

RECYCLED WATER INFRASTRUCTURE OVERSIZING AGREEMENT

This Recycled Water Infrastructure Oversizing Agreement ("**Agreement**") is entered into this _____ day of _____, 2025, by and between the COUNTY OF WASHOE, a political subdivision of the State of Nevada ("**County**") and DI LORETO CONSTRUCTION AND DEVELOPMENT, INC., a Nevada corporation ("**Developer**"). Each of County and Developer is a "Party" and together are the "Parties."

RECITALS

WHEREAS, County is a political subdivision of the State of Nevada, with all requisite power and authority to enter into this Agreement and carry out and perform its duties and obligations under this Agreement.

WHEREAS, County is the owner and operator of the South Truckee Meadows Water Reclamation Facility ("**STMWRF**") and certain existing recycle water infrastructure located in the South Truckee Meadows area.

WHEREAS, Developer is the developer of record of the extension of Damonte Ranch Parkway and certain master infrastructure for an approved commercial project owned by Liberty Dogs, LLC and located in Washoe County, Nevada, known currently as Assessor's Parcel Number 140-010-55 and legally described in Exhibit "A" attached hereto (the "**Project**").

WHEREAS, the Project is required by the conditions of approval to utilize recycle water for landscaping.

WHEREAS, it is anticipated that recycle water service will be provided by County.

WHEREAS, it is necessary to construct oversizing improvements to certain sections of County owned and operated recycle water infrastructure as more particularly described in Exhibit "B" attached hereto (the "Recycle **Water Improvements**") in order to convey recycle water.

WHEREAS, the Developer acknowledges that construction of the Recycle Water Improvements is necessary to convey recycle water service to the Project in accordance with the terms and conditions of this Agreement.

WHEREAS, after due consideration of all relevant factors such as the location and nature of the Recycle Water Improvements, the area to be serviced by the Recycle Water Improvements, and the developable areas potentially serviced by the Recycle Water Improvements in the future, it has been determined that the Recycle Water Improvements will service the Developer as well as other lands at a future date.

NOW, THEREFORE, in consideration of the forgoing premises and the mutual promises, covenants, and conditions set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and the Developer agree as follows:

1. Construction of Recycle Water Improvements. Developer agrees to permit (other than as provided in Section 3 below) and construct or cause its contractor(s) to permit and construct, at Developer's expense, the Recycle Water Improvements, subject to County's performance of its obligations under this Agreement. Subject to the compensation as set forth in Paragraph 6, Developer agrees to pay its proportionate share for the costs of the Recycle Water Improvements. Developer shall complete the Recycle Water Improvements to the satisfaction of County. Subject to the foregoing, County and Developer acknowledge and agree that Developer shall be solely responsible for and shall have control over the construction timing and sequencing, and construction means, methods, techniques, and procedures in connection with the performance of the Recycle Water Improvements work. In the event Recycle Water Improvements are required prior to Developer initiating construction, County and Developer agree to either modify or replace this Agreement upon the mutual agreement by both Parties.

2. Plans and Design. Developer will select the contractor for the Recycle Water Improvements. The plans and design of the Recycle Water Improvements shall be the responsibility of Developer. Developer agrees to permit inspection of the Recycle Water Improvements during construction, at all reasonable times, by County officers or authorized agents in coordination with Developer and its contractor. County shall provide Quality Assurance inspection of the Recycle Water Improvements during its construction of the Recycle Water Improvements following the minimum standards established in the most recent version of the Standard Specifications for Public Works Construction. The Recycle Water Improvements shall be constructed to match the plans provided by County.

3. Permits. Developer will obtain any required permits for the construction of the Recycle Water Improvements.

4. Completion and Dedication of Recycle Water Improvements. Upon completion of the Recycle Water Improvements as evidenced by a notice of completion, Developer agrees to dedicate all the Recycle Water Improvements to County in the form of a dedication instrument mutually acceptable to the Parties and to grant County an easement in the form attached hereto as Exhibit "C". County shall review the Recycle Water Improvements work within fifteen (15) days of request from Developer and shall work in good faith with Developer to issue a Notice of Completion, and to not unreasonably withhold, condition or delay the issuance of a Notice of Completion. Upon acceptance by both the County and Developer of the mutually accepted dedication instrument, all Recycle Water Improvements shall be deemed dedicated to and accepted by the County, and County shall assume sole ownership and responsibility for the Recycle Water Improvements. Concurrent with its dedication of the Recycle Water Improvements, Developer shall assign to County all warranties given to Developer by subcontractors and suppliers engaged in performing the Recycle Improvement work. County agrees that the Developer may utilize all existing available County easements.

5. Warranty. Developer, or its contractor, shall provide a one-year warranty for the Recycle Water Improvements to County which warranty period shall commence upon the acceptance of the Recycle Water Improvements.

6. Oversizing Compensation.

Oversizing compensation shall be based on the estimated construction costs for the 10-inch Recycle Water Improvements on the plan set provided to County. County agrees to pay an administration fee to Developer to compensate administrative costs for Developer to administer the construction of the project. The agreed upon fee shall be 5% of the total construction cost. The plan set for the Project shall be from Station 10+00 to Station 6+62

The construction cost estimates have been provided by Developer's selected contractor and have sufficient detail for a reasonable cost comparison between the two estimates. Developer agrees to provide both detailed cost estimates to County for review.

In the event that a change is needed to the "plan set" and the costs significantly exceed the original costs estimates, Developer and County will confer in good faith to resolve such differences and reach agreement on the new Project costs. Upon approval, County agrees to compensate and pay Developer the Total Compensation Amount currently estimated as \$399,094.32 upon accepted progress payment invoices and full and final payment shall be due and payable forty-five (45) days after the acceptance of the Recycle Water Improvements by County and submission of final supporting documentation from Developer. With the exception of an easement to be provided from Damonte Ranch Commerce Center in the form of Exhibit "C" attached hereto, it is understood that the Recycle Water Improvements will utilize existing and acceptable easements and will not require additional land or easements, including but not limited to access easements. If Developer desires to relocate all or portions of the Recycle Water Improvements, including but not limited to access easements, thus requiring new or additional easements or property, the cost of the acquisition of development of such land will be at the sole cost of Developer and will not be eligible for compensation under the terms of this agreement.

7. Recycle Water Service to Project. When the Recycle Water Improvements have been completed by Developer and accepted by County, County agrees that it will provide recycled water service to the Project as it may be developed on a phase-by-phase basis when all associated and required fees in the amounts identified in County Ordinance are paid.

8. Assignment. Developer shall have the right to sell, assign, and transfer all or any part of its rights under this Agreement, to any person, firm, corporation, or company, at any time; provided, however, that Developer shall give County written notice of any such sale, assignment, or transfer. The sale, assignment, or transfer of all or any part of the rights identified under this Agreement does not alleviate the requirement to pay any and all connection privilege fees, facility plan fees, plan review fees, surcharge fees, or other fees as identified in Washoe County Ordinance.

9. Indemnification.

Each Party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other Party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees,

and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any Party or person described in this section.

The indemnification obligation under this section is conditioned upon receipt of written notice by the indemnifying Party within 30 days of the indemnified Party's actual notice of any actual or pending claim or cause of action. The indemnifying Party shall not be liable to hold harmless any attorney's fees and costs for the indemnified Party's chosen right to participate with legal counsel.

County does not waive and intends to assert available NRS Chapter 41 liability limitations in all cases.

Contract liability of both Parties shall not be subject to punitive damages.

10. Notices. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if by personal delivery, by United States mail, or by United States express mail, electronic mail, or other established express delivery service, postage or delivery charge prepaid, addressed to the appropriate Party at the address set forth below:

WASHOE COUNTY

Attn: Dwayne Smith, P.E., Director, Engineering & Capital Projects
Community Services Department 1001 E. 9th St.
Reno, NV 89512

DI LORETO CONSTRUCTION AND DEVELOPMENT

Attn: Perry M. Di Loreto
985 Damonte Ranch Parkway, Ste. 310
Reno, NV 89521

11. Attorney's Fees. If it is necessary to commence any legal proceedings for enforcement of breach of any portion of this Agreement, the prevailing Party shall be entitled to an award of all costs and expenses incurred in the prosecution of a contractual cause of action, including reasonable attorney's fees. The term "prevailing Party" means the Party obtaining substantially the relief sought, whether by compromise or judgment.

12. Entire Agreement, Amendment. This Agreement constitutes the Parties' entire understanding and agreement concerning the subject matter of this Agreement, and these understandings and agreements supersede all prior oral and written understandings, agreements, and representations or discussions of any kind relating to this subject matter. No modification or amendment to this Agreement shall be binding upon the Parties unless the same is in writing and signed by the Parties.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada without resort to conflict of laws principles, and venue shall be in Washoe County, Nevada.

14. Effectiveness and Counterparts. This Agreement is effective as of the Effective Date. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

15. Severability. If any provision of this Agreement is determined to be illegal, invalid, or unenforceable, the provision shall be deleted and the Parties shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the deleted provision as possible. The remaining portion of the Agreement not determined to be illegal, invalid, or unenforceable shall, in any event, remain valid and effective for the term remaining unless the provision found illegal, invalid, or unenforceable goes to the essence of this Agreement, in which case either Party may terminate this Agreement upon notice thereof delivered to the other Party.

16. No Third-Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the Parties hereto and their respective permitted successors and assigns, and no third Party is intended to, or shall have, any rights hereunder.

17. Development as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Project is a private development, that neither Party is acting as the agent of the other in any respect hereunder and that each Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between County and Developer is that of a government entity regulating the development of private property and the owner of such property.

18. Force Majeure. Time is of the essence in the performance of the provisions of this Agreement. Any time for performance of any Party under this Agreement shall be extended for a period of time of any force majeure, including Acts of God, war, strikes, or other cause not reasonably within the control of the affected Party.

[Signature Page Follow]

IN WITNESS WHEREOF, each Party hereby approves this Agreement as of the Effective Date set forth by its respective signature below:

WASHOE COUNTY By: _____ Chair, Washoe County Commission Dated: _____ Attest: By: _____ Janis Galassini, Washoe County Clerk	DILORETO CONSTRUCTION AND DEVELOPMENT, INC By: _____ Its: _____ Dated: _____
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EXHIBIT "A"
Legal Description of Project

EXHIBIT "B"
Recycle Water Improvements

EXHIBIT "C"
Damonte Ranch Commerce Easement