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DOC # 0689959
12/04/2006 02:01 PM Deputy: SD

OFFICIAL RECORD

Requested By:

MINDEN GARDNERVILLE

SANITATION DISTRICT

Douglas County - NV

Werner Christen - Recorder

Page: 1 Of 7 Fee: 20.00

BK-1206 PG- 845 RPTT: 0.00



When recorded please return to:

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

AGREEMENT FOR ANNEXATION

This Agreement is made on the 1st day of December, 2006, between Gardnerville Town Water Company (hereinafter referred to as "OWNER") and the Minden-Gardnerville Sanitation District, a governmental body organized under the laws of the State of Nevada, (hereinafter referred to as "DISTRICT").

WITNESSETH

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

A parcel of land located within a portion of Section 10, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

COMMENCING at the southwesterly corner of Parcel 1 as shown on the Parcel Map for Jacobsen Family Survivors/Residual Trust recorded October 2, 1998 in the office of the Recorder, Douglas County, Nevada, as Document No. 450962, the southeasterly terminus of Mathias Parkway, THE POINT OF BEGINNING.

thence along the easterly line of Mathias Parkway, North 44°45'21" West, 634.95 feet;
thence North 21°13'25" East, 444.12 feet to a point on the westerly line of Parcel 2 said Parcel Map;
thence along said westerly line of Parcel 2, South 46°07'18" East, 697.58 feet;
thence South 29°35'16" West, 438.56 feet to THE POINT OF BEGINNING.

Parcel No. 1220-10-501-003

Containing a total of 6.36 acres more or less.

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

WHEREAS, DISTRICT is willing to annex OWNER's property and to provide sewer capacity and service;

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

SECTION ONE

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

a. An annexation application fee in the sum of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) has previously been paid. This fee will be applied to the DISTRICT's expenses incurred in reviewing OWNER's application and plans. Any balance remaining will be refunded to OWNER. In the event the DISTRICT's expenses incurred in reviewing OWNER's application and plans exceed the fee, the OWNER agrees to pay to the DISTRICT the amount of the additional expenses.

b. An acreage fee totaling THREE THOUSAND EIGHT HUNDRED SIXTEEN DOLLARS AND NO/100 (\$3,816.00) represents payment for the applicable acreage fee of SIX HUNDRED DOLLARS AND NO/100 (\$600.00) per acre for 6.36 acres. The acreage fee must be returned with the executed original to this Agreement within the time constraints set forth in Section 9.100 of the DISTRICT's code.

c. At the time of this contract, OWNER is not requesting any capacity. If and when OWNER does request capacity, and then only if the DISTRICT has capacity available, a capacity fee will be paid by the OWNER, in full, on or before the earliest of the following dates: (1) nine (9) months from the date the DISTRICT allocates the capacity; (2) prior to the issuance of a connection permit; or (3) before the DISTRICT approves and/or signs any final subdivision parcel map. The allocation of capacity after fees are paid among parcels for which capacity has been purchased and is available, shall be determined by the DISTRICT ordinances in effect at the time capacity is actually allocated and applied. Section 6.080(4) presently specifies how such allocations are made. The above-described capacity fee is subject to revision, and the amount of the fee shall be the comparable rate within the DISTRICT for each Equivalent Dwelling Unit at the time of allocation, if available. Capacity will be allocated by the DISTRICT at the time OWNER makes the request. All capacity not used within two (2) years of the date of the allocation of the sewer capacity will be forfeited to the DISTRICT without any recourse or refund to the OWNER.

The applicant must use any and all capacity purchased within two (2) years of the date of annexation. Entering into an awarded, binding, written, bona fide construction contract with a licensed contractor in the State of Nevada for the installation of sewer service within the two-year period shall be deemed use of the capacity provided the contract requires installation of sewer facilities within a reasonable period of time (not to exceed six (6) months) in which to install the facilities. For good cause shown and demonstrated, and under very extenuating circumstances which the Board, in its absolute discretion, may accept or reject for any reason or no reason whatsoever, the Board may grant one and only one six (6) month extension of time in which to use the capacity, provided

that such request for extension is made before the expiration of the original two-year period. Annexed property shall be subject to all the current rules, regulations, ordinances, ad valorem taxes or other taxes and charges adopted or levied by the District. Any other provisions deemed reasonably necessary by the District due to special circumstances pertaining to any specific annexation applications shall be included in the agreement which also shall include the number of allocated units. Failure to comply with the time requirements set forth in this section shall result in forfeiture of all capacity purchased without notice to the applicant, and on forfeiture, all money paid to the District shall then become the property of the District and no amounts shall be refunded.

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

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

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

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

SECTION TWO

OWNER agrees to construct all facilities in accordance with the DISTRICT's applicable rules, regulations and ordinances. The OWNER will give the DISTRICT five (5) days' written notice prior to commencing construction.

SECTION THREE

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

SECTION FOUR

In the event that the DISTRICT is legally unable to provide sewer service, or sewer capacity, or is prevented from further providing the same, this Annexation Agreement shall terminate and become of no force and effect and the DISTRICT shall have no further obligation to provide sewer service or capacity to OWNER, his heirs, devisees, transferees, and/or assignees.

SECTION FIVE

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

SECTION SIX

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

SECTION SEVEN

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

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

DISTRICT

OWNER

GARDNERVILLE TOWN WATER
COMPANY

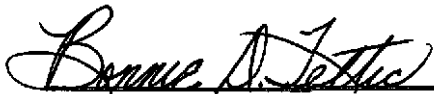
By: Jerome Etchegoyhen
Jerome Etchegoyhen,
Chairman, Board of Trustees
Minden-Gardnerville
Sanitation District

By: Dennis Wills
Its Board Chairman

STATE OF NEVADA)
)ss:
COUNTY OF DOUGLAS)

On this 1st day of December, 2006, 2006, personally appeared before me, a Notary Public, JEROME ETCHEGOYHEN, known to me to be the person whose name is subscribed to the within instrument, as authorized officer of MINDEN-GARDNERVILLE .. SANITATION DISTRICT, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

SUBSCRIBED and SWORN to before me
this 1st day of December, 2006.



Notary Public



STATE OF NEVADA)
)ss:
COUNTY OF DOUGLAS)

On this 1st day of December, 2006, personally appeared before me, a Notary Public, Dennis Willis, known to me to be the person whose name is subscribed to the within instrument, as authorized officer of GARDNERVILLE TOWN WATER COMPANY, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

SUBSCRIBED and SWORN to before me
this 1st day of December, 2006.



Notary Public

