

COVENANT AND

CONTRACT FOR PROVIDING SEWER SERVICES

Agreement made this 16th day of November, 1987 between DOUGLAS COUNTY, a political subdivision of the State of Nevada, hereinafter referred to as Owners, and the MINDEN-GARDNERVILLE SANITATION DISTRICT, a governmental body organized under the laws of the State of Nevada, and hereinafter referred to as the District:

RECITALS

WHEREAS, the Owners of the below described real property situated in Douglas County, Nevada;

Commencing at the center corner of Section 4, Township 12 North, Range 20 East, MDB&M, being the TRUE POINT OF BEGINNING: thence North 00° 21' 03" West, a distance of 368.18 feet; thence South 44° 54' 36" West, a distance of 134.84 feet; thence along a tangent curve to the right having a radius of 1100.00 feet through a central angle of 27° 42' 03" arc length of 531.82 feet; thence North 89° 57' 09" East, a distance of 547.74 feet to the TRUE POINT OF BEGINNING. Said Parcel containing 1.87 acres more or less.

WHEREAS, the Owners are desirous of obtaining sewer capacity with the District;

WHEREAS, the District is desirous of providing sewer services to the Owners, the parties agree as follows:

SECTION ONE

In consideration of being able to deposit Owners sewage in the existing sewer line in front of the Owners premises, the Owners agree to pay the following fees:

- a. An application fee in the sum of \$500.00. This fee will be applied against the District's expenses for review of owners' plans. Any balance remaining will be refunded but in the event the District's expenses for review of an application exceed the fee, the owners will pay to the District the additional expenses. The receipt of this fee is acknowledged by the District.
- b. An acreage fee of \$1,122.00 ( 1.87 acres).

c. A capacity of \$2,250.00 per sewer unit for a total of 5.8 units totaling \$13,050.00. This fee to be paid upon execution of the agreement. Additionally, there is a connection fee presently of \$300.00 per unit at which time connection is made.

d. A connection fee will be due and payable upon the Owners connecting to the sewer system and will be the comparable rate being charged within the District for each equivalent dwelling unit. The particular Owners will be charged for institutional connections.

e. Monthly charges will be the same as those charged to customers using facilities within the District for a comparable use but will not be adjusted to account for the loss of tax revenues as Owner is a tax exempt organization.

f. Payments pursuant to Paragraph e. above will become due and payable at the District's office on or before the 10th day after the statement has been mailed. A basic penalty for non-payment of charges not paid when due of 10% for the first month's delinquency shall be charged.

In addition, a penalty of 1½% per month for non-payment of the charges and basic penalty shall be imposed on the first day of the calendar month following the due date. Additionally 1½% penalties shall be charged for each additional month the account is in arrears.

## SECTION TWO

Owner agrees to construct all facilities in accordance with the District's applicable rules, regulations and ordinances. The owners will give the District five days notice prior to commencing construction.

## SECTION THREE

If the District desires the land being serviced under contract to be annexed or the owners' lands become contiguous to the Minden-Gardnerville Sanitation District boundaries, the owners, their heirs or assigns, will cause the lands to be annexed to the District and will pay all applicable fees (excluding taxes) based on the difference between what the contracting party has paid at the time of entering the contract and what fees are currently being charged for annexation.

SECTION FOUR

A contracting party shall have two (2) years in which to use the capacity for which he or she has contracted. Failure to use the capacity within this time will result in the contracting party's reserved capacity becoming available for other users.

SECTION FIVE

The terms of this agreement shall be deemed to be a covenant which runs with the land and shall be binding upon the heirs, devisees and assigns of the owners. A copy of this agreement shall be recorded in order that subsequent parties will be bound to the terms of this agreement.

SECTION SIX

The Owners may at any time terminate the use of the District's facilities by giving the District 30 days written advance notice. Once all charges have been paid the agreement shall cease to exist.

SECTION SEVEN

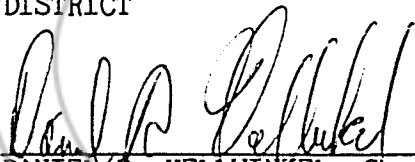
In the event that the District is legally unable to provide services or is prevented from further providing the same, the agreement shall terminate and the District shall have no further obligation to serve the Owners, their heirs, devisees or assigns.

SECTION EIGHT


This agreement shall inure to the benefit of and be binding upon the executors, administrators, assigns and successors of the respective parties.

EXECUTED at Minden, Nevada on the date first above written.

DISTRICT

  
\_\_\_\_\_  
DANIEL R. HELLWINKEL, Chairman  
Board of Trustees  
Minden-Gardnerville Sanitation  
District

OWNER

  
\_\_\_\_\_  
JERRY J. BING, Chairman  
Douglas County  
Board of Commissioners

