

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 5 Fee: 0.00
BK-0605 PG-10819 RPTT: 0.00



Assessor's Parcel Number: N/A

Date: JUNE 22, 2005

Recording Requested By:

Name: STEVE THALER/CHINA SPRING YTH CAMP

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

AGREEMENT #2005.126
(Title of Document)

FILED

2005. 1226

2005 JUN 22 AM 10:25 This agreement is made and entered into this 31st day of May, 2005 by and between the Douglas County China Spring/Aurora Pines Youth Facility, hereinafter "China Spring" a Douglas County, Nevada agency headquartered in Minden, Nevada and Project Discovery Inc., hereinafter "PDI" a Nevada based corporation headquartered in Reno, Nevada.

BARBARA
CLERK

WITNESSETH:

WHEREAS, China Spring is a residential youth treatment facility dedicated to the addressing of youth behavioral issues in and around Douglas County; and

WHEREAS, China Spring holds the deed on the property where the Adventure Challenge Course will be sited at China Spring and is planning on building and operating the China Spring/Aurora Pines Youth Treatment Facility Adventure Challenge Course in a reasonable and safe manner including all maintenance, training, and inspections as in consistent with the Association for Challenge Course Technology Challenge Course Standards of Practice; and

WHEREAS, PDI has many years of professional experience with the construction, maintenance, staff training, handbook generation, facilitation, and consulting in the areas of Ropes Challenge Courses, retreats, and group facilitation,

NOW, THEREFORE, PDI agrees to: 1) consult and provide expertise, equipment, and supplies to assist China Spring staff and clients in the owner/builder design, development, construction, training, and operation of the China Spring/Aurora Pines Adventure Challenge Course which provisionally consists of 18 low elements and 12 high elements and two climbing walls; 2) generate a China Spring Challenge Course Training Manuel and make available three (3) copies, a CD version and reproduction rights; 3) provide a five-day, forty hour minimum Course Facilitation Training Program on-site at the China Spring facility; 4) provide critical feedback about each of the trainees performance during and following the training program in regards to the suitability of the candidate in the provision of safe and productive challenge course programming; 5) equip the course with all necessary detachable materials, equipment and supplies needed to operate one program of 16 participants (including introductory activities, low elements and high elements) at the MSRP minus 5% discount (plus shipping and handling charges, and Nevada State Sales Tax*) cost to the client; 6) make available to China Spring all necessary non-detachable hardware at the MSRP minus 5% discount (plus shipping and handling charges and Nevada State Sales Tax*) cost to the client (it should be noted that materials such as Trex lumber and other donatable materials may also be procured by China Spring at their discretion).

* - Douglas County is exempt from sales tax - NRS 372.325(4)

1. SECTION HEADINGS: The section headings contained herein are for convenience in reference and are not intended to define, govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this agreement.

2. TERM: The term of this agreement shall commence on the above date and continue to acceptance of all deliverables and completion of the course or five years, whichever comes first.

3. PAYMENT: China Spring agrees to pay PDI eight thousand four hundred and eight



dollars (\$8,408.00) for all consultation in the areas of design, construction, maintenance, staff training, staff supervision and the generation of a China Spring training handbook. The payments will be divided so that 50% of the balance due (\$4,204.00) is paid within forty-five (45) days of the signing of this agreement by both parties with the balance due (\$4,204.00) paid no later than forty-five(45) days of the conclusion of the project.

4. OBLIGATION OF CHINA SPRING:

A. China Spring gives PDI and its agents open access to the specific portion of the property where the Ropes Challenge Course is to be constructed for work purposes.

B. China Spring agrees it will be solely responsible for the health and safety of its employees, staff, volunteers, clients, charges, and other unauthorized users at all times in the area where the Ropes Challenge Course is to be constructed. Further, China Spring agrees it will directly supervise and be responsible for any minors in the area at all times. Restriction of access to any elements to be constructed in the Ropes Challenge Course is the sole responsibility of China Spring in perpetuity.

C. China Spring agrees to construct, maintain, inspect, and operate the Ropes Challenge Course in accordance with the standards of practice developed by the Association for Challenge Course Technology in the yearly publication entitled: "Challenge Course Standards".

D. China Spring agrees to provide the labor/equipment necessary to construct the course including any heavy equipment work necessary for erecting the poles, building roads, parking lots, site leveling, path building, wood chip spreading, TSI work (timber stand improvement) and other incidental tasks. (This excluded specialized tools/labor/equipment for actually building elements)

E. China Spring agrees to provide the labor necessary to aid in the construction of the course elements under the direct supervision and authority of China Spring staff with PDI functioning as a design/construction working alongside and with the China Spring staff and crew to build the course.

F. China Spring agrees to provide an indoor training area where discussion can take place.

5. OBLIGATION OF PDI:

A. PDI agrees to take the lead in the design process and provide a course plan and materials list within thirty days of the signing of this agreement. Further, PDI agrees to offer for sale all items necessary for the construction of the Ropes Challenge Course at the rates noted on Page One of this agreement.

B. PDI agrees to take the lead and be present for all technical installations of elements for quality control purposes. Further, PDI staff shall provide all necessary expertise, tools



and equipment and technical supervision and training for element construction. PDI is aware that construction may span a period of years and pledges to be actively involved in the ongoing construction phase for a period of up to five years to meet the obligations under this agreement.

C. PDI agrees to abide by all county, state, and federal codes and laws while on the property during the term of this agreement.

D. PDI agrees to work cooperatively with China Spring in order that the Ropes Challenge Course design, construction, training, and operation dovetail in effectively with the purpose and theme of the China Spring/Aurora Pines facility.

E. PDI agrees to supply China Spring with the most technologically advanced materials and supplies available including all product warranties to operate the China Spring Ropes Challenge.

F. PDI agrees construction of the course will begin as soon as materials become available and proceed on a time line mutually agreed upon by both PDI and China Spring.

G. PDI agrees staff training will be of the highest quality and consist of no less than five days and forty-plus hours of "hands-on" dynamic interactive training utilizing "real life" scenarios on the course.

H. PDI shall provide materials, supplies and instructions for ground and/or indoor activities for inclement weather. This activity bag will be stocked for use by one 16 person group.

I. PDI guarantees the workmanship of all materials and supplies for the normal life of the product excluding normal wear and tear or willful mistreatment, lack of proper storage, abuse or use in application it was not designed for.

J. PDI agrees the materials and supplies for harnesses, helmets, carabineers, and some ropes will be ordered, invoiced and delivered before the fiscal year closing (June 30, 2005) as per China Spring request.

6. INDEMNIFICATION: PDI shall indemnify, defend and hold harmless China Spring, its officers, agents, charges, and employees from and against any and all liability, loss, damage, expense and costs of every nature arising out of or in connection with use or training for use on the Ropes Challenge Course except such loss or damage caused by the sole negligence or willful misconduct of China Spring, its agents, third parties, charges and employees. Further, this indemnification clause is in effect only when use of the Challenge Course or any PDI supplied materials (with the exception of the construction phase) occurs as directed by PDI staff and under direct PDI supervision. In addition, following acceptance of all deliveries and initial training responsibilities China Spring will be solely responsible for all aspects and obligation of safe Challenge Course operation.

7. LIABILITY INSURANCE: PDI shall for the full term of this agreement carry and



maintain comprehensive general liability insurance with a combined single limit of at minimum of \$1,000,000 with general aggregate limit of \$2,000,000. Such policy shall be endorsed to provide that coverage shall not be voided, suspended, canceled, or reduced except after 30 days prior written notice. PDI further agrees to carry Workers Comprehensive Insurance for any employees as well as carry Comprehensive Auto Liability Coverage for any vehicle PDI drives onto the property.

8. INDEMNIFICATION: China Spring shall indemnify, defend, and hold harmless PDI, its officers, agents, charges, and employees from and against all liability, loss, damage, expense and costs of every nature arising out of or in connection with construction, use and/or training for use on the Ropes Challenge except such loss or damage caused by the sole negligence or willful misconduct of PDI, its agents, third parties, charges and employees. In addition, following acceptance of all deliveries and initial training responsibilities China Spring will become solely responsible for all aspects and obligations of safe Challenge Course operation.

9. ARBITRATION: Any controversy or claim arising out of this agreement, or breach thereof, provided both parties agree, may be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

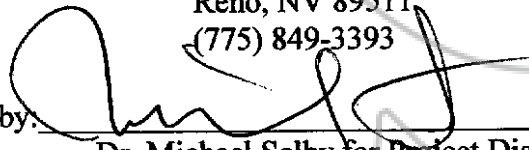
10. SIGNATORY: It is agreed that persons signing this document are authorized to do so on behalf of the parties in this agreement.

11. TIME: Time is of the essence in this agreement and of the performance of each and every provision hereof. PDI warrants that the design, construction, training, and handbook generation shall occur in a manner consistent with reasonable practice so that both parties are satisfied with the progress of the project.

12. NOTICE: All notices to be given in accordance with this agreement shall be in writing and shall be deemed given when deposited in the United States Post Office mail addressed as below and sent by facsimile machine to the office numbers listed below.

PDI: Dr. Michael Selby
Project Discovery, Inc.
1110 Sky Tavern Road
Reno, NV 89511
(775) 849-3393

China Spring: Steve Thaler
China Spring/Aurora Pines
P. O. Box 218
Minden, NV 89423
(775) 265-5350

by: 
Dr. Michael Selby for Project Discovery, Inc.

date: 6/1/05

by: 
Steve Thaler, China Spring/Aurora Pines

date: 5/31/05

SEAL

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: June 22, 2005
B. Reed, Clerk of the 9th Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By: 
Deputy



BK- 0605
PG- 10823