

When recorded please return to:

Minden-Gardnerville Sanitation District
P. O. Box 568
Minden, Nevada 89423

AGREEMENT FOR ANNEXATION

This Agreement is made on the 7th. day of March, 1997, between Dale and Suzanne Armstrong, husband and wife (hereinafter referred to as "OWNER") and the Minden-Gardnerville Sanitation District, a governmental body organized under the laws of the State of Nevada, (hereinafter referred to as "DISTRICT").

W I T N E S S E T H

WHEREAS, the OWNER has real property situate in the County of Douglas, State of Nevada, described as follows:

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A portion of the Northwest 1/4 of Section 5, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Office map, described as follows:

Commencing at a point on the North line of said Section 5 from which the North 1/4 corner bears North 89°51'35" West, 643.79 feet; thence South 89°53'17" East, 1691.80 feet; thence South 2°36'53" East, 72.55 feet; thence North 87°50'02" East, 249.40 feet; thence South 1°29'13" East, 70.00 feet, to the TRUE POINT OF BEGINNING, said point being on the East line of the parcel conveyed to Walter G. Lund, etux, recorded October 19, 1971, as File No. 55002, Official Records; thence South 1°29'13" East along the East line of said Lund parcel, 200.00 feet; thence South 87°50'02" West, 220.00 feet; thence North 1°29'13" West, 200.00 feet; thence North 87°50'02" East,

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along the aforesaid line 220.00 feet, to the TRUE POINT OF BEGINNING.

Said parcel being the same as Parcel One as shown on the parcel map filed in the Office of the County Recorder of Douglas County, Nevada on December 27, 1977, in Book 1277 of Parcel Maps, at page 1269, as Document No. 16135.

A.P.N. 25-110-05

WHEREAS, OWNER has previously paid \$2,250.00 for 1 unit of sewer capacity and sewer service from the DISTRICT under a contract of service;

WHEREAS, OWNER desires to be annexed into DISTRICT and desires sewer service and capacity from DISTRICT; and

WHEREAS, DISTRICT is willing to annex OWNER's property and to provide sewer capacity and service on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE

In consideration of DISTRICT providing sewer capacity and sewer service to OWNER and thereby allowing OWNER to deposit sewage in DISTRICT's system, OWNER agrees to pay the following fees:

a. An annexation application fee in the sum of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) has previously been paid. This fee will be applied to the DISTRICT's expenses incurred in reviewing OWNER's application and plans. Any balance remaining will be refunded to OWNER. In the event the DISTRICT's expenses incurred in reviewing OWNER's application and plans exceed the fee, the

OWNER agrees to pay to the DISTRICT the amount of the additional expenses.

b. No acreage fee is due.

c. A capacity fee of SEVEN HUNDRED FIFTY AND 00/100 DOLLARS (\$750.00), which represents the difference between the amount previously paid for capacity under the contract for service and the total amount of fees for capacity presently due which total THREE THOUSAND AND 00/100 DOLLARS (\$3,000.00) which is calculated based on payment for the applicable fee of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) per sewer unit for 1 unit, is now due and payable.

The applicant must use any and all capacity purchased within two (2) years of the date of annexation. Entering into an awarded, binding, written, bona fide construction contract with a licensed contractor in the State of Nevada for the installation of sewer service within the two-year period shall be deemed use of the capacity provided the contract requires installation of sewer facilities within a reasonable period of time (not to exceed six (6) months) in which to install the facilities. For good cause shown and demonstrated, and under very extenuating circumstances which the Board, in its absolute discretion, may accept or reject for any reason or no reason whatsoever, the Board may grant one and only one six (6) month extension of time in which to use the capacity, provided that such request for extension is made before the expiration of the original two-year period. Annexed property shall be subject to all the current rules, regulations, ordinances, ad valorem taxes or other taxes and charges adopted or levied by

the District. Any other provisions deemed reasonably necessary by the District due to special circumstances pertaining to any specific annexation applications shall be included in the agreement which also shall include the number of allocated units. Failure to comply with the time requirements set forth in this section shall result in forfeiture of all capacity purchased without notice to the applicant, and on forfeiture, all money paid to the District shall then become the property of the District and no amounts shall be refunded.

d. A connection fee is due and payable by OWNER immediately on issuance of a connection permit. The amount of the fee shall be the comparable rate within the DISTRICT for each Equivalent Dwelling Unit at the time of connection. This fee is subject to revision by the DISTRICT.

e. A monthly fee will be due and payable upon the annexation of OWNER's property to the sewer system. The OWNER and/or OWNERS of record at the time the charge is assessed will be responsible for payment of the fee. The monthly fee will be in such amount as is being assessed by the DISTRICT for equivalent dwelling units, and for the particular use or type of use or uses for which the service is devoted. This fee is subject to increase from time to time in accordance with the DISTRICT's revised rate regulations and schedules.

f. Payments of fees pursuant to Paragraph (e) above are due and payable at the DISTRICT's office on or before the tenth (10th) day after the statement has been mailed. A basic penalty in the amount of ten percent (10%) of the fee due, for non-payment of fees

when due, shall be charged for the first month's delinquency. Thereafter, a penalty of one and one-half percent (1-1/2%) per month of the amount of the fee due plus the basic penalty amount, shall be imposed for non-payment of the fee and basic penalty, on the first day of the calendar month following the due date. Said penalty shall continue to be assessed for each additional month the account remains unpaid.

SECTION TWO

OWNER agrees to construct all facilities in accordance with the DISTRICT's applicable rules, regulations and ordinances. The OWNER will give the DISTRICT five (5) days' written notice prior to commencing construction. OWNER further agrees to abide by and comply with all of the DISTRICT's ordinances, as revised from time to time, and to pay such charges and valorem or other taxes and charges as may be adopted or revised by the DISTRICT.

SECTION THREE

The terms and conditions of this Annexation Agreement are deemed covenants which run with the land and are binding upon the heirs, devisees, transferees and/or assignees of the OWNER. A copy of this Annexation Agreement shall be recorded to give subsequent parties notice and to bind subsequent parties to the terms and conditions of this Agreement.

SECTION FOUR

In the event that the DISTRICT is legally unable to provide sewer service, or sewer capacity, or is prevented from further providing the same, this Annexation Agreement shall terminate and become of no force and effect and the DISTRICT shall have no

further obligation to provide sewer service or capacity to OWNER, his heirs, devisees, transferees, and/or assignees.

SECTION FIVE

This Annexation Agreement inures to the benefit of and is binding upon the executors, administrators, assignees and successors of the parties to this Agreement.

SECTION SIX

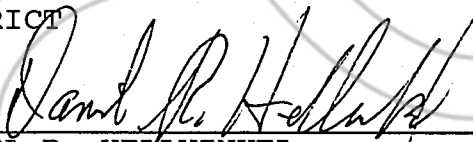
This Annexation Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein. No prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Annexation Agreement shall be modified or canceled except if made in writing and signed by all parties to this Annexation Agreement.

SECTION SEVEN


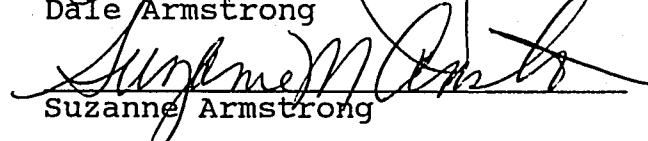
This Agreement must be executed and returned unchanged and unmodified within sixty (60) days of delivery. Failure to comply with this requirement results in revocation of the DISTRICT'S offer to annex and OWNER must wait six (6) months to reapply.

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

DISTRICT

By: 
DANIEL R. HELLWINKEL
Chairman, Board of Trustees
Minden-Gardnerville
Sanitation District

OWNER

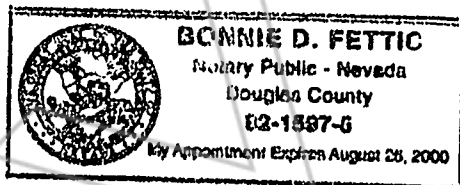

Dale Armstrong

Suzanne Armstrong

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STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

On this 7th day of March, 1997, personally appeared before me, a Notary Public, DANIEL R. HELLWINKEL, known to me to be the person whose name is subscribed to the within instrument, as authorized officer of MINDEN-GARDNERVILLE SANITATION DISTRICT, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

SUBSCRIBED and SWORN to before me
this 7th day of March, 1997.

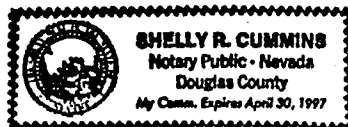


Bonnie D. Feticc
Notary Public

STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

On this 17th day of DECEMBER, 1996, personally appeared before me, a Notary Public, Dale Armstrong, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

SUBSCRIBED and SWORN to before me
this 17th day of DECEMBER, 1996.



Shelly R. Cummins
Notary Public

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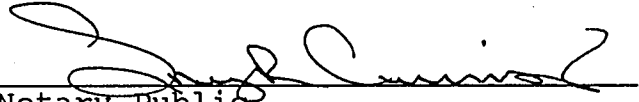
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STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

On this 17th day of DECEMBER, 1996, personally appeared before me, a Notary Public, Suzanne Armstrong, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

SUBSCRIBED and SWORN to before me

this 17th day of DECEMBER, 1996.


Notary Public



COOPY

REQUESTED BY
MGSD
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
RECORDER
\$ 14.00 PAID Q DEPUTY