

REQUESTED BY  
**WESTERN TITLE COMPANY, INC.**

IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2003 AUG 11 PM 3:33

WERNER CHRISTEN  
RECORDER

*1900*  
PAID *Bl* DEPUTY

Assessor Parcel No(s):  
1319-09-801-016

**RECORDATION**

REQUESTED BY:  
Colonial Bank  
Commercial Lending -  
Reno  
2330 South Virginia Street  
Reno, NV 89502

**WHEN RECORDED MAIL**

TO:  
Colonial Bank  
Commercial Lending -  
Reno  
2330 South Virginia Street  
Reno, NV 89502

**SEND TAX NOTICES TO:**

RONALD BUFFALOE  
SANDRA BUFFALOE  
1315 N. Ave 57  
Los Angeles, CA 90042

FOR RECORDER'S USE ONLY

*88573KLS*

**HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT**

**THIS HAZARDOUS SUBSTANCES AGREEMENT** dated July 21, 2003, is made and executed among and Colonial Bank, Commercial Lending - Reno, 2330 South Virginia Street, Reno, NV 89502 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a Loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

**PROPERTY DESCRIPTION.** The word "Property" as used in this Agreement means the following Real Property located in Douglas County, State of Nevada:

See Exhibit "A" attached hereto and made a part thereof.

The Real Property or its address is commonly known as 194 Candy Dance Lane, Genoa, NV 89411. The Real Property tax identification number is 1319-09-801-016

**REPRESENTATIONS.** The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

**No Notices.** Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

**AFFIRMATIVE COVENANTS.** Subject to disclosures made and accepted by Lender in writing, Indemnitor covenants with Lender as follows:

**Notices.** Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

- (1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.
- (2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.
- (3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.
- (4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.

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## HAZARDOUS SUBSTANCES AGREEMENT (Continued)

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(5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

**Access to Records.** Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

**PAYMENT: FULL RECOURSE TO INDEMNITOR.** Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice.

**SURVIVAL.** The covenants contained in this Agreement shall survive (A) the repayment of the Indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** What is written in this Agreement is Indemnitor's entire agreement with Lender concerning the matters covered by this Agreement. To be effective, any change or amendment to this Agreement must be in writing and must be signed by whoever will be bound or obligated by the change or amendment.

**Arbitration.** Indemnitor and Lender agree that all disputes, claims and controversies between us whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Indemnitor also will pay any court costs, in addition to all other sums provided by law. Fees and expenses shall include attorneys' fees that Lender, Trustee, or both incur, if either or both are made parties to any action to enjoin foreclosure or to any legal proceeding that Indemnitor institutes. The fees and expenses are secured by this Agreement and are recoverable from the Property.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Governing Law.** This Agreement will be governed by and interpreted in accordance with federal law and the laws

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**HAZARDOUS SUBSTANCES AGREEMENT  
(Continued)**

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of the State of Nevada. This Agreement has been accepted by Lender in the State of Nevada.

**Choice of Venue.** If there is a lawsuit, Indemnitor agrees upon Lender's request to submit to the jurisdiction of the courts of Washoe County, State of Nevada. (Initial Here *REP/ML*)

**Joint and Several Liability.** All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

**No Waiver by Lender.** Indemnitor understands Lender will not give up any of Lender's rights under this Agreement unless Lender does so in writing. The fact that Lender delays or omits to exercise any right will not mean that Lender has given up that right. If Lender does agree in writing to give up one of Lender's rights, that does not mean Indemnitor will not have to comply with the other provisions of this Agreement. Indemnitor also understands that if Lender does consent to a request, that does not mean that Indemnitor will not have to get Lender's consent again if the situation happens again. Indemnitor further understands that just because Lender consents to one or more of Indemnitor's requests, that does not mean Lender will be required to consent to any of Indemnitor's future requests. Indemnitor waives presentment, demand for payment, protest, and notice of dishonor. Indemnitor hereby waives notice of acceptance of this Agreement by Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any person may change his or her address for notices under this Agreement by giving formal written notice to the other person or persons, specifying that the purpose of the notice is to change the person's address. For notice purposes, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors. It will be Indemnitor's responsibility to tell the others of the notice from Lender.

**Severability.** If a court finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of this Agreement will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Agreement even if a provision of this Agreement may be found to be invalid or unenforceable.

**Successors and Assigns.** Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**Waive Jury.** All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party. (Initial Here *REP/ML*)

**DEFINITIONS.** The following words shall have the following meanings when used in this Agreement:

**Agreement.** The word "Agreement" means this Hazardous Substances Agreement, as this Hazardous Substances Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Hazardous Substances Agreement from time to time.

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge

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HAZARDOUS SUBSTANCES AGREEMENT  
(Continued)

Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

**Lender.** The word "Lender" means Colonial Bank, its successors and assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Note.

**Property.** The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Agreement.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED JULY 21, 2003.

**BORROWER:**

X Ronald E. Buffaloe  
Borrower RONALD BUFFALOE

X Sandra Buffaloe  
Borrower SANDRA BUFFALOE

**LENDER:**

X [Signature]  
Authorized Signer

**INDIVIDUAL ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF LOS ANGELES )

This instrument was acknowledged before me on JULY 23, 2003 by RONALD BUFFALOE AND SANDRA BUFFALOE



(Seal, if any)

[Signature]  
(Signature of notarial officer)  
BONNIE LEE MORTIMER  
Notary Public in and for State of CALIFORNIA

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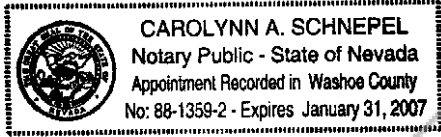
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HAZARDOUS SUBSTANCES AGREEMENT  
(Continued)

LENDER ACKNOWLEDGMENT

STATE OF NEVADA )  
 ) SS  
COUNTY OF WASHOE )

This instrument was acknowledged before me on 7-30-03 by Laura Mckenny  
as designated agent of Colonial Bank



Carolynn A. Schnepel  
(Signature of notarial officer)  
Notary Public in and for State of Nevada

(Seal, if any)

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## Legal Description

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

### PARCEL 1

A parcel of land consisting of Lots 34, 35, 36, 37, 73, 74, 75 and 76, all in Block 5 of the map of Genoa Townsite by L.L. Hawkins, dated September, 1874, and more particularly described as follows:

COMMENCING at the Southeast corner of Section 9, Township 13 North, Range 19 East, M.D.B. & M., said corner being marked by a brass cap in a rock mound; thence North 50°02'08" West, a distance of 438.41 feet to the TRUE POINT OF BEGINNING; thence North 26°54'38" West, a distance of 244.00 feet; thence North 67°09'02" East, a distance of 207.90 feet; thence South 26°54'38" East, a distance of 216.00 feet; thence South 59°25'34" East, a distance of 207.00 feet to the TRUE POINT OF BEGINNING.

The basis of bearing for this description is Nevada State Highway SR 206.

REFERENCE is made to Record of Survey and Boundary Line Adjustment, filed for record December 18, 1989, in Book 1289, Page 1910, as Document No. 216691, in Official Records of Douglas County, Nevada.

### PARCEL 2

Exclusive easement over and across the Southwesterly 20 feet of that certain real property, more particularly described as follows:

Parcel No. 1: Lots 77 and 106, in Block Five, according to the Trustees map of Genoa, made September A.D. 1874.

Parcel No. 2: Being a portion of the Southwest 1/4 of the Southwest 1/4 of the Southwest 1/4 (SW1/4 SW1/4 SW1/4), Section 10, Township 13 North, Range 19 East, Mount Diablo Base and Meridian.

This easement is granted only to the Grantee herein, family member and/or invested guests of the Grantee herein for the following purposes.

1. Ingress and Egress
2. Public Utilities

Grantee herein shall pave and maintain a minimum of 10 feet in width the entire length of the herein described easement, but no time shall the integrity of the existing rock wall located at the most Southerly portion of said easement be disturbed.

Grantor herein reserved the right to use the easement for ingress and egress for Grantor herein and its family members and/or invited guests and for public utilities.

NOTE (NRS 111.312): The above metes and bounds description appeared previously in that certain DEED, recorded in the office of the County Recorder of Douglas County, Nevada on January 5, 2001, in Book 0101, Page 1029, as Document No. 506352, of Official Records.

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