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Agreement Issue Date: August 24, 2011

CITY OF SPARKS
Attn: Rick Darby
98 Richards Way
Sparks, NV 89431

RE: PRIDE STREET-COM SVC-PELICAN PARK COS, WO# 02-457-2

Dear Customer:

This letter agreement (“Agreement”) sets forth the respective obligations of you (the “Applicant”) and Truckee Meadows Water Authority (“TMWA”) which must be met as a condition of TMWA’s commitment to provide a new water service or modification of an existing water service for the above-referenced project (“Project”), located at 2665 PRIDE DR SPARKS NV, APN 522-922-09 (the “Service Property”). This Agreement sets forth your responsibilities and cost obligations to satisfy the requirements set forth in the TMWA adopted Rules governing tariffs for domestic, irrigation and fire protection water service(s). This Agreement also describes TMWA’s obligations with respect to engineering and technical support. This Agreement, when executed by both you and an authorized TMWA representative, will constitute a binding contract.

As TMWA’s New Business Project Coordinator assigned to this Project, I will be coordinating the following details regarding your application for water service(s): (1) engineering review and approval, meeting the Nevada Administrative Code (NAC) requirements, and issuance of appropriate submittals and letters to the Washoe County Health Department (“Health Department”) (2) payment of application fees and other Project costs; (3) verification of water rights purchase and/or dedication and issuance of the related “Will Serve Letter”; (4) verification and/or conveyance of appropriate right of way easements; (5) as applicable, the scheduling of the pre-construction meeting; and (6) as applicable, coordination of inspection of the backflow prevention assembly(s) required for the activation of water service(s).

Now therefore, in consideration of the premises and the mutual representations, warranties and agreements of the parties set forth below, TMWA and Applicant hereby agree as follows:

I. ENGINEERING AND CONSTRUCTION

A. Submission of Project Information.

TMWA’s New Business Project Coordinator has reviewed the information which you previously submitted along with your Application and initial Application Fees. TMWA has performed the necessary engineering

analyses to determine water main sizing, facility requirements, and TMWA service line sizing based on the information you provided, as reflected in this Agreement and the approved water utility design (W-1). TMWA has relied in all material respects on the information you provided and has not independently verified the accuracy of such information. Applicant bears the sole risk of any errors in the information submitted.

B. Nevada Administrative Code, Washoe County District Health Department Requirements.

TMWA, or its' agent, will prepare an engineering design report, if required by the Health Department, to accompany the on-site water system facility design drawings prepared by your engineer. This water project submittal is required by the Health Department prior to their approval of the Applicant's Project and/or subsequent approval of the final map. If your Project requires off-site or other capital improvements such as feeder mains, pressure regulating stations, pump stations, pump station rebuilds, water storage tanks, or similar facilities, the engineering design drawings for these facilities must be submitted to the Health Department for approval along with the water project submittal.

C. License Requirements; Compliance with Laws.

If Applicant is required to install or construct any facilities in connection with this Agreement, Applicant shall retain the services of a contractor licensed in the State of Nevada to perform such work. Any contractor retained by Applicant to perform work in connection with this Agreement must possess a valid classification "A" General Engineering or sub classification "A-19" specialty contractor's license (with sufficient available dollar limit) issued by the Nevada State Contractor's Board for the type of work performed.

Applicant shall, and shall insure Applicant's contractor shall, comply with and perform all work in accordance with TMWA's Engineering and Construction Standards, the provisions of Rule 5 regarding applicant installations of water facilities, and all other federal, state and local laws, ordinances, regulations, standards, codes and requirements that may apply. Applicant shall and shall insure its contractor(s) shall comply with all applicable Homeland Security Laws, including without limitation, NRS Chapter 239C. Applicant shall, and shall insure its contractor(s) shall, only provide copies of water facility designs, drawings, and specifications or other restricted documents to authorized persons pursuant to NRS 239C.220(3). Applicant shall return all drawings, designs and specifications for pressure regulating stations, pump stations and tanks, if any, to TMWA upon completion of construction. TMWA shall have no obligation to provide water service to Applicant unless and until such restricted documents are timely delivered to TMWA.

D. Service and Meter Installation.

1. If information provided by Applicant warrants a TMWA service size of two inches (2") or less and the service is to be provided from an existing TMWA main, Applicant shall retain the services of a contractor to connect the service to TMWA's main (tapping/drilling of the energized/live water main in the street). Applicant shall perform the connection to TMWA's main without interruption of service to any other property. The Applicant's contractor shall be experienced in performing "hot taps" and shall not perform the hot tap until the tapping sleeve or saddle has been inspected and the procedure authorized by the assigned TMWA representative.

2. If information provided by Applicant warrants a TMWA service size greater than two inches (2") and the service is to be provided from an existing TMWA main, all work to connect the service to TMWA's main will be performed by TMWA or a licensed contractor retained by TMWA, at Applicant's sole expense. To the extent applicable, the cost of such work is reflected in Schedule 1 attached.

3. Applicant's contractor will furnish and install, at Applicant's sole expense, the TMWA service connection(s) to the water main, including the appropriate piping material, meter box, meter provision, and the appropriate backflow prevention assembly(s). TMWA will furnish and install, at Applicant's expense, appropriately-sized water meter(s). All materials used and work performed must comply with the TMWA Engineering and Construction Standards. All work being done by any contractor on TMWA's distribution system must occur in the presence of a TMWA inspector and must be inspected and approved by TMWA prior to TMWA providing water service(s). The installation and setting of meters for Applicant's entire project is a condition precedent that must be completed prior to Applicant being eligible for water service.

4. All Applicant work must comply with applicable sections of the Uniform Plumbing Code (UPC), including requirements for the installation of pressure reducing valves for system pressure in excess of 80 psi and any applicable thermal expansion remedies.

E. Backflow Prevention Assemblies and Inspections.

1. Backflow prevention assemblies are required on water services as set forth in Nevada Administrative Code ("NAC") Chapter 445A and TMWA's Rules. The type of service and water use will determine the type of backflow protection required. Applicant shall install, at Applicant's sole expense, all backflow prevention assemblies required by TMWA and NAC Chapter 445A.

a. Domestic Water Services. Applicant shall install a reduced pressure principal backflow prevention assembly immediately downstream of the water meter in an above-grade orientation and installed in a freeze-proof enclosure as required by NAC and TMWA Rules.

b. Irrigation Water Services. Applicant shall install a reduced pressure principal backflow prevention assembly immediately downstream of the water meter in an above-grade orientation. TMWA does not require freeze protection for this seasonal water service.

c. Internal Fire Services. Applicant shall install, at minimum, a double check detector backflow prevention assembly for a dry or wet, non-chemical system design. Applicant shall install, at the point of connection from TMWA's water main, or other TMWA approved location, a reduced pressure principal detector backflow prevention assembly for systems designed with chemical agents.

2. All backflow prevention assemblies must be installed in accordance to TWMA's Engineering and Construction Standards and must be inspected and approved by TMWA's Backflow Administrator prior to any water meters being installed and water service being provided. Applicant bears the ultimate responsibility for compliance with backflow criteria as outlined in the TMWA Engineering and Construction Standards.

3. Backflow assembly(ies) on domestic and irrigation service lines must be successfully tested by the TMWA Service Representative prior to activation of the water service. Backflow assemblies for fire services shall be tested at the time of installation by a tester certified by the American Water Works Association (AWWA) and approved by TMWA ("Certified Tester"). Applicant shall bear the costs of any such test(s) and all tests must successfully pass prior to activation of the water service.

4. Applicant shall have all backflow assembly(ies) tested on an annual basis by a Certified Tester and provide TMWA with the results of those tests within thirty (30) days of receipt. Failure to provide evidence of such tests to TMWA may result in discontinuation or termination of water service to the Service Property, pursuant to TMWA Rules.

5. All Applicant work must comply with applicable sections of the Uniform Plumbing Code (UPC), including requirements for the installation of pressure reducing valves for system pressure in excess of 80 psi and any applicable thermal expansion remedies.

F. Pre-construction Meeting.

Unless specifically waived by TMWA, TMWA will schedule a pre-construction meeting following execution of this Agreement. At this meeting, TMWA and Applicant will discuss facility design, installation and inspection issues and timelines. Applicant's design engineer and contractor superintendent must attend such preconstruction meeting, and Applicant is responsible for notifying any person other than TMWA personnel that Applicant may desire to attend the pre-construction meeting. TMWA may, in its discretion, require a pre-construction meeting prior to any recommencement of work by Applicant following any extended cessation of work.

G. Construction Scheduling.

Unless otherwise provided in a construction schedule attached hereto or subsequently imposed by TMWA pursuant to Rule 5, Applicant must perform all its pre-construction obligations under this Agreement and the TMWA Rules necessary to commence construction, and must commence construction of the water facilities, within one (1) year following the date this Agreement is executed by TMWA (as set forth below, the "Effective Date") or, except as otherwise provided herein this Agreement shall automatically terminate as set forth in Section IV(J). Upon commencement of construction, Applicant agrees to complete construction of the water facilities within the earlier of 12 months, or by the date specified in the TMWA provided construction schedule. If Applicant fails to meet TMWA's required construction schedule, TMWA may, at its sole discretion, elect to terminate and nullify the Applicant's ability to install these facilities and bid and construct the facilities itself, at Applicant's sole cost and expense, in accordance with Rule 5.

H. Contingencies.

Prior to activation of any service to this property TMWA shall inspect and approve the disconnection from the non-potable water source currently serving this property. Disconnection shall be made by the applicant's contractor at the applicant's expense. The applicant shall have a reduced pressure backflow assembly installed immediately downstream of the existing meter box in accordance to TMWA standard construction details and tested, with passing results, prior to activation of existing service. The new service shall comply with New Business practices including, but not limited to, service installation, backflow testing and acceptance prior to service activation.

II. PROJECT COSTS

A. Applicant Responsible for Actual Costs.

1. Applicant is responsible for the actual cost(s) of all water system facilities, including work

performed by TMWA, identified by TMWA as required to provide the requested new or modified water service pursuant to Rule 5 and any applicable water Annexation Agreement. Attached hereto as Schedule 1 is an itemization of Applicant's estimated cost responsibilities under this Section II(A).

2. Use of Estimated Costs.

Where actual costs are not available, the costs itemized in Schedule 1 may reflect TMWA's estimate of construction-related costs rather than actual costs. Applicant remains responsible for TMWA's actual costs of construction, but shall pay to TMWA all estimated construction costs outlined on Schedule 1 at the time of the execution of this Agreement. For projects where TMWA's estimated construction costs are \$25,000 or greater, Applicant payments will be adjusted to reflect the actual cost of the project and Applicant will be billed or reimbursed, as applicable, following acceptance and completion of the projects by TMWA. On projects where TMWA's estimated construction costs are less than \$25,000, Applicant's cost responsibilities shall be the TMWA estimated construction costs and no further adjustments, invoicing or reimbursement will be made.

For Applicant designed, furnished and installed facilities, TMWA's estimated construction costs reflect only those costs that will be generated and incurred by TMWA during the installation of those facilities, which primarily consist of, but are not limited to, labor for TMWA inspection during construction. These estimated construction costs do not reflect your direct costs that you will pay to your contractor for furnishing and installing mains, services, meter facilities and other applicant installed water facilities, nor do these costs reflect the furnishing and installing of privately owned facilities such as yard lines, backflow assemblies, pressure reducing valves, or thermal expansion tanks.

For TMWA designed, furnished and installed off-site facilities or other capital improvements associated with the Project, TMWA's estimated construction costs reflect the full turnkey cost of the facilities including, but not limited to all regulatory, environmental and other fees, engineering, permitting, land and right-of-way acquisition, inspection, material, labor, transportation, costs for removal of existing facilities, associated overheads, financing charges and other charges which are related to the installation or alteration of the facilities required to provide the requested service. The off-site facilities required to provide the requested service may include, but are not limited to feeder mains, storage facilities (in lieu of Storage Facility Charges), pressure regulating stations, standby power generator retrofits or additions, and/or pump station rebuilds or additions. For TMWA designed facilities, you will be required to pay in full the estimated design costs prior to any design work being performed by TMWA's engineering group. In the event that your Project also requires TMWA furnished material and equipment that must be specified and purchased in advance of the Project's start date, Applicant will be required to pay the full amount of the estimated cost of such material and equipment items prior to TMWA placing the order for same. The estimated construction costs on Schedule 1 may not reflect material and equipment costs and generally will not reflect the cost of construction; however, TMWA will directly invoice Applicant for costs prior to incurring those expenses.

3. All costs set forth in Schedule 1 are due upon execution of this Agreement. The costs set forth in Schedule 1 do not include water rights costs and water resource related fees for which Applicant is responsible. If the total amount due on Schedule 1 is a credit to be paid to the Applicant, the Applicant may request payment upon the successful completion of construction and acceptance of the facilities by TMWA.

4. TMWA may require the Applicant and/or Applicant's contractor to provide a bond, letter of credit or guarantee acceptable to TMWA as a condition of permitting Applicant to commence construction of Applicant installed facilities or improvements.

B. Use of Effluent Water and Subsequent Refund.

To the extent Applicant's project utilizes effluent water for any purpose, Applicant shall comply with any reclaim effluent requirements attached hereto, set forth in NRS and NAC 445A, and all policies and requirements of TMWA related to use of effluent water, including without limitation Authority's Backflow Prevention and Cross-Connection Control Policy. Applicant shall be solely responsible for all costs of design and installation of facilities and improvements required to comply with the foregoing. Applicant must provide TMWA a "Commitment to Serve" letter from the appropriate agency that will provide effluent water to the Service Property as a condition of TMWA recognizing such service.

In the event effluent water will be used to serve the irrigation portion(s) of the Project after potable service has been provided by TWMA, the Applicant may be entitled to a prorated refund based on the following calculation, provided the following conditions are met: (1) Applicant must provide to TMWA a "Commitment To Serve" letter from the appropriate agency that provides effluent water to the Service Property; and (2) the potable service is retired pursuant to TMWA standards. The amount of refund shall be calculated based on the following formula:

$$\text{Refund} = (\text{Water System Facility Charges for Irrigation} - R) \times (T - t) / T$$

Where,

T = 84 which is time in months

t = Number of months from execution of Agreement to retirement of potable irrigation service, not to exceed 84

R = cost to retire the potable irrigation service, determined by multiplying \$2000.00 times the number of services to be retired

C. Delivery of Water for Re-vegetation Purposes.

In the event that metered irrigation service is required for re-vegetation purposes, pursuant to TMWA's rule governing the Authority's ability to grant water service, TMWA has sole discretion to allow for a service either downstream of a metered domestic service, or as a service lateral for permanent metered irrigation service. In either instance the service must be installed pursuant to TMWA Standards including proper backflow protection. Applicant must retire or disconnect re-vegetation service after service is no longer required as determined by TMWA or local jurisdiction.

III. WATER RIGHTS

All water customers applying for new or modified service are required to acquire and dedicate water rights to TMWA. TMWA has no obligation to provide water service until sufficient water rights are dedicated to TMWA. TMWA shall calculate the amount of water rights based upon information provided by Applicant, and this process shall be governed by a separate agreement with TMWA. Once this requirement has been satisfied, a TMWA Water Resources Coordinator will furnish a Will-Serve Letter for Applicant's submission to the appropriate jurisdictional Building Department. A Will-Serve Letter must be issued before the Building Department will issue a

Building Permit and before TMWA will provide water service. Any questions concerning this process should be directed to TMWA's Water Resource Coordinator, Debbie Sotero at (775) 834-8022.

IV. MISCELLANEOUS TERMS

A. Dedication and Ownership of Facilities.

The Applicant shall own all piping and facilities on the Service Property side of the "Service Connection." With respect to fire services, the Applicant shall own the entire fire service, up to and including, the shut-off valve located immediately off TMWA's water distribution main. The parties acknowledge and agree that commencing upon TMWA's acceptance of their dedication, TMWA shall own all water system facilities from the TMWA main to the outlet side of the meter setter at the "Service Connection," including the water meter ("TMWA Facilities"). Applicant shall dedicate to TMWA, free and clear of all liens and encumbrances, all TMWA Facilities constructed by Applicant for the Project upon completion of construction of such facilities. Applicant hereby irrevocably offers for dedication to TMWA in whole or in part(s), by its execution below, all TMWA Facilities constructed or to be constructed by Applicant for the Project and TMWA shall be deemed to have accepted such TMWA Facilities (in whole or in part) on the date that As-Built plans for the respective TMWA Facilities are signed off by a TMWA inspector.

B. Sizing and Retirement.

The parties acknowledge and agree that the Applicant is solely responsible for sizing of the service line and meter facilities. TMWA assumes no responsibility and waives all liability for, and Applicant shall indemnify and hold TMWA harmless for, all claims, damages, costs, expenses or demands arising from the size or location of Applicant's service piping and facilities. If Applicant's water service laterals are not utilized within three (3) years from installation, they shall be retired or removed at the sole cost of Applicant. Applicant shall grant to TMWA or obtain grants from appropriate owners, easements or rights-of-way for service installation and use of such water service laterals.

C. Indemnification.

Applicant will hold harmless, protect, indemnify and defend, at TMWA's option, TMWA, its officers, employees and agents from and against any and all claims, liabilities, losses, damages, actions, causes of action (in law or equity), demands, liens, expenses and charges, including attorneys' fees and expenses, of any kind or nature whatsoever, including injury to, loss of use of, or damage to any property of TMWA or property abutting TMWA property, relating to arising directly or indirectly from or incident to activities contemplated by or performed in connection with this Agreement or Applicant's development of the project including (i) an act or omission of Applicant, its employees, agents, or representatives, or its contractor(s) occurring during or related to the pre-construction and prosecution of any work on the Service Property or in connection with this Agreement, including, but not limited to, installation of facilities, trenching, and backfill, undertaken by Applicant or its contractor, or any failure by Applicant or its contractor(s) to conform in any respect to the requirements in Section IV(F) and I(C) of this agreement, (ii) from a mechanic's lien or claim of lien on the Service Property or any right of way, easement or other property right owned by TMWA, (iii) Applicant's ownership of or right to use any property upon which work is performed; (iv) any breach of this agreement or representations and warranties herein by Applicant; (v) any error, negligence, act or omission of Applicant, including but not limited to defective materials, negligent safeguarding of the work, failure to keep any property upon which work is performed and surrounding areas clean and in good condition, any claim, liability, damage or forfeiture arising from a failure to dedicate property free and clear of liens and encumbrances, and/or any negligent act or omission or operation of Applicant and (vi) use or delivery of non-potable water to the Project, including without limitation cross-connection and

cross-contamination claims. Applicant assumes full responsibility for all acts of Applicant and Applicant's contractor(s), employees, agents or representatives in connection with work performed or material furnished under, in connection with, or contemplated by this agreement or related to the use of non-potable water on the Service Property. This provision shall survive any termination of this Agreement. If a material breach of this Agreement is committed by Applicant and is not cured by Applicant within ten days (or if such breach cannot be cured within ten days, Applicant does not commence such cure within ten days and continuously pursue such cure thereafter) after receipt by Applicant of written notice from TMWA specifying the breach and requesting such be remedied, TMWA may, in addition to any other remedies available at law or equity, refuse to provide water service to all or any portion of the Service Property until such breach is cured.

1. Payment of Claims on the Project.

Applicant shall pay or cause to be paid, all bills or charges for expenses of any works of improvement completed on the Service Property or in connection with the work, and Applicant shall cause to be filed a proper Notice of Completion as prescribed by law for the earliest possible termination of the time(s) for filing claims of lien.

2. Release or Contest of Lien.

Within ten (10) days after written notice from TMWA of the filing of a claim of lien, the establishment of priority lien or the commencement of an action to foreclose a priority lien with respect to any portion of or interest in the Land for which TMWA has accepted dedication in reliance on this indemnity, Applicant will (i) cause such lien to be released of record, (ii) contest and oppose such lien or action, or (iii) cause such action to be dismissed with prejudice. Upon request, TMWA will tender the response or defense of any such event to Applicant and will allow Applicant to take all actions necessary and appropriate with respect thereto.

3. Action on Lien by TMWA.

If Applicant fails to perform its obligations under this paragraph within the time required, TMWA may, but is not obligated to, do anything reasonable, convenient or necessary to remove the lien of record, obtain a satisfaction of judgment, file a surety bond to release such lien, prevent foreclosure or otherwise protect itself. Applicant hereby names, constitutes and appoints TMWA its attorney-in-fact to do all things necessary and convenient to carry out the provisions of this paragraph. Applicant will reimburse TMWA for all amounts expended under this paragraph, which amounts will be due and payable without demand when expended, and shall bear interest at the rate of ten percent (10%) per annum from the time expended.

D. Prosecution of Work.

Applicant is solely responsible for timely prosecuting and completing all Applicant Installed water system facilities hereunder. The parties agree and understand that neither Applicant nor Applicant's contractor is in any way an agent, representative, employee, or contractor of TMWA during the installation of facilities required hereunder nor shall anything contained in this Agreement be deemed or construed to create any liability for TMWA whatsoever with respect to Applicant's or Applicant's contractor's performance of work in connection with this Agreement.

E. Grant of Easement/Right-of-Way.

Applicant shall, prior to the start of construction, grant and convey (or if Applicant is not the owner, Applicant represents and warrants it has the lawful authority to so bind the owner and represents that the owner will grant) to TMWA, all necessary easements, conveyances, deeds, rights-of-way, or other rights required or relating to the placement, installation, operation, maintenance, repair, and replacement of facilities required by this Agreement. Applicant represents and warrants such property offered for dedication to TMWA shall be free and clear of all liens and encumbrances, and Applicant shall obtain and provide TMWA prior to dedication, at Applicant's expense, a preliminary title report for any property offered for dedication showing all matters of record affecting such property. Applicant shall execute all documents reasonably requested by TMWA to accomplish the purposes intended by this paragraph. Applicant is solely responsible for obtaining all appropriate permits, licenses, construction easements, subordination agreements, consents from lenders, and other necessary rights from all necessary parties to dedicate property with title acceptable to TMWA and to prosecute, stage and construct any work by Applicant, including, to the extent applicable, temporary encroachment permits from TMWA for work within any TMWA rights of way or easements. TMWA shall not be obligated to commence or approve construction or provide water service until permanent easements or rights-of-way therefore are granted to TMWA in such form, location, scope and condition of title satisfactory to TMWA.

1. If any portion of the facilities required by this Agreement will be located on property other than that owned by Applicant, Applicant shall be responsible for obtaining, at no cost to TMWA, easements or rights of way from such owners for conveyance to TMWA free and clear of all liens and encumbrances. TMWA shall not be obligated to commence or approve construction or provide water service until permanent easements or rights-of-way therefore are granted to TMWA in such form, location, scope and condition of title satisfactory to TMWA. Applicant shall obtain and provide TMWA prior to dedication, at Applicant's expense, a preliminary title report for any property offered for dedication showing all matters of record affecting such property.

F. Defects in Work.

In addition to TMWA's rights set forth in paragraph IV(C) of this Agreement, all work performed and all material furnished by Applicant and its contractor shall be guaranteed against defects in materials and workmanship for a period of one (1) year, such period to commence upon the final acceptance of the dedication of the respective TMWA Facilities by TMWA pursuant to paragraph IV(A). Applicant agrees that TMWA may, at its option and upon written notice to Applicant, either: (1) repair, at Applicant's expense, any defect in materials or workmanship which may develop during the one year warranty period; or (2) require Applicant to repair or replace, at Applicant's expense any defect in materials or workmanship which may develop during said one year period. The option and obligation to repair shall extend to any damage to any other facilities or work caused by the subject defects in materials or workmanship or the repairing of same. All repairs made hereunder, whether undertaken by TMWA or the Applicant, or any other party, shall be done solely at the Applicant's expense.

1. Commencing upon TMWA's acceptance of the dedication of the TMWA Facilities, Applicant and its successors and assigns assume all responsibilities and liabilities for, and shall indemnify and hold TMWA harmless from any claims, costs, damages or expenses arising from or related to (i) the location of facilities outside the recorded easements or rights of way dedicated to TMWA; and (ii) any survey and staking provided by the Applicant or Applicant's engineer.

G. Assignment.

Applicant may assign its right to receive a refund under this Agreement only upon written notification of the assignment to TMWA as permitted by TMWA Rules. TMWA may refuse to accept an assignment that is not notarized and signed by the Assignor and the Assignee. No obligation or duty owned by the Applicant to TMWA may be assigned unless TMWA consents to such assignment in writing.

H. Entire Agreement.

This Agreement supersedes all prior negotiations, representations and agreements, whether oral or written, between the parties relating to water service for this Project, but does not supersede and shall be construed as supplementing any will-serve agreement or water annexation agreement between the parties related to the Project. No promise or representation relative to the subject matter of this Agreement not specifically set forth herein shall be binding on either party. This Agreement shall be governed by and construed according to the laws of the State of Nevada.

I. Expiration of Proposal/New Application.

This Agreement must be executed by Applicant and returned to TMWA for execution within sixty (60) days of the issuance date of this Agreement first written above, or the terms herein shall be deemed revoked and TMWA shall have no obligation to execute this Agreement. This Agreement shall not be binding unless and until timely executed by both parties. All fees, costs and terms contained herein are subject to change at any time until executed by both parties. Water System Facility Charges ("WSF Charges") will be determined by the Rules in effect at the time the Agreement is signed and returned to TMWA with the other payments outlined in Schedule 1. In the event this Agreement fails to become effective within such sixty (60) days for any reason, previously collected application and new business fees for services rendered will not be refunded. If a rejected or canceled Application for the project is re-submitted, a new Water Service Agreement must be executed by TMWA and Applicant for the project, which Agreement may include different terms and conditions, including different fees and facility charges, than those set forth in this Agreement.

J. Termination of Agreement.

After execution by both parties, this Agreement shall automatically terminate and be null and void without further notice from TMWA (i) on the date Applicant notifies TMWA that Applicant's project is cancelled; (ii) if Applicant does not commence construction on water facilities required by this Agreement within 12 months of the Effective Date; (iii) Applicant does not complete construction on water facilities required by this Agreement within 12 months of commencement of such work; or (iv) on the date approval for the project by any applicable governing body or health authority expires or is terminated. TMWA may, in its sole discretion, extend the duration of this Agreement if Applicant has commenced and is diligently prosecuting work on the Project. Upon the termination of this Agreement, the Application for the project for new Service or Modified Service shall automatically be deemed rejected and canceled and except as otherwise provided in TMWA's Rules, TMWA shall be entitled to retain all fees and charges paid by Applicant in connection with this Agreement. Applicant may resubmit a rejected or canceled Application to the Authority for reconsideration at any time; provided, however, the resubmission of a canceled Application will be treated as a new Application and must comply with all conditions in TMWA's Rules applicable to a new Application, including execution of a new water service agreement for the project, which Agreement may include different terms and conditions, including different fees and facility charges, than those set forth in this Agreement. Notwithstanding the foregoing, the following provisions shall survive any termination of this Agreement: Section I (G) and Section IV (A through H).

This Agreement incorporates by reference the applicable TMWA Rules adopted by its board, including without limitation Rule 5 and Rule 7. In the event of any inconsistency between this Agreement and the Rules, the Rules shall govern. The Rules are available for your inspection at the TMWA offices or can be accessed online at www.tmwa.com.

This contract must be signed and remain in full force and effect, all fees paid, and water rights, property, easements, and right-of-way requirements satisfied prior to scheduling a pre-construction meeting and/or installation of the water facilities, and all TMWA Facilities constructed and accepted for dedication by TMWA, prior to TMWA have any obligation to provide water service to, or capacity for, any project.

Please indicate your acceptance of this Agreement by signing below and returning to TMWA along with all applicable fees and costs due hereunder to the following address:

Donna Smit
New Business Coordinator
Truckee Meadows Water Authority
P.O. Box 30013
Reno, NV 89520-3013

If you have any questions, please contact the TMWA assigned New Business Coordinator at (775) 834-8037.

IN WITNESS WHEREOF, the parties hereto execute this Agreement on the date set forth below, and it shall be effective upon the date indicated below TMWA's signature below.

OWNER

TRUCKEE MEADOWS WATER AUTHORITY

By: _____

By: _____

Title: _____

Title: New Business Project Coordinator

Address: _____

Address: P.O. Box 30013

Reno, NV 89520

Date: _____

Date: _____

("Effective Date")

SCHEDULE 1

<u>FEE DESCRIPTION</u>	<u>FEE AMOUNT</u>	<u>PAID AMOUNT</u>	<u>DUE</u>
08 - 2" Turbine Badger water meter	\$1,574.00	\$0.00	\$1,574.00
08 - Supply and Treatment Facility Unit Cost (3.4 gpm x \$3734)	\$12,695.60	\$0.00	\$12,695.60
08 - TMWA crews-hot tap and service	\$3,540.00	\$0.00	\$3,540.00
08 - Commercial Services - Engineering	\$300.00	\$0.00	\$300.00
08 - Storage Facility Unit Cost (3.4 gpm x \$1217)	\$4,137.80	\$0.00	\$4,137.80
08 - Feeder Main Oversizing-Area 4 (gpm) (3.4 gpm x \$2697)	\$9,169.80	\$0.00	\$9,169.80
08 - Commercial Services - Inspection	\$150.00	\$0.00	\$150.00
08 - Design/Drafting-Commercial	\$750.00	\$0.00	\$750.00

*TOTAL DUE TMWA \$32,317.20

* Total due may include proportionate share for costs for facilities previously installed by others such as: feeder mains, booster pump stations etc.

STS and Area Feeder main fees reviewed by TMWA engineer as of August 24, 2011:

S. J. Bowling
8-25-11