



August 4, 2011

D'Andrea Golf Course
Mr. Michael Jory
2900 South D'Andrea Parkway
Sparks, NV 89434

VIA Hand Delivery, Certified Mail, and email to mjory@dandreagolf.com

RE: Planned Effluent Service Turnoff Seven (7) Day Notification and Thirty (30) Day Termination Notification.

Dear Mr. Jory,

As of August 3, 2011, D'Andrea Golf Course currently owes the City of Sparks \$58,203.57, of which \$16,322.51 is beyond sixty (60) days past due. Per Section L(3) of the effluent service agreement (Agreement A-2798, dated July 23, 2001) the City may temporarily restrict or interrupt delivery of treated effluent if the City determines that such an interruption is necessary or desirable for system emergencies, maintenance, or management. This letter has been prepared to notify D'Andrea Golf Course that the City of Sparks will be interrupting delivery of treated effluent to D'Andrea Golf Course seven (7) days from the date of this letter (or on August 11th, 2011). As D'andrea is more than sixty (60) days behind in payment, interruption of service is necessary for proper management of the treated effluent delivery system. Said interruption will continue until the account is brought current.

Additionally, per Section M of the agreement, this letter shall serve as thirty (30) days written notice that the City of Sparks desires to terminate the Effluent Service Agreement for failure to pay within sixty (60) days.

If you have any questions on this issue, please contact my office at 775-353-2304 to discuss.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Krutz".

Neil Krutz, P.E.
Community Services Director.

cc: *Shirle Eiting, City Attorney's Office*
Andrew Hummel, Acting Utility Manager
Trish Kuehl, Accounting

J. Required Permits. D'Andrea agrees to acquire, comply with and maintain in effect any and all federal, state or local regulatory permits required for it to use treated effluent for irrigation at the golf course and common area landscaping. D'Andrea also agrees to cooperate with City in obtaining any regulatory permits that might be required of City relating to this Agreement.

K. Assumption of the Risk. D'Andrea 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. D'Andrea understands that it is receiving reclaimed water which is not intended for human consumption and further agrees that it assumes any and all risks associated with the use of the treated effluent under this Agreement. City disclaims any and all warranties, including fitness for a particular purpose and merchantability.

L. 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.

2. City's obligation to deliver treated effluent under this Agreement is subject to (a) City having the legal right to divert reclaimed water; 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 notice to D'Andrea 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.

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

1. D'Andrea fails to 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 D'Andrea is pending;

2. D'Andrea's use of the treated effluent contaminates the water supply or provides a danger to neighboring properties or residents;

3. D'Andrea's failure to pay any amount within sixty (60) days of its due date;

4. City is unable to provide or economically provide water consistent with federal, state or local laws now or hereafter existing; or

5. The parties are unable to agree on an adjusted rate as contemplated under Section I(H) above.

6. Both parties agree to submit any defaults of this Agreement to mediation prior to termination of this Agreement.

7. If the City terminates the Agreement pursuant to Section M and it is not reinstated, the unpaid obligation of D'Andrea under Paragraph I(G) shall terminate.

N. Termination by D'Andrea. D'Andrea may terminate its obligations hereunder, except it shall remain obligated to pay the unpaid balance of the Infrastructure Reimbursement Fee to the City which originally is the sum of \$564,541.00, upon thirty (30) days written notice if the parties are unable to agree on an adjusted rate as contemplated under Section I(H) above or if City does not annually deliver up to 450 acre-feet of water to D'Andrea including the 50 acre-feet of water to DCA as required by Section I(D)(1) above.

O. Sale of Golf Course. If at any time during the term of this Agreement, D'Andrea proposes to sell its golf course, D'Andrea 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 and possible assignment under this Agreement. See Paragraph II(F) below.

II. 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.

A. Received by (Please Print Clearly) _____ B. Date of Delivery _____

C. Signature *[Signature]* Agent Addressee

D. Is delivery address different from item 1? Yes No
If YES, enter delivery address below:



3. Service Type **CERTIFIED MAIL™**

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

D'Andrea Golf Course
Mr. Michael Jory
2900 South D'Andrea Parkway
Sparks, NV 89434

Reference Information

*Andy Hammel
Community Services*

PS Form 3811, January 2005

Domestic Return Receipt

7196 9006 9111 1707 3347

TO: D'Andrea Golf Course
Mr. Michael Jory
2900 South D'Andrea Parkway
Sparks, NV 89434

SENDER: *Andy Hammel
Community Services*

REFERENCE:

PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	0.44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	0.00
	Total Postage & Fees	5.59

US Postal Service®

**Receipt for
Certified Mail™**





September 13, 2011

D'Andrea Golf Course
Newt Crumley, Director of Operations
2900 South D'Andrea Parkway
Sparks, NV 89434

VIA Certified Mail

RE: Planned Effluent Service Turnoff Seven (7) Day Notification and Thirty (30) Day Termination Notification.

Dear Mr. Crumley,

As of September 13, 2011, D'Andrea Golf Course currently owes the City of Sparks \$97,715.18, of which \$41,881.06 is beyond sixty (60) days past due. Per Section L(3) of the effluent service agreement (Agreement A-2798, dated July 23, 2001) the City may temporarily restrict or interrupt delivery of treated effluent if the City determines that such an interruption is necessary or desirable for system emergencies, maintenance, or management. This letter has been prepared to notify D'Andrea Golf Course that the City of Sparks will be interrupting delivery of treated effluent to D'Andrea Golf Course seven (7) days from the date of this letter (or on September 20th, 2011). As D'andrea is more than sixty (60) days behind in payment, interruption of service is necessary for proper management of the treated effluent delivery system. Said interruption will continue until the account is brought current.

Additionally, per Section M of the agreement, this letter shall serve as thirty (30) days written notice that the City of Sparks desires to terminate the Effluent Service Agreement for failure to pay within sixty (60) days.

If you have any questions on this issue, please contact my office at 775-353-2304 to discuss.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Krutz".

Neil Krutz, P.E.

Community Services Director.

cc: *Shirle Eiting, City Attorney's Office*
Andrew Hummel, Acting Utility Manager
Trish Kuehl, Accounting

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

D'Andrea Golf Course
 Newt Crumley, Dir. of Operations
 2900 S. D'Andrea Pkwy
 Sparks, NV 89434

2. Article Number
(Transfer from si)

7002 2030 0003 3750 1135

102595-02-M-154

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

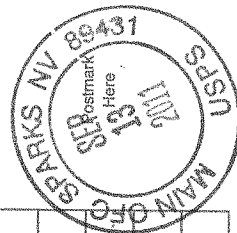
- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.
- 4. Restricted Delivery? (Extra Fee) Yes

U.S. Postal Service
CERTIFIED MAILTM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 4.44
Certified Fee	2.85
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.59



Spit To
 Street, Apt. No.
 or PO Box No.
 City, State, Zip+4

Newt Crumley, D'Andrea Golf Course
 2900 S. D'Andrea Pkwy
 Sparks, NV 89434

PS Form 3800, June 2002

See Reverse for Instructions



December 12, 2011

D'Andrea Golf Course
Will Gustafson
2900 South D'Andrea Parkway
Sparks, NV 89434

VIA Certified Mail

RE: Notification of Proposed Council Action to Terminate Effluent Service Contract.

Dear Mr. Gustafson,

The City of Sparks has made numerous attempts to collect payment on your effluent account (Agreement A-2798, dated July 23, 2001). Two notices (August 4, 2011 and September 13, 2011) were delivered by Certified Mail to D'Andrea Golf Course concerning both outstanding balances and 30-day notification of termination for failure to pay. The City of Sparks has received no payment on this account since August 11, 2011.

As such, termination of the D'Andrea Effluent Service Agreement will be presented to City Council at the regularly scheduled City Council meeting on January 9, 2012 at 2 p.m.

If you have any questions on this issue, please contact my office at 775-353-2304 to discuss.

Sincerely,

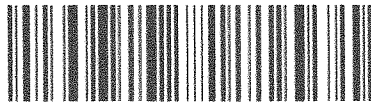
A handwritten signature in black ink, appearing to read "Neil Krutz". The signature is written in a cursive, somewhat stylized script.

Neil Krutz, P.E.

Community Services Director.

cc: *Shirle Eiting, City Attorney's Office*
Andrew Hummel, Acting Utility Manager
Trish Kuehl, Accounting

2. Article Number



7196 9008 9111 1707 3279

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature X <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
D. Is delivery address different from item 1? If YES, enter delivery address below:	<input type="checkbox"/> Yes <input type="checkbox"/> No

3. Service Type **CERTIFIED MAIL™**

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

D'Andrea Golf Course
 Wil Gustafson
 2900 South D'Andrea Parkway
 Sparks, NV 89434

Reference Information

Andrew Hummel, Community
 Services

PS Form 3811, January 2005

Domestic Return Receipt

7196 9008 9111 1707 3279

TO: D'Andrea Golf Course
 Wil Gustafson
 2900 South D'Andrea Parkway
 Sparks, NV 89434

SENDER Andrew Hummel, Community Svces.

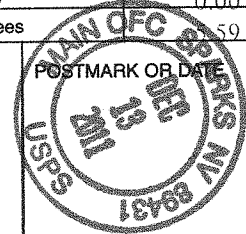
REFERENCE:

PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	0.44
	Certified Fee	2.85
	Return Receipt Fee	2.30
	Restricted Delivery	0.00
	Total Postage & Fees	5.59

US Postal Service®
**Receipt for
 Certified Mail™**

No Insurance Coverage Provided
 Do Not Use for International Mail



Utility Billing Account History Report



User Name: Pam Wadlow
 City Name: CITY OF SPARKS
 Printed: 12/23/2011 - 10:09:AM

Account Status: Active
 Connect Date: 03/01/2007 Final Date:
 Customer Name: D'Andrea NV Properties LLC
 Customer Address: 2900 S D'Andrea Pkwy

Michael Jory
 SPARKS, NV 89434
 Home Phone: (775) 544-4727 Ext.
 Business Phone: (775) 626-7333 Ext.
 Customer Number: 045409 000

Total Acct Balance: 145,991.03
 Deposits: 0.00 Refunds: 0.00
 Owner name: D'Andrea NV Properties LLC
 Service Address: D'Andrea Golf Course

Reference Number: 6000109-000

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON LSCAPE TRUCKFI	MISC EFFLUEN
12/12/2011	Balance	145,991.03	Current Balance By Service	0.00	0.00	0.00	0.00	0.00	0.00
12/12/2011	Billing	10,517.15		10,262.65	13,542.00	0.00	0.00	0.00	122,186.38
11/09/2011	Balance	135,473.88		0.00	0.00	0.00	0.00	0.00	0.00
11/09/2011	Billing	14,182.79		447.17	3,385.50	0.00	0.00	0.00	6,684.48
10/07/2011	Balance	121,291.09		9,815.48	10,156.50	0.00	0.00	0.00	115,501.90
10/07/2011	Billing	23,575.91		447.17	3,385.50	0.00	0.00	0.00	10,350.12
09/08/2011	Balance	97,715.18		9,368.31	6,771.00	0.00	0.00	0.00	105,151.78
09/08/2011	Billing	26,725.43		447.17	3,385.50	0.00	0.00	0.00	19,743.24
08/11/2011	Payment	-16,322.51		8,921.14	3,385.50	0.00	0.00	0.00	85,408.54
08/09/2011	Balance	87,312.26		447.17	3,385.50	0.00	0.00	0.00	22,892.76
				-10,156.50					-6,166.01
				8,473.97	10,156.50				68,681.79

Customer Number: 045409 000

Reference Number: 6000109-000

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON	LSCAPE TRUCKFI	MISC EFFLUEN
08/09/2011	Billing	29,108.69								25,276.02
07/12/2011	Balance	58,203.57		447.17	3,385.50					43,405.77
07/12/2011	Billing	21,988.61		8,026.80	6,771.00					18,155.94
06/08/2011	Balance	36,214.96		447.17	3,385.50					25,249.83
06/08/2011	Billing	19,892.45		7,579.63	3,385.50					16,059.78
05/18/2011	Payment	-6,685.29		447.17	3,385.50					-3,299.79
05/06/2011	Balance	23,007.80			-3,385.50					12,489.84
05/06/2011	Billing	16,322.51		7,132.46	3,385.50					12,489.84
04/25/2011	Payment	-52,000.00		447.17	3,385.50					-51,977.74
04/15/2011	Payment	-20,000.00		-22.26						-16,614.50
04/07/2011	Balance	78,685.29			-3,385.50					68,592.24
04/07/2011	Billing	6,371.03		6,707.55	3,385.50					2,538.36
03/09/2011	Payment	-10,000.00		447.17	3,385.50					-6,301.50
03/08/2011	Balance	82,314.26			-3,698.50					72,355.38
03/08/2011	Billing	3,936.95		6,260.38	3,698.50					104.28
02/09/2011	Payment	-10,000.00		447.17	3,385.50					
02/08/2011	Balance	88,377.31			-10,000.00					72,251.10
02/08/2011	Billing	5,134.85		5,813.21	10,313.00					1,302.18
01/11/2011	Payment	-10,000.00		447.17	3,385.50					
01/07/2011	Balance	93,242.46			-10,000.00					70,948.92
01/07/2011	Billing	3,832.67		5,366.04	16,927.50					
				447.17	3,385.50					

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON	LSCAPE TRUCKFI	MISC EFFLUEN
12/08/2010	Balance	89,409.79		4,918.87	13,542.00					70,948.92
12/08/2010	Billing	7,196.69		447.17	3,385.50					3,364.02
11/09/2010	Balance	82,213.10		4,471.70	10,156.50					67,584.90
11/09/2010	Billing	7,532.63		447.17	3,385.50					3,699.96
10/08/2010	Balance	74,680.47		4,024.53	6,771.00					63,884.94
10/08/2010	Billing	20,816.45		447.17	3,385.50					16,983.78
09/09/2010	Balance	53,864.02		3,577.36	3,385.50					46,901.16
09/09/2010	Billing	25,239.77		447.17	3,385.50					21,407.10
08/31/2010	Payment	-24,109.19			-3,385.50					-20,723.69
08/09/2010	Balance	52,733.44		3,130.19	3,385.50					46,217.75
08/09/2010	Billing	28,624.25		447.17	3,385.50					24,791.58
07/16/2010	Payment	-17,024.09			-3,385.50					-13,638.59
07/08/2010	Balance	41,133.28		2,683.02	3,385.50					35,064.76
07/08/2010	Billing	24,109.19		447.17	3,385.50					20,276.52
06/11/2010	Payment	-13,448.21			-3,385.50					-10,062.71
06/08/2010	Balance	30,472.30		2,235.85	3,385.50					24,850.95
06/08/2010	Billing	17,024.09		447.17	3,385.50					13,191.42
05/25/2010	Payment	-7,559.69			-3,385.50					-4,174.19
05/10/2010	Balance	21,007.90		1,788.68	3,385.50					15,833.72
05/10/2010	Billing	13,448.21		447.17	3,385.50					9,615.54
04/28/2010	Adjustment	0.00	Interfund Transfer							

Customer Number: 045409 000

Reference Number: 6000109-000

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON TRUCKFI	LSCAPE TRUCKFI	MISC EFFLUEN
04/21/2010	Payment	-6,617.87			-6,323.83					-294.04
04/07/2010	Balance	14,177.56		1,341.51	6,323.83					6,512.22
04/07/2010	Billing	7,559.69		447.17	3,385.50					3,727.02
03/11/2010	Payment	-3,832.67			-3,832.67					
03/10/2010	Balance	10,450.54		894.34	6,771.00					2,785.20
03/10/2010	Billing	6,617.87		447.17	3,385.50					2,785.20
02/08/2010	Balance	3,832.67		447.17	3,385.50					
02/08/2010	Billing	3,832.67		447.17	3,385.50					
02/05/2010	Payment	-3,832.67		-447.17	-3,385.50					
01/08/2010	Balance	3,832.67		447.17	3,385.50					
01/08/2010	Billing	3,832.67		447.17	3,385.50					
01/06/2010	Payment	-8,020.37		-447.17	-3,385.50					-4,187.70
12/08/2009	Balance	8,020.37		447.17	3,385.50					4,187.70
12/08/2009	Billing	8,020.37		447.17	3,385.50					4,187.70
12/07/2009	Payment	-8,102.87		-447.17	-3,385.50					-4,270.20
11/12/2009	Balance	8,102.87		447.17	3,385.50					4,270.20
11/12/2009	Billing	8,102.87		447.17	3,385.50					4,270.20
11/03/2009	Payment	-21,693.59		-447.17	-3,385.50					-17,860.92
10/08/2009	Balance	21,693.59		447.17	3,385.50					17,860.92
10/08/2009	Billing	21,693.59		447.17	3,385.50					17,860.92
09/25/2009	Payment	-21,770.15		-447.17	-3,385.50					-17,937.48

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON TRUCKFI	LSCAPE	MISC EFFLUEN
09/08/2009	Balance	21,770.15								17,937.48
09/08/2009	Billing	21,770.15		447.17	3,385.50					17,937.48
08/04/2009	Adjustment	-77,823.44	transfer to AR	447.17	3,385.50					-77,823.44
08/04/2009	Adjustment	-447.17	transfer to AR	-447.17						
08/21/2009	Payment	-28,401.83								-25,016.33
08/07/2009	Balance	106,672.44			-3,385.50					102,839.77
08/07/2009	Billing	28,401.83		447.17	3,385.50					24,569.16
08/05/2009	Payment	-12,956.51								-12,956.51
07/17/2009	Payment	-7,000.00								-7,000.00
07/10/2009	Payment	-5,000.00								-5,000.00
07/08/2009	Balance	103,227.12								103,227.12
07/08/2009	Billing	12,956.51								12,956.51
06/26/2009	Payment	-6,000.00								-6,000.00
06/12/2009	Payment	-9,000.00								-9,000.00
06/08/2009	Balance	105,270.61								105,270.61
06/08/2009	Billing	22,745.63								22,745.63
06/01/2009	Payment	-5,000.00								-5,000.00
05/11/2009	Balance	87,524.98								87,524.98
05/11/2009	Billing	18,387.65								18,387.65
04/07/2009	Balance	69,137.33								69,137.33
04/07/2009	Billing	9,478.31								9,478.31
03/09/2009	Balance	59,659.02								59,659.02
03/09/2009	Billing	4,525.01								4,525.01
02/09/2009	Balance	55,134.01								55,134.01
02/09/2009	Billing	3,832.67								3,832.67
01/09/2009	Balance	51,301.34								51,301.34
01/09/2009	Billing	3,832.67								3,832.67
01/05/2009	Payment	-35,104.79								-35,104.79
12/08/2008	Balance	82,573.46								82,573.46
12/08/2008	Billing	5,451.65								5,451.65
11/07/2008	Balance	77,121.81								77,121.81
11/07/2008	Billing	16,001.09								16,001.09
10/08/2008	Balance	61,120.72								61,120.72
10/08/2008	Billing	26,015.93								26,015.93
10/02/2008	Payment	-34,895.57								-34,895.57
09/09/2008	Balance	70,000.36								70,000.36

Customer Number: 045409 000

Reference Number: 6000109-000

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON	LSCAPE TRUCKFI	MISC EFFLUEN
09/09/2008	Billing	35,104.79								35,104.79
08/08/2008	Balance	34,895.57								34,895.57
08/08/2008	Billing	34,895.57								34,895.57
08/07/2008	Payment	-30,906.53								-30,906.53
07/16/2008	Payment	-25,124.27								-25,124.27
07/09/2008	Balance	56,030.80								56,030.80
07/09/2008	Billing	30,906.53								30,906.53
06/12/2008	Payment	-20,036.33								-20,036.33
06/09/2008	Balance	45,160.60								45,160.60
06/09/2008	Billing	25,124.27								25,124.27
05/08/2008	Balance	20,036.33								20,036.33
05/08/2008	Billing	20,036.33								20,036.33
04/25/2008	Payment	-12,189.31								-12,189.31
04/09/2008	Balance	12,189.31								12,189.31
04/09/2008	Billing	12,514.31								12,514.31
04/02/2008	Payment	-49,845.42								-49,845.42
03/10/2008	Balance	49,520.42								49,520.42
03/10/2008	Billing	3,832.67								3,832.67
02/22/2008	Payment	-10,000.00								-10,000.00
02/11/2008	Balance	55,687.75								55,687.75
02/11/2008	Billing	3,832.67								3,832.67
01/09/2008	Balance	51,855.08								51,855.08
01/09/2008	Billing	4,922.33								4,922.33
12/07/2007	Balance	46,932.75								46,932.75
12/07/2007	Billing	7,770.89								7,770.89
11/20/2007	Payment	-26,502.38								-26,502.38
11/07/2007	Balance	65,664.24								65,664.24
11/07/2007	Billing	17,507.87								17,507.87
10/09/2007	Balance	48,156.37								48,156.37
10/09/2007	Billing	21,653.99								21,653.99
09/10/2007	Balance	26,502.38								26,502.38
09/10/2007	Billing	29,907.95								29,907.95
08/29/2007	Payment	-33,493.07	000100002							-33,493.07
08/21/2007	Payment	-26,624.98	000200043							-26,624.98
08/15/2007	Payment	-24,712.90	000100078							-24,712.90
08/08/2007	Balance	81,425.38								81,425.38
08/08/2007	Billing	33,493.07								33,493.07
07/10/2007	Balance	47,932.31								47,932.31
07/10/2007	Billing	26,625.11								26,625.11
07/02/2007	Adjustment	-11,382.00	malfunctioning meter							-11,382.00
06/28/2007	Payment	-26,323.53	000100001							-26,323.53
06/11/2007	Balance	59,012.73								59,012.73

Customer Number: 045409 000

Reference Number: 6000109-000

Tran Date	Tran Type	Amount	Description	SWR EFWMET	STORM EFWCON	ADM FLOOD EFFANN	PEN	MON TRUCKFI	LSCAPE	MISC EFFLUEN
06/11/2007	Billing	23,288.81								23,288.81
05/23/2007	Payment	-6,648.23								-6,648.23
05/11/2007	Balance	42,372.15								42,372.15
05/11/2007	Billing	19,330.79								19,330.79
04/25/2007	Payment	-5,688.59								-5,688.59
04/11/2007	Balance	28,729.95								28,729.95
04/11/2007	Billing	16,393.13								16,393.13
04/11/2007	Adjustment	4,671.48	Balance Forward							4,671.48
04/11/2007	Adjustment	894.34	Balance Forward							894.34
04/11/2007	Adjustment	6,771.00	Balance Forward							6,771.00

Route Sequence Serial	600 - 0260 - 03049648	Read Date	Reading	Consumption
		12/01/2011	108,242	10,128
		11/01/2011	98,114	15,682
		10/03/2011	82,432	29,914
		09/01/2011	52,518	34,686
		08/01/2011	17,832	38,297
		07/01/2011	979,535	27,509
		06/01/2011	952,026	24,333
		05/02/2011	927,693	18,924
		04/01/2011	908,769	3,846
		03/01/2011	904,923	158
		02/04/2011	904,765	1,973
		01/03/2011	902,792	0
		12/01/2010	902,792	5,097
		11/04/2010	897,695	5,606
		10/01/2010	892,089	25,733
		09/01/2010	866,356	32,435
		08/02/2010	833,921	37,563
		07/02/2010	796,358	30,722
		06/01/2010	765,636	19,987
		05/03/2010	745,649	14,569
		04/02/2010	731,080	5,647
		03/08/2010	725,433	4,220
		02/01/2010	721,213	0
		01/04/2010	721,213	0
		12/01/2009	721,213	6,345
		11/02/2009	714,868	6,470
		10/01/2009	708,398	27,062
		09/01/2009	681,336	27,178
		08/03/2009	654,158	37,226

	Read Date	Reading	Consumption
	07/01/2009	616,932	13,824
	06/01/2009	603,108	28,656
	05/01/2009	574,452	22,053
	04/01/2009	552,399	8,554
	03/02/2009	543,845	1,049
	02/03/2009	542,796	0
	01/05/2009	542,796	0
	12/01/2008	542,796	2,453
	11/03/2008	540,343	18,437
	10/01/2008	521,906	33,611
	09/02/2008	488,295	47,382
	08/01/2008	440,913	47,065
	07/01/2008	393,848	41,021
	06/02/2008	352,827	32,260
	05/01/2008	320,567	24,551
	04/01/2008	296,016	13,154
	03/03/2008	282,862	0
	02/01/2008	282,862	0
	01/04/2008	282,862	1,651
	12/03/2007	281,211	5,967
	11/01/2007	275,244	20,721
	11/01/2007	0	-1
Adjust temp truck fill	10/01/2007	254,523	25,197
Malfunction on meter	10/01/2007	0	1,805
Malfunction on meter	09/04/2007	229,326	47,080
Malfunction on meter	09/04/2007	0	-7,572
Malfunction on meter	08/01/2007	182,246	48,112
Malfunction on meter	08/01/2007	0	-3,172
Malfunction on meter	07/02/2007	134,134	44,050
Malfunction on meter	07/02/2007	0	-9,516
Malfunction on meter	06/01/2007	90,084	43,705
Adjust temp truck fill	06/01/2007	0	-2,158
Malfunction on meter	06/01/2007	0	-12,068
Adjust temp truck fill	05/01/2007	46,379	25,928
Adjust temp truck fill	05/01/2007	0	-2,446
Adjust temp truck fill	04/03/2007	20,451	20,451
Adjust temp truck fill	04/03/2007	0	-1,420

AGREEMENT FOR THE SALE OF TREATED EFFLUENT

THIS AGREEMENT is made and entered into this 23rd day of July, 2001, 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 D'ANDREA NEVADA GOLF CLUB, LLC ("D'Andrea"), a Delaware LLC registered to do business in the State of Nevada.

RECITALS

1. WHEREAS, Sparks City Charter §2.110 permits the City to provide utilities and fix the rate for such utilities;
2. WHEREAS, NRS Chapter 277 authorizes the City to enter into cooperative and interlocal agreements for the performance of governmental functions;
3. WHEREAS, NRS 277.060, in particular, authorizes cities in counties having a population of 100,000 that are "authorized by law to acquire, operate and maintain water or sewage facilities, or both," to contract with another political subdivision of the state;
4. WHEREAS, effluent delivered to the Truckee Meadows Water Reclamation Facility (Plant) is usually treated by chemical and aeration processes and then discharged into the Truckee River via the Steamboat Canal;
5. WHEREAS, the cities of Sparks and Reno received Permit No. 29973 from the State Engineer on February 6, 1976, to appropriate 27.86 second-feet (55.24 acre-feet) per day for agricultural uses;
6. WHEREAS, in accordance with Permit No. 29973, and at its own expense, City has completed the infrastructure necessary to construct an effluent reuse distribution system to deliver treated effluent from the Plant to various public and private facilities for use as an irrigation water supply, including public rights of way and public parks within the D'Andrea master planned golf community;
7. WHEREAS, D'Andrea is in good standing in its state of formation and agrees to notify City immediately if its status in this regard changes;
8. WHEREAS, D'Andrea Community Association ("DCA") has been established pursuant to Nevada Revised Statutes (NRS) Chapter 116 to maintain and operate common area facilities within the D'Andrea master planned golf community;

9. WHEREAS, D'Andrea wants to use effluent water to irrigate the common area landscaping and the D'Andrea golf course, respectively, in lieu of relying solely on water diverted from the Truckee River via the Orr and Cinnabar Ditches;

10. WHEREAS, D'Andrea accordingly desires to purchase treated effluent from the City; and the City is willing to sell it.

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

I. SPECIFIC PROVISIONS

A. Duties of D'Andrea.

1. Construction of effluent line. Within the understanding that it is responsible for paying all of the initial construction costs, D'Andrea shall construct the extension of the effluent pipeline to service the D'Andrea golf course and other facilities from the pipeline's present location at Sparks Boulevard to the golf course and other facilities. D'Andrea shall oversize the line to the satisfaction of the City. D'Andrea shall also install the effluent water delivery system at a mutually agreed upon location at the input to the irrigation lake. Upon completion of construction and final acceptance by the City, D'Andrea shall convey all effluent pipeline improvements and appurtenances within the public right of way to the City.

2. Compliance with all laws. In addition to complying with NRS 338, D'Andrea shall conduct the work in compliance with all existing state and national laws and county and municipal ordinances limiting or controlling the work in any manner.

3. Standards of construction. All construction, inspection and materials testing shall be performed in accordance with the 1996 edition of the Standard Specifications for Public Works Construction (the "Orange Book"), including any and all addendums. All materials must be new and all work must be done and completed in a thoroughly workmanlike manner and in accordance with the plans and specifications prepared by AMEC Infrastructure for this project.

4. Inspections and corrections. At the time it posts surety for completion of the improvements, see below, D'Andrea shall also pay for the City to perform periodic inspections at a cost equal to 3% of AMEC Infrastructure's Construction Cost Estimate, provided that said estimate has been approved by the City Engineer or his designee. The City will provide inspection of the following items: (1) laying of effluent lines; (2) backfilling of effluent lines; (3) pouring concrete for curbs, gutters, sidewalks or valley gutters; (4) placing and compaction of Type II base course; (5)

placing pavement; and (6) sealing or placing surface treatment. D'Andrea or its designated Contractor shall notify the City Engineer or his designee at least forty-eight (48) hours in advance of the date and hour that work on any of the previous items is expected to begin. Any construction-related deficiencies shall be corrected prior to conveyance.

5. Surety requirements and completion. D'Andrea shall post adequate surety for completion of improvements as if the improvements were subject to Sparks Municipal Code 17.28.010. Final completion and City acceptance of all such improvements shall be subject to the approval of the City Engineer or his designee.

6. Terms of conveyance. The effluent pipeline improvements and appurtenances within the public right of way shall be conveyed to the City on a bill of sale in form and content satisfactory to the City.

7. Warranty period. Upon acceptance by the City of the effluent pipeline improvements and appurtenances within the public right of way, D'Andrea shall arrange for a one-year warranty period with its contractor beginning on the date of acceptance by the City. This arrangement shall specify that all of the improvements must be to the satisfaction of the City and that the City has the authority to demand from the contractor that any and all construction deficiencies be remedied.

B. Status of D'Andrea.

1. Notwithstanding the City's inspections and the construction of the effluent pipeline to City standards, it is the intent of the parties that D'Andrea shall be considered an independent entity and that D'Andrea, its officers, employees, agents, consultants, contractors and anyone else for whom it is legally liable, shall not be considered employees, servants or agents of the City for any purpose. Further, this Agreement shall not be construed to be a partnership or joint venture.

2. Neither D'Andrea nor any of its officers, employees, agents, consultants, contractors or anyone else for whom it is legally liable shall be eligible to participate in City's industrial insurance, unemployment, disability, medical, dental, life or other insurance programs, or any other benefit or program that is sponsored, financed or provided by City for its employees.

3. D'Andrea agrees that it shall be D'Andrea's exclusive responsibility to pay all federal, state, or local payroll, social security, disability, industrial insurance, self-employment insurance, income and other taxes and assessments related to this Agreement. D'Andrea shall, at D'Andrea's sole expense, pay and be fully liable and responsible for, and indemnify, defend and hold harmless City from any assessments, fines or penalties relating to D'Andrea's failure to uphold any of these responsibilities.

C. Insurance. At D'Andrea's sole cost and expense, D'Andrea shall procure and maintain in force throughout the term of this Agreement insurance as described below. Maintenance of the proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated as a material breach of contract.

1. Industrial insurance. As discussed above, it is understood and agreed that there shall be no Industrial Insurance coverage provided for D'Andrea or any subcontractor by City. D'Andrea agrees, as a precondition to any obligation of the City to provide City with a certificate issued by an insurer in accordance with NRS 616B.627 and with a certificate of an insurer showing coverage pursuant to NRS 617.210. Should D'Andrea be self-funded for Industrial Insurance, D'Andrea shall so notify City in writing prior to the signing of this Agreement.

2. Minimum scope of liability insurance. Coverage shall be at least as broad as:

a. Insurance Services Office Commercial General Liability Coverage "occurrence" form CG0001 01/96 or Insurance Service Office Comprehensive General Liability form GL0002 Ed 01/73 with the Broad Form Comprehensive General Liability Endorsement GLO404.

b. Professional Errors and Omissions Insurance shall be required by D'Andrea of AMEC Infrastructure and any other entity responsible for design activities under this Agreement.

3. Minimum limits of liability insurance. D'Andrea shall maintain and/or require limits no less than:

a. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be increased to equal twice the required occurrence limit or revised to apply separately to each project or location.

b. Professional Errors and Omissions: \$1,000,000 per occurrence.

4. Deductibles and self-insured retention. Any deductibles or self-insured retention must be declared to and approved by the City's Risk Management Division. City reserves the right to request additional documentation, financial or otherwise, prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retention made during the

term of this Agreement or during the term of any policy must be approved by the City Risk Manager before the change takes effect.

5. Other insurance provisions. Policies shall contain, or be endorsed to contain, the following provisions:

a. General Liability Coverage.

- i. City, its officers, officials, agents, employees and volunteers are to be included as insureds as respects damages and defense arising from: activities performed by or on behalf of D'Andrea, including the insured's general supervision of D'Andrea; products and completed operations of D'Andrea; and premises owned, occupied, or used by D'Andrea. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, agents, employees or volunteers.
 - ii. D'Andrea's insurance coverage shall be primary insurance (and shall be endorsed on D'Andrea's policy as such) as respects City, its officers, officials, agents, employees or volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees and volunteers shall be excess of D'Andrea's insurance and shall not contribute with it in any way.
 - iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officers, officials, agents, employees or volunteers.
 - iv. D'Andrea's insurance shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the insurer's liability.
- b. All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either D'Andrea or by the insurer, or reduced in coverage or in limits, except after thirty (30) days prior written notice (ten (10) days for nonpayment of premiums) has been given to City by certified mail, return receipt requested, at the address and to the individual designated below.

6. Acceptability of insurers. Insurance is to be placed with insurers with a current Best's rating of no less than A-:VII. With the approval of the Risk Manager, City may accept coverage with carriers having lower Best's ratings upon review of financial information concerning D'Andrea and proposed carrier.

7. Verification of coverage. D'Andrea shall furnish the City with original certificates and original amendatory endorsements effecting coverage required by this Agreement including, but not limited to, the certificate of compliance discussed in NRS 616B.627. All certificates and endorsements must state each insurance company's name, address and phone number and must be countersigned by a duly appointed and licensed resident agent authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the City Clerk's Office before work and sales commence. City reserves the right to require complete, certified copies of all insurance policies and endorsements, effecting the coverage required by this Agreement at any time.

8. Subcontractors. D'Andrea shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

D. Duties of City.

1. Sale of treated effluent to D'Andrea. Subject to Paragraphs K, M, N and O below, and beginning on or about April 1, 2001, or as soon thereafter as allowed by the delivery 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 450 acre-feet of treated effluent to D'Andrea on an annual basis. In the event the City has excess capacity, it agrees to sell additional effluent to D'Andrea under the same price as the 450 acre feet.

2. Time for delivery. City agrees to provide the effluent during the irrigation season beginning on or about April 1 and ending on or about October 31 of each year, unless otherwise agreed. During the remainder of the year the improvements are constructed, D'Andrea's obligations shall be prorated.

3. In order to provide effluent to D'Andrea, it is necessary to extend the effluent pipeline along Vista Boulevard. The City of Sparks' share of said extension is \$240,160.00. In order to provide effluent water to City owned parks within the D'Andrea community, the City's share of the construction of pipelines within D'Andrea is \$68,400.00. The total City of Sparks' share of the oversizing and improvements under this Agreement is \$308,560.00. Said \$308,560.00 of the City's share of improvements shall be paid as the facilities are constructed. The City shall pay its share of


the improvements and costs in monthly progress payments to the contractor constructing the improvements in the same manner as D'Andrea.

E. Meter installation.

City's duties. City shall install a meter at an appropriate location to measure instantaneous and cumulative flows to the irrigation lake and shall report such flow data to D'Andrea monthly. City shall also install meters at appropriate locations to measure instantaneous and cumulative flows to City parks and public rights of way. The total amount of effluent used to irrigate City parks and public rights of way shall be deducted from the quantity charged to D'Andrea on a monthly basis.

F. 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 and the City of Reno, the Agreement may be renewed for one additional term of five (5) years commencing at the expiration of the initial term provided that D'Andrea is not in default. All of the terms and conditions of this Agreement shall apply during the additional term.

G. Infrastructure Reimbursement, and Maintenance and Operation Fees. To compensate the City for the apportioned cost of the infrastructure necessary for the construction of the effluent line, D'Andrea agrees to pay to the City the sum of \$564,541.00 to be paid at the rate of \$3,385.50 per month until principal is paid in full. In addition thereto, D'Andrea shall pay to the City the sum of \$447.17 per month for the operation of the effluent line. Both sums are due on the 1st day of each month. If this Agreement is terminated, the City has the right to sell D'Andrea's infrastructure capacity to another water user. Exhibit A attached hereto provides spreadsheet of costs included in the calculation of the monthly charge and total infrastructure fee.

H. Purchase of Treated Effluent; Limitation against Resale; Rates. D'Andrea agrees to purchase from City a minimum of 100 acre-feet per year as long as this Agreement is in effect. D'Andrea shall not resell any effluent purchased under this Agreement except to D'Andrea Community Association (DCA) and for any difference between their actual usage and their minimum purchase obligation of 100 acre-feet per year. D'Andrea agrees to pay a usage rate of \$0.66 per 1000 gallons of treated effluent rounded up to the next 1000 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. 

I. Annual Flow Projections. D'Andrea agrees to provide City with a projection of their anticipated effluent flows on or before March 1 of each year.

J. Required Permits. D'Andrea agrees to acquire, comply with and maintain in effect any and all federal, state or local regulatory permits required for it to use treated effluent for irrigation at the golf course and common area landscaping. D'Andrea also agrees to cooperate with City in obtaining any regulatory permits that might be required of City relating to this Agreement.

K. Assumption of the Risk. D'Andrea 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. D'Andrea understands that it is receiving reclaimed water which is not intended for human consumption and further agrees that it assumes any and all risks associated with the use of the treated effluent under this Agreement. City disclaims any and all warranties, including fitness for a particular purpose and merchantability.

L. 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.

2. City's obligation to deliver treated effluent under this Agreement is subject to (a) City having the legal right to divert reclaimed water; 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 notice to D'Andrea 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.

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

1. D'Andrea fails to 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 D'Andrea is pending;

2. D'Andrea's use of the treated effluent contaminates the water supply or provides a danger to neighboring properties or residents;

3. D'Andrea's failure to pay any amount within sixty (60) days of its due date;

4. City is unable to provide or economically provide water consistent with federal, state or local laws now or hereafter existing; or

5. The parties are unable to agree on an adjusted rate as contemplated under Section I(H) above.

6. Both parties agree to submit any defaults of this Agreement to mediation prior to termination of this Agreement.

7. If the City terminates the Agreement pursuant to Section M and it is not reinstated, the unpaid obligation of D'Andrea under Paragraph I(G) shall terminate.

N. Termination by D'Andrea. D'Andrea may terminate its obligations hereunder, except it shall remain obligated to pay the unpaid balance of the Infrastructure Reimbursement Fee to the City which originally is the sum of \$564,541.00, upon thirty (30) days written notice if the parties are unable to agree on an adjusted rate as contemplated under Section I(H) above or if City does not annually deliver up to 450 acre-feet of water to D'Andrea including the 50 acre-feet of water to DCA as required by Section I(D)(1) above.

O. Sale of Golf Course. If at any time during the term of this Agreement, D'Andrea proposes to sell its golf course, D'Andrea 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 and possible assignment under this Agreement. See Paragraph II(F) below.

II. 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.

D'Andrea Nevada Golf Club, LLC, a Delaware LLC
Attn: Deborah Van Huis
780 Vista Blvd., #100A, Sparks, NV 89434
(775) 331-2100

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

B. Indemnification. D'Andrea shall indemnify and hold harmless the City, its 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 D'Andrea's use of the treated effluent provided under this Agreement. D'Andrea further agrees to defend City, its officers, officials, employees and agents from any and all suits and actions at law or in equity for damage caused, or alleged to have been caused, by reason of D'Andrea's use of the treated effluent provided under 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 to contemporaneous written or oral agreements or understanding 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 D'Andrea 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 D'Andrea's use of the treated effluent and operation of the irrigation lake and 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.

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. D'Andrea agrees that it 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.

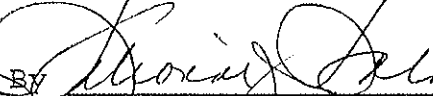
Q. Due Authorization. Each party represents that all required authorizations have been obtained to execute this grant and for the compliance with each and every term hereof. Each person signing this agreement warrants and represents to the other parties that he or she has actual authority to execute this Agreement and bind the party for whom he or she is signing.

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

CITY OF SPARKS

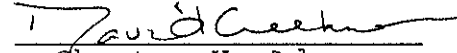
ATTEST:

By 
Tony Armstrong
Mayor

By 
Deborine J. Dolan
City Clerk



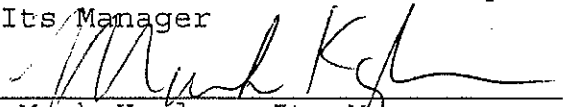
APPROVED AS TO FORM:

By 
Chester H. Adams
City Attorney

D'ANDREA NEVADA GOLF CLUB, LLC
a Delaware limited liability company

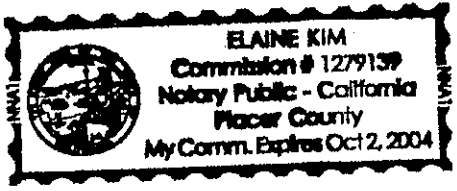
By: D'ANDREA NEVADA PROPERTIES, LLC
a Delaware limited liability company
Its Sole Member

By: JENAMAR LLC
a Nevada limited liability company
Its Manager

By 
Mark Kaplan, Its Manager

STATE OF California)
COUNTY OF Placer) ss.

This instrument was acknowledged before me on June 27, 2001, by MARK KAPLAN, the Manager of JENAMAR LLC, a Nevada limited liability company, the Manager of D'ANDREA NEVADA PROPERTIES, LLC, a Delaware limited liability company, the Sole Member of D'ANDREA NEVADA GOLF CLUB, LLC, a Delaware limited liability company.




Notary Public

51823.16

16 hours *865 gpm*

	A	B	C	D
1	SUMMARY OF PRORATED COSTS			
2				
3	D'ANDREA EFFLUENT PIPE EXTENSION	<i>13840 / 16 =</i>	<i>day water</i>	
4				
5				
6	D'ANDREA SHARE OF OF EXISTING FACILITIES	\$564,541	See Estimate of Prorated Capital for Existing Facilities spreadsheet attached.	
7				
8	CAPITAL RECOVERY, 3.75% FOR 20 YEARS PER YEAR	\$40,626	B6 amortized over 20 yr. Period at 3.75%. Matches the State loan conditions, paid for by the City to Construct the existing infrastructure.	
9				
10	YEARLY MAINTENANCE, OPERATION, ADMINISTRATION COSTS of EXISTING FACILITIES INCURRED BY THE CITY.	\$107,753		
11				
12	D'ANDREA SHARE OF MAINT. OF EXIST. FAC. <i>13840 gpm-hrs / 242000 gpm-hrs = 5.72% PER YEAR</i>	\$6,163		
13				
14	YEARLY PUMPING COSTS OF EFFLUENT TO PUBLIC PARKS W/IN D'ANDREA DEVELOPMENT BY D'ANDREA	\$798	ESTIMATED ELECTRICAL PUMPING COSTS TO PROVIDE EFFLUENT TO THE THREE PARKS ON D'ANDREA, INCURRED BY D'ANDREA.	
15				
16	BALANCE OF D'ANDREA SHARE OF YEARLY O&M COSTS	\$5,366		
17				
18	D'ANDREA TOTAL ANNUAL CAPITAL COST, 20 year return period, ANNUAL INFRASTRUCTURE BASE FEE	\$45,991	CAPITAL RECOVERY PLUS YEARLY MAINTENANCE	
19				
20	EFFLUENT USE RATE, PER 1000 GALS	\$0.66	AS ESTABLISHED BY THE CITY OF SPARKS	
21				
22	TOTAL ESTIMATED EFFLUENT USAGE BY D'ANDREA			
23	DEMAND, ac-ft. per year	450		
24	DEMAND, gals per year	146,642,562		
25				
26	TOTAL ESTIMATED EFFLUENT COST TO D'ANDREA	\$96,784		
27				
28	TOTAL ANNUAL COSTS	\$142,775		
29				

idrea Prorated Cost Summary

4/5/01

Reconciliation of D'Andrea payments

Item Description	Total Cost	D'Andrea Share	City of Sparks Share	Other Agency Share	Notes
Existing Facilities	\$7,212,049	\$564,541	\$986,460	\$5,661,048	
Paid to date		\$0	\$986,460		
Balance Existing Facilities		\$564,541	\$0		
Vista Extension	\$834,871	\$594,711	\$240,160	\$0	
D'Andrea On-site	\$68,400	\$0	\$68,400	\$0	Includes only improvements on D'Andrea property, incurred by D'Andrea, to supply COS parks.
Total	\$8,115,320	\$1,159,252	\$308,560	\$5,661,048	
Less Construction Costs funded by;		\$594,711	\$308,560		City of Sparks will pay to D'Andrea the Cities share of new improvements, totaling \$308,560, during construction.
Total Outstanding Balance upon completion of the Vista Extension project.		\$564,541	\$0		

Estimated Annual Payments to COS

Capital Financing	\$564,541 @ 3.75% for 20 yrs (annual payments)	\$40,626	Outstanding balance amortized over 20 yr. Period at 3.75%. Matches the State loan conditions, paid for by the City to Construct the existing infrastructure.
O&M Costs	Balance of D'Andrea Share of Yearly O&M Costs	\$5,366	Refer to "Summary of Prorated Costs" attached.
Annual Effluent Use Cost	450 AF/yr @ \$0.66/1,000 gal	\$96,784	Refer to "Summary of Prorated Costs" attached.
Total Annual Costs		<u>\$142,775</u>	