



CONDITIONAL COMMITMENT FOR WATER SERVICE

Issuance Date: _____

Applicant (Property Owner): _____

Applicant's Contact Person: _____

Contact Phone: _____

Contact Address: _____

Project Name: _____

Project Location / Property Address: _____

Parcel Number(s): _____

E-Mail Address for Annual Renewal Notices: _____

Estimated Cost to Complete the Improvements: _____

Residential Units requiring a 3/4" meter per unit # of units _____

Residential/Commercial/Greenbelt – Meter Size _____ # of Meters _____

Meter Size _____ # of Meters _____

Meter Size _____ # of Meters _____

Total EDU's _____

This Conditional Commitment for Water Service (CCWS) is provided in connection with the Project and Property described above. This CCWS is conditional pursuant to NAC 445A.6577, the District's Charter (Chapter 100 of the Nevada Statutes, as amended), the District's ordinances and policies governing the issuance of a CCWS, and as otherwise permitted by law.

Notwithstanding any other provision of this CCWS or any other information Applicant has received or may receive concerning the District, Applicant understands that there is a limited water supply and Applicant is proceeding entirely at Applicant's own risk. To the maximum extent allowed by law, this CCWS does not create a water right and does not vest Applicant with an unconditional guaranty of water.

Applicant shall work steadily to complete the Project in order to put the requested water to actual and beneficial use in accordance with the terms stated herein. To keep this CCWS active and effective, Applicant shall ensure that all of the conditions stated below are met and remain satisfied at all times. Any failure by Applicant to meet or remain in compliance with the stated conditions shall result in the termination of this CCWS, even if Applicant has already paid fees, constructed water facilities, installed infrastructure, incurred expenses, or taken any other action based on this CCWS. In light of the conditions stated herein, Applicant is urged to consult with Applicant's professional advisors and consultants concerning this CCWS and to conduct such analysis, due diligence, and evaluation as Applicant deems necessary before taking any action related to this CCWS including, but not limited to, paying nonrefundable CCWS and other District fees.

1. PRE-CONDITIONS

This CCWS is subject to the following pre-conditions and this CCWS shall have no effect whatsoever unless and until Applicant has satisfied the following:

1.1. CCWS Fees. Applicant shall pay the applicable CCWS Fee as set forth in the District's Schedule of Fees (or this CCWS shall be applicable as to those lots/units of the Property for which CCWS Fees have been paid). The CCWS Fee shall be based on the amount of water Applicant requests the District to conditionally commit to the Property. Applicant agrees that CCWS Fees are nonreturnable and nonrefundable and Applicant hereby waives any and all rights, claims, and interests associated therewith.

1.2. Approval of Final Map / Improvement Plans. Applicant shall obtain all necessary and applicable final map and/or improvement plan approvals from the District and other governing bodies; Applicant shall provide the District with two (2) sets of fully approved plans.

2. CONDITIONS ON THE COMMENCEMENT OF WATER SERVICE

This CCWS and the commencement of water service to the Property are subject to the following conditions and any failure by Applicant to comply with and remain in compliance with these conditions will delay the commencement of service and could result in the termination of this CCWS:

2.1. Completion and Dedication of Improvements. At Applicant's expense, Applicant shall provide and dedicate to the District all on and off-site improvements and facilities that the District determines are reasonably related to the District's provision of water service to the Property including, but not limited to, water facilities, infrastructure, treatment plants, storage tanks, supply lines, transmission lines, distribution lines, easements, property, materials, and appurtenances, whether located on or off the Property (collectively "Facilities"). At the time of dedication, Applicant shall provide the District with accurate "as-built" documentation in both hardcopy and digital format. The Facilities must be designed and constructed in accordance with the District's standards, specifications, and any other requirements reasonably determined by the District including, but not limited to, plan checking, design review, inspections, and system testing. The District may permit the use of the dedicated Facilities by other governmental entities, public or private utilities, or any other person or entity, including those engaged in providing water, storm drainage, or sewer service.

2.2. Impact, Install, and Other Fees. Applicant shall pay all impact fees, install fees, and any other applicable fees and charges (or this CCWS shall be applicable as to those lots/units of the Property for which such fees and charges have been paid).

2.3. Water Meters. All required water meters shall be installed in accordance with the District's Rules, Regulations & Rates (or this CCWS shall be applicable as to those lots/units of the Property for which meters have been properly installed).

3. ANNUAL CCWS RENEWAL CONDITIONS

3.1. This CCWS is valid for one year from the Issuance Date unless renewed. No renewal is required for a Project (or a unit of a Project) that is completed and for which standard water service has commenced within the first year of the Issuance Date.

If the Project (or a unit of the Project) is incomplete and water service to the Property has not commenced, each year prior to the anniversary of the Issuance Date, Applicant may renew this CCWS by submitting a completed Annual Renewal Form and by demonstrating that Applicant's Project is still under development. For purposes of this CCWS Applicant's Project shall be deemed under development if the Applicant demonstrates each of the following:

- (1) The building permit for the Project is not cancelled or expired;
- (2) Any final map associated with the Project is not cancelled or inactive; and
- (3) Applicant has, within the immediately preceding 12 months, contributed towards the development of the Project:
 - a. Money equal to 10 percent of the total estimated remaining development costs of the Project, including planned improvements; or
 - b. Labor, services or improvements with a fair market value of at least 10 percent of the total estimated remaining development costs of the Project, including planned improvements.

Applicant may satisfy the 10% contribution requirement by demonstrating a greater than 10% contribution in a previous year. Such excess contribution(s) may carry over and be applied to one or more subsequent years provided, in total, they represent a contribution of at least 10% per year towards completion of the Project.

3.2 Option for Payment of Renewal Fee. In lieu of demonstrating satisfaction of the 10% contribution requirement of Section 3.1(3) above, Applicant may pay an Annual Renewal Fee of \$120 for each equivalent dwelling unit (EDU) committed to the Project under the terms of this CCWS. The Annual Renewal Fee is subject to change from time to time as determined by the District.

3.3 Exemption. Applicant will not be required to renew this CCWS if at least 90% of the water committed under this CCWS has already been put to beneficial use in the Project.

3.4 Renewal Obligations. Applicant is solely responsible for ensuring the timely submission of the Annual Renewal Form and satisfaction of all other requirements for renewal of this CCWS. Renewal of this CCWS will not be allowed unless Applicant is in compliance with all other requirements of this CCWS.

4. TERMINATION

4.1. Termination on Anniversary. Notwithstanding any other provision of this CCWS, this CCWS shall automatically expire, terminate, and be considered void one year from the Issuance Date or one year from the date of an approved renewal of this CCWS, as applicable, unless renewed in accordance with the District's ordinances and policies and the requirements of this CCWS.

4.2. Termination Based on Cancellation of Building Permit. This CCWS shall automatically terminate if the building permit for the Project (or the applicable units of the Project) expires, is cancelled, or otherwise terminates for any reason.

4.3. Termination Based on Inactive or Cancelled Final Map. This CCWS shall automatically terminate if the final map for the Property becomes inactive or is cancelled for any reason or under the provisions of any law, regulation, or ordinance of the State of Nevada, Clark County, or the City of Mesquite.

4.4. Termination Based on Reversion, Merger, or Re-Subdivision. Unless this CCWS is amended as provided below, if a subdivision, parcel map, land division map, or any portion of the Property reverts to acreage or is merged and re-subdivided, this CCWS shall automatically terminate as to the Property or that portion of the Property which has so reverted, merged, or been re-subdivided. CCWS Fees are nonreturnable and nonrefundable; however, in

limited situations, Applicant may request that paid CCWS Fees be transferred to and applied to a different property owned by Applicant subject to the terms and conditions set forth in the District's Rules, Regulations & Rates.

4.5. Request for Reinstatement After Termination. Within 45 days after termination of this CCWS, Applicant may submit a written request to the District for reinstatement. No request for reinstatement of this CCWS made more than 45 days after termination shall be considered. The written request shall provide the basis for Applicant's request and Applicant shall include proper supporting documentation. Applicant shall bear the burden of demonstrating good cause for reinstatement. Any request for reinstatement will be first reviewed and may be approved by the District's General Manager. If the General Manager denies the request, Applicant may, within 14 days of the General Manager's written denial, ask in writing that the District's Board of Directors review Applicant's reinstatement request. The District's Board of Directors will consider Applicant's written request for reinstatement at a public meeting of the District and will hold a public hearing concerning the same.

Factors guiding the District's decision concerning a reinstatement request include the following:

- i. Whether the cause for the termination of the CCWS was within the reasonable control of the Applicant, whether the termination is the result of excusable neglect, and the degree of fault attributable to the Applicant;
- ii. The percentage of work, effort, and money Applicant has been contributed to the Project compared to the work, effort, money, and time needed for completion and the Applicant's ability, commitment, and financial wherewithal to complete it;
- iii. The value or importance of the Project to the community;
- iv. The water resources available to the District at the time the request for reinstatement is made and any unique difficulty the District would have in providing water service to the Property;
- v. Any unusual facts or circumstances peculiar to the Project and any other factors reasonably related to whether the Applicant has shown good cause for reinstatement.

The District's Board of Directors may deliberate upon and take action to approve or disapprove the Applicant's reinstatement request immediately following the public hearing or the Board may table the matter to be deliberated and acted upon at the next regular public meeting. In the event the Board finds good cause for reinstatement, the Board may reinstate this CCWS on the same conditions as stated herein or the Board may impose additional or different conditions, which shall supersede the conditions stated herein.

If this CCWS is terminated and not reinstated, it shall be considered entirely void and of no further effect whatsoever. Subsequently, if water service is desired for the Property, a new CCWS shall be required along with satisfaction of all requirements associated with a standard CCWS Application including the payment of additional CCWS Fees.

5. AMENDMENT OF CCWS

5.1. Amendment Request for Minor Changes. This CCWS shall not be amendable except upon terms and conditions duly approved by the District. Prior to termination, Applicant may request that this CCWS be amended as to minor changes to the number of requested EDUs, meter size, or similar minor changes. Any requested changes that, in the opinion of the District, substantially alter the anticipated water usage, EDUs, meter size, infrastructure, facilities, or necessitate other substantial changes shall require the issuance of a new CCWS. If a new CCWS is issued, previously paid CCWS Fees may be applied to the new CCWS for the Property. In limited situations, Applicant may request that paid CCWS Fees be transferred and applied to a different property owned by Applicant subject to the terms and conditions set forth in the District's Rules, Regulations & Rates.

5.2. Review of Amendment Request. Any request for an amendment of this CCWS will be first reviewed and may be approved by the District's General Manager. If the General Manager denies the amendment request, Applicant may, within 14 days of the General Manager's written denial, ask in writing that the District's Board of Directors review Applicant's amendment request at a public meeting of the District.

6. GENERAL CONDITIONS

6.1. Representations of Applicant. Applicant represents and warrants that Applicant is the bona fide owner of the Property and has the right and authority to request and sign this CCWS. Applicant further represents and warrants that the information pertaining to Applicant and Applicant's Project as provided at the top of this CCWS is true and correct to the best of Applicant's knowledge. Any intentional, material misrepresentation of information shall render this CCWS void.

6.2. CCWS Not Transferable. To the maximum extent allowed by law, this CCWS is not transferable or assignable and any attempt to sell, trade, assign, or otherwise transfer this CCWS shall be void. In limited situations, Applicant may request that paid CCWS Fees be transferred and applied to a different property owned by Applicant subject to the terms and conditions set forth in the District's Rules, Regulations & Rates.

6.3. No Refund or Reimbursement. In the event this CCWS is terminated and becomes void for any reason, there shall be no refund, return, or reimbursement of any CCWS Fees or Annual Renewal Fees paid by the Applicant; any expenses incurred or paid by the Applicant for the construction or dedication of Facilities, infrastructure or appurtenances; or any other property, fees, charges, or expenses of any kind.

6.4. Compliance with Ordinances, Rules, and Regulations. Applicant shall comply with and shall remain in compliance with all ordinances, rules, and regulations of the District, the City of Mesquite, Clark County, the State of Nevada, and any other ordinances, rules, and regulations applicable to the Project or the Property.

6.5. Documentation Demonstrating Compliance. At the District's request, Applicant shall provide reasonable documentation to the District demonstrating Applicant's compliance with the terms and conditions of this CCWS.

6.6. Water Availability. The District makes no promise or guarantee of water quantity, water quality, or water pressure. To the maximum extent permitted by law, the District shall not be liable nor found to be in breach of any obligation or expectation to supply water which arises from any circumstances outside the reasonable control of the District, including but not limited to, any of the following: reasonably unforeseeable changes in water supply, water system break or malfunction, pipe or pump failure, inadequate runoff, poor quality, accident, injury, emergency, lack of power or fuel, act of God, the elements, drought, climate change, fire, flood, strikes, riots, terrorism, the public enemy, or any other reasonably unforeseeable event or other circumstances outside the District's reasonable control. This CCWS is issued on the express condition that no liability shall attach to the District for any failure to accurately anticipate or estimate the quantity or availability of water supply. The District's judgment in these matters shall not be questioned unless clearly unreasonable. Further, Applicant agrees that circumstances may arise at any time such that it may become necessary for the District to ration, conserve, or otherwise curtail water service and the District shall not be liable for acting in response to such circumstances.

6.7. Interpretation, Fees, Enforceability. This CCWS constitutes the entire and exclusive understanding between Applicant and the District and supersedes any previous negotiations, agreements, or representations. The terms of this CCWS shall be construed fairly and equally as to Applicant and the District and each hereby irrevocably waives the benefit of any rule of interpretation or construction which disfavors the drafter of a document. In the event of any litigation or other proceedings concerning this CCWS, the prevailing party shall be entitled to the payment by the non-prevailing party of all reasonable attorneys' fees and costs. If any portion of this CCWS is ever declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this CCWS;

however, the remaining parts of the CCWS, including the remaining parts of the sentence and paragraph containing the unenforceable portion, shall remain in full force to the maximum extent possible.

Applicant has carefully reviewed all of the terms and conditions of this CCWS, understands them, and agrees to them. This CCWS is of no effect unless signed below by the General Manager of the District.

Applicant Signature / Title and Company Name (if signing for a company) Date

Kevin Brown, Virgin Valley Water District General Manager Date

CCWS Annual Renewal Date¹ _____

cc: Division of Water Resources
 Southern Nevada Health District
 City of Mesquite or Clark County

¹ See section 3 above concerning Annual CCWS Renewal Conditions