

## Exhibit A.1

A-3167  
A.I.6.1  
10/11/2004

### AGREEMENT FOR THE SALE OF TREATED EFFLUENT User Held Effluent Discharge Permit

Note: This agreement is applicable to large properties, more than 5 acres that will not be subdivided into smaller properties in the future. The User shall obtain the Effluent Discharge permit for the site(s) and the Effluent Management Plan.

This AGREEMENT is made and entered into this 31 day of December, 2004, by and among the City of Sparks ("City"), a municipal corporation existing under and by virtue of the laws of the State of Nevada and MARTIN MARIETTA MATERIALS, INC.(USER).

#### RECITALS

1. WHEREAS Sparks City Charter § 2.110 permits the City to provide utilities and fix the rate for such utilities;
2. WHEREAS sewage influent delivered to the Truckee Meadows Water Reclamation Facility (Plant) is usually treated by chemical, biological and aeration processes and then discharged into the Truckee River via the Steamboat Canal as treated effluent;
3. WHEREAS the cities of Sparks and Reno received Permit No. 29973 from the State Engineer on February 15, 1995, with a priority date of February 6, 1976 to appropriate 27.86 cubic feet per second (55.24 acre-feet) per day of treated effluent for agricultural uses;
4. WHEREAS in accordance with Permit No. 29973, and at its own expense, City has completed the infrastructure necessary to construct a Treated Effluent Reuse Distribution System to deliver treated effluent from the Plant to various public and private facilities for use as a supply of irrigation and process water;
5. WHEREAS the USER is in good standing in its state of formation and agrees to notify City immediately if its status in this regard changes;
6. WHEREAS the City is willing to sell and deliver to USER treated effluent under the terms and conditions set forth below;
7. WHEREAS the USER will apply for and obtain an Effluent Discharge Permit and develop an Effluent Management Plan in accordance with State Law from the State of Nevada, Division of Environmental Protection;
8. WHEREAS the USER desires to purchase, accept delivery of, control, and use the quantity of treated effluent provided for below for process water and irrigation purposes ("Approved Uses") on the Martin Marietta Spanish Springs Quarry(SITE), which for purposes of this Agreement shall include the development and continuous maintenance of the approximately ±1117.75 acres shown on attached Exhibit A under the terms and conditions set forth below in lieu of using water diverted from GROUNDWATER SOURCES (EXISTING SOURCE OF PROCESS AND IRRIGATION WATER i.e. On-Ditch, private well or public potable water system);

9. WHEREAS the USER is the owner of the property where the treated effluent will be used for the Approved Uses;
10. WHEREAS the parties anticipate that the City will enter into agreements with other users of treated effluent, which agreements will contain provisions the same as or substantially similar to those contained herein;
11. WHEREAS the City will finance and construct the Sparks Effluent Reuse System Infrastructure. The USER will compensate the City for the USER'S pro-rated share of infrastructure and other costs related to the delivery of treated effluent, as determined by the City and as stipulated herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and undertakings stated herein, the parties agree as follows;

## SPECIFIC PROVISIONS

### I. QUANTITIES OF TREATED EFFLUENT

A. BASIC QUANTITY. City agrees to sell and deliver and USER agrees to purchase, accept delivery of, control, and beneficially use treated effluent on the site in the amount of:

1. Minimum Annual Demand, 265 acre-feet/year
2. Maximum Annual Demand, 319 acre- feet/ year
3. Peak Daily Demand,
  - a) Day time delivery period, 4 a.m. to 8 p.m., 417 gpm, and or
  - b) Night time delivery period, 8 p.m. to 4 a.m., 0 gpm.

4. The annual and peak daily demands have been determined by the USER as sufficient to provide the intended irrigation and process water requirements for the site.

5. It is understood that treated effluent is being reserved for the USER according to the Effluent Demand Schedule. As long as USER meets the Minimum Annual Demand each year according to the Effluent Demand Schedule, then the City will continue to reserve up to the Maximum Annual Demand for USER each year. Failure to adhere to the Effluent Demand Schedule could result in USER losing the reserved status of any unused treated effluent.

6. In any event, if USER does not put the treated effluent to beneficial use as provided in this Agreement within one year of Service Commencement Date, USER's allocation is subject to resale by City.

7. If USER, at any time after initially applying treated effluent to beneficial use on the site, fails to apply treated effluent on the site for a period of one year, the USER's allocation is subject to resale by the City.

B. SUPPLEMENTAL QUANTITY. As and when City has, in its sole determination, treated effluent available at the Point(s) of Connection shown on attached Exhibit A in excess of the amount needed to satisfy City's delivery

obligations under this Agreement and other treated effluent delivery agreements, and if required by USER, City will sell and deliver to USER such amounts as may then be mutually agreed upon.

1. City will endeavor to notify USER concerning any availability of additional treated effluent should such a situation occur.
2. If permanent delivery of additional treated effluent is desired, a contract amendment for such water must be executed which will be dependent upon availability of treated effluent and pending applications.

C. CONSERVATION INCENTIVE - PERMANENT RELEASE. The parties acknowledge that treated effluent is a finite resource and wish to mutually promote and encourage the conservation of such a limited resource for other possible uses. Therefore, if during the term of this Agreement, USER conserves water or otherwise limits treated effluent usage so as to permanently decrease the level of USER's daily treated effluent demand in the Effluent Demand Schedule (as the same may be amended in accordance with this Agreement), and advises City in writing of the amount of such decreased demand, and if City can deliver such conserved treated effluent to another user, City and USER will thereupon enter into an Amendment to this Agreement whereby USER will permanently release its rights to such conserved treated effluent to City for possible sale by City to another use, USER will be released from its obligations under this Agreement to purchase such conserved treated effluent. Such Amendment shall contain terms and conditions mutually agreed upon between USER and City.

## II. PURCHASE OF TREATED EFFLUENT

A. INFRASTRUCTURE CONNECTION FEE. To compensate the City for the apportioned cost of the infrastructure necessary for the construction and operation of the effluent line, USER, jointly, severally and unconditionally, promises to pay \$835,138.00 to the City. The USER may elect to pay the Infrastructure Connection Fee in one lump sum payment prior to effluent delivery or in Monthly installments, amortized over a 20 year period at a fixed interest rate of 4.5 percent per the payment schedule attached as Exhibit B (approximate monthly payment of \$5,350.20) due on the first business day of each month, one month in arrears. If this Agreement is terminated, the City has the right to sell USER'S infrastructure capacity to another USER.

B. METER SERVICE FEE. To compensate the City for the apportioned cost of the annual administration and maintenance cost of the effluent line, USER, jointly, severally and unconditionally, promises to pay a monthly Meter Service Fee of \$420.70 (4" meter) per month, 12 months per year. Monthly are due on the first business day of each month, one month in arrears. If this agreement is terminated, the City has the right to sell USER'S infrastructure capacity to another USER.

C. EFFLUENT USE FEE. Subject to paragraphs herein, and beginning on or about February, 2005, or as soon thereafter as allowed by the distribution pipeline construction, and the issuance of all required permits by any regulatory authority having jurisdiction over the construction and operation of City's effluent reuse system or associated water rights, City agrees to sell up to a maximum of 319 acre-feet of

treated effluent to USER on an annual basis. USER agrees to purchase from City a minimum of 265 acre-feet per year as long as this Agreement is in effect. USER agrees to pay a usage rate of \$0.96 per 1,000 gallons of treated effluent rounded up to the next 1,000 gallons with this rate subject to renegotiation every five years. The usage fee is payable on the first business day of each month, one month in arrears.

#### D. RESALE.

1. USER may resell all or a portion of USER's Infrastructure Fee and minimum and maximum annual volume of effluent purchased under this Agreement subject to the approval of the City, which shall not be unreasonably withheld.
2. The resale terms and Conditions shall be identical to those included in this agreement or, if different, as approved by the City.
3. The USER shall provide draft agreements, including the new sub agreement and the revised original agreement, to the City, at least 90 days prior to anticipated execution of the sale.

E. SALE OF SITE. If at any time during the term of this Agreement, USER proposes to sell the SITE, USER shall give the City not less than one-hundred and twenty (120) days prior written notice of its intention and shall consult with the City regarding the proposed sale. Any possible assignment under this Agreement in connection with the sale shall be done in accordance with General Provision F.

### III. TERM OF AGREEMENT

A. TERM OF AGREEMENT; OPTION TO RENEW. This Agreement shall commence as of the date above written and shall terminate twenty (20) years from that date, although with the written mutual consent of all parties, the Agreement may be renewed for one additional term of five (5) years commencing at the expiration of the initial term provided that USER is not in default. All of the terms and conditions of this Agreement shall apply during the additional term.

### IV. TREATED EFFLUENT DELIVERY

#### A. METERING FACILITIES.

1. Meter Installation. USER shall install a meter and service line as required at an appropriate location to measure instantaneous and cumulative flows to the SITE and shall report such flow data to USER quarterly.
2. All service line and meter equipment, materials and workmanship shall be as specified, inspected and approved by the City.
3. USER is responsible for all charges associated with installation of service meter.

#### B. TREATED EFFLUENT DELIVERIES.

1. Time for delivery. City agrees to provide the effluent throughout the year during the daytime delivery period established in L.A. of each year of the agreement, unless otherwise agreed.
2. Supply Pressure. USER is responsible for increasing or decreasing pressures as required for the USER's system.



3. Supply Shortages. Any system supply shortages due to equipment failures, lack of availability of treated effluent, drought, or water usage curtailments shall be shared by all treated effluent users on a pro-rata basis.

4. System Maintenance. It is understood by both parties that routine system maintenance may require occasional effluent irrigation outside the established daytime and or nighttime delivery period.

C. POINT OF CONNECTION. The treated effluent to be delivered pursuant to this Agreement shall be delivered at the Point(s) of Connection. USER shall be responsible, at its own cost, for distribution and storage of the treated effluent beyond the point of connection. All infrastructure required between the point of connection and the site shall be as specified by the City.

## V. FACILITY PROVISIONS AND OPERATION RESPONSIBILITIES

### A. CITY'S RESPONSIBILITY.

1. City shall be responsible for providing and operating the City's Effluent Distribution System, within public right of way, or public utility easements, in compliance with applicable requirements of Federal, State, City, and local regulatory agencies.

2. City shall be responsible for supplying treated effluent to the Point(s) of Connection which meets or exceeds all applicable Federal, State, City, and applicable regulatory agency quality standards and for supplying treated effluent in the amounts stated in paragraph II.C. or as otherwise agreed.

3. Upon USER's request, City will make available to USER, NDEP Discharge Monitoring Reports concerning treated effluent.

4. City will notify USER within forty-eight (48) hours if City becomes aware of any condition under City's control which violates Federal, State, City, or local regulatory agency requirements or discharge standards.

5. City will notify USER within forty-eight (48) hours if City becomes aware of any spills into its sewage influent which may impact the quality of the treated effluent delivered to USER.

6. City shall be solely responsible for conveying and controlling the treated effluent in compliance with applicable regulatory agency requirements up to and including the Point(s) of Connection.

7. City shall prepare application and assist USER in applying for and acquiring a State Discharge Permit necessary to supply treated effluent to the SITE.

8. City shall assist USER in preparation and submittal to the Nevada Division of Environmental Protection (NDEP) an Effluent Management Plan for its approval.

### B. USER'S RESPONSIBILITY.

1. USER shall be responsible for applying for and acquiring a State Discharge Permit necessary to supply treated effluent to the SITE.

2. USER shall submit to the Nevada Division of Environmental Protection (NDEP) an Effluent Management Plan for its approval. The plan shall convey all information regarding planned operating and management criteria for the

treated effluent system. Said plan must be approved by NDEP prior to delivery of treated effluent by City under this Agreement.

3. USER shall be responsible for providing, operating, maintaining, and repairing USER's pipeline, together with all appurtenant facilities, as are necessary to accept, convey, control, and use the treated effluent in compliance with the applicable requirements of Federal, State, City, and local regulatory agencies on USER's owned or controlled lands. USER shall provide further treatment, if necessary, to maintain the quality of the treated effluent as delivered with respect to the applicable Federal, State, City, and local regulatory ordinances and standards. USER also shall provide any additional treatment and/or filtration as required for the USER's specific needs.

4. USER shall notify City if USER becomes aware of any condition under USER's control which violates Federal, State, City, or local regulatory agency requirements or discharge standards.

5. USER shall be responsible for adhering to all conditions of the Discharge Permit and Effluent Management Plan.

6. USER shall be responsible for conveying and controlling, in compliance with applicable regulatory agency requirements, the Discharge Permit and Effluent Management Plan, the treated effluent delivered through USER's pipeline, after the Point(s) of connection. City shall have no responsibility whatsoever relative to USER's pipeline.

7. USER shall notify City within twenty-four (24) hours of any situation that constitutes a material violation of Effluent Management Plan or places USER in non-compliance with the Agreement.

8. USER shall provide to City the name of the company/person responsible for maintenance of the effluent distribution system on the SITE. USER shall notify City of any changes in responsibility. This company/person shall be knowledgeable in the construction and operation of effluent distribution systems and the rules and regulations governing the proper use of treated effluent.

9. Required Permits. USER agrees to acquire, comply with and maintain in effect any and all federal, state or local regulatory permits required for them to use treated effluent for the Approved Uses at the SITE. They also agree to cooperate with City in obtaining any regulatory permits that might be required of City relating to this Agreement.

10. Assumption of the Risk. USER agrees to use and manage the treated effluent in a manner consistent with best management practices and any approved effluent management plan and discharge permit in effect. USER understands that they are receiving treated effluent which is not intended for human consumption and further agrees that they assume any and all risks associated with the use of the treated effluent under this Agreement.

#### C. INTERRUPTION OF DELIVERY.

1. City shall not be liable for any failure to deliver treated effluent under the terms of this Agreement due to force majeure. For the purposes of this Agreement, a force majeure is defined as a war, insurrection, riot, flood, drought, earthquake, fire, casualty, act of God, act of the public enemy, quarantine restriction or other effect of epidemic or disease, contamination of

water supply or effluent by third parties, freight embargo, order from the Federal Water Master or any other regulatory authority, a lawsuit challenging this Agreement, or any other cause whatsoever except for the City's own voluntary act or failure to exercise reasonable care and diligence in the performance of this Agreement. The Effluent Use Fee will be suspended until delivery of treated effluent is resumed.

2. City's obligation to deliver treated effluent under this Agreement and USER's obligation to pay the Infrastructure Connection Fee under this Agreement are subject to;

- a) City having the legal right to divert treated effluent; and
- b) the necessary effluent pipeline improvements and appurtenances being constructed, offered for conveyance and accepted.

3. City may temporarily interrupt or reduce delivery of treated effluent if City determines that such interruption or reduction is necessary or desirable for system emergencies, maintenance or management. Except in emergencies, City shall give 24 hour notice to USER of any such interruption or reduction, the reason for such interruption or reduction, and the estimated duration of such interruption or reduction to the extent the City can. City shall make reasonable attempts to minimize the effect of such interruption or reduction.

#### D. USER ACKNOWLEDGEMENT.

1. USER acknowledges the following:

- a) City's Effluent Distribution System's purpose is to control the biological quality of the treated effluent resulting from the system's operation and to distribute or discharge treated effluent as required under contracts with users or under discharge standards of Federal, State, City, and local regulatory agencies;
- b) Said system is not equipped to detect, treat, or remove harmful chemicals or toxic materials except as required to meet Federal, State, City, and local regulatory agency discharge standards; and
- c) Treated effluent may require filtration prior to application.

E. HOLD HARMLESS. USER agrees to hold City free and harmless from any and all legal liability and/or economic loss which either party may sustain as the result of the quality or quantity of the treated effluent which is delivered to USER by City in compliance with all terms and provisions of this Agreement and all then applicable discharge standards.

#### VI. USE OF TREATED EFFLUENT

A. RULES AND REGULATIONS. All treated effluent delivered pursuant to this Agreement shall be used only on the SITE identified in Exhibit A for Approved Uses in compliance with all applicable rules and regulations of Federal, State, City, and local regulatory agencies including Discharge Permit and Effluent Management Plan. It shall be USER's responsibility to remain current and knowledgeable regarding all such regulations.

B. RECLAMATION REQUIREMENTS. USER shall apply to City's Environmental Engineering Department to obtain discharge permit requirements

covering the use of the treated effluent to be delivered and used pursuant to this Agreement. USER shall comply with the provisions of such reclamation requirements.

### C. NDEP REQUIREMENTS.

1. USER shall submit to the Nevada Division of Environmental Protection (NDEP) for a Discharge Permit application and an Effluent Management Plan for its approval. CITY, through its Environmental Services Division, will provide information requested by NDEP regarding the wastewater treatment facility, existing discharge permit, effluent management plans, and reclaimed water delivery system. The plan shall convey all information regarding USER's planned operating and management criteria for USER's treated effluent system. USER is solely responsible for obtaining NDEP Discharge Permit and approved Effluent Management Plan, prior to delivery of reclaimed water by CITY under this Agreement.
2. USER shall be liable for any sanctions imposed for use not in conformance with the Discharge Permit and Effluent Management Plan.
3. City may discontinue treated effluent service to any USER not in compliance with the Discharge Permit and Effluent Management Plan.

## VII. CESSATION OF SERVICE.

### A. USER may terminate this Agreement,

1. after approved RESALE of USER's Infrastructure Fee and minimum volume of effluent purchased under this agreement as approved by the City, or
2. for City's failure to comply with Paragraph V.A. herein, and
3. by giving at least thirty (30) days written notice.

### B. City may suspend delivery of treated effluent to USER under this Agreement due to;

1. Natural disaster, power outages, emergencies, war, acts of God, or other conditions beyond City's control. In the event of such suspension of delivery, City will provide USER with as much advance notice as practical under the circumstances. USER acknowledges advance notice for certain State or Federal action may not be given. The notice will provide USER with an estimate of when service will be suspended or interrupted, the extent to which delivery of the treated effluent will be impaired, and the duration of the suspension of service.
2. For USER's non-compliance that may result in unhealthy conditions or material violations of the Discharge Permit or Effluent Management Plan suspension of service may be immediately implemented.
3. City shall give USER sixty (60) days written notice of said suspension or termination. USER shall have said time period to cure, correct, or resolve to City's satisfaction the cause for City's termination of the Agreement.
4. Notwithstanding the foregoing, if the default is not curable within the sixty (60) day period, the cure period may be extended for an additional one hundred twenty (120) days so long as USER initiates the cure within the original sixty (60) day period and diligently takes and continues action to cure the default. USER acknowledges advance notice for certain State or Federal action may not be given.



5. The Effluent Use Fee will be suspended until delivery of treated effluent is resumed. The Infrastructure Connection Fee will remain in effect until paid in full or this Agreement is terminated.

C. Termination by City. City may terminate the obligations hereunder upon thirty (30) days written notice under the following circumstances:

1. after approved RESALE of USER's Infrastructure Fee and minimum annual volume of effluent purchased under this agreement as approved by the City;
2. USER fails to substantially comply with any federal, state or local laws or permit conditions pertaining to the use of the treated effluent. The City may suspend the Agreement while an environmental prosecution against USER is pending;
3. Use of the treated effluent contaminates any domestic water supply or provides a danger to neighboring properties or residents;
4. USER'S failure to pay any amount within sixty (60) days of its due date;
5. City is unable to provide or economically provide water consistent with federal, state or local laws now or hereafter existing.
6. USER, at any time after initially applying treated effluent to beneficial use on the site, fails to apply treated effluent on the site for a period of one year, the USER's allocation is subject to resale by the City.

## GENERAL PROVISIONS

A. NOTICE. Unless written notice of a new designee is sent in accordance with this paragraph, all communications/notices required pursuant to this Agreement shall be in writing and shall be delivered in person or mailed by certified mail, postage prepaid, return receipt requested, to the individuals at the addresses indicated below. Notices that are mailed are deemed received the third day after they have been postmarked by the U.S. Postal Service.

USER NAME     Martin Marietta Materials, Inc.  
PRINCIPAL     Mr. Robert C. Meskimen  
ADDRESS       11252 Aurora Ave., Des Moines, Iowa 50322  
TELEPHONE     (515) 254-0030

With a copy to:

Vice President and General Counsel  
Martin Marietta Materials, Inc.  
2710 Wycliff Road  
Raleigh, NC 27607

City of Sparks  
Attn: City Clerk's Office  
P.O. Box 857  
Sparks, NV 89432-0857  
(775) 353-2350

B. INDEMNIFICATION. The parties shall indemnify, defend and hold harmless each other, their officers, officials, employees and agents, from any liability for damage or claims for damage for personal injury, including death, as well as for claims for property or personal damage arising in whole or in part from the indemnifying party's breach of this Agreement. This provision shall survive termination of the Agreement and shall be binding upon the parties, their legal representatives, heirs, successors and permitted assigns.

C. SEVERABILITY.

1. Each term and provision of this Agreement shall be valid and enforceable to the extent permitted by law. If any term or provision of this Agreement or the application thereof is held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected.
2. To prevent windfall or unintended consideration, if any term or provision of this Agreement is deemed invalid or unenforceable or enforceable only to a limited extent, the parties agree to negotiate in good faith to adjust any counter performance, condition or corresponding consideration.

D. INTEGRATION. This Agreement, including the Recitals and the Exhibits, all of which are true and correct and incorporated by reference as a part of this Agreement, constitutes the complete and integrated agreement between the parties with respect to the matters recited herein, and supersedes any prior or contemporaneous written or oral agreements or understandings with respect thereto.

E. AMENDMENT/WAIVER. This Agreement shall not be modified, amended, supplemented, rescinded, canceled or waived, in whole or in part, except by written amendment signed by duly authorized representatives of the parties. No waiver of any of the provisions of this Agreement shall be deemed to be a waiver of any other provision, regardless of similarity, and no waiver shall constitute a continuing waiver. Forbearance or failure to declare a default or pursue a remedy shall not constitute a waiver except as provided in this Agreement.

F. ASSIGNMENT. Neither USER nor the City shall assign or delegate the duties under this Agreement to any third party without prior written consent of the other parties which shall not be unreasonably withheld, provided, however, that City may, in its sole discretion, withhold approval of assignment if the potential assignee;

1. lacks the financial capacity, character and credit to fulfill the financial obligations hereunder; or
2. lacks the experience to manage such facilities in compliance with environmental regulations, including but not limited to, any approved management plan and discharge permit governing the use of the treated effluent and operation of the effluent distribution system under this Agreement.

- G. **BINDING NATURE.** This Agreement shall be binding on and shall inure to the benefit of the parties to this Agreement and their respective heirs, legal representatives, successors and permitted assigns.
- H. **NO THIRD PARTY BENEFICIARY RIGHTS.** This Agreement is not intended and shall not be construed to provide any person or entity not a party to this Agreement with any benefits or cause of action, or to obligate the parties to this Agreement to any entity or person not a party.
- I. **GOVERNING LAW.** The laws of the State of Nevada shall govern this Agreement without regard to conflicts of laws principles and shall be construed and interpreted in accordance with the laws of the State of Nevada.
- J. **JURISDICTION; VENUE.** Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement must be brought against either of the parties in the Second Judicial District Court for the State of Nevada, County of Washoe. Each of the parties consents to the jurisdiction of such court (and of the appropriate appellate court) in any such action or proceeding and waives any objection to venue laid therein.
- K. **CLAIMS.** Pursuant to NRS 268.020, which the parties agree to abide by contractually, all demands and accounts against the City must be presented to the Council, in writing, within six months from the time the demands or accounts become due. No demand or account may be audited, considered, allowed or paid by the City unless this requirement is strictly complied with.
- L. **VIOLATION OF CITY'S ILLEGAL HARASSMENT POLICY.** USER agrees that they will comply with the City's illegal harassment policy (HR-16), which is incorporated by reference and available from the Human Resources Department, when dealing with the City, its officials, officers, employees, and agents pursuant to this Agreement. Violation of this policy shall constitute a material breach of contract.
- M. **DUPLICATE ORIGINALS.** This Agreement may be executed simultaneously in one duplicate original for each party hereto, and is binding on a party only when all parties have signed and received a duplicate original.
- N. **SUBJECT HEADINGS.** The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions.
- O. **DRAFTING PRESUMPTION.** The parties acknowledge that this Agreement has been agreed to by all of the parties, that all of the parties have consulted or have had the opportunity to consult with attorneys with respect to the terms, and that no presumption shall be created against any party as the drafter of the Agreement.
- P. **ADDITIONAL DOCUMENTS.** The parties agree to execute such additional documents and to take such additional action as is reasonably necessary to carry out the purposes hereof.

- Q. ATTORNEY'S FEES. In the event of litigation or arbitration arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs to be fixed by the court or by the arbitrator.
- R. CAPTIONS; RECITALS. Captions to paragraphs/subparagraphs of this Agreement are for convenience purposes only and are not part of this Agreement. The recitals are incorporated by reference herein.
- S. DUE AUTHORIZATION. Each party represents that all required authorizations have been obtained to execute this grant and for the compliance with each and every term hereof. Each person signing this agreement warrants and represents to the other parties that he or she has actual authority to execute this agreement and bind the party for whom he or she is signing.
- T. In the event that the governing body appropriating funds for USER fails to obligate the funds necessary to make payments beyond City's current fiscal period, this Agreement is subject to termination; however, City agrees to proceed in good faith to make every effort to see that the funding source continues for the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

*Robert C. Meekman*

Name: Robert C. Meekman  
Martin Marietta Materials, Inc.  
Title: President, Northwest Division

*Geno Martini*

By Geno Martini  
Its Mayor

APPROVED AS TO FORM:

*Chester H. Adams*  
Chester H. Adams  
Its City Attorney

ATTEST:

*Deborah J. Dolan*  
By Deborah J. Dolan  
Its City Clerk



Iowa  
State of ~~Nevada~~  
County of ~~Washoe~~  
Folk

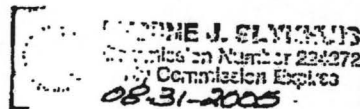
Acknowledgment in representative capacity (NRS 240.1665)

This agreement was acknowledged before me on the 30<sup>th</sup> day of December, 2004  
by Robert C. Meekman as President of the  
Martin Marietta Materials Northwest Division

*Marianne J. Glynn*

Sparks Elected Agreement

12/27/2004








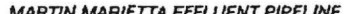
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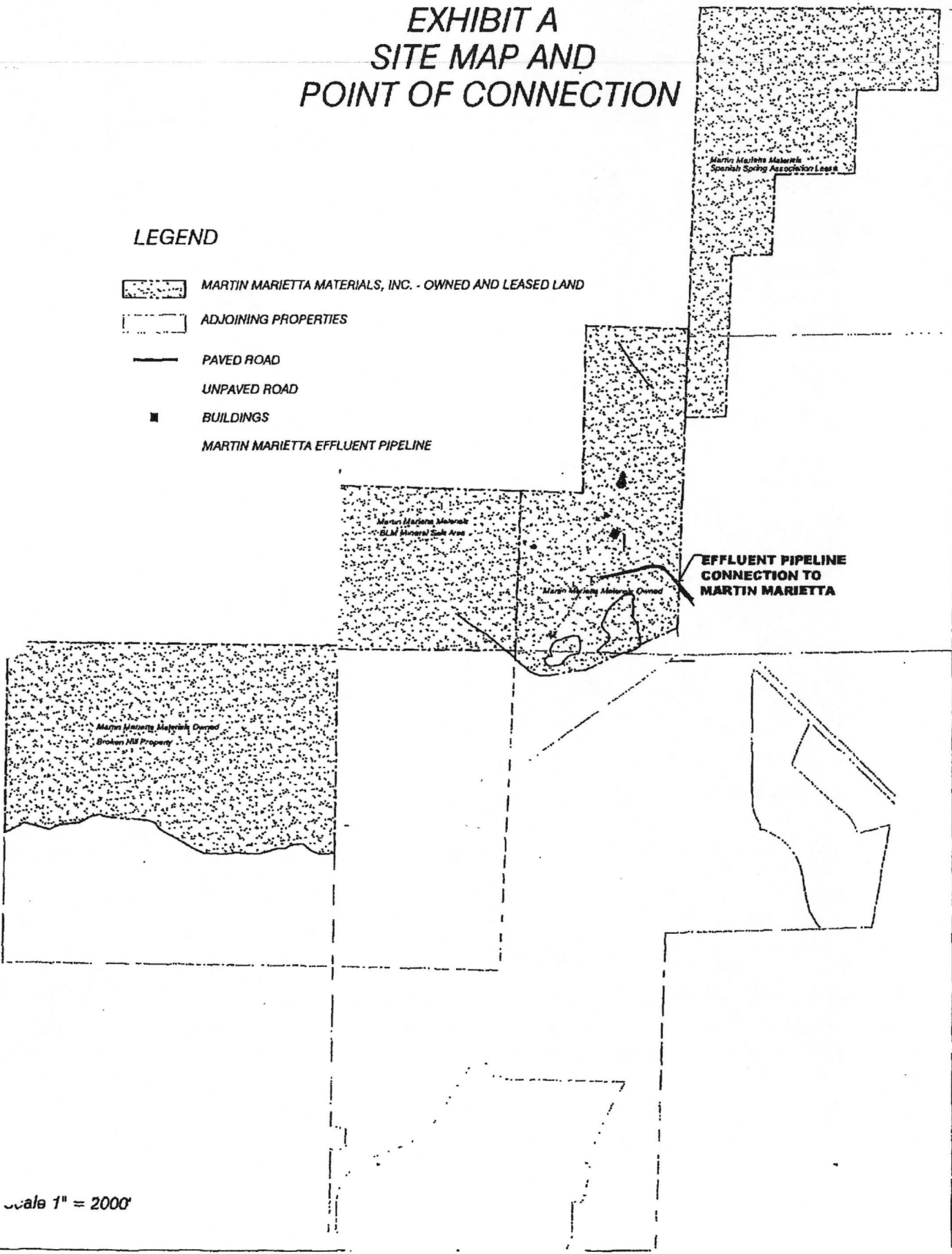


EXHIBIT A- SITE MAP and Point of Connection  
EXHIBIT B- INFRASTRUCTURE FEE CALCULATION and SCHEDULES  
EXHIBIT C- EFFLUENT DEMAND SCHEDULE

# EXHIBIT A SITE MAP AND POINT OF CONNECTION

## LEGEND

-  MARTIN MARIETTA MATERIALS, INC. - OWNED AND LEASED LAND
-  ADJOINING PROPERTIES
-  PAVED ROAD
-  UNPAVED ROAD
-  BUILDINGS
-  MARTIN MARIETTA EFFLUENT PIPELINE



Scale 1" = 2000'

## EXHIBIT B EFFLUENT FEE CALCULATION

SITE	Martin Marietta Aggregates
MINIMUM ANNUAL DEMAND, Ac-ft. / yr.	255
MAXIMUM ANNUAL DEMAND, Ac-ft./ yr.	319
NIGHT TIME PEAK FLOW DEMAND, gpm	
DAY TIME PEAK FLOW DEMAND, gpm	417
METER SIZE, inches	4

FEE ZONE 5

### FEE CALCULATION

#### INFRASTRUCTURE CONNECTION FEE

INFRASTRUCTURE CONN. FEE MULTIPLIER, from rate structure	2002.73
ONE TIME TOTAL INFRASTRUCTURE CONN. FEE= fee multiplier x peak flow demand=	\$835,138.41
APPROX. ALTERNATE ANNUAL AMORITIZED FEE= Total fee/ 13.0079=	\$64,202.40
APPROX. ALTERNATE MONTHLY AMORITIZED FEE= Annual fee/ 12 mos./ yr.=	\$5,350.20

#### MONTHLY METER SERVICE FEE

MONTHLY METER SERVICE FEE, from rate structure	\$420.70
ANNUAL METER SERVICE FEE	\$5,048.40

#### ESTIMATE OF ANNUAL EFFLUENT USE FEE

EFFLUENT USE FEE, \$/ 1000 gallons	\$0.96
ESTIMATE OF ANNUAL EFFLUENT USE, Gallons/ year= Maximum annual demand, ac-ft./yr. x 325829gal/ ac-ft.= gal/ yr.	103939451
ESTIMATE OF ANNUAL EFFLUENT USE FEE	\$99,781.87

ESTIMATE OF TOTAL ANNUAL FEE= Amortized annual Infrastructure Fee + Annual Meter Fee+ Approx. Effluent Use Fee	\$169,032.67
Approximate annual cost per 1000 gals.	\$1.63
Approximate annual cost per acre foot.	\$530

# Effluent Demand Schedule

Date: July 29, 2004

Name of SITE: Martin Marietta Aggregates Rocky Ridge \_\_\_\_\_

Property Owner: Martin Marietta Aggregates \_\_\_\_\_

Owner Representative: Ms. Shelby Olsen

Representative phone: 515-254-0030

## I. QUANTITIES OF TREATED EFFLUENT

- A. Minimum Annual Demand, 265 acre-feet/year
- B. Maximum Annual Demand, 319 acre- feet/ year
- C. Peak Daily Demand at project completion,
  - 1. Day time delivery period, 4 a.m. to 8 p.m., 417 gpm, and or
  - 2. Night time delivery period, 8 p.m. to 4 a.m., 0 gpm.

## D. DEMAND SCHEDULE

Year	Annual Demand, Ac-ft./ yr.	Peak Daily Demand, gpm
2003*		
2004**	319	417
2006	319	417
2008	319	417
2010	319	417
2012	319	417
2014	319	417
2016	319	417
2018	319	417
2020	319	417
2022	319	417
2024	319	417
Full Build Out	319	417

\*Phase 4d construction complete May 2003.

\*\* Approximate phase 5 system completion.

- a) The annual and peak daily demands have been determined by the USER as sufficient to provide the intended irrigation.

EXHIBIT C



2. SERVICE REQUEST SCHEDULE

Location of Service Connection	Type of Service Connection.	Peak Daily Night time demand, gpm	Peak Daily Day time Demand, gpm
	<i>Direct-Connection to pressurized irrigation system.</i>		
	<i>Pond- Discharge to free water surface.</i>		
	Direct		471

- a) It is understood that, upon completion of an Agreement, treated effluent will be reserved for the USER according to the Effluent Demand Schedule.
- b) Please review system demand and pressure map to confirm system pressure available at point of connection.

3. In any event, if USER does not put the treated effluent to beneficial use as provided in the Agreement within one year of Service Commencement Date, USER's allocation is subject to reduction by City.

**AGREEMENT MODIFYING SECTIONS OF AGREEMENT FOR SALE OF TREATED  
EFFLUENT**

This AGREEMENT is made and entered into this 11th day of August, 2008, by and among the City of Sparks ("City"), a municipal corporation existing under and by virtue of the laws of the State of Nevada and Martin Marietta Materials, Inc. (USER).

RECITALS

1. USER entered into an agreement (A-3167) for the sale of treated effluent with the City on December 31, 2004 for process water and irrigation purposes at Martin Marietta Spanish Springs Quarry, attached hereto as Exhibit A.
2. USER desires to revise the approved hours of effluent delivery prescribed under Specific Provisions Section I.A.3.a.
3. City is willing and able to make said revisions and authorize use of effluent during the requested hours, subject to the terms and conditions of the original agreement.
4. Section I.A.3.a. of the agreement original Agreement for Sale of Treated Effluent shall be updated to reflect revised authorized hours of effluent delivery.
5. The requested hours of effluent delivery is within the approved guidelines of the discharge permit issued by Nevada Department of Environmental Protection (NDEP) to the USER.
6. There are no fees or costs associated with amending the hours of effluent delivery.

AGREEMENT

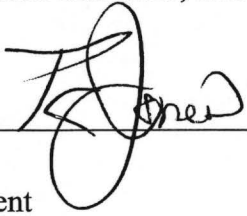
By affecting signatures below, the representative parties to this agreement hereby agree to the following changes to the original Agreement for the Sale of Treated Effluent at Martin Marietta Spanish Springs Quarry:

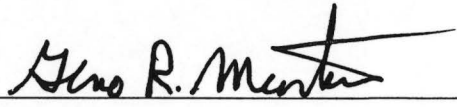
1. Section I (QUANTITIES OF TREATED EFFLUENT) [A. BASIC QUANTITY] under SPECIFIC PROVISIONS, shall be modified to reflect daytime delivery period of 6:00 AM to 12:00 AM.
2. This revision of delivery hours shall not have an impact on USER's connection fees or user fees.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

Martin Marietta Materials, Inc.

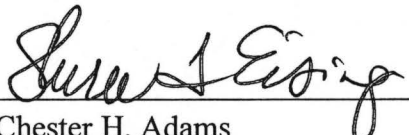
City of Sparks


  
Tom Jones  
Vice President

  
Geno Martini  
Mayor

APPROVED AS TO FORM:

ATTEST:

  
Chester H. Adams  
City Attorney

  
Linda Patterson  
City Clerk



State of Nevada        }       Acknowledgement in representative  
County of Washoe     }       capacity (NRS 240.1665)

This agreement was acknowledged before me on 10<sup>th</sup> day of July, 2008, by \_\_\_\_\_ as \_\_\_\_\_ of the \_\_\_\_\_.

  
Notary Public



**AGREEMENT MODIFYING SECTIONS OF AGREEMENT FOR SALE OF TREATED  
EFFLUENT**

This AGREEMENT is made and entered into this 13th day of July, 2009, by and among the City of Sparks ("City"), a municipal corporation existing under and by virtue of the laws of the State of Nevada and Martin Marietta Materials, Inc. (USER).

RECITALS

1. USER entered into an Agreement for the Sale of Treated Effluent (Original Agreement) with the City on December 31, 2004 for process water and irrigation purposes at Martin Marietta Spanish Springs Quarry, attached hereto as Exhibit A.1.
2. An Agreement to Modify Sections of Agreement for Sale of Treated Effluent was executed on August 11, 2008, which revised the authorized hours of delivery of treated effluent, attached hereto as Exhibit B.1.
3. Pursuant to Specific Provisions Section I.C of the Original Agreement, USER may permanently decrease its effluent demand levels if USER conserves water or otherwise limits treated effluent usage so long as the USER advises City in writing of such decreased demand and if City can deliver such conserved treated effluent to another user. City and USER will thereupon enter into an Amendment to the Original Agreement whereby USER will permanently release its right to such conserved treated effluent to City for possible sale by City to another use, USER will be released from its obligations under this Agreement to purchase such conserved treated effluent.
4. USER desires to reduce the approved quantities of treated effluent prescribed under Specific Provisions Section I.A.1. and Section I.A.2.
5. City is willing and able to make said reductions to USER's Minimum Annual Demand and Maximum Annual Demand, subject to the terms and conditions of the Original Agreement.
6. Section I.A.1. of the Original Agreement shall be updated to reflect revised Minimum Annual Demand.
7. Section I.A.2 of the Original Agreement shall be updated to reflect revised maximum Annual Demand.
8. Section II.C. of the Original Agreement shall be updated to reflect reduced maximum and minimum annual demand.

9. There shall be no reduction in Infrastructure Connection Fee with reduction of USER's maximum and minimum annual demand.

AGREEMENT


By affecting signatures below, the representative parties to this agreement hereby agree to the following changes to the Original Agreement:

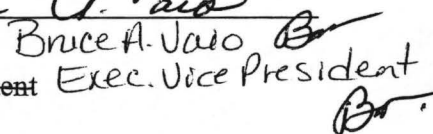
1. Section I (QUANTITIES OF TREATED EFFLUENT) [A. BASIC QUANTITY] (1. Minimum Annual Demand) under SPECIFIC PROVISIONS, shall be modified to reflect 135 acre-feet per year.
2. Section I (QUANTITIES OF TREATED EFFLUENT) [A. BASIC QUANTITY] (2. Maximum Annual Demand) under SPECIFIC PROVISIONS, shall be modified to reflect 175 acre-feet per year.
3. Section II (PURCHASE OF TREATED EFFLUENT) [C. EFFLUENT USE FEE] under SPECIFIC PROVISIONS, shall be modified to reflect a maximum of 175 acre-feet per year and a minimum of 135 acre-feet per year.
4. Exhibit B (Effluent Fee Calculation) of Original Agreement shall be modified to reflect Minimum Annual Demand of 135 acre-feet per year and Maximum Annual Demand of 175 acre-feet per year. Updated and modified Exhibit B is attached hereto as Exhibit B.1.
5. The reduction in minimum and maximum annual demand herein shall not reduce USER's Infrastructure Connection Fee, Meter Service Fee, and Effluent Use Fee.
6. The parties agree to be bound by the terms and conditions of the Original Agreement, unless otherwise amended.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

Martin Marietta Materials, Inc.

City of Sparks

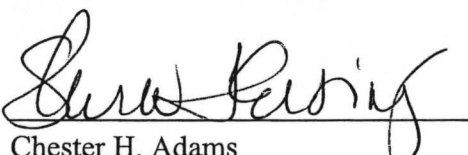
  
Tom Jones  
Vice President

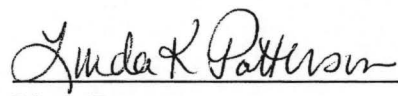
  
Bruce A. Jaso  
Exec. Vice President

  
Geno R. Martini  
Mayor

APPROVED AS TO FORM:

ATTEST:

  
Chester H. Adams  
City Attorney

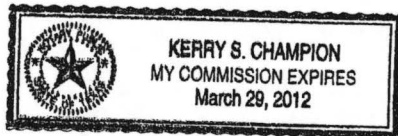
  
Linda K. Patterson  
City Clerk



Texas *llc*  
State of Nevada } Acknowledgement in representative  
County of Washoe } capacity (NRS 240.1665)  
Beaver *llc*

This agreement was acknowledged before me on 20<sup>th</sup> day of June, 2009, by Bruce A. Vaio as Exec. Vice President of the Martin Marietta Materials, Inc.

*Kerry S. Champion*  
Notary Public





**AGREEMENT MODIFYING SECTIONS OF AGREEMENT FOR SALE OF TREATED  
EFFLUENT**

This AGREEMENT is made and entered into this 14th day of June, 2010, by and among the City of Sparks ("City"), a municipal corporation existing under and by virtue of the laws of the State of Nevada and Martin Marietta Materials, Inc. (USER).

RECITALS

1. USER entered into an Agreement for the Sale of Treated Effluent (Original Agreement) with the City on December 31, 2004 for process water and irrigation purposes at Martin Marietta Spanish Springs Quarry, attached hereto as Exhibit A.1.
2. An Agreement to Modify Sections of Agreement for Sale of Treated Effluent was executed on August 11, 2008, which revised the authorized hours of delivery of treated effluent, attached hereto as Exhibit B.1.
3. An Agreement Modifying Sections of Agreement for Sale of Treated Effluent was executed on July 13, 2009, which reduced USER's minimum annual demand to 135 acre-feet and the USER's maximum annual demand to 175 acre-feet. Due to continued decline in production, USER desires to further decrease their minimum and maximum annual demand.
4. Pursuant to Specific Provisions Section I.C of the Original Agreement, USER may permanently decrease its effluent demand levels if USER conserves water or otherwise limits treated effluent usage so long as the USER advises City in writing of such decreased demand and if City can deliver such conserved treated effluent to another user. City and USER will thereupon enter into an Amendment to the Original Agreement whereby USER will permanently release its right to such conserved treated effluent to City for possible sale by City to another use, USER will be released from its obligations under this Agreement to purchase such conserved treated effluent.
5. USER desires to reduce the approved quantities of treated effluent prescribed under Specific Provisions Section I.A.1. and Section I.A.2.
6. City is willing and able to make said reductions to USER's Minimum Annual Demand and Maximum Annual Demand, subject to the terms and conditions of the Original Agreement.
7. Section I.A.1. of the Original Agreement shall be updated to reflect revised Minimum Annual Demand.

CITY OF SPARKS  
OFFICE OF THE CITY CLERK

JUL 13 2010

8. Section I.A.2 of the Original Agreement shall be updated to reflect revised Maximum Annual Demand.
9. Section II.C. of the Original Agreement shall be updated to reflect reduced maximum and minimum annual demand.
10. There shall be no reduction in Infrastructure Connection Fee with reduction of USER's maximum and minimum annual demand.

### AGREEMENT

By affecting signatures below, the representative parties to this agreement hereby agree to the following changes to the Original Agreement:

1. Section I (QUANTITIES OF TREATED EFFLUENT) [A. BASIC QUANTITY] (1. Minimum Annual Demand) under SPECIFIC PROVISIONS, shall be modified to reflect 85 acre-feet per year.
2. Section I (QUANTITIES OF TREATED EFFLUENT) [A. BASIC QUANTITY] (2. Maximum Annual Demand) under SPECIFIC PROVISIONS, shall be modified to reflect 102 acre-feet per year.
3. Section II (PURCHASE OF TREATED EFFLUENT) [C. EFFLUENT USE FEE] under SPECIFIC PROVISIONS, shall be modified to reflect a maximum of 102 acre-feet per year and a minimum of 85 acre-feet per year.
4. Exhibit B (Effluent Fee Calculation) of Original Agreement shall be modified to reflect Minimum Annual Demand of 85 acre-feet per year and Maximum Annual Demand of 102 acre-feet per year. Updated and modified Exhibit B is attached hereto as Exhibit B.1.
5. The reduction in minimum and maximum annual demand herein shall not reduce USER's Infrastructure Connection Fee, Meter Service Fee, and Effluent Use Fee.
6. The parties agree to be bound by the terms and conditions of the Original Agreement, unless otherwise amended.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

Martin Marietta Materials, Inc.

City of Sparks

Bruce A. Vaio  
Bruce A. Vaio  
Executive Vice President

Geno R. Martini  
Geno Martini  
Mayor

APPROVED AS TO FORM:

ATTEST:

Chester H. Adams  
Chester H. Adams  
City Attorney

Linda Patterson  
Linda Patterson  
City Clerk

State of ~~Nevada~~ Texas Acknowledgement in representative  
County of ~~Washoe~~ Brewster capacity (NRS 240.1665)

This agreement was acknowledged before me on 20<sup>th</sup> day of June, 2010, by Bruce A. Vaio as Executive Vice President of the Martin Marietta Materials, Inc.

Kerry S. Champion  
Notary Public

