company.

 - (b) In the event that the Property is not owned or controlled by Customer as of the date of this Agreement, the lessor or other land owner(s) must provide a written easement granting permission to Company to construct the Power Line Facilities. The effectiveness of this Agreement is conditioned upon the prior granting of such easement(s) by such lessor or other owners(s).

- (c) Any easement granted for the Power Line Facilities shall remain in effect as defined herein including operations and maintenance, etc., during the existence of the Power Line Facilities and shall not be affected by termination of this Agreement.
- (d) Duly authorized representatives of the Company shall be permitted to enter the Property occupied by Customer at all reasonable times in order to carry out the provisions of this Agreement.
- (e) Under State law Moon Lake is allowed access to its facilities as a condition of receiving service. Utah Administrative Code Number R746-310-2(E) states:

“Access to premises and meters ~ as a condition of service the customer shall, either explicitly or implicitly, grant the utility necessary permission to enable the utility to install and maintain service on the premises. The customer shall grant the utility permission to enter upon the customer’s premises at reasonable times without prior arrangements, for the purpose of reading, inspecting, repairing, or removing utility property. If the customer is not the owner of the occupied premises, the customer shall obtain permission from the owners”.

This same law is in Colorado and is restated in Moon Lake’s Electric Service Regulations (#5).

If you as the Customer decide to install a locked gate for your property that would restrict Moon Lake’s access, the Company will supply a lock (with keys) for your gate.

- (f) The Customer agrees that in order to maintain and/or restore electrical service, trees, on the Customer’s property interfering with Company-owned overhead power lines may be trimmed at the discretion of the Company.
7. Continuity of Electrical Service: Company shall use reasonable diligence to provide a constant and uninterrupted supply of Electrical Service; but if such supply fails, is interrupted or becomes defective through an “Act of God”, by accident, strikes, labor troubles, war, terrorists’ acts, or by action of the elements or inability to secure rights-of-way or other permits needed, or for any other cause beyond the reasonable control of Company, Company shall not be liable for the resulting interruption in Electrical Service, or any consequences thereof.
8. Installation:
- (a) Company agrees to construct the Power Line Facilities to the Service Point in accordance with Company Rules and Regulations and applicable electrical codes. Customer agrees to install or cause to be installed at Customer’s expense the necessary service installation equipment (meter socket, main disconnect switch, conduits, weatherhead, conductor, and grounding as required) to connect to the Power Line Facilities at the Service Point as required to receive Electrical Service at the Property in accordance with Company’s specifications (attached hereto) and any requirements of governmental entities, codes, etc.

- (b) All Power Line Facilities furnished and installed by Company will remain the property of Company and Company will be responsible for them. All facilities on Customer's side of Service Point (except Company's meter) will be owned by Customer and Customer will be responsible for them.
9. Succession: This Agreement shall be binding upon inure to the benefit the successors, heirs, legal representatives and assigns of the respective parties hereto.
10. Term and Termination: This Agreement shall become effective upon execution by both parties, and shall remain in effect until terminated as provided in this Section 10. Provided that all obligations owing by Customer to Company under this Agreement have been satisfied, Customer may terminate this Agreement by providing Company with at least thirty (30) days' prior written notice. Following Customer's failure to pay (a) the monthly minimum charges required under the applicable rate tariff, (b) any additional monthly sums for electrical power usage, or (c) any other sums required under the terms of this Agreement, Company may elect, at its sole option, to remove the Power Line Facilities without notice to Customer, as provided in Company's Service Regulations. Upon such removal, this Agreement shall automatically terminate.
11. Final Expression: This Agreement is the final expression of the Agreement and understanding of Company and Customer with respect to the transaction described above and may not be contradicted by evidence of any alleged oral agreement.
12. Withdrawal of Agreement: If this Agreement is not signed, acknowledged, and returned to Company by Customer within sixty (60) days of **October 30, 2014**, then Company, as its sole option, may withdraw its offer and decline to enter into this Agreement on the proposed terms.

EXHIBIT "A"

PROPERTY DESCRIPTION

The following described real property is located in:

County of **Duchesne**

State of **Utah**

Township **1N** Range, **1W** Section **27**

Base & Meridian **USM**

Moon Lake Map # of **7-13-27-18**

Or more particularly describes as follows:

New service for vault for master meter at Hayden Wells. NW4 SE4 NE4.

WO#140968

Service Point:

Service Point for purposes of this Agreement is described below:

Meter Location: **Overhead on meter pole.**