

SUMMARY: An ordinance initiating the merger of the South Truckee Meadows General Improvement District into the Truckee Meadows Water Authority and terminating the existence of the South Truckee Meadows General Improvement District and its Board of Trustees.

BILL NO. 1720

ORDINANCE NO. 1539

AN ORDINANCE INITIATING THE MERGER OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT INTO THE TRUCKEE MEADOWS WATER AUTHORITY AND TERMINATING THE EXISTENCE OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT AND ITS BOARD OF TRUSTEES; PROVIDING FOR AN INTERLOCAL AGREEMENT FOR MERGER BETWEEN THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT AND THE TRUCKEE MEADOWS WATER AUTHORITY; PROVIDING FOR WRITTEN NOTICE OF THE PROPOSED MERGER TO PROPERTY OWNERS WITHIN THE STMGID BOUNDARY, TOGETHER WITH THE TIME AND PLACE FOR HEARING ON THE MERGER; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the South Truckee Meadows General Improvement District ("STMGID") is a general improvement district and quasi-municipal corporation formed under Nevada Revised Statutes Chapter 318, created by the Board of Washoe County Commissioners on November 25, 1981 through Washoe County Ordinance No. 519; and

WHEREAS, pursuant to Ordinance No. 519, STMGID was established for the basic purpose of distribution, sale and delivery of municipal water services under NRS 318.144 to property owners within the boundary of the STMGID; and

WHEREAS, STMGID's powers include, but are not limited to, the power to acquire, construct, improve and extend water system facilities and improvements, and to operate, maintain and repair such water system facilities and improvements to distribute, sell and deliver municipal water service to the property owners within the boundary of the STMGID; and

WHEREAS, after considering whether to integrate Washoe County's and the Truckee Meadows Water Authority's ("TMWA") municipal water systems to better manage resources, to provide greater savings, and to better serve the residents of the Truckee Meadows Community, Washoe County and the TMWA entered into that certain Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources Utility into the Truckee Meadows Water Authority

dated January 29, 2010 ("ILA"). A copy of the ILA between Washoe County and TMWA is attached hereto and incorporated herein by reference as Exhibit "A"; and

WHEREAS, because the disposition of the STMGID is critical to integrating Washoe County's and TMWA's municipal water systems to better serve the residents of the Truckee Meadows Community, STMGID and TMWA entered into that certain Interlocal Agreement Governing The Merger Of The South Truckee Meadows General Improvement District Into The Truckee Meadows Water Authority dated December 11, 2013 ("Interlocal Agreement"), which sets forth the terms and conditions of the merger of STMGID into TMWA for the complete and orderly transfer and proper disposition of the STMGID assets, property and funds and TMWA's assumption of STMGID's powers, functions and obligations upon merger. A copy of the Interlocal Agreement between STMGID and TMWA is attached hereto and incorporated herein as Exhibit "B"; and

WHEREAS, in a duly noticed public meeting, the STMGID Board of Trustees adopted a resolution including a finding the merger of STMGID into TMWA is in the best interests of STMGID and supported Washoe County's adoption of the ordinances required under NRS Chapter 318 to facilitate the merger; and

WHEREAS, the Board of County Commissioners desires to initiate the merger of STMGID into TMWA and to provide for written notice of the public hearing on the proposed merger and termination of STMGID and its Board of Trustees, setting the date, time and place for the public hearing on the merger and termination.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHOE, STATE OF NEVADA, DO ORDAIN:

SECTION 1.

Proceedings are hereby initiated for the merger of STMGID into TMWA pursuant to the provisions of NRS 318.490 to 318.510, inclusive.

SECTION 2.

The Board of County Commissioners, pursuant to NRS 318.490, is authorized to initiate the merger of STMGID into TMWA and terminate the existence of STMGID and its Board of Trustees after notice and public hearing, provided that the Board makes certain factual findings. Based on the studies performed and data reviewed by county staff and presented at various public hearings, and the actions

approved by the STMGID Board of Trustees in support of the merger, the Board hereby finds and determines as follows:

- (a) It is in the best interests of the county and STMGID to merge STMGID into TMWA, which shall have the effect that STMGID shall cease to exist, its trustees shall be discharged from their duties as public officers, TMWA shall become the operator of the former STMGID water system, in order to better manage resources, to provide greater savings, to improve system reliability, and to better serve the residents of Washoe County.
- (b) All outstanding indebtedness and bonds of all kinds of the STMGID have been paid, will be paid prior to merger, or will be assumed or paid by TMWA; and
- (c) The water services of STMGID are no longer needed or can be more effectively performed by TMWA.

For the foregoing reasons, the Board hereby further finds that it is appropriate to proceed with and hereby adopts this initiating ordinance pursuant to NRS 318.490 to initiate the process of merging STMGID into TMWA and of terminating the existence of STMGID and its Board of Trustees.

SECTION 3.

Effective upon the Closing Date, as that date is defined and set forth in the Interlocal Agreement, STMGID, as a governmental entity and quasi-municipal corporation, along with its governing Board of Trustees, shall cease to exist and TMWA shall assume full responsibility for the STMGID water utility functions in accordance with this ordinance and the Interlocal Agreement. To the extent any section of this ordinance is in conflict with any provision of the Interlocal Agreement, the provisions of the Interlocal Agreement shall control.

SECTION 4.

Effective upon the Closing Date, as that date is defined and set forth in the Interlocal Agreement, all of the STMGID's water services, powers, functions, responsibilities and obligations conferred upon and exercised by STMGID shall thereafter be assumed and performed by TMWA.

Section 5.

Effective upon the Closing Date, as that date is defined and set forth in the Interlocal Agreement, STMGID's service area in effect prior to that Closing Date shall become combined with TMWA's service area and shall thereafter be designated as TMWA's Service Area. The description of the combined TMWA Service Area is attached hereto as Exhibit C. Exhibit C-1 contains a map showing the present boundaries of STMGID. All water customers that were previously customers of STMGID shall become TMWA customers. TMWA shall have the right to all future water revenues collected from such customers to do with as TMWA deems appropriate and necessary for TMWA's Water Utility operations.

SECTION 6.

Effective upon the Closing Date, as that date is defined and set forth in the Interlocal Agreement, all of STMGID's assets, its real and personal property, and all funds held by STMGID in its treasury shall be transferred to, disposed of, and used by TMWA to do all things necessary and appropriate for the prudent operation of the TMWA Water Utility System, unless the treatment and disposition of such STMGID assets, property and funds are more specifically addressed in the Interlocal Agreement, which is attached hereto and incorporated herein by reference as Exhibit "B".

SECTION 7.

Effective upon the Closing Date, as that date is defined and set forth in the Interlocal Agreement, STMGID shall be merged into TMWA and thereafter shall operate as a single water utility system. Upon that Closing Date, all STMGID Ordinances, including its Schedule of Rates as adopted by its Board of Trustees, shall be hereby repealed. Water customers of the combined service areas shall be subject to the rates and conditions of service under TMWA's Rules of Service, as amended, unless rates and conditions of service for STMGID water customers are more specifically addressed in the Interlocal Agreement, attached hereto and incorporated herein by reference as Exhibit "B".

SECTION 8.

That upon the adoption of this ordinance, the Board of Commissioners of Washoe County hereby directs the County Clerk of Washoe County in accordance with NRS 318.490:

1. To certify a copy of this ordinance to the Board of Trustees of STMGID;

2. To mail written notice to all property owners within the boundary of STMGID. Said notice shall contain the following information:

- (a) That this ordinance may be adopted on the 22nd day of July, 2014;
- (b) The determination by the Board of County Commissioners of Washoe County that STMGID should be merged into TMWA and STMGID and its Board of Trustees shall cease to exist upon such merger; and
- (c) The fact that on the 22nd day of July, 2014, the Board of Commissioners of Washoe County shall hold a public hearing at the hour of 6:00 p.m. on the proposed initiating ordinance to merge STMGID into TMWA and to terminate the existence of STMGID and its Board of Trustees upon such merger;
- (d) Further, that on or before the 23rd day of September, 2014, persons who own property which is located within STMGID boundaries may protest against the merger of STMGID into TMWA. Such protest must be in writing and filed with the County Clerk of Washoe County, at Washoe County Complex, 9th Street, Reno, Nevada; or if mailed, addressed to the Washoe County Clerk, P.O. Box 11130, Reno, Nevada 89520.

SECTION 9.

In the event the public hearings presented on the proposed merger of STMGID produce substantial evidence that the merger of STMGID into TMWA are not in the best interests of the property owners of STMGID and the public, the Board reserves the right to repeal this ordinance and continue STMGID's existence, as governed by its Board of Trustees, for the established purpose of distribution, sale and delivery of municipal water services to property owners within the boundary of STMGID.

SECTION 10.

(a) All actions, proceedings, matters and things heretofore taken, had and done by the County and its officers not inconsistent with the provisions of this Ordinance are ratified and approved.

(b) The officers of the County are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance, including without limitation the generality of the foregoing, the preparation of all necessary documents, legal proceedings and other items necessary or desirable for the merger of STMGID into TMWA. The County Clerk is authorized to make non-substantive edits and corrections to this Ordinance.

(c) All ordinances, resolutions, bylaws and orders, or parts thereof, in conflict with the provisions of this ordinance are hereby repealed, as of the Effective Date of the merger as defined in the Interlocal Agreement, to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw or order, or part thereof, heretofore repealed.

(d) This ordinance shall be in effect from and after its publication as hereinafter provided, and after this ordinance is signed by the Chairman of the Board and attested and sealed by the County Clerk, this ordinance shall be published by title only, together with the names of the Commissioners voting for or against and with a statement that typewritten copies of said ordinance are available for inspection by all interested parties at the office of the County Clerk, such publication to be made in the Reno Gazette Journal, a newspaper published and having general circulation in the County, at least once a week for a period of two weeks by two insertions as required by NRS 244.100 and any other enabling laws.

(e) Each term and provision of this ordinance shall be valid and shall be enforced to the extent permitted by law. If any term or provision of this ordinance or the application thereof shall be deemed by a court of competent jurisdiction to be in violation of law or public policy, then it shall be deemed modified, ipso facto, to bring it within the limits of validity or enforceability, but if it cannot be so modified, then it shall be excised from this ordinance. In any event, the remainder of this ordinance, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected.

[Business Impact Note: The Board of County Commissioners hereby finds that this ordinance does not impose a direct and significant economic burden upon a business, nor does it directly restrict the formation, operation or expansion of a business.]

AN ORDINANCE INITIATING THE MERGER OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT INTO THE TRUCKEE MEADOWS WATER AUTHORITY AND TERMINATING THE EXISTENCE OF THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT AND ITS BOARD OF TRUSTEES; PROVIDING FOR AN INTERLOCAL AGREEMENT FOR MERGER BETWEEN THE SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT AND THE TRUCKEE MEADOWS WATER AUTHORITY; PROVIDING FOR WRITTEN NOTICE OF THE PROPOSED MERGER TO PROPERTY OWNERS WITHIN THE STMGID BOUNDARY, TOGETHER WITH THE TIME AND PLACE FOR HEARING ON THE MERGER; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

Passage and Effective Date

This ordinance was proposed on 7-8-14 by Commissioner Humke.

This ordinance was passed on 7-22-14.

Those voting "aye" were Humke, Weber, Jung, Benkighen & Hartung

Those voting "nay" were none.

Those absent were none.

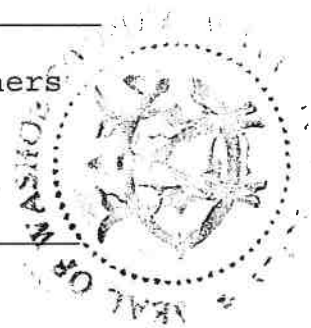
Those abstaining were none.

This ordinance shall be in force and effect immediately upon the date of the second publication of such ordinance as required by NRS 244.100.

David Humke
David Humke, Chairman
Board of County Commissioners
Washoe County, Nevada

ATTEST:

Nancy L. Parent
Nancy Parent
County Clerk



This ordinance shall be in force and effect from and after the 1st day of August, 2014.

RESOLUTION NO. 09-1316

**A RESOLUTION APPROVING THE INTERLOCAL AGREEMENT
GOVERNING THE MERGER OF THE WASHOE COUNTY DEPARTMENT
OF WATER RESOURCES' WATER UTILITY INTO THE TRUCKEE
MEADOWS WATER AUTHORITY AND PROVIDING FOR OTHER
MATTERS PROPERLY RELATED THERETO.**

* * * * *

WHEREAS, The Truckee Meadows Water Authority (TMWA) and Washoe County are both engaged in the distribution, sale and delivery of water service to residents within their respective service areas of the Truckee Meadows Community; and

WHEREAS, At the recommendation of the Western Regional Water Commission, the respective governing boards of TMWA and Washoe County have requested that studies be conducted to determine whether merger of Washoe County's Department of Water Resources (DWR) Water Utility into TMWA could advance the establishment of an integrated water resources management system and have significant benefits for the community, including but not limited to long term savings, more efficient resource use, better stewardship of water resources, more efficient use of facilities and facility planning, expanding the benefits of drought storage to all Truckee Meadows customers, and more predictable and efficient customer services benefits for the Truckee Meadows Community; and

WHEREAS, After due consideration of all appropriate factors, the Washoe County Board of County Commissioners and the TMWA Board of Directors have determined a cooperative agreement governing merger of the DWR Water Utility into TMWA is in the best interests of the their respective customers and the Truckee Meadows Community; and

WHEREAS, NRS 277.045 provides that two or more political subdivisions may enter into cooperative agreements for the performance of any governmental function; and

WHEREAS, NRS 277.045 further provides that every such cooperative agreement must be adopted by formal resolution or ordinance of the governing body of each political subdivision included, and must be attached hereto as an exhibit; and

WHEREAS, The Washoe County Board of County Commissioners desires to approve and execute the Interlocal Agreement governing merger of the DWR Water utility into TMWA; now, therefore, be it

09-1514

RESOLVED, By the County of Washoe, that:

SECTION 1. A true and correct copy of the Interlocal Agreement governing merger of the DWR Water utility into TMWA is attached in full hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Interlocal Agreement is hereby approved, and Washoe County staff are authorized and directed to perform any term, condition, duty or obligation necessary to effectuate the Interlocal Agreement.

SECTION 3. All actions previously taken by Washoe County and its officers and employees to carry out the purposes of this Interlocal Agreement and Resolution are hereby approved and ratified.

SECTION 4. This Resolution shall be effective upon passage and adoption.

Upon motion by Commission member Larkin seconded by Commission member Breternitz the foregoing Resolution was passed and adopted this 9th day of December, 2009, by the following vote:

ADOPTED this 9th day of December, 2009 by the following vote:

AYES: Humke, Weber, Larkin, Jung, Breternitz.

NAYS: None

ABSENT: None

ABSTAIN: None

David Humke

David Humke, Chairman
Washoe County Commission

2101-110

STATE OF Nevada)
COUNTY OF Washoe) ss:

On this 8th day of January, 2010 before me a Notary Public in and for the County of Washoe, State of Nevada, personally appeared DAVID HUMKE known to me to be the person(s) described herein and who executed the foregoing instrument and who acknowledged to me that he executed the same freely and voluntarily on behalf of Washoe County, for the uses and purposes therein mentioned.

Rita Lencioni

Notary Public



TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 151

**A RESOLUTION APPROVING THE INTERLOCAL AGREEMENT
GOVERNING THE MERGER OF THE WASHOE COUNTY DEPARTMENT
OF WATER RESOURCES WATER UTILITY INTO THE TRUCKEE
MEADOWS WATER AUTHORITY AND PROVIDING FOR OTHER
MATTERS PROPERLY RELATED THERETO.**

WHEREAS, the Truckee Meadows Water Authority (TMWA) and Washoe County are both engaged in the distribution, sale and delivery of water service to residents within their respective service areas of the Truckee Meadows Community; and

WHEREAS, at the recommendation of the Western Regional Water Commission, the respective governing boards of TMWA and Washoe County have requested that studies be conducted to determine whether merger of Washoe County's Department of Water Resources (DWR) Water Utility into TMWA could advance the establishment of an integrated water resources management system and have significant benefits for the community, including but not limited to long term savings, more efficient resource use, better stewardship of water resources, more efficient use of facilities and facility planning, expanding the benefits of drought storage to all Truckee Meadows customers, and more predictable and efficient customer services benefits for the Truckee Meadows Community; and

WHEREAS, after due consideration of all appropriate factors, the Washoe County Board of County Commissioners and the TMWA Board of Directors have determined a cooperative agreement governing merger of the DWR Water Utility into TMWA is in the best interests of the their respective customers and the Truckee Meadows Community; and

WHEREAS, NRS 277.045 provides that two or more political subdivisions may enter into cooperative agreements for the performance of any governmental function; and

WHEREAS, NRS 277.045 further provides that every such cooperative agreement must be adopted by formal resolution or ordinance of the governing body of each political subdivision included, and must be attached hereto as an exhibit; and

TRUCKEE MEADOWS WATER AUTHORITY
RESOLUTION NO. 151 (continued)

WHEREAS, the Washoe County Board of County Commissioners desires to approve and execute the Interlocal Agreement governing merger of the DWR Water utility into TMWA; and

NOW, THEREFORE, BE IT RESOLVED by TMWA, that:

SECTION 1. A true and correct copy of the Interlocal Agreement governing merger of the DWR Water utility into TMWA is attached in full hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Interlocal Agreement is hereby approved, and TMWA staff are authorized and directed to perform any term, condition, duty or obligation necessary to effectuate the Interlocal Agreement.

SECTION 3. All actions previously taken by TMWA and its officers and employees to carry out the purposes of this Interlocal Agreement and Resolution are hereby approved and ratified.

SECTION 4. This Resolution shall be effective upon passage and adoption.


Upon motion by Board member Robert Larkin, seconded by Board member Geno Martini, the foregoing Resolution was passed and adopted this 9th day of December, 2009, by the following vote:

AYES: Dave Aiazzi, Mike Carrigan, Mike Cate, Robert Larkin, Geno Martini and Tom Young

NAYS: None

ABSENT: Robert Cashell

ABSTAIN: None



Mike Carrigan, Chairman
Truckee Meadows Water Authority

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TRUCKEE MEADOWS WATER AUTHORITY
RESOLUTION NO. 151 (continued)

STATE OF NEVADA,)
 : ss.
COUNTY OF WASHOE.)

On this 16th day of December, 2009, Mike Carrigan, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.



Corinne Casell

Notary Public

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INTERLOCAL AGREEMENT
GOVERNING THE MERGER OF THE WASHOE COUNTY DEPARTMENT OF
WATER RESOURCES WATER UTILITY INTO THE TRUCKEE MEADOWS
WATER AUTHORITY

DATED

1-29-2010

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**INTERLOCAL AGREEMENT
GOVERNING THE MERGER OF THE WASHOE COUNTY DEPARTMENT OF
WATER RESOURCES WATER UTILITY
INTO THE TRUCKEE MEADOWS WATER AUTHORITY**

This Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources Water Utility into the Truckee Meadows Water Authority, is between WASHOE COUNTY, NEVADA, a political subdivision of the State of Nevada ("County" or "Washoe County"), and TRUCKEE MEADOWS WATER AUTHORITY ("TMWA"), a Joint Powers Authority entity created pursuant to a cooperative agreement among the cities of Reno, Nevada, Sparks, Nevada and Washoe County, Nevada, pursuant to N.R.S. Chapter 277, each a "Party" and collectively "Parties."

RECITALS

A. Pursuant to direction by their respective governing boards, and in furtherance of directives in the Western Regional Water Commission Act, TMWA and Washoe County Department of Water Resources ("DWR") have undertaken studies to determine whether some form of consolidation of their water services functions would be feasible and if so, whether such consolidation would create net benefits for the Truckee Meadows community;

B. These studies demonstrated that merging the DWR Water Utility into TMWA by defeasing and or restructuring DWR debt would be financially feasible within a reasonable time-frame, but that the converse (defeasing TMWA's debt) would not be a financially desirable alternative;

C. The Western Regional Water Commission has reviewed the results of studies presented by staffs of TMWA and DWR at its meeting held August 14, 2009, and agreed to recommend to the governing boards of TMWA and DWR that merger of the DWR Water Utility into TMWA be pursued;

D. TMWA and DWR have determined that merger of the DWR Water Utility into TMWA can have significant benefits for the community to advance the establishment of an integrated water resources management system, including but not limited to long term savings, more efficient resource use, better stewardship of water resources, more efficient use of facilities and facility planning, expanding the benefits of drought storage to all Truckee Meadows customers, and more predictable and efficient customer services;

E. TMWA and DWR have determined that if appropriately implemented, merger of the DWR Water Utility into TMWA can be achieved within the framework of the rate structures previously planned by the separate agencies and presented to the respective

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governing boards, and that merger will have little near-term rate consequences and will have long-term rate benefits for the customers of both entities;

F. After considering all appropriate factors, the Washoe County Board of County Commissioners ("County Board") and the TMWA Board of Directors have determined that merging the DWR Water Utility into TMWA, subject to the terms and conditions of this Agreement, is in the best interests of their respective customers and the community:

NOW THEREFORE, in consideration of the premises and covenants and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

Addendum shall have the meaning set forth in Section 5.2

Assumed Liabilities shall have the meaning set forth in Section 5.6

Closing Date shall mean the date no later than one year following the date upon which all material transactions, documents, obligations, and Necessary Conditions have been completed, assumed or fully satisfied and made effective, including, without limitation, obtaining all consents, authorizations, permits, licenses, certificates and approvals required under this Agreement, and the Water Utility and Transferred Assets are conveyed and transferred to TMWA, as specifically determined in the Closing Memorandum.

Closing Memorandum shall mean an agreement prepared by the Parties at such time as the Necessary Conditions set forth in Article III will be achieved within a predictable period, setting forth the remaining actions and forms of documents necessary to effect the full legal merger of the Water Utility into TMWA, as more fully defined in Section 7.12.

DWR Water Utility (or Water Utility) shall mean the elements of the Washoe County Department of Water Resources that provide for the delivery of potable water to retail and wholesale services in the Washoe County Service Area

Effective Date shall mean the date this Agreement is approved by the Attorney General of the State of Nevada.

Environmental Claims means any and all administrative, regulatory or judicial actions, suits, demand, demand letters, claims, liens, proceedings or notices of non-compliance or violation by any person or entity (including any governmental authority) alleging potential liability, including liability for enforcement, indemnification, cost

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recovery, cleanup costs, injunctive relief, removal costs, natural resource damages, property damages, personal injury, or penalties, arising out of, based upon, or resulting from a) the presence, or Release or threatened Release into the environment, of any Hazardous Materials relating to ownership or operation of the Transferred Assets; or b) of any violation of any Environmental Law related to the ownership or operation of the Transferred Assets; or c) any and all claims by any third party resulting from the presence or Release of any Hazardous Materials related to the Transferred Assets.

Environmental Laws shall mean any currently applicable federal, state, or local laws, statutes, regulations, codes, or ordinances relating to, or imposing standards regarding, pollutants or the protection of human health or the environment, including, without limitation, laws and regulations relating to Release or threatened Releases of Hazardous Materials, or otherwise relating to the treatment, storage, or disposal of Hazardous Materials.

Excluded Assets shall have the meaning set forth in Section 5.4

Excluded Liabilities shall have the meaning set forth in Section 5.7

Excluded Water Utility Water Resources shall mean the water rights other than Water Utility Water Resources which are owned by Washoe County and are assets of the County for use by Departments other than the Department of Water Resources.

Financial Obligations shall mean the Washoe County Obligations and the TMWA Obligations

Hazardous Materials means any hazardous or toxic substance, material, or waste defined, listed, or classified as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous material," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants" or "pollutants" or words of similar meaning and regulatory effect by any Environmental Laws.

Material Condition shall mean condition(s) the occurrence or existence of which would be a significant impediment to successful legal or financial Merger or that would impact the future financial integrity of TMWA post-Merger.

Merger shall mean the full legal integration of the Water Utility into TMWA through the transfer of assets and assumption of liabilities as provided herein, such that TMWA is the surviving water purveyor, as further described in Section 2.4.

Necessary Conditions shall have the meaning set forth in Section 3.1

Operating Agreement shall have the meaning set forth in Section 7.5

Real Property shall mean all existing right, title, privileges, and interest to real property held in fee simple, or as easements, licenses, prescriptive rights, right-of-ways,

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and rights to use public and private roads, highways, streets owned or used by Washoe County in connection with the construction, installation, expansion or necessary to operate and maintain all Transferred Assets or the Water Utility.

Release shall be defined as that term is defined in 42 USC § 9601(22).

Truckee Meadows Water Authority ("TMWA") shall mean the separate legal entity established by the TMWA JPA pursuant to Chapter 277 of the Nevada Revised Statutes.

TMWA Obligations has the meaning specified in Section 4.1.2 hereof. A list of presently outstanding TMWA Obligations, including a payment schedule therefor, as of June 30, 2009, is presented in TMWA's 2009 Comprehensive Annual Financial Report.

TMWA Joint Powers Agreement (or TMWA JPA) shall mean the "Truckee Meadows Water Authority Cooperative Agreement among the City of Reno, City of Sparks, County of Washoe" effective December 4, 2000, as amended in 2005, and together with any subsequent amendment thereto, pursuant to which the parties to that agreement formed TMWA as a Joint Powers Authority under chapter 277 of the Nevada Revised Statutes.

Transferred Assets shall have the meaning set forth in Section 5.3.

Water Utility Water Resources shall mean the water rights set forth on Schedule 5.3(c) which represent all of Washoe County's: 1) owned and dedicated water rights which are committed to support existing and future potable/domestic water service(s) to municipal and industrial customers within Washoe County's service area; and 2) banked water rights held in trust for third parties.

Washoe County Borrowing Documents has the meaning set forth in Section 4.1.1 hereof.

Washoe County Obligations has the meaning specified in Section 4.1.1 hereof. A list of presently outstanding Washoe County Obligations and a payment schedule therefor, as of June 30, 2009, is presented in Washoe County's 2009 Comprehensive Annual Financial Report.

Washoe County Intrafund Loans shall mean outstanding loans made among the water, sewer, reclaimed water and stormwater divisions of the DWR Enterprise Fund.

Water Utility Water Facilities shall mean all water treatment plants, wells, supply, storage, transmission and distribution pipes and facilities, pumps, tanks, trade fixtures, leasehold improvements, generators, valves, meters, service connections and all other physical facilities, improvements and installations primarily used in conjunction with, or necessary to operate the Water Utility, together with any assignment of existing and assignable third-party warranties and representations that relate to completed or

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ongoing construction, reconstruction, upgrading, installation, expansion and repair of the Water Utility.

Water Utility Water Revenues (or Water Revenues) shall mean all income and revenues received or accrued under generally accepted accounting principles derived directly or indirectly by Washoe County from the sale of water or from other services provided by, or from the operation and use of and otherwise pertaining to the Water Utility, including without limitation, all rates, fees, and other charges or payments for the use of the Water Utility, but excluding any moneys borrowed and used for the acquisition of capital improvements. Water Revenues will also include all income or other realized gains from the investment of such income and any sums withdrawn from a rate stabilization account.

ARTICLE II. AUTHORITY, PURPOSE AND INTENT, COVENANT TO COOPERATE

2.1 Authority. Chapter 277 of the Nevada Revised Statutes provides general and specific authority for the actions contemplated herein, including but not limited to the following: NRS 277.060 allows governmental entities authorized to acquire, operate, and maintain water facilities to contract with one another to perform such services. NRS 277.045 allows political subdivisions of the State to enter into cooperative agreements for the performance of governmental functions. NRS 277.103 provides for the merger of governmental services. NRS 277.170 provides that a public agency may support an agreement made pursuant to NRS 277.080-170 by selling, leasing, giving, or otherwise supplying property. NRS 277.180 provides generally for interlocal agreements.

2.2 Purpose and Intent. The purpose of this Agreement is to integrate and merge in a strategically phased manner the Water Utility into TMWA, with the surviving water purveyor to be TMWA, which merger will be fully effective upon satisfaction of the material conditions stated herein and in the Closing Memorandum, with the ultimate goal of achieving the benefits of improved customer service, water resources management, system reliability, and cost reductions and future cost avoidance through merger. The Parties agree that a further goal of this Agreement is to permit the County to permanently withdraw from the business of being a potable water purveyor such that the County will not be required in the future to re-establish a water utility to provide service to customers of any failed systems. The Parties acknowledge and agree that TMWA will assess the impacts to each Party's customer groups of all assumed liabilities and if required will create differential rates by using surcharges, for example, to ensure that assumed liabilities that benefit one group of rate payers more than another are appropriately allocated to those rate payers using principles of fairness and cost of service rate-making.

2.3 Condition of Assets. The Parties acknowledge and agree that the Transferred Assets will be transferred at full merger by Washoe County for no financial consideration and that such assets will be transferred "as-is, where is," with the exception of any Excluded Liabilities, as defined herein. Consequently, TMWA acknowledges and

agrees that Washoe County makes no representation or warranty, express or implied, with respect to the Transferred Assets except as expressly set forth in this Agreement, the Addendum, or the Closing Memorandum.

2.4 Merger of Systems. Effective upon the Closing Date, Washoe County shall transfer the Transferred Assets to TMWA pursuant to the procedures set forth in the Closing Memorandum, and TWMA shall from that time forward assume full responsibility for the Water Utility functions, including all Assumed Liabilities, and shall have full authority to do all things necessary to conduct such operations, limited only by the conditions set forth in the TMWA JPA. Effective on the Closing Date, the DWR Water Utility will be fully merged into TMWA, all water customers of DWR shall become TMWA customers, TMWA shall have the right to all Water Revenues from such customers, and the retail service area of DWR shall be combined into TMWA's service area. Effective upon the Closing Date, all legally delegable governmental functions previously performed by the Washoe County Board in connection with the Water Utility or by the Water Utility shall be delegated to TMWA, by operation of this Agreement. Notwithstanding the foregoing, in the event a function cannot be delegated to TMWA without modification of existing laws or ordinances, TWMA and Washoe County agree to cooperate in effecting modifications of applicable laws or ordinances to allow delegation of such function to TMWA, and pending such modification, Washoe County shall remain responsible for the performance of such functions.

2.5 Covenant to Satisfy Conditions. The Parties agree to use best efforts to do all things necessary, proper and advisable under applicable laws, regulations, and pre-existing covenants and contracts, to consummate and make effective the agreements, covenants and transactions contemplated by this Agreement, including without limitation the Addendum, any Operating Agreement, and the Closing Memorandum. In connection therewith, the Parties agree that, during the due diligence process leading up to full merger, the Parties, as applicable, shall provide full disclosure regarding the Transferred Assets, the terms and conditions of contracts, agreements and contingent obligations, existing and future commitments, and liabilities of both Parties for the purpose of appropriately allocating risks to the Parties during the various phases of the merger process, as further set forth in Article V and VI.

ARTICLE III. CONDITIONS NECESSARY FOR CONSUMMATION OF MERGER

3.1 Necessary Conditions. The respective obligations of each party to effect full legal and financial Merger shall be subject to the satisfaction of the following conditions on or prior to the Closing Date, except, to the extent permitted by pre-existing covenants, contracts and obligations of the parties, that such conditions may be waived or extended in writing in accordance with Section 10.5 of this Agreement. The Parties acknowledge that certain conditions and legal restrictions prevent the Merger contemplated by this Agreement as of the Effective Date of this Agreement, and that the Parties will need to cooperate and use best efforts to create the legal and financial

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environment necessary for Merger. Necessary conditions for the Merger (the "Necessary Conditions") are:

3.1.1 Modification of the TMWA JPA. Modification of the TMWA JPA to include at a minimum, amendment of governance structure to provide appropriate additional representation of Washoe County on the TMWA Board of Directors. The Parties acknowledge that amendment of the TMWA JPA can only be accomplished by the consent of Reno, Sparks, and Washoe County, with the approval of the Attorney General of Nevada. The Parties agree to cooperate to encourage the parties to the TMWA JPA to adopt appropriate amendments to facilitate the implementation of this Agreement.

3.1.2 Defeasance of, or removal of legal restrictions contained in, outstanding TMWA and DWR Obligations:

- A. Conditions relating to TMWA Obligations: Each of TMWA Borrowing Documents related to a TMWA Obligation which has not been retired or defeased as of the Closing Date either (i) has been amended in a manner such that the consummation of the Merger on the terms contemplated by this Agreement will not violate Section 3.1.3 hereof, or (ii) allows the Merger on the terms contemplated by this Agreement to occur without violating Section 3.1.3 hereof.
- B. Conditions relating to Washoe County Obligations: Each of Washoe County Borrowing Documents related to a Washoe County Obligation which has not been retired or defeased as of the Closing Date either (i) has been amended in a manner such that the consummation of the Merger on the terms contemplated by this Agreement will not violate Section 3.1.3 hereof, or (ii) allows the Merger on the terms contemplated by this Agreement to occur without violating Section 3.1.3 hereof.

3.1.3 Non-contravention of Bond Covenants. The consummation of the Merger on the Closing Date will not:

- (a) result in a violation of any of the covenants made in the TMWA Borrowing Documents pertaining to any then outstanding TMWA Obligations;
- (b) result in a breach of any provision of, or constitute a default (or an event that would with notice or lapse of time, or both, constitute a default) under, the TMWA Borrowing Documents pertaining to any then outstanding TMWA Obligations;
- (c) result in a violation of any of the covenants made in the Washoe Borrowing Documents pertaining to any then outstanding Washoe Obligations; or

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(d) result in a breach of any provision of, or constitute a default (or an event that would with notice or lapse of time, or both, constitute a default) under, the Washoe County Borrowing Documents pertaining to any then outstanding Washoe County Obligations.

3.1.4 Protection of Access to Capital. Conditions are achieved that protect TMWA's access to future capital requirements in a cost effective manner.

3.1.5 Satisfaction of Washoe County Intrafund Loans. All Washoe County Intrafund Loans have been retired, or have been legally assumed by (or legally replaced by obligations of) TMWA on terms satisfactory to the County and TMWA.

3.1.6 Other Obligations. No amounts are due from the DWR Enterprise Fund to the Washoe County General Fund or other non-Water Utility funds of the County.

ARTICLE IV. FINANCIAL POLICIES

4.1 Non-Contravention of Covenants for Bonds and other Contractual Obligations for Borrowed Money.

4.1.1 Washoe County Financial Obligations. Washoe County has issued bonds ("Washoe County Bonds") and other instruments to repay borrowed money ("Other Washoe Borrowing") which are secured, in whole or in part, by the revenues of Washoe County's water and sewer utility systems, including the DWR Water System (collectively, Washoe Bonds and Other Washoe Borrowing are "Washoe County Obligations"). Washoe County has made covenants to the owners of the Washoe County Obligations in the ordinances authorizing the Washoe Bonds, in the Washoe Bonds themselves, and in other written agreements pertaining to the Washoe County Obligations (collectively, "Washoe Borrowing Documents"). During the term of the Washoe County Obligations, Washoe County and TMWA hereby covenant and agree that this Agreement will not be applied or interpreted in a manner that causes a violation of any of the covenants made in the Washoe County Borrowing Documents or that would result in a breach of any provision of, or constitute a default (or an event that would with notice or lapse of time, or both, constitute a default) under, the Washoe County Borrowing Documents. The provisions of the Washoe County Borrowing Documents shall apply rather than the provisions of this Agreement in any situation in which application of the provisions of this Agreement would violate any of the covenants made in the Washoe County Borrowing Documents or would result in a breach of any provision of, or constitute a default (or an event that would with notice or lapse of time, or both, constitute a default) under the Washoe County Borrowing Documents. The provisions of this subsection 4.1.1. shall remain in force until such time as the outstanding Washoe Obligations are defeased, restructured, amended, or fully paid and retired in accordance with their

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terms and all covenants of the Washoe County Borrowing Documents are fully satisfied.

4.1.2 *TMWA Financial Obligations.* TMWA has issued bonds ("TMWA Bonds") and other instruments to repay borrowed money ("Other TMWA Borrowing") which are secured, in whole or in part, by the revenues of TMWA's water system (collectively, TMWA Bonds and Other TMWA Borrowing are "TMWA Obligations"). TMWA has made covenants to the owners of the TMWA Obligations in the resolutions authorizing the TMWA Bonds, in the TMWA Bonds themselves, and in other written agreements pertaining to the TMWA Obligations (collectively, "TMWA Borrowing Documents"). During the term of the TMWA Obligations, Washoe County and TMWA hereby covenant and agree that this Agreement will not be applied or interpreted in a manner that causes a violation of any of the covenants made in the TMWA Borrowing Documents or that would result in a breach of any provision of, or constitute a default (or an event that would with notice or lapse of time, or both, constitute a default) under the TMWA Borrowing Documents. The provisions of the TMWA Borrowing Documents shall apply rather than the provisions of this Agreement in any situation in which application of the provisions of this Agreement would violate any of the covenants made in the TMWA Borrowing Documents or would result in a breach of any provision of, or constitute a default (or an event that would with notice or lapse of time, or both, constitute a default) under, the TMWA Borrowing Documents. The provisions of this subsection 4.1.2. shall remain in force until such time as the outstanding TMWA Obligations are defeased or fully paid and retired in accordance with their terms and all covenants of the TMWA Borrowing Documents are fully satisfied.

4.1.3 *TMWA and Washoe Obligations.* The County and TMWA shall make commercially reasonable efforts to defease, retire, or amend all Washoe Obligations and TMWA Obligations as provided in Section 3.1.2 hereof so the conditions set forth in Section 3.1.3 can be met. In furtherance of this provision of this Section:

- A. The County and TMWA shall endeavor to defease or retire the \$65 million County Water and Sewer Bond issued December 21, 2005, subject to market conditions. The parties agree that they shall use commercially reasonable efforts to do so by a mutually agreeable date and at a mutually agreeable cost. It is recognized that such defeasance or retirement of the County Bonds described in this section may be achieved in whole or in part by the issuance of bonds by the County, TMWA or both on or before the Closing date.
- B. In the case of the \$4,600,000 County Storm Sewer Bond issued on November 1, 2006, the County and TMWA will attempt to negotiate with the owner of that Bond to amend the Bond so it

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does not encumber, and is not secured, in whole or in part, by the revenues of the County's water system. If this effort is not successful, the parties shall endeavor to defease or retire the Bond subject to market conditions. The parties agree that they shall use commercially reasonable efforts to do so by a mutually agreeable date and at a mutually agreeable cost. It is recognized that such defeasance or retirement of the County Bond described in this section may be achieved in whole or in part by the issuance of bonds by the County, TMWA or both on or before the Closing date.

- C. In the case of County Obligations held by the State Treasurer, or any other agency of the State of Nevada, the County shall endeavor to amend the County Borrowing Documents evidencing those obligations (i) to separate them into "water" obligations, to which DWR's Water Revenues are pledged and "other obligations", to which DWR's Water Revenues are not pledged, and (ii) to allow the assignment and assumption of the water obligations by Washoe to TMWA, or the defeasance and retirement of those water obligations, whichever the parties agree is the most advantageous approach, it being recognized that different approaches may be used for different County Obligations. If it is determined to defease or retire all or some of those Obligations, such defeasance or retirement may be achieved in whole or in part by the issuance of bonds by TMWA on or about the Closing date.
- D. To the extent of any other applicable debt or debt holder consent or amendment rights, County and TMWA shall endeavor to satisfy same.

4.1.4 County Intrafund Loans. The County will develop a plan to meet the condition in 3.1.5, with a goal that that condition will be fully satisfied by a mutually agreeable date.

4.1.5 County Medium Term Bonds. The County and TMWA will, by a mutually agreeable date, develop a plan to retire or defease the County's Series December 1, 2001 Medium Term Bonds that are presently being repaid with Water Revenues, or a plan for TMWA to assume responsibility for paying to the County monies in a sufficient amount to timely pay those Medium Term Bonds with a goal that that those Bonds will be retired or defeased, or a satisfactory agreement made by the parties hereto for TMWA to provide the County with funds sufficient to pay the interest on and retire those obligations on their stated due dates between the date hereof and the final maturity date of November 1, 2011.

4.1.6 **Bond Bank.** Washoe County will establish the “Washoe County Bond Bank” to facilitate issuance of future debt and the Parties shall cooperate to encourage the amendment of Nevada law to allow for the refunding, or defeasance, or both of debt obligations through the bond bank that were not originally issued through the bond bank.

4.1.7. **Appropriate Allocation of DWR Revenues.** Washoe County will ensure that revenues are appropriately allocated among sewer, water, reclaim and remediation services to ensure Water Revenues are used solely to support the cost of water service.

4.1.8 **New Debt and Joint Financial Planning.** The Parties agree that their respective financial managers will consult with each other prior to incurring additional debt and will cooperate in financial planning.

4.1.9 **Maintenance of Facilities.** Subject to the allocation of responsibilities to be set forth in the Operating Agreement, the Parties covenant to maintain their respective water systems in good repair to effectively plan, operate and maintain the water system and provide dependable, reliable service to customers on a consistent basis in conformance with industry standards and practices.

ARTICLE V. DUE DILIGENCE, TRANSFERRED ASSETS AND ASSUMED LIABILITIES

5.1 **Due Diligence Process.** As soon as reasonably practicable after the Effective Date of this Agreement, the Parties shall create and implement a due diligence process under the direction of TMWA’s General Manager or individuals designated by him and the Director of DWR or individuals designated by her. The purpose of the due diligence process is 1) to identify, disclose and describe all Transferred Assets and Assumed Liabilities; and 2) to identify and disclose obligations of the Water Utility and Material Conditions affecting the Water Utility operations, its financial condition, and the Transferred Assets as required for the identification and determination of Assumed and Excluded Liabilities, as further described in Article VI below.

5.2 **Preparation of Addendum.** As an outcome of the due diligence process, the Parties will prepare an addendum to this Agreement (the “Addendum”), which shall set forth Schedules identifying the Transferred Assets, Excluded Assets, Assumed Liabilities and Excluded Liabilities, as generally described below, and Schedules identifying and disclosing the conditions set forth in Article VI. The Addendum shall include a plan for the mitigation or cure of certain conditions identified by the Parties, and a proposal for the allocation of liabilities between the Parties, based upon the general principles set forth in Article IX below. The Addendum is intended to be presented to the governing boards of the Parties for review and approval no later than May 31, 2010, or within a reasonable time period thereafter as determined by the TMWA General Manager and Director of DWR. Should either Party fail to approve the Addendum within two months of

presentation by the TMWA General Manager and Director of Water Resources, this Agreement may be terminated pursuant to the procedures set forth in Article X. All Schedules set forth in the Addendum shall be reviewed and updated to reflect any changes in or additions to Material Conditions at the time either Party becomes aware of such conditions. Such Schedules shall be amended with any appropriate additions and deletions as schedules to the Closing Memorandum.

5.3 Transferred Assets. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, on the Closing Date Washoe County shall assign, transfer, convey and deliver to TMWA and TMWA shall acquire and accept from Washoe County, all of Washoe County's rights, title and interest in and to the Transferred Assets. The Transferred Assets are defined as and shall consist of the following, all as more particularly described in the Schedules of Transferred Assets to be set forth in the Addendum and the Closing Memorandum, and excluding the Excluded Assets:

- a. All Water Utility Water Facilities;
- b. All Real Property;
- c. All Water Utility Water Resources;
- d. All hookup fees, connection charges, water resource fees, facility charges, performance bonds or other amounts paid by or received from developers in connection with any development agreement which have not been expended, or which are due or to become due from developers or customers for future service, water resources, or distribution facilities;
- e. All customer and billing information and records of whatever form;
- f. Water Revenues, pertinent restricted and unrestricted cash balances, accounts receivable, deferred assets, prepaid obligations, customer deposits as allocated by the Parties;
- g. All books, records, plans, plats, engineering and other drawings, designs, blueprints, plans, specifications, maintenance and operating manuals, engineering reports, calculations, computer models and studies, accounting, budget and business records relating to the Water Utility or the Transferred Assets, whether in written form or otherwise, controlled by or in the possession of Washoe County that relates to the Water Utility;
- h. Electronic data, computer models and /or databases used to create geographic information, data and maps, distribution system design drawings, and as-built drawings with respect to the Transferred Assets;
- i. Equipment, vehicles, rolling stock, tools, parts and other personal property owned, leased or primarily used by DWR necessary to operate the Water Utility; and
- j. All necessary regulatory authorizations, governmental requirements, permits or approvals, subject to all conditions, limitations or restrictions contained therein, necessary to construct, expand, repair, update, operate or maintain the Water Utility or to provide water utility service.

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5.4 Excluded Assets. Washoe County and TWMA agree that TMWA is not acquiring the Excluded Assets. Excluded Assets shall consist of those assets of the Washoe County DWR that are not owned, leased, or primarily used in conjunction with, or necessary to operate or necessary to meet the commitments of the Water Utility, not included in the Schedules of Transferred Assets, except for unintentional omissions as mutually agreed by the Parties.

5.5 Assumed Contracts. During the due diligence process, the Parties shall cooperate to identify the contracts that TMWA will assume in order to operate the Water Utility, which shall be set forth in a schedule to the Addendum and the Closing Memorandum (Schedule 5.5), consisting of:

- a. Construction contracts;
- b. Contracts with a term of 1 year or greater;
- c. Contracts for professional services;
- d. Insurance agreements to the extent assignable and assumable;
- e. Developer agreements for infrastructure and developer agreements for water resources;
- f. Any other contracts or agreements necessary for TMWA to operate the Water Utility.

5.6 Assumed Liabilities. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing and from and after the Closing Date, TMWA shall assume, perform, fulfill and discharge when due all Assumed Liabilities. Assumed Liabilities shall mean the following, excluding the Excluded Liabilities:

- a. All obligations in the normal course of the Water Utility business to provide water service to those customers receiving water service on the Closing Date, subject to the terms and conditions of TMWA Rules of Service;
- b. All resource commitments, to be identified in Schedule 5.6, subject to compliance by beneficiaries thereof with TMWA Rules of Service or the terms of any applicable Assumed Contracts;
- c. All liabilities and obligations under the Assumed Contracts to the extent such Assumed Contracts are assigned and assumed;
- d. All liabilities in respect of County employees that TMWA hires and which are part of or consistent with agreements reached by the Parties as part of the Operating Agreement or Closing Memorandum;
- e. All liabilities for obligations in respect of which TMWA has indemnified Washoe County pursuant to Article IX of this Agreement;
- f. Such other liabilities as TMWA agrees to assume pursuant to the due diligence process, as further described in Article VI and to be specifically set forth in a schedule to the Closing Memorandum;

all as more particularly described in the Schedules of Assumed Liabilities to be set forth in the Addendum and Closing Memorandum.

5.7 Excluded Liabilities. Washoe County and TMWA agree that TMWA is not assuming any of the Excluded Liabilities. Excluded Liabilities shall mean:

- a. All liabilities relating to or involving Washoe County employees that TMWA hires and that TMWA does not assume;
- b. All liabilities for obligations in respect of which Washoe County has indemnified TMWA pursuant to Article IX of this Agreement; and
- c. Such other liabilities as the Parties agree are Excluded Liabilities pursuant to the due diligence process, as further described in Article VI and to be specifically set forth in a schedule to the Addendum and Closing Memorandum.

ARTICLE VI. DISCLOSURES

6.1 Washoe County Disclosures. Washoe County agrees to cooperate in the due diligence process and to allow TMWA to examine all Transferred Assets, and all other documents and information relevant to the Merger, including but not limited to contracts and agreements, permits, licenses, books, records not limited to customer and employee records, in order to allow the Parties to undertake a comprehensive evaluation of the physical and financial condition of the Water Utility and the Transferred Assets, for the purpose of determining appropriate allocation of risk and liabilities between the Parties, and to ensure compliance with the Necessary Conditions at Closing. Pursuant to the due diligence process described in Section 5.1, Washoe County shall disclose all information relating to the Transferred Assets or the Water Utility, other than Financial Obligations that will be released prior to Closing, as follows, to be set forth by the Parties in schedules to the Addendum and Closing Memorandum:

- a. Real Property. Schedule 6.1(a): With regard to Real Property, any liens, mortgages, or other encumbrances, zoning or land-use conditions or violations, known or threatened violations or breaches of lease conditions, that may materially impair TMWA's ability to operate and maintain the Water Utility.
- b. Water Utility Water Resources. Schedule 6.1(b): With respect to Water Utility Water Resources, any defects in title, liens, pledges, deeds of trust, or other encumbrances that may materially impair TMWA's ability to utilize Water Utility Water Resources to meet the Water Utility water service commitments.
- c. Utility Water Facilities. Schedule 6.1(c): With respect to Water Utility Facilities, any conditions or constraints that may materially affect their functionality including without limitation, operations, safety, or useful life.
- d. Other Transferred Assets. Schedule 6.1(d): With respect to other Transferred Assets, any liens, mortgages, pledges, security interests, rights of

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third parties, encumbrances or other charges of any kind affecting such Transferred Assets that may materially impair TMWA's ability to operate and maintain the Water Utility.

e. Assumed Contracts. Schedule 6.1(e): With respect to Assumed Contracts, any contingent, known, or threatened default, breach, or claim by any Party, any commitments by Washoe County for terms of one year or longer, any commitments by Washoe County that are likely to involve or are reasonably likely to involve an individual payment of more than \$100,000, any obligations for borrowed money or to maintain deposits or advances of any kind; any capital lease obligations, any contracts which may constitute joint venture or partnership obligations, and any other Material Condition affecting or relating to the Assumed Contracts.

f. Regulatory Compliance: Schedule 6.1(f): Any known or threatened violations of any laws, regulations, permits, and licenses controlling or affecting the Water Utility, including but not limited to health, safety, Environmental Laws, employee and labor matters, and financial reporting.

g. Environmental Claims: Schedule 6.1(g): Except as disclosed in Schedule 6.1(f), all Environmental Claims, whether known, contingent, or threatened.

h. Threatened or Pending Litigation and Administrative Proceedings: Schedule 6.1(h). Any threatened or pending litigation or administrative proceeding that affects or relates to the Water Utility or the Transferred Assets or the Washoe County employees employed by the Water Utility.

i. Other Claims, Liabilities, including Contingent Liabilities: Schedule 6.1(i). Any claims, known or contingent liabilities, or other Material Conditions not disclosed in the above schedules.

6.2 Continuing Duty to Disclose through the Closing Date. Washoe County shall have a continuing duty to disclose to TMWA any Material Conditions of which it becomes aware that may affect the Transferred Assets, the Merger, the obligations and disclosures set forth above, or that could materially affect the actions contemplated by this Agreement.

6.3 Confidential Treatment. TMWA shall treat as confidential any information disclosed by Washoe County that is designated as confidential, except to the extent such information is a public record or a matter of public knowledge.

6.4 Removal and Cure of Material Conditions.

6.4.1 Priority Material Conditions. The Parties shall negotiate a list of priorities for conditions set forth in the Schedules described in Section 6.1 that

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must be removed, cured, corrected, or mitigated as a condition of Closing, which shall be set forth in Schedule 6.4 to the Addendum ("Priority Material Conditions"). In the event any Priority Material Conditions have not been so cured prior to the Closing Date, TMWA may waive such cure or may choose to delay Closing pending appropriate resolution of such Priority Material Conditions, or may terminate this Agreement subject to the provisions of Article X.

6.4.1 Other Conditions. In addition, following the Effective Date and until the Closing Date, Washoe County shall have a continuing obligation to make reasonable efforts to remove, cure, correct, or mitigate all conditions set forth in Schedules described in Section 6.1, on a best efforts basis.

6.5 Allocation of Liabilities at Closing. As of the Closing Date, any remaining liabilities associated with the Material Conditions disclosed pursuant to this Article VI other than Priority Material Conditions, shall be designated as Assumed Liabilities or as Excluded Liabilities in the Closing Memorandum pursuant to the general principles of risk allocation and indemnification set forth in Article IX.

6.6 Effect of Operating Agreement. In the event the Parties determine to implement Merger through the Phased Plan and enter into an Operating Agreement, the Parties shall review the Material Conditions and TMWA may agree to assume responsibility for certain Material Conditions under provisions set forth in such Operating Agreement.

6.7 TMWA Disclosures. TMWA agrees to cooperate in the due diligence process and to allow DWR to examine documents and information relevant to any Material Conditions that relate to TMWA's operations, assets or liabilities. TMWA shall fully disclose to DWR any and all TMWA Disclosures if such information would be required to be disclosed to its external auditors as part of TMWA's audit process. TMWA shall have a continuing duty to disclose to DWR any TMWA Disclosures of which it becomes aware, together with any Material Conditions that could materially affect the actions contemplated by this Agreement. DWR shall treat as confidential any information disclosed by TMWA that is designated as confidential, except to the extent such information is a public record or a matter of public knowledge.

ARTICLE VII. TRANSITION AND IMPLEMENTATION OF MERGER

7.1 Implementation Strategies. The Parties agree to undertake and complete an evaluation of defeasance and refinancing opportunities and strategies for the Financial Obligations. In the event this evaluation determines that meeting the Necessary Conditions will be feasible during calendar year 2010, or a reasonable period thereafter, such that a definite Closing Date can be determined, the Parties will consider whether to implement the Merger on an expedited basis, pursuant to an accelerated implementation plan ("Accelerated Plan"). Implementation of the Accelerated Plan will require the approval of both governing boards of the Parties. In the event the evaluation determines meeting the Necessary Conditions on an accelerated basis is not feasible or the Parties

otherwise determine not to implement the Accelerated Plan, then the Parties will implement the Merger through a phased plan ("Phased Plan").

7.2 Transition Management. As soon as reasonably practicable after the Effective Date of this Agreement, the Parties shall create a transition management process under the direction of TMWA's General Manager or individuals designated by him and the Director of Washoe County DWR or individuals designated by her. The transition management process shall include planning for merger of Water Utility operations under both the Accelerated or Phased Plans, including engineering studies, facilities planning, and energy efficiency studies and planning for the addition of Water Utility employees to the TMWA staff as required for merged operations.

7.3 Employees. In order for TMWA to provide the services currently performed by the Water Utility, TMWA will require the skill and expertise of Washoe County employees now employed by the Water Utility. Accordingly, subject to applicable law and prudent management practices and workforce needs, TMWA contemplates hiring Washoe County employees currently performing functions within the scope of the proposed Merger. Workforce needs will be determined by cooperative effort of TMWA's General Manager and the Director of Washoe County DWR. In the event that Washoe County employees are hired by TMWA, opportunities for employment, and the classification and placement of those individuals within TMWA shall be determined on a fair and equitable basis, giving due consideration to these individuals' skills, work history, job experience, training, certification, licensing and professionalism. The Washoe County employees who are hired by TMWA will be hired subject to and employed under TMWA's terms and conditions of employment, including TMWA's employment policies and procedures and benefits programs. Moreover, it is anticipated that current Washoe County employees who are hired to job classifications that are covered by TMWA's collective bargaining agreement with the IBEW or hired to comparable positions, will be subject to TMWA's collective bargaining agreement with IBEW.

7.4 Interim Operations under the Accelerated Plan. In the event the Parties determine to implement Merger through the Accelerated Plan, TMWA and the Water Utility will maintain separate and distinct operations, generally under existing conditions, through the Closing Date and full Merger, and designated Washoe County employees will be hired by TMWA on the Closing Date.

7.5 Interim Operations under the Phased Plan. In the event the Parties determine to pursue Merger through the Phased Plan, the Parties will enter into an Operating Agreement pursuant to which TMWA will contract with County to assume responsibility for defined water services of the Water Utility (e.g. treatment, distribution, and maintenance) as determined under the transition management process. Under the Phased Plan, subject to Section 7.3, designated Washoe County employees will be hired by TMWA as of the effective date of the Operating Agreement. The Operating Agreement shall include the contractual provisions required for TMWA to perform such functions, including but not limited to specification of services required of TMWA, the

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budgeting process for TMWA's cost of services and County's payment obligations, conditions for the use or transfer of unencumbered assets necessary for performance of Water Utility functions, such as rolling stock and equipment, conditions governing the use of real property, access and security, maintenance of insurance, allocation of risk and liabilities, document management, and conditions of termination. Unless otherwise terminated or amended, the Operating Agreement shall remain in effect until the Closing Date and full Merger occurs. Based upon the transition management process for phased implementation, TMWA may contract with County to perform additional functions, including but not limited to billing and customer service, information technology, human resources, etc., which agreements may be set forth in the Operating Agreement or subsequent interlocal agreements. The Parties may also undertake joint management of certain functions, which agreements may be set forth in the Operating Agreement or subsequent interlocal agreements. In the event the Parties have determined to implement Merger through the Phased Plan but fail to execute the Operating Agreement, such failure will be a sufficient but not a mandatory basis for termination of this Agreement, as set forth in Article X.

7.6 Service Areas. Upon Merger, TMWA's service area will be defined as the combined, then-existing, retail service areas of TMWA and DWR, and service may be provided to new customers within TMWA boundaries set forth in the TMWA Joint Powers Agreement, and based upon the rules of the consolidated agency.

7.6.1 Interim Service Areas. Pending merger, the existing customers of each Party shall remain customers of such Party, unless otherwise determined by separate agreement. New customers shall be designated as TMWA or DWR customers based upon their proximity to existing TMWA or DWR facilities, availability of water resources, cost-effectiveness considering all customers of the two agencies, or as required to meet expectations of the bond-rating agencies, bond holders, and capital markets, and to avoid stranding infrastructure.

7.6.2 Verdi Agreements. The Parties agree to cooperate to encourage the parties to the Verdi settlement and water service agreements to enter into amendments that will allow TMWA to provide retail service to the Verdi Joint Service Area.

7.7 Rates, Fees, and Charges. Pending Merger, each Party shall maintain its separate rates, fees, and charges for its customers. Both Parties covenant to maintain their respective rates, fees, and charges at a level sufficient to assure compliance with the most restrictive covenants and requirements of the financial obligations of either Party. In the event the Parties enter into the Operating Agreement, Washoe County covenants to maintain rates, fees, and charges that produce revenues at least sufficient to meet of the cost of service and minimum requirements set forth in the Operating Agreement, but may not establish rates, fees, and charges that produce revenues less than the minimum revenue requirement.

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7.8 South Truckee Meadows General Improvement District Contract. The Parties will review the interlocal agreement between Washoe County and the South Truckee Meadows General Improvement District ("STMGID") to determine possible conditions for the assignment to TMWA of operations and maintenance responsibility of the STMGID system or explore other options satisfactory to Washoe County for the operations and maintenance of the system.

7.9 Outside Contracts, Purchasing. Pending Merger, in addition to any functions that may be transferred to TMWA pursuant to the Operating Agreement, TMWA and County agree to pursue additional efficiencies through such means as joint purchasing agreements, use of common vendors, etc., as identified during the due diligence process and thereafter.

7.10 Expenses. Subject to any allocation of obligations set forth in the Operating Agreement and Article IX of this Agreement, all costs, fees and expenses incurred in connection with this Agreement, and the transactions covered hereunder, shall be paid by the party incurring such costs, fees and expenses, except for those costs, fees and expenses incurred by joint agreement of the Parties, which costs, fees and expenses shall be allocated by mutual agreement of the Parties

7.11 Rules and Ordinances. The Parties acknowledge that regardless of the outcome of merger efforts, the community will be best served by consistency between the policies, rules, and charges of TMWA and the Water Utility. Accordingly, staffs of the two agencies will jointly recommend modifications to the rules, policies and charges, including specifically without limitation, water rights dedication policies, customer services, and facilities charges, of relevant sections of the Washoe County Development Code, Washoe County Ordinances and TMWA Rules to bring them into congruence and facilitate this Agreement. The Parties agree to cooperate to expedite consideration of proposed changes to the Development Code, Ordinances and Rules so that they become effective under the Phased Plan by the effective date of the Operating Agreement, or under the Accelerated Plan by the Closing Date.

7.12 Closing Memorandum.

At such time as the Parties determine that the Necessary Conditions set forth in Article III will be achieved within a predictable period, the Parties shall prepare and enter into a Closing Memorandum. The Closing Memorandum shall set forth the Closing Date and the remaining actions and forms of documents necessary to effect the Merger, including, but not limited to, the following:

7.12.1 Consents: all consents, authorizations, permits, licenses, certificates and approvals required under this Agreement;

7.12.2 Transfer Documents: all conveyances of real property and water rights with the same quality of title that Washoe County possesses, bills of sale,

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assumption and assignments and related documents necessary to transfer the Transferred Assets and Assumed Liabilities;

7.12.4 Financing Documents: all actions and forms of documents necessary to achieve the financial policies set forth in Article IV;

7.12.5 Necessary Conditions: all actions and forms of documents necessary to satisfy the Necessary Conditions set forth in Article III;

7.12.6 Schedules of Assets and Liabilities: definitive schedules of Transferred Assets, Excluded Assets, Assumed Liabilities and Excluded Liabilities;

7.12.7 Disclosure Schedules: definitive schedules identifying the matters set forth in Section 6.1 and 6.7, together with any remedial action required to be taken in connection therewith;

7.12.8 Other: such other actions and documents the Parties deem necessary in order to effect the Merger.

Should either Party fail to approve the Closing Memorandum within two months of presentation by the TMWA General Manager and Director of DWR, this Agreement may be terminated pursuant to the procedures set forth in Article X.

ARTICLE VIII: REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Washoe County. The County makes the following representations and warranties to TMWA, as of the Effective Date and as of the Closing Date:

8.2.1 Good Standing; Proper Authority. The County is a political subdivision of the State of Nevada, duly organized, validly existing, and in good standing under the laws of the State of Nevada. The County has all organizational power necessary, and has taken, or will obtain prior to Closing, all necessary approvals required of the County Board under Nevada law to consummate the transactions contemplated hereunder.

8.2.2 No Violations; Enforceability; No Required Consents. The execution, delivery and performance by the County and DWR of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to the County or DWR; does not and will not contravene any provision of, or constitute a default under any Contract to which the County or DWR is a party or by which they are bound. When executed and delivered, this Agreement and all other documents and instruments hereunder to which the County or DWR is a party shall constitute legal, valid, and binding obligations of the County or DWR,

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as applicable, enforceable against each of them, as applicable, in accordance with their respective terms. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority is required in connection with the execution, delivery and performance by the County or DWR of this Agreement other than those that have been obtained and are in full force and effect.

8.2 Representations and Warranties of TMWA. TMWA makes the following representations and warranties to Washoe County, as of the Effective Date and as of the Closing Date:

8.2.1 Good Standing; Proper Authority. TMWA is a joint powers authority and political subdivision of the State of Nevada, duly organized, validly existing, and in good standing under the laws of the State of Nevada. TMWA has all organizational power necessary, and has taken, or will obtain prior to Closing, all necessary approvals required of its Board under Nevada law to consummate the transactions contemplated hereunder.

8.2.2 No Violations; Enforceability; No Required Consents. The execution, delivery and performance by TMWA of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to TMWA; is not inconsistent with and will not violate or contravene the TMWA JPA; does not and will not contravene any provision of, or constitute a default under any Contract to which TMWA is a party or by which it is bound. When executed and delivered, this Agreement and all other documents and instruments hereunder to which TMWA is a party shall constitute legal, valid, and binding obligations of TMWA enforceable against TMWA in accordance with their respective terms. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority is required in connection with the execution, delivery and performance by TMWA of this Agreement other than those that have been obtained and are in full force and effect.

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ARTICLE IX. ALLOCATION OF LIABILITIES, INDEMNIFICATION, AND RISK MANAGEMENT

9.1 General Principles of Risk Allocation and Indemnity. The Parties agree and acknowledge that until completion of the due diligence process described in Article VI, definitive identification of Material Conditions affecting the Merger and of Assumed and Excluded Liabilities cannot be determined. Notwithstanding the foregoing, the Parties agree to the following indemnification provisions and general principles of risk allocation during the different phases of Merger implementation:

9.1.1 Indemnification under Separate Operations.

Under the Accelerated Plan after the Effective Date of this Agreement until the Closing Date, or under the Phased Plan after the Effective Date of this

Agreement until the effective date of an Operating Agreement, the Parties will continue to retain responsibility for their respective operations and systems as separate entities. To the fullest extent permitted by law, each Party shall indemnify, hold harmless and defend the other Party from and against any and all third party claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, which claims arise in whole or in part out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees and agents, in the performance or implementation of this Agreement, excepting any liability arising out of the negligence or willful acts or omissions of the indemnified Party.

9.1.2 Indemnification under the Phased Plan.

In the event the Parties determine to implement this Agreement under a Phased Plan, then after the effective date of an Operating Agreement until the Closing Date, the allocation of risk and indemnity obligations of the Parties during the term of the Operating Agreement shall be set forth in such Agreement, based upon the following general guidelines:

9.1.2.1 Except to the extent caused by negligence or gross misconduct of TMWA or its agents or resulting directly from TMWA's operation of the Water Utility, all as more particularly set forth in the Operating Agreement, Washoe County shall retain responsibility for and shall indemnify TMWA for claims arising from:

- a. The condition of the Water Utility water system
- b. The condition of Water Utility Water Resources, Real Property, and title to assets
- c. Any employment claims of Washoe County employees hired by TMWA pursuant to the Operating Agreement, arising from such employees' employment by Washoe County or the process for selection of employees to be hired by TMWA, including any labor-related claim by the employees or their bargaining unit.
- d. The performance of Water Utility contracts, except for obligations of contracts expressly assumed by TMWA pursuant to the Operating Agreement
- e. Any violations of or non-compliance with regulatory matters and Environmental Claims
- f. The performance of DWR retained functions
- g. Any breach of Washoe County Financial Obligations
- h. Claims arising from any alleged breach of any Washoe County labor agreement

9.1.2.2 Except to the extent caused by negligence or gross misconduct of Washoe County or its agents, TMWA shall indemnify

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Washoe County for claims arising from TMWA's performance of contract operations, as more specifically set forth in the Operating Agreement, based upon the following general guidelines:

- a. Negligent or gross misconduct in operations within scope of the Operating Agreement
- b. Negligent or willful acts of agents
- c. Employment of Washoe County employees hired by TMWA arising post-hire
- d. Condition of assets caused by TMWA or its agents' negligence or gross misconduct
- e. Performance of contracts expressly assumed by TMWA, Contract claims related to TMWA actions
- f. Any breach of TMWA Obligations
- g. Claims arising from any alleged breach of the IBEW agreement.

9.1.3 Allocation of Liabilities and Indemnity Obligations Following the Closing Date:

Pursuant to the procedures set forth in Article VI, the Parties shall prepare Schedules of Assumed Liabilities and Excluded Liabilities in connection with preparation of the Closing Memorandum. In general, those liabilities that are liabilities of the Water Utility and not general obligations of Washoe County shall be Assumed Liabilities, and those liabilities that are general obligations of Washoe County shall be Excluded Liabilities. Notwithstanding the foregoing, the following shall be Excluded Liabilities, and Washoe County shall have a continuing obligation to indemnify TMWA for:

- a. Errors, omissions, misstatements, misrepresentations, or mismanagement of Washoe County Financial Obligations;
- b. Employment claims and liabilities not expressly assumed by TMWA, including claims under the Washoe County bargaining agreement;
- c. Worker's compensation claims of Washoe County employees hired by TWMA pursuant to this Agreement, to the extent such claims accrued during their employment by Washoe County;
- d. Contract claims for the duration of the applicable limitations period not expressly assumed by TMWA;
- e. Liabilities related to intentional misrepresentations or omissions in disclosures of Material Conditions required by Article VI; and

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- f. Environmental Claims for a period of three years following the Closing Date, subject to any contribution for contributory negligence or practice of TMWA. Washoe County may accumulate and retain Water Revenues as necessary to mitigate any potential financial impacts of this provision and shall remit any unexpended retained funds to TMWA at the end of the three year period.

9.2 Insurance and Risk Management. Following the Effective Date and until the Closing Date, each Party shall maintain its customary levels of insurance, including but not limited to property and casualty insurance that protects its assets and financial obligations against all risks of loss consistent with sound business practice and workers compensation insurance for all of its employees in accordance with state laws. In the case of Washoe County, the Parties acknowledge that Washoe County maintains workers compensation coverage on its employees in accordance with state laws through a program of self insurance and excess loss insurance. As soon as practicable following the Effective Date, each Party agrees to obtain endorsements on applicable insurance policies naming the other Party as an additional insured. In the event TMWA hires Washoe County employees pursuant to the terms of this Agreement, TMWA shall assume responsibility for workers compensation coverage for such employees except to the extent of any claims accruing during their employment by Washoe County.

9.2.1 Insurance under an Operating Agreement. In addition to the foregoing, in the event the Parties enter into an Operating Agreement, Washoe County shall continue to maintain property and casualty insurance on all Transferred Assets, provided that TMWA shall be responsible for providing insurance on any Water Utility assets conveyed to TWMA in conjunction with the Operating Agreement and TMWA shall be responsible for insuring its operations under the Operating Agreement under the terms of such Operating Agreement.

9.2.2 Insurance Following the Closing Date. Effective on the Closing Date, TMWA shall provide property and casualty insurance for the Transferred Assets and any insurable financial obligations assumed pursuant to this Agreement.

9.2.3 Obligation to Confer. In the event any claims or losses arise or are threatened in connection with this Agreement, the Parties shall notify their respective risk managers, who shall confer and provide notice to the appropriate insurers.

9.2.4 Pursuit of Claims and Warranties. The Parties agree that each shall use best efforts to pursue available remedies and sources of recovery and reimbursement for any claims or losses incurred in connection with the implementation of or operations under this Agreement, including but not limited to insurance, self-insurance, and warranties. In the event either Party is pursuing resolution of claims or indemnity obligations arising under or related to this Agreement at the Closing Date, such Party agrees to continue to pursue such

claim to its conclusion (not including the obligation to appeal any decision), except as otherwise agreed in the Closing Memorandum.

9.3 Statutory Limitations. Notwithstanding the foregoing, neither Party waives available NRS chapter 41 liability limitations and other liability limitations available at law in all cases. The Parties acknowledge that their respective abilities to perform their respective obligations under this Agreement is subject to the requirements of NRS Chapter 354 as applicable.

ARTICLE X. TERMINATION , DEFAULT AND RIGHT TO CURE

10.1 Termination. Subject to the conditions set forth in Section 10.3, this Agreement may be terminated and the transactions contemplated herein may be abandoned:

10.1.1 By mutual consent of the Parties; provided, however, that no termination shall impair the rights of any holders of either TMWA Obligations or Washoe County Obligations;

10.1.2 If the parties fail to execute the Addendum or Closing Memorandum, or if implementing Merger through the Phased Plan, fail to execute the Operating Agreement, in each case, within the time periods specified in this Agreement;

10.1.3 If either Party is in Default (as defined below) and such Default (i) cannot be remedied in accordance with Section 10.2 and (ii) would have a material adverse effect on the business, operations, assets or financial condition of one or both of the Parties; or

10.1.4 By either Party, if a final order, decree or ruling enjoining or otherwise prohibiting any of the transactions covered under this Agreement has been issued by any federal or state court in the United States (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) and if the failure to consummate such prohibited transaction (i) cannot be remedied in accordance with Section 10.2 and (ii) would have a material adverse effect on the business, operations, assets or financial condition one or both of the Parties.

10.2 Default, Notice and Right to Cure.

10.2.1 Default. A Default occurs when (i) a Party repudiates, breaches or fails to perform in any material respect, within the time frame specified or, if not so specified, within a reasonable time, any Necessary Condition, covenant or term expressed herein, in the Addendum or in the Closing Memorandum; (ii) any Party's representation of a material fact expressed herein, in the Addendum or in the Closing Memorandum was intentionally falsified, or if a Party has a continuing duty to make any representation of a material fact or duty to disclose any material fact, such representation becomes false or such disclosure does not

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occur as a result of a subsequent event or occurrence; (iii) any Party's material warranty expressed herein, in the Addendum or in the Closing Memorandum is breached at any time during the period of such warranty; (iv) a Party violates any law material and relevant to this Agreement; or (v) any event occurs that is otherwise described in this Agreement as a default.

10.2.2 Notice and right to cure. Unless otherwise specified in this Agreement, in the Addendum or in the Closing Memorandum, in the event of a Default, the non-defaulting Party shall provide written notice of such Default to the defaulting Party and the specific action required to cure such Default, and the defaulting Party shall have thirty (30) days from the date that the notice is deemed given to cure the default.

10.3. Effect of default. If a Default is suffered or caused by any Party and not cured within the period of time specified in Section 10.2.2, the non-defaulting Party may (i) pursue resolution of the matter pursuant to Article XI regarding Dispute Resolution; (ii) suspend any counter-performance due hereunder until the Default is cured or resolved; or (iii) terminate this Agreement pursuant to Section 10.1.

10.4 Termination Plan. In the event either Party is entitled to terminate this Agreement pursuant to Section 10.1 and such right to terminate shall accrue after the Parties have entered into the Operating Agreement, then prior to termination the Parties shall prepare a termination plan ("Termination Plan") to provide for the continuation of retail water service to Washoe County customers, either through the extension of the Operating Agreement, provision for an alternate contractor to assume operations of the Water Utility, or reconstitution of the Water Utility. Neither Party may abandon its obligations under this Agreement or the Operating Agreement until the Termination Plan is implemented. In the event continuation of operations under the Operating Agreement will result in a violation of TMWA Obligations or Washoe Obligations, the Parties agree to immediately implement corrective measures, which may include provisional rate adjustments, to allow the continuation of retail water service to the Washoe County customers without violation of such Obligations until the implementation of the Termination Plan.

10.5 Effect of Termination. In the event of any termination of this Agreement pursuant to Section 10.1 above, with the exception of compliance with the Termination Plan, there shall be no liability on the part of either Washoe County or TMWA, or their respective Boards, officers, or employees, except that the obligations of the Parties that expressly survive under Article IX of this Agreement shall remain in full force and effect and survive the termination of this Agreement.

10.6 Waiver. At any time prior to full merger, the Parties may (i) extend the time for performance of any of the conditions, covenants or terms set forth in this Agreement, in the Addendum or in the Closing Memorandum, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant to this Agreement; and (iii) waive compliance with any of the conditions,

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covenants or terms set forth in this Agreement, in the Addendum or in the Closing Memorandum. Except as set forth in Section 12.1, any such extension or waiver shall be valid only if mutually agreed to by the Parties in writing and duly authorized and executed by the governing boards of the Parties.

ARTICLE XI. DISPUTE RESOLUTION

11.1 Mediation. If, after good faith negotiations to resolve any dispute arising out of or relating to any condition, covenant, term or transaction covered under this Agreement or in any document delivered pursuant to this Agreement, the Parties are unable to agree upon a mutually acceptable resolution, a Party must first demand in writing that the dispute be submitted to the Court Annexed Mediation Program under the Nevada Mediation Rules. Each Party shall bear its own attorney's fees and costs of mediation. Neither Party shall be deemed the prevailing party in any dispute submitted to mediation. No Party shall be permitted to file a submission or demand for arbitration under the Court Annexed Arbitration Program unless first attempting to mediate in good faith to reach a mediated settlement.

11.2 Arbitration. In the event the Parties are unable to resolve any dispute arising out of or relating to any condition, covenant, term or transaction covered under this Agreement or in any document delivered pursuant to this Agreement through the Court Annexed Mediation Program, either Party may then file a written submission of the dispute to the Court Annexed Arbitration Program in accordance with the Nevada Arbitration Rules. Each Party shall bear its own attorney's fees and costs of arbitration. Neither Party shall be deemed the prevailing party in any dispute submitted to arbitration. The Parties hereby stipulate to the subject matter jurisdiction of the Court Annexed Arbitration Program, regardless of the monetary value, amount in controversy, relief sought or the nature of the claim, controversy or dispute arising out of or relating to any condition, covenant, term or transaction covered under this Agreement or in any document delivered pursuant to this Agreement.

ARTICLE XII. MISCELLANEOUS PROVISIONS

12.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, oral or written, express or implied, and all undertakings, negotiations or discussions of the Parties, whether oral or written, all of which are integrated herein; provided, however, the Parties acknowledge that certain other agreements and commitments shall be necessary for the implementation of the purposes of this Agreement, including without limitation the Operating Agreement, the Addendum and the Closing Memorandum. This Agreement may not be amended, changed, waived, terminated or modified unless the same shall be in writing and ratified by the governing boards of the respective Parties. Any Amendment to this Agreement must be approved by the Attorney General of the State of Nevada. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced. Notwithstanding the foregoing, the Director of Water Resources and the TMWA General Manager shall have the authority, subject to their mutual

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agreement, to make ministerial modifications to the express terms of this Agreement not inconsistent with its substantive provisions and intent.

12.2 Attorneys Fees; Governing Law and Venue. In any dispute or litigation arising out of this Agreement or any transactions covered under this Agreement, each party shall bear its own attorney's fees and costs. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. Unless otherwise agreed to herein by the Parties, venue to resolve any dispute or for any action or proceeding in mediation or arbitration to construe or enforce the provisions of this Agreement shall be Washoe County

12.3 Construction; Headings. In the event of any dispute regarding any provision of this Agreement, the terms of this Agreement shall be construed neutrally and shall not be construed against or in favor of either Party, notwithstanding the fact that one Party may have been responsible for drafting the initial form of this Agreement. The Parties acknowledge that they have each participated equally in the negotiation and drafting of this Agreement prior to execution and each have been represented by legal counsel of their choice in connection therewith. The headings of the sections and paragraphs of this Agreement are for convenience only and in no way define, limit or affect the scope of substance of any section or paragraph of this Agreement.

12.4 Severability. If any provisions or part of a provision in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the same shall not affect any other provision or part of a provision, but, to the fullest extent possible without defeating the Parties' intentions hereunder, this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein.

12.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

12.6 Relationship of Parties. Nothing contained in this Agreement is intended to nor shall be deemed to create any partnership, joint venture, agency, fiduciary duty or other relationship between Washoe County and TMWA other than with respect to their contractual obligations contained herein.

12.7 Third Party Beneficiaries. There are no express or implied third party beneficiaries to this Agreement, or any obligation, claim, or right arising under this Agreement, and no other person or entity who is not a signatory to this Agreement shall have any obligation, claim, right, or remedy hereunder.

12.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.


12.9 Recitals, Exhibits and Schedules. The recitals at the beginning of this Agreement and the following Exhibits and Schedules attached to this Agreement are incorporated herein by this reference and made a part hereof as if set forth in full herein.

12.10 Further Assurances. Subject to the terms and conditions hereof, each of the Parties agrees to use commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all documents and to take, or cause to be taken, all actions that may be reasonably necessary or appropriate to effectuate the provisions of this Agreement.

12.11 Precedence of Agreements. In the event of any conflict between this Agreement and any subsequent agreement referenced herein (e.g. the Operating Agreement, the Addendum, and the Closing Memorandum), the most recent shall govern.

IN WITNESS WHEREOF, the Members have caused this Agreement to be executed as of the date written above.

Attest:

 COUNTY OF WASHOE
Amy Harvey County Clerk
David E. Humke DAVID E. HUMKE, Chairman
Board of County Commissioners
1-8-2010 Date

Attest:

TRUCKEE MEADOWS WATER AUTHORITY
Mark Force Secretary
Mike Carrigan MIKE CARRIGAN, Chairman
Board of Directors
12-16-2009 Date

04-13-10

OFFICE OF ATTORNEY GENERAL

Catherine M. Mast Attorney General
1/29/2010 Date

**INTERLOCAL AGREEMENT
GOVERNING THE MERGER OF
THE SOUTH TRUCKEE MEADOWS
GENERAL IMPROVEMENT DISTRICT**

INTO

**THE TRUCKEE MEADOWS
WATER AUTHORITY,**

PURSUANT TO NRS 318.490

**DATED
12/11/2013**

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**INTERLOCAL AGREEMENT
GOVERNING THE MERGER OF THE SOUTH TRUCKEE MEADOWS
GENERAL IMPROVEMENT DISTRICT
INTO THE TRUCKEE MEADOWS WATER AUTHORITY**

This Interlocal Agreement Governing the Merger of the South Truckee Meadows General Improvement District ("STMGID") into the Truckee Meadows Water Authority, is between TRUCKEE MEADOWS WATER AUTHORITY ("TMWA"), a Joint Powers Authority entity created pursuant to a cooperative agreement among the cities of Reno, Nevada, Sparks, Nevada and Washoe County, Nevada, pursuant to NRS Chapter 277, and STMGID, a quasi-municipal corporation formed under NRS Chapter 318 (each a "Party" and collectively "Parties").

RECITALS

A. Pursuant to direction by their respective governing boards, and in furtherance of directives in the Western Regional Water Commission Act, TMWA and STMGID have undertaken studies to determine whether some form of consolidation of their water services functions would be feasible and if so, whether such consolidation would create net benefits for the Truckee Meadows community;

B. These studies demonstrated that merging the STMGID into TMWA would be feasible, and that, in combination with the merger of the Washoe County Community Services Department water utility ("CSD") into TMWA, would be desirable;

C. TMWA and STMGID have determined that merger of STMGID into TMWA can have significant benefits for the community to advance the establishment of an integrated water resources management system, including but not limited to more efficient resource use, better stewardship of water resources, more efficient use of facilities and facility planning, and more predictable and efficient customer services;

D. TMWA and STMGID have determined that if appropriately implemented, merger of STMGID into TMWA can be achieved within the framework of the rate structures previously planned by the separate agencies and presented to the respective governing boards, and that merger will have little near-term rate consequences and will have long-term rate benefits for the customers of both entities;

E. After considering all appropriate factors, the STMGID Board of Trustees ("STMGID Board") and the TMWA Board of Directors have determined that merging the STMGID into TMWA, subject to the terms and conditions of this Agreement, is in the best interests of their respective customers and the community;

F. STMGID desires TMWA acquire the STMGID Water Resources for use and not for resale.

NOW THEREFORE, in consideration of the premises and covenants and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

Assumed Contracts shall mean the contracts and obligations identified in Schedule 5.4.

Assumed Liabilities shall have the meaning set forth in Section 5.5.

Closing Date shall mean the date on which date the STMGID Water Utility and STMGID Assets are conveyed and transferred to TMWA, which shall occur concurrently with the consummation of the CSD Closing but no later than one year following the date upon which all material transactions, documents, obligations, and Necessary Conditions have been completed, assumed or fully satisfied and made effective, including, without limitation, obtaining all consents, authorizations, permits, licenses, certificates and approvals required under this Agreement, or such earlier date as may be mutually agreed upon by STMGID and TMWA.

Contingent Liabilities. Contingent Liabilities shall mean i) any claims or liabilities arising from or related to arsenic remediation or domestic well mitigation within the STMGID service area not otherwise covered by available third party funds, ii) defense or damages arising out of the Merger from actions brought by third parties, if any, iii) claims identified in Schedule 8.1.4, if any; and iv) any Assumed Liabilities arising, but not necessarily asserted, before the Closing Date.

CSD Merger shall mean the merger of the Washoe County Community Services Department Water Utility into the Truckee Meadows Water Authority as contemplated by the CSD Merger Agreement.

CSD Merger Agreement shall mean the Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources Water Utility into the Truckee Meadows Water Authority, dated January 29, 2010, together with any amendments thereto.

Effective Date shall mean the date that the last Party executes this Agreement.

Environmental Claims means any and all administrative, regulatory or judicial actions, suits, demand, demand letters, claims, liens, proceedings or notices of non-compliance or violation by any person or entity (including any governmental authority) alleging potential liability, including liability for enforcement, indemnification, cost recovery, cleanup costs, injunctive relief, removal costs, natural resource damages, property damages, personal injury, or penalties, arising out of, based upon, or resulting from a) the presence, or Release or threatened Release into the environment, of any Hazardous Materials relating to ownership or operation of the STMGID Assets; or b) of any violation of any Environmental Law related to the ownership or operation of the STMGID Assets; or c) any and all claims by any third party resulting from the presence or Release of any Hazardous Materials related to the STMGID Assets.

Environmental Laws shall mean any currently applicable federal, state, or local laws, statutes, regulations, codes, or ordinances relating to, or imposing standards regarding, pollutants

or the protection of human health or the environment, including, without limitation, laws and regulations relating to Release or threatened Releases of Hazardous Materials, or otherwise relating to the treatment, storage, or disposal of Hazardous Materials.

Excluded Assets shall mean the real and personal property listed in Schedule 5.3 attached hereto, and shall include the Rate Offset Funds.

Excluded Liabilities shall mean the liabilities described in Section 5.6.

Material Condition shall mean condition(s) the occurrence or existence of which would be a significant impediment to successful legal or financial Merger, or that would impact the future financial integrity or adversely impact the operating revenue margins or debt coverage ratio of TMWA post-Merger.

Merger shall mean the full legal integration of the STMGID Water Utility into TMWA through the transfer of assets and assumption of liabilities as provided herein, such that TMWA is the surviving water purveyor, as further described in Section 2.4.

Necessary Conditions shall have the meaning set forth in Section 3.1

Real Property shall mean all existing right, title, privileges, and interest to real property held in fee simple, or as easements, licenses, prescriptive rights, right-of-ways, and rights to use public and private roads, highways, streets or other property, owned or used by STMGID in connection with the construction, installation, expansion or necessary to access, operate and maintain all of the STMGID Assets or the STMGID Water Utility.

Rate Offset Funds shall mean the cash Excluded Assets designated by STMGID as Rate Offset Funds pursuant to Section 5.3.

Release shall be as that term is defined in 42 USC § 9601(22).

STMGID Assets shall have the meaning set forth in Section 5.2 and as identified on Schedule 5.2 attached hereto, but shall specifically exclude the Excluded Liabilities and Excluded Assets, to the extent the Excluded Assets have been liquidated and distributed prior to the Closing Date.

STMGID Customers shall mean those existing customers of STMGID receiving water service from the STMGID Water Utility on the Closing Date, to be identified in a Schedule of Existing STMGID Customers to be provided at Closing.

STMGID Funds shall mean the funds identified in Schedule 4.3, as further defined in Section 4.3.

STMGID Water Facilities shall mean all water treatment plants, wells, supply, storage, transmission and distribution pipes and facilities, pumps, tanks, trade fixtures, leasehold improvements, generators, valves, meters, service connections and all other physical facilities, improvements and installations primarily used in conjunction with, or necessary to operate the

STMGID Water Utility, together with any assignment of existing and assignable third-party warranties and representations that relate to completed or ongoing construction, reconstruction, upgrading, installation, expansion and repair of the STMGID Water Utility.

STMGID Water Resources shall mean the water rights or portions thereof set forth on Schedule 5.2(c) which represent all: 1) water rights in which STMGID has a right, title or interest, including water rights dedicated to STMGID, which are committed to or necessary to support existing and future potable/domestic water service(s) to municipal and industrial customers within STMGID's service area; and 2) banked water rights held in trust by STMGID for third parties.

STMGID Water Revenues shall mean all income and revenues received or accrued under generally accepted accounting principles derived directly or indirectly by STMGID from the sale of water or from other services provided by, or from the operation and use of and otherwise pertaining to the STMGID Water Utility, including without limitation, all rates, fees, and other charges or payments for the use of the STMGID Water Utility. STMGID Water Revenues will also include all income or other realized gains from the investment of such income and any sums withdrawn from a rate stabilization account.

STMGID Water Utility shall mean all elements of STMGID that provide for or are used in connection with the delivery of potable water to retail services in the STMGID service area.

TMWA Obligations shall mean the presently outstanding debt obligations of TMWA existing as of the Effective Date, as set forth in TMWA's 2013 Comprehensive Annual Financial Report.

TMWA Joint Powers Agreement (or TMWA JPA) shall mean the "Truckee Meadows Water Authority Cooperative Agreement among the City of Reno, City of Sparks, County of Washoe" effective December 4, 2000, as amended in 2005, and as amended and restated effective February 2, 2010, and together with any subsequent amendment thereto, pursuant to which the parties to that agreement formed TMWA as a Joint Powers Authority under chapter 277 of the Nevada Revised Statutes.

ARTICLE II AUTHORITY, PURPOSE AND INTENT, COVENANT TO COOPERATE

2.1 Authority. Chapters 277 and 318 of the Nevada Revised Statutes provide general and specific authority for the actions contemplated herein, including but not limited to the following: NRS 318.490 authorizes the merger of a general improvement district. NRS 318.510(1)(b) authorizes transfers of funds in the event of a merger. NRS 277.060 allows governmental entities authorized to acquire, operate, and maintain water facilities to contract with one another to perform such services. NRS 277.045 allows political subdivisions of the State to enter into cooperative agreements for the performance of governmental functions. NRS 277.103 provides for the merger of governmental services. NRS 277.170 provides that a public agency may support an agreement made pursuant to NRS 277.080-170 by selling, leasing,

giving, or otherwise supplying property. NRS 277.180 provides generally for interlocal agreements.

2.2 Purpose and Intent. The purpose of this Agreement is to integrate and merge the STMGID Water Utility into TMWA as permitted by NRS 318.490, with the surviving water purveyor to be TMWA, which Merger will be fully effective upon satisfaction of the Material Conditions stated herein, with the ultimate goal of achieving the benefits of improved customer service, water resources management, system reliability, and cost reductions and future cost avoidance through merger.

2.3 Condition of Assets. The Parties acknowledge and agree that all STMGID Assets except Excluded Assets will be transferred to TMWA on the Closing Date for no financial consideration. STMGID makes no representation or warranty, express or implied, with respect to the STMGID Assets except as specifically set forth herein. At the Closing, STMGID shall secure such consents necessary, if any, to transfer the STMGID Assets, and shall execute such documents reasonably required by TMWA to transfer and convey the STMGID Assets, including without limitation deeds, bills of sale, assumption and assignment documents, approvals with respect to renewals and assignments of BLM leases, permits and rights of way, and to the extent necessary, assignments of interests from Washoe County with respect to the STMGID Assets to be conveyed.

2.4 Merger of Systems. STMGID shall liquidate and distribute the Excluded Assets prior to the Closing Date, in such manner permitted by law and determined by the STMGID Board of Trustees as set forth in Section 5.3. Effective upon the Closing Date, STMGID shall transfer the STMGID Assets to TMWA and TWMA shall from that time forward assume full responsibility for the STMGID Water Utility functions, including all Assumed Liabilities, and shall have full authority to do all things necessary to conduct such operations, limited only by the conditions set forth in the TMWA JPA and Sections 4.1 and 4.2 of this Agreement. Effective on the Closing Date, the STMGID Water Utility will be fully merged into TMWA, all STMGID Customers shall become TMWA customers and shall be subject to the conditions of service set forth in TMWA's Rules of service, TMWA shall have the right to all water revenues from such customers, and the retail service area of STMGID shall be combined into TMWA's service area. Effective upon the Closing Date, all legally delegable governmental functions previously performed by the STMGID Board of Trustees of STMGID Water Utility in connection with the STMGID Water Utility shall be delegated to TMWA, by operation of this Agreement. Notwithstanding the foregoing, in the event a function cannot be delegated to TMWA without modification of existing laws or ordinances, TWMA and STMGID agree to cooperate in effecting modifications of applicable laws or ordinances to allow delegation of such function to TMWA as a condition of Closing.

2.5 Covenant to Satisfy Conditions. The Parties agree to use best efforts to do all things necessary, proper and advisable under applicable laws, regulations, and pre-existing covenants and contracts, to consummate and make effective the agreements, covenants and transactions contemplated by this Agreement. In connection therewith, the Parties agree that, during the time leading up to Closing Date, the Parties, as applicable, shall provide full disclosure regarding the STMGID's Assets, the STMGID Water Utility, terms and conditions of contracts, agreements and contingent obligations, existing and future commitments, and

liabilities of both Parties for the purpose of appropriately evaluating the Merger, and STMGID shall cooperate with TMWA as necessary to facilitate any transfers of STMGID Assets held in trust by Washoe County to TMWA at the Closing.

**ARTICLE III
CONDITIONS NECESSARY
FOR CONSUMMATION OF MERGER**

3.1 Necessary Conditions. The respective obligations of each Party to effect the Merger shall be subject to the satisfaction of the following conditions on or prior to the Closing Date, except, to the extent permitted by pre-existing covenants, contracts and obligations of the parties, that such conditions may be waived or extended in writing by the Parties. The Parties acknowledge that certain conditions and legal restrictions prevent the Merger contemplated by this Agreement as of the Effective Date of this Agreement, and that the Parties will need to cooperate and use best efforts to create the legal and financial environment necessary for Merger. Necessary conditions for the Merger (the "Necessary Conditions") are:

3.1.1 Satisfaction or waiver by the benefitted party thereunder of those conditions defined as Necessary Conditions in the CSD Merger Agreement.

3.1.2 There shall be no decrease or material adverse change in the customer rates applicable to STMGID Customers or occurrence of any Material Condition between the Effective Date and the Closing Date.

3.1.3 All conditions to the consummation of the CSD Merger have been satisfied to the approval of TMWA and the CSD Merger is in a position to close, unless such conditions are expressly waived by TMWA to facilitate the Closing of this Merger.

3.1.4 Discharge or satisfaction of the Excluded Liabilities in accordance with Section 5.3 of this Agreement.

3.1.5 All conditions or approvals with respect to the Merger required in connection with the TMWA Obligations have been satisfied to TMWA's satisfaction.

3.2 Merger Ordinance. No later than 15 days after the Effective Date, the STMGID Board of Trustees shall adopt a resolution agreeing to the Merger and shall request the Washoe County Board of Commissioners adopt an ordinance in accordance with NRS 318.490 determining the Merger is in the best interests of the county and STMGID and setting a time and place for hearing on the Merger in accordance with NRS 318.490 through 318.510. STMGID shall take all appropriate and necessary action to communicate and provide information on the Merger terms to STMGID Customers, and facilitate an expeditious hearing on the Merger and adoption of a final ordinance of Merger on terms consistent with this Agreement and in accordance with NRS 318.495.

**ARTICLE IV
POST MERGER COVENANTS**

4.1 Rates to be Charged to STMGID Customers. STMGID represents that the STMGID Water Utility is not presently encumbered by debt and that STMGID Water Revenues fully cover the operating costs of STMGID Water Utility. To ensure that liabilities that benefit one group of ratepayers more than another are appropriately allocated using principles of fairness and cost of service rate making, and given the unique circumstances and conditions surrounding the Merger and nature of the STMGID Water Utility, and in recognition of the fact that STMGID does not have any debt, TMWA and STMGID agree it is appropriate that following rates shall apply to residential STMGID Customers for the delivery of water service from TMWA until the occurrence of a Triggering Event:

(a) Metered Rates for Residential (domestic) Service. The monthly water service rate for metered residential services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(b) Flat (unmetered) Rates for Residential and Irrigation Service. The monthly water service rate for unmetered residential and irrigation services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(c) Metered Rates for Governmental Service. The monthly water service rate for metered governmental services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(d) Metered Rate for Commercial and Industrial Service. The monthly water service rate for metered commercial and industrial services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(e) Private Fire Protection Service. The monthly water service rate for private fire protection services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(f) Right of Way Tolls and Regional Water Management Fee. TMWA is required by ordinance to collect, on behalf of local governments and the Western Regional Water Commission, respectively, a pass through Right of Way Toll where local governments have adopted such toll and a Regional Water Management Fee. Charges to STMGID Customers will include applicable Right of Way tolls and Regional Water Management Fees, where required by law. The Parties acknowledge that as of the Effective Date, the City of Reno has adopted a

5% Right of Way Toll on customers living within the City of Reno and Washoe County has not adopted a Right of Way toll.

(g) Other. Charges to STMGID Customers will include all other fees, taxes, charges or assessments TMWA is or may in the future be obligated under applicable federal, state or local law or ordinance to collect from TMWA customers.

The foregoing rates applicable to STMGID Customers shall be subject to adjustment from time to time by TMWA in an amount equal to the percentage increase or decrease of customer charges, usage charges and/or usage tiers, as applicable, adopted by the TMWA Board on equivalent TMWA rate payer classes and first implemented by TMWA in billing periods commencing after the Closing Date. For purposes of calculating adjustments to usage tiers on STMGID metered rates, percentage adjustments to TMWA's first and second usage tiers shall apply to STMGID first and second usage tiers, and adjustments to TMWA's third usage tier shall apply to STMGID's third, fourth and fifth usage tiers. STMGID flat rate customers shall be subject to conversion to metered rates on the earlier of the occurrence of a Triggering Event or as otherwise provided in accordance with TMWA rules and in the same manner as other TMWA flat rate customers. With the sole exception of the foregoing special residential rate obligations, TMWA rates of service shall apply to all other classes of water service by TMWA within the STMGID Utility area after the Merger.

4.2 Triggering Events. The rates set forth in Section 4.1 shall expire and STMGID Customers shall be subject to and billed in accordance with TMWA customer rates for comparable class and service size upon the earlier of:

(a) On a customer by customer basis, upon the sale, transfer or conveyance of the STMGID Customer's premise, excluding any conveyance which is exempt from real property transfer tax under NRS 375.090. For purposes of the foregoing, the term "premise" shall mean the real property physical location of the service; or

(b) As to all STMGID Customers not otherwise converted to TMWA rates in accordance with Section 4.2 (a) of this Agreement, upon the first billing cycle in January 2035.

4.3 STMGID Cash.

STMGID represents that it owns the cash accounts listed on Schedule 4.3 hereto which funds are presently held and managed by the Washoe County Treasurer and/or CSD. All cash held by STMGID on the Closing Date, including cash held in the accounts listed on Schedule 4.3 (collectively, the "STMGID Funds") and Rate Offset Funds, but excluding any funds generated through the sale of Excluded Assets and distributed prior to Closing, shall be transferred to and become the property of TMWA at the Closing. TMWA shall use the STMGID Funds and Rate Offset Funds only for the purposes provided in this Agreement.

(a) STMGID Restricted Funds. The portion of the STMGID Funds identified as restricted on Schedule 4.3 shall be held by TMWA in a restricted

funds account and used only for the intended purposes permitted by the applicable legal or contractual restriction as identified in Schedule 4.3.

(b) STMGID Unrestricted Funds. All STMGID Funds not designated as restricted on Schedule 4.3 shall be held by TMWA in a separate segregated account and may only be used for three (3) purposes: (i) payment of Contingent Liabilities; (ii) construction of facilities to move surface water into the STMGID Water Utility; and (iii) replacement, rehabilitation and/or repair of the STMGID Facilities.

(c) Rate Offset Funds. All Rate Offset Funds shall be held by TMWA in a separate segregated account and may only be used to offset charges by TMWA after the Closing Date to former STMGID Customers for water service delivered by TMWA and to administer and implement such rate offset program. Prior to the Closing Date, STMGID and TMWA shall mutually agree on a commercially reasonable methodology for TMWA to credit the Rate Offset Funds to STMGID Customers water service bills.

4.3.1 Use of STMGID Funds Prior to Closing Date. Prior to the Closing Date, STMGID may use STMGID revenue received after the Effective Date and STMGID's undesignated funds and cash reserves for the normal operation of the STMGID system as required by Section 7.6 and to abandon Well #9 pursuant to Section 5.7. Prior to the Closing Date, the parties shall meet and confer prior to STMGID performing any capital improvements to the STMGID system. Prior to the Closing Date, STMGID shall not, without the prior written approval of TMWA, sell, lease, transfer or otherwise dispose of any of the STMGID Assets (other than Excluded Assets) or mortgage, pledge, impose or suffer to be imposed any lien or encumbrance on the STMGID Assets; or expend STMGID Funds which exceed the aggregate amount budgeted by STMGID for expenses by more than five percent (5%).

4.4 Cessation of STMGID. It is the parties' intent that on the Closing Date, the STMGID Assets shall constitute all property and funds remaining in the treasury of STMGID and that such shall be transferred to TMWA in accordance with NRS 318.510(1)(b). Following completion of the Merger and transfer of the STMGID Assets to TMWA, STMGID shall cease to exist as a separate entity having been fully merged into TMWA.

ARTICLE V DUE DILIGENCE, TRANSFERRED ASSETS AND ASSUMED LIABILITIES

5.1 Due Diligence. TMWA has performed substantial due diligence investigations with respect to the STMGID Assets as necessary in TMWA's determination to determine the feasibility of the Merger terms proposed hereunder. Between the Effective Date and the Closing Date, STMGID shall disclose to TMWA any material information affecting the STMGID Assets, STMGID Water Utility operations, STMGID financial condition, or Merger, of which STMGID becomes aware and which was not previously disclosed to TMWA during due diligence.

5.2 STMGID Assets. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, on the Closing Date STMGID shall assign, transfer, convey and deliver to TMWA and TMWA shall acquire and accept from STMGID, all of STMGID's rights, title and interest in and to the STMGID Assets. The STMGID Assets are defined as and shall consist of the following, all as more particularly described in the Schedules of STMGID Assets attached hereto as Schedules 5.2, and excluding the Excluded Assets:

- a. All STMGID Water Facilities;
- b. All Real Property;
- c. All STMGID Water Resources;
- d. All hookup fees, connection charges, water resource fees, facility charges, performance bonds or other amounts paid by or received from applicants for service or developers in connection with any development agreement which have not been expended, or which are due or to become due from developers or customers for future service, water resources, or distribution facilities;
- e. All customer and billing information and records of whatever form;
- f. STMGID Water Revenues, pertinent restricted and unrestricted cash balances, accounts receivable, deferred assets, prepaid obligations, customer deposits as allocated by the Parties, insurance policies and proceeds, and claims against third parties;
- g. All books, records, plans, plats, engineering and other drawings, designs, blueprints, plans, specifications, maintenance and operating manuals, engineering reports, calculations, computer models and studies, accounting, budget and business records relating to the STMGID Water Utility or the STMGID Assets, whether in written form or otherwise, controlled by or in the possession of STMGID that relates to the STMGID Water Utility;
- h. Electronic data, computer models and /or databases used to create geographic information, data and maps, distribution system design drawings, and as-built drawings with respect to the STMGID Assets;
- i. Equipment, vehicles, rolling stock, tools, parts and other personal property owned, leased or primarily used by STMGID necessary to operate the STMGID Water Utility, and any warranties or maintenance agreements; and
- j. All necessary regulatory authorizations, governmental requirements, permits or approvals, subject to all conditions, limitations or restrictions contained therein, necessary to construct, expand, repair, update, operate or maintain the STMGID Water Utility or to provide water utility service.
- k. All other property and funds remaining in the treasury of STMGID on the Closing Date, in accordance with NRS 318.510 and as further set forth in Section 5.3 of this Agreement.

5.3 Excluded Assets. STMGID represents and warrants that the Excluded Assets are not owned, leased, or primarily used in conjunction with the STMGID Water Utility, or necessary to operate or necessary to meet the water service commitments of STMGID. STMGID will take all appropriate action to liquidate the Excluded Assets, satisfy the Excluded Liabilities from the proceeds of the Excluded Assets, and distribute any remaining Excluded Assets prior to the Closing Date in accordance with applicable law, as determined by the

STMGID Board of Trustees, or designate such cash proceeds to be used by STMGID and/or TMWA to offset future customer water service charges (such funds referred to as the “Rate Offset Funds”) in accordance with Section 4.3. Except for the Rate Offset Fund, any Excluded Assets which are not distributed by, and which remain assets of STMGID on, the Closing Date shall be converted to and deemed STMGID Assets which shall be transferred to TMWA in accordance with NRS 318.510 (1)(b).

5.4 **Assumed Contracts.** TMWA will assume the contracts set forth in Schedule 5.4.

5.5 **Assumed Liabilities.** Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing and from and after the Closing Date, TMWA shall assume, perform, fulfill and discharge when due all Assumed Liabilities. Assumed Liabilities shall mean the following to the extent arising after the Closing, excluding the Excluded Liabilities:

- a. All obligations in the normal course of the STMGID Water Utility business to provide water service to those STMGID Customers receiving water service on the Closing Date, subject to the terms and conditions of TMWA Rules of Service and the rate covenants set forth in this Agreement;
- b. All resource commitments of STMGID Water Resources subject to compliance by beneficiaries thereof with TMWA Rules of Service or the terms of any applicable Assumed Contracts; and
- c. All liabilities and obligations under the Assumed Contracts to the extent such Assumed Contracts are assigned and assumed.

5.6 **Excluded Liabilities.** STMGID and TMWA agree that TMWA is not assuming any of the Excluded Liabilities. Excluded Liabilities shall mean all liabilities which are not expressly included in the Assumed Liabilities, including without limitation all liabilities arising under any contracts other than the Assumed Contracts, if any.

5.7 **STMGID Well #9.** STMGID may elect to abandon and plug STMGID Well #9 at its expense prior to the Closing Date. In the event STMGID does not abandon and plug STMGID Well #9 prior to the Closing Date, TMWA will not operate STMGID Well #9 for domestic water supply and it is the intention of TMWA to abandon and plug STMGID Well #9 within twelve (12) months of the Closing Date.

ARTICLE VI DISCLOSURES

6.1 **STMGID Disclosures.** STMGID agrees to disclose all information relating to the STMGID Assets and STMGID Water Utility to the extent reasonably requested by TMWA before the Closing and to cooperate in any additional due diligence process necessary to allow TMWA to examine the STMGID Assets. STMGID shall have a continuing duty to disclose to TMWA any STMGID Disclosures of which it becomes aware, together with any Material Conditions that could materially affect the actions contemplated by this Agreement.

6.2 **TMWA Disclosures.** TMWA agrees to allow STMGID to examine documents and information relevant to this Agreement that relate to TMWA's operations, assets or liabilities. TMWA shall fully disclose to STMGID any and all TMWA Disclosures if such information would be required to be disclosed to its external auditors as part of TMWA's audit process. TMWA shall have a continuing duty to disclose to STMGID any TMWA Disclosures of which it becomes aware, together with any Material Conditions that could materially affect the actions contemplated by this Agreement. STMGID shall treat as confidential any information disclosed by TMWA that is designated as confidential, except to the extent such information is a public record or a matter of public knowledge.

ARTICLE VII TRANSITION AND IMPLEMENTATION OF MERGER

7.1 **Implementation.** The Parties agree to cooperate to complete the Merger on an expedited basis.

7.2 **Transition Management.** As soon as reasonably practicable after the Effective Date of this Agreement, the Parties shall create a transition management process under the direction of TMWA's General Manager or individuals designated by him, the Chairman of the STMGID Board or individuals designated by him. The transition management process shall include planning for merger of STMGID Water Utility operations.

7.3 **Service Areas.** Upon the Closing Date and consummation of the Merger with STMGID, TMWA's service area will be defined as the combined, then-existing, retail service areas of TMWA and STMGID, and service may be provided to new and existing customers within TMWA boundaries set forth in the TMWA Joint Powers Agreement, and based upon the TMWA rules of service, subject to the special rates set forth in Sections 4.1 and 4.2. Pending Merger, the existing customers of each Party shall remain customers of such Party, unless otherwise determined by separate agreement.

7.4 **Rates, Fees, and Charges.** Pending Merger, each Party shall maintain its separate rates, fees, and charges for its customers. Both Parties covenant to maintain their respective rates, fees, and charges at a level sufficient to assure compliance with the most restrictive covenants and requirements of the financial obligations of either Party. STMGID further covenants and agrees not to reduce its rates, fees or charges for its customers after the Effective Date and prior to the Closing Date.

7.5 **Expenses.** Subject to any allocation of obligations set forth in Article IX of this Agreement, all costs, fees and expenses incurred in connection with this Agreement, and the transactions covered hereunder, shall be paid by the party incurring such costs, fees and expenses, except for those costs, fees and expenses incurred by joint agreement of the Parties, which costs, fees and expenses shall be allocated by mutual agreement of the Parties.

7.6 **Conduct of Business in Normal Course.** From the Effective Date through Closing, STMGID shall carry on its water utility business diligently and in substantially the same manner as it previously has been carried out, in compliance with applicable legal requirements. Prior to the Closing Date, STMGID shall maintain the STMGID Water Utility systems in good

repair to effectively plan, operate and maintain the water system and provide dependable, reliable service to customers on a consistent basis in conformance with industry standards and practices.

ARTICLE VIII CLOSING PROCEDURES

8.1 *STMGID's Deliveries.* At the Closing, STMGID shall deliver all of the following to TMWA:

(a) A Grant, Bargain and Sale Deed and Bill of Sale, fully executed with notary acknowledgement, conveying the STMGID Assets, in the form and content agreeable to the parties;

(b) Two (2) original counterparts of an Assignment of Assumed Contracts, fully executed by STMGID, in the form and content agreeable to the parties (the "Contracts Assignment");

(c) The STMGID Funds;

(d) A schedule of STMGID Customers existing as of the Closing Date, along with a description of the class of service and premises address;

(e) Such other funds, documents, and instruments required under this Agreement or reasonably requested by TMWA to consummate the transfer of the STMGID Assets and consummation of the Merger contemplated under this Agreement.

8.2 *TMWA's Deliveries.* At the Closing, TMWA shall deliver all of the following to STMGID:

(a) Two (2) original counterparts of the Contracts Assignment, fully executed by TMWA.

(b) Such other funds, documents, and instruments required under this Agreement or reasonably requested by STMGID to consummate the purchase and sale of the Assets contemplated under this Agreement.

8.3 *Prorations and Costs.* The following amounts shall be prorated among TMWA and STMGID as of the Closing Date, based upon the actual number of days in the month and/or year in which the Closing Date occurs: (i) any personal property tax payable with respect to any of the Assets taxed by any governmental authority as personal property or on any other ad valorem basis; and (iii) any real property tax or transfer tax payable with respect to the Real Property. All escrow fees and costs, if any, shall be divided equally between STMGID and TMWA.

8.4 *Closing Duties of Escrow Holder.* Upon receipt of all of the documents, instruments and funds required to be delivered to McDonald Carano Wilson LLP ("Escrow Holder") pursuant to this Agreement, Escrow Holder shall proceed as soon thereafter as

reasonably possible to consummate the purchase and sale transaction contemplated under this Agreement by delivery of the following amounts, documents and instruments to the following parties:

- (a) Deliver one (1) fully executed original of the Contracts Assignment to STMGID and TMWA; and
- (b) Deliver the fully executed original of the Deed and Bill of Sale to TMWA.

8.5 Surrender of Possession. On the Closing Date, STMGID shall (i) surrender possession of the STMGID Assets and deliver in place all of the STMGID Assets to TMWA, and (ii) deliver to TMWA all keys to all locks to the Water Facilities.

ARTICLE IX REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties of STMGID. STMGID makes the following representations and warranties to TMWA, as of the Effective Date and as of the Closing Date:

9.1.1 Good Standing; Proper Authority. STMGID is a general improvement district and quasi-municipal corporation of the State of Nevada, duly organized, validly existing, and in good standing under the laws of the State of Nevada. STMGID has all organizational power necessary, and has taken, or will obtain prior to Closing, all necessary approvals required of STMGID Customers, the STMGID Board and the Washoe County Board of Commissioners, under Nevada law to consummate the transactions contemplated hereunder.

9.1.2 No Violations; Enforceability; No Required Consents. The execution, delivery and performance by the STMGID of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to the STMGID; does not and will not contravene any provision of, or constitute a default under any Contract to which the STMGID is a party or by which they are bound. When executed and delivered, this Agreement and all other documents and instruments hereunder to which the STMGID is a party shall constitute legal, valid, and binding obligations of the STMGID, as applicable, enforceable against each of them, as applicable, in accordance with their respective terms. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority is required in connection with the execution, delivery and performance by the STMGID of this Agreement other than those that have been obtained and are in full force and effect.

9.1.3 NRS Chapter 354. To the extent that Chapter 354 of the Nevada Revised Statutes and 354.088 of the Nevada Administrative Code require a transfer plan or inter-governmental agreement transferring a governmental function, the merger ordinance process under NRS 244.100 and NRS 318.490 through 318.510 and this Agreement are intended to satisfy the substantive and procedural requirements set forth in chapter 354 of the NRS and NAC 354.088.

8.1.4 No Litigation. STMGID has not been served with, and to STMGID's actual knowledge there is no, litigation or arbitration pending or threatened before any court or administrative agency against STMGID or which could affect STMGID's performance hereunder, except as otherwise set forth in Schedule 8.1.4.

9.2 Representations and Warranties of TMWA. TMWA makes the following representations and warranties to STMGID, as of the Effective Date and as of the Closing Date:

9.2.1 Good Standing; Proper Authority. TMWA is a joint powers authority and political subdivision of the State of Nevada, duly organized, validly existing, and in good standing under the laws of the State of Nevada. TMWA has all organizational power necessary, and has taken, or will obtain prior to Closing, all necessary approvals required of its Board under Nevada law to consummate the transactions contemplated hereunder.

9.2.2 No Violations; Enforceability; No Required Consents. The execution, delivery and performance by TMWA of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to TMWA; is not inconsistent with and will not violate or contravene the TMWA JPA; does not and will not contravene any provision of, or constitute a default under any Contract to which TMWA is a party or by which it is bound. When executed and delivered, this Agreement and all other documents and instruments hereunder to which TMWA is a party shall constitute legal, valid, and binding obligations of TMWA enforceable against TMWA in accordance with their respective terms. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority is required in connection with the execution, delivery and performance by TMWA of this Agreement other than those that have been obtained and are in full force and effect.

ARTICLE X ALLOCATION OF LIABILITIES, INDEMNIFICATION, AND RISK MANAGEMENT

10.1 General Principles of Risk Allocation and Indemnity. The Parties agree and acknowledge that until the Closing Date, the Parties will continue to retain responsibility for their respective operations and systems as separate entities. To the fullest extent permitted by law, each Party shall indemnify, hold harmless and defend the other Party from and against any and all third party claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, which claims arise in whole or in part out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees and agents, in the performance or implementation of this Agreement, excepting any liability arising out of the negligence or willful acts or omissions of the indemnified Party.

10.2 Insurance and Risk Management. Following the Effective Date and until the Closing Date, each Party shall maintain its customary levels of insurance, including but not limited to property and casualty insurance that protects its assets and financial obligations against all risks of loss consistent with sound business practice and workers compensation insurance for all of its employees in accordance with state laws.

10.3 Statutory Limitations. Notwithstanding the foregoing, neither Party waives available NRS chapter 41 liability limitations and other liability limitations available at law in all cases. The Parties acknowledge that their respective abilities to perform their respective obligations under this Agreement is subject to the requirements of NRS Chapter 354 as applicable.

ARTICLE XI TERMINATION , DEFAULT AND RIGHT TO CURE

11.1 Termination. Subject to the conditions set forth in Section 10.3, this Agreement may be terminated and the transactions contemplated herein may be abandoned:

11.1.1 By mutual consent of the Parties; provided, however, that no termination shall impair the rights of any holders of TMWA Obligations;

11.1.2 If the CSD Merger Agreement is terminated for any reason or the CSD Merger is not consummated, for any reason;

11.1.3 If written protests to the Merger are filed by the majority of owners of property within STMGID and the Merger cannot proceed in accordance with NRS 318.495;

11.1.4 If either Party is in Default (as defined below) and such Default (i) cannot be remedied in accordance with Section 10.2 and (ii) would have a material adverse effect on the business, operations, assets or financial condition of one or both of the Parties; or

11.1.5 By either Party, if a final order, decree or ruling enjoining or otherwise prohibiting any of the transactions covered under this Agreement has been issued by any federal or state court in the United States (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) and if the failure to consummate such prohibited transaction (i) cannot be remedied in accordance with Section 10.2 and (ii) would have a material adverse effect on the business, operations, assets or financial condition one or both of the Parties.

11.2 Default, Notice and Right to Cure.

11.2.1 Default. A Default occurs when (i) a Party repudiates, breaches or fails to perform in any material respect, within the time frame specified or, if not so specified, within a reasonable time, any Necessary Condition, covenant or term expressed herein; (ii) any Party's representation of a material fact expressed herein was intentionally falsified, or if a Party has a continuing duty to make any representation of a material fact or duty to disclose any material fact, such representation becomes false or such disclosure does not occur as a result of a subsequent event or occurrence; (iii) any Party's material warranty expressed herein, is breached at any time during the period of such warranty; (iv) a Party violates any law material and relevant to this Agreement; or (v) any event occurs that is otherwise described in this Agreement as a default.

11.2.2 Notice and right to cure. Unless otherwise specified in this Agreement, in the event of a Default, the non-defaulting Party shall provide written notice of such Default to the defaulting Party and the specific action required to cure such Default, and the defaulting Party shall have thirty (30) days from the date that the notice is deemed given to cure the default.

11.3 Effect of default. If a Default is suffered or caused by any Party and not cured within the period of time specified in Section 10.2.2, the non-defaulting Party may (i) pursue resolution of the matter pursuant to Article XI regarding Dispute Resolution; (ii) suspend any counter-performance due hereunder until the Default is cured or resolved; or (iii) terminate this Agreement pursuant to Section 10.1.

11.4 Effect of Termination. In the event of any termination of this Agreement pursuant to Section 10.1 above, there shall be no liability on the part of either STMGID or TMWA, or their respective Boards, officers, or employees, except that the obligations of the Parties that expressly survive under Article IX of this Agreement shall remain in full force and effect and survive the termination of this Agreement.

11.5 Waiver. At any time prior to full Merger, the Parties may (i) extend the time for performance of any of the conditions, covenants or terms set forth in this Agreement, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant to this Agreement; and (iii) waive compliance with any of the conditions, covenants or terms set forth in this Agreement. Except as set forth in Section 12.1, any such extension or waiver shall be valid only if mutually agreed to by the Parties in writing and duly authorized and executed by the governing boards of the Parties.

ARTICLE XII DISPUTE RESOLUTION

12.1 Mediation. If, after good faith negotiations to resolve any dispute arising out of or relating to any condition, covenant, term or transaction covered under this Agreement or in any document delivered pursuant to this Agreement, the Parties are unable to agree upon a mutually acceptable resolution, a Party must first demand in writing that the dispute be submitted to the Court Annexed Mediation Program under the Nevada Mediation Rules. Each Party shall bear its own attorney's fees and costs of mediation. Neither Party shall be deemed the prevailing party in any dispute submitted to mediation. No Party shall be permitted to file any court action arising from a dispute under this Agreement unless first attempting to mediate in good faith to reach a mediated settlement.

ARTICLE XIII MISCELLANEOUS PROVISIONS

13.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, oral or written, express or implied, and all undertakings, negotiations or discussions of the Parties, whether oral or written, all of which are integrated herein; provided, however, the Parties acknowledge that certain other agreements and commitments shall be necessary for the

implementation of the purposes of this Agreement. This Agreement may not be amended, changed, waived, terminated or modified unless the same shall be in writing and ratified by the governing boards of the respective Parties. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced.

13.2 Attorneys Fees; Governing Law and Venue. In any dispute or litigation arising out of this Agreement or any transactions covered under this Agreement, each party shall bear its own attorney's fees and costs. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. Unless otherwise agreed to herein by the Parties, venue to resolve any dispute or for any action or proceeding in mediation or arbitration to construe or enforce the provisions of this Agreement shall be Washoe County

13.3 Construction; Headings. In the event of any dispute regarding any provision of this Agreement, the terms of this Agreement shall be construed neutrally and shall not be construed against or in favor of either Party, notwithstanding the fact that one Party may have been responsible for drafting the initial form of this Agreement. The Parties acknowledge that they have each participated equally in the negotiation and drafting of this Agreement prior to execution and each have been represented by legal counsel of their choice in connection therewith. The headings of the sections and paragraphs of this Agreement are for convenience only and in no way define, limit or affect the scope of substance of any section or paragraph of this Agreement.

13.4 Severability. If any provisions or part of a provision in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the same shall not affect any other provision or part of a provision provided that the fundamental terms and conditions of this Agreement remain legal and enforceable, in which case, to the fullest extent possible without defeating the Parties' intentions hereunder, this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein.

13.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. The provisions of Section 4.1, 4.2 and 4.3 shall be binding upon any successor by merger, purchase or otherwise of TMWA with respect to the operation of the TMWA water system.

13.6 Relationship of Parties. Nothing contained in this Agreement is intended to nor shall be deemed to create any partnership, joint venture, agency, fiduciary duty or other relationship between STMGID and TMWA other than with respect to their contractual obligations contained herein.

13.7 Third Party Beneficiaries. There are no express or implied third party beneficiaries to this Agreement, or any obligation, claim, or right arising under this Agreement, and no other person or entity who is not a signatory to this Agreement shall have any obligation, claim, right, or remedy hereunder.

13.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

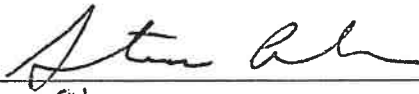
13.9 Recitals, Exhibits and Schedules. The recitals at the beginning of this Agreement and the following Exhibits and Schedules attached to this Agreement are incorporated herein by this reference and made a part hereof as if set forth in full herein.

13.10 Further Assurances. Subject to the terms and conditions hereof, each of the Parties agrees to use commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all documents and to take, or cause to be taken, all actions that may be reasonably necessary or appropriate to effectuate the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth below.

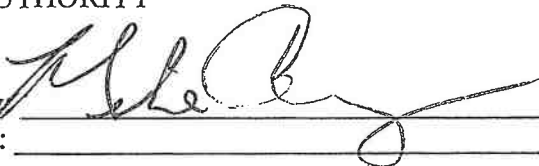
SOUTH TRUCKEE MEADOWS GENERAL
IMPROVEMENT DISTRICT

Dated: 1/10/14

By: 
Its: Chairman

TRUCKEE MEADOWS WATER
AUTHORITY

Dated: _____

By: 
Its: _____

Schedule 4.1

STMGID Post Merger Residential Rates

**SOUTH TRUCKEE MEADOWS
GENERAL IMPROVEMENT DISTRICT
(STMGID)**

**SCHEDULE OF
RATES, TOLLS, CHARGES, LIENS, DEPOSITS
PENALTIES, CONNECTION AND DISCONNECTION FEES
AND
RULES AND REGULATIONS FOR
SERVICE OF PROPERTY FROM THE
FACILITIES OF THE
SOUTH TRUCKEE MEADOWS
GENERAL IMPROVEMENT DISTRICT**

ADOPTED

June 24, 1986
Amended January 26, 1988
Amended March 28, 1989
Amended July 25, 1989
Amended May 23, 1995
Amended February 1, 1998
Amended February 1, 2001
Amended May 28, 2002
Amended June 27, 2006
Amended June 10, 2009

ARTICLE 4: SCHEDULE OF RATES AND CHARGES

- 4.1 Unmetered Rates for Domestic and Irrigation Service. The monthly unmetered water service rate for all domestic and irrigation water shall be \$44.91.
- 4.2 Metered Rates for Domestic Residential and Governmental Services. The monthly water service customer service charge for all domestic water shall be based on service size shown in the table. Service sizes not listed in the following table shall be charged the monthly customer service rate of the next larger service size shown in the table.

<u>Service Size</u>	<u>Irrigation Service</u>	<u>Residential & Governmental Services</u>
5/8" to 3/4"	\$ 8.71	\$ 9.49
1"	\$ 10.83	\$ 11.61
1-1/2"	\$ 15.69	\$ 16.47
2"	\$ 21.45	\$ 22.23
3"	\$ 38.61	\$ 39.39
4"	\$ 56.79	\$ 57.57
6"	\$ 107.47	\$ 108.25
8"	\$ 180.60	\$ 181.38
10"	\$ 273.69	\$ 274.47

Unit Charge: The unit charge for residential and governmental water usage per month is as follows:

A. 3/4", 1", and 1-1/2" Residential Services

<u>Range</u>	<u>Rate</u>
0 - 6,000 gallons	\$ 1.36
7 - 20,000 gallons	\$ 1.80
21 - 40,000 gallons	\$ 2.21
41 - 65,000 gallons	\$ 2.58
> 65,000 gallons	\$ 2.73

B. 3/4", 1", and 1-1/2" Governmental Services

<u>Range</u>	<u>Rate</u>
0 - 30,000 gallons	\$ 1.47
31 - 50,000 gallons	\$ 1.82
> 50,000 gallons	\$ 2.62

C. 2" and Larger Governmental Services

<u>Range</u>	<u>Rate</u>
0 - 200,000 gallons	\$ 1.48
201 - 700,000 gallons	\$ 2.09
> 700,000 gallons	\$ 2.98

Unit Charge for Irrigation Services: The unit charge for irrigation services shall be \$1.99 per thousand gallons of water usage.

- 4.3 Metered Rates for Commercial and Industrial Service. The monthly metered water service rate for all commercial and industrial water shall be based on service size as shown in the table. Service size not listed

in the following table shall be charged the monthly customer service rate of the next larger service size shown in the table.

<u>Service Size</u>	<u>Irrigation Service</u>	<u>Domestic Service</u>
5/8" to 3/4"	\$ 8.71	\$ 9.49
1"	\$ 10.83	\$ 11.61
1-1/2"	\$ 15.69	\$ 16.47
2"	\$ 21.45	\$ 22.23
3"	\$ 38.61	\$ 39.39
4"	\$ 56.79	\$ 57.57
6"	\$ 107.47	\$ 108.25
8"	\$ 180.60	\$ 181.38
10"	\$ 273.69	\$ 274.47

Consumption Charge for Commercial/Industrial Use: In addition to the monthly customer service charge, a unit charge for each gallon of water used per month will be charged based on the following schedules per thousand gallons of consumption.

<u>SMALL COMMERCIAL/INDUSTRIAL SERVICES (3/4", 1", and 1-1/2")</u>	
<u>Range</u>	<u>Rate</u>
0 - 20,000 gallons	\$ 1.41
21 - 40,000 gallons	\$ 1.57
> 40,000 gallons	\$ 1.76

<u>LARGE COMMERCIAL/INDUSTRIAL SERVICES (2" and Larger)</u>	
<u>Range</u>	<u>Rate</u>
0 - 70,000 gallons	\$ 1.36
71 - 275,000 gallons	\$ 1.60
> 275,000 gallons	\$ 3.20

Consumption Charge for Irrigation Use: In addition to the monthly customer service charge a unit charge of \$1.99 per thousand gallons of water usage will be charged for irrigation services.

- 4.4 Charges for Private Fire Protection Service. These charges apply to all services through which water is used solely for extinguishing accidental fires:

<u>Service Size</u>	<u>Monthly Customer Service Rate</u>
3/4"	\$ 0.37
2"	\$ 4.34
3"	\$ 12.61
4"	\$ 26.86
6"	\$ 78.04
8"	\$166.30
10"	\$299.07

- 4.5 Charges for Meter Testing. The District will shop-test a meter at the request of a customer and payment of a fifty dollar (\$50) fee. If the meter, upon testing, registers no greater than two percent (2%) over the true quantity, the fee shall be forfeited, and all water bills paid as presented. However, if the meter registers more than two percent (2%) of the true quantity, the fee shall be returned, and the amount overcharged

during the prior six months, or such portion of the six month period as the customer has been responsible for water bills will be credited to the customer and another meter substituted for the inaccurate meter.

4.6 Charges for Combined Service. These charges apply to service through which water is delivered for the dual purpose of providing domestic supply and private fire protection. The monthly charge shall be the charge for domestic water as determined in Section 4.2 or 4.3, as appropriate, plus the charge for private fire protection as determined in Section 4.4.

4.7 Charges for Bulk Service. These charges apply to water obtained from the District's tanker loading facility.

- A. A non-refundable application fee of \$200.00 per application which includes one card. Additional cards are charged at \$100.00 each. An additional \$100.00 is charged for lost cards.
- B. A refundable deposit of \$1,000.00, first applied to balance owing on the account, with no interest.
- C. Monthly customer service rate of \$100.00 each month per card used.
- D. In addition to the monthly customer service rate a unit charge of \$1.67 per thousand gallons of water will be charged.

4.8 Arsenic Remediation Surcharge. The monthly arsenic surcharge rate for all unmetered domestic, metered domestic and commercial/industrial services shall be based on the service size shown in the table below. Services sizes not listed in the following table shall be charged the rate for the next larger size shown in the table.

<u>Service Size</u>	<u>Monthly Rate</u>
3/4"	\$ 2.25
1"	\$ 7.05
1-1/2"	\$ 14.10
2"	\$ 22.53
3"	\$ 45.15
4"	\$ 70.50
6"	\$ 141.00
8"	\$ 225.60
10"	\$ 324.30

POLICY FOR THE
CONVERSION OF A FLAT RATE PAYING CUSTOMER
TO A METERED RATE PAYING CUSTOMER

SOUTH TRUCKEE MEADOWS
GENERAL IMPROVEMENT DISTRICT

1. The first time a flat rate customer uses more than 75,000 gallons during a billing cycle, he shall receive a warning notice by certified mail, return receipt requested, at his billing address, and shall be charged the metered rate for that cycle.
2. A customer shall receive only one warning notice, which shall include a copy of this Policy.
3. The second time a flat rate customer uses more than 75,000 gallons during a billing cycle, he shall be charged the metered rate for that cycle and shall remain on the metered rate schedule for all future billings.
4. Each customer shall be required to monitor his own usage by reviewing his monthly bills.
5. Appeals shall be considered by the Local Managing Board on a case-by-case basis. Appeals to the Local Managing Board shall be in writing, stating the basis of the appeal, and shall be filed with the Manager of the Utility Services Division, Washoe County Department of Water Resources, within ten (10) calendar days after receipt of the notice provided for in paragraphs 1 and 2, above.
6. Refusal to accept notice by certified mail will not preclude application of this Policy.
7. Appeals of the Local Managing Board's action to the Board of Trustees shall follow the same procedure as defined in Section II (Appeal Procedure) of the District's Annexation Policy and Guidelines, except that no filing fee shall be required.
8. Conversion from a flat rate to a metered rate may also be made upon either: (1) any change of account, e.g., change of ownership or change of tenant, or (2) a request to the Local Managing Board by the property owner.
9. This policy updates and replaces the District's Policy for the Installation of Water Meters dated January 23, 2001.

Approved by Local Managing Board on June 18, 2001.

Approved by Board of Trustees on June 26, 2001.

Schedule 4.3

STMGID Funds

STMGID Restricted Funds.

1. Zone 11 tank funds, approximately \$2,700,000
2. Arsenic Remediation Surcharge fund, approximately \$760,000

STMGID Unrestricted Funds.

1. Water Rights Lease Revenue, approximately \$1,940,000
2. Connection Fees, approximately \$1,600,000
3. Other undesignated funds and cash reserves, approximately \$8,000,000

Schedule 5.2

STMGID Assets

All right, title and interest which STMGID may have in and to the following, but excluding the Excluded Assets described in Schedule 5.3:

1. All water treatment plants, wells, supply, storage, transmission and distribution pipes and facilities, pumps, tanks, trade fixtures, leasehold improvements, generators, valves, meters, service connections and all other physical facilities, improvements and installations primarily used in conjunction with, or necessary to operate the STMGID Water Utility, including all mains, markers, conduits, pipes, pump stations, valve boxes, meters, fixtures, pipes, service lines, backflow prevention equipment and any other facilities or appurtenances owned, held or used in connection with the operation of the water utility and distribution system of STMGID, together with any assignment of existing and assignable third-party warranties and representations that relate to completed or ongoing construction, reconstruction, upgrading, installation, expansion and repair of the STMGID water transmission, distribution and storage facilities.
2. All tank sites, properties, easements, rights of way, licenses, permits, prescriptive rights, leases, or other interests in real property used by STMGID in the operation of the water utility.
3. All water rights and water resources in which STMGID has a right, title or interest, including water rights dedicated to STMGID, which are committed to or necessary to support existing and future potable/domestic water service(s) to municipal and industrial customers within STMGID's service area; and 2) banked water rights held in trust by STMGID for third parties.
4. All STMGID Funds, including all STMGID Water Revenue, cash and cash accounts, accounts receivable, hookup fees, connection charges, water resource fees or other amounts due or to become due from developers or customers for water service, water resources, or distribution facilities.
5. All books and records including GIS data, if any, relating to the water system in STMGID's possession or control.
6. All customer lists, customer credit information, the original or photocopies of all files, records, and accounts for customers of STMGID who receive, or have entered agreements to receive, water service from STMGID, in STMGID's possession or control.
7. All other the personal property, facilities and fixtures owned by STMGID which are located within or are used in connection with the water system.

Schedule 5.2 (a)

Real Property

1. Those certain licenses, easements, rights or way and rights to use property granted by the Bureau of Land Management, as follows:

- a. A 33 foot right of way for roadway and public utilities originally granted to John Du Puy, Jr., under Permit N-057715, dated July 20, 1961, across T18N R20E S30 lot 129.
- b. A right of way for roadway, tanksite and pipeline purposes granted to STMGID under Permit N-39894, dated March 11, 1985, across T18N R20E S26 SW1/4 SW1/4.
- c. A 33 foot right of way for roadway and public utilities originally granted to William King, under Permit N-43130, dated January 27, 1985, across T17N R20E S18.
- d. A right of way for domestic water and sewer facilities with service road originally granted to Henry Fry, under Permit N-80358, dated December 21, 2006, as assigned to Washoe County.

2. All real property held in fee simple, or as easements, licenses, prescriptive rights, right-of-ways, and rights to use public and private roads, highways, streets or other property, owned or used by STMGID in connection with the construction, installation, expansion or necessary to access, operate and maintain all of the STMGID Assets or the STMGID Water Utility whether or not identified in this Schedule 5.2(a), including those held by Washoe County described in Schedule 5.2 (d).

3. All prescriptive rights of STMGID in and to any easement and the personal property, facilities and fixtures located therein, whether or not identified in this Schedule 5.2(a), which easement was used and occupied by STMGID in connection with the Water Business as of the Closing Date; it being the intent of the parties that the conveyances contained herein include the after acquired title of STMGID, and that TMWA shall be entitled to tack onto the period of ownership or occupation by STMGID for purposes of establishing prescriptive rights.

4. All right, title and interest in and to the real property more particularly described below:

a) 14746 PINE KNOLLS LANE-ABANDONED WATER TANK SITE (.29 Acres)

All that real property situate in the County of Washoe, State of Nevada, being all that portion of Section 27, Township 18 North, Range 20 East, M.D.B. & M., described as follows:

PARCEL 1

Beginning at a point on the East line of said Section 27, Township 18 North, Range 20 East, M.D.B. & M., from whence the Southeast corner of said Section 27 bears South 0° 14' 19" West, 1374.54 feet distant; thence North 89° 55' 41" West, 100 feet; thence North 0° 04' 19" East, 125.00 feet; thence South 89° 55' 41" East, 100.00 feet to a point on said East line of Section 27; thence South 0° 14' 19" West, 125.00 feet along the last mentioned line to the place of beginning.

APN: 016-490-27

PARCEL 1-A (WATERLINE EASEMENT)

A right-of-way easement for a waterline described as being a strip of land ten feet on each side of the following described centerline:

Begin at a point from whence the Southeast corner of Section 27, Township 18 North, Range 20 East, M.D.B. & M. bears South 45° 30' East 1334.36 feet distant, thence North 23° 51' 21" East, 541.07 feet; thence South 89° 08' East, 170.67 feet; thence South 89° 53' 20" East, 197.16 feet; thence North 76° 43' East, 102.15 feet; thence North 88° 42' East, 185.53 feet to the point of ending of this easement EXCEPTING THEREFROM any portion thereof lying within the lines of the property owned by E. P. SAWYERS, CLYDE H. and MARY G. BOND.

PARCEL 1-B (INGRESS/EGRESS TANK SITES EASEMENT)

A non-exclusive easement thirty (30) feet wide, measured at right angles over a portion of the East one-half of the Southeast one-quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., for purposes of ingress and egress to a tank site, described in a deed from Nevada Title Guaranty Co. to Nevada National Bank, Filing No. 165321, Official Records of Washoe County, the centerline of said non-exclusive easement described as beginning at a point on the Easterly line of Rim Rock Drive, from which point of beginning, the Southeast corner of said Section 27 bears South 38° 57' 39" East, 1417.22 feet distant; thence along said easement centerline the following seven (7) courses and distances: South 66° 08' 39" East, 297.74 feet; North 60° 41' East, 183.97 feet; North 43° 40' East, 169.13 feet; North 57° 15' East, 189.26 feet; North 20° 36' East, 156.29 feet; North 14° 09' East, 58.77 feet; South 0° 04' 19" East, 100.00 feet to the point of ending of said non-exclusive easement centerline, from whence said Southeast corner of Section 27 bears South 4° 37' 35" East, 1404.24 feet distant.

PARCEL 1-C (ROADWAY EASEMENT)

An easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M. in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North 23° 51' 21" East, 5.00 feet; thence South 66° 08' 39" East, 25.00 feet, to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South 23° 51' 21" West, through a central angle of 90° 00', an arc distance of 31.42 feet; thence South 66° 08' 39" East, 231.25 feet, to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of 21° 41' 51", an arc distance of 47.34 feet; thence South 87° 50' 30" East, 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of 52° 44' 20", an arc distance of 92.05 feet; thence North 39° 25' 10" East, 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of 14° 13', an arc distance of 43.42 feet; thence North 25° 12' 10" East, 194.42 feet; thence North 15° 27' 10" East, 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as Instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North 26° 57' 50" East, 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc., recorded on December 29, 1972, as Instrument No. 270374 in Book 696, Page 575 of said Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc., South 0° 04' 19" West, 75.00 feet; and South 89° 55' 41" East, 10.00 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970, as Instrument No. 190134 in Book 503, Page 223 of said Official

Records; thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc., South 0° 04' 19" West, 42.81 feet; thence South 21° 34' 30" West, 131.80 feet; thence South 25° 12' 10" West, 196.00 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet; thence Southwesterly along said curve through a central angle of 14° 13', an arc distance of 55.83 feet; thence South 39° 25' 10" West, 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of 52° 44' 20", an arc distance of 138.07 feet; thence North 87° 50' 30" West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of 21° 41' 51", an arc distance of 66.27 feet; thence North 66° 08' 39" West, 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North 23° 51' 21" East, 70.00 feet to the place of beginning.

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-2" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

b) VIRGINIA FOOTHILLS DR.-ABANDONED WATER TANK SITE (.19 Acres)

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B. & M., described as follows:

PARCEL 1

Starting at the Southeast corner of Lot 15, Block I as shown on the map of VIRGINIA FOOTHILLS SUBDIVISION, UNIT NO. 3, thence South 0° 04' 19" West, 323.87 feet to the point of beginning for this description, thence South 0° 04' 19" West, 75.00 feet; thence North 89° 55' 41" West, 110.00 feet; thence North 0° 04' 19" East, 75.00 feet; thence South 89° 55' 41" East, 110.00 feet to the point of beginning. Situate in the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M.

APN: 016-490-32

TOGETHER WITH an easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North 23° 51' 21" East, 5.00 feet; thence South 66° 08' 39" East, 25.00 feet to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South 23° 51' 21" West, through a central angle of 90° 00', an arc distance of 31.42 feet; thence South 66° 08' 39" East, 231.25 feet to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of 21° 41' 51", an arc distance of 47.34 feet; thence South 87° 50' 30" East, 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of 52° 44' 20", an arc distance of 92.05 feet; thence North 39° 25' 10" East, 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of 14° 13', an arc distance of 43.42 feet; thence North 25° 12' 10" East, 194.42 feet; thence North 15° 27' 10" East, 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as Instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North 26°

57° 50" East, 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc. recorded on December 29, 1972 as Instrument No. 270374 in Book 696, Page 575 of Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc. South 0° 04' 19" West, 75.00 feet; and South 89° 55' 41" East, 10.00 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970 as Instrument No. 190134 in Book 503, Page 223 of said Official Records; thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc.; South 0° 04' 19" West, 42.81 feet; thence South 21° 34' 30" West, 131.80 feet; thence South 25° 12' 10" West, 196.00 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet, thence Southwesterly along said curve through a central angle of 14° 13', an arc distance of 55.83 feet; thence South 39° 25' 10" West, 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of 52° 44' 20", an arc distance of 138.07 feet; thence North 87° 50' 30" West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of 21° 41' 51", an arc distance of 66.27 feet; thence North 66° 08' 39" West, 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North 23° 51' 21" East, 70.00 feet to the place of beginning.

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-3" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

c) 14785 PINE KNOLLS LANE-VACANT LOT (1.79 Acres)

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one quarter (SW 1/4) of Section 27, Township 18 North, Range 20 East, M.D.B. & M., and being more particularly described as follows, to wit:

Commencing at the street intersection Rancheros Drive and Rim Rock Drive as identified on the Official Plat for Virginia Foothills Subdivision Unit No. 1, Document 366807 and filed September 16, 1962 in the Office of the Washoe County Recorder, Reno, Nevada; thence North 23° 51' 21" East, along the centerline of Rim Rock Drive a distance of 339.67 feet to a point of curvature to the left; thence South 66° 08' 39" East a distance of 25.00 feet to the easterly right of way of Rim Rock Drive of the aforementioned subdivision and the TRUE POINT OF BEGINNING; thence South 23° 51' 21" West, along the easterly right of way of Rim Rock Drive a distance of 108.64 feet to a point; thence South 66° 08' 39" East a distance of 140.00 feet to a point; thence South 06° 56' 43" West, a distance of 257.15 feet to a point on the northerly side of a 50.00 foot wide access easement; thence South 66° 08' 39" East, along the aforementioned access easement a distance of 36.45 feet to a point of curvature to the left, concave northerly, having a radius of 125.00 feet, and a central angle of 21° 41' 51"; thence along the curve and the northerly side of said access easement a distance of 47.34 feet to a point; thence South 87° 50' 30" East, and continuing along said northerly side of the 50 foot wide access a distance of 73.90 feet to the southwest corner of Parcel 3 as identified in Document number 550047, and filed August 8, 1978 in the Office of the Washoe County Recorder, Reno, Nevada; thence North 23° 51' 21" East, a distance of 220.00 feet to a point; thence North 33° 55' 02" West, a distance of 170.98 feet to a point; thence North 49° 35' 27" West, a distance of 61.00 feet to a point; thence North 69° 40' 35" West, a distance of 163.33 feet to the TRUE POINT OF BEGINNING and containing an area of 1.786 acres more or less.

APN: 016-490-50

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-5" in that certain document recorded February 15, 1984, in Book 1976, Page 207, as Instrument No. 907249 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH access easements granted per Parcel Map 2268, Recorded as Document No. 1247098, on May 18, 1988, as Access Note for said Map, stating: Access to all parcels is by public easements not owned or maintained by Washoe County.

d) 9675 WESTERN SKIES DRIVE-TRUCKFILL STATION (3.51 Acres)

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B.&M., described as follows:

Commencing at the North quarter corner of said Section 27; thence South 00° 11' 49" West, along the North-South centerline 1343.20 feet; thence South 89° 28' 27" West, 2033.13 feet to the true point of beginning; thence South 62° 48' 17" West, 685.21 feet to the West line of said Section 27; thence along said West line South 00° 08' 43" East, 611.66 feet; thence South 56° 57' East, 119.11 feet; thence North 00° 08' 43" West, 559.34 feet; thence North 62° 48' 17" East, 574.55 feet; thence North 00° 31' 33" West, 167.86 feet to the True Point of Beginning.

APN: 140-051-23

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-4" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH a 20 FOOT access easement described as follows: All that certain tract, piece or parcel of land situate, lying and being in the West one half (W 1/2) of Section 27, Township 18 North, Range 20 East, M.D.B.&M., and being more particularly described as follows, to wit:

Commencing at a point on a line common to Sections 27 and 28, Township 18 North, Range 20 East, M.D.B.&M., and the northerly right-of-way of State Highway Route 17 as identified on Parcel Map No. 1136, Document Number 686528, and filed August 5, 1980 in the Office of the Washoe County Recorder, Reno, Nevada and being the TRUE POINT OF BEGINNING; thence North 00°08'43" West along the line common to Sections 27 and 28, Township 18 North, Range 20 East, M.D.B.&M., a distance of 361.60 feet to the southwesterly most property corner of the parcel identified in the deed numbered 242710 and filed April 28, 1972 in the Office of the Washoe County Recorder, Reno, Nevada; thence South 56°57'00" East along the southerly property line of the parcel in the aforementioned deed a distance of 23.90 feet to a point; thence South 00°08'43" East, a distance of 359.33 feet to a point of curvature on the northerly right of way of the aforementioned State Highway Route 17, being concave northeasterly, having a radius of 9,950.00 feet, a central angle of 00°07'51", and whose back tangent bears North 61°48'10" West; thence along the curve a distance of 22.74 feet to the point of beginning and containing an area of 0.166 acres more or less.

NOTE: The above metes and bounds descriptions appeared previously in that Easement Deed as Exhibit "20 Foot Access Easement to APN 16-573-13" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH an access and roadway easements granted by Owner's Certificate, per Tract Map 4659, Recorded as Document No. 34000895, on June 14, 2006.

e) GREAT FALLS LOOP-TRANSMISSION MAIN FOR STEAMBOAT TANK (0.32 Acres)

All that real property situate in the County of Washoe, State of Nevada, described as follows:

Lot 922 of GALENA TERRACE UNIT 9, according to the map thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on July 22, 1990, under File No. 2363906, as Tract Map No. 3733, and amendment recorded March 14, 2001, as File No. 2532726.

EXCEPTING THEREFROM all mineral, oil, gas, petroleum, other hydrocarbon substances, and all geothermal energy sources in, under or which may be produced from the within-described land, which lie below a plane parallel to and 500 feet below the surface of the within-described land, for the purpose of exploration, development, production, or extraction of said substances by means of mines, wells, or derricks, or other equipment provided, however, that the owner of said substances shall have no right to enter upon the surface of the within-described land, not to use said land above said plane and parallel to and 500 feet below the surface of such land.

FURTHER EXCEPTING THEREFROM all water rights, permits, and certificates of whatever kind or nature for ground water or surface water, and any and all other decrees, orders, or judgments affecting, adjudicating, or decreeing water rights, or any claim to water or water right.

APN: 144-211-03

NOTE: The above description appeared previously in that certain document recorded September 12, 2001, as Instrument No. 2595408 of Official Records of Washoe County, State of Nevada.

f) EDMONTON DRIVE-STEAMBOAT TANK: COMMONLY CALLED STMGID TANK #7 (2.5 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

Situate, in the County of Washoe, State of Nevada and being a portion of Section 31, Township 18 North, Range 20 East, M.D.B.&M., described as follows:

Parcel 2 of Parcel Map 3813, according to the map thereof, filed in the office of the County Recorder or Washoe County, State of Nevada, on October 12, 2001, as File No. 2605236, Official Records.

TOGETHER WITH all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

APN: 144-010-23

NOTE: The above description appeared previously as "Exhibit A" in that certain document recorded April 26, 2002, as Instrument No. 2680979 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement granted per that certain Grant of Easement Recorded as Document No. 2597346, on September 18, 2001.

g) 3875 MOUNT ROSE HWY-SHADOWRIDGE TANK (AKA STMGID TANK #3) (0.62 Acres)

All that certain tract, piece of parcel of land situate, lying in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, and more particularly described as:

Parcel 2 (Tank Site), of the Grant, Bargain and Sale Deed, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 16, 1985, under File No. 997514.

(Also known as STMGID Tank #3 Site, the "Shawdowridge Tank".)

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 142-400-04

NOTE: The above description appeared previously as in that certain document recorded August 24, 2007, as Instrument No. 3568950 of Official Records of Washoe County, State of Nevada.

ALSO more commonly described in that certain Deed, Document no. 997514, recorded May 16, 1985 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:

**PARCEL TWO
TANK SITE DESCRIPTION**

Description of water storage tank site situate in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., Washoe County, Nevada:

Beginning at the northeast corner of said site from which the west one-quarter corner of said Section 30 bears North 39°21'34" West, a distance of 985.85 feet; thence South 00°59'39" West, 180.00 feet; thence North 89°00'21" West, 150.00 feet; thence North 00°59'39" East, 180.00 feet; thence South 89°00'21" East, 150.00 feet to the point of beginning, containing 0.62 acres, more or less.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

APN: 142-400-04

NOTE: The above description appeared previously as "PARCEL TWO" in that certain document recorded May 16, 1985, as Instrument No. 997514 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH an access easement granted per Subdivision Tract Map 4836, Recorded as Document No. 3598845, on November 30, 2007, as Note #12 for said Map, stating: A Blanket Access Easement is hereby granted to Washoe County and STMGID across common areas D and F and Aspen Hollow (Private Street).

h) 3905 MT ROSE HWY-STMGID "SHADOWRIDGE" WELL #4 (0.10 Acres)

All that certain tract, piece of parcel of land situate, lying in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, and more particularly described as:

Parcel 1 (well site), of the Grant, Bargain and Sale Deed, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 16, 1985 under File No. 997514.

Also known as STMGID Well #4 Site, the "Shadowridge Well".

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 142-412-12

NOTE: The above description appeared previously as APN 049-401-09 in that certain document recorded August 24, 2007, as Instrument No. 3568951 of Official Records of Washoe County, State of Nevada.

ALSO more commonly described in that certain Deed, Document No. 997514, recorded May 16, 1985 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:

**PARCEL ONE
WELL SITE DESCRIPTION**

Description of well pumping site situate in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., Washoe County, Nevada.

Beginning at the northwest corner of said site from which the west one-quarter corner of said Section 30 bears North 2°33'42" West, a distance of 725.37 feet; thence East 50 feet to the northeast corner of said site; thence South 90 feet to the southeast corner of said site; thence West 50 feet to the southwest corner of said site; thence North 90 feet to the point of beginning, containing 0.10 acres, more or less.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

APN: 142-412-12

NOTE: The above description appeared previously as "PARCEL ONE" in that certain document recorded May 16, 1985, as Instrument No. 997514 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH an access easement granted per Subdivision Tract Map 4836, Recorded as Document No. 3598845, on November 30, 2007, as Note #12 for said Map, stating: A Blanket Access Easement is hereby granted to Washoe County and STMGID across common areas D and F and Aspen Hollow (Private Street).

i) 900 ZOLEZZI LANE-STMGID WELL #2 (0.50 Acres)

All that certain real property situate in the County of Washoe, State of Nevada described as follows:

All that certain real property being a portion of Lot 2 of the FIELD CREEK RANCH Subdivision, Unit No. 12A, Tract Map Number 3876, Document Number 2484343 and a portion of Parcel One as described by Deed, Document Number 1404140 of the Official Records of Washoe County, Nevada, situate within the Northeast One-Quarter (1/4) of Section 19, Township 18 North, Range 20 East, Mount Diablo Meridian, being more particularly described as follows:

Beginning at the Southeasterly Corner of said Parcel One as described by Deed, Document Number 1404140 from which the East One-quarter (1/4) Corner of said Section 19 bears South 01°28'02" West, a distance of 611.26 feet; thence North 88°31'58" West, a distance of 199.21 feet to a point on the Easterly Right-of-Way of Silver Wolf Road; thence along said Easterly Right-of-Way North 09°14'33" East a distance of 110.21 feet; thence departing said Easterly Right-of-Way South 88°31'58" East, a distance of 36.72 feet; thence North 01°28'02" East, a distance of 5.70 feet; thence South 88°31'58" East, a distance of 147.58 feet; thence South 01°28'02" West, a distance of 114.90 feet more or less to the **True Point of Beginning**.

The basis of bearing for this description being the NAD83/94 Washoe County Modified Nevada State Plane Coordinate System West Zone.

EXCEPTING THEREFROM those certain water rights along with non-exclusive easements for the purpose of pedestrian and vehicular ingress and egress for utility services, drainage, leech fields and related services, all more particularly set forth in a Deed, recorded February 16, 1989, as File No. 1305571, Official Records.

APN: 142-020-20

NOTE: The above metes and bounds description appeared previously in that certain Boundary Line Adjustment Deed recorded in the Office of the County Recorder of Washoe County, Nevada on January 9, 2007, as Document No. 3484381 of Official Records.

TOGETHER WITH an access easement granted per Subdivision Tract Map 3876, Recorded as Document No. 2484343, on September 21, 2000, as Note #18 for said Map, stating: Private roadways are dedicated as public utility easements. ALSO TOGETHER with that 20' access easement granted per Subdivision Tract Map 3876, Recorded as Document No. 2484343, on September 21, 2000, said easement designating 20' driveway access to Assessor's Parcel Number 142-020-04.

j) ZOLEZZI LANE-STMGID WELL #3 (0.50 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, being a portion of Section Nineteen (19), Township Eighteen (18) North, Range Twenty (20) East, M.D.M. and being more particularly described as follows:

PARCEL "B"

Commencing at the Southeast Corner of Section Nineteen (19), Township Eighteen (18) North, Range Twenty (20) East, M.D.M., being marked by a 2 inch Brass Disc set in Concrete punched and stamped RE 933;

Thence North 01° 01' 20" East, 5325.42 feet along the section line to the Northeast Corner of said Section Nineteen (19), Township (18) North, Range Twenty (20) East, M.D.M, being marked by a 2 inch Aluminum disc set in concrete punched and stamped RE 2710;

Thence South 29° 46' 20" West a distance of 3389.16 feet to the True Point of Beginning;
Thence South 90° 00' 00" West, 75.00 feet;
Thence South 00° 00' 00" East, 91.00 feet;
Thence North 90° 00' 00" East, 75.00 feet;
Thence North 00° 00' 00" West, 91.00 feet to the True Point of Beginning.
Containing 6,825 square feet more or less.

Basis of Bearings is the Nevada State Plane Coordinate System West Zone, NAD 83/94.

APN: 142-020-22

NOTE: The above description appeared previously as APN 142-020-05 in that certain document recorded November 02, 2012, as Document No. 4170109 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement granted per that certain Relocation and Amendment to Grant of Temporary Easement, recorded as Document No. 4170111, on November 02, 2012.

TOGETHER WITH that certain access easement granted per that certain Grant of Easement, recorded as Document No. 2313882, on March 04, 1999.

TOGETHER WITH that certain water line easement granted per that certain Grant of Easement, recorded as Document No. 2313883, on March 04, 1999.

k) ZOLEZZI LANE-STMGID WELL #1 (0.50 Acres)

All that certain real property situated in the County of Washoe, State of Nevada, and described as follows:

Commencing at the Section corner common to Sections 17, 18, 19 and 20, Township 18 North, Range 20 East, M.D.B. & M., marked with a bronze disc in concrete 1 foot below surface stamped, "R.E. 933"; thence North 89° 53' 00" West, a distance of 568.87 feet to a point; thence South 00° 07' 00" West, a distance of 30.00 feet to a point on the South right of way of Zolezzi Lane being the TRUE POINT OF BEGINNING; thence continuing South 00° 07' 00" West a distance of 147.58 feet to a point; thence North 89° 53' 00" West a distance of 147.58 feet to a point; Thence North 00° 07' 00" East, a distance of 147.58 feet to a point on the South right-of-way of Zolezzi Lane; thence South 89° 53' 00" East, along the said right-of-way a distance of 147.58 feet to the point of beginning.

APN: 142-123-19

NOTE: The above description appeared previously as PARCEL TWO (Well Site No. 1) in that certain document recorded June 1, 1990, as Instrument No. 1404140 of Official Records of Washoe County, State of Nevada.

D) 158 ZOLEZZI LANE-STMGID WELL #11 (3.48 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

Parcel 3 (Pump Station Site), of the Grant, Bargain, and Sale Deed, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 19, 1989 under File No. 1325714.

Also known as the STMGID well #11 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 049-281-01

NOTE: The above description appeared previously in that certain document recorded August 24, 2007, as Document No. 3568954 of Official Records of Washoe County, State of Nevada.

ALSO more commonly described in that certain Deed, Document no. 1325714, recorded May 19, 1989 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:

Beginning at the Northeast corner of Lot 1, Block A of THOMAS CREEK ESTATES UNIT 1, recorded in the office of the County Recorder of Washoe County, Nevada, on June 30, 1978, Document No. 542098; thence South 00° 38' 12" West, a distance of 380.48 feet to a point; thence South 89° 53' 00" East, a distance of 390.46 feet to a point; thence North 00°38'12 West, a distance of 390.48 feet to a point on the southern right of way of Zolezzi Lane as described in Deed from Field to Washoe County, recorded in the office of the County Recorder of Washoe County, Nevada, on February 3, 1961, Document No. 332171; thence North 89° 53' 00" West along said right of way a distance of 390.46 feet to a point; thence South 00° 38' 12" West a distance of 10.00 feet more or less to the point of beginning.

m) 19150 WELCOME WAY-STMGID WELL #5 (0.52 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

The Parcel described in the Deed document, filed in the office of the County Recorder of Washoe County, State of Nevada, on July 8, 1988 under File No. 1258578.

Also known as the STMGID well #5 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 150-111-18

NOTE: The above description appeared previously in that certain document recorded August 24, 2007, as Document No. 3568955 of Official Records of Washoe County, State of Nevada.

ALSO more commonly described in that certain Deed, Document no. 1258578, recorded July 8, 1988 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:

All that certain piece of parcel of land situate in the Northwest quarter of the Northeast quarter of Section 25, Township 18 North, Range 19 East, M.D.B.&M., Washoe County, Nevada, described as follows:

Beginning at the North quarter corner of said Section 25; thence along the North line of said section, North 89° 29' East, a distance of 150.00 feet; thence leaving said section line South 00°03'58" East a distance of 150.00 feet; thence South 89°29' West, a distance of 150.00 feet to a point on the West line of the Northeast quarter of said Section 25; thence along said West line North 00°03'58" West, a distance of 150.00 feet to the TRUE POINT OF BEGINNING. Said parcel contains an area of 0.517 acres more or less.

Basis of Bearings: U.S. B.L.M. Dependent Resurvey of Township 18 North, Range 19 East, M.D.B.&M., March 24, 1953.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

n) 19150 WELCOME WAY-STMGID WELL #6 AND TANKS #4 & #5 (2.5 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

The Parcel described in the Deed document, filed in the office of the County Recorder of Washoe County, State of Nevada, on April 29, 1988 under File No. 1242873.

Also known as STMGID Well #6 and Tanks #4 and #5 site, the "Saddlehorn Tank" site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 152-430-19

NOTE: The above description appeared previously as APN 152-020-05 in that certain document recorded August 24, 2007, as Document No. 3568956 of Official Records of Washoe County, State of Nevada.

ALSO more commonly described in that certain Deed, Document no. 1242873, recorded April 29, 1988 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:

All that certain piece or parcel of land situate in the East half of the Northeast quarter of Section 26, Township 18 North, Range 19 East, M.D.B.&M., Washoe County, Nevada, described as follows:

Commencing at the Northeast corner of said Section 26; thence along the East line of said Section 26 South 00°06' East, a distance of 710.00 feet; thence leaving said East section line South 60°18'26" West, a distance of 1082.70 feet to the TRUE POINT OF BEGINNING; thence South 78°35' East, a distance of 142.00 feet; thence South 11°25' West, a distance of 330.00 feet; thence North 78°35' West, a distance of 330.00 feet; thence North 11°25' East, a distance of 330.00 feet; thence South 78° 35' East, a distance of 188.00 feet to the TRUE POINT OF BEGINNING. Said parcel contains an area of 2.50 acres more or less.

Basis of Bearings: U.S. B.L.M. Dependent Resurvey of Township 18 North, Range 19 East, M.D.B.&M., March 24, 1953.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

TOGETHER WITH that certain access and waterline easement granted per that certain Grant of Easement, recorded as Document No. 1242872, on April 29, 1988.

TOGETHER WITH that certain access and waterline easement granted per that certain Grant of Easement, recorded as Document No. 1242874, on April 29, 1988.

o) S. SADDLEHORN DR.-SADDLEHORN PUMP STATION (1661 Sq. Ft.)

All that certain real property situate in the County of Washoe, State of Nevada, and more particularly described as follows:

A parcel of land located within a portion of Section 25, Township 18 North, Range 19 East, M.D.B.&M., Washoe County, Nevada being more particularly described as follows:

Commencing at the Northwest corner of said Section 25; thence South 20°12'12" East, 2279.97 feet to a point on the Northerly line of Saddlehorn Subdivision Unit 8 as recorded on September 22, 1994 as File No. 1835135 within the Official Records of Washoe County; thence South 73°30'22" East, 274.08 feet along the Northerly line of Saddlehorn Subdivision Unit 8 to the Northwest corner of Lot 818 and the POINT OF BEGINNING; thence South 61°39'34" East, 67.60 feet along the Northerly line of Saddlehorn Subdivision Unit 8; thence South 77°33'01" West, 74.60 feet to a point on the Easterly right of way line of North Saddlehorn Drive; thence 28.74 feet along the arc of a curve to the right having a central angle of 03°30'13" and a radius of 470.00 feet (chord bears North 14°44'31" East, 28.74 feet); thence North 16°29'38" East, 21.26 feet along the Easterly right of way line of North Saddlehorn Drive to the POINT OF BEGINNING.

Being a portion of Lot 818 in Block B of SADDLEHORN SUBDIVISION UNIT 8, a Common Interest Community, filed in the office of the Washoe County Recorder on September 22, 1994, as Document No. 1835135, Tract Map No. 3078.

APN: 150-162-04

Note: The above metes and bounds description appeared previously in that certain Deed, recorded in the office of the County Recorder of Washoe County, State of Nevada, on March 9, 1995, as Document no. 1876637 of Official Records.

p) 16510 MT. ROSE HIGHWAY-STMGID WELL #7 (0.24 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

Parcel 1 of Parcel Map 2216, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 24, 1987, under File No. 1208731.

Also known as the STMGID well #7 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, BUT EXCLUDING AND RESERVING UNTO WASHOE COUNTY, any and all appurtenant water, water rights, ditch and/or ditch water rights, applications and permits to appropriate any of the public waters, all certificates of appropriation, adjudicated or unadjudicated water rights, and applications or permits to change the place of diversion, manner of use or place of use of water appurtenant to the land.

APN: 049-080-02

NOTE: The above description appeared previously in that certain Quitclaim document recorded August 05, 2009 as Document No. 3788500 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH a 25' PUE and Access Easement on Parcel 2, granted per Parcel Map 2216, Recorded as Document No. 1208731, on November 24, 1987.

q) 16125 N. TIMBERLINE DR.-STMGID TIMBERLINE TANK #6 (1.78 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

Parcel 2 of Parcel Map 2815, filed in the office of the County Recorder of Washoe County, State of Nevada, on July 20, 1994, under File No. 1817206.

Also known as the STMGID tank #6 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, BUT EXCLUDING AND RESERVING UNTO WASHOE COUNTY any and all appurtenant water, water rights, ditch and/or ditch rights, applications and permits to appropriate any of the public waters, all certificates of appropriation, adjudicated or unadjudicated water rights, and applications or permits to change the place of diversion, manner of use or place of use of water appurtenant to the land.

APN: 049-070-41

NOTE: The above description appeared previously in that certain document recorded August 05, 2009, as Document No. 3788501 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement of a "25 FT Water Tank Access Easement, Private Access Easement and Public Utility Easement", granted per that Parcel Map 2815, recorded as Document No. 1817206, on July 20, 1994 in the Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain "Private Access Easement, Water Tank Access Easement, PCD, SS, WL Easement Per This Parcel Map (Width Varies)", granted per that Parcel Map 4688, recorded as Document No. 3470592, on December 4, 2006 in the Official Records of Washoe County, State of Nevada.

r) RANCHO VERDE DR.-STMGID TANK #2 (1.0 Acres)

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

The Parcel described in the Deed document, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 22, 1994 under File No. 1851081.

Also known as the STMGID Tank #2 Site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 016-730-46

NOTE: The above description appeared previously as in that certain document recorded August 24, 2007, as Document No. 3568953 of Official Records of Washoe County, State of Nevada.

ALSO more commonly described in that certain Deed, Document no. 1851081, recorded November 22, 1994 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:

All that certain tract, piece or parcel of land situate, lying and being in the County of Washoe, State of Nevada, and more particularly described as follows:

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one-quarter (SW 1/4) of Section 23, Township 18 North, Range 20 East, M.D.B.&M., and being more particularly described as follows, to wit:

Commencing at the section corner common to Section 22, 23, 26 and 27, Township 18 North, Range 20 East, M.D.B.&M. as identified on Land Map 25, filed October 19, 1977, in the Office of the Washoe County Recorder, Reno, Nevada, Document No. 493440; thence North 58°37'20" East, a distance of 839.47 feet to the TRUE POINT OF BEGINNING; thence North 00° 01' 37" West, a distance of 208.71 feet to a point; thence North 89°58'23" East, a distance of 208.71 feet to point; thence South 00°01'37

East, a distance of 208.71 feet to a point; thence South 89°58'23" West, a distance of 208.71 feet to the TRUE POINT OF BEGINNING and containing an area of 1.0 acre more or less.

TOGETHER WITH access and public utility easements described as follows:

EASEMENT ONE

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one-quarter (SW 1/4) of Section 23, Township 18 North, Range 20 East, M.D.B.&M., being an access and public utility easement more particularly described as follows, to wit:

Commencing at the section corner common to Section 22, 23, 26 and 27, Township 18 North, Range 20 East, M.D.B. & M., as identified on Land Map 25, filed October 19, 1977 in the office of the Washoe County Recorder, Reno, Nevada, Document No. 493440; thence North 03°20'19" East, a distance of 241.43 feet to a point on the easterly line of a 25.00 foot public utility and access easement as shown on the aforementioned Land Map 25 and being THE TRUE POINT OF BEGINNING; Thence North 02°36'18" West along the easterly line of said easement, a distance of 129.52 feet to a point of curvature to the right, having a radius of 180.00 feet, a central angle of 10°16'49" and a back tangent which bears North 43°24'43" East; thence along said curve a distance of 32.30 feet to a point of reverse curvature to the left, having a radius of 120.00 feet, a central angle of 29°43'54" and a back tangent which bears North 53°41'32" East; thence along said curve a distance of 62.27 feet to a point; thence North 66°02'22" West, a distance of 20.00 feet to a point; thence North 23°57'38" East, a distance of 275.84 feet to a point; thence South 66°02'22" East a distance of 20.00 feet to a point of curvature to the left, having a radius of 120.00 feet, a central angle of 64°55'06" and a back tangent which bears North 23°57'38" East; thence along said curve a distance of 135.96 feet to a point of reverse curvature to the right, having a radius of 60.00 feet, a central angle of 162°41'34" and a back tangent which bears North 40°57'28" West; thence along said curve a distance of 170.37 feet to a point; thence South 58°15'54" East, a distance of 150.21 feet to a point; thence South 31°44'06" West, a distance of 10.00 feet to a point of curvature to the right, having a radius of 195.00 feet, a central angle of 36°38'15" and a back tangent which bears South 58°15'54" East; thence along said curve a distance of 124.69 feet to a point of reverse curvature to the left, having a radius of 60.00 feet, a central angle of 147°55'33" and a back tangent which bears South 21°37'39" East; thence along said curve a distance of 154.91 feet to a point of reverse curvature to the right, having a radius of 50.00 feet, a central angle of 124°11'33" and a back tangent which bears North 10°26'48" East; thence along said curve a distance of 108.38 feet to a point; thence South 45°21'39" East, a distance of 31.21 feet to a point of curvature to the right, having a radius of 110.00 feet, a central angle of 72°13'54" and a back tangent which bears South 45°21'39" East; thence along said curve a distance of 138.68 feet to a point of reverse curvature to the left, having a radius of 80.00 feet, a central angle of 49°28'37" and a back tangent of South 26°52'15" West; thence along said curve a distance of 69.08 feet to a point of compound curvature to the left, having a radius of 10.00 feet, a central angle of 133°41'24" and a back tangent which bears South 22°36'22" East; thence along said curve a distance of 23.33 feet to a point; thence North 23°42'14" East, a distance of 41.30 feet to a point; thence South 00°01'37" East a distance of 76.63 feet to a point of curvature to the right, having a radius of 50.00 feet, a central angle of 98°27'08" and a back tangent which bears South 58° 56' 30" West; thence along said curve a distance of 85.92 feet to a point of compound curvature to the rights, having a radius of 120.00 feet, a central angle of 49°28'37" and a back tangent which bears North 22°36'22" West; thence along said curve a distance of 103.62 feet to a point of reverse curvature to the left, having a radius of 70.00 feet, a central angle of 72°13'54" and a back tangent which bears North 26°52'15" East; thence along said curve a distance of 88.25 feet to a point; thence North 45° 21' 39" West a distance of 31.21 feet to a point of curvature to the left, having a radius of 10.00 feet, a central angle of 124°11'33" and a back tangent which bears North 45°21'39" West; thence along said curve a distance of 21.68 feet to a point of reverse curvature to the right, having a radius of 100.00 feet, a central angle of 147°55'33" and a back tangent which bears South 10°26'48" West; thence along said curve a distance of 258.18 feet to a point of reverse curvature to the

left, having a radius of 155.00 feet, a central angle of 36°38'15" and a back tangent which bears North 21°37'39" West; thence along said curve a distance of 99.11 feet to a point; thence North 58°15'54" West, a distance of 150.21 feet to a point of curvature to the left, having a radius of 10.00 feet, a central angle of 162°41'34" and a back tangent which bears North 58°15'54" West; thence along said curve a distance of 28.40 feet to a point of reverse curvature to the right, having a radius of 170.00 feet a central angle of 64°55'06" and a back tangent which bears South 40°57'28" East; thence along said curve a distance of 192.62 feet to a point; thence South 66°02'22" East, a distance of 10.00 feet to a point; thence South 23°57'38" West, a distance of 275.84 feet to a point of curvature to the right, having a radius of 180.00 feet, a central angle of 29°43'54" and a back tangent of South 23°57'38" West; thence along said curve a distance of 93.41 feet to a point of reverse curvature to the left, having a radius of 120.00 feet, a central angle of 56°17'50" and a back tangent which bears South 53°41'32" West; thence along said curve a distance of 117.91 feet to a point; thence South 87°23'42" West a distance of 5.00 feet to the TRUE POINT OF BEGINNING and containing an area of 78,737 square feet more or less.

EASEMENT TWO

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one-quarter (SW 1/4) of Section 23, Township 18 North, Range 20 East, M.D.B.&M., being a public utility easement twenty (20) feet in width lying ten (10) feet on either side of the following described centerline:

Commencing at the section corner common to Section 22, 23, 26 and 27, Township 18 North, Range 20 East, M.D.B.&M. as identified on Land Map 25 filed October 19, 1977 in the office of the Washoe County Recorder, Reno, Nevada, Document No. 493440; thence North 19°34'15" East a distance of 702.07 feet to the TRUE POINT OF BEGINNING; thence North 88°08'22" East a distance of 395.10 feet to a point; thence South 46° 51' 38" East a distance of 118.62 feet to the POINT OF ENDING, excepting therefrom those portions lying within the above described Easement One and containing an area of 7,041 square feet more or less.

TOGETHER WITH, all and singular the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

NOTE: The above descriptions appeared previously as in that certain document, recorded November 22, 1994, as Document No. 1851081, of Official Records of Washoe County, State of Nevada.

s) 2200 ROCK HAVEN-WELL #12 (14,400 Sq. Ft.)

A parcel of land situate within the NW1/4 of Section 24, Township 18 North, Range 19 East, M.D.M., Washoe County, Nevada, being a portion of Parcel 1 of that Parcel Map for Sage Ridge School, recorded on June 30, 2000 as Parcel Map 3667, Document No. 2460566, Official Records of Washoe County, Nevada; more particularly described as follows:

Commencing at a point on the east line of said Parcel 1 from which the south one-quarter corner of said Section 24 bears South 00° 37' 20" West, 2033.83 feet; said point also being the north terminus of the east line of Crossbow Court as offered for dedication by said Parcel Map 3667 and accepted for dedication by instrument recorded September 11, 2000 as Document No. 2481057, Official Records of Washoe County, Nevada;

thence along the east line of said Parcel 1, North 00° 37' 20" East, 2221.77 feet to the Point of Beginning;

thence continuing along said east line, North 00° 37' 20" East, 120.00 feet to the west terminus of the south line of Rock Haven Drive;
thence North 89° 22' 40" West, 120.00 feet;
thence South 00° 37' 20" West, 120.00 feet;
thence South 89° 22' 40" East, 120.00 feet to the point of beginning.
Containing 14,400 square feet, more or less.

APN:152-021-08

NOTE: The above metes and bounds description appeared previously as "Exhibit A" in that certain document recorded May 16, 2011, as Document No. 4003158 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement, granted per that certain Easement Deed Grant of Access Easement, recorded as Document No. 4003161, on May 16, 2011 in the Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain drainage easement, granted per that certain Easement Deed Grant of Drainage Easement, recorded as Document No. 4003160, on May 16, 2011 in the Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain water line facilities easement, granted per that certain Easement Deed Grant of Water Line Facilities Easement, recorded as Document No. 4003159, on May 16, 2011 in the Official Records of Washoe County, State of Nevada.

Schedule 5.2 (b)
STMGID EASEMENTS

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
1	016-411-30	SAGEHILL RD	DAMONTE FAMILY LTD LIAB CO,	WAS				8-Mar-77	PM 391		
2	016-411-20	S VIRGINIA ST	PIONEER PARKWAY HOLDING CO LLC,	WAS				8-Mar-77	PM 391		
3	016-411-29	SAGEHILL RD	KARADANIS GEORGE PARTNERSHIP,	WAS					UNKNWN		
4	016-411-20	SAGEHILL RD	PIONEER PARKWAY HOLDING CO LLC,	WAS					UNKNWN		
5	016-490-69	PINE KNOLLS LN	HALL FAMILY TRUST, TYLER W & RUTH L	WAS	27	18N	20E	25-Oct-89	PM 2395		
6	016-490-73	GEIGER GRADE	PETTY FAMILY TRUST, WILLIAM R SR & MARY A	WAS	27	18N	20E	24-Jan-07	PM4707		
7	016-490-74	GEIGER GRADE	PETTY FAMILY TRUST, WILLIAM R SR & MARY A	WAS	27	18N	20E	24-Jan-07	PM4707		
8	016-490-75	GEIGER GRADE	MUNOZ, DANIEL L & JUANITA F	WAS	27	18N	20E	25-Jan-07	PM4708		
9	016-490-76	GEIGER GRADE	MUNOZ, DANIEL L & JUANITA F	WAS	27	18N	20E	25-Jan-07	PM4708		
10	016-490-77	UNSPECIFIED	MUNOZ, DANIEL L & JUANITA F	WAS	27	18N	20E	17-Oct-85	1028885	2239	750
11	016-581-04	UNSPECIFIED	RENO KOREAN BAPTIST CHURCH INC,	WAS					UNKNWN		
12	016-581-05		RENO KOREAN BAPTIST CHURCH INC,	WAS					UNKNWN		
13	016-581-25		RENO KOREAN BAPTIST CHURCH INC,	WAS					UNKNWN		
14	016-581-33		GOODWIN, MICHAEL J	WAS					UNKNWN		
15	016-581-43		BARCOMB, DALE M & DENISE M	WAS					UNKNWN		
16	016-584-01	GEIGER GRADE	PRAUD, LAURAL	WAS	27	18N	20E	19-Sep-72	TM 1331		
17	016-584-02	GEIGER GRADE	WENDT, CLANCY J	WAS	27	18N	20E	19-Sep-72	TM 1331		
18	016-581-40	GEIGER GRADE	WILLIAMS, WILLIAM J & LINDA D	WAS	27	18N	20E	19-Sep-72	TM 1331		
19	016-581-41	GEIGER GRADE	MCCUAN, DEWEY H & BERNICE C	WAS	27	18N	20E	19-Sep-72	TM 1331		
20	016-581-42	GEIGER GRADE	BLACK, BART & NICOLE	WAS	27	18N	20E	19-Sep-72	TM 1331		
21	016-581-32	GEIGER GRADE	BODEN, DAVID R	WAS	27	18N	20E	26-Sep-75	TM 1541		
22	016-730-47	UNSPECIFIED	BENNA FAMILY TRUST, STEPHEN C & KAREN L	WAS	23	18N	20E	22-Nov-94	1851081	4196	539
23	016-751-22	TERRY WAY	TODD, PATRICIA C & ROBERT C	WAS	26	18N	20E	14-Jun-76	L 6		
24	016-751-23	TERRY WAY	OWENS, TERESAM	WAS	26	18N	20E	14-Jun-76	L 6		
25	016-751-24	TERRY WAY	MAGGIORA, WILLIAM P & JOYCE K	WAS	26	18N	20E	14-Jun-76	L 6		
26	016-751-36	GEIGER GRADE	UNITED STATES OF AMERICA,	WAS					BLM		
27	017-011-14	UNSPECIFIED	KEAR TRUST, JENINE J	WAS	27	18N	20E	10-May-84	924139	2013	127
28	017-011-15	UNSPECIFIED	RANKIN, WAYNE C	WAS	27	18N	20E	10-May-84	924139	2013	127
29	017-011-15	UNSPECIFIED	RANKIN, WAYNE C	WAS	27	18N	20E	2-Mar-72	236501	618	96
30	017-052-04	KING LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
31	017-055-21	KING LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
32	017-071-30	MOON LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
33	017-072-19	MOON LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
34	017-055-29	UNSPECIFIED	VALLEY VIEW CHRISTIAN FLWSHP,	WAS	34	18N	20E	12-Jun-87	1170192	2566	555

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
35	017-055-16	UNSPECIFIED	VALLEY VIEW CHRISTIAN FLLWSHP,	WAS	34	18N	20E	12-Jun-87	1170188	2566	539
36	017-055-28	UNSPECIFIED	ALLEN, SCOTT R & DONNA J	WAS	34	18N	20E	12-Jun-87	1170191	2566	551
37	017-055-18	UNSPECIFIED	WHITING, WALLACE B & PATRICIA H	WAS	34	18N	20E	12-Jun-87	1170193	2566	560
38	017-055-19	UNSPECIFIED	SUMMERS, WILLIAM	WAS	34	18N	20E	12-Jun-87	1170187	2566	535
39	017-055-35	UNSPECIFIED	JPR PROPERTY MGT LLC,	WAS	27	18N	20E	16-Apr-08	3640561	N/A	N/A
40	017-055-36	UNSPECIFIED	MERIT PROPERTY MGT LLC,	WAS	27	18N	20E	16-Apr-08	3640562	N/A	N/A
41	017-061-43	UNSPECIFIED	ELLIS, CHARLES M & CHRISTINA M	WAS	34	18N	20E	6-Nov-84	960426	2090	78
42	017-073-01	WESTWIND CIR	PATTERSON , KENNETH G JR	WAS					UNKNWN		
43	017-073-13	WESTWIND CIR	SLAMA, NORMAN J	WAS					UNKNWN		
44	017-073-14	WESTWIND CIR	ORCHARD, ANNA M	WAS					UNKNWN		
45	017-073-15	WESTWIND CIR	SCHNEIDER, FREDRIC A & DOROTHY T	WAS					UNKNWN		
46	017-073-22	WESTWIND CIR	GRIFFIN, MARK & MIKIL	WAS					UNKNWN		
47	017-073-24	WESTWIND CIR	GRIFFIN, MARK & MIKIL	WAS					UNKNWN		
48	017-073-27	WESTWIND CIR	ARTZ, MARTIN B	WAS					UNKNWN		
49	017-073-29	SHERIK BAR RD	MITCHELL, KENNETH E & DEBORAH LH	WAS	34	18N	20E	12-Jun-87	1170190	2566	547
50	017-073-34	UNSPECIFIED	BELARDES, STEPHEN E & DEBORAH L	WAS	34	18N	20E	12-Jun-87	1170189	2566	543
51	017-073-38	WESTWIND CIR	JOLLY, RICHARD M	WAS					UNKNWN		
52	017-081-06	UNSPECIFIED	GOLD, D WAYNE & CAROLE	WAS	34	18N	20E	21-Jun-84	932386	2030	351
53	017-081-07	UNSPECIFIED	JEANNES FAMILY TRUST,	WAS	34	18N	20E	21-Jun-84	932386	2030	351
54	017-082-09	UNSPECIFIED	CHATIN, CHARLES A & DARLENE D	WAS	34	18N	20E	21-Jun-84	932386	2030	351
55	017-110-35	NEW PASS RD	WITTE, CHARLES W & VIRGINIA E	WAS	34	18N	20E	10-Sep-85	1021077	2222	496
56	017-110-39	TUXON RD	HERNANDEZ, LYNN	WAS	34	18N	20E	29-May-92	1575221	3492	143
57	017-110-40	TUXON RD	BONANO REV FAMILY TRUST, THOMAS & GERALDINE E	WAS	34	18N	20E	23-Jun-08	3662882	N/A	N/A
58	017-110-41	TUXON RD	KING, PAMELA C	WAS	34	18N	20E	10-Sep-85	1021077	2222	496
59	017-110-42	TUXON RD	AHNLUND, NELS J & SUSANNA B	WAS	34	18N	20E	9-Mar-92	1552295	3434	161
60	017-110-43	TUXON RD	BEREK, THOMAS A & PAMELA Q	WAS	34	18N	20E	4-Oct-72	260700	674	786
61	017-110-51 & 53	TOLL RD	ZEISEL, JULIUS	WAS	34	18N	20E	15-Mar-01	2533324	N/A	N/A
62	017-110-53	TUXON RD	FLOOD FAMILY TRUST,	WAS	34	18N	20E	25-Jun-73	291497	742	50
63	017-110-54	YANKEE BLADE RD	DURHAM LIVING TRUST,	WAS	34	18N	20E	28-May-75	PM 160		
64	017-110-55	NEW PASS RD	VRASTIL, WILLIAM R	WAS	34	18N	20E	28-May-75	PM 160		
65	017-110-57	SYLVESTER RD	BROWN, BRANDON D	WAS	34	18N	20E	6-May-74	PM 67		
66	017-110-64	SYLVESTER RD	WELSH, GERALD E & BARBARA J	WAS	34	18N	20E	21-Sep-77	PM 476		
67	017-110-65	HOT SPRINGS RD	WELSH, GERALD E & BARBARA J	WAS	34	18N	20E	21-Sep-77	PM 476		
68	017-110-76	SYLVESTER RD	DOBEL, MICHAEL P & ALYS B	WAS	34	18N	20E	27-May-93	PM 2710		
69	017-110-77	SYLVESTER RD	ALLMAN, ELLEN	WAS	34	18N	20E	27-May-93	PM 2710		
70	017-110-78	SYLVESTER RD	HIBDON, REX A & LINDA M	WAS	34	18N	20E	27-May-93	PM 2710		

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
71	017-122-11	PINION PINE DR	WASHOE COUNTY TREASURER TTEE,	WAS					UNKNWN		
72	017-123-02		PECKHAM, CLAUDE D / NANCY J	WAS					UNKNWN		
73	017-123-22		NOR NEV PROPERTIES,	WAS					UNKNWN		
74	017-150-11	SYLVESTER RD	LANE, JESSE P JR & MARY ANN	WAS	34	18N	20E	19-Jul-78	PM 621		
75	017-150-13	SYLVESTER RD	KAY, DARRIN & JILL	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
76	017-150-14	SYLVESTER RD	WEINBERG, DANIEL E	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
77	017-150-15	SYLVESTER RD	MEDRANO, ANTONIO & ANGELES C G	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
78	017-150-16	BIG SMOKEY	LILES, JACKIE & CYDNEY	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
79	017-150-17	ROCKY VISTA RD	CLARK, EDWARD F	WAS				16-Jan-61	331231	825	221
80	017-150-18	SYLVESTER RD	WHITING, WALLACE B & PATRICIA H	WAS				16-Jan-61	331231	825	221
81	017-150-19	SYLVESTER RD	SUMMERS, WILLIAM	WAS				16-Jan-61	331231	825	221
82	017-150-23	SYLVESTER RD	LAPPIN, BERT L & DAWN Y	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
83	017-150-24	BONANZA LN	LAPPIN, BERT L & DAWN Y	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
84	017-150-31	HOT SPRINGS RD	FCCB INVESTMENTS LLC,	WAS	34	18N	20E	19-Jul-78	PM 621		
85	017-150-32	SYLVESTER RD	HANSEN, KRISTEN L	WAS	34	18N	20E	19-Jul-78	PM 621		
86	017-150-33	SYLVESTER RD	COLKITT-LUPOLD TRUST,	WAS	34	18N	20E	19-Jul-78	PM 621		
87	017-150-34	BONANZA LN	VALDERRAMA, MARIAL	WAS	34	18N	20E	19-Jul-78	PM 621		
88	017-150-35	BIG SMOKEY	JPR PROPERTY MGT LLC,	WAS	34	18N	20E	15-Aug-79	PM 911		
89	017-150-42	ROCKY VISTA CT	KESSLER, DAVID & CLAUDIA L	WAS	34	18N	20E	6-Feb-80	PM 1034		
90	017-150-43	ROCKY VISTA CT	BELMAS, PETER & NOIV	WAS	34	18N	20E	6-Feb-80	PM 1034		
91	017-150-44	CHERYL LN	ELDER-STOUT TRUST,	WAS	34	18N	20E	6-Feb-80	PM 1034		
92	017-150-54	SYLVESTER RD	JOHNSON, RUSSELL C & LESLIE J	WAS	34	18N	20E	28-Jan-87	PM 2084		
93	017-150-57	SYLVESTER RD	DOLLEY FAMILY TRUST, THOMAS & ELLA	WAS	34	18N	20E	28-Jan-87	PM 2084		
94	017-171-07	SHORT RIDGE DR	HARRIS, DAVID & MARGARET M	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
95	017-171-09	SHORT RIDGE DR	CANTIN, GREGORY L & DOLORA A	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
96	017-171-13	SHORT RIDGE DR	ECKERT, ROBERT A	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
97	017-171-14	SHORT RIDGE DR	UEBEL, CHRISTOPHER W	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
98	017-171-18	COPPER CANYON DR	WOELFLE, DAVID L	WAS	34	18N	20E	3-Jul-03	2883859	N/A	N/A
99	017-171-19	COPPER CANYON DR	OSTROWSKI DAVID W & MYRNA L	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
100	017-171-20	BIG SMOKEY DR	LBR EQUITY LLC,	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
101	017-171-21	BIG SMOKEY DR	VIERRA, EDWARD A	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
102	017-171-22	BIG SMOKEY DR	BENTHIN, JAMES M & MARILYN R	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
103	017-171-24	COPPER CANYON DR	WALSH, GEOFFREY L JR	WAS	34	18N	20E	3-Jul-03	2883859	N/A	N/A
104	017-171-26	BONANZA LN	DROEGEMEIER FAMILY TRUST, RALPH D & CARROL L	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
105	017-171-28	SHORT RIDGE DR	TREADWAY, BEVERLY J	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
106	017-171-29	BONANZA LN	OWENS, MARCIA	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
107	017-172-01	COPPER CANYON RD	WASHOE COUNTY TREASURER TTEE,	WAS					UNKNWN		
108	017-172-05	SHORT RIDGE DR	OSTLER, BETTE J	WAS					UNKNWN		
109	017-200-12	ROCKY VISTA RD	REED, TRICIA A	WAS	34	18N	20E	16-May-75	R/S 893		
110	017-200-14	UNSPECIFIED	HUITT TRUST, ZELTON & IRENE	WAS	34	18N	20E	16-May-75	R/S 893		
111	017-200-27	ROCKY VISTA RD	BARRY, DIANE E	WAS	34	18N	20E	3-Aug-79	PM 907		
112	017-200-28	ROCKY VISTA RD	BARRY, DIANE E	WAS	34	18N	20E	3-Aug-79	PM 907		
113	017-200-30	ROCKY VISTA RD	CLANCEY TRUST, KIM I	WAS				25-Jun-84	R/S 1674		
114	017-200-31	ROCKY VISTA RD	READ, EMERSON W JR & MARYE ANNE	WAS				25-Jun-84	R/S 1674		
115	017-200-34	UNSPECIFIED	SCHOENBERGER, WAYNE A JR	WAS	34	18N	20E	3-Apr-95	PM 2889		
116	017-200-35	ROCKY VISTA RD	AUSTIN, JERIL	WAS	34	18N	20E	3-Apr-95	PM 2889		
117	017-200-36	ROCKY VISTA RD	SHEPHERD, MITCHELL E	WAS	34	18N	20E	3-Apr-95	PM 2889		
118	017-200-40	ROCKY VISTA RD	LOVE, CHERI A	WAS	34	18N	20E	10-Apr-97	PM 3192		
119	017-200-41	ROCKY VISTA RD	TALAVERA, RAMIRO & ROSE	WAS	34	18N	20E	10-Apr-97	PM 3192		
120	017-200-45	ROCKY VISTA RD	SUTHERLAND, BRIAN L	WAS	34	18N	20E	24-Mar-00	2432975	N/A	N/A
121	017-211-04	UNSPECIFIED	WASHOE COUNTY SCHOOL DIST BD,	WAS	34	18N	20E	30-Aug-06	3432427	N/A	N/A
122	017-211-05	UNSPECIFIED	UNITED STATES OF AMERICA,	WAS	34	18N	20E	19-Sep-06	3439710	N/A	N/A
123	017-211-20	TOLL RD	USA,	WAS					BLM		
124	017-211-33	BIG SMOKEY	FREY, JEFF L & TRACIL	WAS					BLM		
125	017-211-34	BIG SMOKEY	STALLONE, CARL J JR & AMY L	WAS	34	18N	20E	13-Feb-95	PM 2877		
126	017-211-36	BIG SMOKEY	VALLANCE, THOMAS G SR & LOIS R	WAS	34	18N	20E	13-Feb-95	PM 2877		
127	017-211-46	EASY STREET	ADAMS, DEBRA P & KEVIN L	WAS	34	18N	20E	9-Apr-80	PM 1079		
128	017-211-46	EASY STREET	LEVINE, ROBERT S & TRACEY E	WAS	34	18N	20E	9-Apr-80	PM 1079		
129	017-211-47	EASY STREET	HJELM, CHRISTOPHER R	WAS	34	18N	20E	9-Apr-80	PM 1079		
130	017-262-23	CAPELLA LN	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
131	017-262-24	MIRA ST	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
132	017-262-24	CAPELLA LN	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
133	017-262-24	POLARIS ST	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
134	017-262-24	VEGA ST	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
135	017-271-03	SCORPIO CIR	BRADD, BYRON & SUSAN	WAS	28	18N	20E	1-May-70	TM 1157		
136	017-271-15	COMMON AREA	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
137	017-271-29	SCORPIO CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
138	017-272-16	AQARIUS CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
139	017-272-15	AQARIUS CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
140	017-273-05	LIBRA CIR	JONES, MARIA H	WAS	28	18N	20E	1-May-70	TM 1157		
141	017-273-10	LIBRA CIR	DOUGAL, SHIRLEY S	WAS	28	18N	20E	1-May-70	TM 1157		
142	017-273-14	ARIES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
143	017-273-17	LIBRA CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
144	017-273-18	LIBRA CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
145	017-281-14	ARIES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
146	017-282-15	PISCES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
147	017-282-16	PISCES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
148	017-283-01	CAPRICORN CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
149	017-283-11	CAPRICORN CIR	SPIRE-SUN VALLEY LLC,	WAS	28	18N	20E	26-May-71	TM 1230		
150	017-283-18	SATURN CIR	KIRN FAMILY TRUST,	WAS	28	18N	20E	26-May-71	TM 1230		
151	017-283-25	SATURN CIR	DANIELS, LARRY T	WAS	28	18N	20E	26-May-71	TM 1230		
152	017-283-26	SATURN CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
153	017-291-08	TAURUS CIR	MILLER, PHYLLIS H	WAS	28	18N	20E	26-May-71	TM 1230		
154	017-291-26	GEMINI CIR	BRESHEARS, HOBART J & VIOLA	WAS	28	18N	20E	26-May-71	TM 1230		
155	017-291-51	GEMINI CIR	SOLIS, MIGUEL	WAS	28	18N	20E	26-May-71	TM 1230		
156	017-291-72	TAURUS CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
157	017-291-71	GEMINI CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
158	017-292-13	UNSPECIFIED	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
159	017-410-38	UNSPECIFIED	RATHBUN, DANIEL C B	WAS	3	17N	20E	13-Oct-00	PM 3702		
160	017-410-44	RAMONARD	BRANINBURG, WESLEY S	WAS	3	17N	20E	3-Jul-03	PM 4059		
161	017-410-45	RAMONARD	JAUREGUI, JOE A JR & WANNETTE E	WAS	3	17N	20E	3-Jul-03	PM 4059		
162	017-410-56	RAMONARD	SCALA, GINO P & JULIANNA	WAS	3	17N	20E	3-Jul-03	PM 4059		
163	017-453-01	SCARLET WAY	STEWART, PATRICK S & SANDRA R	WAS	34	18N	20E	21-Jun-84	932386	2030	351
164	017-491-01	UNSPECIFIED	STEINHARDT, MATTHEW P	WAS	27	18N	20E	2-Mar-72	236501	618	96
165	017-491-02	UNSPECIFIED	LORENC, TODD & DANIELLE	WAS	27	18N	20E	2-Mar-72	236501	618	96
166	017-492-20	UNSPECIFIED	COTTONWOOD CREEK HMEOWNRS ASSN,	WAS	27	18N	20E	2-Mar-72	236501	618	96
167	017-510-02	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
168	017-510-03	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
169	017-510-04	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
170	017-510-05	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
171	017-510-06	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
172	017-510-12	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
173	017-510-13	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
174	017-510-16	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
175	017-510-17	MAJESTIC VIEW CT	FRY, HARRY C	WAS	3	17N	20E	16-Apr-07	TM 4769		

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
176	049-010-28	UNSPECIFIED	WASHOE COUNTY,	WAS	24	18N	19E	6-Jun-96	2001693	4592	223
177	049-070-44	UNSPECIFIED	BELTON, PAUL E & JOANN	WAS	34	18N	19E	20-Jul-94	PM 2815		
178	049-070-47	UNSPECIFIED	DYESS, JOHN R	WAS	34	18N	19E	4-Dec-06	PM 4688		
179	049-070-49	UNSPECIFIED	DYESS, JOHN R	WAS	34	18N	19E	20-Jul-94	PM 2815		
180	049-080-03	MT ROSE HWY	HILLMAN, SANDRA L	WAS	34	18N	19E	24-Nov-87	PM 2216		
181	049-221-08	DONALISHA LN	WILSON, JAMES W JR	WAS	34	18N	19E	3-Dec-96	PM 3140		
182	049-221-13	DONALISHA LN	BENOY FAMILY TRUST,	WAS	34	18N	19E	3-Dec-96	PM 3140		
183	049-221-14	DONALISHA LN	MACHABEE FAMILY TRUST,	WAS	34	18N	19E	3-Dec-96	PM 3140		
184	049-221-15	DONALISHA LN	KUECHLER, WILLIAM L JR	WAS	34	18N	19E	3-Dec-96	PM 3140		
185	049-221-16	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
186	049-221-17	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
187	049-221-18	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
188	049-221-20	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
189	049-221-21	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
190	049-221-22	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
191	049-230-02	S VIRGINIA ST	PIONEER HILLS MBLE HM EST LLC,	WAS					UNKNWN		
192	049-330-01	EDMANDS CT	CLAGUE, JAMES W JR & VICKI D	WAS	19	18N	20E	13-Jul-88	PM 2289		
193	049-360-13	S VIRGINIA ST	HIGH VACUUM APPARATUS MFG INC,	WAS					UNKNWN		
194	049-360-20	S VIRGINIA ST	TAMARACK JUNCTION,	WAS					UNKNWN		
195	049-360-21	S VIRGINIA ST	CHRISTOPOULOS FAMILY TRUST,	WAS	20	18N	20E	22-Apr-97	2091146	4844	480
196	049-360-27	S VIRGINIA ST	ABUTILON LLC,	WAS					UNKNWN		
197	049-393-01	HERZ BLVD	NEVADA STATE OF,	WAS					UNKNWN		
198	049-410-10	BIHLER RD	LORTON, GEORGE E	WAS	30	18N	20E	2-Oct-85	TM 2289		
199	049-410-11	BIHLER RD	WINCHESTER LIVING TRUST,	WAS	30	18N	20E	2-Oct-85	TM 2289		
200	049-440-02	DE SPAIN WY	BERNARD FAMILY TRUST, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
201	049-440-03	DE SPAIN WY	BERNARD FAMILY TRUST, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
202	049-440-04	DE SPAIN WY	BERNARD FAMILY TRUST, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
203	049-440-27	DE SPAIN WY	BERNARD, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
204	049-410-11	BIHLER RD	WINCHESTER LIVING TRUST,	WAS	30	18N	20E	2-Oct-85	TM 2289		
205	049-501-01	STOWE DR	MACLAREN LIVING TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
206	049-501-02	STOWE DR	WESLEY FAMILY TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
207	049-501-03	STOWE DR	MARQUARDT, JAY J & DEANNA L	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
208	049-501-04	STOWE DR	NICHOLS LIVING TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
209	049-501-05	STOWE DR	BAATRUP, JUDITH A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
210	049-501-06	STOWE DR	YOUNG, THOMAS H & BONDA K	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
211	049-501-07	STOWE DR	DIAMOND K INVESTMENTS LLC,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
212	049-501-08	STOWE DR	WOLF FAMILY TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
213	049-501-09	STOWE DR	HAUPERT, GREGORY J & KERRY A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
214	049-501-10	STOWE DR	STEARNS REVOCABLE LIVING TRUST, CHRISTOPHER D & JAMIE T S	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
215	049-501-11	STOWE DR	BROCKELSBY, JAMES A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
216	049-522-03	KILLINGTON DR	LIBERTI, GERALD & CAROL	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
217	049-522-04	KILLINGTON DR	OLSON, GARRETT M & JOANN	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
218	049-522-05	KILLINGTON DR	ATHERTON, JOHN J & NISSA J	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
219	049-522-06	KILLINGTON DR	PINGUE, MARIA E D & ROMEL A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
220	049-551-01	KILLINGTON DR	DILLON FAMILY TRUST, BRIAN L & CHERYL A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
221	049-551-02	KILLINGTON DR	OPPLIGER, GARY L	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
222	049-551-03	KILLINGTON DR	SHULMAN, ANTHONY J	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
223	049-551-04	KILLINGTON DR	WULFTANGE, WILLIAM H & KATHERINE M	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
224	049-522-04	UNSPECIFIED	BITTE FAMILY TRUST,	WAS	30	18N	20E	9-Feb-93	1645519	3669	385
225	049-611-03	UNSPECIFIED	DELLA BORDELLA, PAOLO G & KELLY L	WAS	29	18N	20E	20-Jul-94	TM 3058		
226	049-611-04	UNSPECIFIED	GALENA JUNCTION SC LP,	WAS	29	18N	20E	20-Jul-94	TM 3058		
227	049-731-06	WEDGE PKWY	GALENA JUNCTION SC LP,	WAS	29	18N	20E	7-Sep-95	TM 3178		
228	049-731-07	WEDGE PKWY	GALENA JUNCTION SC LP,	WAS	29	18N	20E	7-Sep-95	TM 3178		
229	049-731-10	WEDGE PKWY	GALENA JUNCTION SC LP,	WAS	29	18N	20E	7-Sep-95	TM 3178		
230	049-772-13	WHITE CREEK LN	BENNETT, LU ANN	WAS	29	18N	20E	13-Dec-96	PM 3143		
231	049-772-14	WHITE CREEK LN	MOLINARI FAMILY TRUST,	WAS	29	18N	20E	13-Dec-96	PM 3143		
232	049-784-05	FIELD CREEK LN	ECHEVARRIA, RICHARD E & ROSALIE D	WAS	19	18N	20E	17-Jul-96	TM 3278		
233	049-801-14	UNSPECIFIED	WHITE, CAROL A	WAS	26	18N	20E		1817387,8 & TM 3211		
234	049-860-07	TIMBERLINE CT	ALDER, CLAY D & CECELIA	WAS	34	18N	19E	7-Jul-00	TM 3859		
235	049-860-11	TIMBERLINE CT	BOTICH TRUST, MICHAEL & NANCY	WAS	34	18N	19E	7-Jul-00	TM 3859		
236	049-860-12	TIMBERLINE CT	BOWERING, LYNN	WAS	34	18N	19E	7-Jul-00	TM 3859		
237	140-030-09	UNSPECIFIED	WASHOE COUNTY,	WAS							
238	140-062-01	UNSPECIFIED	STALCUP, RENEE	WAS				15-Feb-84	907248	1976	197
239	140-062-01	GEIGER GRADE	STALCUP, RENEE	WAS	27	18N	20E	13-Jul-88	PM 2290		
240	140-062-02	GEIGER GRADE	SPINELLI, TED & NANCY	WAS	27	18N	20E	13-Jul-88	PM 2290		
241	140-062-03	GEIGER GRADE	RITTER FAMILY TRUST,	WAS	27	18N	20E	13-Jul-88	PM 2290		
242	140-062-04	GEIGER GRADE	BREHLER, STEVEN C & KERRI T	WAS	27	18N	20E	13-Jul-88	PM 2290		
243	140-062-05	HIGH CHAPARREL	THOMAS LIVING TRUST, LOWELL & SYBIL	WAS	27	18N	20E	13-Jul-88	PM 2290		
244	140-063-01	GEIGER GRADE	SULLIVAN, WILLIAM L & RAMONA L	WAS	27	18N	20E	13-Feb-91	PM 2498		
245	140-063-02	GEIGER GRADE	SERPA, JOHN C JR & DIANA	WAS	27	18N	20E	13-Feb-91	PM 2498		
246	140-063-03	GEIGER GRADE	SAUNDERS, RONALD D & E SUE	WAS	27	18N	20E	13-Feb-91	PM 2498		
247	140-830-02	GEIGER GRADE	CURTIRANCH TWOMAIN ASSN INC,	WAS	28	18N	20E	27-Dec-73	312600	786	539
248	142-011-02	UNSPECIFIED	WASHOE COUNTY,	WAS	20	18N	20E	3-Oct-02	2744324	N/A	N/A
249	142-020-01	UNSPECIFIED	DUNCAN BURGESS LLC,	WAS	19	18N	20E	22-Jan-98	2172579	5107	609

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
250	142-020-06	UNSPECIFIED	WASHOE COUNTY,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
251	142-020-20	SILVER WOLF RD	SO TRUCKEE MEADOW GEN IMP DIST,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
252	142-020-06	UNSPECIFIED	WASHOE COUNTY,	WAS	17-20	18N	20E	19-May-89	1325714	2911	969
253	142-071-02	UNSPECIFIED	WALKER, STEVEN M	WAS	29	18N	20E	21-Aug-96	TM 3297		
254	142-071-03	UNSPECIFIED	HAGAN FAMILY TRUST,	WAS	29	18N	20E	21-Aug-96	TM 3297		
255	142-091-11	GREEN SPRINGS LN	NEBE, TY A & SHERRI A	WAS	29	18N	20E	5-Jun-97	PM 3216		
256	142-091-12	GREEN SPRINGS LN	MIXON, ROBERT H & BARBARAE	WAS	29	18N	20E	5-Jun-97	PM 3216		
257	142-091-13	GREEN SPRINGS LN	PANCAKE, CHRISTOPHER T & MARINK	WAS	29	18N	20E	5-Jun-97	PM 3216		
258	142-123-32	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
259	142-124-02	SILVER WOLF RD	PAPPAS FAMILY TRUST, NICK A & CHRISTINE Z	WAS	19	18N	20E	9-Jul-84	935526	2037	300
260	142-124-03	SILVER WOLF RD	UMANA, EDUARDO S & LISA	WAS	19	18N	20E	9-Jul-84	935526	2037	300
261	142-124-04	SILVER WOLF RD	BANK OF AMERICA NA,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
262	142-124-05	SILVER WOLF RD	FIELD CREEK RANCH HMEOWNR ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
263	142-125-02	SILVER WOLF RD	ASAHARA FAMILY TRUST,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
264	142-125-03	SILVER WOLF RD	MINNEX TRUST, PAT & PATTI	WAS	19	18N	20E	9-Jul-84	935526	2037	300
265	142-125-04	SILVER WOLF RD	ADAMS, DEBRA P	WAS	19	18N	20E	9-Jul-84	935526	2037	300
266	142-182-01	SILVER WOLF RD	YUP, GENE H	WAS	19	18N	20E	9-Jul-84	935526	2037	300
267	142-182-02	SILVER WOLF RD	BITTICK, MARK F III & SHAUNK	WAS	19	18N	20E	9-Jul-84	935526	2037	300
268	142-182-03	SILVER WOLF RD	HOUSTON, JEFFREY D	WAS	19	18N	20E	9-Jul-84	935526	2037	300
269	142-182-04	SILVER WOLF RD	BULLENTINI, ALEX & CATHY M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
270	142-182-05	SILVER WOLF RD	BULLENTINI, ALEX & CATHY M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
271	142-182-06	SILVER WOLF RD	BULLENTINI, ALEX & CATHY M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
272	142-182-08	SILVER WOLF RD	TAVERNETTI TRUST, GARY L	WAS	19	18N	20E	9-Jul-84	935526	2037	300

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273	142-182-09	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
274	142-182-11	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
275	142-192-04	SILVER WOLF RD	ROSEN, RICHARD B	WAS	19	18N	20E	9-Jul-84	935526	2037	300
276	142-192-05	SILVER WOLF RD	BRABAND, RICHARD M & KATHLEEN M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
277	142-182-10	SILVER WOLF RD	KALANTAR, HABIB & PARVIN	WAS	19	18N	20E	21-Sep-00	TM 3876		
278	142-192-06	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	21-Sep-00	TM 3876		
279	142-200-36	SPRINGER CT	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	11-May-01	TM 3952		
280	142-200-03	SILVER WOLF RD	PSARRAS, TONY & MARYL	WAS	19	18N	20E	21-Sep-00	2484326	N/A	N/A
281	142-200-33	SILVER WOLF RD	ANGARAN TRUST, JACK & KATHI	WAS	19	18N	20E	21-Sep-00	2484326	N/A	N/A
282	142-230-07	WEDGE PKWY	WEDGE PARKWAY OWNERS ASSOC,	WAS	29	18N	20E	13-May-04	FM 4192		
283	142-241-43	KESSARIS WY	GONYEAU 2009 REV LIVING TRUST, GERARD & PATRICIA	WAS					BLM		
284	142-241-49	SPEZIA RD	FERRELL, GAIL S	WAS					BLM		
285	142-241-53	KESSARIS WY	DAY, ALAN R & MARSHAL	WAS					BLM		
286	142-241-54	KESSARIS WY	BYE, BRUCE A & JEAN L	WAS					BLM		
287	142-241-60	BIHLER RD	WONG, ALAN L & PATRICIA	WAS					BLM		
288	142-241-62	BIHLER RD	BARING, THOMAS J & THERWANA R	WAS					BLM		
289	142-241-63	BIHLER RD	FRITZ, JOHN & MELISSA	WAS					BLM		
290	142-241-64	SPEZIA RD	LUKKARI, DANIEL J	WAS					BLM		
291	142-242-13	UNSPECIFIED	WILSON, HARRY J	WAS					BLM		
292	142-242-16	TRAILS END LN	FENIO, DARYL G	WAS					BLM		
293	142-242-20	TRAILS END LN	FORDING LIVING TRUST, RICHARD A & JOANNE M	WAS					BLM		
294	142-260-18	TAOSLN	FRITZ, JOHN & MELISSA	WAS					BLM		
295	142-260-06	PANORAMA RIDGE CT	BROOKS, H WILLIAM	WAS					BLM		
296	142-260-07	PANORAMA RIDGE CT	BROOKS, H WILLIAM	WAS					BLM		
297	142-260-08	PANORAMA RIDGE CT	BROOKS, H WILLIAM	WAS					BLM		
298	142-260-09	PANORAMA RIDGE DR	BROOKS, H WILLIAM	WAS					BLM		
299	142-260-10	TAOSLN	DEVENCENZI TRUST, MARK S & DORTHY M	WAS					BLM		
300	142-260-11	TAOSLN	GALVEZ, NICOLAS & YOLANDA	WAS					BLM		
301	142-260-13	TAOSLN	STOKES TRUST,	WAS					BLM		
302	142-250-04	UNSPECIFIED	USA,	WAS					BLM		
303	142-250-05	DESATOYA DR	BATES, BRYDE A & KATHERYN D	WAS					BLM		
304	142-250-06	DESATOYA DR	IHRIG, ANITA M	WAS					BLM		
305	142-250-07	DESATOYA CT	CARAMAGNO, JOHN F	WAS					BLM		
306	142-250-10	DESATOYA CT	FRITZ, JOHN & MELISSA	WAS					BLM		
307	142-250-11	DESATOYA CT	MILEGICH, JOSEPH R & SHARYL L	WAS					BLM		

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308	142-250-12	DESATOYA CT	FILIPOWICZ, RICHARD W & JEANNE	WAS					BLM		
309	142-260-12	TAOS LN	HANNA, MARK E	WAS					BLM		
310	142-260-14	TAOS LN	USA,	WAS					BLM		
311	142-271-08	UNSPECIFIED	POLLOCK, HILTON R	WAS	29	18N	20E	4-Aug-04	TM 4374		
312	142-291-04	UNSPECIFIED	SILVA, DAVID E & CHRISTINE A	WAS	29	18N	20E	4-Aug-04	TM 4374		
313	142-291-12	RIVER OAKS CT	DOROSTKAR, MASSOUD	WAS	29	18N	20E	4-Aug-04	TM 4374		
314	142-273-11	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	4-Aug-04	TM 4374		
315	142-271-01	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
316	142-271-02	WHITES CREEK LN	BAXTER, LARRY & LAURIE	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
317	142-271-03	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
318	142-271-04	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
319	142-272-01	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
320	142-273-07	WHITES CREEK LN	TSUNG-HSU FAMILY TRUST,	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
321	142-273-11	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
322	142-281-10	WHITES CREEK LN	DOROSTKAR TRUST, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
323	142-281-11	WHITES CREEK LN	DOROSTKAR TRUST, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
324	142-320-01	WEDGE PKWY	OWNERS OF FALLEN LEAF @ GALENA,	WAS	29	18N	20E	8-Feb-05	TM 4443		
325	142-343-01	UNSPECIFIED	MSR INVESTMENTS INC,	WAS	30	18N	20E	13-Dec-05	TM 4580		
326	142-344-12	BOULDER PATCH, NATURE TRAIL, INSPIRATION PT	RESERVE AT MONTE ROSA HMOWNRS,	WAS	30	18N	20E	13-Dec-05	TM 4580		
327	142-350-01	UNSPECIFIED	SOUTH RENO INVESTORS LLC,	WAS	20	18N	20E	15-May-84	932388	2030	358
328	142-350-02	UNSPECIFIED	SOUTH RENO INVESTORS LLC,	WAS	20	18N	20E	15-May-84	932388	2030	358
329	142-400-01	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
330	142-400-02	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
331	142-400-03	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
332	142-413-02	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
333	142-432-01	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
334	142-432-04	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
335	142-330-07	UNSPECIFIED	RENO RETAIL CO LLC,	WAS	20/21/28	18N	20E	8-Mar-05	PM 4339		
336	142-390-01	UNSPECIFIED	RENO RETAIL CO LLC,	WAS	20/21/28	18N	20E	8-Mar-05	PM 4339		
337	142-390-02	UNSPECIFIED	RENO RETAIL CO LLC,	WAS	20/21/28	18N	20E	8-Mar-05	PM 4339		
338	142-400-05	UNSPECIFIED	WASHOE COUNTY PARKS,	WAS	30	18N	20E	25-Sep-85	1024217	2229	344
339	142-400-05	UNSPECIFIED	WASHOE COUNTY PARKS,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
340	142-400-02	UNSPECIFIED	MONTE ROSA LLC,	WAS	30	18N	20E	1-Apr-91	1469283	3235	24
341	142-412-08	UNSPECIFIED	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
342	143-120-01	UNSPECIFIED	BALLARDINI, JULIUS & JOANNE	WAS	22	18N	20E	22-Nov-94	1851082	4196	545
343	143-120-01	WESTERN SKIES DR	BALLARDINI, JULIUS & JOANNE	WAS					UNKNWN		
344	143-120-09	WESTERN SKIES DR	CARAMELLA, JACIE	WAS					UNKNWN		
345	144-010-01	UNSPECIFIED	WASHOE COUNTY SCHOOL DIST BD,	WAS	31	18N	20E	19-Apr-02	2677982	N/A	N/A
346	144-010-01	UNSPECIFIED	WASHOE COUNTY SCHOOL DIST BD,	WAS	31	18N	20E	14-Apr-00	2438728	N/A	N/A
347	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	18-Sep-01	2597346	N/A	N/A

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347	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	18-Sep-01	2597346	N/A	N/A
347	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	18-Sep-01	2597346	N/A	N/A
348	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31/32	18N	20E	20-Sep-95	1926800	4389	521
349	144-070-11	WEDGE PKWY	CATHOLIC HEALTHCARE WEST INC,	WAS	29	18N	20E	18-Jun-98	PM 3361		
350	144-070-12	WEDGE PKWY	CATHOLIC HEALTHCARE WEST INC,	WAS	29	18N	20E	18-Jun-98	PM 3361		
351	144-070-13	WEDGE PKWY	MOUNT ROSE S LLC,	WAS	29	18N	20E	13-Feb-03	2805647	N/A	N/A
352	144-070-16	WEDGE PKWY	UNIVERSITY & COMMUNITY COLLEGE,	WAS				2-Oct-95	1932070	4404	318
353	144-070-16	WEDGE PKWY	UNIVERSITY & COMMUNITY COLLEGE,	WAS	29	18N	20E	29-Feb-00	2426298	N/A	N/A
354	144-070-17	WEDGE PKWY	UNIVERSITY & COMMUNITY COLLEGE,	WAS					UNKNWN		
355	144-080-02	UNSPECIFIED	CORP OF PRES BISHOP CHURCH LDS,	WAS	31	18N	20E	4-Nov-96	PM 3123		
356	144-080-02	UNSPECIFIED	CORP OF PRES BISHOP CHURCH LDS,	WAS	31	18N	20E	23-Jun-99	2353932	5730	155
357	144-191-09	MISSOULA CT	FLETCHER LIVING TRUST,	WAS	31	18N	20E	25-Jun-99	TM 3712		
358	144-192-01	CALGARY DR	PAGE TRUST,	WAS	31	18N	20E	4-Nov-96	PM 3123		
359	144-192-02	CALGARY DR	HOOKS FAMILY TRUST,	WAS	31	18N	20E	4-Nov-96	PM 3123		
360	144-202-07	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	22-Jul-99	TM 3733		
361	144-231-02	BARGARY WY	POTTER TRUST, THOMAS R	WAS	30	18N	20E	12-May-82	PM 1332		
362	144-231-03	BARGARY WY	POTTER TRUST, THOMAS R	WAS	30	18N	20E	12-May-82	PM 1332		
363	144-231-04	BARGARY WY	BROWN, TIM T & ANN V	WAS	30	18N	20E	12-May-82	PM 1332		
364	144-231-08	BUTCH CASSIDY	BUTCH CASSIDY DRIVE TRUST,	WAS	30/31	18N	20E	23-Aug-00	PM 3692		
365	144-231-08	BUTCH CASSIDY	BUTCH CASSIDY DRIVE TRUST,	WAS	30/31	18N	20R	28-Dec-98	2289813	5514	136
366	150-012-03	THOMAS CREEK RD	GALENA MARKET,	WAS	25	18N	19E	30-Mar-93	1659281	3701	457
367	150-021-01	CRESTED WHEAT WY	MARTIN LIVING TRUST,	WAS					1179915		
368	150-021-02	CRESTED WHEAT WY	RUA, ERIC & TERESA	WAS					1179915		
369	150-021-03	CRESTED WHEAT WY	SIMONDS, BERKELEY B & MARJORIE V	WAS					1179915		
370	150-021-04	UNSPECIFIED	RONKOS FAMILY TRUST,	WAS					1179915		
371	150-030-04	UNSPECIFIED	WASHOE COUNTY ,	WAS					UNKNWN		
372	150-030-05	UNSPECIFIED	WASHOE COUNTY,	WAS	25	18N	19E	18-Sep-00	2483349	N/A	N/A
373	150-050-03	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	15-Apr-96	TM 3236		
374	150-121-11	UNSPECIFIED	HOWSLEY, TIM	WAS	25	18N	19E	20-Apr-90	1394536	3066	697
375	150-121-23	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	8-Jul-88	1258577	2763	937
376	150-121-24	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	7-Jun-93	TM 2940		
377	150-121-25	UNSPECIFIED	WASHOE COUNTY,	WAS	25	18N	19E	8-Jul-88	1258577	2763	937
378	150-141-27	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	20-Apr-90	TM 2675		
379	150-250-23	CRESTED WHEAT WY	CURLE, CHARLES T	WAS				29-Mar-87	1166837	2558	833
380	150-250-02	MELARKEY WY	TURK, LAWRENCE G	WAS	26	18N	19E	25-Sep-92	PM 2640		
381	150-250-03	MELARKEY WY	O'DONNELL FAMILY TRUST,	WAS	34	18N	20E	6-Feb-80	Patent G223		
382	150-250-04	MELARKEY WY	MELARKEY, ROSEMARY S	WAS	26	18N	19E	18-Feb-87	PM 2095		
383	150-250-05	MELARKEY WY	LINDSEY FAMILY TRUST, ROBERT & GEORGENE	WAS	26	18N	19E	18-Feb-87	PM 2095		

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384	150-250-07	MELARKEY WY	STEPHENS, ELAINE	WAS				7-Mar-73	278143	713	659
385	150-280-01	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	9-Jun-98	TM 3545		
386	150-320-09	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	13-Jun-00	TM 3839		
387	150-330-21	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	25-Sep-00	TM 3877		
389	152-020-82	UNSPECIFIED	WASHOE COUNTY,	WAS	26	18N	19E	29-Apr-88	1242872	2728	390
390	152-921-01	CROSSBOW CT	SAGE RIDGE SCHOOL,	WAS	24	18N	19E	15-Nov-96	2047805	4722	79
391	152-921-02	CROSSBOW CT	SOUTH WEST POINTE ASSOC LLC,	WAS	24	18N	19E	15-Nov-96	2047805	4722	79
392	152-020-91	CROSSBOW CT	SOUTH WEST POINTE ASSOC LLC,	WAS	24	18N	19E	15-Nov-96	2047805	4722	79
393	152-923-01	UNSPECIFIED	WASHOE COUNTY PARKS DEPARTMENT,	WAS	24	18N	19E	29-Apr-88	1242874	2728	400

Schedule 5.2 (c)

STMGID Water Resources

All right, title and interest of STMGID in and to all water, water rights, ditch and ditch rights, applications to change, permits, and certificates for water resources in which STMGID has a right, title or interest, including water rights dedicated to STMGID, which are committed to or necessary to support existing and future potable/domestic water service(s) to municipal and industrial customers within STMGID's service area or which are held in trust by STMGID for third parties or by Washoe County in trust for the benefit of STMGID.

a) Ground Water Rights Held of Record by STMGID:

	Document No.	Recordation Date	Permit No.	Cert No.	Acre Feet	Grantor	Grantee
1	2270572	11/3/1998	48569		0.00	Washoe County	South Truckee Meadows GID
2			79019		90.47		
3							
4	2270572	11/3/1998	48571	12006	95.84	Washoe County	South Truckee Meadows GID
5							
6	2270572	11/3/1998	48574		0.00	Washoe County	South Truckee Meadows GID
7	2270572	11/3/1998	51804	17674	117.02	Washoe County	South Truckee Meadows GID
8			79018		95.75		
9							
10	2270572	11/3/1998	48575		64.29	Washoe County	South Truckee Meadows GID
11	2270572	11/3/1998	51805	17675	166.95	Washoe County	South Truckee Meadows GID
12			79020		200.00		
13							
14	2270572	11/3/1998	48580		0.00	Washoe County	South Truckee Meadows GID
15	2270572	11/3/1998	51806	17676	48.40	Washoe County	South Truckee Meadows GID
16			75287		84.70		
17							
18	2270572	11/3/1998	48581	12007	185.21	Washoe County	South Truckee Meadows GID
19							
20	2270572	11/3/1998	48584	12008	64.32	Washoe County	South Truckee Meadows GID
21							
22	2270572	11/3/1998	49470		109.19	Washoe County	South Truckee Meadows GID
23							
24	2270572	11/3/1998	49472		0.00	Washoe County	South Truckee Meadows GID
25			75288		215.07		
26							
27	2270572	11/3/1998	51803	17673	33.48	Washoe County	South Truckee Meadows GID
28							
29	2270572	11/3/1998	52426	17534	1.16	Washoe County	South Truckee Meadows GID
30							
31	2270572	11/3/1998	57410		232.13	Washoe County	South Truckee Meadows GID
32							
33	2270572	11/3/1998	57411		67.45	Washoe County	South Truckee Meadows GID
34							
35	2270572	11/3/1998	57412		502.69	Washoe County	South Truckee Meadows GID
36							
37	2270572	11/3/1998	57413	18712	52.66	Washoe County	South Truckee Meadows GID
38							
39	2270572	11/3/1998	57414		167.59	Washoe County	South Truckee Meadows GID
40							
41	2270572	11/3/1998	57415	18428	22.50	Washoe County	South Truckee Meadows GID
42							
43	2270572	11/3/1998	57416	18429	298.70	Washoe County	South Truckee Meadows GID
44							
45	2270572	11/3/1998	61466	18431	35.29	Washoe County	South Truckee Meadows GID
46			63603		125.01		
					3076.87	Acre Feet	

Schedule 5.2 (c)

STMGID Water Resources (cont.)

b) Ground Water Rights Held of Record by Washoe County

	Document No.	Recordation Date	Permit No.	Cert No.	Deed Acre Feet	Grantor	Grantee
1	960428	1/6/1984	30261	17533	302.41	Uplands, Inc.	Washoe County
2			65194	-			
3			81992	-			
4							
5	1619318	11/4/1992	31319/31320	14084/14085	0.59	Kelley, Michael G. and Linda	Washoe County
6			49831/49832	12864/12865			
7			82686/82687	-			
8							
9	1232937	3/17/1988	12791	4111	524.90	Sam S. Jaksick, Jr.	Washoe County
10			47680	-			
11			51948	-			
12			51947/65080	-			
13							
14	1301319	1/26/1989	18173	5269	12.50	Washoe County School District	Washoe County
15			52862	13947			
16							
17	1639779	1/21/1993	57213	17756	3.36	Ralph Steinkellner	Washoe County
18	2045440	11/6/1993	57213	17756	17.92	C.B. Maddox	Washoe County
19							
20	1416226	7/27/1990	42880	-	33.60	N. Keith Kellison	Washoe County
21			42881	-			
22			48869	-			
23			48870	-			
24			57334	18711			
25			57335	19120			
26							
27	1811532	6/30/1994	58325	17655	69.44	Sterling Ranch, Mtn View Dev, Inc.	Washoe County
28			58326	17656			
29							
30	1502229	8/19/1991	48062/48063	-	8.00	C & H Development Company	Washoe County
31			54287/54288	-			
32			58929/58930	18713/18714			
33							
34	1811533	6/30/1994	16844	4542	146.72	Mountain View Development, Inc.	Washoe County
35			16845	4543			
36			59791	17657			
37			59792	17658			
38							
39	1753106	1/12/1994	29877	-	10.00	Landmark Construction Company	Washoe County
40			59870	-			
41							
42	2045441	11/6/1996	61189	17699		El Cortez Hotel, Inc.	Washoe County
43							
44							
45	1906054	7/6/1995	12966	3836	60.86	Pavich and Associates, Inc.	Washoe County
46	1929307	9/28/1995	60546	-	28.00	Pavich and Associates, Inc.	Washoe County
47	2002847	6/11/1996	61332	18430	1.12	Pavich and Associates, Inc.	Washoe County
48							
49	1962086	1/26/1996	60128	-	2.02	George Karadanis & Robert Maloff	Washoe County
50			61977	17583			
51	1962088	1/26/1996	60128	-	50.00	George Karadanis & Robert Maloff	Washoe County
52			61977	17583			
53	1979944	3/27/1996	60128	-	60.00	George Karadanis & Robert Maloff	Washoe County
54			61977	17583			

	Document No.	Recordation Date	Permit No.	Cert No.	Deed Acre Feet	Grantor	Grantee
55	2058598	12/23/1996	60128	-	378.86	The Nell J. Redfield Foundation	
56			61977	17583			
57	2111622	6/25/1997	60128	-	179.32	The Nell J. Redfield Foundation	
58			61977	17583			
59							
60	1962087	1/26/1996	53248	17697	17.92	Braddock and Logan Group	Washoe County
61			62237	18775			
62	2019151	8/7/1996	53248	17697	12.59	Braddock and Logan Group	Washoe County
63			62237	18775			
64							
65	2085167	4/1/1997	13903	3801	18.00	Nevada Ice Company	Washoe County
66			62404	-			
67							
68	2033756	9/26/1996	12791	4111	34.00	Sam S. Jaksick, Jr.	Washoe County
69			62535	18715			
70	2033757	9/26/1996	12791	4111	33.02	Gwendolyn C Dixon, Trustee of the	Washoe County
71			62535	18715		Gwendolyn C Dixon Trust 03/17/1994	
72							
73	2085171	4/1/1997	19341	5271	48.69	Lewis Homes of Nevada	Washoe County
74			62859	17584			
75							
76	1325716	5/19/1989	12214	4655	6.04	Charles E. Springer	Washoe County
77			63254	18432			
78							
79	1591583	7/27/1992	57064	-	3.36	Farahi Investment Company	Washoe County
80			63255	18716			
81							
82	2128240	8/25/1997	53248	17697	35.00	Braddock and Logan Group	Washoe County
83			63406	17585			
84							
85	2155421	11/20/1997	16955	5056	3.92	Resource Application & Dev, LTD	Washoe County
86			63495	18433			
87	2191890	3/24/1998	16955	5056	1.12	Resource Application & Dev, LTD	Washoe County
88			63495	18433			
89							
90	2245613	8/24/1998	25767	7666	3.36	The Troisi Family Trust	Washoe County
91			64376	18434			
92							
93	1491289	7/1/1991	53247/53249	17696	1,526.77	Purities Utilities, Inc.	Washoe County
94			64987	-			
95							
96	2339688	5/14/1998	61615	-	22.35	South Meadows Properties LP	Washoe County
97			65110	-			
98							
99	2533745	3/16/2001	53248	17697	3.36	Assignment from Nelder to Hess	Washoe County
100			65111	-			
101							
102	2537156	3/28/2001	41481		8.37	Tamarack Partners, LLC	Washoe County
103	3004133	3/10/2004	60317		17.49	Tamarack Crossing, LLC	Washoe County
104	2942003	10/20/2003	66326/66327		5.28	Tamarack Crossing, LLC	Washoe County
105							
106	-	-	67958	18435	3.00	Assignment from WC to STMGID	Washoe County
107							
108	2341981	5/20/1999	64508	-	100.00	City of Sparks	Washoe County

	Document No.	Recordation Date	Permit No.	Cert No.	Deed Acre Feet	Grantor	Grantee
109			70273	-			
110	2363566	7/22/1999	64508	-	31.71	City of Sparks	
111			70273	-			
112							
113	1519073	10/25/1991	5196	Vested right	2.24	Millard H. Duxbury	Washoe County
114			70760	-			
115							
116	2780404	12/23/2004	66945	-	121.97	Western Supply Corporation	Washoe County
117			75257	-			
118							
119	2278359	11/24/1998	24493	8058	2.02	Bell, Walter Craig and Enriquita C.	Washoe County
120			64508	-			
121	2331032	4/21/1999	24493	8058	6.06	Jerome M. Wright	Washoe County
122			64508	-			
123	2339686	5/14/1999	24493	8058	52.42	City of Sparks	Washoe County
124			64508	-			
125	2341981	5/20/1999	24493	8058	100.00	City of Sparks	Washoe County
126			64508	-			
127	2352276	6/18/1999	24493	8058	17.14	City of Sparks	Washoe County
128			64508	-			
129	2352277	6/18/1999	24493	8058	2.02	Jerome M. Wright	Washoe County
130			64508	-			
131	2517707	1/23/2001	24493	8058	2.02	Jerome M. Wright	Washoe County
132			64508	-			
133	2780404	12/23/2002	24493	8058	10.46	Western Supply Corporation	Washoe County
134			64508	-			
135	3000437	3/1/2004	24493	8058	1.70	Jerome M. Wright	Washoe County
136			64508	-			
137	2371753	8/17/2004	24493	8058	12.00	City of Sparks	Washoe County
138			64508	-			
139							
140	1803306	5/11/1994	35147 thru 35152		29.75	George Poore	Washoe County
141			62269	-			
142							
143	1600192	7/29/1992	35147 thru 35152	-	47.25	Merle Winburn	Washoe County
144			58806	-			
145			60710	-			
146							
147	953955	10/4/1984	42760	-	12.32	Merle Winburn	Washoe County
148	1334188	6/29/1989	46958	-	12.32	Merle Winburn	Washoe County
149							
150	1365259	11/29/1989	47127 thru 47132		460.00	Galena Resort Company	Washoe County
151			61267 thru 61270	-			
152	2633283	12/27/2001	61267 thru 61270	-	350.00	The Nell J. Redfield Trust	Washoe County
153			70261/70262				

Schedule 5.2 (c)

STMGID Water Resources (cont.)

c) Surface Water Rights Held of Record by Washoe County

	Document No.	Recordation Date	Deed Acre Feet	Permit No.	Claim No.	Grantor	Grantee
1	1194232	9/23/1987	3.18	69571	105	First Financial Service Corp.	Washoe County
2							
3	1194234	9/23/1984	23.75	62134	128	First Financial Service Corp.	Washoe County
4							
5	1194233	9/23/1987	1.00	77576	687-688	Michael R. Booher & Beverly Booher	Washoe County
6							
7	1194231	9/23/1987	10.15	77419	676-679	First Financial Service Corp.	Washoe County
8							
9	1325715	5/19/1989	154.56	68245	85/85a	Karen Ferroni & Filiberto C. Ferroni	Washoe County
10							
11	1325716	5/19/1989	72.44	82629	85/85a	Charles E. Springer	Washoe County
12							
13	1545566	2/12/1992	67.20	80365	724	John Shaw Field Foundation	Washoe County
14							
15	1545568	2/12/1992	44.80	80365	724	Karen Ferroni & Filiberto C. Ferroni	Washoe County
16							
17	1639776	1/21/1993	36.96	25335	652	Western Supply Corp.	Washoe County
18							
19	1823580	8/11/1994	46.93		89	Merit Homes, Inc.	Washoe County
20							
21	1915402	8/10/1995	34.35		89	Merit Homes, Inc.	Washoe County
22							
23	1929309	9/28/1995	0.54		89	Merit Homes, Inc.	Washoe County
24							
25	2242502	8/14/1998	270.92	78468	715/715a	Damonte Family LLC	Washoe County
26							
27	2242501	8/14/1998	150.00	78468	715/715a	Nevada TRI Partners	Washoe County
28							
29	3112755	10/14/2004	3.98	71188	88/88a	C.B. "Ben" Maddox	Washoe County
30							
31	2737854	9/20/2002	25.31	71188	88/88a	C.B. "Ben" Maddox	Washoe County
32							
33	3212563	5/5/2005	27.09	71188	88/88a	C.B. "Ben" Maddox	Washoe County
34							
35	2970309	12/18/2003	7.02	71720	199/221/ 222 & 232	Truckee Meadows Research of Nevada, LLC	Washoe County
36							
37	2958909	11/25/2003	<u>4.00</u>	70680	143-145	H. William Brooks	Washoe County
38							
39			984.18				

Schedule 5.3

Excluded Assets

1. That certain real property described as Assessor's Parcel Number 140-721-20.
2. To the extent the STMGID Board elects to and completes the abandonment of Well #9 prior to the Closing Date, that certain real property located on Damonte Ranch Parkway known as the Well #9 well site, described as Assessor's Parcel Number 160-794-03, together with the well equipment utilized for Well #9.
3. To the extent the STMGID Board takes action prior to the Closing Date to recharacterize designated funds in the Arsenic Remediation Surcharge fund as STMGID Unrestricted Funds (Undesignated Funds), and on the condition that such re-characterization does not significantly increase TMWA's Assumed Liabilities, impede the successful legal or financial Merger, or impact the future financial integrity or adversely impact the operating revenue margins or debt coverage ratio of TMWA post-Merger, Excluded Assets shall include the amounts of such re-characterized Arsenic Remediation Surcharge Fund up to the full amount of the Arsenic Remediation Surcharge Fund, approximately \$760,000.
4. To the extent the STMGID Board takes action prior to the Closing Date to recharacterize designated funds in the Connection Fee fund as STMGID Unrestricted Funds (Undesignated Funds) and on the condition that such re-characterization does not significantly increase TMWA's Assumed Liabilities, impede the successful legal or financial Merger, or impact the future financial integrity or adversely impact the operating revenue margins or debt coverage ratio of TMWA post-Merger, Excluded Assets shall include the amounts of such re-characterized Connection Fee fund up to, but not to exceed, \$1,050,000.
5. Proceeds from the liquidation of any of the foregoing assets designated by STMGID prior to the Closing Date to be held in the Rate Offset Fund.

Schedule 5.4

Assumed Contracts

1. Revocable License Agreement between STMGID and UbiquiTel Leasing Company, executed June 22, 2010.
2. Lease of Water Rights between STMGID and Montreux Golf Club Ltd., dated July 14, 2009, subject to Washoe County transfer to TMWA of title to water rights which are the subject of the lease.
3. License & Indemnification Agreement for water pipeline construction between STMGID and Steamboat Canal & Irrigation Company dated February 22, 2011.
4. Land Lease Agreement dated June 12, 2012 between STMGID and Sierra Pacific Power Company, dba NV Energy.

Schedule 8.1.4

Litigation

None.

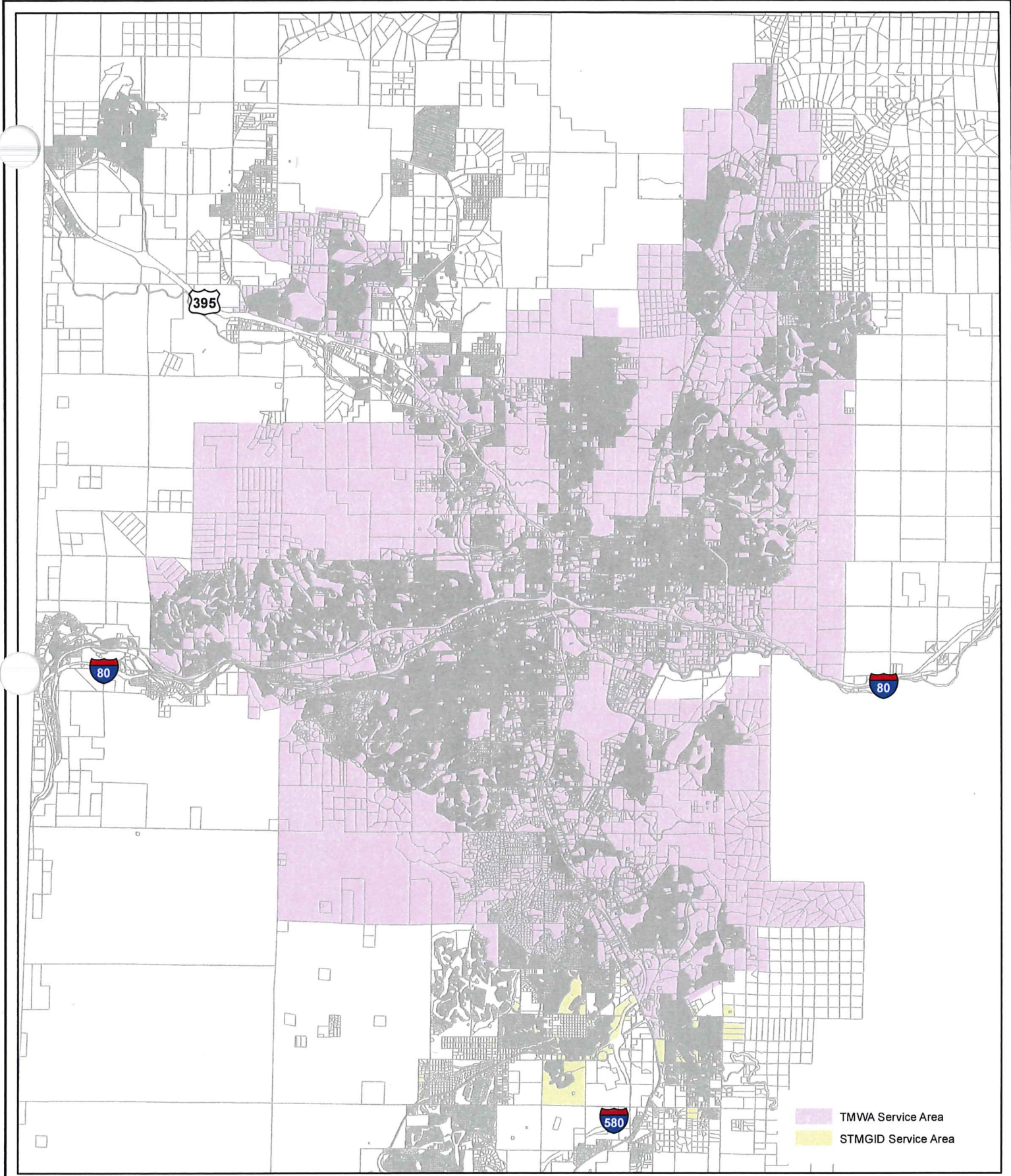




Exhibit C




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 June, 2014
 

Washoe County Community Services Department
 Capital Projects Division
 Engineering Division
 Water Resources Division

1539

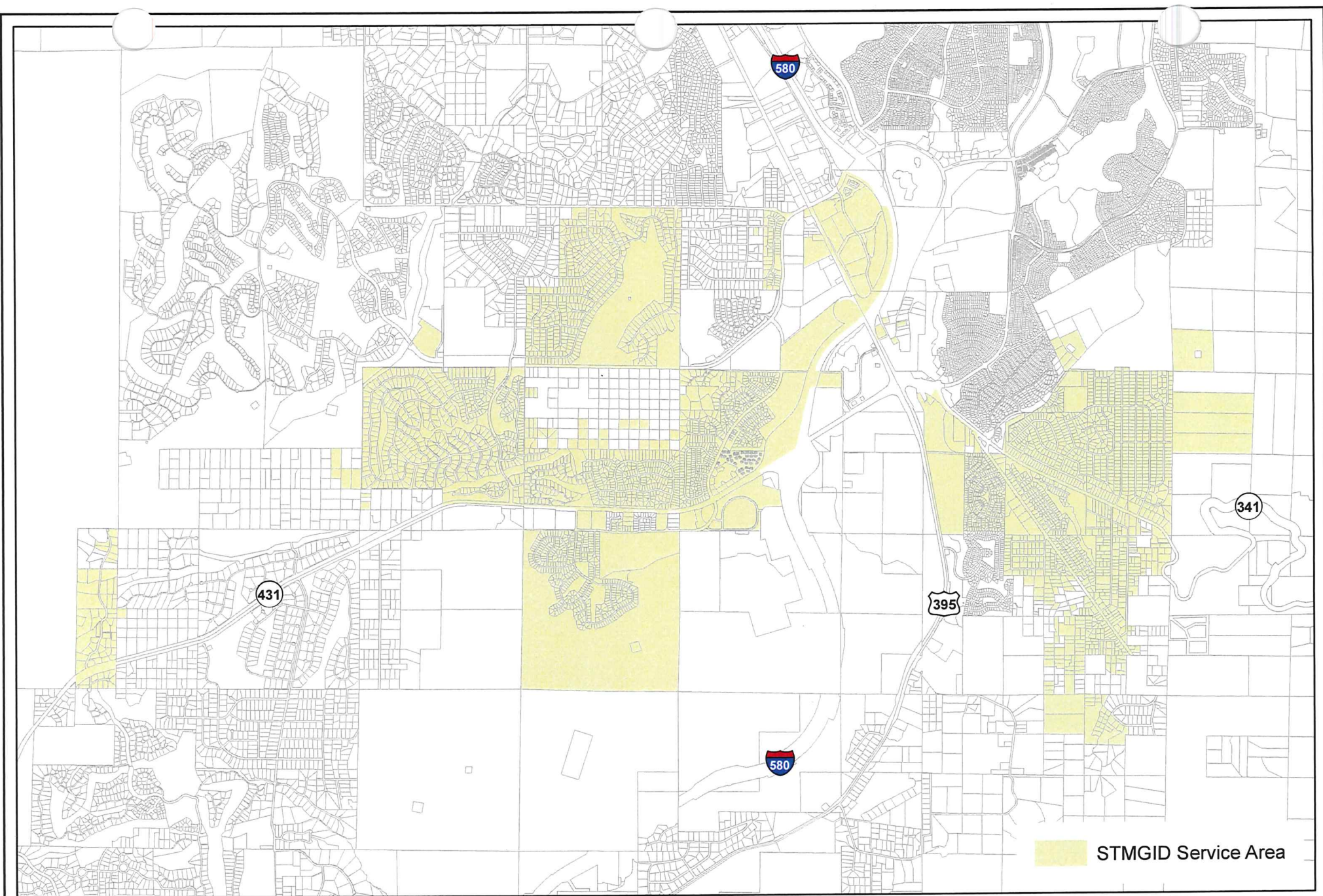


Exhibit C.1

1539



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June, 2014

Washoe County Community Services Department
Capital Projects Division
Engineering Division
Water Resources Division

WASHOE COUNTY
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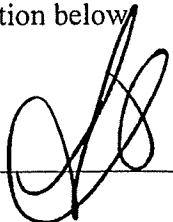
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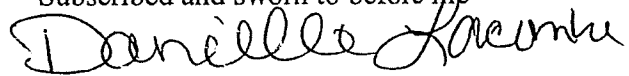
STATE OF NEVADA
COUNTY OF WASHOE

Being first duly sworn, deposes and says: That as the legal clerk of the Reno Gazette-Journal, a daily newspaper of general circulation published in Reno, Washoe County, State of Nevada, that the notice referenced below has published in each regular and entire issue of said newspaper between the dates: 7/25/2014 - 8/1/2014, for exact publication dates please see last line of Proof of Publication below

Signed: _____



Subscribed and sworn to before me



Proof of Publication

NOTICE OF ADOPTION WASHOE COUNTY ORDINANCE NO. 1539 BILL NO. 1720
NOTICE IS HEREBY GIVEN that typewritten copies of the above-numbered and entitled ordinance are available for inspection by the interested parties at the office of the County Clerk of Washoe County, Nevada, at her office in the Washoe County Complex, 1001 E. Ninth Street, Building A, Reno, Washoe County, Nevada; and that the ordinance was proposed on July 08, 2014 by Chairman Humke and was passed and adopted without amendment at a regular meeting held on July 22, 2014 by the following vote of the Board of County Commissioners: An Ordinance initiating the merger of the South Truckee Meadows General Improvement District into the Truckee Meadows Water Authority and terminating the existence of the South Truckee Meadows General Improvement District and its Board of Trustees; providing for an Interlocal Agreement for merger between the South Truckee Meadows General Improvement District and the Truckee Meadows Water Authority; providing for written notice of the proposed merger to property owners within the STMGID boundary, together with the time and place for hearing on the merger; and providing for other matters properly relating thereto. (Bill No. 1720) Those Voting Aye: David Humke, Vaughn Hartung, Marsha Berkbigler, Bonnie Weber, and Kitty Jung Those Absent: None This Ordinance shall be in full force and effect from and after August 1,

1539 ✓

2014. IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Ordinance to be published by title only. DATED July 23, 2014 Nancy Parent, Washoe County Clerk and Clerk of the Board of County Commissioners No. 37716 July 25, Aug. 1, 2014

**NOTICE OF ADOPTION
WASHOE COUNTY ORDINANCE NO. 1539
BILL NO. 1720**

NOTICE IS HEREBY GIVEN that typewritten copies of the above-numbered and entitled ordinance are available for inspection by the interested parties at the office of the County Clerk of Washoe County, Nevada, at her office in the Washoe County Complex, 1001 E Ninth Street, Building A, Reno, Washoe County, Nevada; and that the ordinance was proposed on July 09, 2014 by Chairman Hunkle and was passed and adopted without amendment at a regular meeting held on July 22, 2014 by the following vote of the Board of County Commissioners:

An Ordinance initiating the merger of the South Truckee Meadows General Improvement District into the Truckee Meadows Water Authority and terminating the existence of the South Truckee Meadows General Improvement District and its Board of Trustees providing for an Interlocal Agreement for merger between the South Truckee Meadows General Improvement District and the Truckee Meadows Water Authority; providing for written notice of the proposed merger to property owners within the STMGID boundary, together with the time and place for hearing of the merger; and providing for other matters properly relating thereto. (Bill No. 1720)

Those Voting Aye: David Hunkle, Vaughn Harting, Merissa Burkholder, Ebonia Weber, and Kim Jung

Those Absent: None

This Ordinance shall be in full force and effect from and after August 1, 2014.

IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Ordinance to be published by title only.

DATED July 23, 2014.

Nancy Parent, Washoe County Clerk and
Clerk of the Board of County Commissioners

No. 37716 July 25, Aug. 1, 2014