

**TRI GENERAL IMPROVEMENT DISTRICT**  
**MINUTES OF THE JUNE 25, 2020 PUBLIC MEETING OF**  
**THE BOARD OF TRUSTEES**

Pursuant to Section 3 of the Declaration of Emergency Directive 006, there was no physical location for the meeting. The meeting was held via teleconference only, with members of the public able to attend telephonically by calling the following number: Phone: 1-267-866-0999 Meeting ID: 8444 97 9116.

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**AGENDAN ITEM 1: CALL TO ORDER.** The meeting was called to order at 2:08 p.m. by President Kris Thompson. The meeting was held via Chime meetings. The Trustees present were Kris Thompson, Jennifer Barnes and Luz Armas. Other meeting attendees were Debbie Leonard, Esq. counsel for the TRI GID; Shari Whalen, General Manager for the TRI GID; and Tracy Black, Administrative Services Manager for the TRI GID.

**AGENDA ITEM 2: PUBLIC COMMENT.** There was no public comment.

**AGENDA ITEM 3: ADOPTION OF AGENDA.** Kris Thompson asked for a motion to change the order of Agenda Item 8 to the first item of discussion and moved Agenda Item 7 to the last item on the agenda. Jennifer Barnes moved and Luz Armas seconded the motion to adopt the agenda, as amended. The motion carried unanimously.

**AGENDA ITEM 4: ADOPTION OF MINUTES May 21, 2020.** After request for public comment, and no public comment being offered, Jennifer Barnes moved and Luz Armas seconded the motion to adopt of the Minutes of May, 21 2020. The motion carried unanimously.

**AGENDA ITEM 8: DISCUSSION AND POSSIBLE ACTION TO APPROVE FIRST AMENDMENT TO SETTLEMENT AGREEMENT WITH HERMAN MENEZES ET AL. REGARDING CASE NO. 19 RP 00010 1E, FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, RELATED TO CLARIFICATION OF PARCEL NUMBERS AND AN EXTENSION OF TIME**  
Shari Whalen presented a summary of the first amendment, indicating that the purpose was to clarify that the settlement agreement previously approved by the Trustees applied to all 5 parcels, not just the 2 parcels that were called out in the agreement, and also to extend the time specified in the settlement agreement to July 10 to allow time for the acquisition of associated easements that were required as a result of the realignment. There was no public comment. Jennifer Barnes moved and Luz Armas seconded the motion to approve the First Amendment, as prepared and attached hereto at **Exhibit A**. This motion carried unanimously.

**AGENDA ITEM 5: PUBLIC HEARING: DISCUSSION AND POSSIBLE ACTION TO APPROVE OF PETITION TO ENLARGE TRI GENERAL IMPROVEMENT DISTRICT AND ANNEX PROPERTY FOR SERVICE FOR A PORTION OF**

**APN 004-093-25 AND 004-1010-11, FILED BY EP MINERALS LLC, 24275 KATY FREEWAY, STE. 600, KATY, TX 77494.** Shari Whalen summarized this is a petition to expand the GID service area to include two parcels owned by EP Minerals. This was published as required by statute. After discussion, and there being no public comment, Jennifer Barnes moved and Luz Armas seconded the motion to approve Petition, as prepared and attached hereto at **Exhibit B**. This motion carried unanimously.

**AGENDA ITEM 6: DISCUSSION AND POSSIBLE ACTION TO APPROVE OF WATER RESOURCES BANKING AGREEMENT WITH EP MINERALS LLC TO ACCEPT FOR BANKING 60 ACRE FEET ANNUALLY OF GROUNDWATER RIGHTS DESCRIBED IN APPLICATION 89254 ON FILE WITH THE NEVADA DIVISION OF WATER RESOURCES.** Shari Whalen summarized that this banking agreement is a follow up the to the annexation (agenda ITEM 5) and requires that EP Minerals bank 60 acre feet of water rights with the GID for any future development of the annexed service area. Ms. Whalen clarified that with this banking agreement, no water rights would be used from the GID current reserves to serve the expanded service area. After discussion, and there being no public comment, Jennifer Barnes moved and Luz Armas seconded the motion to approve the banking agreement, as prepared and attached hereto at **Exhibit C**. This motion carried unanimously.

**AGENDA ITEM 9: DISCUSSION AND POSSIBLE ACTION TO RATIFY EXPENSES INCURRED FOR EMERGENCY REPAIRS AT WELL 4 BY CARSON PUMP IN THE AMOUNT OF \$43,252.** Shari Whalen described that Well 4 went offline due to a pump and motor failure. Carson Pump was called for emergency repairs. Shari Whalen indicated shed corresponded with Mr. Thompson, president of the Board, prior to authorization of the repairs. This agenda item is a request for ratification from the Board of the charges. These costs will be paid out of the reserve fund. There being no questions and no public comments, Jennifer Barnes moved and Luz Armas seconded the motion to approve and ratify the repair costs. This motion carried unanimously.

**AGENDA ITEM 10: DISCUSSION AND POSSIBLE ACTION TO RATIFY EXPENSES INCURRED FOR EMERGENCY REPAIRS AT WELL 5 BY CARSON PUMP IN THE AMOUNT OF \$14,140 AND TO AUTHORIZE THE GENERAL MANAGER TO SPEND UP TO A TOTAL OF \$50,000 FOR ASSOCIATED REPAIRS.** Shari Whalen gave an update on Well 5, indicating that the motor was replaced in 2018 and could be a warranty item. Due to concerns with the well casing on Well 5, Ms. Whalen would like to add a Gyroscopic Survey, amending the request to authorize \$50,545 to include all repairs and the survey. There was no public comment. Jennifer Barnes moved and Luz Armas seconded the motion to ratify \$14,140 in expenses for emergency repairs to Well 5 and authorize the General Manager to spend up to \$50,545 for the repair and survey costs. This motion carried unanimously.

**AGENDA ITEM 11: DISCUSSION AND POSSIBLE ACTION TO RATIFY EXPENSES INCURRED FOR EMERGENCY REPAIRS AT WELL 6 BY CARSON PUMP IN THE AMOUNT OF \$17,000 AND TO AUTHORIZE THE GENERAL MANAGER TO SPEND UP TO A TOTAL OF \$50,000 FOR ASSOCIATED REPAIRS.**

Shari Whalen gave updates on Well 6, indicating that this is a new well and the pump and motor have failed several times and should still be under warranty. Additional costs were incurred to pull the warranted equipment due to it being a temporary well house. This request is for advanced authorization in case additional repairs and equipment are needed. There was no public comment. Jennifer Barnes moved and Luz Armas seconded the motion to ratify expenses incurred for emergency repairs at Well 6 by Carson Pump in the amount of \$17,000 and to authorize the general manager to spend up to a total of \$50,000 for associated repairs. This motion carried unanimously.

**AGENDA ITEM 7: DISCUSSION AND POSSIBLE ACTION TO APPROVE THE WATER RESOURCE EXCHANGE AGREEMENT BETWEEN TRI GENERAL IMPROVEMENT DISTRICT, THE TRUCKEE MEADOWS WATER AUTHORITY AND TAHOE-RENO INDUSTRIAL CENTER, LLC**

Disclosures were given by Kris Thompson, Jennifer Barnes and Luci Armas in compliance with NRS 281A.420. Debbie Leonard summarized the agreement. Shari Whalen discussed a proposed modification to the original agreement, which would involve approval by the Board subject to the General Manager negotiating a companion agreement with the Builders of the effluent pipeline and bringing that agreement before the Board of Trustees at a future date. Debbie Leonard clarified that the water rights that are the subject of the agreement are being purchased by Tahoe-Reno Industrial Center, LLC to satisfy the GID's return flow obligations under the Return Flow Management Agreement. Ms. Whalen indicated that, if the Board approves the exchange agreement today, TMWA will consider the agreement at its Board meeting in mid-July. Alise Porto representing Switch, acknowledged Switch's support of the agreement, with the amendment. There being no further public comment, Jennifer Barnes moved and Luz Armas seconded the motion to approve the Agreement, as prepared and attached hereto **Exhibit D**, and to authorize the General Manager to execute the exchange agreement, on the condition that the General Manager negotiate and bring a companion agreement with the Builders of the TMWRF supply system to the Board for consideration at a future board meeting. This motion carried unanimously.

**AGENDA ITEM 12: NEW BUSINESS.** There was no new business.

**AGENDA ITEM 13: PUBLIC COMMENT.** There were no public comments.

**AGENDA ITEM 14: ADJOURNMENT.** With no further business to come before the Trustees, the meeting was adjourned at approximately 2:52 p.m.

## **EXHIBIT A**

AGENDA ITEM 8: DISCUSSION AND POSSIBLE ACTION TO APPROVE FIRST AMENDMENT TO SETTLEMENT AGREEMENT WITH HERMAN MENEZES ET AL. REGARDING CASE NO. 19 RP 00010 1E, FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, RELATED TO CLARIFICATION OF PARCEL NUMBERS AND AN EXTENSION OF TIME

## **FIRST AMENDMENT TO SETTLEMENT AGREEMENT**

This First Amendment to Settlement Agreement (the “First Amendment”) dated June 17, 2020 is made and entered into by and between TRI GENERAL IMPROVEMENT DISTRICT, a political subdivision of the State of Nevada (“TRI GID”); and HERMAN MENEZES, TRUSTEE OF THE HERMAN MENEZES 2008 REVOCABLE TRUST DATED JULY 11, 2008 AS TO AN UNDIVIDED 60% INTEREST and DEBBIE L. YOUNG AND MARK JONATHAN MENEZES, CO-TRUSTEES OF THE MARK JONATHAN MENEZES 2011 IRREVOCABLE TRUST DATED JUNE 8, 2011 AS TO AN UNDIVIDED 40% INTEREST TOGETHER AS TENANTS IN COMMON and HERMAN MENEZES AND DEBBIE L. YOUNG, CO-TRUSTEES OF THE YVONNE V. MENEZES MARITAL TRUST, U/A/D JULY 24, 2003, AN UNDIVIDED 70.00% INTEREST, and HERMAN MENEZES AND DEBBIE L. YOUNG, CO-TRUSTEES OF YVONNE V. MENEZES UNIFIED CREDIT TRUST, U/A/D JULY 24, 2003, AN UNDIVIDED 10.71% INTEREST, and HERMAN MENEZES, TRUSTEE OF THE HERMAN MENEZES 2008 REVOCABLE TRUST, U/A/D JULY 11, 2008, AN UNDIVIDED 19.29% INTEREST and VISTA EAST DEVELOPMENT COMPANY, a Nevada general partnership (together, “Menezes Defendants”); (all parties individually a “Settling Party” and collectively the “Settling Parties”). This First Amendment is effective and entered into when executed by all Settling Parties.

### **RECITALS:**

- A. There is a lawsuit between the Settling Parties: *TRI General Improvement District v. Herman Menezes et al*, Case No. 19 RP 00010 1E currently pending in the First Judicial District of the State of Nevada in and for the County of Storey (the “Lawsuit”);
- B. The Lawsuit arises out of a dispute between the Settling Parties related to the condemnation of certain real property in an eminent domain action (the “Dispute”) for the purpose of acquiring an easement from the Menezes Defendants to TRI GID for the construction, installation, and operation of an effluent pipeline from the Truckee Meadows Water Reclamation Facility (“TMWRF”) to the Tahoe-Reno Industrial Center;
- C. Tahoe-Reno Industrial Center, LLC, as an agent of TRI GID, and its agents will construct the effluent pipeline and will assign any interest in the pipeline to TRI GID upon completion of construction;
- D. The Settling Parties desire to resolve all issues and disagreements by and between them related to the Dispute and the Lawsuit.
- E. A Settlement Agreement between the Settling Parties and Tahoe-Reno Industrial Center, LLC was executed on May 21, 2020.
- F. The Settling Parties desire to amend the Settlement Agreement in the manner set forth in this First Amendment.

## TERMS

In consideration of the mutual covenants and promises contained in the Agreement and this First Amendment, Settling Parties agree as follows:

1. The forgoing recitals are true and incorporated herein, as though set forth in full.
2. Exhibit 1 to the Settlement Agreement is replaced with the attached Exhibit 1, which shows the final alignment of the easement. It is and has always been the intent of the Settling Parties that the terms of the Settlement Agreement and this First Amendment fully encompass all property belonging to the Menezes Defendants which is the subject of the Lawsuit and/or the Dispute.
3. The permanent easement on APNs 004-121-01, 004-121-03, and 004-111-07 shall be sixteen feet wide (as described in Section 2(b)(i) of the Settlement Agreement), along with any necessary associated permanent slope and drainage easements.
4. Section 2(d)(iii) of the Settlement Agreement shall be amended to allow TRI GID until 5:00 p.m. on July 10, 2020 to obtain the consent of non-party entities to the route identified on Exhibit 1 in the areas where that easement crosses the property that belongs to those non-party entities and to finalize all necessary easements with both the Menezes Defendants and the non-party entities.
5. Except as expressly modified by this First Amendment, the Settlement Agreement shall remain unmodified and in full force and effect.
6. This First Amendment may be executed in counterparts.

TRI GENERAL IMPROVEMENT  
DISTRICT

HERMAN MENEZES 2008 REVOCABLE  
TRUST DATED JULY 11, 2008

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By: Shari Whalen  
Its: General Manager

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By: Herman Menezes  
Its: Trustee

MARK JONATHAN MENEZES 2011  
IRREVOCABLE TRUST DATED JUNE 8,  
2011

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By: Mark Menezes  
Its: Trustee

HERMAN MENEZES 2008 REVOCABLE  
TRUST, U/A/D JULY 11, 2008

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By: Herman Menezes  
Its: Trustee

YVONNE V. MENEZES MARITAL  
TRUST, U/A/D JULY 24, 2003

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By: Herman Menezes  
Its: Trustee

VISTA EAST DEVELOPMENT  
COMPANY, a Nevada general partnership

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By: Herman Menezes  
Its: General Partner

YVONNE V. MENEZES UNIFIED  
CREDIT TRUST, U/A/D JULY 24, 2003

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By: Herman Menezes  
Its: Trustee

TAHOE-RENO INDUSTRIAL CENTER, LLC AS TO SECTION 2(e) OF THE  
AGREEMENT ONLY.

TAHOE-RENO INDUSTRIAL CENTER, LLC, a  
Nevada limited liability company

By: Norman Properties, Inc., a California  
corporation, Manager

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By: Don Roger Norman  
Its: Manager

## **EXHIBIT B**

AGENDA ITEM 5: PUBLIC HEARING: DISCUSSION AND POSSIBLE ACTION TO  
APPROVE OF PETITION TO ENLARGE TRI GENERAL IMPROVEMENT  
DISTRICT AND ANNEX PROPERTY FOR SERVICE FOR A PORTION OF APN  
004-093-25 AND 004-1010-11, FILED BY EP MINERALS LLC, 24275 KATY  
FREEWAY, STE. 600, KATY, TX 77494.



**Order Enlarging District Boundaries  
To Include Additional Service Territory**

WHEREAS, EP Minerals LLC ("Petitioner") has petitioned the Board of Trustees ("Board") of the TRI General Improvement District ("TRIGID") to include certain of Petitioner's real property located in Storey County, Nevada and more particularly described on Exhibit "A" ("the Property") within TRIGID's service territory boundaries, pursuant to NRS 318.258.

WHEREAS, the Board heard the petition at an open meeting on \_\_\_\_\_ after publishing a notice of the filing of the petition, and of the place, time and date of such meeting, and the name and address of the Petitioner, in the Comstock Chronicle over one week prior to the meeting.

WHEREAS, concurrently with its petition, Petitioner agreed that, as an express condition of annexation, Petitioner shall bank with TRIGID sixty acre feet of groundwater rights, according to the terms and conditions of the concurrently executed Water Banking Agreement between Petitioner and TRIGID;

WHEREAS, the Board finds that enlargement of TRIGID to include the Petitioner's Property for water and sewer service does not constitute a material modification of TRIGID's service plan originally approved by the Storey County Board of County Commissioners on June 5, 2001 due to the following circumstances: (1) TRIGID currently provides water and sewer service to over 2,000 acres of developed or currently developing real property of customers; (2) TRIGID's water system has currently been extended and is in place to serve over 5,000 acres of additional real property; (3) TRIGID's current service territory boundaries include over 10,000 acres of real property; (4) TRIGID's water system has been extended and is in place on real property in close proximity to Petitioner's Property, making extension of the system to Petitioner's Property cost effective for Petitioner and TRIGID under TRIGID's current connection fees and usage fees; (5) Petitioner's Property totals \_\_\_\_\_ acres, which is a small percentage of TRIGID's total service territory to which its water and sewer systems have already been extended; (6) Petitioner's Property is not currently served by a municipal or public utility water provider, and there is no alternative existing service provider within several miles of Petitioner's Property; and (7) the foregoing findings support the enlargement of TRIGID's boundaries as a change that is not of a basic and essential nature constituting a material modification, as described in NRS 308.080(3), that would require approval of the Storey County Board of County Commissioners.

WHEREAS, at its meeting on \_\_\_\_\_, the Board duly considered said petition, and passed a motion to include the Property in its service territory and authorizing TRIGID officers to sign this Order.

NOW THEREFORE,

In reliance on Petitioner having agreed that, as an express condition of annexation, Petitioner shall bank with TRIGID sixty acre feet of groundwater rights, according to the terms and conditions of the concurrently executed Water Banking Agreement between Petitioner and TRIGID,

IT IS HEREBY ORDERED, that the TRIGID boundaries be enlarged for the purposes specified herein by the inclusion of the real property described on Exhibit A, effective on \_\_\_\_\_.

This annexation addresses the expansion of TRIGID's boundaries to include the Property. The owner of the Property must independently comply with TRIGID's rules, regulations and all other applicable requirements for water and sewer service before such service is provided, including i) dedicating sufficient water resources acceptable to TRIGID and receiving a will serve commitment for water service; ii) constructing and dedicating water and sewer infrastructure facilities as necessary to provide the requested service; and iii) satisfying such other terms and conditions required under TRIGID's rules, regulations and other requirements. .

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**TRI GENERAL IMPROVEMENT  
DISTRICT, a subdivision of the State of Nevada**

By: Bryan A. Shinn  
Bryan A. Shinn

Its: CEO

**ATTEST:**

By: Kimi Hadden

PETITION TO ENLARGE TRI GENERAL IMPROVEMENT DISTRICT  
AND ANNEX PROPERTY FOR SERVICE

The undersigned, being fee owners of certain real property situated within Storey County, Nevada, do hereby petition the TRI General Improvement District (the "District") to enlarge its service territory and annex and include within the limits of the District, pursuant to the provisions of the Nevada Revised Statutes 318.256 to 318.258, inclusive, the territory generally described below:

Assessor's Parcel Number(s) to be Annexed: \_\_\_\_\_

Number of Acres to be Annexed: \_\_\_\_\_

Street Address of Annexation Area: \_\_\_\_\_

The legal description and depiction of the property proposed to be annexed into the District is described in Exhibit A and Exhibit A-1 attached hereto and by this reference incorporated herein.

The undersigned constitutes all the fee title owners of the property and assents to the inclusion of the property in the District and to subject the property to the District's rules, regulations and other requirements with respect to water and sewer service to the property.

Respectfully submitted,

EP Minerals LLC

By: Bryan A. Shian

Name: Bryan A. Shian

Date: 6/5/2020

Address: 24275 Katy Freeway, Ste. 600  
Katy, TX 77494

## ANNEXATION PETITION AGREEMENT

EP Minerals LLC ("Petitioner"), the owner of record of the real property described in Exhibit A attached hereto ("the Property"), hereby petitions the TRI General Improvement District ("TRIGID") to annex the Property into TRIGID's service territory. This petition is intended to function as a covenant running with the land and be binding on Petitioner, as well as each and all executors, administrators, successors, and assigns, as well as other persons claiming to own the Property. In signing this petition, Petitioner and each and all executors, administrators, successors, and assigns, as well as other persons claiming to own the property, expressly:

1. Consent to the recordation of this petition so as to put subsequent takers on notice;
2. Consent to the annexation of the below described property by TRIGID when the property is eligible for annexation under any applicable provision of NRS 318.256 through 318.258, inclusive, or at any time thereafter;
3. Agree that as an express condition of such annexation, Petitioner shall bank with TRIGID sixty acre feet of groundwater rights, according to the terms and conditions of the concurrently executed Water Banking Agreement between Petitioner and TRIGID;
4. Consent to comply with all TRIGID's rules, regulations and requirements, including as applicable obligations to build at its expense and dedicate to TRIGID water and sewer infrastructure and facilities to serve the Property pursuant to TRIGID's rules, regulations and other requirements; and
5. Waive any right to protest or object to the future annexation by TRIGID of the below described Property.

EP Minerals LLC

By: Bryan A. Shin

Name: Bryan A. Shin

Date: 6/5/2020

STATE OF Texas )

)ss:

COUNTY OF Harris )

This instrument was acknowledged before me on June 5, 2020, by Bryan A. Shin as CEO of EP MINERALS LLC.

Kimberly M. Heckler  
Notary Public



**Exhibit "A"**  
**Legal Description of Property to be Annexed**

**ANNEXATION EXHIBIT (NOT A PART)**  
**(portion of APN: 004-093-25 & 004-101-11)**

All that certain real property situated within a portion of Section Thirty-five (35), Township Twenty (20) North, Range Twenty-two (22) East, Mount Diablo Meridian, Storey County, Nevada, being a portion of Parcel 99-8 as shown on that "2<sup>nd</sup> Parcel Map for Eagle Pitcher Minerals, Inc.", recorded in the office of the Storey County Recorder, May 28, 1999, as Document No. 85089, Official Records of Storey County, Nevada, and being a portion of Parcel 2008-38 as shown on that "Dedication Map for EP Minerals, LLC", recorded in the office of the Storey County Recorder, January 22, 2009, as Document No. 110555, Official Records of Storey County, Nevada, more particularly described as follows:

COMMENCING at the northeast section corner of said Section 35, thence, along the north line of said Parcel 2008-38, also being the north line of said Section 35, N 87°47'46" W, 334.74 feet, to the **Point of Beginning**;

Thence, from said **Point of Beginning**, S 02°12'14" W, 225.47 feet;

Thence, along a non-tangent curve to the left having a radius of 530.00 feet, a central angle of 47°26'26", with a radial line in of S 16°57'51" E and a radial line out of N 64°24'17" W for an arc length of 438.84 feet;

Thence, along a reverse curve to the right having a radius of 470.00 feet, a central angle of 26°05'01", and an arc length of 213.96 feet;

Thence, S 51°40'44" W, 134.93 feet;

Thence, along a tangent curve to the left having a radius of 530.00 feet, a central angle of 32°41'08", and an arc length of 302.35 feet;

Thence, S 18°59'36" W, 121.68 feet;

Thence, along a tangent curve to the right having a radius of 470.00 feet, a central angle of 49°34'50", and an arc length of 406.71 feet;

Thence, S 68°34'26" W, 384.10 feet;

Thence, along a tangent curve to the left having a radius of 930.00 feet, a central angle of 06°03'34", and an arc length of 98.35 feet;

Thence, S 62°30'52" W, 447.81 feet;

Thence, along a tangent curve to the left having a radius of 928.50 feet, a central angle of 21°07'59", and an arc length of 342.47 feet;

**ANNEXATION EXHIBIT (NOT A PART) –(Cont.)**

Thence, N 81°31'58" W, 279.69 feet;

Thence, N 34°43'41" W, 121.09 feet;

Thence, along a tangent curve to the right having a radius of 199.50 feet, a central angle of 20°02'52", and an arc length of 69.80 feet;

Thence, N 14°40'49" W, 324.37 feet;

Thence, along a tangent curve to the right having a radius of 105.00 feet, a central angle of 37°06'06", and an arc length of 67.99 feet;

Thence, along a reverse curve to the left having a radius of 135.00 feet, a central angle of 14°52'08", and an arc length of 35.03 feet;

Thence, N 48°41'00" W, 388.28 feet, to the easterly right-of-way of USA Parkway as dedicated per Document No. 121152;

Thence, along said easterly right-of-way of USA Parkway, along a non-tangent curve to the left having a radius of 975.00 feet, a central angle of 43°33'24", with a radial line in of N 49°24'54" W and a radial line out of N 87°01'42" E for an arc length of 741.20 feet, to the northwest corner of said Parcel 99-8;

Thence, along the northerly line of said Parcel 99-8, N 73°42'46" E, 1690.88 feet, to a point on the north line of said Section 35;

Thence, continuing along said northerly line of Parcel 99-8, S 87°47'46" E, 30.83 feet, to the northwest corner of said Parcel 2008-38;

Thence, leaving said northerly line of Parcel 99-8, along the north line of said Parcel 2008-38, S 87°47'46" E, 1016.23 feet, to the POINT OF BEGINNING.

CONTAINING: 76.47 acres of land, more or less.

**ANNEXATION EXHIBIT – PARCEL B**  
**(portion of APN: 004-093-25 & 004-101-11)**

All that certain real property situated within a portion of Section Thirty-five (35), Township Twenty (20) North, Range Twenty-two (22) East, Mount Diablo Meridian, Storey County, Nevada, being a portion of Parcel 2008-38 as shown on that "Dedication Map for EP Minerals, LLC", recorded in the office of the Storey County Recorder, January 22, 2009, as Document No. 110555, Official Records of Storey County, Nevada, and being a portion of Parcel 99-8 as shown on that "2<sup>nd</sup> Parcel Map for Eagle Pitcher Minerals, Inc.", recorded in the office of the Storey County Recorder, May 28, 1999, as Document No. 85089, Official Records of Storey County, Nevada, more particularly described as follows:

**BEGINNING** at the northeast section corner of said Section 35, thence, along the easterly line of said Section 35, also being the easterly line of said Parcel 2008-38, South 01°24'52" West, 2671.08 feet, to the East quarter corner of said Section 35;

Thence, continuing along said easterly line, S 03°59'05" W, 875.79 feet, to the northerly line of Electric Avenue, formerly known as Portofino Drive, dedicated per Document No. 127579;

Thence, along said northerly line of Electric Avenue the following six (6) arcs, courses and distances:

- 1) Thence, along a non-tangent curve to the left, from a tangent which bears N 84°44'38" W, having a radius of 1450.00 feet, a central angle of 01°59'26", and an arc length of 50.38 feet;
- 2) Thence, continuing along said northerly line of Electric Avenue, N 86°44'04" W, 1248.02 feet;
- 3) Thence, along a tangent curve to the left, having a radius of 1450.00 feet, a central angle of 17°00'58", and an arc length of 430.63 feet;
- 4) Thence, along a reverse curve to the right, having a radius of 2450.00 feet, a central angle of 40°26'04", and an arc length of 1729.00 feet;
- 5) Thence, N 63°18'58" W, 578.84 feet;
- 6) Thence, along a tangent curve to the left, having a radius of 1450.00 feet, a central angle of 09°46'30", and an arc length of 247.38 feet;

Thence, leaving said northerly line of Electric Avenue, along the westerly line of said Parcel 2008-38, N 12°56'40" W, 41.15 feet;



**ANNEXATION EXHIBIT – PARCEL B**  
**(portion of APN: 004-093-25 & 004-101-11) – (Cont.)**

Thence, continuing along said westerly line of Parcel 2008-38, along a tangent curve to the right, having a radius of 950.00 feet, a central angle of  $53^{\circ}31'46''$ , and an arc length of 887.55 feet, to a point on the easterly right-of-way of USA Parkway as dedicated per Document No. 121152;

Thence, continuing along said easterly right-of-way of USA Parkway, N  $40^{\circ}35'06''$  E, 1302.30 feet;

Thence, leaving said easterly right-of-way of USA Parkway, S  $48^{\circ}41'00''$  E, 388.28 feet;

Thence, along a non-tangent curve to the right having a radius of 135.00 feet, a central angle of  $14^{\circ}52'08''$ , with a radial line in of N  $82^{\circ}26'51''$  W and a radial line out of S  $67^{\circ}34'43''$  E for an arc length of 35.03 feet;

Thence, along a reverse curve to the left having a radius of 105.00 feet, a central angle of  $37^{\circ}06'06''$ , and an arc length of 67.99 feet;

Thence, S  $14^{\circ}40'49''$  E, 324.37 feet;

Thence, along a tangent curve to the left having a radius of 199.50 feet, a central angle of  $20^{\circ}02'52''$ , and an arc length of 69.80 feet;

Thence, S  $34^{\circ}43'41''$  E, 121.09 feet;

Thence, S  $81^{\circ}31'58''$  E, 279.69 feet;

Thence, along a non-tangent curve to the right having a radius of 928.50 feet, a central angle of  $21^{\circ}07'59''$ , with a radial line in of S  $48^{\circ}37'07''$  E and a radial line out of N  $27^{\circ}29'08''$  W for an arc length of 342.47 feet;

Thence, N  $62^{\circ}30'52''$  E, 447.81 feet;

Thence, along a tangent curve to the right having a radius of 930.00 feet, a central angle of  $06^{\circ}03'34''$ , and an arc length of 98.35 feet;

Thence, N  $68^{\circ}34'26''$  E, 384.10 feet;

Thence, along a tangent curve to the left having a radius of 470.00 feet, a central angle of  $49^{\circ}34'50''$ , and an arc length of 406.71 feet;

Thence, N  $18^{\circ}59'36''$  E, 121.68 feet;

**ANNEXATION EXHIBIT – PARCEL B**  
**(portion of APN: 004-093-25 & 004-101-11) – (Cont.)**

Thence, along a tangent curve to the right having a radius of 530.00 feet, a central angle of 32°41'08", and an arc length of 302.35 feet;

Thence, N 51°40'44" E, 134.93 feet;

Thence, along a tangent curve to the left having a radius of 470.00 feet, a central angle of 26°05'01", and an arc length of 213.96 feet;

Thence, along a reverse curve to the right having a radius of 530.00 feet, a central angle of 47°26'26", and an arc length of 438.84 feet;

Thence, N 02°12'14" E, 225.47 feet, to the north line of said Parcel 2008-38, also being the north line of said Section 35;

Thence, along said north line of Parcel 2008-38, S 87°47'46" E, 334.74 feet, to the POINT OF BEGINNING.

CONTAINING: 205.98 acres of land, more or less.

**ANNEXATION EXHIBIT – PARCEL C**  
**(APN: 004-093-27)**

All that certain real property situated within a portion of the South One-half (1/2) of Section Thirty-five (35), Township Twenty (20) North, Range Twenty-Two (22) East, Mount Diablo Meridian, Storey County, Nevada, being Parcel 2008-40 as shown on that "Dedication Map for EP Minerals, LLC", recorded in the office of the Storey County Recorder, January 22, 2009, as Document No. 110555, Official Records of Storey County, Nevada, more particularly described as follows:

**BEGINNING** at the southeast section corner of said Section 35, thence, along the south line of said Section 35, being the south line of said Parcel 2008-40, S 89°57'56" W, 2649.91 feet, to the south one-quarter corner of said section;

Thence, continuing along said south line, S 89°56'45" W, 1423.08 feet, to the southwest corner of said Parcel 2008-40;

Thence, along the west line of said Parcel 2008-40, N 11°25'58" E, 1029.08 feet;

Thence, continuing along the west line of said Parcel 2008-40, along a tangent curve to the left having a radius of 1050.00 feet, a central angle of 24°22'38", and an arc length of 446.74 feet;

Thence, continuing along the west line of said Parcel 2008-40, N 12°56'40" W, 627.08 feet, to the south right-of-way of Electric Avenue, dedicated to Storey County per Document No. 127579;

Thence, along said south right-of-way of Electric Avenue, the following six (6) arcs, courses and distances:

- 1) Thence, along a non-tangent curve to the right having a radius of 1350.00 feet, a central angle of 07°18'28", with a radial line in of S 19°22'34" W and a radial line out of N 26°41'02" E for an arc length of 172.19 feet;
- 2) Thence, continuing along said south right-of-way of Electric Avenue, S 63°18'58" E, 578.84 feet;
- 3) Thence, along a tangent curve to the left having a radius of 2550.00 feet, a central angle of 40°26'04", and an arc length of 1799.57 feet;
- 4) Thence, along a reverse curve to the right having a radius of 1350.00 feet, a central angle of 17°00'58", and an arc length of 400.93 feet;

**ANNEXATION EXHIBIT – PARCEL C**  
**(APN: 004-093-27)**

- 5) Thence, S 86°44'04" E, 1248.02 feet;
- 6) Thence, along a tangent curve to the right having a radius of 1350.00 feet, a central angle of 02°05'05", and an arc length of 49.12 feet, to the east line of said Parcel 2008-40, also being the east line of said Section 35;

Thence, along said east line, S 03°59'05" W, 1499.79 feet, to the POINT OF BEGINNING.

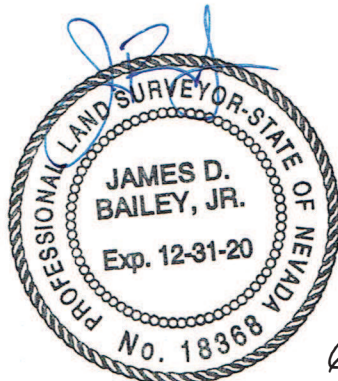
CONTAINING: 145.48 acres of land, more or less.

See drawing exhibit attached hereto, and made a part hereof.

*This description consists of portions of legal parcels and cannot be used for the purpose of conveying the property described. This does not preclude the owner or the holder of an interest in this property from applying for and receiving a parcel map to create a legal parcel for this above described property.*

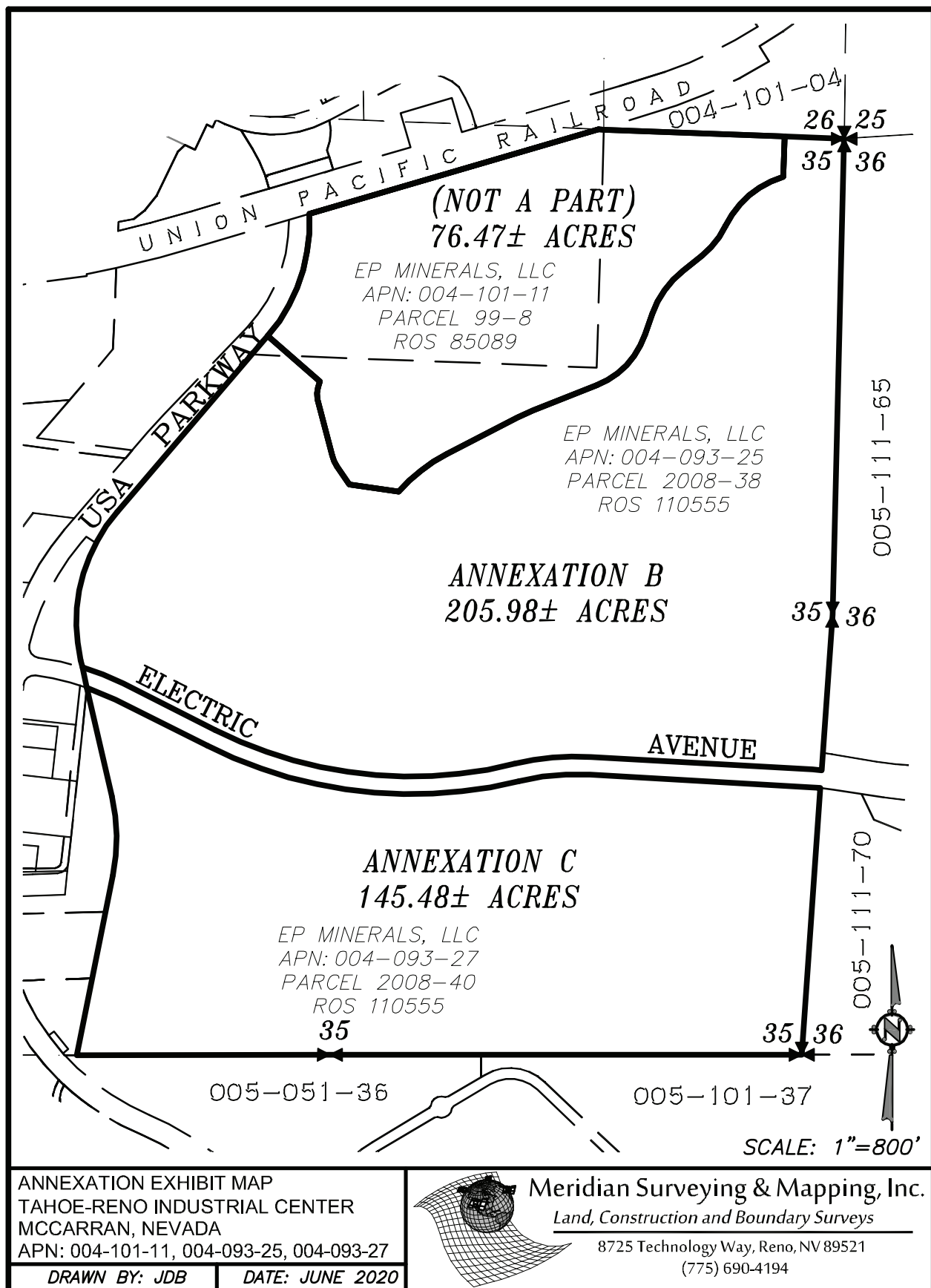
BASIS OF BEARINGS: Nevada State Plane coordinated system, West Zone (NAD 83/94).

James D. Bailey, Jr.  
P.L.S. 18368



6/4/2020

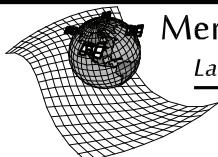
PREPARED BY THE FIRM OF  
**MERIDIAN SURVEYING & MAPPING, INC.**  
8725 TECHNOLOGY WAY, SUITE C2  
RENO, NV. 89521



ANNEXATION EXHIBIT MAP  
 TAHOE-RENO INDUSTRIAL CENTER  
 MCCARRAN, NEVADA  
 APN: 004-101-11, 004-093-25, 004-093-27

DRAWN BY: JDB

DATE: JUNE 2020



**Meridian Surveying & Mapping, Inc.**

*Land, Construction and Boundary Surveys*

8725 Technology Way, Reno, NV 89521

(775) 690-4194

## **EXHIBIT C**

AGENDA ITEM 6: DISCUSSION AND POSSIBLE ACTION TO APPROVE OF  
WATER RESOURCES BANKING AGREEMENT WITH EP MINERALS LLC TO  
ACCEPT FOR BANKING 60 ACRE FEET ANNUALLY OF GROUNDWATER  
RIGHTS DESCRIBED IN APPLICATION 89254 ON FILE WITH THE NEVADA  
DIVISION OF WATER RESOURCES.

## WATER RESOURCES BANKING AGREEMENT

This Banking Agreement (the "Agreement") between TRI General Improvement District ("TRIGID") and EP Minerals, LLC ("Beneficiary") (collectively, "the Parties") sets forth the terms and conditions upon which TRIGID will bank for the benefit of Beneficiary 60.0 acre feet annually of groundwater water rights described in Application No. 89254 and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Water Rights").

### RECITALS

WHEREAS, Beneficiary owns certain real estate located in Storey County, Nevada ("the Property") that Beneficiary seeks to have annexed into TRIGID's service territory;

WHEREAS, Beneficiary seeks to obtain municipal water service from TRIGID for its current and future facilities on the Property;

WHEREAS, TRIGID filed Application No. 89254 on behalf of Beneficiary, and such Application is identified as ready for action by the Nevada State Engineer, Division of Water Resources ("DWR");

WHEREAS, upon approval of a petition for annexation of the Property into its service territory, TRIGID is willing to provide municipal water service to Beneficiary according to its Rules, Regulations and Rates for Water Service and pursuant to the terms and conditions stated in this Agreement.

### AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Conveyance of Water Rights. Within five days after the date this Agreement is executed by both Parties (the "Execution Date"), Beneficiary shall convey record title to the Water Rights to TRIGID by grant, bargain, and sale deed. During the term of this Agreement, TRIGID shall bank and hold record title to the Water Rights for the benefit of Beneficiary for future water service to the Property or other properties within the TRIGID service territory, and Beneficiary shall hold the beneficial interest in the Water Rights, on the terms and conditions set forth herein.

2. Use of Water Rights. Beneficiary may dedicate to TRIGID its beneficial interest in all or any portion of the Water Rights from time to time in connection with the issuance of a will-serve commitment for new or expanded water service in TRIGID's service territory. Any request by Beneficiary for issuance of a will-serve commitment seeking to utilize the Water Rights shall be in writing to TRIGID by the authorized representative of Beneficiary identified below. If Beneficiary requests the will-serve commitment be issued to a third-party, Beneficiary must comply with the assignment provisions in Section 7 of this Agreement. TRIGID's issuance of a will-serve commitment is subject to, and Beneficiary shall comply with, all applicable TRIGID

rules and policies relating to a request for water service in effect at the time Beneficiary requests issuance of a will-serve commitment utilizing the Water Rights. Any portion of the Water Rights accepted for dedication for a will-serve commitment shall be automatically released from the rights and obligations of this Agreement when the will-serve commitment is issued. Banking of the Water Rights with TRIGID is a condition of annexation into TRIGID's service territory, and once banked, the Water Rights may only be used in TRIGID's service territory.

3. Fees and Costs. So long as the Water Rights remain banked with TRIGID, Beneficiary shall pay TRIGID, at such time and in such amount as set forth on an invoice from TRIGID: (i) all costs incurred by TRIGID to transfer title to the Water Rights to TRIGID and enter into this Agreement, including but not limited to document preparation, recording fees, transfer taxes, if any; and (ii) all fees imposed by DWR to issue a permit for the Water Rights and to file subsequent extensions of time or proof of beneficial use and for any other approvals, licenses, permits, certificates or authorization that may be required in connection with maintaining the Water Rights in good standing. All invoices shall be sent to the email address of Beneficiary set forth in this Agreement, or such other address provided in writing to TRIGID. Beneficiary shall be solely responsible for ensuring that the notice address and authorized representative on file with TRIGID is current and accurate.

4. Beneficiary Representations and Warranties. As a material inducement to TRIGID to enter into this Agreement, Beneficiary represents and warrants that: (i) Beneficiary has all requisite power and authority necessary, has taken all requisite action and Beneficiary and the persons executing this Agreement on behalf of Beneficiary are duly authorized to consummate the transactions contemplated in this Agreement; (ii) Beneficiary is the owner of all right, title and interest in the Water Rights; and (iii) Beneficiary has not previously sold, encumbered, pledged, assigned, conveyed, or transferred any interest in the Water Rights, and Beneficiary's interest in the Water Rights is free and clear of all security interests, mortgages, liens, pledges, charges, claims, or encumbrances of any kind or character, and the Water Rights have not been committed by Beneficiary to another or to support any service, nor to the best of Beneficiary's knowledge has any other party committed such Water Rights to support any service.

5. Term and Termination. This Agreement shall terminate on the earlier of: (i) immediately by TRIGID, in its discretion, if TRIGID believes Beneficiary has breached its representations or warranties in this Agreement; (ii) immediately if the petition to annex the Property into TRIGID is denied for any reason or should Beneficiary otherwise elect in its discretion not to annex the Property into TRIGID; (iii) immediately with respect to any portion of the Water Rights which have been dedicated to TRIGID for a will-serve commitment under Section 2 of this Agreement; or (iv) should DWR issue a ruling or order that the Water Rights are forfeited, abandoned, cancelled, or otherwise unable to be used for their permitted purpose, upon such ruling or order becoming final and non-appealable. If this Agreement is terminated, TRIGID shall reconvey the Water Rights to Beneficiary by quitclaim deed, save and except for any portion of the Water Rights that have been dedicated to TRIGID under Section 2 of this Agreement. Beneficiary shall pay TRIGID all fees and costs associated with such reconveyance, including but not limited to recording fees, real property transfer taxes, and DWR filing fees. Beneficiary must pay any such amount within 5 business days after TRIGID sends an invoice to Beneficiary. Should this Agreement terminate, Beneficiary shall be responsible for dedicating water resources



acceptable to TRIGID, and for otherwise meeting TRIGID's dedication requirements, in order to receive will-serve commitment(s) to the Property.

6. Risk of Loss. Beneficiary is solely liable for and bears all risk of any changes, defects, or other issues related to the title, condition, yield, quality or quantity of the Water Rights arising after the date of this Agreement and prior to TRIGID accepting such Water Rights for dedication and commitment to service, except to the extent arising from TRIGID's failure to timely submit applications to DWR to keep the Water Rights in good standing as set forth below. TRIGID will exercise commercially reasonable efforts to maintain the current status of the Water Rights; provided, however, TRIGID makes no guarantee that DWR will deem banking the Water Rights with TRIGID sufficient to maintain the current status, and TRIGID shall not be responsible for or liable to Beneficiary, and Beneficiary shall hold TRIGID harmless from and against all suits, losses, injuries, claims or damages arising from any forfeiture, abandonment, curtailment, reduction in yield or amount, or cancellation of the Water Rights or other limitation or restriction on the use of the Water Rights, whether relating to water quality or quantity. If any adverse action is threatened or taken by DWR on cancellation, curtailment, abandonment, forfeiture or other limitation on the use of the Water Rights or any subsequent change application, TRIGID may convey the Water Rights back to Beneficiary or TRIGID may, at its option and upon request of Beneficiary, assist Beneficiary in defending the right and use to the Water Rights, provided Beneficiary shall pay all of its own and TRIGID's legal fees in defense of the Water Rights.

7. Assignment. Beneficiary may assign any portion of its beneficial use to the Water Rights to a third party(ies), provided: i) Beneficiary provides written notice of the intent to transfer to TRIGID; ii) Beneficiary, the assignee and TRIGID execute a written assignment of beneficial interest in such form required by TRIGID; and iii) the assignee agrees to be bound by the terms and conditions of this Agreement with respect to the assigned interest in the Water Rights (including, without limitation, agreeing that the Water Rights cannot be used outside of TRIGID's service territory). The assignment shall not be effective until TRIGID executes the assignment of beneficial interest form.

8. Miscellaneous.

8.1 This Agreement contains the sole and only agreement between TRIGID and Beneficiary relating to the banking of the Water Rights. Any prior agreements, promises, negotiations or representations, whether written or otherwise, not expressly set forth in this Agreement are superseded, replaced and of no force and effect. No provision of this Agreement may be amended or modified except by an agreement, in writing, signed by the Parties or their respective successor(s)-in-interest and expressly stating that it is an amendment of this Agreement.

8.2 This Agreement is binding upon and shall inure to the benefit of all successors and TRIGID-permitted assignees of the Parties hereto.

8.3 All notices hereunder shall be in writing, and shall be deemed to have been given or made when actually received if sent by email, certified mail, postage prepaid, and return receipt requested, Federal Express (or other nationally recognized overnight delivery service), personal delivery by delivery service obtaining written confirmation of its deliveries, or facsimile

transmission (followed by a hard copy sent by certified mail, personal delivery, or Federal Express), and will be directed as follows:

**Address Beneficiary:**

EP Minerals, LLC  
Attn: \_\_\_\_\_  
24275 Katy Freeway, Ste. 600  
Katy, Texas 77494

**Address TRIGID:**

TRI General Improvement District  
Attn: Shari Whalen, General Manager  
1705 Peru Drive, Suite 104 McCarran, Nevada  
89437

Beneficiary Authorized Representative:

Name: Alan Schultz  
Email: schultza@ussilica.com

TRIGID Authorized Representative:

Name: Shari Whalen  
Email: swhalen@tri-gid.org

Either Party may change its address, including email address, by written notice to the other Party.

8.4 Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

8.5 Litigation Fees and Costs. If either Party commences an action against the other to interpret or enforce any of the terms of this Agreement or because of the breach by the other Party of any of the terms hereof, the losing Party shall pay to the prevailing Party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action.

8.6 Survival. Sections 2, 3, 4, 5, 6, and 8.3 shall survive termination of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written below.

**"TRIGID"**

TRI General Improvement District

By: \_\_\_\_\_

Name: Shari Whalen

Title: General Manager

Date: \_\_\_\_\_

**"Beneficiary"**

EP Minerals, LLC

By: Bryan A. Shin

Name: Bryan A. Shin

Title: CEO

Date: 6/5/2020

## **EXHIBIT "A"**

### **Water Rights Description**

#### **APPLICATION NO. 89254 (GROUNDWATER)**

All those certain underground water rights more particularly described as follows: 0.08288 cfs but not to exceed 60.00 acre feet annually from Application No. 89254, filed on October 11, 2019 with the State Engineer and on file in the office of the Nevada Division of Water Resources.

## **EXHIBIT D**

AGENDA ITEM 7: DISCUSSION AND POSSIBLE ACTION TO APPROVE THE  
WATER RESOURCE EXCHANGE AGREEMENT BETWEEN TRI GENERAL  
IMPROVEMENT DISTRICT, THE TRUCKEE MEADOWS WATER AUTHORITY  
AND TAHOE-RENO INDUSTRIAL CENTER, LLC

## **WATER RESOURCE EXCHANGE AGREEMENT**

THIS WATER RESOURCE EXCHANGE AGREEMENT (“Agreement”), dated for identification purposes as of the \_\_\_\_ day of July, 2020, is entered by and between TRUCKEE MEADOWS WATER AUTHORITY, 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 (“TMWA”), TRI GENERAL IMPROVEMENT DISTRICT, a political subdivision of the State of Nevada (“TRIGID”), and TAHOE-RENO INDUSTRIAL CENTER, a Nevada limited liability company (“TRIC”).

### **RECITALS**

WHEREAS, TMWA, TRIGID, the City of Reno and City of Sparks entered that certain Return Flow Management Agreement dated July 17, 2018 (the “RFMA”) pursuant to which TMWA is authorized to control and manage various water resources of the parties for return flow purposes to facilitate implementation of reclaim water delivery to TRIGID and in order to further regional water management objectives and provide indirect benefits to TMWA by reducing the demand for conversion of Truckee River water resources otherwise available for TMWA municipal supply to use in the Tahoe-Reno Industrial Center. Except as otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the RFMA.

WHEREAS, pursuant to the RFMA, TRIGID is required to provide 1,500 acre feet annually (AFA) of Truckee River water rights (defined therein as the “TRIGID Return Flow Resources”) permitted for Return Flow Purposes for management by TMWA to satisfy certain return flow obligations set forth in the RFMA.

WHEREAS, TRIGID owns 834 AFA of Truckee River water rights more particularly described in Exhibit “A” attached hereto (“TRIGID Rights”) banked for the benefit of TRIC which have not been committed to any will-serve commitment and which could be made available to TMWA for management as a portion of the TRIGID Return Flow Resources.

WHEREAS, TRIC has entered that certain Water Rights Purchase and Sale Agreement and Joint Escrow Instructions dated \_\_\_\_\_, 2020 (“University Agreement”) with the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno (“University”) pursuant to which University has agreed to sell to TRIC and TRIC has agreed to purchase 1,166 AFA of Truckee River water rights described as a portion of the rights heretofore allocated under Claim 602 to Charles Mapes or his successors in that certain action entitled *The United States of America, Plaintiff, vs. Orr Water Ditch Company, et al., Defendants*, the same in equity Docket No. A-3 in the District Court of the United States in and for the District of Nevada (the “Pioneer Rights”). TRIC intends to dedicate and bank the Pioneer Rights with TRIGID for water service in the Tahoe-Reno Industrial Center.

WHEREAS, TMWA, as allowed by TROA, holds certain water resources and may in the future acquire other resources which in TMWA’s sole discretion can be made available and used for Return Flow Purposes to satisfy the Return Flow Requirements associated with the TRIGID Return Flow Resources under the RFMA (“TMWA Return Flow Resources”).

WHEREAS, pursuant to the RFMA, TRIGID is required to cooperate in good faith with TMWA to minimize acquisitions of additional Truckee River water rights and minimize competition with TMWA for the acquisition of Truckee River water rights, and where such does not diminish the quality, quantity or availability of resources, to cooperate with TMWA to facilitate exchange or other transfers of TRIGID water rights with TMWA water resources.

WHEREAS, TRIC and TRIGID desire to convey the Pioneer Rights and TRIGID Rights (collectively, the “Truckee River Exchange Rights”) to TMWA in exchange for TMWA issuing an irrevocable Return Flow Will-Serve Commitment to TRIGID in the amount of up to 1,500 AFA to satisfy TRIGID’s obligation to provide the TRIGID Return Flow Resources under the RFMA on the terms and conditions below.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree to the following terms and conditions:

**1. WATER RESOURCE EXCHANGE AND RETURN FLOW WILL-SERVE COMMITMENT.**

1.1 Conveyance of Truckee River Exchange Rights. Conditional upon and no later than fifteen (15) days after the consummation and closing of the purchase of the Pioneer Rights under the University Agreement (“Pioneer Closing”), TRIGID will convey all right, title and interest in the Truckee River Exchange Rights to TMWA by Water Rights Deed in the form attached hereto as Exhibit “B”, TRIGID and TRIC will terminate any banking agreement encumbering the Truckee River Exchange Rights, and TRIC will assign to TMWA any beneficial interest held in the Truckee River Exchange Rights, if applicable. TRIC shall either direct the University to direct deed the Pioneer Rights to TRIGID or shall convey the Pioneer Rights to TRIGID at the Pioneer Closing. TRIGID and TRIC acknowledge and agree no money shall be paid for the Truckee River Exchange Rights and the sole consideration for the conveyance shall be the issuance of the Return Flow Will-Serve Commitment by TMWA pursuant to Section 1.2. TMWA acknowledges and agrees that it shall bear all fees and charges, if any, associated with any reports of conveyance or change applications sought by TMWA with respect to the Truckee River Exchange Rights. The Parties agree the Truckee River Exchange Rights shall not be construed as “water rights acquired after the Effective Date for use as TRIGID Return Flow Resources” for purposes of Section 5.2.1 of the RFMA, it being the express intent of the Parties that the Truckee River Exchange Rights shall not be governed by Section 5.2.1 of the RFMA and that TMWA shall have no obligation to commit or use the Truckee River Exchange Rights for Return Flow Purposes.

1.2 Issuance of Return Flow Will-Serve Commitment. In consideration of and conditional upon the conveyance of the Truckee River Exchange Rights, concurrently with the conveyance of the Truckee River Exchange Rights to TMWA under Section 1.1, TMWA shall issue to TRIGID a return flow will-serve commitment in the form attached hereto as Exhibit “C” (“Return Flow Will-Serve Commitment”) pursuant to which TMWA irrevocably commits (except as provided in Section 1.3) sufficient water resources to provide up to 1,500 AFA for Return Flow Purposes in satisfaction of and compliance with the Return Flow Requirement associated with the TRIGID Return Flow Resources under the RFMA. Other than TRIGID being a beneficiary of the irrevocable Return Flow Will-Serve Commitment to satisfy its obligations under the RFMA,

neither TRIC nor TRIGID shall have any right, title or interest in the TMWA Return Flow Resources supporting the Return Flow Will-Serve Commitment and TMWA shall have sole and absolute discretion to identify, designate, use and substitute from time to time the specific TMWA Return Flow Resources supporting the Return Flow Will-Serve Commitment. Upon issuance of the Return Flow Will-Serve Commitment, and for purposes of implementing this Agreement TRIGID shall become a customer of TMWA under TMWA's ILVNPS rate tariff or such other tariff deemed applicable by TMWA for purposes of delivering TMWA Return Flow Resources to meet the demands of TRIGID as a TMWA customer in connection with the Return Flow Will-Serve Commitment. The rates payable by TRIGID for the TMWA Return Flow Resources used to satisfy customer deliveries under the Return Flow Will-Serve Commitment (whether under the ILVNPS rate tariff or other tariff) shall be calculated in accordance with Section 4.6 of the RFMA (which TMWA shall incorporate by reference into such tariff for customers receiving service under or in connection with the RFMA). TMWA acknowledges and agrees the Return Flow Will-Serve Commitment and deliveries thereunder to TRIGID as a customer will satisfy TRIGID's obligations to provide the TRIGID Return Flow Resources under the RFMA, and that notwithstanding any provision of the ILVNPS tariff which subjects such service to interruption or curtailment in TMWA's discretion TMWA will provide sufficient resources to support the Return Flow Will-Serve Commitment to ensure that deliveries thereunder are provided as and when necessary to satisfy the TRIGID Return Flow Resources obligation under the RFMA and in compliance with the Return Flow Requirement associated with the TRIGID Return Flow Resources under the RFMA. TRIGID may allocate all or any portion of the beneficial interest in the Return Flow Will-Serve Commitment to TRIC as separately agreed between TRIGID and TRIC.

1.3 Contingent Re-conveyance of Truckee River Rights. At any time prior to the completion of construction the Pipeline Project and commencement of delivery of Reclaimed Water to TRIGID, TRIGID may deliver TMWA written notice of its desire to terminate the Return Flow Will-Serve Commitment ("Termination Notice"). Within thirty (30) days of TMWA's receipt of the Termination Notice: i) TMWA will terminate the Return Flow Will-Serve Commitment and TRIGID shall acknowledge such termination, upon which termination neither party shall have any rights or liability in connection with the Return Flow Will-Serve Commitment; and ii) TMWA will convey to TRIGID fee title to 2,000 acre feet of Truckee River water rights with an equal or lower duty than the Truckee River Exchange Rights; provided in no event will TMWA have any obligation or liability whatsoever to reconvey the Pioneer Rights or Truckee River water rights with an equal or earlier priority than the Pioneer Rights. In addition to the foregoing, in the event TMWA terminates the RFMA pursuant to Section 7.2 of the RFMA, TMWA shall provide a resource credit in the amount of 2,000 acre feet for municipal service within TMWA's retail service area for the benefit of TRIC and TRIGID or their assignees as mutually agreed by TRIC and TRIGID.

## **2. REPRESENTATIONS AND WARRANTIES OF TRIGID.**

As a material inducement to the TMWA to enter into this Agreement, TRIGID represents and warrants to TMWA as follows:

2.1 Organization and Power. TRIGID is duly organized, validly existing and authorized to conduct business under the laws of the State of Nevada, and conditional upon the conveyance by the University has full power and authority to own, sell and convey the Truckee

River Exchange Rights to TMWA and to enter into and perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by TRIGID to TMWA, have been or will be duly executed and delivered by TRIGID and are or will be legal, valid and binding obligations of TRIGID, and are enforceable in accordance with their respective terms. Each of the persons signing this Agreement and other instruments required under this Agreement on behalf of TRIGID is or will be authorized to so sign; and the execution, consent or acknowledgment of no other person, entity, court or governmental authority is necessary in order to validate the execution and performance of this Agreement by TRIGID.

2.2 Property, Title and Related Matters. TRIGID owns all right, title and interest in the TRIGID Rights free and clear of all security interests, mortgages, liens, pledges, charges, claims or encumbrances of any kind or character other than the TRIC banking agreement, and has not, and will not sell, encumber, pledge, assign, convey or transfer any of the TRIGID Rights, except as set forth in this Agreement. Conditional upon the conveyance by the University, TRIGID will own all right, title and interest in the Pioneer Rights free and clear of all security interests, mortgages, liens, pledges, charges, claims or encumbrances of any kind or character, and has not, and will not sell, encumber, pledge, assign, convey or transfer any of the Pioneer Rights, except as set forth in this Agreement. The Truckee River Exchange Rights have not been committed to support any will-serve commitment by TRIGID.

2.3 Transferability. TRIGID has no knowledge of any condition or fact related to the Truckee River Exchange Rights which would prevent or impede the transfer and exchange of the Truckee River Exchange Rights to TMWA.

2.4 No Litigation. There are no pending or to the best of TRIGID's knowledge threatened actions which would materially and adversely affect the Truckee River Exchange Rights, or any portion thereof, nor are there any known specific facts which might give rise to such action or proceedings, or which would or could adversely change the use of the Truckee River Exchange Rights.

2.5 No Misstatement. No representation, statement or warranty by TRIGID contained in this Agreement or in any exhibit hereto contains or will contain any untrue statements or omits, or will omit, any material fact necessary to make the statement of fact recited not misleading.

2.6 No Agreements. Neither the execution and delivery of this Agreement by TRIGID nor the consummation of the transactions contemplated hereby will result in any breach or violation of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which TRIGID is a party, or to which it is bound.

### **3. REPRESENTATIONS AND WARRANTIES OF TRIC.**

As a material inducement to the TMWA to enter into this Agreement, TRIC represents and warrants to TMWA as follows:

3.1 Organization and Power. TRIC is duly organized, validly existing and authorized to conduct business under the laws of the State of Nevada, and conditional upon the conveyance



by the University, has full power and authority to sell and convey all its right, title and interest in the Truckee River Exchange Rights to TMWA and to enter into and perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by TRIC to TMWA, have been or will be duly executed and delivered by TRIC and are or will be legal, valid and binding obligations of TRIC, and are enforceable in accordance with their respective terms. Each of the persons signing this Agreement and other instruments required under this Agreement on behalf of TRIC is or will be authorized to so sign; and the execution, consent or acknowledgment of no other person, entity, court or governmental authority is necessary in order to validate the execution and performance of this Agreement by TRIC.

3.2 University Agreement. TRIC will not sell, encumber, pledge, assign, convey or transfer any interest in the University Agreement or the Pioneer Rights, except as set forth in this Agreement.

3.3 Transferability. TRIC has no knowledge of any condition or fact related to the Truckee River Exchange Rights which would prevent or impede the transfer and exchange of the Truckee River Exchange Rights to TMWA.

3.4 No Litigation. There are no pending or to the best of TRIC's knowledge threatened actions which would materially and adversely affect the Truckee River Exchange Rights, or any portion thereof, nor are there any known specific facts which might give rise to such action or proceedings, or which would or could adversely change the use of the Truckee River Exchange Rights.

3.5 No Misstatement. No representation, statement or warranty by TRIC contained in this Agreement or in any exhibit hereto contains or will contain any untrue statements or omits, or will omit, any material fact necessary to make the statement of fact recited not misleading.

3.6 No Agreements. Neither the execution and delivery of this Agreement by TRIC nor the consummation of the transactions contemplated hereby will result in any breach or violation of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which TRIC is a party, or to which it is bound.

#### **4. REPRESENTATIONS OF TMWA.**

As a material inducement to TRIGID and TRIC to enter into this Agreement, TMWA represents and warrants to the TRIGID and TRIC as follows:

4.1 Organization and Power. TMWA is duly organized, validly existing and authorized to conduct business under the laws of the State of Nevada and has full power and authority to issue the Return Flow Will-Serve Commitment to TRIGID and to enter into and perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by TMWA, have been or will be duly executed and delivered by TMWA and are or will be legal, valid and binding obligations of TMWA, and are enforceable in accordance with their respective terms. Each of the persons signing this Agreement and other instruments required under this Agreement on behalf of

TMWA is or will be authorized to so sign; and the execution, consent or acknowledgment of no other person, entity, court or governmental authority is necessary in order to validate the execution and performance of this Agreement by TMWA.

4.2 No Misstatement. No representation, statement or warranty by TMWA contained in this Agreement or in any exhibit hereto contains or will contain any untrue statements or omits, or will omit, any material fact necessary to make the statement of fact recited not misleading.

4.3 No Agreements. Neither the execution and delivery of this Agreement by TMWA nor the consummation of the transactions contemplated hereby will result in any breach or violation of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which TMWA is a party, or to which it is bound.

## **5. MISCELLANEOUS.**

5.1 Time. Time is of the essence in the performance of all obligations under this Agreement.

5.2 Nevada Law. The validity, interpretation and performance of this Agreement shall be controlled and governed by and construed under the laws of the State of Nevada.

5.3 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. Legible executed counterparts of this Agreement may be delivered by facsimile, PDF e-mail attachment, or any other electronic means.

5.4 Inurement. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and/or assigns.

5.5 Entire Agreement. This Agreement contains the sole and only agreement between the parties hereto relating to their agreement regarding the subject matters and correctly sets forth the rights, duties and obligations of each to the other as of this date. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect.

5.6 Non-Merger. This Agreement and all of its conditions and covenants shall not merge with the deeds referred to herein, but shall survive the recordation of such documents and remain in full force and effect.

5.8 Recitals. The above recitals are incorporated herein by reference.

5.9 Board Approval. This Agreement is contingent upon the approval of the terms by the Board of Directors of TMWA and the Board of Trustees of the TRIGID.

5.10 University Approval. This Agreement shall automatically terminate and be of no further force or effect if the University Agreement and sale of the Pioneer Rights to TRIC is not approved by the University Board of Regents before December 31, 2020.

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

**“TMWA”**

TRUCKEE MEADOWS WATER  
AUTHORITY, a Joint Powers Authority

By: \_\_\_\_\_  
Mark Force, General Manager

**“TRIGID”**

TRI GENERAL IMPROVEMENT DISTRICT,  
a political subdivision of the State of Nevada

By: \_\_\_\_\_  
Shari Whalen, General Manager

**“TRIC”**

TAHOE-RENO INDUSTRIAL CENTER,  
LLC, a Nevada limited liability company

By: Norman Properties, Inc., a California  
corporation

By: \_\_\_\_\_  
Don Roger Norman, President

**Exhibit A**  
**TRIGID Rights Description**

**Exhibit "B"**  
**Form of Deed**

APN: N/A  
When Recorded mail Document to:  
Truckee Meadows Water Authority  
Water Resources Dept.  
P.O. Box 30013  
Reno, NV 89520-3013

The undersigned hereby affirms that this document submitted for recording does not contain the personal information of any person or persons per N.R.S. 239B.030.

WATER RIGHTS DEED

THIS INDENTURE, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between TRI GENERAL IMPROVEMENT DISTRICT, a political subdivision of the State of Nevada hereinafter referred to as "Grantor", and the TRUCKEE MEADOWS WATER AUTHORITY, 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, hereinafter referred to as "Authority".

WITNESSETH:

That the Grantor, for good and valuable consideration, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell and convey unto the Authority, and to its successors and assigns forever, all of Grantor's right, title, and interest in and to those certain water and water rights more particularly described in Exhibits "1" attached hereto and incorporated herein, including without limitation any and all rights arising in connection with pending Applications to Change, Permits and Certificates related to such Water Rights on file in the office of the Nevada State Engineer.

To have and to hold said Water Rights together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof unto The Authority, its successors and assigns, forever.

The Authority does hereby agree to assume the payment of all water master fees and charges that may hereafter become due and payable in respect to said rights referred to herein by reason of the Decree in The United States of America, Plaintiff, vs. Orr Water Ditch Company, et al, Defendants, the same in Equity Docket No. A-3 in the District Court of the United States in and for the District of Nevada, and the Authority does hereby further agree to pay all administration and operation and maintenance charges that may be herein payable to Washoe County Water Conservation District and constitute a charge or lien against the lands herein described by reason of Boca Dam construction.

IN WITNESS WHEREOF, the parties hereto have caused their names to be hereunto subscribed the day and year first above written.

**“AUTHORITY”**

TRUCKEE MEADOWS WATER  
AUTHORITY, a Joint Powers Authority

By: \_\_\_\_\_  
Mark Forcee, General Manager

**“GRANTOR”**

TRI GENERAL IMPROVEMENT DISTRICT,  
a political subdivision of the State of Nevada

By: \_\_\_\_\_  
Shari Whalen, General Manager

STATE OF NEVADA        )  
                                  ) ss.  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2020,  
by Shari Whalen, as General Manager of the TRI General Improvement District, as therein named.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA        )  
                                  ) ss.  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2020 by Mark  
Forcee as General Manager of TRUCKEE MEADOWS WATER AUTHORITY, on behalf of said  
Joint Powers Authority therein named.

\_\_\_\_\_  
Notary Public

**Exhibit “C”**  
**Return Flow Will-Serve Commitment**



1355 Corporate Blvd, Reno, Nevada 89502  
[www.tmwa.com](http://www.tmwa.com)

P.O. Box 30013, Reno, Nevada 89520-3013

**RETURN FLOW WILL SERVE COMMITMENT LETTER**  
**(Tariff ILVNPS)**

\_\_\_\_\_, 2020

TRI General Improvement District  
Attn: Shari Whalen

Return Flow Demand: 1,500 AFA

Approval Date: \_\_\_\_\_

RE: Commitment for Return Flow Purposes/Return Flow Management Agreement

Dear Ms. Whalen:

Pursuant to that certain Water Resource Exchange Agreement between the Truckee Meadows Water Authority (TMWA), TRI General Improvement District (TRIGID) and the Tahoe-Reno Industrial Center dated \_\_\_\_\_, 2020, and in furtherance of the Return Flow Management Agreement dated July 17, 2018 between TMWA, TRIGID, the City of Reno and City of Sparks (“RFMA”), this letter constitutes an irrevocable commitment that TMWA has assumed a legal obligation to supply sufficient water resources to deliver water to the Truckee River for Return Flow Purposes under Tariff ILVNPS or such other tariff deemed applicable by TMWA to meet the return flow demand of TRIGID as a customer of TMWA up to the amount stated above. Notwithstanding any provision of the ILVNPS tariff or such other tariff deemed applicable which subjects such service to interruption or curtailment in TMWA’s discretion, TMWA will provide sufficient resources to support the Return Flow Will-Serve Commitment to ensure that deliveries hereunder are provided as and when necessary to satisfy the TRIGID Return Flow Resources obligation under the RFMA. TRIGID shall be the customer of record with TMWA in connection with water deliveries pursuant to this commitment and the rates payable by TRIGID for the TMWA Return Flow Resources used to satisfy customer deliveries under this Return Flow Will-Serve Commitment shall be governed by Section 4.6 of the RFMA (as incorporated by reference into the applicable tariff). Except as otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the RFMA as of the date of this Commitment. This commitment is made subject to all

applicable TMWA Rules and payment of fees for water delivery in accordance with the Water Resource Exchange Agreement and RFMA. This commitment does not constitute an obligation to provide municipal water service.

Very truly yours,

cc: \_\_\_\_\_