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# ANNEXATION AGREEMENT GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT A POLITICAL SUBDIVISION OF THE COUNTY OF DOUGLAS STATE OF NEVADA

STEVEN D. SIKORA AND BARBARA E. SIKORA

Sikora subdivision)

Douglas County Assessors Parcel No.

1220-16-101-007

#### ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT, (the ""Agreement") is made and entered into this 25" day of 2006, by and between the GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT ("DISTRICT" or "GRGID"), by and through its Chairman of the Board of Trustees ("BOARD"), a political subdivision of the County of Douglas, State of Nevada, and STEVEN D. SIKORA AND BARBARA E. SIKORA, (collectively referred to herein as "PETITIONER" or "SIKORA") and hereby agree to the annexation of PETITIONER's land into the DISTRICT as follows:

## **WITNESSETH**

WHEREAS, PETITIONER petitioned for the inclusion of real property into the DISTRICT by proper petition submitted to the DISTRICT and dated March 22, 2005. At the regular general business meeting of the BOARD and the DISTRICT on April 6, 2005, the DISTRICT approved of the annexation, or inclusion, of PETITIONER's real property subject to conditions; and

WHEREAS, a condition of approval at the April 6, 2005, Board meeting was that an annexation agreement be prepared to encompass the entire area of PETITIONER's property to set forth the terms, conditions, provisions and approvals of annexation of PETITIONER's property and its inclusion into the DISTRICT; and

WHEREAS, the DISTRICT and PETITIONER desire to hereinafter refer to this Agreement as containing the provisions of the annexation of PETITIONER's property into the DISTRICT, and this Agreement is intended to govern the developmental activities of the PETITIONER's property in the future.

NOW, THEREFORE, for and in consideration of the above-stated recitals, and the DISTRICT's and PETITIONER's compliance with each term and provision of this Agreement, and for other good and valuable consideration including the mutual covenants and promises set forth hereinafter, the parties do hereby agree as follows:

# 1. Property Annexed.

The real property to be annexed into the DISTRICT, and included into the DISTRICT upon the due and proper execution of this Agreement and the recordation of an Order of Annexation, is that property which is identified and described in that legal description attached hereto as Exhibit "A" and incorporated herein as if set forth in full. Hereinafter, the property that is annexed into the DISTRICT, and included by order of the BOARD, shall be referred to as the "Property".

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BK- 0106 PG- 9128 The Property is annexed into the DISTRICT subject to the DISTRICT's Policies and Procedures Manual (the "Manual"), as in effect at the time the parties execute this Agreement, and as amended from time to time. PETITIONER and the DISTRICT agree that the DISTRICT's Manual, including without limitation, "Appendix E - Procedures for Annexation," shall govern the annexation of the Property into the DISTRICT.

## 2. Water Rights.

- PETITIONER, at its sole discretion and election, may provide to the DISTRICT A. underground, non-supplemental water rights from a non-DISTRICT source. Water rights acquired from a non-DISTRICT source shall be dedicated by a water right grant deed to the DISTRICT prior to the recordation of the final subdivision map. In this instance, PETITIONER will be responsible to prepare and file a Report of Conveyance documenting the ownership change with the Office of the State Engineer. PETITIONER and the DISTRICT acknowledge and agree that it is the intent of PETITIONER to convey 11.20 acre feet of water rights to the DISTRICT to support the Project from existing water rights owned by PETITIONER. DISTRICT acknowledges that there exists on the Property a water system consisting of a domestic water well, pump, pump house and water delivery system (the "Existing Water System") and that such Existing Water System services neighboring parcels (APNs 1220-16-101-006 and 1220-16-101-005) that will not be annexed into GRGID. In conformance with this Agreement, PETITIONER shall transfer the requisite water rights to the DISTRICT and the Project shall receive water service from the DISTRICT. The Existing Water System shall remain on the Property and the neighboring parcel owners' rights to access or receive water from the Water System shall be unaffected by this Agreement.
- B. PETITIONER shall be fully responsible for all costs and fees, including retaining a licensed water-right surveyor, for preparing and filing the requisite water-right applications, whether temporary or permanent, necessary to support the change of point of diversion and place of use of the water rights necessary and dedicated to serve the Project. The DISTRICT agrees to cooperate with the PETITIONER in its water right permitting efforts by providing supplemental information currently available to the DISTRICT. In addition, the DISTRICT will from time to time, as necessary, prepare will-serve letters acknowledging the DISTRICT's commitment to serve water for the Project.
- C. PETITIONER shall file an application to change the point of diversion and place of use to a well site designated by the DISTRICT of the 11.20 acre-feet of water required to serve the Project, and the PETITIONER shall be responsible for any and all costs thereof. No connection permit shall be issued by the DISTRICT until the water rights transfer to the DISTRICT is approved by the State Engineer.
- D. PETITIONER acknowledges that the DISTRICT has no ability to control and govern the actions of the State Engineer with regard to the water right application and permitting process. Accordingly, PETITIONER agrees to hold harmless the DISTRICT from any and all losses PETITIONER may experience or consequential damages PETITIONER may incur that

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may be caused by any decision of the State Engineer's Office on PETITIONER's water right applications.

#### 3. General Conditions.

- A. PETITIONER and the DISTRICT agree that, in addition to other general and specific conditions set forth within this Agreement and in the Manual, except as otherwise set forth in this Agreement, PETITIONER shall be required to pay to the DISTRICT all applicable annexation fees and charges of the DISTRICT as set forth in the Manual as in effect at the time of development of the Property.
- B. Until such time as PETITIONER requests the DISTRICT to review a development proposal, no annexation fees shall be charged to PETITIONER. Annexation fees shall be paid only at the time that PETITIONER submits a final subdivision map or improvement plans, whichever is first submitted, on all or a part of the Property to the DISTRICT for its review and recommendations, and for the DISTRICT's approval of the improvement plans for those facilities necessary to provide the services delegated to the DISTRICT pursuant to its enabling ordinance. PETITIONER agrees to submit all tentative and final map(s) to the DISTRICT concurrent with submission of such map(s) to Douglas County or any other regulatory agency having jurisdiction over the Property.
- C. At such time as an application for approval of improvement plan(s) is submitted, PETITIONER, or PETITIONER's successors-in-interest, shall remit to the DISTRICT annexation fees in the amount of \$13,624.60 (\$2815.00/net acre x 4.84 acres) for the Property encompassed within Exhibit "A."
- D. PETITIONER will submit to the DISTRICT for its review and recommendations any proposed designs for the development of the Property. The DISTRICT's review shall be of all aspects of the development, including, without limitation, density of development, public facilities, and all aspects of access to the Property (including ingress, egress, road width and construction). GRGID and PETITIONER agree that the DISTRICT will review such proposed development pursuant to the then existing requirements set forth in the DISTRICT's Manual. PETITIONER agrees to comply with all applicable provisions of the DISTRICT's Manual as in effect at the time of the application for development of the Property.
- E. Should PETITIONER seek to develop the Property at a greater density than ten (10) single-family residences, PETITIONER shall be required to apply to, and receive approval of, the BOARD. In such instance, PETITIONER hereby consents to the payment of additional annexation fees equal to the difference between those annexation fees charged for a lower density use and those which would have been assessed if the Property was annexed with a higher density use at the time of annexation in accordance with the DISTRICT's Manual and acknowledges that in such instance the Property may be charged additional annexation fees pursuant to the Manual and that such charge shall constitute a lien in favor of the DISTRICT for such additional annexation fees.

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Nothing contained within this Agreement shall relieve PETITIONER, or their F. successors-in-interest, from complying with all of the requirements of the DISTRICT to apply and pay for any other service(s) provided by the DISTRICT before such service(s) is provided, including, without limitation, streets, sewer, sidewalks, storm drainage and the like.

#### 4. Phasing.

PETITIONER and the DISTRICT agree that the Property included within the DISTRICT may be developed in a number of separate phases. Any of the tentative or final map phases undertaken by PETITIONER or their successors-in-interest may proceed concurrently with any other project undertaken by PETITIONER, or their successors-in-interest, and may proceed concurrently with any other project review and approval to expedite the time frame for approval and recordation. Nothing herein shall restrict the overlapping of phasing and concurrent development so long as all of the terms of this Agreement are complied with by PETITIONER and the DISTRICT.

#### 5. Final Map Assurance.

- After review and recommendations regarding the design elements of the Property, and approval of the proposed plans and method for providing DISTRICT services to the Property by the DISTRICT, and after review and approval by the Douglas County Community Development Department of the tentative map(s) filed by PETITIONER, the approval of the final map(s) on each phase of the project may require posting a letter-of-credit or other financial assurance with Douglas County to ensure completion of all or any portion of the public improvements within such phase(s) equal to one hundred fifty percent (150%) of the estimated construction costs for such improvement(s). PETITIONER agrees that the letter-of-credit or other financial assurance, if any, shall also name the DISTRICT as a beneficiary of the letter-ofcredit or assurance. Any assurance provided shall be periodically reduced in accordance with County and DISTRICT approval(s) in order that the entire assurance will be exonerated on final completion of improvement construction.
- Alternatively, PETITIONER, at PETITIONER's discretion and option, may В. install any such public improvements within any phase prior to the recordation of that phase's final map in lieu of posting such letter-of-credit or other financial assurance. Public improvements include streets, curbs, sewer systems, water systems, storm drain systems, streetlights, and access roadways, whether the same are dedicated to the DISTRICT or to Douglas County, as applicable.

#### 6. Further Covenants.

Upon compliance with all of the DISTRICT's conditions of approval of the tentative map(s), and upon compliance with those conditions prior to recordation of a final map(s), the DISTRICT shall not require any further payments, contributions or economic concessions as a condition for subsequent approvals, authorizations or permits contemplated within, or by, this

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Agreement, other than as provided for herein or in the DISTRICT's Manual, except for taxes, fees or other charges applied on a uniform basis by the DISTRICT to all similarly situated development projects.

# 7. <u>Service/Improvements.</u>

- A. <u>District Service</u>. On recordation of a final subdivision map(s), the DISTRICT shall provide to the Property, all services typically provided by the DISTRICT to areas within the DISTRICT including but not limited to, water service, sewer service, street maintenance, street lighting and storm water drainage. The DISTRICT shall provide such services upon satisfactory compliance with all conditions of approval of a tentative map(s) and/or of a final map(s) for all or a portion of the Property. Except as otherwise agreed in writing by PETITIONER and the DISTRICT, PETITIONER, or their successors-in-interest, shall be responsible for any connection fees (hook-up fees) and for all monthly user fees for any service provided by the DISTRICT to the Property that are in effect at the time that such service(s) is required for the Property.
- Sewer Capacity. PETITIONER acknowledges that it shall be required to acquire В. capacity for sewer service from the DISTRICT. PETITIONER also acknowledges that the DISTRICT must request additional sewer capacity from the Minden-Gardnerville Sanitation District ("MGSD") prior to its availability to PETITIONER. Unless PETITIONER elects to purchase the sewer capacity necessary to serve all of the Property at one time, PETITIONER may be delayed in the acquisition of sewer capacity for the Property until such time as the DISTRICT requests such capacity and such capacity is then approved by MGSD. PETITIONER, or PETITIONER's successors-in-interest shall pay to the DISTRICT all costs of the acquisition of such sewer capacity, which the DISTRICT incurs in acquiring capacity for sewer service from MGSD. As final maps are recorded, PETITIONER agrees to acquire capacity as necessary to serve the lots contemplated for development in the final map(s) for the Property. Except as otherwise set forth in this Agreement or as set forth in a subsequent agreement between PETITIONER and the DISTRICT, PETITIONER will be responsible for and pay all necessary and reasonable capacity charges to the DISTRICT, connection charges, and any other sewer service fees reasonably required by the Manual at the time of an application for sewer service for each lot, if capacity is reasonably available to the DISTRICT.
- C. <u>Developer Improvements</u>. Except as otherwise set forth in this Agreement or as otherwise agreed in writing by PETITIONER and the DISTRICT, PETITIONER shall provide and construct infrastructure for each phase of the project, at its sole expense, and will construct and provide to DISTRICT standards, and as operational a water distribution system with improvements including pipelines and valves as necessary to connect into the DISTRICT's existing system and to provide water service to the Property or a portion of the Property being developed; a sewer collection system with improvements necessary to connect into the MGSD existing sewer collection system to provide sewer service to the Property or a portion of the Property being developed; a system of streets constructed to DISTRICT standards to provide access to and within the Property; satisfactory ingress and egress on such streets or highways as

are approved by the DISTRICT or Douglas County; and a storm sewer/drainage system to DISTRICT standards, as necessary to provide storm water drainage to the Property. Such developer improvements shall be constructed for each phase of development of the Property as reasonably required by Douglas County and by the DISTRICT. Upon construction to DISTRICT standards, the DISTRICT shall accept dedication of and shall maintain all public utility improvements (street system excluded) upon completion, acceptance and delivery of as-built or record drawings.

D. <u>Water Capacity</u>. Except as otherwise agreed in writing between the DISTRICT and PETITIONER, PETITIONER shall be required to pay to the DISTRICT a fixed connection fee pursuant to the DISTRICT's Policy and Procedures Manual for each single-family residence prior to the issuance of a building permit by Douglas County through the life of the project as the necessary connection charge and do hereby further agree that such fees shall be paid prior to obtaining a building permit for each respective single-family residence.

# 8. Public Works Construction.

All public works construction within the project shall be performed in accordance with the Standard Specifications and Standard Details for Public Works Construction (Orange Book) as adopted by Douglas County and the DISTRICT, the DISTRICT's Policies and Procedures Manual and all other applicable state and local codes, ordinances and statutes.

# 9. <u>Improvement Plans</u>.

PETITIONER shall provide improvement plans for each phase of the project to the DISTRICT or its representative(s) for review and approval prior to commencing construction, and PETITIONER agrees to reimburse the DISTRICT for any reasonable expenses the DISTRICT incurs in review of said plans, which may include expenses related to design review, to review of any tentative map(s) for any phase(s); review of any final map(s) for any phase(s); full-time on-site inspections; and legal and engineering expenses. PETITIONER also agrees to reimburse the DISTRICT for any administrative expenses incurred by the DISTRICT in the plan review process. PETITIONER shall provide as-built improvement plan drawings (two mylar reproducible copies; two bond copies and one copy on electronic media and in AutoCAD format) to the DISTRICT upon completion of improvements.

## 10. Water Meter.

Meters shall be supplied and installed by the DISTRICT upon PETITIONER's payment of the connection fees which are in effect at the time of the request for service, and PETITIONER's payment of the cost of the meter(s) and related parts necessary for installation.

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# 11. <u>Default, Remedies, Termination</u>.

- General Provisions. Subject to extensions of time by mutual consent in writing, A. failure or unreasonable delay in performing any material term or provision of this Agreement shall constitute a default. In the event of an alleged default or breach of any of the terms or conditions of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the party charged shall not be considered in default for the purpose of termination of this Agreement or institution of any legal or equitable proceedings. After written notice and expiration of thirty (30) days from the date of notice of default, the non-defaulting party to this Agreement may, at its option, institute legal, equitable or administrative proceedings to enforce its rights pursuant to this Agreement. Evidence of default may also arise in the course of periodic review of this Agreement. If either party determines that the other party is in default following the completion of the periodic review, either party may give written notice of default of this Agreement as set forth in this section specifying in the notice the alleged nature of the default and potential actions to cure the default where appropriate. Following a notice of default of this Agreement, the BOARD at its next regularly scheduled meeting shall schedule the matter for consideration and review. If the default is not cured within thirty (30) days or within such longer periods as agreed upon between the DISTRICT and PETITIONER, or if the defaulting party waives its rights to cure such alleged default, then the defaulting party shall be required to pay the non-defaulting party all costs and expenses suffered by the non-defaulting party resulting from the default. Any mutually agreed upon extension of the time within which either party may perform the conditions and requirements of this Agreement shall not be defined as an incident of default of the terms of this Agreement.
- B. <u>Bi-annual Agreement Review</u>. PETITIONER and the DISTRICT agree that, for the purposes of the DISTRICT's review of this Agreement, the Agreement shall be considered as an agreement for development of land pursuant to the provisions of NRS 278.0201. This Agreement may be amended or cancelled, in whole or in part, by mutual consent of the parties to the Agreement or their successors-in-interest except that if the DISTRICT determines upon a review of the development of the land held at least once every twenty four (24) months, that the terms or conditions of the Agreement are not being complied with by either party, or their successors-in-interest either party may provide notice of default to the non-performing party.
- C. <u>Notice</u>. Notice of intention to declare a default of any portion of the Agreement must be given by publication in a newspaper of general circulation in Douglas County, Nevada, and by certified mail to the defaulting party.
- D. <u>Termination Not to Affect Final Map(s)</u>. It is hereby acknowledged by PETITIONER and the DISTRICT that any portion of the Property which is the subject of a final map recorded at the time of a default shall not be affected by or jeopardized in any respect by any subsequent default affecting the balance of the Property.

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### 12. Miscellaneous.

A. <u>Notice</u>. Any notices provided concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail and sent to the respective address of each party as set forth herein:

If intended for GRGID, notices shall be addressed to:

GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT Attention: Bob Spellberg, District Manager 931 Mitch Drive Gardnerville, Nevada 89460

With a copy of all notices delivered to GRGID also to:

ROWE & HALES, LLP Attention: Michael Smiley Rowe, Esq. General Counsel, GRGID Post Office Box 2080 Minden, Nevada 89423

If intended for PETITIONER, notices shall be addressed to:

STEVEN D. SIKORA AND BARBARA E. SIKORA 1000 Tillman Lane Gardnerville, Nevada 89460

With a copy of all notices delivered to PETITIONER also to:

ALLING & JILLSON, LTD. Attention: Kenneth R. Jillson, Esq. Post Office Box 3390 Stateline, Nevada 89449

- B. Governing Law. It is agreed that this Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada as amended from time to time.
- C. <u>Modification</u>. Any modification of this Agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by each party, or an authorized representative of each party.

#### Indemnification/Hold Harmless. D.

- PETITIONER hereby agrees to, and shall hold the DISTRICT and its elected and appointed BOARD, commissions, officers, agents, attorneys and employees harmless from any liability for personal injury or death or claims for property damage which may arise from PETITIONER's conduct, or the conduct of PETITIONER's agents or successors, including contractors any sub-contractors or by any one or more persons directly or indirectly employed by or acting as the agent for PETITIONER during the course of Project construction and until final approval and acceptance of the Project and the public improvements contained within it. PETITIONER agrees to and shall defend the DISTRICT from any all suits or actions at law or in equity for damage caused or alleged to have been caused by reason of PETITIONER's construction operations until final DISTRICT approval of the improvements within the phase(s) of the Project. PETITIONER shall, at PETITIONER's sole expense and cost, repair any existing streets, sidewalks, storm drains, sewer lines, water lines, street lights or other public improvement(s) which may be damaged during the course of construction of improvements on the Property during PETITIONER's development of the Property.
- PETITIONER reserves its right to make any claim it may have against the (2) DISTRICT for any incident of default or act of negligence on the part of the DISTRICT, its employees, agents, or assigns, consistent with the provisions of Chapter 41 of the Nevada Revised Statutes.
- Private Undertaking. PETITIONER and the DISTRICT specifically understand E. and agree that the Property and the development of the Property by PETITIONER, or PETITIONER's successors-in-interest is purely a private development, and no partnership, joint venture or other association or entity of any kind is formed by this Agreement. PETITIONER and the DISTRICT agree that the only relationship between the DISTRICT and PETITIONER is that of governmental entity regulating or providing services to the development of private property within the parameters of applicable law, ordinance, and policy as they relate to the owner of such private property.
- This Agreement is intended to contain, define, Effect of the Agreement. F. delineate, modify and expand upon the entire conditions attendant to the DISTRICT's annexation of the property upon PETITIONER's Petition for Inclusion of Real Property into the DISTRICT. This Agreement supersedes all previous written and oral communication between the DISTRICT and PETITIONER. There shall be no modification of this Agreement unless it is in writing and signed by PETITIONER, or PETITIONER's successors-in-interest and the DISTRICT. This Agreement shall be binding upon, and inure to the benefit of the heirs, successors and assigns of the parties.
- Memorandum of Agreement. This Agreement or a memorandum of short form of this Agreement containing its essential terms may be recorded upon the request of either party. This Agreement's terms, conditions, obligations, duties and responsibilities shall be binding upon and inure to the benefit of the Property, and the requirements of this Agreement are

obligations intended by the parties to be covenants running with, and applying to, the Property.

- H. <u>Assignment</u>. Neither this Agreement, nor any part hereof, or performance pursuant to the terms of this Agreement, may be assigned by either party without the prior written consent of the other patty first received in hand. The consent to an assignment of all or a portion of the duties, rights, covenants and conditions of this Agreement shall not be unreasonably withheld by either party. PETITIONER, or the assignee of PETITIONER, is required to notify the DISTRICT within ten (10) days of the assignee's name, address, contact telephone number and representative in the case of an assignee that is an entity.
- Attorneys' Fees. The parties retain all legal and equitable remedies in the event of any breach of the provisions of this Agreement. The party prevailing in any legal action initiated to enforce the terms of this Agreement shall be entitled to an award of reasonable attorneys' fees and court costs.

DATED this 25th day of June 2006

ROBERT SPELLBERG.

GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT

|                                       | Deny A Gage                                     |                  |
|---------------------------------------|---|------------------|
|                                       | BEVERLY PAGE, Chairperso                        | n                |
| STATE OF NEVADA                       |   |                  |
| [ [                                   | ss.   |                  |
| COUNTY OF DOUGLAS                     | ) \ \ **  |                  |
|                                       | eknowledged before me on the 25th day of        | , l              |
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| BEVERLY PAGE.                         | '   |                  |
| 20 College                            |   |                  |
| PUBLIC NOUARY PUBLIC STATE OF NEVADA  |   |                  |
| County of Douglas                     |   |                  |
| ROBERT SPELLBERG                      | (())) \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \         |                  |
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| y Appointment Expires October 8, 2007 | ROBERT SPEILBERG, Distr                         | ict Manager      |
| STATE OF NEVADA                       | A RODERT OF EDUCATION                           | 7                |
| STATE OF NEVADA                       | ) ss.   | 0                |
| COUNTY OF DOUGLAS                     | ( )   |                  |
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D. EDMONSON
NOTARY PUBLIC
STATE OF NEVADA
APPT. No. 05-101305-5
MY APPT. EXPIRES AUG. 31, 2009

# PETITIONER:

STEVEN D. SIKORA

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|---|--------------------------------|------------------------|-------------------|----------------------|-------------------|
|   | STATE OF NEVADA                | )                      | /                 |                      | \ \               |
|   | COUNTY OF DOUGLAS              | ) ss.<br>)             | <                 |                      | 7 /               |
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|   | STEVEN D. SIKORA.              | eknowiedged before     | ine on the readay | or <u>//000//000</u> | 2003, by          |
|   | (20/+2006)                     |                        |                   |                      |                   |
|   | NOTARY PUBLIC                  |                        |                   | \ \                  | `                 |
|   | NOTARY PUBL                    | IC .                   |                   | ) )                  |                   |
|   | STATE OF NEVA                  | <b>A</b>               |                   | / /                  |                   |
|   | ROBERT SPELLI                  |                        | Barba             | M. E. Sik            | ma                |
|   | My Appointment Expires October | 0,2007                 | BARBARA           |                      | <u> </u>          |
|   |                                |                        | \ \ (             |                      |                   |
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|   | /_/_/                          |                        |                   |                      |                   |
|   | STATE OF NEVADA                | )<br>) ss.             |                   | \/                   |                   |
|   | COUNTY OF DOUGLAS              | )                      | \ \               | -                    |                   |
| ጄ | This instrument was a          | eknowledged before i   | ne on the IL day  | of November          | 2005 by           |
|   | STEVEND SIKORA.                | Valle wiedged before i | ne on the 16 day  | 1400cm               | 200 <i>5</i> , 0y |
|   | Selatorea                      |                        |                   |                      |                   |
|   | NOTABY PIPE IC                 |                        | / /               |                      |                   |

NOTARY PUBLIC STATE OF NEVADA County of Douglas ROBERT SPELLBERG

My Appointment Expires October 8, 2007

## EXHIBIT "A" LEGAL DESCRIPTION

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

A portion of the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 16, Township 12 North, Range 20 East M.D.B. & M., described as follows:

BEGINNING at the Northwest corner of the Northeast 1/4 of the Northwest 1/4 of said Section 16 and running East along the North line of the Northeast 1/4 of the Northwest 1/4 518.92 feet to the POINT OF BEGINNING:

thence South 20° 28' West, 262.57 feet to a point;

thence South 15° 59' West, 122.22 feet to a point;

thence South 08° 51' West, 60.00 feet to a point;

thence South 41° 58' West, 60.0 feet to a point;

thence South 77° 26' West 106.35 feet to a point;

thence South 72° 56' West, 245.95 feet to a point on the West line of the Northeast 1/4 of the Northwest 1/4 of Section 16:

thence South 00° 01' 45" East, 94.0 feet to a point;

thence East along the South line of the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4 of said Section 16, 653.82 feet to a point;

thence North 00° 04' East, 663.50 feet to a point;

thence West along the North line of the Northeast 1/4 of the Northwest 1/4, 135,48 feet to the POINT OF BEGINNING

TOGETHER WITH a non-exclusive right-of-way and easement for roadway and utility purposes over a strip of land 50 feet in width, 25 feet on each of a centerline lying in the Northeast 1/4 of the Northeast 1/4 of the Northwest 1/4 of Section 16, Township 12 North, Range 20 East, M.D.B. & M described as follows:

COMMENCING at a point located South 0° 11' 05" East, a distance of 331.75 feet from the Quarter corner on the North boundary of said Section 16 and running North 89° 50' 45" West, 660 feet

Assessor's Parcel Number: 1220-16-101-007