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AGREEMENT

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THIS AGREEMENT is made and entered into this 24<sup>th</sup> day of September, 1986, by and between J. Holtzman ALLEGRETTI & COMPANY, a California corporation, hereinafter referred to as "ALLEGRETTI", and the COUNTY OF DOUGLAS, a political subdivision of the State of Nevada, hereinafter referred to as "COUNTY",

W I T N E S S E T H:

WHEREAS, COUNTY entered into an agreement with DEVELOP DOUGLAS AIRPORT INDUSTRY, a Nevada corporation (D.D.A.I.), on November 1, 1984. The participants in D.D.A.I. and the respective acreages owned by the participants in the Douglas County Airport Industrial Area, which area is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, as of November 1, 1984, were as follows:

<u>Name of Participant</u>	<u>Acres Owned</u>
Allegretti & Company	116
Clark & Sullivan	
Constructors, Inc.	200
R. L. Nowlin	120*
Toreson Industries	360
Douglas County	300
TOTAL	<u>1,096</u>

\*Ten acres have been sold subsequent to November 1, 1984, and the buyer is not a member of D.D.A.I. The acres owned by the participants are more particularly described in Exhibits "B-1 through B-5", which is attached hereto and incorporated herein by this reference.

WHEREAS, COUNTY has accepted a grant from the Economic Development Administration (E.D.A.), U.S. Department of Commerce, identified as Project No. 07-01-02893, for the construction of

LAW OFFICES  
ALLISON, MacKENZIE,  
LRTMAN, SOUMBENIOTIS  
& RUSSELL, LTD.  
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Carson City, NV 89701

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1 water and sewer improvements within the Douglas County Airport  
2 Industrial Area, Minden, Nevada, hereinafter referred to as the  
3 "PROJECT"; and

4 WHEREAS, the above-referenced grant will only pay for a  
5 portion of the total PROJECT cost; and

6 WHEREAS, each of the above-named participants has com-  
7 mitted itself or himself to pay COUNTY, as Grantee under the  
8 E.D.A. Grant, the amounts set forth below and each has secured  
9 these amounts by an Agreement, hereinafter referred to as  
10 "AGREEMENT", and Notice of Lien, dated December 9, 1985, on a  
11 portion of their respective properties in the Douglas County  
12 Airport Industrial Area. The above-referenced AGREEMENT and  
13 Notice of Lien are attached hereto as Exhibits "C" and "D",  
14 respectively, and are incorporated herein by this reference as if  
15 fully set forth herein.

16 These funds as paid will be placed in a separate fund  
17 by COUNTY, along with the funds supplied by COUNTY and E.D.A. as  
18 follows:

<u>Source of Funds</u>	<u>Percentage Interest in TOTAL PROJECT</u>	<u>Amounts</u>
Allegretti & Co.	6.7045%	\$ 77,828
Clark & Sullivan Cons- tructors, Inc.	7.4374	86,280
R. L. Nowlin	10.9976	127,655
Toreson Industries	7.2645	84,324
TOTAL PRIVATE SECTOR	<u>32.4040%</u>	<u>\$ 376,087</u>
COUNTY (portion based on rights and obligations comparable to those of private sector)	9.2612%	\$ 107,499
COUNTY (portion for the funding of "extra capacity" (that portion of the Sewer Plant,		

1	Effluent Disposal, Plant Site and Engin-		
2	eering being built or		
3	acquired now for future		
4	use less a relative		
5	portion of the E.D.A.		
6	Grant)) as per Exhibit		
7	"E" attached hereto		
8	and incorporated		
9	herein by this		
10	reference	<u>19.5703%</u>	\$ <u>227,162</u>
11	TOTAL COUNTY	<u>28.8315%</u>	<u>334,661</u>
12	E.D.A. Grant	<u>38.7645%</u>	\$ <u>450,000</u>
13	TOTAL	<u>100.00%</u>	\$ <u>1,160,748</u>

12 WHEREAS, ALLEGRETTI desires to make the obligations and  
13 rights embodied in this Agreement appurtenant to the real prop-  
14 erty owned by ALLEGRETTI, which is more particularly described in  
15 Exhibit "B-1", attached hereto and incorporated herein by this  
16 reference.

17 WHEREAS, the parties desire to enter into this Agree-  
18 ment in order to govern their rights and obligations with respect  
19 to the construction and operation of the PROJECT,

20 NOW, THEREFORE, in consideration of the mutual cove-  
21 nants, conditions, terms and promises herein contained, the  
22 parties hereto do hereby agree as follows:

23 1. DEDICATION OF EASEMENTS:

24 ALLEGRETTI hereby agrees to dedicate necessary right-  
25 of-way easements and temporary construction easements for the  
26 construction of the PROJECT.

27 2. OPERATION OF SEWER AND WATER SYSTEM:

28 COUNTY hereby agrees to act as the "utility company"

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1 for the operation of the sewer and water systems. COUNTY will  
2 charge hook-up fees and such charges and fees as are necessary  
3 for the operation and maintenance of the system on a no-profit  
4 basis determined by using generally accepted accounting prin-  
5 ciples for utilities. COUNTY shall cause an annual opinion audit  
6 to be conducted by certified public accountants to determine the  
7 results of operations.

8 COUNTY, in accordance with the practices of the utility  
9 industry, shall establish necessary and reasonable rules and reg-  
10 ulations for the sewer and water systems.

11 The parties hereto do hereby agree to the procedural  
12 principles relating to payments made or to be made by ALLEGRETTI  
13 pursuant to the AGREEMENT, as those principles are set forth in  
14 Exhibit "F".

15 3. ALLOCATION OF BASIC TREATMENT PLANT CAPACITY:

16 The treatment plant was so-designed as to provide each  
17 of the five participants 5,000 gallons per day (gpd) of untreated  
18 effluent capacity which is twenty percent (20%) percent of the  
19 treatment plant capacity of 25,000 gpd.

20 It is possible, using the same amount of money allo-  
21 cated for the construction of a 25,000 gpd treatment plant, a  
22 greater capacity plant may be constructed. In such event, each  
23 of the five participants shall have twenty percent (20%) of the  
24 greater capacity in addition to the 25,000 gpd.

25 4. SALE OF EXTRA CAPACITY:

26 a. Prior to Completion. No extra capacity, as  
27 delineated on Exhibit "E", will be sold to anyone other than  
28 ALLEGRETTI, Clark & Sullivan Constructors, Inc., a Nevada cor-

1 poration, R. L. Nowlin, or Toreson Industries, a Nevada corpora-  
2 tion, until such time as the PROJECT is complete as defined in  
3 the terms of the E.D.A. Grant. However, prior to completion of  
4 the PROJECT, ALLEGRETTI, Clark & Sullivan Constructors, Inc., R.  
5 L. Nowlin or Toreson Industries, or any of them may purchase  
6 extra capacity from COUNTY at the price actually paid by COUNTY  
7 for construction costs, plus five percent (5%). In the event  
8 extra capacity is sold prior to completion of the PROJECT, the  
9 price for such excess capacity will be ultimately determined when  
10 the PROJECT is complete. In the interim, the price for such  
11 capacity will be as estimated on Exhibit "E", such price to be  
12 adjusted upon completion.

13 b. Subsequent to Completion. During the one-  
14 year period subsequent to completion of the PROJECT, ALLEGRETTI,  
15 Clark & Sullivan Constructors, Inc., R. L. Nowlin, and Toreson  
16 Industries will have rights of first refusal to purchase extra  
17 capacity as defined in Exhibit "E" on the terms set forth herein.

18 (i) Terms. If during the one-year period  
19 following completion of the PROJECT, COUNTY desires to sell  
20 all or a portion of the extra capacity to any person or  
21 entity, or if COUNTY receives from any person or entity a  
22 written bona fide offer to purchase all or any portion of  
23 the extra capacity which COUNTY desires to accept, then  
24 COUNTY shall first offer to ALLEGRETTI, Clark & Sullivan  
25 Constructors, Inc., R. L. Nowlin and Toreson Industries (or  
26 in the event one of them is the intended purchaser, COUNTY  
27 shall offer to the other three) the purchase of the extra  
28 capacity or the portion thereof which is offered to be

1 purchased or sold for the same price and on the same terms  
2 and conditions as offered. COUNTY shall give written notice  
3 of the offer to those entitled thereto, including the name  
4 and address of the intended purchaser, the purchase price,  
5 and all of the terms and conditions thereof. Those receiv-  
6 ing such notice shall then have thirty (30) days after  
7 receipt of the notice to accept or reject the offer. If  
8 written acceptance is not given to COUNTY within thirty (30)  
9 days, then COUNTY may, within three (3) months from the date  
10 of expiration of the thirty (30) day period, sell the speci-  
11 fied excess capacity to the intended purchaser or any other  
12 person or entity matching the price and the terms and con-  
13 ditions specified in the notice.

14 If the sale is completed to the intended  
15 purchaser or other person or entity for the price and on the  
16 terms and conditions specified in the notice within the  
17 three (3) month period, then the right of first refusal con-  
18 tained in this paragraph shall be considered waived and  
19 revoked for purposes of the extra capacity sold. If the  
20 right of first refusal granted herein is not exercised and  
21 if the sale is not completed by COUNTY to the intended  
22 purchaser within the three (3) month period, then COUNTY  
23 must again comply with all of the provisions of this para-  
24 graph before completing any sale of all or any portion of  
25 the extra capacity.

26 In the event more than one party entitled to  
27 do so elects to exercise its right of first refusal granted  
28 hereunder, they shall each be entitled to purchase a

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1 fraction of the extra capacity being sold the denominator of  
2 which shall be the number of acres owned by the parties  
3 desiring to purchase such capacity located within the  
4 Douglas County Airport Industrial Area and the numerator of  
5 which shall be the number of acres owned by such person  
6 desiring to purchase the extra capacity.

7 5. CONNECTION TO TRUNK LINES:

8 ALLEGRETTI is hereby granted the right to connect to  
9 the water and sewer trunk lines abutting the property described  
10 in Exhibit "B-1" without fees or charges of any sort imposed by  
11 COUNTY for the privilege of doing so.

12 6. TRANSFER CONDITIONS:

13 Upon completion of the PROJECT, as completion is  
14 defined in the E.D.A. Grant, ALLEGRETTI will transfer to COUNTY  
15 all its right, title and interest in and to the physical assets  
16 of the PROJECT in exchange for the rights set forth in paragraphs  
17 3, 4 and 5 above.

18 7. ADMINISTRATION:

19 COUNTY, as the recipient of the E.D.A. Grant, shall act  
20 as the Administrator of the PROJECT. COUNTY will report monthly  
21 to a committee composed of ALLEGRETTI, Clark & Sullivan Construc-  
22 tors, Inc., R. L. Nowlin and Toreson Industries, or their repres-  
23 entatives, as to the status of the PROJECT, and any actions which  
24 would require approval.

25 8. COST VARIANCES:

26 The actual total PROJECT cost may vary from the esti-  
27 mated total PROJECT cost of \$1,160,748.00. In the event of a  
28 variation in costs, the parties' obligations to pay for the PROJ-

1 ECT will be increased or decreased in accordance with their re-  
2 spective percentage interests as outlined in Exhibit "E".

3 If the actual cost is more than ten percent (10%)  
4 greater than the estimated cost and parties holding fifty-one  
5 percent (51%) of the financial interests, excluding the E.D.A.  
6 interest, in the PROJECT, agree to fund the additional cost, all  
7 participants will pay their proportional shares as their respec-  
8 tive percentage interests appear in the recitals hereto. COUNTY  
9 will request that bids for construction of the PROJECT be sub-  
10 mitted in accordance with the six (6) elements of construction  
11 delineated in Exhibit "E".

12 9. TRANSFERRABILITY OF RIGHTS AND OBLIGATIONS:

13 All rights and benefits derived by the parties hereto  
14 in the PROJECT are deemed to be appurtenant to the property de-  
15 scribed in Exhibit "B". Such rights and benefits may not be sold  
16 or transferred independently of the land or some portion thereof  
17 to which they are appurtenant and any such attempted sale shall  
18 be null and void; except that such rights and benefits may be  
19 sold to other owners of real property in the Douglas County  
20 Airport Industrial Area in the absolute discretion of the holders  
21 of such rights and benefits.

22 10. EFFECT OF AGREEMENT:

23 The parties hereto acknowledge and agree that similar  
24 agreements are being executed between COUNTY and Clark & Sullivan  
25 Constructors, Inc., a Nevada corporation, R. L. Nowlin and  
26 Toreson Industries, Inc. a Nevada corporation. Any default by  
27 any of the parties in the performance of their respective obli-  
28 gations will have a severe adverse impact on the others. Clark &



1 Sullivan Constructors, Inc., R. L. Nowlin and Toreson Industries,  
2 Inc., are third-party beneficiaries of this Agreement.

3 11. NOTICES: Any notice, request, demand, instruction  
4 or other document to be given hereunder to any party shall be in  
5 writing and shall either be personally delivered to the person at  
6 the appropriate address set forth below (in which event such  
7 notice shall be deemed effective only upon such delivery) or  
8 delivered by mail, sent by registered or certified mail, return  
9 receipt requested, addressed as follows:

10 COUNTY:

Douglas County Admin Bldg  
1101 1/2 St. Street  
Minden, NV 89425

12 ALLEGRETTI:

ALLEGRETTI AND COMPANY  
9200 MASON AVENUE  
CHATSWORTH CA. 91311

} DOES NOT  
APPLY TO  
LEGAL SERVICE.

14 Notices so mailed shall be deemed to have been given 48  
15 hours after the deposit of same in any United States mail post  
16 office box in the state to which the notice is addressed, or 72  
17 hours after deposit in any such post office box other than in the  
18 state to which the notice is addressed, postage prepaid, adres-  
19 sed as set forth above. The addresses and addressees for the  
20 purpose of this paragraph may be changed by giving written  
21 notice. Unless and until such written notice is received, the  
22 last address and addressee stated by written notice, or as pro-  
23 vided herein if no written notice of change has been sent or re-  
24 ceived, shall be deemed to continue in effect for all purposes  
25 hereunder.

26 12. WAIVER: The waiver or failure to enforce any pro-  
27 vision of this Agreement shall not operate as a waiver of any

28 ///

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1 future breach of such provision or of any other provisions here-  
2 of.

3 13. MERGER: All understandings and agreements here-  
4 tofore had between the parties respecting the services contem-  
5 plated by this Agreement are merged by this Agreement which fully  
6 and completely express the agreement of the parties. There are  
7 no agreements except as specifically set forth in this Agreement  
8 or to be set forth in the instruments or other documents deliv-  
9 ered or to be delivered hereunder.

10 14. AMENDMENTS: No change in or addition to, or waiv-  
11 er or termination of this Agreement or any part thereof shall be  
12 valid unless in writing and signed by or on behalf of each of the  
13 parties hereto.

14 15. PARAGRAPH HEADINGS: The paragraph headings herein  
15 contained are for the purposes of identification only and shall  
16 not be considered in construing this Agreement.

17 16. SUCCESSORS AND ASSIGNS: All of the terms and pro-  
18 visions of this Agreement shall be binding upon and shall inure  
19 to the benefit of and be enforceable by the parties and each of  
20 their respective successors and assigns.

21 17. ATTORNEYS' FEES: In the event of any controversy,  
22 claim or dispute between the parties hereto arising out of or  
23 relating to this Agreement or the breach thereof results in arbi-  
24 tration or litigation, the prevailing party in such proceedings  
25 shall be entitled to recover from the losing party reasonable  
26 expenses, attorney's fees and costs.

27 18. SEVERABILITY: Every provision of this Agreement  
28 is intended to be severable. If any term or provision hereof is

1 illegal or invalid for any reason whatsoever, such illegality  
2 shall not affect the validity of the remainder of the within  
3 Agreement.

4 19. ARBITRATION: Any disputes or controversies aris-  
5 ing under this Agreement shall be resolved by arbitration and  
6 such dispute or controversy shall be judged pursuant to the rules  
7 and procedures of the American Arbitration Association and the  
8 findings thereof shall be binding on all parties hereto.

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

11  
12 ALLEGRETTI & COMPANY, a  
California corporation

13  
14 By J. Allegretti, Chairman CEO

15  
16 COUNTY OF DOUGLAS, a political  
17 subdivision of the State of Nevada

18 By Robert L. Green

TABLE OF EXHIBITS

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Exhibit A.	Description of Douglas County Airport Industrial Area
Exhibit B-1.	Property owned by Allegretti
Exhibits B-2 through B-4.	Property owned by other parties
Exhibit C.	Agreement to pay County \$77,823.00
Exhibit D.	Notice of Lien which lien secures performance of the Exhibit "C" Agreement
Exhibit E.	Cost Distribution Schedule
Exhibit F.	Procedural principles re payments made by Allegretti Pursuant to the Exhibit "C" Agreement

DESCRIPTION OF DOUBLAS COUNTY

AIRPORT INDUSTRIAL AREA

W $\frac{1}{2}$ , Sec. 4, T. 13 N., R. 20 E., M.D.B.  
E $\frac{1}{2}$ , Sec. 5, T. 13 N., R. 20 E., M.D.B.  
E $\frac{1}{2}$ , Sec. 8, T. 13 N., R. 20 E., M.D.B.,  
S $\frac{1}{2}$ SW $\frac{1}{4}$ , Sec. 8, T. 13 N., R. 20 E., M.D.B.,  
excepting the westerly 429.43'  
NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 9, T. 13 N., R. 20 E., M.D.B.  
NE $\frac{1}{4}$ , Sec. 17, T. 13 N., R. 20 E., M.D.B.  
N $\frac{1}{2}$ NW $\frac{1}{4}$ , Sec. 17, T. 13 N., R. 20 E., M.D.B.,  
excepting the westerly 429.43'

Exhibit "A"

August 20, 1986

ALLEGRETTI PROPERTY

A parcel of land located within a portion of Section 8 and a portion of Section 17, Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at the one quarter corner common to Section 8 and 17, T. 13N., R. 20 E., M.D.B. & M; thence South 89° 38' 01" West, 25.00 feet to the West right-of-way line of Heybourne Road, the POINT OF BEGINNING; thence South 00° 09' 02" East, 1324.80 feet; thence South 89° 43' 06" West, 2159.49 feet; thence North 00° 00' 43" East, 1321.62 feet; thence North 08° 07' 03" East, 1255.42 feet more or less to the South right-of-way line of Airport Road, thence along said South right-of-way line North 89° 46' 14" East, 1747.96 feet; thence South 00° 00' 09" East, 840.50 feet; thence North 89° 46' 14" East, 39.15 feet; thence South 00° 00' 09" East, 410.63 feet; thence North 89° 38' 01" East, 366.00 feet to the POINT OF BEGINNING, containing 116.24 acres, more or less.

Said parcel is also described as the total of Parcels 2 & 3 as shown on the land division map for F. A. & M. M. Thaheld, Trustees and recorded as Document No. 101922, Douglas County, Nevada, Recorder's Office.

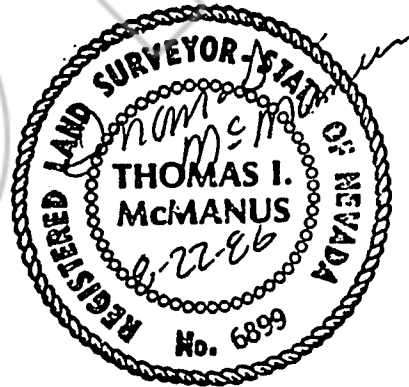


EXHIBIT "B-1"

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August 20, 1986

R. L. NOWLIN, ET. AL.  
FLANEX CORP. & R. L. NOWLIN PROPERTY

A parcel of land located within a portion of the East one half (E1/2) of Section 5, Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada described as follows:

Commencing at the Southeast corner of Section 5, T. 13N., R. 20E., M.D.B. & M.; thence North 89° 57' 10" West, 276.08 feet to the Southeast corner of said parcel, the POINT OF BEGINNING; thence continuing North 89° 57' 10" West, 990.34 feet; thence North 00° 02' 30" West, 5285.65 feet to the South right-of-way line of Johnson Lane; thence along said right-of-way South 89° 54' 40" East, 990.34 feet; thence South 00° 02' 30" East, 5284.93 feet to the POINT OF BEGINNING, containing 120.161 acres, more or less.

Said parcel is also described as the total properties of R. L. Nowlin, et. al., Flanex Corp. and R. L. Nowlin as shown on the unrecorded Record of Survey No. 15 for Douglas County as prepared by Resource Concepts, Inc.

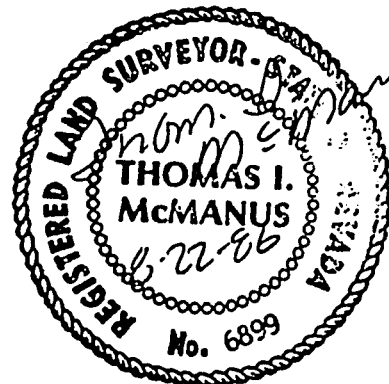


EXHIBIT "B-2"

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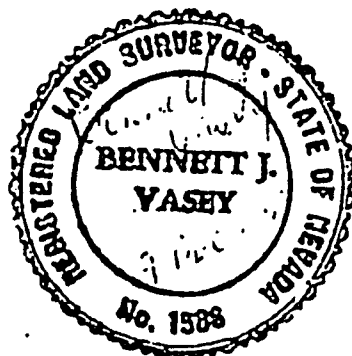
December 9, 1985

R. L. Nowlin

25.53 Acre Parcel

A parcel of land located within a portion of the West 990 feet of the East one half (E 1/2) of the East one half (E 1/2) of Section 5, Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at the southwest corner of the East one half (E1/2) of the East one half (E1/2) of Section 5, Township 13 North, Range 20 East, M.D.B & M., the Point of Beginning; thence North  $00^{\circ} 04' .05''$  East, 1123.04 feet; thence North  $89^{\circ} 46' 24''$  East, 990.21 feet; thence South  $00^{\circ} 03' 46''$  West, 1123.04 feet; thence South  $89^{\circ} 46' 24''$  West, 990.31 feet to the Point of Beginning, containing 25.53 acres, more or less.



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August 20, 1986

HALL FAMILY TRUST & CLARK & SULLIVAN PROPERTY

A parcel of land located within a portion of the East one half (E1/2) of Section 5 and a portion of the Northeast one quarter (NE1/4) of Section 8 both in Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

Commencing at the Southeast corner of Section 5, T. 13N., R. 20E., M.D.B. & M.; thence North 89° 57' 10" West, 1023.47 feet to the East 1/16 corner of Sections 5 and 8, the POINT OF BEGINNING; thence South 00° 08' 52" East, 1324.55 feet to the Southeast corner of said parcel; thence South 89° 58' 45" West, 1252.73 feet to the East line of Heybourne Road and Utility Easement; thence North 00° 00' 34" West, 1326.03 feet; thence North 00° 32' 25" West 5286.88 feet to the South right-of-way line of Johnson Lane; thence along said South right-of-way line South 89° 54' 40" East, 1328.66 feet; thence South 00° 02' 30" East, 5285.65 feet; thence North 89° 57' 10" West, 33.13 feet to the POINT OF BEGINNING, containing 196.511 acres, more or less.

Said parcel is also described as the total properties of the Hall Family Trust and Clark & Sullivan Construction as shown on the Unrecorded Record of Survey No. 15 for Douglas County as prepared by Resource Concepts, Inc.

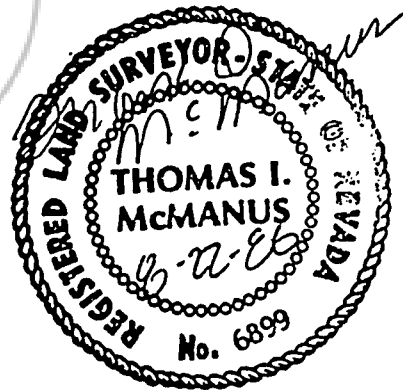


EXHIBIT "B-3"

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August 20, 1986

TORESON PROPERTY

A parcel of land located within the West one half (W1/2) of Section 4 and a portion of the East one half (E1/2) of Section 5, Township 13 North, Range 20 East, Mount Diablo Baseline and Meridian, described as follows:

Commencing at the Southwest corner of Section 4, T. 13N., R. 20E., M.D.B. & M., THE POINT OF BEGINNING; thence North  $89^{\circ} 57' 10''$  West, 276.08 feet to the Southwest corner of said parcel; thence along the West line North  $00^{\circ} 02' 30''$  West, 5284.93 feet to the South right-of-way line of Johnson Lane; thence along the South right-of-way line South  $89^{\circ} 54' 40''$  East, 275.67 feet; thence continuing along said right-of-way line, North  $89^{\circ} 56' 52''$  East, 2647.34 feet, more or less, to the Northeast corner of said parcel, thence South  $00^{\circ} 02' 34''$  West, 5263.22 feet, more or less, to the one quarter corner common to Sections 4 & 9, T. 13N., R. 20E., M.D.B. & M., the Southeast corner of said parcel; thence South  $89^{\circ} 28' 50''$  West, 2639.21 feet to the POINT OF BEGINNING, containing 353.491 acres, more or less.

Said parcel is also described as the total properties of Toreson Industries Inc. as shown on the unrecorded Record of Survey No. 15 for Douglas County as prepared by Resource Concepts, Inc.

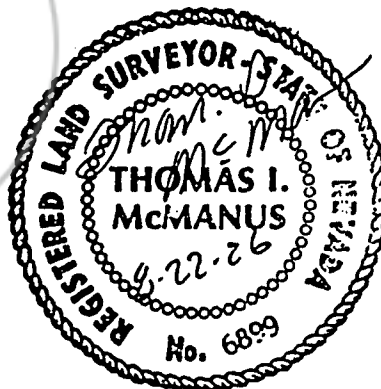


EXHIBIT "B-4"

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1           WHEREAS, the parties have entered into this Agreement  
2 in order to govern their rights and obligations set forth herein,

3           NOW, THEREFORE, in consideration of the mutual coven-  
4 ants, conditions, terms and promises herein contained, the par-  
5 ties do hereby agree as follows:

6           1. ALLEGRETTI & COMPANY shall pay to DOUGLAS COUNTY  
7 the sum of \$77,823.00, said sum to be paid to DOUGLAS COUNTY in  
8 installments, on demand, each installment to be equivalent to  
9 6.7045% of the total amount of each contract entered into by  
10 DOUGLAS COUNTY and a contractor for all of the services and the  
11 actual construction of the water and sewer improvements for the  
12 Douglas County Airport Industrial Area. Since the cost of the  
13 project is based on estimates prepared by Paul Lumos & Associ-  
14 ates, the actual cost may be more or less than the amount stated  
15 above. Only for purposes of this Agreement, the above amount of  
16 \$77,823.00 shall be considered as the maximum amount of the lien  
17 for purposes of the enforceability under the Notice of Lien of  
18 even date herewith.

19           2. To secure the payment of the above sum, ALLEGRETTI  
20 & COMPANY agrees to grant to DOUGLAS COUNTY a lien on real prop-  
21 erty owned by ALLEGRETTI & COMPANY in Douglas County, Nevada.  
22 The lien shall encumber real property owned by ALLEGRETTI &  
23 COMPANY equivalent to 200% of the value of the above obligation  
24 owed by ALLEGRETTI & COMPANY to DOUGLAS COUNTY. For purposes of  
25 determining the amount of real property to be encumbered, ALLE-  
26 GRETTI AND COMPANY's property shall be valued at \$10,000.00 per  
27 acre. The parties expressly agree that said valuation is for the  
28 sole purpose of establishing the amount of acreage to be encum-



1 bered by the lien and in no way constitutes the market value or a  
2 selling price of said real property.

3 3. DOUGLAS COUNTY agrees that any and all expendi-  
4 tures made by ALLEGRETTI & COMPANY for improvements, including  
5 but not limited to, expenditures for wells, equipment, engineer-  
6 ing and other appurtenances, in connection with construction of  
7 the water and sewer improvements pursuant to the EDA Grant, Pro-  
8 ject No. 07-01-02893, shall operate as a credit against the above  
9 sum owed by ALLEGRETTI & COMPANY.

10 4. The parties agree that at any time prior to pay-  
11 ment in full by ALLEGRETTI & COMPANY of the amount set forth in  
12 paragraph 1 above, ALLEGRETTI & COMPANY may substitute, with the  
13 consent of DOUGLAS COUNTY, real property of equal value and in  
14 close proximity to the Douglas County Airport Industrial Area as  
15 security for the lien.

16 5. Upon the payment in full by ALLEGRETTI & COMPANY  
17 of the amounts set forth in paragraph 1 above, or a lesser amount  
18 as demanded by DOUGLAS COUNTY; or the cancellation of the project  
19 for any reason; or the completion of the project, the lien estab-  
20 lished by this Agreement shall terminate and be fully discharged.

21 DOUGLAS COUNTY agrees to execute any and all documents  
22 required to effectuate the termination and release of the lien  
23 established hereunder.

24 6. In the event it becomes necessary to enforce the  
25 provisions of this lien, the parties agree that DOUGLAS COUNTY  
26 may proceed to enforce this lien in accordance with the terms of  
27 NRS 108.239.

28 7. The parties hereto agree that within fifteen (15)

1 days after the date hereof, ALLEGRETTI & COMPANY shall provide a  
2 preliminary title report showing the status of title on the Ex-  
3 hibit "A" real property. ALLEGRETTI & COMPANY shall provide  
4 evidence that the Exhibit "A" real property has unencumbered  
5 value sufficient to retire the Paragraph 1 obligation as envi-  
6 sioned in Paragraph 2. DOUGLAS COUNTY may demand alternate  
7 security for the obligation set forth herein and ALLEGRETTI &  
8 COMPANY shall provide acceptable alternate security as demanded.

9 IN WITNESS WHEREOF, the parties have set their hands  
10 the day and year first above written.

11 ALLEGRETTI & COMPANY, a  
12 California corporation

DOUGLAS COUNTY, a political  
subdivision of the State of  
Nevada

13  
14 By *C. Clement Peterson*  
15 C. CLEMENT PETERSON, Treasurer

By *Robert Prufft*  
ROBERT PRUFFT, Chairman of  
the Board of County  
Commissioners

16  
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NOTICE OF LIEN

NOTICE IS HEREBY GIVEN:

That ALLEGRETTI & COMPANY, a California corporation, did on or about the 9<sup>th</sup> day of December, 1985, enter into a certain Agreement with DOUGLAS COUNTY, a political subdivision of the State of Nevada, to pay certain sums of money to DOUGLAS COUNTY, as set forth in said Agreement and in connection with that certain grant, Project No. 07-01-02983, offered to DOUGLAS COUNTY by the Economic Development Administration, U.S. Department of Commerce, for the construction of water and sewer improvements for the Douglas County Airport Industrial Area, Minden, Nevada.

That to secure the payment of the sums set forth in the above-referenced Agreement, the undersigned does hereby grant to DOUGLAS COUNTY, a lien against the following described property owned by the undersigned, and situate in the County of Douglas, State of Nevada, more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference.

WHEREFORE, ALLEGRETTI & COMPANY hereby grants to DOUGLAS COUNTY a lien in accordance with the above-referenced Agreement on the above-described real property.

DATED this 9<sup>th</sup> day of December, 1985.

ALLEGRETTI & COMPANY, a  
California corporation

By C. Clement Peterson  
C. CLEMENT PETERSON, Treasurer

140450

Exhibit "D"

BOOK 986 PAGE 625

1 STATE OF NEVADA )  
2 CARSON CITY ) SS

3 On this 9<sup>th</sup> day of December, 1985, before me, the  
4 undersigned, a Notary Public, personally appeared \_\_\_\_\_  
5 C. CLEMENT PETERSON, known to me to be the Treasurer of  
6 ALLEGRETTI & COMPANY, who executed the foregoing instrument, who  
7 acknowledged to me that he executed the same freely and voluntar-  
8 ily, and for the uses and purposes therein mentioned on behalf of  
9 said corporation.

10 IN WITNESS WHEREOF, I have hereunto set my hand and  
11 affixed my official seal the day and year hereinabove written.

12  
13 Carol MacLeod  
14 NOTARY PUBLIC



COST DISTRIBUTION SCHEDULE FOR  
WATER/SEWER AIRPORT PROJECT IN DOUGLAS COUNTY

Description	Clark/			Total
	Doug. Co.	Sullivan	Nowlin	
<u>Water System</u>				
<u>Ratios</u>	(7.41)	(4.63)	(59.72)	(9.76)
Amount	12,916	8,070	104,091	16,140
				174,300
<u>Sewer Collection</u>				
<u>Ratios</u>	(32.48)	(24.24)	(10.89)	(17.56)
Amount	95,588	71,339	32,050	51,679
				294,300
<u>Sewer Plant</u>				
<u>(25,000 GPD)</u>				
<u>Ratios</u>	(20.00)	(20.00)	(20.00)	(20.00)
Amount	26,642	26,642	26,642	26,642
Extra Capacity *	108,740	-	-	-
				133,210
				108,740*
<u>Effluent Disposal</u>				
<u>Ratios</u>	(20.00)	(20.00)	(20.00)	(20.00)
Amount	10,753	10,753	10,753	10,753
Extra Capacity *	135,235	-	-	-
				53,765
				135,235*
<u>Plant Site</u>				
<u>Ratios</u>	(20.00)	(20.00)	(20.00)	(20.00)
Amount	1,500	1,500	1,500	1,500
Extra Capacity *	67,500	-	-	-
				7,500
				67,500*
<u>Engineering &amp; Contingency</u>				
<u>Ratios</u>	(22.22)	(17.84)	(26.39)	(16.11)
Amount	28,162	22,603	33,442	20,389
Extra Capacity *	59,511	-	-	-
				126,687
				59,511*
<u>TOTALS</u>	\$370,986	\$22,603	\$22,091	\$370,986
<u>TOTALS</u>	175,561	140,907	208,478	127,103
GRAND TOTALS	546,547	54,627	80,823	49,275
LESS GRANT PARTICIPANTS' COSTS	211,886	\$86,280	\$127,655	\$77,828
CURRENT COSTS	\$334,661	\$84,324	\$84,324	\$710,748
EXTRA CAPACITY COSTS	\$107,499			
	227,162			
	\$334,661			
	1/17 001			
		Combined Participants		\$ 710,748
		\$376,087		

3 3 3

DOUGLAS COUNTY  
INDUSTRIAL WATER/SEWER PROJECT

ENGINEERING COSTS  
REVISED SUBMISSION

This is a revision of the allocation of engineering costs submitted in January 1986 covered by Task Orders WS1, WS2, WS3, and WS4.

Allocations as revised are based upon the following principles:

1. The percentage being allocated to each participant is as set forth in the lien agreements with the County dated December 9, 1985.

<u>Participants</u>	<u>Percentage</u>
<u>Private Sector</u>	
Clark-Sullivan	7.4374
Nowlin	10.9976
Toreson	7.2645
Allegretti	6.7045
Total - Private Participants	<u>32.4040</u>
<u>Public Sector</u>	
Douglas County	28.8315
EDA	38.7645
Total - Public Participants	<u>67.5960</u>
GRAND TOTAL	<u>100.0000</u>

2. The EDA will not pay any funds for engineering services until the engineering is substantially completed. In the interim, the other participants will "loan" the project the amount of the EDA allocation and will have credit balances which will subsequently reduce future payments they will owe.
3. Attached herein is the original engineering cost submitted in January 1986 showing the entire engineering task orders with the total for each task order. The allocations to each participant are adjusted since the above method will be used and a revised WS-1 allocation schedule is attached as well as a new schedule for task order WS-2. Task orders WS-3 and WS-4 will be revised at the due dates.

Exhibit "F"



4. The formula used to determine the amount of each participant's "loan" using Clark-Sullivan as an example. As set forth in Revised W-S 1:

$$\begin{array}{r} \text{Column 1} \quad 937 \\ \text{Column 1} \quad \hline 7714 \end{array} = 12.16\%$$

$$12.16 \times \text{EDA amount of } \$4,882 = \$594$$

$$\text{Column 1 plus Column 2} = \$1,531 \text{ due from Clark-Sullivan}$$

COPY

DOUGLAS COUNTY  
INDUSTRIAL WATER/SEWER PROJECT  
REVISED WS-1

	1	2	3	4	5
Participant	Allocation Per Lien Ratios	Allocation of "Loan" to Cover EDA Funds	Total Due Currently 1 + 2	Actual January Payments	Account Balance 3 - 4 DR(CR)
Clark-Sullivan	937	594	1,531	2,247.13	<716.13>
Nowlin	1,385	876	2,261	3,325.34	<1,064.34>
Toreson	915	579	1,494	2,196.74	<702.74>
Allegretti	845	535	1,380	2,026.74	<646.70>
Douglas County	3,632	2,298	5,930.	2,800.09	3,129.91
Sub-total	<u>7,714</u>	<u>4,882</u>	<u>12,596</u>	<u>12,596.</u>	<u>-0-</u>
EDA	4,882		-0-	-0-	4,882.
Total	<u>\$ 12,596</u>		<u>12,596</u>	<u>12,596.</u>	<u>4,882.</u>

DOUGLAS COUNTY  
INDUSTRIAL WATER/SEWER PROJECT  
REVISED MS-2 (2/9/86)

Participant	1		2		3		4		5		6		7		8		9		10	
	Allocation Per Lien Ratios	Allocation of "Loan" to Cover EDA Funds	Total Due Currently 1 + 2	Actual February Payments	Account Balance 3 - 4 DR(CR)	Total Paid to Date including Loan	Loan Amount To Date	Prior Balance	New Balance 8+2+5	Paid on Lien										
Clark-Sullivan	4,778	3,026	7,804			2,247.13	594	<716.13>												
Mowlin	7,065	4,472	11,537			3,325.34	876	<1,064.34>												
Tareson	4,667	2,954	7,621			2,196.74	579	<702.74>												
Allegretti	4,307	2,726	7,033			2,026.74	535	<646.70>												
Douglas County	18,521	11,724	30,245			2,800.09	2,298	3,129.91												
Sub-total	39,338	24,902	64,240				-0-	-0-												
EDA	24,902		-0-				4,882	4,882.00												
Total	\$64,240		\$64,240				4,882	1,882.00												

Please make checks payable to Douglas County Water-Sewer Project.  
Mail to Douglas County, Attention Paul Fillebrown, P.O. Box 218,  
Hinden, Nevada 89423.

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: September 4, 1986  
By J. Bernard Clerk of the 9th Judicial Circuit Court of the State of Florida, in and for the County of Douglas.

By Judie Hoffman Deputy 29 pages

SEAL

REQUESTED BY  
**DOUGLAS COUNTY**  

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IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'86 SEP -5 A11 :15

SUZANNE BEAUDREAU  
RECORDER

\$ 0. PAID. *JM* DEPUTY  
BOOK

**140450**  
**986 PAGE 632**