

38

DOC # 0636965
 02/17/2005 01:35 PM Deputy: BH
OFFICIAL RECORD
 Requested By:
 MINDEN GARDNERVILLE
 SANITATION DIST
 Douglas County - NV
 Werner Christen - Recorder
 Page: 1 Of 25 Fee: 38.00
 BK-0205 PG- 6534 RPTT: 0.00



Assessor's Parcel Number: _____

Recording Requested By: _____

Name: Minden-Gardnerville
 Sanitation District

Address: P. O. Box 568

City/State/Zip Minden, NV 89423

Real Property Transfer Tax: \$ _____

 Agreement
 (Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies)

This cover page must be typed or legibly hand printed.

C:\bc docs\Cover page for recording

AGREEMENT

THIS AGREEMENT made and entered into this 31st day of JAN., 2005, by and between MINDEN GARDNERVILLE SANITATION DISTRICT, a municipal corporation, hereinafter referred to as ("DISTRICT"), and PARK CATTLE CO., A Nevada corporation, hereinafter referred to as ("OWNER").

WITNESSETH:

WHEREAS, the DISTRICT is a general improvement DISTRICT formed and organized pursuant to the provisions of Chapter 318, Nevada Revised Statutes; and

WHEREAS, the DISTRICT does presently own and operate a wastewater treatment and effluent reuse system in the area of Douglas County, Nevada, lying within the Carson Valley; and

WHEREAS, the DISTRICT has previously constructed and is presently operating and maintaining facilities for the export of treated wastewater effluent from the DISTRICT's works and treatment facilities at or near Minden, Nevada; and

WHEREAS, the DISTRICT has completed construction of an effluent transmission main to carry treated wastewater effluent to the DISTRICT's Wastewater Storage Facility on Muller Lane; and

WHEREAS, in the 1970's and 1980's, litigation arose and was resolved among the DISTRICT, Galeppi Land and Livestock Co. ("Galeppi") and the predecessor-in-interest to Owner ("Dangberg

Farms) concerning the use of effluent from the DISTRICT's works and treatment facilities (the "Litigation"); and

WHEREAS, the resolution of the Litigation resulted in Galeppi and Dangberg Farms each having an undivided one-half interest in the following permits issued by the Nevada State Engineer, Permit No. 29931, Permit No. 30351, and Permit No. 30351-S-1; and

WHEREAS, the agreement resolving the Litigation terminates on September 16, 2008; and

WHEREAS, the District and Owner desire to enter into a new agreement which as between them completely and fully supersedes the agreement which resolved the litigation and which structures the water rights associated with use of effluent from the District's works and treatment facilities in a manner consistent with NRS §533.440; and

WHEREAS, on September 8, 1995, Dangberg Holdings Nevada, LLC succeeded to the interest of Dangberg Farms in Permit Nos. 29931, 30351 and 30351-S-a; and

WHEREAS, Owner, on February 1, 2002, pursuant to an Agreement for Distribution of Assets and Dissolution of Dangberg Holdings Nevada, L.L.C. (the "Dissolution Agreement") succeeded to one-half of the interest of Dangberg Holdings Nevada, L.L.C., or to a one-fourth interest in said permits and is entitled to enter into a new and separate agreement with the District with respect to that interest; and

WHEREAS, under the Dissolution Agreement OWNER became owner of certain real property located in Douglas County, Nevada, commonly known as the Park Ranch (same consisting of approximately 4,823.805 acres), a portion of which is shown on Exhibit "A," which is attached hereto and incorporated herein by reference, but excluding therefrom the real property described in Exhibit "B" attached hereto, and incorporated herein by reference, said real property hereinafter referred to as the "PROJECT"; and

WHEREAS, the DISTRICT has constructed a portion of its effluent transmission main on and through the PROJECT, and has provided OWNER with two (2) turnouts for delivery of wastewater effluent on the PROJECT; and

WHEREAS, OWNER desires to receive said wastewater effluent from DISTRICT and to cause it to be applied to the aforescribed lands of OWNER for agricultural irrigation or such other legally permitted uses as it chooses; and

WHEREAS, the DISTRICT currently provides treated wastewater effluent to properties other than the PROJECT for wastewater effluent reuse for irrigation purposes (the "Prior Contract"); and

WHEREAS, until September 16, 2008 and by reason of the Dissolution Agreement, OWNER and the Bently Family Limited Partnership have agreed on an annual non-cumulative basis to divide equally all of the available treated wastewater effluent as specified herein at their respective points of diversion; and



WHEREAS, OWNER proposes to receive such treated wastewater effluent as specified herein at the points of diversion; and

WHEREAS, OWNER has commenced or will commence the application process for and has received from the Nevada Division of Environmental Protection (NDEP herein) an Authorization to Discharge permit allowing and approving the implementation of this Agreement to the end that OWNER is authorized to receive and utilize the treated wastewater effluent which is the subject hereof on terms and conditions set out in said Authorization to Discharge; and

WHEREAS, OWNER has commenced or will commence the application process with the Nevada State Engineer's Office for the issuance of a permit for a secondary water right pursuant to the provisions of N.R.S. §533.440 so that OWNER will be authorized under Nevada's water law to receive and irrigate with the treated sewage effluent; and

WHEREAS, the parties hereto are desirous of entering into a mutually beneficial agreement to provide for the delivery of treated wastewater effluent from the DISTRICT's effluent transmission main and to provide for the acceptance and use of said wastewater effluent for irrigation purposes on the PROJECT during the periods as hereinafter provided, assuring the protection of the health and welfare of the residents of Douglas County and the State of Nevada and elsewhere and consistent with the preservation of the natural

beauty, resources and recreation of these areas, and to promote the beneficial utilization and conservation of water.

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

ARTICLE I

**Operation and Maintenance of Treatment Facilities,
Effluent Transmission Main and Wastewater Storage Facility**

The Treatment Facilities, Effluent Transmission Main and Wastewater Storage Facility are and shall continue to be owned, operated and maintained by the DISTRICT.

ARTICLE II

Owner's Real Property

OWNER represents that it now owns in fee the subject real property shown on Exhibit "A" attached hereto, but excluding therefrom the real property described in Exhibit "B" attached hereto, and that it shall, until September 16, 2008, set aside and make available a minimum of 1,030 acres of said land and shall, from September 16, 2008, through the end of the term of this Agreement, set aside and make available a minimum of 1,030 acres of said land suitable for irrigation and receive the allocation of wastewater effluent as hereinafter provided and use said wastewater effluent for irrigation purposes. Said designated acreage is identified on Exhibit "A," but excluding therefrom the real property described in Exhibit "B" attached hereto. With the prior written consent of the

DISTRICT, which consent will not be unreasonably withheld, OWNER may have all or any portion of the acreage designated on Exhibit "A," but excluding therefrom the real property described in Exhibit "B" attached hereto, released from the covenants and obligations of this Agreement by setting aside and making available an equal area of land suitable for irrigation hereunder (the "Substitute Land"). OWNER shall be responsible for all costs and expenses associated with such a release and for obtaining all permits and approvals required to allow use of wastewater effluent for irrigation on the Substitute Land. DISTRICT shall execute and deliver such documents as may be reasonably required for such release.

ARTICLE III

Delivery and Use of Wastewater Effluent

Section 3.1 Quantity of Wastewater Effluent. Until September 16, 2008, the DISTRICT will make available for use by OWNER during the irrigation season pursuant to this Agreement up to 450 acre feet and from September 16, 2008, through the end of the term of this Agreement 375 acre feet of wastewater effluent or in such other amount as may otherwise be authorized by NDEP or any other regulatory body having jurisdiction thereof.

Section 3.2 Issuance of and Compliance With Permits. As a prerequisite to receiving such wastewater effluent OWNER agrees to pursue with diligence the application procedures with all public entities having jurisdiction hereof, including, but not limited to,

those related to the special use permit issued by Douglas County, the Authorization to Discharge issued by NDEP and the permit for a secondary water right to be issued by the Nevada State Engineer. While irrigating, OWNER shall manage said wastewater effluent according to its Authorization to Discharge (as may be modified in the future) and as same may be issued by NDEP. A copy of said Authorization to Discharge has been delivered to DISTRICT. In addition OWNER agrees to meet all other requirements of the State of Nevada or the United States Environmental Protection Agency or any other public authority having jurisdiction hereof as may from time to time become effective, including the timely filing of periodic monitoring reports with NDEP, notwithstanding the fact that DISTRICT shall arrange for and pay for all costs of such monitoring.

Section 3.3 Delivery During Irrigation Season. During the term of this Agreement, DISTRICT has the right to deliver, and OWNER has the obligation to receive during the irrigation season the quantities of treated wastewater effluent delivered by DISTRICT pursuant to Section 3.1. Additionally, during times not traditionally included in the irrigation season, OWNER at its election, may in cooperation with DISTRICT and with the approval DISTRICT and NDEP, receive the beneficial use of said wastewater effluent. For purposes of this Agreement the irrigation season shall be that period of the year when water is used to irrigate

crops in the Carson Valley, consistent with good farming and ranching practices.

Section 3.4 Emergency Delivery During Non-Irrigation Season

In the event of an unforeseeable and unexpected event such as mechanical or other failure in equipment or facilities which prevents the DISTRICT from delivering waste water effluent to Bently Family Limited Partnership, during any non-irrigation season, DISTRICT shall have the right to deliver, subject to OWNER's legal and practical ability to receive at locations specified by OWNER, up to 450 acre feet of wastewater effluent until September 16, 2008 and 375 acre feet thereafter until the end of the term of this Agreement provided that such delivery by the DISTRICT and receipt by OWNER would not be in violation of any Rule, Regulatory law, or permit of any federal, state or local authority having jurisdiction against such deposit.

ARTICLE IV

Duties

Section 4.1 Duties of District. At its sole cost and expense, DISTRICT has designed, engineered, constructed and inspected monitoring wells on the Project. The District shall be responsible for on-going groundwater monitoring. The DISTRICT at its sole cost and expense has provided OWNER with a completed "Effluent Management Plan entitled "Park Cattle Company Effluent Management Plan" submitted to the Nevada Division of Environmental Protection. Said

Effluent Management Plan is by this reference incorporated herein and made a part hereof. The DISTRICT and OWNER agree to perform their respective obligations as set forth in said plan and to exercise diligence in complying with the terms thereof, as the same may from time to time be modified in the future.

Section 4.2 Cooperation. DISTRICT shall cooperate with OWNER in regulating discharge flows so as to assist OWNER in an orderly application of the wastewater effluent as shall be indicated or required in good and workmanlike irrigation practices. DISTRICT and OWNER further agree to cooperate in the receiving and application of effluent on an on-going basis and in adjusting the annual wastewater effluent application rates to ensure the most efficient operation hereof and to further ensure that neither DISTRICT and OWNER violate their then existing permits. To that end, each party shall designate a representative for the other to contract in all matters relevant hereto.

Section 4.3 License For Access. During the original term of this Agreement and any extension thereof, OWNER grants DISTRICT, its employees and agents, a license for ingress and egress to and from the Project for any and all purposes necessary for the DISTRICT to perform its obligations under this Agreement, using such reasonable route(s) as OWNER may designate or approve from time to time. The license granted by this section may not be revoked during the term of this Agreement or any extension thereof.



ARTICLE V

Duty to Deliver and Accept Wastewater Effluent

Section 5.1 District. This Agreement does not impose a duty upon the DISTRICT to deliver any or all of its wastewater effluent and OWNER does not acquire any right to demand any quantity of wastewater effluent to be delivered. Delivery of effluent to the lands of OWNER is subject to the legal and practical ability of DISTRICT to do so.

Section 5.2 Owner. Acceptance and use of wastewater effluent by OWNER pursuant to this Agreement is subject to the legal and practical ability of the OWNER to accept and use such wastewater effluent.

ARTICLE VI

Compensation

Section 6.1 Use Fee. Beginning September 16, 2008, OWNER shall pay to DISTRICT for the use of such wastewater effluent an amount equal to the sum obtained by multiplying the rate of \$.01 per thousand gallons times the number of thousands of gallons delivered for use to OWNER pursuant to this Agreement. Annually, upon final delivery of wastewater effluent, total use will be calculated, and OWNER will be billed for such usage with payment therefore to be made within thirty (30) days.

Section 6.2 Adjustments. On each five-year anniversary date after September 16, 2008, the parties agree to review the amount of

compensation for use charges which shall from time to time be adjusted as the economic, administrative and other operating conditions surrounding this Agreement shall indicate or require. Such adjustments shall become effective upon agreement of the parties, and if such agreement is not reached, then by arbitration in accordance with the provisions of Chapter 38 of the Nevada Revised Statutes (Uniform Arbitration Act).

Section 6.3 Construction and Other Charges. As provided hereinabove, OWNER shall pay all replacement, operation and maintenance costs allocable to any of its owned facilities and DISTRICT shall pay all such costs allocable to its facilities referred to in Article I hereof.

ARTICLE VII

Warranties

Section 7.1 Owner. OWNER warrants that the right of DISTRICT to discharge its wastewater effluent hereunder shall be appurtenant to and does hereby become a covenant running with the land.

Section 7.2 District. The DISTRICT warrants that the treated wastewater effluent delivered by the DISTRICT and discharged onto OWNER's land shall conform to all present and future specifications and requirements of the regulatory agencies of the United States Environmental Protection Agency, or similar agencies, and the State of Nevada relating to the application of treated wastewater effluent for use on irrigated farm lands.

ARTICLE VIII

Conditions Precedent

Section 8.1 Receipt of Permits. OWNER's obligations under this Agreement are contingent upon receipt by OWNER of all permits and approvals necessary to allow OWNER to accept and use the wastewater effluent on the Project, including, without limitation, the permits referenced in section 3.2 and upon OWNER's determination in its sole and absolute discretion that the terms and conditions of such permits and approvals are satisfactory.

Section 8.2 Time Limitation. In the event the OWNER is for any reason incapable of accepting wastewater effluent and implementing this Agreement without restriction or limitation by no later than December 31, 2005, this Agreement shall without further action be rendered null and void and each of the parties signatory hereto shall be restored to their prior legal positions without liability each to the other. In such event, DISTRICT agrees to execute and deliver to OWNER, in recordable form, a quitclaim deed reconveying to OWNER any interest acquired herein.

ARTICLE IX

Term of Agreement

This agreement shall be effective until December 31, 2051, unless sooner terminated as provided in Article X. Said term shall be automatically renewed for successive five (5) year terms unless

either party gives written notice of intent to terminate no less than two (2) years prior to the end of the then existing term.

ARTICLE X

Termination by District

This agreement is entered into by DISTRICT pursuant to its Permit to Discharge issued by NDEP and the laws of the State of Nevada and the United States Government. This Agreement may be terminated by DISTRICT prior to the expiration of the term provided in Article IX:

(a) In the event that DISTRICT shall, by Governmental action, be required to relocate its point of discharge or otherwise modify its method of effluent use; or

(b) The DISTRICT in its sole and uncontrolled discretion determines to relocate its point of discharge, to modify its discharge permit, method of discharge and use of its wastewater effluent.

Then and in these events the DISTRICT does hereby reserve the right to terminate this Agreement and discontinue the discharge of its treated wastewater effluent upon OWNER's real property and this Agreement shall be rendered null and void and of no further legal effect.

ARTICLE XI

No Acquisition of Title

OWNER agrees that by entering into this Agreement it shall acquire no title to said wastewater effluent and any right to receive such wastewater effluent shall be subject to the provisions of this Agreement.

ARTICLE XII

Covenant Running with Land

Section 12.1 Covenant. The terms and conditions set forth in this Agreement shall constitute covenants running with the land and shall be appurtenant to the real property owned by the OWNER, as is more particularly shown in said Exhibit "A," but excluding therefrom the real property described in Exhibit "B" attached hereto, and shall be binding upon the successors and assigns of OWNER. It is expressly understood and agreed that at the time of the execution of this Agreement all of the real property shown in the attached Exhibit "A," but excluding therefrom the real property described in Exhibit "B," is subject to the terms and conditions of this contract and are encumbered by this Agreement which shall constitute a covenant running with the land.

Section 12.2 Memorandum of Agreement. The parties hereto covenant and agree to execute a memorandum of this Agreement in recordable form which may, at the option of either party, be recorded in the office of the Douglas County, Nevada Recorder.

ARTICLE XIII

Indemnification

Section 13.1 District. DISTRICT agrees to indemnify and hold OWNER harmless from and against and with respect to any and all claims, demands, losses, costs, expenses, obligations, liabilities, actions, suits, damages, diminution in value and deficiencies, including, without limitation, interest and penalties, counsel fees and all amounts paid in settlement of any claim, action or suit (all such claims, demands, losses, costs, expenses, etc. being referred to herein collectively as "Claims"), which may be asserted against OWNER, or which OWNER shall incur or suffer, and which arise out of, result from or relate to any fact inconsistent with any representation or warranty of DISTRICT herein or the non-fulfillment of any agreement or covenant of DISTRICT contained in this Agreement or in any document furnished or required to be furnished to OWNER in connection with the consummation of the transactions contemplated hereby or which relate to any liability retained by DISTRICT. The term "Claims" as used in this Agreement is not limited to matters asserted by third parties against Owner but includes damages, losses and expenses incurred or sustained by OWNER in the absence of third-party claims.

Section 13.2 Owner. OWNER agrees to indemnify and hold DISTRICT harmless from and against and with respect to any and all Claims which may be asserted against DISTRICT, or which DISTRICT

shall incur or suffer, and which arise out of, result from or relate to any fact inconsistent with any representation or warranty of OWNER herein or the non-fulfillment of any agreement or covenant of OWNER contained in this Agreement or in any document furnished or required to be furnished to DISTRICT in connection with the consummation of the transactions contemplated hereby.

Section 13.3 Claims for Indemnity. Whenever a Claim shall arise for which one party hereto (the "Indemnitee") shall be entitled to indemnification hereunder, the Indemnitee shall notify the other party hereto (the "Indemnitor") in writing within thirty (30) days of the first receipt of notice of such claim, and in any event within such shorter period as may be necessary for the Indemnitor to take appropriate action to defend against such claim. Such notice shall specify all facts known to the Indemnitee giving rise to such indemnity rights and shall estimate the amount of the liability arising therefrom. The right of the Indemnitee to indemnification and estimated amount thereof, as set forth in this notice, shall be deemed agreed to by the Indemnitor unless, within thirty (30) days after the mailing of such notice, the Indemnitor shall notify the Indemnitee in writing that it disputes the right of the Indemnitee to indemnification, or that the Indemnitor elects to defend such claim in the manner provided in section 13.4 of this Agreement. If the Indemnitee shall be duly notified of such dispute, the parties shall attempt to settle and compromise the

same, or if unable to do so within twenty (20) days of the Indemnitor's delivery of notice of a dispute, such dispute shall be settled by appropriate litigation, and any rights of indemnification established by reason of such settlement, compromise or litigation shall promptly thereafter be paid and satisfied by the Indemnitor.

Section 13.4 Defense of Claims. Upon receipt by the Indemnitor of a notice from the Indemnitee with respect to any claim of a third party against the Indemnitee, and acknowledgement by the Indemnitor (whether after resolution of a dispute or otherwise) of the Indemnitee's right to indemnification hereunder with respect to such claim, the Indemnitor may assume the defense of such claim with counsel reasonably satisfactory to the Indemnitee and the Indemnitee shall cooperate to the extent reasonably requested by the Indemnitor in the defense or prosecution thereof and shall furnish such records, information and testimony and attend all such conferences, discovery proceedings, hearings, trials and appeals as may be reasonably requested by the Indemnitor in the connection therewith. In the event that the Indemnitor shall acknowledge the Indemnitee's right to indemnification, but decline to assume the defense of such claim, the Indemnitee may assume such defense and the Indemnitor shall acknowledge the Indemnitee's right to indemnification and election to assume the defense of such claim. The Indemnitee shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the

Indemnitee. If the Indemnitor does not elect to assume defense of a third party claim and disputes the Indemnitee's right to Indemnification, the Indemnitor shall have the right to participate in the defense of such claim through counsel of its choice, at the Indemnitor's costs and expense (provided, that such costs and expenses shall be reimbursed by the Indemnitee to the Indemnitor if a final judgment of a court of competent jurisdiction or a settlement approved by the Indemnitor reflects the Indemnitee's obligation to indemnify the Indemnitor), and the Indemnitee shall have the authority to resolve such claim subject to this Article XIV. The Indemnitee shall give written notice to the Indemnitor of any proposed settlement of any claim, which settlement the Indemnitor may reject in its reasonable judgment within ten (10) days of receipt of such notice. If the Indemnitor has assumed the defense of any claim against the Indemnitee, the Indemnitor shall have the right to settle any claim for which indemnification has been sought and is available hereunder; provided that, to the extent such settlement refers to any alleged liability or wrongdoing of the Indemnitee, requires the Indemnitee to take, or prohibits Indemnitee from taking, any action or purports to obligate the Indemnitee other than for payment of money, then the Indemnitor shall not settle such claim without the prior consent of the Indemnitee, which consent shall not be unreasonably withheld.



ARTICLE XIV

Assignability

This Agreement may be assigned or transferred by OWNER to any other person following receipt of any required approvals by all regulatory agencies having jurisdiction hereof and upon the prior written consent of DISTRICT, which consent shall not be unreasonably withheld or delayed. OWNER shall be responsible for any costs and compliance requirements associated with any such assignment.

ARTICLE XV

Miscellaneous

Section 15.1 Notices. All notices required or permitted to be given by law or by the terms of this Agreement shall be in writing and shall be considered given upon personal service of a copy on the party to be served, or twenty-four (24) hours after mailing such notice by certified mail, return receipt requested, postage prepaid, addressed to the parties as follows:

- (a) If to DISTRICT, such notices shall be sent to:

Superintendent
Minden Gardnerville Sanitation District
P. O. Box 568
Highway 395
Minden, Nevada 89423

- (b) If to OWNER, such notices shall be sent to:

Park Cattle Co.
P.O. Box 2249
Stateline, Nevada 89449

and to:

Gordon H. DePaoli, Esq.
Woodburn and Wedge
6100 Neil Road, Suite 500
Post Office Box 2311
Reno, Nevada 89505

Any party may change the address to which notices to it hereunder be addressed by a notice in writing to the others.

Section 15.2 Consent. Whenever the approval or consent of any party is required for any purpose under this Agreement, that approval or consent will not be unreasonably withheld or delayed. Without limiting the foregoing, if any approval or consent is requested by either party, unless the consenting party notifies the requesting party within 15 days that it will not grant the approval or consent, the consenting party will be deemed to have given the approval or consent on the 16th day.

Section 15.3 Entire Agreement. This Agreement constitutes the entire and only understanding between the parties concerning its subject matter, and supersedes any and all prior agreements, arrangements, communications or representations, whether oral or written with respect thereto. No alteration, amendment, change, modification or waiver to this Agreement shall be valid or binding unless the same is in writing and signed by duly authorized representatives of the parties hereto.

Section 15.4 Choice of Law. This Agreement shall be construed and interpreted in accordance with, and governed by the laws of the State of Nevada.

Section 15.5 Waiver. Neither a course of conduct, nor any waiver by either party with respect to a default or breach of any provision of this Agreement by the other party shall operate or be construed as a waiver of any subsequent default or breach, or as a modification of this Agreement.

Section 15.6 Attorneys' Fees. If any party commences an action against the other party to enforce any of the terms hereof or because of the breach of either party of any of the terms hereof, the prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action.

Section 15.7 Time of Essence. Time is of the essence of this Agreement and each term, covenant and condition thereof.

Section 15.8 Captions. The captions of this Agreement do not in any way limit or amplify its terms and provisions.

Section 15.9 Binding on Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns for all time.

Section 15.10 Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, the parties agree to execute and/or deliver, or cause to

be executed and/or delivered such other documents and/or materials, carrying out the terms and conditions of this Agreement, as may be reasonably necessary to effect the transactions contemplated by this Agreement.

Section 15.11 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument but all such counterparts shall only constitute one and the same instrument.

Section 15.12 Authorship. This Agreement has been reviewed by attorneys representing the respective parties and therefore shall not be construed in favor of or against any party hereto based on the sole or primary authorship of this Agreement being the work of one party hereto.

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

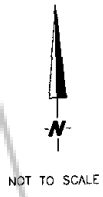
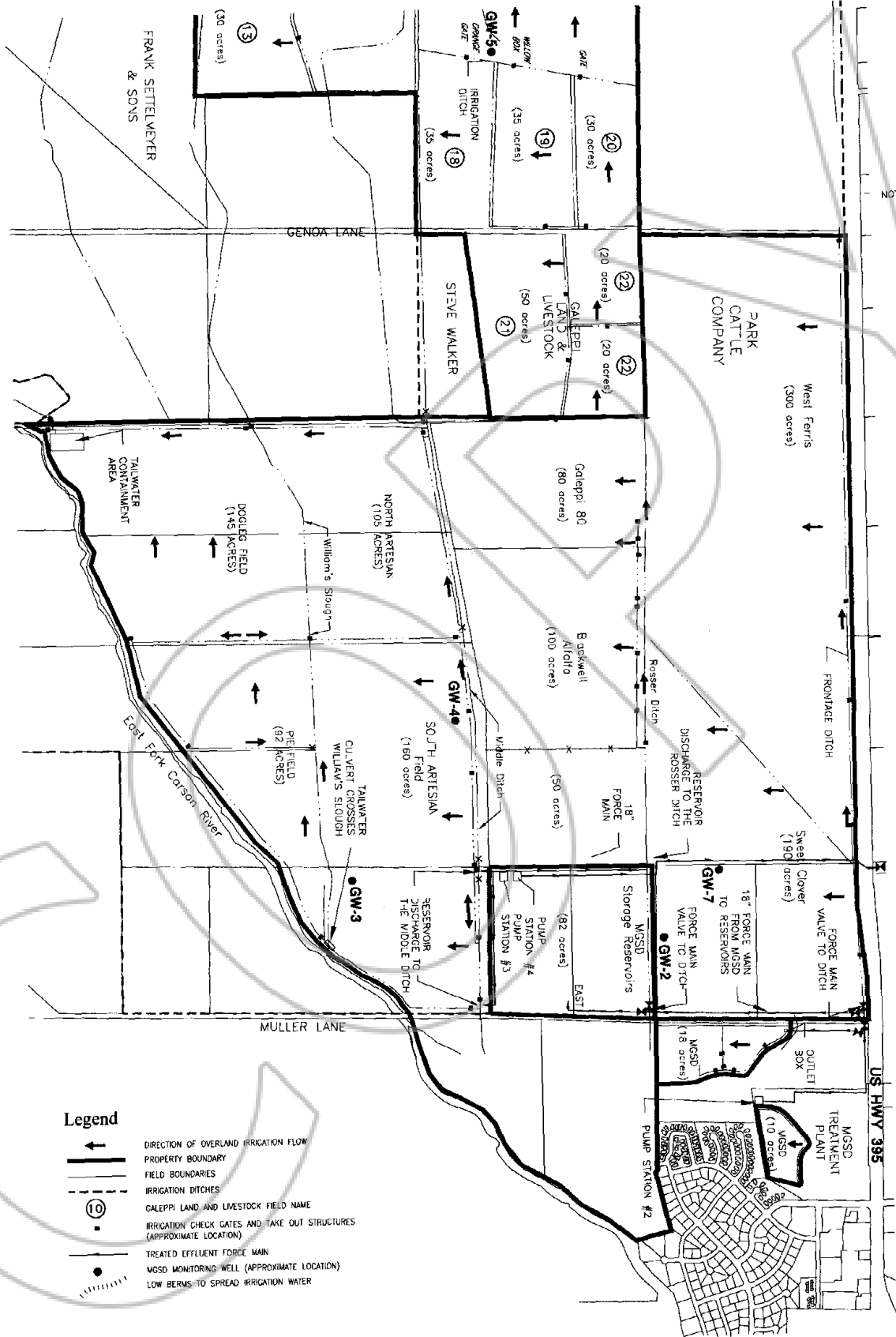
PARK CATTLE CO.

By: *Robert E. Armstrong*
Robert E. Armstrong
Its: *President*
Attest: *Gordon H. DePaoli*
Secretary Gordon H. DePaoli

MINDEN GARDNERVILLE SANITATION DISTRICT

By: *Jerome Etchegoyhen*
Jerome Etchegoyhen
Attest: *Bonnie D. Feticc*
Bonnie D. Feticc

EXHIBIT A



Legend

- DIRECTION OF OVERLAND IRRIGATION FLOW
- PROPERTY BOUNDARY
- FIELD BOUNDARIES
- IRRIGATION DITCHES
- CALEPPI LAND AND LIVESTOCK FIELD NAME
- IRRIGATION CHECK GATES AND TAKE OUT STRUCTURES (APPROXIMATE LOCATION)
- TREATED EFFLUENT FORCE MAIN
- MGSD MONITORING WELL (APPROXIMATE LOCATION)
- LOW BERMS TO SPREAD IRRIGATION WATER

MGSD Reuse Area
 Park Cattle Company
 Effluent Management Plan

EXHIBIT B

Legal Description

All that certain real property situate in the Town of Minden, County of Douglas, State of NEVADA, described as follows:

PARCEL NO. 1:

Parcel 10-B, on Parcel Map LDA 04-013 for The Park Cattle Company, according to the Official Map thereof filed in the Office of the County Recorder of Douglas County, State of Nevada, recorded on December 13, 2004, in Book 1204, page 5120, Official Records of Douglas County, Nevada, as Document No. 631626.

PARCEL NO. 2:

Together with an Access Easement, for ingress and egress, as set forth in document, recorded on June 28, 2004, in Book 604, page 13173, as Document No. 617222.

APN: 1319-24-000-006

