

**CLARK COUNTY, NEVADA  
NATURAL GAS SYSTEM FRANCHISE AGREEMENT  
GRANTED TO SOUTHWEST GAS CORPORATION**

**THIS AGREEMENT** is made and entered into effective this 16th day of February, 2010, (the "Effective Date") by and between the County of Clark, Nevada, a political subdivision of the State of Nevada ("County"), and Southwest Gas Corporation, a California corporation ("Franchisee"). In consideration of the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

**WHEREAS**, the Franchisee, a corporation organized and existing under and by virtue of the laws of the State of California, and duly qualified to transact business within the State of Nevada, is engaged in the business of operating a Natural Gas System to provide Natural Gas Public Utility Service; and

**WHEREAS**, the County is authorized, pursuant to Nevada Revised Statutes Chapter 709, to grant a franchise to install, maintain and operate Public Utility Facilities, as defined by Clark County Code, which requires the use of the County's Rights-of-Way; and

**WHEREAS**, the Franchisee hereby attests that the information submitted in Franchisee's application to the County to obtain this Franchise, attached hereto as Exhibit A and made a part hereof, is true and correct.

**NOW, THEREFORE**, in consideration of the premises and of the performance by Franchisee of the requirements hereinafter set forth, and subject to the following terms and conditions, the County hereby grants this Franchise to the Franchisee.

**Section 1. Definitions.**

Except as otherwise provided herein, the definitions and word usage set forth in Clark County Code Chapters 5.01 and 6.13 are incorporated herein and shall apply in this Agreement, and the following additional definitions shall apply to this Agreement. Terms, phrases, words, and their derivations shall have the meanings set forth therein, unless the context clearly indicates that another meaning is intended. Words used in the present tense include the future, words in the plural number include the singular number and words in the singular number include the plural number. The words "shall" and "will" are mandatory and "may" is permissive.

- 1.1 "Agreement" means this contract and any amendments, exhibits or appendices hereto.
- 1.2 "Certificate" means the certificate of public convenience and necessity issued to Franchisee by the PUCN for the provision of Natural Gas Public Utility Service to Franchisee's customers.

- 1.3 “Clark County Code” or “Code” means the official code of all ordinances of a general and permanent character of the County of Clark, State of Nevada, as may be adopted and amended from time to time by the County Commission.
- 1.4 “Franchise” means the non-exclusive authorization granted by the County Commission to the Franchisee to construct, maintain and operate its Natural Gas System in the Rights-of-Way to provide Natural Gas Public Utility Service, and other services allowed by law, to customers within the Franchise Area, in accordance with the terms and conditions set forth in both the Clark County Code and this Agreement.
- 1.5 “Franchise Area” means that area of Franchisee’s service territory, as such service territory is established under Franchisee’s Certificate, that is located within the unincorporated areas of the County as identified in Exhibit B attached hereto and made a part hereof.
- 1.6 “Natural Gas Public Utility Service” means the provision of natural gas services that Franchisee is legally able to provide under existing or subsequent law in compliance with its Certificate.
- 1.7 “Natural Gas System” or “System” or “Facilities” means the pipes, regulators, vaults, valve, manholes, instruments, equipment, any other appliances used in connection therewith or appurtenant thereto, and any other property used by Franchisee in the provision of Natural Gas Public Utility Service.
- 1.8 “NRS” means the Nevada Revised Statutes, as amended from time to time.
- 1.9 “PUCN” means the Public Utilities Commission of the State of Nevada, and its successors.
- 1.10 “Revenue” as defined in Clark County Chapter 6.13 shall also exclude Business and/or Franchise fee receipts collected pursuant to Sections 11 and 12 of this Agreement.
- 1.11 “Rights-of-Way” means public property, including air space, dedicated, granted, held, prescriptively used, or authorized by patent of the United States of America, for county public street and public utility purposes, except as limited by any underlying grant and except public streets predominantly used for public freeway or expressway purposes, including, without limitation, the Clark County 215 Bruce Woodbury Beltway, and except for any property owned, operated, maintained and/or administered by the department of aviation, including, without limitation, airport roadways, sidewalks and streetlights.

**Section 2. Term.**

- 2.1 **COMMENCEMENT OF TERM.** The Effective Date of this Agreement shall be the date the County grants this Franchise to Franchisee as written above.



2.2 DURATION OF TERM. This Agreement shall continue in full force and effect through February 16, 2025, with one five-year renewal option pursuant to Clark County Code Chapter 5.01 (the "Term"). The expiration date shall be the last day of the Term or any extension thereof.

**Section 3. Code Applicability.**

The applicable provisions of Clark County Code Chapters 5.01, 6.08, 6.13 and the applicable provisions of Title 30, all as may be amended, and the "Uniform Standard Specifications for Off-Site Construction, Clark County Area" (latest edition), are hereby incorporated herein and together with all provisions of this Agreement shall be binding upon the Franchisee, its successors, or assigns. In the event of any conflict between any amendment to the aforementioned Clark County Code provisions and the provisions of this Agreement, the Clark County Code provisions shall control if Franchisee was provided notice and an opportunity to be heard pursuant to section 5.01.070(f); provided, however, that no amendment or Commission action shall be effective if it changes the Term of this Agreement.

This Agreement may be altered or amended upon agreement of the County and the Franchisee. The County Commission reserves the right to legislate concerning the use by the Franchisee of the Rights-of-Way for the public welfare or the protection of the public interest at any time hereafter upon such notice to the Franchisee as may be required by State law or County ordinance and an opportunity for the Franchisee to be heard.

By this Section it is not intended that the Franchisee be subject to any greater obligation to comply with Code than it would be otherwise. The Franchisee retains its right to legally challenge the Code or any amendment thereto.

**Section 4. Grant of Franchise.**

Subject to the terms and conditions of this Agreement and all applicable provisions of the Clark County Code, the County hereby grants a Franchise to Franchisee for a Natural Gas System within the Rights-of-Way of the Franchise Area for the sole purpose of providing Natural Gas Public Utility Service for which it holds a Certificate. This Agreement does not confer any rights other than as expressly provided for herein or as mandated by federal, state, or local law. Franchisee hereby agrees to provide Natural Gas Public Utility Service in all portions of the Franchise Area to the extent required to do so by its Certificate.

**Section 5. Limitations on Grant of Franchise.**

5.1 OTHER LICENSES AND PERMITS. The Franchise does not authorize any other license or permit required for the privilege of transacting and carrying on a business within the County as required by the Code, ordinances and laws of the County, or for excavating or performing other work in or along Rights-of-Way.

5.2 OTHER USES. Nothing contained in this Agreement shall be construed as authorizing Franchisee to use, or permit the use of, any portion of its Natural Gas System for any

purpose other than those reasonably necessary for the provision of Natural Gas Public Utility Service unless prior written approval is obtained from the County.

**Section 6. Franchisee's Use of County Property.**

Franchisee shall have the right to install, maintain and use any or all of the Natural Gas System from time to time as it may determine to be necessary and proper for conveying and distributing natural gas to the public for any and all purposes.

**Section 7. Franchisee's Responsibility for Its Facilities.**

7.1 Franchisee shall remain responsible for all claims and liabilities of whatever nature, subject to Section 10 below, related to its Facilities until such time as such Facilities have been:

- (i) completely removed and the Rights-of-Way repaired and restored to its prior or better condition to the satisfaction of the Director of Public Works;
- (ii) abandoned in place as approved by the Director of Public Works in accordance with Chapter 5.01 of the Clark County Code.

7.2 Franchisee shall be responsible for the maintenance and upkeep of any of Franchisee's above-surface facilities located immediately adjacent to the rights-of-way granted by this Agreement.

**Section 8. Construction Interference.**

8.1 INTERFERENCE WITH PUBLIC FACILITIES. The placement, installation, use and maintenance of Franchisee's Natural Gas System within the County's Rights-of-Way shall be done in a manner so as not to interfere with the placement, installation, use and maintenance of Public Improvements that have been authorized by the County Commission, County Manager or Director of Public Works, or the County Commission acting as the governing body of any special district or entity, now or hereafter created for any purpose.

8.2 SURVEY MONUMENTS. All survey monuments which are disturbed or displaced by Franchisee in its performance of any work under this Agreement shall be referenced and restored by Franchisee in accordance with all pertinent federal, state and local standards and specifications.

**Section 9. Work by Others.**

The County reserves the right to lay and permit to be laid, sewer, gas, water, electrical, telecommunications, cable television and other pipe lines or cables and conduits, and to do and permit to be done any underground and overhead work, and any attachment, restructuring or changes in aerial facilities that the County Manager requires in, across, along, over or under any



Rights-of-Way or other County property occupied by Franchisee, and to change any curb or sidewalk or the grade of any street. In permitting work to be done, the County shall not be liable to Franchisee for any damages not directly caused by the negligence of the County; provided, however, nothing herein shall relieve any other person, entity, or other governmental entity, including any contractor, subcontractor, or agent, from liability for damage to Franchisee's Facilities.

**Section 10. Placement, Removal and Relocation of Facilities.**

- 10.1 PLACEMENT. Franchisee will be responsible for complying with the requirements of Title 5 and the improvement standards adopted in Title 30 of the Clark County Code regarding the placement, removal and relocation of Facilities within the Rights-of-Way.
- 10.2 REMOVAL AND RELOCATION. Franchisee will be responsible for the cost of removal or relocation of its Facilities in Rights-of-Way in accordance with applicable provisions of Chapter 5.01 and Title 30 of the Clark County Code.
- 10.3 THIRD PARTY REQUESTS. The County shall not exercise its rights to require the Franchisee to relocate any Facilities maintained or used under the Franchise for the convenience of any third party, other than any parties listed in Subsection 5.01.090(j) of the Code or any other entity governed by the Board of County Commissioners, or in an unreasonable or arbitrary manner; provided however that the County may exercise such rights pursuant to interlocal agreements with other governmental entities for purposes of a project that has direct benefit to Clark County or those parties listed in Subsection 5.01.090(j) of the Code. The County and the Franchisee will cooperate on the planning for the relocation and selection of a new location for any pipes and appurtenances to reasonably minimize the cost of such relocation.
- 10.4 PRIOR RIGHTS; COST FOR RELOCATION. Notwithstanding any other provision of this Agreement to the contrary, if the County requires the Franchisee to relocate any of its Facilities located in the Rights-of-Way in which the Franchisee has demonstrated in accordance with this subsection that it had a valid Easement prior to the time such location was dedicated to or otherwise received by the County, the County shall be responsible for Franchisee's actual costs of relocating such Facilities pursuant to this Section 10, including the cost of obtaining a new equivalent Easement for the Franchisee if the County determines that no space is available in the Rights-of-Way for the Franchisee's Facilities. The County will not be responsible for the relocation costs if the Facilities were not installed in conformance with the applicable statutes, ordinances and codes in effect at the time of the Facilities' original construction. All other provisions of this Section 10 shall apply to the Franchisee's work in performing the relocation of any Facilities covered by this Section.

In instances where no Public Improvements or Facilities have been installed as of the Effective Date of this Agreement and a patent exists for roadway and utility purposes and is not patented or reserved specifically in the name of the County or Franchisee, the party which is first to install a Public Improvement or Facility in such patent will be considered

to have the prior right so long as in the case of the Franchisee the Facility was in place in accordance with applicable statutes, ordinances and codes in effect at the time of the Facilities' installation. In instances where Public Improvements or Facilities have been installed prior to the Effective Date of this Agreement in a patent not reserved specifically in the name of the County or Franchisee, prior rights will be determined pursuant to the terms and conditions of the franchise agreement in effect at the time of installation of said Public Improvement or Facilities.

A claim from Franchisee for reimbursement for relocation of Facilities under a prior right must include a copy of the Easement instrument/document. If no such instrument/document can be produced, the claim must include a statement clarifying the prior land right, and must be signed by an officer, director or manager of the Franchisee who avers that the information set forth in the claim is accurate and complete. The claim must be accurate and include supporting proof that a prior land right exists for the Franchisee's Facilities. If the Franchisee fails to provide the County with sufficient proof of a prior right, the Franchisee will be responsible for the actual cost of the relocation.

In instances where the Franchisee has demonstrated a prior right in accordance with this subsection and the County requires the Franchisee to relocate its Facilities outside of its original prior right location, the County will recognize the Franchisee's prior right in the new location by issuance of an instrument/document recognizing the prior right.

10.5 STATE CONTRIBUTIONS. Nothing in this Agreement shall be construed as to prohibit or restrict payment to Franchisee from the State of Nevada from federal funds for relocation of all or any portion of Franchisee's Natural Gas System pursuant to the provisions of NRS 408.407.

**Section 11. Business License.**

The Franchisee shall maintain a valid unexpired County business license and pay all applicable business license fees, not to exceed the maximum amount allowed by law, in accordance with applicable provisions of Title 6 of the Clark County Code during the Term of this Agreement. Franchisee shall pay all other fees as may be required by Nevada Revised Statutes and/or other applicable laws, ordinances or regulations.

**Section 12. Franchise Fee In Lieu of Business License Fee.**

If the business license fee provisions of Title 6 of the Clark County Code relative to Franchisee are repealed or declared invalid by a court of competent jurisdiction during the Term of this Agreement, Franchisee agrees as compensation for the use of the Rights-of-Way to pay the County a franchise fee. The franchise fee shall be established by the County Commission, consistent with the provisions of the prior business license fees and not to exceed the maximum amount allowed by law.



**Section 13. Records.**

- 13.1 BUSINESS RECORDS. Pursuant to applicable provisions of Titles 5 and 6 of the Clark County Code, the County shall have the right to inspect, copy and audit all records relevant to the calculation of the business license fee or franchise fee, and to recompute any amounts determined to be payable under this Agreement. The Franchisee shall provide or make such records available at a reasonable time, not to exceed 30 days, and at a location within the County at County's reasonable request. The Franchisee shall maintain its fiscal and financial records, and have all relevant fiscal and financial records maintained by others on its behalf, in such a manner as to enable the County to determine amounts subject to fees pursuant to Sections 11 and 12 of this Agreement.
- 13.2 "AS-BUILT" DRAWINGS. The Franchisee shall maintain and provide to the County, upon request and at no cost, "as-built" plans of the locations of its Facilities, or any portion thereof, pursuant to applicable provisions of Chapter 5.01 of the Clark County Code.

**Section 14. Transfers and Assignments.**

The Franchisee shall comply with the provisions of Chapter 5.01 of the Clark County Code in any transfer or assignment of this Agreement.

**Section 15. Revocation.**

- 15.1 The County Commission shall have the right to revoke and terminate this Agreement, in addition to any other rights or remedies set forth in this Agreement or provided by law, pursuant to the provisions of Chapter 5.01 of the Clark County Code.
- 15.2 After providing notice and an opportunity for the Franchisee to be heard and a reasonable opportunity to cure, the County Commission may impose upon the Franchisee reasonable fines or penalties in an amount not to exceed five hundred dollars (\$500.00) per day or any total amount per occurrence greater than one hundred thousand dollars (\$100,000.00), if the County Commission finds that the Franchisee has failed to comply with any of the conditions or obligations imposed by this Franchise Agreement or any applicable provisions of the Clark County Code. For purposes of this Agreement, "occurrence" refers to an event and not individual instances of damage or loss that cumulatively result from an event. These fines or penalties shall be in addition to any other remedies available under law to the County. Any such fines or penalties shall be due within 60 days of Franchisee's receipt of written notification by the County of the fine or penalty, made payable to the County Treasurer and delivered to the County Manager at the County's address indicated in Section 22 of this Agreement. A late charge of five percent (5%) of the fine or penalty imposed shall be assessed if the fine or penalty is not paid within such 60 days of the written notification.
- 15.3 If a fine or penalty which has been imposed by the County Commission is not paid within such 60 days, Franchisee hereby grants the County authorization to deduct the amount of

the fines or penalties plus late charges, if any, from the Franchisee's security deposit provided for such purposes, pursuant to Section 18 herein and the applicable provisions of Clark County Code Titles 5 and 6. If at any time the County has drawn upon such security deposit, the Franchisee shall within 60 days of notification from the County replenish such security deposit to the original minimum amount established in Clark County Code.

**Section 16. Indemnification.**

- 16.1 The Franchisee shall indemnify, hold harmless, and defend the County, its officers and employees to the extent of and in accordance with the provisions of Clark County Code Chapter 5.01. The Franchisee is not required to indemnify or hold harmless the County, its officers and employees as provided in Clark County Code section 5.01.170(a) to the extent caused by, resulting from, or arising out of the active negligence or intentional actions of one or more officers or employees of the County.
- 16.2 The County will notify Franchisee of all claims, demands and/or actions brought against the County by reason of the existence or installation, maintenance, use, reconstruction or removal of any of the Franchisee's Natural Gas System by reason of any alleged acts or omissions of Franchisee in performing or failing to perform any of its obligations under this Franchise. County will furnish to Franchisee all information in its possession relating to such claims, demands or actions.
- 16.3 The following procedures shall apply to all claims for indemnification under this Section 16.
- (i) If the County receives notice of or otherwise has actual knowledge of a claim naming Franchisee or which it believes is within the scope of indemnification owed to it under this Section 16 by Franchisee, it shall by writing as soon as practicable:
    - (A) Inform the Franchisee of such claim;
    - (B) Send to Franchisee a copy of all written materials the County has received asserting such claims; and
    - (C) Notify Franchisee that either (1) the defense of such claims is being tendered to the Franchisee or (2) the County has elected to conduct its own defense for a reason set forth in subsection 16.3 (v) below.
  - (ii) If the insurer under any applicable insurance policy accepts tender of defense, the Franchisee and the County shall cooperate in the defense as required by the insurance policy. If no defense is provided by insurers under potentially applicable insurance policies, then Subsections 16.3 (iii), (iv), (v) and (vi) below shall apply.



- (iii) If the defense is tendered to the Franchisee, it shall within 30 days of said tender deliver to the County a written notice stating that the Franchisee:
  - (A) Accepts the tender of defense and confirms that the claims are subject to full indemnification hereunder without any “reservation of rights” to deny or disclaim full indemnification thereafter;
  - (B) Accepts the tender of defense but with a “reservation of rights” in whole or in part; or
  - (C) Rejects the tender of defense if it reasonably determines it is not required to indemnify against the claims under this Section 16.

If such notice is not delivered within such 30 days, the tender of defense shall be deemed rejected.

- (iv) If the County gives notice under subsection 16.3 (i)(C)(1) above, the Franchisee shall have the right to select legal counsel for the County, and the Franchisee shall otherwise control the defense of such claims, including settlement, and bear the fees and costs of defending and settling such claims and paying any judgment. During such defense:
  - (A) The Franchisee shall, at Franchisee’s expense, fully and regularly inform the County of the progress of the defense and of any settlement discussions; and
  - (B) The County shall, at the Franchisee’s expense, (1) fully cooperate in said defense, (2) provide to the Franchisee all materials and access to personnel it requests as necessary for defense, preparation and trial and which or who are under the control of or reasonably available to the County, and (3) maintain the confidentiality of all communications between it and the Franchisee concerning such defense, subject to the County’s obligations under any public records laws or other applicable statutes, regulations, etc. which would require the County to provide public access to such communications.
- (v) The County shall be entitled to select its own legal counsel and otherwise control the defense of such claims if:
  - (A) The defense is tendered to the Franchisee and it refuses the tender of defense, or fails to accept such tender within 30 days, or reserves any right to deny or disclaim such full indemnification thereafter; or

(B) County, at the time it gives notice of the claims or at any time thereafter, reasonably determines that:

- (1) a conflict exists between it and the Franchisee which prevents or potentially prevents the Franchisee from presenting a full and effective defense,
- (2) the Franchisee is otherwise not providing an effective defense in connection with the claims, or
- (3) the Franchisee lacks the financial capacity to satisfy potential liability or to provide an effective defense.

The County may assume its own defense pursuant to this subsection 16.3(v) by delivering to the Franchisee prior written notice of such election and the reasons therefor.

- (vi) If the County is entitled and elects to conduct its own defense pursuant hereto, all reasonable costs and expenses it incurs in investigating and defending claims for which it is entitled to indemnification pursuant to this Section 16 shall be reimbursed by the Franchisee on a current basis. In the event the County is entitled to and elects to conduct its own defense, it shall have the right to settle or compromise those claims with the Franchisee's prior written consent, which shall not be unreasonably withheld or delayed, or with approval of the court, and with the full benefit of the Franchisee's indemnity.

**Section 17. Insurance.**

The Franchisee shall secure, maintain and provide the County with certification of all insurance coverages in the amounts, kinds and form required pursuant to the provisions of Clark County Code Chapter 5.01.

**Section 18. Security for Performance.**

The Franchisee shall secure, maintain and provide the County with security for performance in an amount required pursuant to the provisions of Clark County Code Chapter 5.01. Franchisee hereby grants the County authorization to deduct from the bond assessed fines or penalties and late charges, if any, pursuant to Section 15 of this Agreement, but only after the notice and opportunity to cure requirements of Section 15.2 have been met.

**Section 19. Severability.**

In accordance with Clark County Code Chapter 5.01, if any provision, section, paragraph, sentence, clause, or phrase of this Agreement is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity of the remaining portions of this Agreement. It is the intent of the Franchisee in requesting this



Agreement and of the County Commission in approving this Agreement that no portion or provision thereof shall become inoperative or fail by reason of any invalidity or unconstitutionality of any other portion or provision, and to this end all provisions of this Agreement are declared to be severable.

**Section 20. No Third-Party Beneficiary.**

Except as specifically set forth herein, it is not intended by any of the provisions of this Agreement to create for the public, or any member thereof, a third-party beneficiary right or remedy, or to authorize anyone to maintain a suit for personal injuries or property damage pursuant to the provisions of this Agreement. The duties, obligations, and responsibilities of the County with respect to third parties shall remain as imposed by Nevada law.

**Section 21. Effect of Compliance Inspections.**

Any inspections or subsequent approvals undertaken by the County pursuant to this Agreement are undertaken solely to ensure compliance with this Agreement and are not undertaken for the safety or other benefit of any individual or group of individuals as members of the public. Provisions of the Clark County Code dealing with inspection or approval by the County do not expand the County's general law duties, nor does any inspection or approval by the County reduce or eliminate any liability of Franchisee.

**Section 22. Notice to the Parties.**

Unless otherwise expressly stated herein, all notices shall be in writing and shall be sufficiently given and served upon the other party by personal service, Registered or Certified U.S. mail service, return receipt requested, express mail service, and addressed as follows:

FRANCHISING AUTHORITY:  
Clark County  
Attn: Director of Business License  
500 S. Grand Central Pkwy., 3<sup>rd</sup> floor  
Las Vegas, NV 89106

FRANCHISEE:  
Southwest Gas Corporation  
Attn: Director/State Regulatory Affairs  
5241 Spring Mountain Road  
Las Vegas, NV 89150-0002

**Section 23. Delays and Failure Beyond the Control of the Franchisee.**

In accordance with Clark County Code Chapter 5.01, in the event Franchisee's performance of any of the terms, conditions or obligations required by this Agreement is prevented by a cause or event beyond the control of the Franchisee, such inability to perform shall be deemed excused and no penalties or sanctions shall be imposed as a result thereof.

**Section 24. No Waiver; Cumulative Remedies.**

Neither party shall be excused from complying with any of the terms or conditions of this Agreement because of the failure of the other party upon one or more occasions to insist upon or to seek compliance with any such terms or conditions, or because of any failure on the part of the

County or the Franchisee to exercise, or delay in exercising, any right or remedy hereunder, nor shall any single or partial exercise of any such right or remedy preclude any other right or remedy.

**Section 25. Construction of Agreement.**

The terms and provisions of this Agreement shall not be construed strictly in favor of or against either party, regardless of which party drafted any of its provisions. This Agreement shall be construed in accordance with the fair meaning of its terms.

**Section 26. Governing Law.**

This Agreement and the Franchise granted herein will be governed by the laws of the State of Nevada with respect to both their interpretation and performance.

**Section 27. Binding Effect.**

All of the rights and obligations under this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted transferees and assigns.

**Section 28. Section and Paragraph Headings.**

The headings of the sections and paragraphs of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

**Section 29. Survival of Provisions.**

All provisions, conditions and requirements of this Agreement that may be reasonably construed to survive the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including, but not limited to, all of Franchisee's indemnification obligations under Section 16 of this Agreement.

**Section 30. Franchise and Prior Franchise Survival Requirements.**

The grant of this Franchise shall have no effect on the Franchisee's duty under its prior franchise with the County to indemnify, defend, hold harmless and insure the County against acts or omissions occurring during the period that the prior franchise was in effect. The provisions of this Franchise relating to indemnification or which require performance subsequent to the expiration or termination of this Franchise shall survive such expiration or termination. Franchisee is entitled to all of the rights and remedies it may have pursuant to its prior franchise with respect to its duty to continue to indemnify, defend, hold harmless and insure the County. Franchisee does not waive and is entitled to assert all defenses, claims and actions it may have



against other parties while fulfilling its obligations under the prior franchise to indemnify, defend, hold harmless and insure the County.

Except as required to carry out the intent of this Franchise Agreement, as of the Effective Date of this Agreement the prior franchise is superseded and is of no further force and effect.

**Section 31. Time of the Essence.**

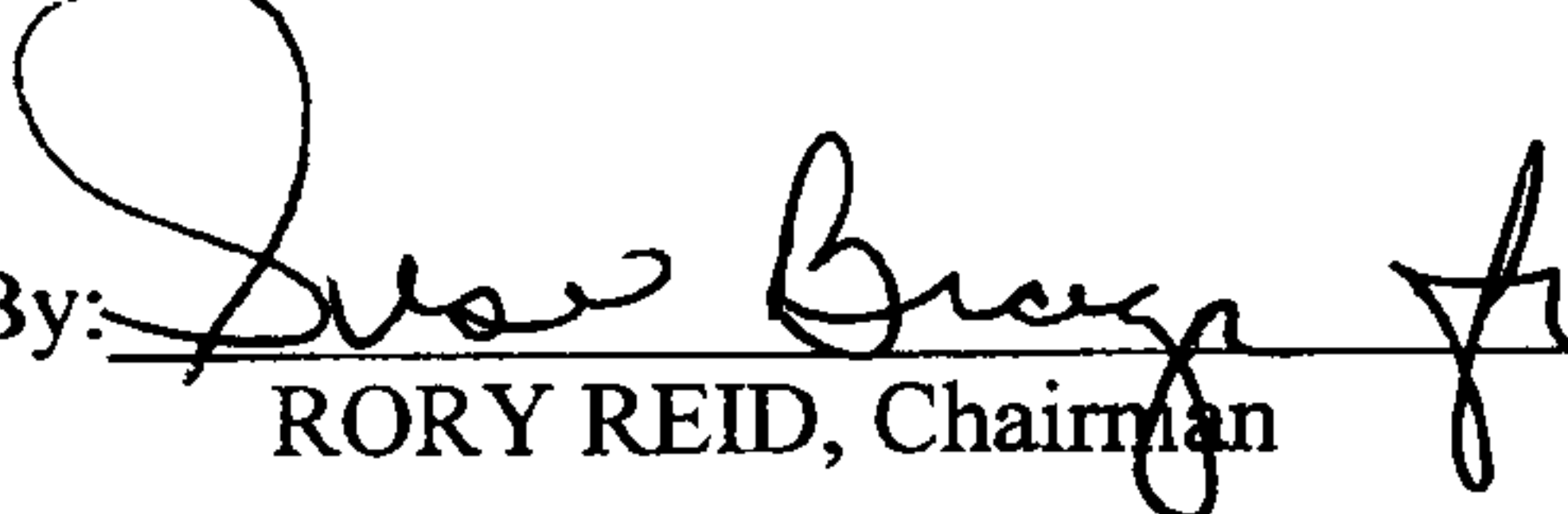
The parties agree that time is of the essence with regard to the performance of Franchisee's obligations under this Agreement.

**Section 32. Gifts.**

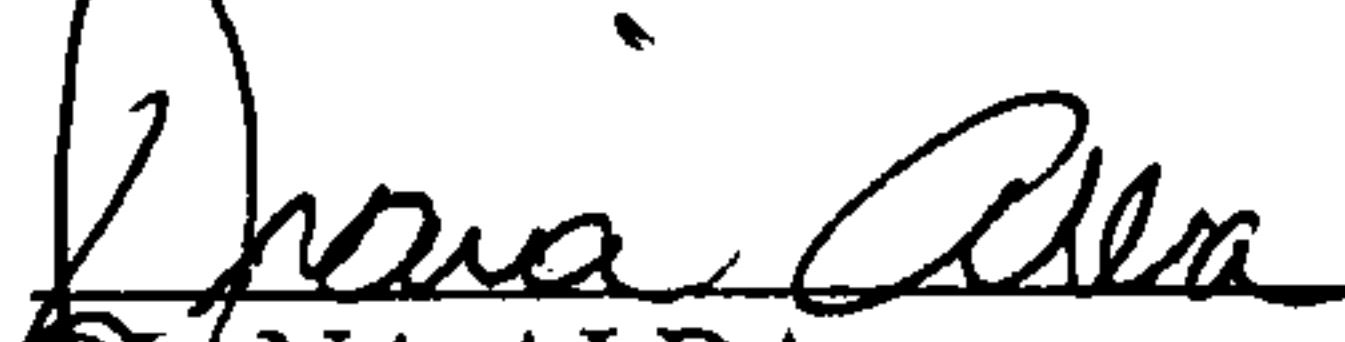
No officer or employee of Franchisee shall offer to any officer or employee of the County, either directly or indirectly, any rebate, gift, money, service without charge, or other thing of value whatsoever, unless permitted by law or the County's ethics policies, except where given for the use and benefit of the County.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first herein above written.


CLARK COUNTY BOARD OF COMMISSIONERS

By:   
RORY REID, Chairman


ATTEST:

  
DIANA ALBA  
County Clerk

DISTRICT ATTORNEY'S OFFICE  
Approved as to form:

By:   
Deputy District Attorney

SOUTHWEST GAS CORPORATION  
a California corporation

By:   
Anita M. Romero  
Vice President/Southern Nevada Division