

DEVELOPMENT AGREEMENT

This agreement made this 5th day of January, 1982, by and between DOUGLAS COUNTY, a political subdivision of the State of Nevada, by and through its Board of Commissioners whose post office address is P. O. Box 218, Minden, Nevada 89423, hereinafter referred to as the "County" and BUCKEYE INVESTMENT CO., INC., a Nevada corporation whose post office address and principal place of business is 777 Broadleaf Lane, Suite C-114, Carson City, Nevada 89701, hereinafter referred to as "Buckeye", acting as the general partner of Pine Nut Ranch Partners, a Nevada limited partnership whose post office address and principal place of business is 777 Broadleaf Lane, Suite C-114, Carson City, Nevada 89701, hereinafter referred to as "Pine Nut";

W I T N E S S E T H :

WHEREAS, Pine Nut is the contract purchaser from Stoddard and Jewel Jacobsen of that certain real property located in the county of Douglas, State of Nevada, and more specifically described in Exhibit "A" attached hereto and by reference made a part hereof, and hereinafter referred to as the "Property", and;

WHEREAS, Pine Nut made appropriate and proper application to the County, all fees being paid, on January 5, 1981 for a Master Plan Amendment seeking to redesignate the Property from open space to urban development, and;

WHEREAS, on June 11, 1981 the Douglas County Board of Commissioners approved the aforementioned application for a Master Plan Amendment, and;

WHEREAS, Pine Nut made appropriate and proper application to the County, all fees being paid, on January 5, 1981 for the Planned Unit Development of the Property, hereinafter referred to as the "Project", and;

WHEREAS, on June 11, 1981 the Douglas County Board of Commissioners made sufficient findings of fact including that the proposed Planned Unit Development "would maintain the agricultural and rural benefits of the property and also the maintenance of livestock", to approve the application, and;

63900

LIBER 182 PAGE 708

WHEREAS, on June 11, 1981 the Douglas County Board of Commissioners approved the aforementioned Planned Unit Development application consistent with Chapter 278-A of the Nevada Revised Statutes, subject to certain conditions, and;

WHEREAS, on November 5, 1981 the Douglas County Board of Commissioners approved the issuance of a Special Use Permit for the Willow Springs Ranch Planned Unit Development as required by the aforementioned June 11, 1981 Planned Unit Development Approval and Douglas County Ordinances;

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants and conditions contained herein, do hereby agree as follows:

A) This agreement supersedes all prior agreements and shall be the entire agreement between the parties, which may not be changed without the prior written consent of all parties hereto.

B) This agreement shall contain, define, delineate, modify and/or expand upon all of the aforementioned conditions attendant to the County's approval of the Planned Unit Development application.

C) The project is approved as a Planned Unit Development (PUD) pursuant to NRS 278-A, therefore, the parties hereto agree that said approval creates a new PUD zone with requirements and characteristics consistent with the terms and conditions of this agreement and with the Special Use Permit for the PUD as a whole. No other Special Use Permits or zone changes shall be required to implement the Project or its component parts as approved on June 11, 1981.

D) The Planned Unit Development application for the property is approved with the following characteristics:

1) The Willow Springs Ranch Planned Unit Development is approved by the County for a maximum of 103 residential lots of five to twenty acres and 510 condominium units.

2) It is the intention of Pine Nut to subdivide and develop residential lots and sell them, improved without homes, to market purchasers. However, nothing contained herein shall prohibit Pine Nut from making whatever additional improvements it deems necessary to the residential lots including the construction of dwellings (homes) thereon.

3) It is the intention of Pine Nut to effect the construction of the condominium units and sell them, or an interest therein, to market purchasers.

63900

LIBER 192 PAGE 709

However, nothing contained herein shall prohibit Pine Nut from contracting with other builders or developers in any form it deems appropriate for the construction and/or marketing of the condominium units.

4) In the sale of any lots, condominiums or an interest therein, Pine Nut, and any agent employed by Pine Nut to solicit, effect or negotiate said sales, shall abide by all laws and regulations of the State of Nevada and its Department of Real Estate. Further, no sale shall be conducted nor solicited on private property without the consent of the owner and no sale shall be conducted or solicited on public property in violation of Douglas County Ordinances.

5) It is anticipated that additional adjacent property will be acquired. Therefore, when additional adjacent property is acquired and upon proper review and approval by the County, it may be incorporated into the Project and an appropriate increase in the number of units may be allowed, pursuant to Douglas County Ordinances.

6) Pursuant to "5" above, Pine Nut intends to acquire adjacent property from the Bureau of Land Management, a federal government agency, for future incorporation into the Planned Unit Development as approved. The County agrees that upon proper review and approval, such additional land may be incorporated into the Planned Unit Development and pursuant to County ordinances and appropriate amendment to the Planned Unit Development Master Plan, additional units as either residential lots or condominium units may be added to the Planned Unit Development.

7) The Master Plan for Willow Springs Ranch Planned Unit Development as submitted and as amended to accommodate the school site (Exhibit B) is approved and shall be used as a conceptual guide for development. The Master Plan may be amended pursuant to "5" and "6" above if additional adjacent property is acquired by Pine Nut.

8) The aforementioned approval of the Planned Unit Development application and its Master Plan shall serve as the intent by the County to approve further phases or portions of the Project as approved on June 11, 1981, provided all requisite conditions are met.

63900

LIBER 192 PAGE 710

9) This agreement and the aforementioned Planned Unit Development approval shall specifically permit the commercial portion of the Project and ~~condo~~ ^{CONDOMINIUM} portion of the Project including interval ownership thereof.

E) As consideration for the County's approval of the Planned Unit Development application and this agreement, Pine Nut agrees to provide the following:

1) For the purposes of this agreement wherever reference is made to County standards for the purpose of construction, these standards shall be delineated in "Standard Specifications for Public Works Construction 1978" and "Standard Detail for Public Works Construction 1981".

2) Pine Nut will, not later than July 1, 1982, arrange to purchase and provide to the County materials for the improvement of Fish Springs Road from the western boundary of the project through Fish Springs subdivision to the western side of section 6, T.12N., R.21E. as follows:

- a) Sufficient Type 2, Class B equivalent, aggregate base material that when combined with the existing base material will provide an adequate base/sub-base for the application of Lignon-asphalt. Said aggregate base material shall be uniformly spread to a depth not to exceed four inches.
- b) Lignon-asphalt emulsion.
- c) Seal/chip binding oil (CRS-2).
- d) Road surface chips.

The County shall provide all necessary labor, equipment and supervision to effect the preparation of the road surface as follows:

- a) Preparation of sub-base to county standards
- b) Regrade and/or combine any existing Type 2 Class B base material.
- c) Compact new base material.
- d) Prepare new base material for Lignon-asphalt application.
- e) Apply Lignon-asphalt emulsion.
- f) Apply and compact chip-seal surface.

It is the intention of the parties hereto that Pine Nut shall provide the necessary material for the Fish Spring Road improvement and that the County shall provide all labor, equipment, and supervision.

3) Concurrent with the road improvement construction for Phase III of the Project, the aforementioned Fish Springs Road shall be improved to county paved standards.

4) Nothing in this agreement shall require Pine Nut to re-engineer or realign the Fish Springs Road right-of-way nor obtain additional rights-of-way. Improvement of Fish Springs Road shall be consistent with its existing vertical and horizontal alignment retaining the same width and cross section as are presently in place.

5) Pine Nut shall have no responsibility for the maintenance, repair or additional improvement of any portion of Fish Springs Road outside of the Project and shall have no liability for the materials provided as described in paragraph 2 above after acceptance by the County. Further, upon completion of the paving of Fish Springs Road as required in paragraph 3 above, and acceptance by the County, Pine Nut shall have no liability arising out of providing said paving improvements to the County.

6) A twenty-acre school site as shown on the Planned Unit Development Master Plan, as amended, shall be offered for dedication to the Douglas County School District. The offer for dedication shall have a reversion clause requiring abandonment by the County and Douglas County School District and reversion to Pine Nut if the site is not used for a school within two years after completion of the Planned Unit Development. The County shall notify Pine Nut within two years after completion of the Planned Unit Development of its intention to construct a school, as evidenced by a building permit to do so. Pine Nut shall notify the County in writing of completion of the Planned Unit Development and thereby start the two-year period after which the site shall revert to Pine Nut if it is not used for a school. In the event that said school site reverts to Pine Nut as herein provided, it will not be used for additional residential development and will become a part of the common area owned by the Homeowner's Association and used at its discretion as additional common facilities.

63900

LIBER 182 PAGE 712

7) Sites shall be provided and shelters erected as school bus stops and public transportation terminals. The location and nature of the shelters shall be determined by mutual agreement between Pine Nut and the County.

8) Concurrent with Phase I of the Project, Pine Nut shall provide a fire truck filling facility on Jacobsen Lane within one mile of the eastern boundary of Phase I. Said filling facility shall consist of a fifteen foot wide turnout from Jacobsen Lane adjacent to a delivery pipe terminus (fire hydrant) with water supplied from an existing well and electrical pump located in the position marked "X" on Exhibit ^B" and be capable of producing 500 gallons per minute at the time of recording of Phase I of the Project. Said submerged electric pump shall be provided with standby electric power. Said turnout and Jacobsen Lane for 50 feet in either direction shall be improved with six inches of gravel base.

9) Upon commencement of the condominium portion of the Project, a new fire station building shall be constructed and provided with an appropriately configured fire pump truck. The station building shall be a complete shell with appropriate plumbing and electrical facilities. The design of said fire station building shall be determined after consultation with the East Fork Fire Protection District. The specification for said fire pump truck shall be consistent with those required to serve the condominium portion of the Project. The specifications for the fire truck shall be determined after consultation with the East Fork Fire Protection District and shall provide rapid response along with pumping capabilities. The station and truck shall be offered for dedication to Douglas County. Fire flows shall be provided through hydrants located in each cluster of units within the condominium portion of the Project and shall meet other basic fire district requirements and Insurance Services Office standards. Nothing contained herein shall require fire hydrants every 500 feet along roadways when hydrants are provided within condominium clusters. Fire flows serving the community center and equestrian facilities shall be provided through hydrants not further than 250 feet from any structure.

10) Pine Nut shall pay \$400 per lot at the time of filing the Final Map for each phase of the residential lots as a voluntary contribution to the East Fork Fire Protection District.

63900

LIBER 182 PAGE 713

11) Upon commencement of the condominium portion of the Project, Pine Nut shall no longer be required to make a \$400 per unit voluntary contribution to the East Fork Fire Protection District until such time as an amount equivalent to the actual cost of the aforementioned fire pump truck has been credited to Pine Nut. Thereafter, Pine Nut shall recommence making a \$400 per condominium unit contribution to the East Fork Fire Protection District.

12) Appropriate space shall be provided within the proposed community center for an office of the Douglas County Sheriff's Department. Said space shall be designed after consultation with the Douglas County Sheriff's Department.

13) All private security employed by Pine Nut, or the Project's Homeowner's Association shall be coordinated with the Douglas County Sheriff's Department.

14) Upon filing of the Final Map for Phase I of the Project, Pine Nut shall make a \$5,000 contribution to the County Water study program. Upon filing of the Final Map for Phase II of the Project, Pine Nut shall make an additional \$5,000 contribution to the County Water study program, whereafter no additional contributions shall be required of Pine Nut.

15) Pine Nut shall cause the Project's Homeowner's Association By-Laws to contain a requirement providing for a sinking fund for the purpose of making a contribution to the County specifically to be applied to the cost of a by-pass highway on the east side of Carson Valley as described in Exhibit "C" attached hereto and by reference made a part hereof. The fund shall provide \$500 per recorded lot or dwelling unit at the time each lot is recorded as a base contribution available not earlier than July 1, 1986. In the event that the Project is abandoned or terminated, pursuant to the terms and conditions of this agreement, the base contribution shall be equal to \$500 for each residential lot and condominium unit actually developed and recorded. That portion of the fund for each lot or dwelling unit recorded shall be adjusted annually on July 1 of each year following the fiscal year of such recording by 80 percent of the increase in the Consumer Price Index (all items, national average as published by the U.S. Department of Labor, Bureau of Labor Statistics, or other replacement or succeeding index) as follows:

63900

$$\# \text{ of units} \times \$500 \times (1 + 0.8 \frac{\text{CPI } 19\text{YY} - \text{CPI } 19\text{ZZ}}{\text{CPI } 19\text{ZZ}}) = \text{Fund Value}(x)$$

X = Phase or group of recorded lots or dwelling units.

YY= July 1 value of CPI in the succeeding years.

ZZ= July 1 value of CPI in year of recording.

As an example: assuming that Phase I will contain ten lots and be recorded on July 1, 1983, and that the Consumer Price Index has increased by ten percent by July 1, 1984, the July 1, 1984, value would be:

$$(10 \times \$500 \times (1 + 0.8 \times 0.1)) = \$5,400$$

The fund, as adjusted, will be contributed to the County when construction contracts are let, but not earlier than July 1, 1986, nor later than July 1, 2001. If the by-pass highway is not built by July 1, 2001, the basic fund, as adjusted, may be used by the County to make incremental (but not budget transfer) improvements to any road directly serving the Project between U.S. Highway 395 and the Project. These improvements are limited to road widening, resurfacing, sealing, street-lighting, intersection improvements, roadway drainage improvements, and signalization. Any other improvements shall be submitted to the Project's Homeowner's Association for approval. If said incremental improvements are not made by July 1, 2003, the obligation of the Project's Homeowner's Association for said contribution to the County shall be void.

16) Upon completion of the first phase of the condominium portion of the Project, Pine Nut will cause to be created a bus system with a minimum level of service to South Lake Tahoe and Carson City. The bus system will not be required to produce a profit for Pine Nut or its operator, however, if the bus system has any four consecutive quarters of operating losses as determined by generally accepted accounting practices, the bus system and its service may be terminated. If any federal, state or local regulations prevent the commencement of the bus service with a break-even goal as determined by generally accepted accounting practices, said service shall not be instituted and this requirement to start the service shall be void. The bus service shall be reviewed and approved by the County. The operation by Pine Nut, or its agent,

63900

of the bus system described herein, shall not be construed as an exclusive right within the area served and shall not operate to prohibit, prevent, or preclude any other similar service from operating in the same general area. In the event that Pine Nut chooses to terminate the bus service as described provided, Pine Nut shall offer the County or any other agency that the County may select, the first right of refusal to acquire the assets of the bus system for a price which shall, in no event, be more than fair market value of said assets.

F) The Project shall be developed pursuant to its approval by the Douglas County Board of Commissioners with the following characteristics and requirements:

1) The Project shall be phased in not less than seven phases, with not more than one phase per year. Each phase shall require fifty percent to be sold prior to filing of the Final Map for the next or subsequent phase. Provided, however, that nothing contained herein shall, during the development of the condominium portion of the Project, prohibit Pine Nut from applying for and securing all state or county permits and/or approvals of whatever kind required, including filing of Final Maps prior to improvements, to effect presales of condominium units or an interest therein, which may be a requirement of any recognized lending institution prior to committing financing and/or construction funds necessary to effect the development of any phase of the condominium portion of the Project. Pine Nut will, however, not commence construction, other than clearing, roadwork, utility installation, or foundation earthwork prior to the sale of at least fifty percent of the residential lots or condominium units in the preceding phase of the Project.

2) No phase of the residential lot portion of the Project shall contain more than thirty (30) lots and no phase of the condominium portion of the Project shall contain more than one hundred twenty-five (125) dwelling units.

3) All roads within the Project shall be constructed to county paved standards and to the satisfaction of the county engineer consistent with design requirements in effect at the time of Phase I.

4) All roads within the condominium and amenity portion of the Project may require curb, gutter and sidewalks as determined by the engineering and planning departments of the County.

63900

5) All roads within the Planned Unit Development shall be offered for dedication to the County, but shall be maintained by Pine Nut or the Project's Homeowner's Association until accepted for maintenance by the County. The County agrees not to accept the roads for dedication until the County is prepared to fully and properly maintain the roads pursuant to an acceptable standard.

6) The provisions of paragraphs (3) and (4) above, notwithstanding, Pine Nut may, consistent with the equestrian theme of the Project, choose not to pave those service roads to the south and east of the equestrian center which do not serve any residential or public structure. Pine Nut's election not to pave such roads shall be reviewed and approved by the County's Planning and Engineering Departments.

7) Prior to completion of any phase containing condominium units, a new access road or entry road connecting Pine Nut Road to the community center shall be fully constructed to County paved standards. Said new access road shall be offered for dedication to the County, but shall be maintained by Pine Nut or the Project's Homeowner's Association until accepted for maintenance by the County. The County shall not accept the road for dedication until the County agrees to properly and adequately maintain the road to an acceptable standard. The new access road shall be reviewed and approved by the Bureau of Land Management and the Planning and Engineering Departments of the County.

8) Pine Nut shall participate in the improvement of Pine Nut Road from the western terminus of the aforementioned new access road to U.S. Highway 395 pursuant to Exhibit "D".

9) Concurrent with the first phase of the condominium portion of the Project, the entry focal point/community center shall be provided. The entry focal point amenities, as described on the Planned Unit Development Master Plan, shall be reviewed and approved by the County for precise design.

10) Concurrent with the second phase of the condominium portion of the Project, the equestrian center and bridal path system shall be provided as described on the Planned Unit Development Master Plan. The aforementioned equestrian center and bridal path system shall be subject to review and approval by the County for precise design.

63900

11) Any amenities described herein may be provided by Pine Nut earlier than required if desired by Pine Nut.

12) Self-contained sewer and water systems shall be provided for the condominium portion of the Project as necessary. Upon completion of the Planned Unit Development, the sewer and water systems shall be offered for dedication to the County, however, they shall be maintained by Pine Nut or the Project's Homeowner's Association until accepted by the County. The County shall not accept the sewer and water systems for dedication until the County agrees to properly and adequately maintain the sewer and water systems to an acceptable standard. The county shall review and approve the sewer and water systems. Pine Nut may design and, at its option, use state-of-the-art technology for the sewer system which produces effluent consistent with reclaimed wastewater standards.

13) If, prior to final design of the sewer and water system by Pine Nut, the County requests upsizing of the sewer and/or water system to provide additional capacity, Pine Nut shall cause such upsizing to be accomplished. Further, the County at that time may request upsizing of sewer and water lines contained within the Project for the purpose of serving additional users of the sewer and/or water system. Provided the County shows specific need for the aforementioned upsizing prior to final design, Pine Nut shall pay for not more than fifty percent of the increased design costs of upsizing the sewer and/or water systems. The County shall pay for the balance of increased design costs. In the event that the County, prior to final design, requests an upsizing of the sewer plant and/or water lines, Pine Nut shall pay for not more than twenty percent of the cost of increasing the line sizes for either sewer and/or water within the Project. The County shall pay for the balance of the cost for increasing line sizes. The County will in all cases pay for the actual cost required to increase the size of the sewer plant and/or water systems.

14) Each phase of the Project shall be done as a Final Subdivision Map and shall be reviewed and approved by the County. Each phase Final Map shall be subject to additional conditions as deemed necessary and appropriate by the County. The scope of any additional conditions shall involve design and/or engineering criteria only and shall not substantially deviate from the Planned Unit Development Master Plan.

63900

LIBER 182 PAGE 718

15) All phases of the Project shall be approved by the State Division of Water Resources, State Division of Health and the State Division of Environmental Protection.

16) Telephone and electrical power shall be provided by Pine Nut to each lot line or dwelling unit and shall be placed underground to each residential lot line or condominium building. No occupancy of any dwelling unit within the Project will be allowed until the foregoing underground utilities are provided.

17) Basic landscaping as shown on the Planned Unit Development Master Plan is approved, however, all landscaping shall be precisely reviewed and approved by the County. All landscaped areas shall be provided with an irrigation method that shall be approved by the County. The method of irrigation for all areas other than condominium, community center, and other specific building landscaping may be by water tank truck or conventional ditch irrigation in the case of agricultural fields.

18) The approval of the Final Map for each phase of the Project shall require a Letter of Credit for a satisfactory guarantee to insure completion of all or any part of the improvements within that phase. Pine Nut may, at its option, install any improvements within that phase prior to recordation of that phase Final Map.

19) A drainage, erosion control, and slope stabilization plan incorporating "best management practices" shall be submitted with the Final Map for each phase of the Project and shall be approved by the County and the Carson Valley Conservation District.

G) The terms and conditions of this agreement are intended to cover the implementation and administration of a development process anticipated to take place over an extended period of time. It is further anticipated that additional agreements may be entered into by the parties hereto to further define the method of administration of this Project. Pending any additional agreements, the parties hereto agree that the Project and its development shall be administered consistent with the following terms:

1) Prior to filing the Final Map for each phase of the Project, Pine Nut shall prepare and submit to the County the conditions, covenants and

63900

restrictions (CC&Rs) intended to apply to the property contained within that phase. Said CC&Rs shall be approved by the County district attorney and the County. To follow the intent of this agreement, said CC&Rs shall place deed restrictions on the Project that will reflect the minimum size properties for single family dwellings.

2) There shall be a separate Homeowner's Association for the residential lot portion of the Project, the permanent resident condominium portion of the Project and the interval ownership condominium portion of the Project. Each Homeowner's Association shall have its own by-laws which shall be approved by the County District Attorney and the County. The initial phase within each portion of the Project shall start the Homeowner's Association for that portion of the Project. Subsequent phases of each portion of the Project shall operate to expand the initial Homeowner's Association of that portion of the Project.

3) Upon commencement of the condominium portion of the Project and the formation of its initial Homeowner's Association, a supervisory board shall be created with its members drawn from the residential lot Homeowner's Association and the condominium Homeowner's Association. The supervisory board shall administer the affairs of the group of Homeowner's Association pursuant to its by-laws. With the initial phase of the second condominium portion of the Project and the formation of its Homeowner's Association, it shall elect members to the supervisory board.

4) In the event that Pine Nut is unable to meet conditions or requirements of this agreement, or for any reason, finds the Project uneconomical or impractical to continue, Pine Nut may, at its option, abandon all further and future phases of the Project whereupon the balance of Project shall be void.

5) Pursuant to the Planned Unit Development Master Plan as amended, Pine Nut shall obtain the necessary consent from the property owners adjoining Mt. Siegel Lane to modify Mt. Siegel Lane's existing right-of-way as shown on the amended Master Plan. Subject to review by the County's Planning and Engineering Departments, the County shall approve the aforementioned modification, provided it has the consent of all adjoining property owners.

63900

6) It is recognized and agreed that no water rights are required by Pine Nut to effect the development and marketing of any of the single family residential lots contained within the Project. Each single family parcel is presently entitled to an individual water right of 1800 gallons per day.

7) The physical adequacy of water rights, both surface and underground and the method of allocation of these rights to the various uses within the Project and their conveyance systems shall be reviewed and approved by the County's Planning and Engineering Departments. It is agreed that Pine Nut may meet any legal requirement for domestic water for the Project as approved or as may be amended from surface rights which have been shown to be reliable. The reliability of said surface rights shall be documented prior to their use.

8) The Project shall be diligently pursued and shall expire and become null and void if the Final Map for Phase I of the Project is not recorded by July 1, 1983.

9) This development agreement shall provide the basic terms and conditions for any subsequent development agreement that the County and Pine Nut may choose to enter into for the specific development of each phase of the Project.

10) In the administration of this agreement and the conditions contained herein, where any department or body within the county is allowed additional review and approval or to impose additional conditions, such approval, consistent with the conditions of this agreement, shall not be unreasonably withheld and all additional conditions shall be based on quantifiable data provided by the County. In no event shall the County require additional payments, contributions or economic concessions as a condition for additional approval or permits contemplated by the approval of the Project or this agreement.


11) Any and all conditions herein may be modified, deleted or added to with the concurrence of the County and Pine Nut.

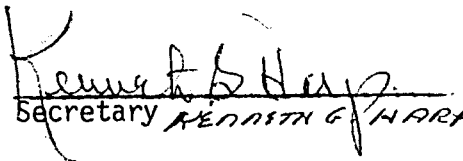
12) The County and Pine Nut shall cooperate to obtain all necessary approvals, permits or any other requirements which are, or may be required to implement the intent of the Project approval and this agreement.

Nothing contained within this paragraph shall require the County or county employees to function on behalf of Pine Nut, however, the foregoing shall not prohibit or exclude the County or county employees from dealing directly with or making application directly to other governmental agencies where it is appropriate to do so.

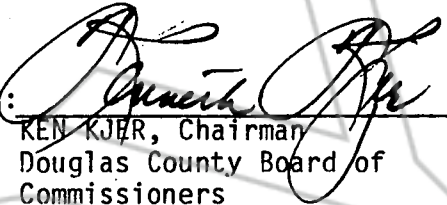
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and date first above written.

PINE NUT RANCH PARTNERS
by: Buckeye Investment Co. Inc.
Its General Partner

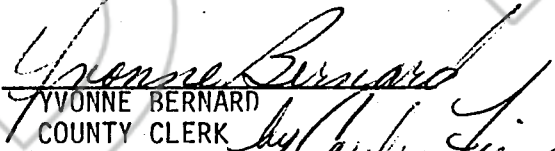
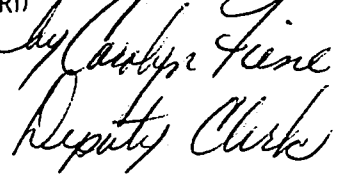
by: 
President CARLOS WILLIAMS

by: 
Secretary KENNETH G. HARP

DOUGLAS COUNTY

by: 
KEN KJER, Chairman
Douglas County Board of
Commissioners

ATTEST


YVONNE BERNARD
COUNTY CLERK
by 
Deputy Clerk

11/17/81

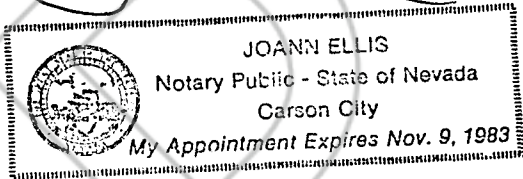
63900

STATE OF NEVADA)
)
COUNTY OF CARSON CITY)

On this 31st day of December, 1982, before me, the undersigned, a Notary Public in and for the County of Carson City, State of Nevada, duly commissioned and sworn, personally appeared CARLOS WILLIAMS, known to me to be the president of BUCKEYE INVESTMENT CO., INC., the general partner of PINE NUT RANCH PARTNERS, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Joann Ellis

NOTARY PUBLIC

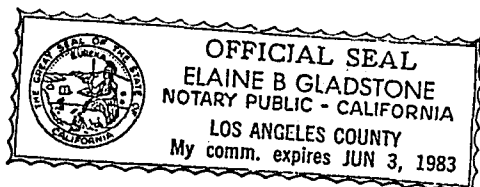


STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On this 5th day of January, 1982, before me, the undersigned, a Notary Public in and for the County of Los Angeles, State of California, duly commissioned and sworn, personally appeared KENNETH HARP, known to me to be the secretary of BUCKEYE INVESTMENT CO., INC., the general partner of PINE NUT RANCH PARTNERS, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Elaine B Gladstone

NOTARY PUBLIC



63900

EXHIBIT "A"

All that certain land situate in the County of Douglas, State of Nevada, contained within Township 12 North, Range 21 East described as follows:

1. All of Section 4 except:
 - A. The North 1/2 of the Northwest 1/4.
2. In Section 5:
 - A. The Northeast 1/4 of the Southeast 1/4; and
 - B. The South 1/2 of the Northeast 1/4, except
 - i) The land north of Jacobsen Lane, and
 - ii) A parcel of land lying wholly within the NE 1/4 of Section 5, in Township 12 North, Range 21 East, M.D.B. & M., and being further described as follows:

BEGINNING at the Center 1/4 corner of said Section 5; thence along the North-South centerline of said Section, N. 01°19'12" E., 899.61 feet; thence N. 89°36'46" E., 203.70 feet; thence parallel to said North-South centerline, S. 01°19'12" W., 988.61 feet to the East-West centerline of said Section 5; thence along said East-West centerline, S. 89°36'46" W., 203.70 feet to the Point of Beginning.
3. In Section 3:
 - A. The South 1/2 of the Southwest 1/4; and
 - B. The Northwest 1/4 of the Southwest 1/4.
4. In Section 9:
 - A. The North 1/2 of the Northeast 1/4; and
 - B. The Southeast 1/4 of the Northeast 1/4; and
 - C. The Northeast 1/4 of the Southeast 1/4.
5. In Section 10:
 - A. The North 1/2 of the Northwest 1/4; and
 - B. The Southwest 1/4 of the Northwest 1/4; and
 - C. The North 1/2 of the Southwest 1/4; and
 - D. The Northwest 1/4 of the Southeast 1/4; and
 - E. The Southeast 1/4 of the Southeast 1/4.
6. In Section 14:
 - A. The Northeast 1/4 of the Northwest 1/4.
7. In Section 26:
 - A. The Southeast 1/4 of the Northeast 1/4.

WATER RECLAMATION
1/0R OPEN SPACE

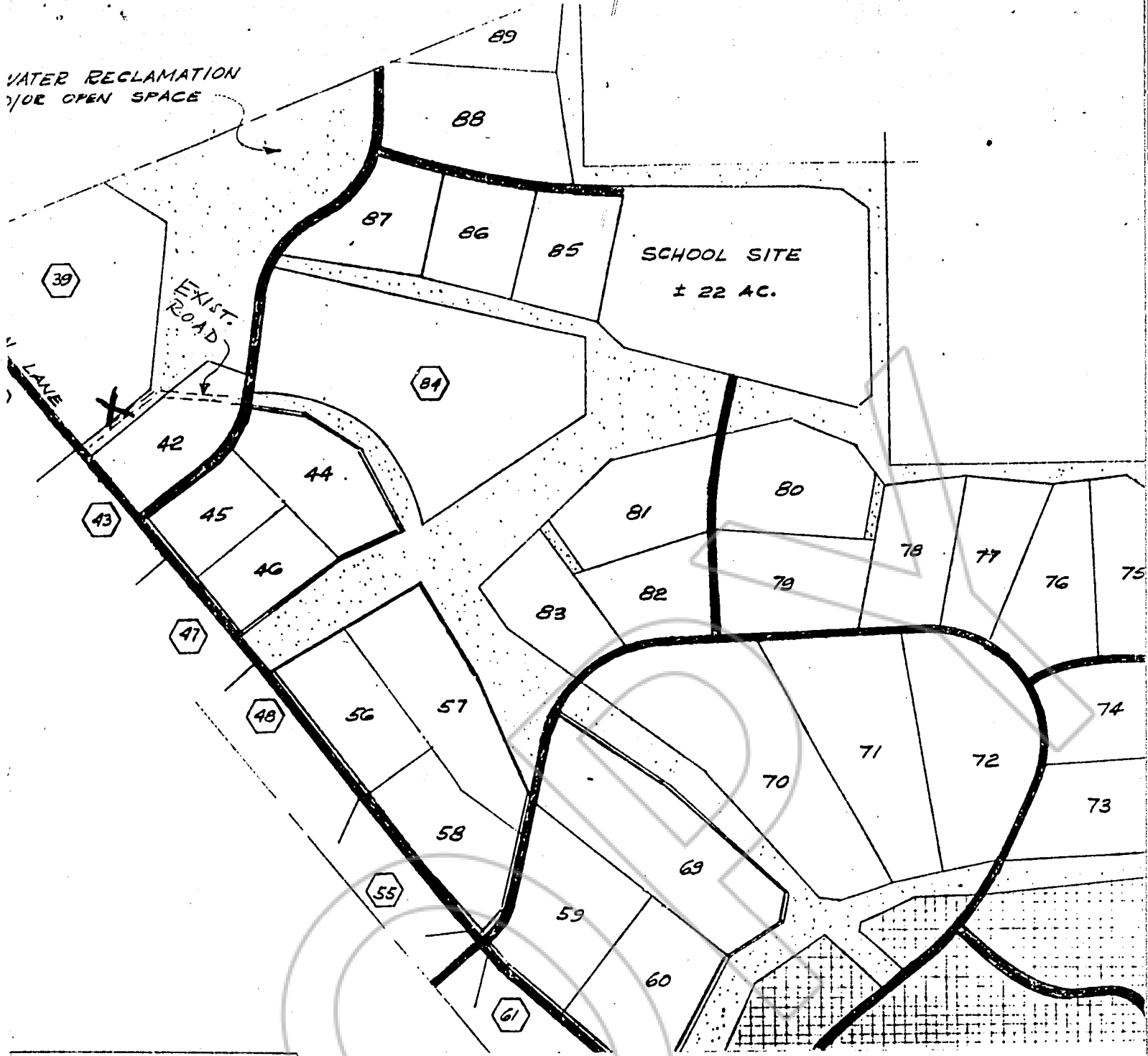
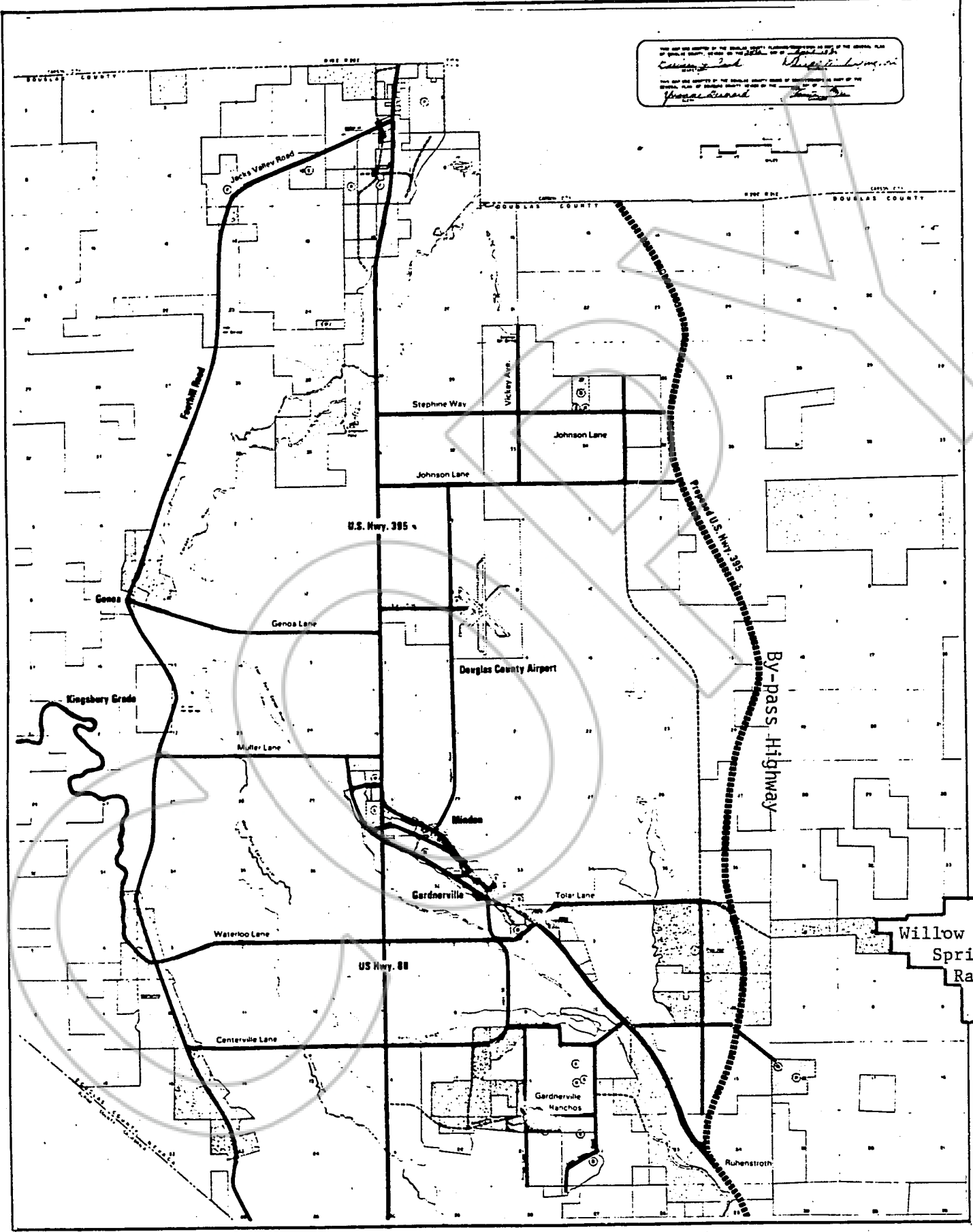


EXHIBIT "B"

DOUGLAS COUNTY GENERAL PLAN
**carson valley
 land use plan**

THE LAND USE MAP OF THE CARSON VALLEY PLANNED DEVELOPMENT IS ONE OF THE GENERAL PLAN
 AND THE MAP OF THE CARSON VALLEY PLANNED DEVELOPMENT IS ONE OF THE GENERAL PLAN
Carson Valley Planning Commission
Approved: _____ Date: _____
Approved: _____ Date: _____
Approved: _____ Date: _____



OPEN SPACE
 AGRICULTURAL LAND
 FOREST GROVE & WATERSHEDS

FEDERAL LAND

INDIAN LANDS

URBAN DEVELOPMENT

Commercial	Rural Residential	Medium Density Residential
Industrial	5 Ac./D.U.	12,000 Sq. Ft./D.U.
Public Use	2 Ac./D.U.	8,500 Sq. Ft./D.U.
Fire Station	Low Density Residential	High Density Residential
School	1 Ac./D.U.	8 D.U./Ac.
Recreation	1/2 Ac./D.U.	15 D.U./Ac.

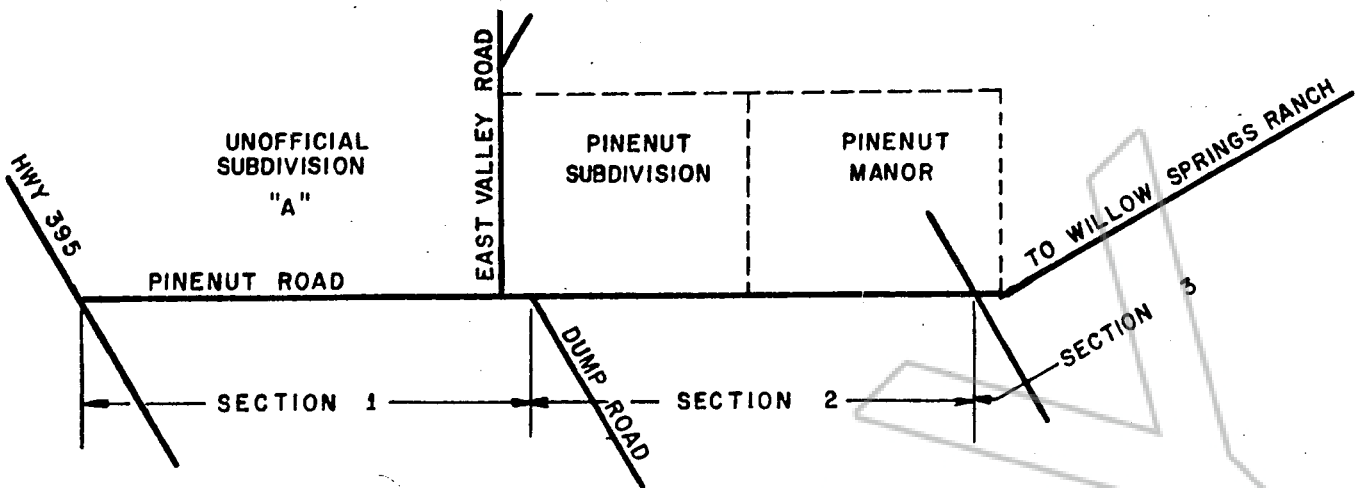
CIRCULATION

Major Highway

Arterial

Collector

Cost Share Determination for Pinenut Road



<u>Subdivision</u>	<u>Number of Units</u>
(1) Fish Springs Estates & Surrounding Properties	98
(2) Unofficial Subdivision "A"	48
(3) Unofficial Subdivision "B"	20
(4) Pinenut Subdivision	14
(5) Pinenut Manor Subdivision	64
(6) Willow Springs Ranch	44
(510 condominiums + 103 lots)	613

Any future subdivision approvals impacting Pinenut Road which occur prior to Pinenut Road construction shall participate in the funding of said construction for all sections of the road which the development or subdivision will impact. The road impacts and cost share determination for all subdivisions, including the future approvals, shall be recalculated by multiplying the total road section construction cost times the number of units impacting the specific road section from each subdivision and then dividing by the total units impacting that same specific road section. The final cost shall be determined at the time that actual construction contracts are awarded for road sections #1 and #2 by Douglas County which shall be concurrent with the proposed construction of the new access road (section #3) to be constructed by Pinenut Partners.

The following distribution of construction cost by percentages are based on current approved subdivisions and are presented only for demonstration of the calculation method and not to establish actual percentage participation rates.

Pinenut Road - Section #1

Cost to be that which is necessary to repair and overlay the existing Pinenut Road to the intersection of Dump Road (See Road Plan).

The following cost shares are based on existing approved subdivision and are subject to adjustment based on any new subdivision approvals.

<u>Impacting Units for Section #1</u>		<u>Equivalent Units</u>	<u>Participation Percentage</u>
(1) Fish Springs Estates & Area	(146 units)(50%)	= 73	4.7%
(2) Unofficial Subdivisions A & B	(34 units)(100%)	= 34	2.2%
(3) Pinenut Subdivision	(46 units)(100%)	= 64	4.1%
(4) Pinenut Manor Subdivision	(44 units)(100%)	= 44	2.8%
(5) Willow Springs Ranch - Condos	(510 units)(100%)	= 510	32.8%
(6) Willow Springs Ranch - Lots	(103 units)(50%)	= 52	3.3%
		<hr/>	
		777 units	50%
(7) County share based on County benefits including Sawmill and County Facilities should be equal to 50% of total. (Equal to total impacting unit total above)		777 units	50%
Total Impacting Units		<hr/>	
		1,554 units	100%

Pinenut Road - Section #2

Cost to be that which is necessary to construct the existing Pinenut Road from the intersection of Dump Road to the westerly boundary of the Pinenut Manor Subdivision and to seal coat the existing Pinenut Road from the westerly boundary of the Pinenut Manor Subdivision to the intersection of Log Cabin Road.

The following cost shares are based on existing approved subdivision and are subject to adjustment based on any new subdivision approvals.

<u>Impacting Units for Section #2</u>		<u>Equivalent Units</u>	<u>Participation Percentage</u>
(1) Pinenut Subdivision	(64 units)(100%)	= 64	6.7%
(2) Pinenut Manor Subdivision	(44 units)(100%)	= 44	4.6%
(3) Willow Springs Ranch - Condos	(510 units)(100%)	= 510	53.3%
(4) Willow Springs Ranch - Lots	(103 units)(50%)	= 52	5.4%
		<hr/>	
		670 units	70%
(5) County share based on County benefits and responsibilities for existing road should be equal to 30% of total. (Equal to <u>670 units</u> - 670 = 287)		287 units	30%
Total Impacting Units		<hr/>	
		957 units	100%

Pinenut Road - Section #3

Cost to that which is necessary to construct a proposed new access road from the intersection of Log Cabin Road to the Willow Springs Ranch Subdivision. Any future subdivisions which may share the benefit of this new road shall share in the cost for any portions of the new road benefiting said future subdivisions based on unit impact.

<u>Impacting Units for Section #3</u>		<u>Equivalent Units</u>	<u>Participation Percentage</u>
(1) Willow Springs Ranch - Condos	(510 units)(100%)	= 510	90.8%
(2) Willow Springs Ranch - Lots	(103 units)(50%)	= 52	9.2%
		<hr/>	
Total Impacting Units		562 units	100%

63900

LIBER 182 PAGE 728

COPY

REQUESTED BY

Ms. County (Eng Dept)

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

No Fee

1982 JAN 13 AM 10: 54

SUZANNE BEAUDREAU
RECORDER

Diana Slater
Deputy LIBER

63900

182 PAGE 729

01/13/82

202-4-881