

**AGREEMENT FOR LINE EXTENSION
WITH COST RECONCILIATION**

This agreement entered into this ____ day of _____, 20__, by and between Kankakee Valley Rural Electric Membership Corp. [KANKAKEE VALLEY REMC] and _____ [Member] of _____, the location where the line extension is to be constructed.

The parties agree in consideration for the payment of money by Member, that KANKAKEE VALLEY REMC will install a line extension on, over or under the property of the Member.

1. Commencement.

The installation of the line extension will take place in accordance with this agreement. Upon the execution of this contract and payment of the down payment calculated below, KANKAKEE VALLEY REMC will install the extension of the line as requested by the Member. This agreement applies only to a line extension requested by a Member who receives a rate, other than as defined in Rule IV Paragraph 4 Sec. D. or E. of the KANKAKEE VALLEY REMC RULES AND REGULATIONS [Revised June 24, 2011].

2. Calculation of the Estimated Down Payment.

The down payment to be paid to commence construction and installation is calculated as the estimated cost of the extension less the net revenue to be received by the KANKAKEE VALLEY REMC from the line extension over a period of thirty six (36) months after activation.

3. Down Payment Reconciliation.

At the end of the initial 36 months of service, KANKAKEE VALLEY REMC will perform a reconciliation calculation. The actual net revenue for the initial 36 months will be subtracted from the original estimated cost. Once this calculation is complete, (1) if the member's estimated down payment was less than the final calculation, he will pay the additional amount; (2) if the member's estimated down payment was more than the final calculation, the KANKAKEE VALLEY REMC will refund the amount overpaid. Under either scenario, interest will not be assessed.

4. Access.

The Member represents that he is the owner of the property upon which the line is to be extended. The Member agrees to provide the KANKAKEE VALLEY REMC access to the property that is necessary for the installation of the line including any necessary easement without charge. The Member also represents that he carries property, casualty and liability insurance on the real estate where the line is to be extended.

5. Location, Preparation and Underground Utilities; Indemnification.

The Line extension shall be built in accordance with KANKAKEE VALLEY REMC's specifications and engineering on and over or under the property of the Member. The ultimate design and location of the line extension will be determined based on the KANKAKEE VALLEY REMC's sole discretion. The Member is responsible for marking and locating lot corners and property lines and exposing any existing underground facilities or utilities before the

KANKAKEE VALLEY REMC commences installation. KANKAKEE VALLEY REMC shall not be responsible for any encroachment. The Member shall indemnify and hold the KANKAKEE VALLEY REMC harmless from any claims brought by any third party in connection with the work on the Member's property. Such indemnity includes the payment of fees and defense costs and includes the cost of preparing, establishing, and litigating a defense. The Member releases the KANKAKEE VALLEY REMC from any liability for property damage, encroachment or personal injury occurring or caused by the KANKAKEE VALLEY REMC's negligence while installing the line. This release does not include intentional conduct.

6. Attorney fees.

In the event that KANKAKEE VALLEY REMC or the Member has to enforce this agreement the non-prevailing party shall pay the prevailing parties' reasonable attorney fees, in addition to any damages awarded.

7. Subcontractors.

The Member understands that KANKAKEE VALLEY REMC may employ subcontractors to do the work necessitated by this agreement. The Member consents to the use of subcontractors and agrees not to interfere with said subcontractors and that said subcontractors will be under the control of the KANKAKEE VALLEY REMC at all times.

MEMBER:

KANKAKEE VALLEY REMC:

By: _____

[Printed name]

Its: _____

[Printed Name]

Address: _____

_____, IN. _____