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DC/COMPROLLER

Assessor's Parcel Number: N/A

Date: JUNE 3, 2009

Recording Requested By: _____

Name: CLAUDETTE, COMPROLLER

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

Douglas County - NV
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DISTRICT FINANCING AGREEMENT

BETWEEN

DOUGLAS COUNTY, NEVADA

AND

CLEAR CREEK TAHOE, LLC

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This District Financing Agreement (the "Agreement") between **DOUGLAS COUNTY, NEVADA** (the "County"), a political subdivision of the State of Nevada (the "State"); and **CLEAR CREEK TAHOE, LLC**, a Nevada Corporation (the "Developer") is made and entered into as of December 18, 2008.

WITNESETH:

WHEREAS, pursuant to Nevada Revised Statutes ("NRS") Section 271.710 the Board of County Commissioners of the County (the "Board") may enter into written agreements with the owners of all assessable property within a proposed special assessment or improvement district containing the provisions stated herein; and

WHEREAS, the Developer represents and warrants that (i) it is the legal owner of certain property ("Developer Property") to be assessed within the proposed Douglas County, Nevada, Special Assessment District No. 4 (Clear Creek) (the "District"), (ii) a true and correct legal description of the Developer Property is attached hereto as Exhibit A, (iii) there are no liens or encumbrances on the Developer Property except as shown on Exhibit B, and (iv) a true and correct legal description of all property to be included within the boundaries of the District (which includes the Developer Property and assessable property owned by persons other than the Developer which owners will also sign an agreement with the County pursuant to Section 271.710) is attached hereto as Exhibit L; and

WHEREAS, the Developer has signed and filed a petition (the "Petition") with the County to form the District in accordance with the County's Special Assessment Guidelines (the "Guidelines"); and

WHEREAS, the Developer proposes to construct and acquire certain improvements within the District, including street and certain governmentally-owned water and sanitary sewer utility improvements to serve certain areas located in the District, and to transfer those improvements to the Applicable Governments (as herein defined) in accordance with the terms and provisions provided herein, a brief description of which improvements is attached hereto as Exhibit C (such improvements, including the land on which they are located and all appurtenances is herein the "Project") and is shown on the map attached hereto as Exhibit D; and



WHEREAS, portions of the Developer Property are required for the Project (the "Project Property"), including real property to be dedicated in fee simple and easements, which is shown on the map attached hereto as Exhibit D; and

WHEREAS, the Developer agrees that the County may create the District, levy the assessments and for all other purposes relating to the District, proceed pursuant to the provisions of NRS Section 271.710; and

WHEREAS, the parties hereto propose to finance the Project by sale of bonds ("Bonds") pursuant to NRS Chapter 271, including NRS Sections 271.710 through 271.730.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE 1. CONSTRUCTION.

1.1 Description of Tasks.

A. Plans and Engineering.

1. Full and detailed plans and specifications for the Project will be prepared for the Project by the Developer and filed with the County Clerk and the Department of Public Works prior to the adoption by the Board of the ordinance creating the District.

2. The Developer shall cause all necessary additional engineering and construction plans and specifications including environmental reports, drainage study or analysis and estimates to be prepared for the Project for review and approval by the County and shall perform all other preliminaries needed in order to commence construction of the Project, including making of required surveys, doing engineering and design work, obtaining all required permits, licenses or other governmental or utility approvals. Any such review or approval by the County shall not limit any rights the County may have against any person for defective or negligent design.

3. The County may contract for the engineering services of one or more Nevada Registered Professional Civil Engineers, as selected by the County, in accordance with Nevada Revised Statutes, to review the engineering design for the Project prepared as provided in Paragraph 1 hereof as are necessary for the Project, to provide assessment engineering services on the Project including the Engineer's Report,

and to provide inspection services and to provide to the County assistance in verifying proper documentation for all payment requests and the proper amount to pay Developer in connection with those requests.

4. The Developer agrees that it shall be responsible for payment of all costs described in paragraphs 1 through 3 above which are incurred or due and payable prior to the time Bonds are issued, subject to obtaining reimbursements as described herein if Bonds for the District are issued.

B. **Construction.** The Project shall consist of the Subprojects listed in Exhibit C. The Developer agrees to construct the Project in accordance with the full and detailed descriptions, plans and specifications therefor, which are described in Section 1.1.A.1 above, as the same may be modified with the County's consent. All contractors and subcontractors selected for the Project must be licensed and bonded, if required by state licensing laws, in accordance with the laws of the State and be acceptable to the County.

C. **Transfer of Title to Property.**

1. Prior to payment by the County of the cost of any Subproject, the Developer shall transfer (i) to the County in the case of all improvements other than sanitary sewer improvements for Indian Hills General Improvement District (the "IHGID") and (ii) to the IHGID in the case of certain sanitary sewer improvements (the County or IHGID, as is applicable with respect to a particular Subproject is referred to as the "Applicable Government"), either fee title or, if acceptable to the County and the Applicable Government, an easement or easements, as the case may be (separately or together, a "property interest") in a form acceptable to the County and the Applicable Government for the real property on which each Subproject is located, except for those portions of the real property on which a Subproject is located which are already owned in fee by the Applicable Government or for which the Applicable Government already has the necessary easements or for which the County or the Applicable Government has obtained a right of occupancy pursuant to an action for condemnation filed in District Court. The Developer warrants at the time of the transfers of Subprojects and property interests to the County or another Applicable Government that the Developer has title sufficient to convey the property interest being conveyed and that such Subproject and said property interest are not subject to any easement, mortgage, security interest,

mechanics' or materialmen's lien or any other encumbrance, except as is approved by the County and the Applicable Government and is shown on a preliminary title report or pro forma title policy (a "Title Report") with respect thereto which shall be delivered to the County and the Applicable Government for their review and approval at least 20 days prior to the transfer of the property interest to the County or the Applicable Government. In the event the County and the Applicable Government does not approve any encumbrance shown on the Title Report, the County shall not be obligated to pay for such Subproject until the Developer has cured all objections to the property interest to the satisfaction of the County and the Applicable Government.

2. Prior to the County making payment for any Subproject, the Developer will transfer to the County or the Applicable Government title to all improvements constructed as a part of the Subproject and provide to the County complete and legally effective releases or waivers (satisfactory to the County and the Applicable Government) of mechanics', materialmen's, or other liens arising out of or filed (or which could arise out of or be filed) in connection with that Subproject. If any subcontractor or supplier fails to furnish such a release in full, Developer may furnish a bond or other collateral satisfactory to the County and the Applicable Government to indemnify the County and the Applicable Government against any lien, and the County at the County's discretion may make payment of 90% of the amount due with respect to that Subproject and retain 10% of the payment price until all potential liens have lapsed without filing, written waiver has been obtained therefor, or such liens have otherwise been removed from the property.

3. The Developer agrees to defend the Applicable Government's title to or easement in the property being transferred against any claim of encumbrance whatsoever arising by or through the Developer or any of their predecessors in title or which is caused or created by the Developer, including any mechanics' or materialmen's liens asserted in connection with the construction of the Project or the Developer's development of its property in the District. The obligations of the Developer in this paragraph 3 shall survive the termination of this Agreement.

D. **Warranty of Workmanship and Materials.** The Developer at the time of transfer of a Subproject shall warrant to the County and the Applicable Government that the



improvements have been constructed in accordance with the Plans and Specifications described in Section 1.1.A.1, and all amendments and addenda thereto which have been approved by the County and the Applicable Government. The County shall not be required to make a payment for any Subproject unless final construction drawings and specifications for that Subproject have been submitted to the County and the County and Applicable Government, in their sole discretion, have approved such final construction drawings and specifications and any amendments and addenda thereto, and unless that Subproject is constructed in strict accordance with such approved final construction drawings and specifications and any approved amendments and addenda thereto. Developer agrees to remedy any defects in any Subproject and to pay for any damage to other work resulting therefrom, which appears within one year of the transfer of the Subproject to the Applicable Government or such longer period as is required by the Applicable Government. In addition to the one year warranty for defects, the Developer agrees to be responsible for and continue to maintain those Subprojects associated with partially completed street improvements after the County has paid for such Subproject until such time as final phase of the street improvement has been constructed by the Developer, paid for by the County, and transferred to the Applicable Governmental Entity responsible for the street improvements as described in this Agreement.

E. **Work Specifications.** In addition to the Plans and Specifications described in Section 1.1.A.1, the construction work performed pursuant to this Agreement is subject to the following additional specifications:

1. The current edition of the Uniform Standard Specifications for Public Works' Construction Off-Site Improvements, Douglas County Area, Nevada (the "Standard Specifications") and the Uniform Standard Drawing for Public Works' Construction, Douglas County Area, Nevada (the "Standard Drawings"). (Standard Specifications and Standard Drawings are on file in the office of the Department of Public Works and may be examined there without charge. The Standard Specifications may be purchased from the Office of Public Works.

2. additional specifications, if any, determined by the Department of Public Works to be necessary or appropriate.

F. **Compliance with Law.** Pursuant to NRS 271.710(1), the Board need not comply with the provisions of any law requiring public bidding or otherwise imposing



requirements on public contracts, projects, works or improvements, including, without limitation, chapters 332, 338 and 339 of NRS except that NRS 338.010 to 338.090, inclusive, shall apply to any construction work to be performed under any contract relating to the District. A copy of the prevailing wage acts for public works in the State of Nevada for Douglas County is attached as Exhibit E to this Agreement. Developer is responsible for providing the State Labor Commission with all information required by NRS 338.010 to 338.090, and otherwise responsible for all compliance requirements of those provisions of NRS.

G. **Cost Estimates; Bonds.** At the time of commencement of construction of any Subproject, the Developer shall furnish the County with an updated estimate of the cost of constructing the Subproject, in form and substance satisfactory to the County. In addition, at the time any contract or change order is executed in connection with the construction of any Subproject, if as result thereof, the estimate of the cost of the Subproject previously furnished increases, the Developer shall furnish the County with another updated estimate of such cost, in form and substance satisfactory to the County. If the updated estimated cost of that Subproject exceeds the smaller of (i) the price of that Subproject as shown in Exhibit C plus any allocation of Bond proceeds available therefor because of a cost underrun on another Subproject or (ii) the amount of the proceeds of the Bonds available to pay the cost of that completed Subproject, as reasonably determined by the County taking into account any allocation of such Bond proceeds to other Subprojects and other costs, the Developer shall furnish to the County a performance bond and a payment bond in an amount equal to the amount of such excess at the time such estimate is furnished to the County. Those bonds shall remain in effect until acceptance of that Subproject by the Applicable Governments.

H. **Payments for Construction Project.** The County shall pay to the Developer for each Subproject 100% of the purchase price of that Subproject as is listed in Exhibit C at the time of the later of acceptance of that Subproject by the Applicable Government or transfer of title to that Subproject to the Applicable Government, provided that the County shall be obligated to pay such purchase price solely from the available proceeds of the Bonds to be hereafter issued by the County, if any, and at no time shall the aggregate amount paid by the County to the Developer pursuant to this Agreement exceed the reasonable actual costs to the Developer of the Subprojects theretofore accepted and then being accepted, as reasonably determined by the County with reference to its prior experience with similar types of

construction or otherwise. If the reasonable actual costs of a Subproject as reasonably approved by the County exceeds the price therefor as listed in Exhibit C, the County shall not be obligated to pay such difference unless and only to the extent that Bond proceeds are available to pay such excess because the Developer's Incidental Expenses or the County's Incidental Expenses are less than the aggregate stated in Subsection 1.3, or the price paid for another Subproject that has already been completed, accepted and paid for by the County is less than the price listed for that Subproject as listed on Exhibit C or any combination of such factors.

I. **Default in Construction Obligations of Developer.** In the event the Developer does not build any Subproject in accordance with the approved plans and specifications, or is late in completing any Subproject, the County may, at its option, proceed to build, complete, or rebuild as necessary that Subproject so that when completed that Subproject will be constructed in accordance with the plans and specifications. The County may apply the proceeds of the Bonds and amounts derived from any payment, performance or guarantee bond applicable to the Project to the costs of such building, completing or rebuilding. If these amounts are insufficient, the County shall make demand on the Developer to pay the amount of the insufficiency and the Developer shall immediately pay the County the amount of the insufficiency. For the purpose of this paragraph I, except as provided in the succeeding paragraph, the Developer will be treated as being late in completing a part of the Project if either: (i) that part of the Project has not been completed within the earlier of 12 months after a lot is sold in the District to a person who intends to use the lot for his or her residence, which lot is dependent for issuance of a certificate of occupancy on the incomplete improvement, or 18 months of the date a final subdivision map is recorded for any property in the District which subdivision map requires the completion of the incomplete improvement; or (ii) that part of the Project has not been completed by the date on which completion thereof was required in any permit issued by any governmental agency (including the County) to the Developer or any other owner or developer of property in the District, taking into account any extension of time for completion granted by the permitting agency.

Notwithstanding the foregoing, Developer shall not be deemed late in completing any Subproject under clause (ii) above to the extent that construction thereof is delayed as a result of occurrences beyond the control and without the fault or negligence of the Developer, including without limitation, fire, earthquake, floods and other out-of-the ordinary actions of the

elements, enemy invasion, war, insurrection, sabotage, laws or orders of governmental, civil or military authorities, governmental restrictions and moratoria, riot, civil commotion and unavoidable casualty, provided that the completion date under the permit is extended. In the event the Developer is delayed by such occurrences, the time within which the Developer must complete such Subproject shall be extended by a reasonable period of time not less than the actual number of days that the Developer was delayed as a result of such occurrences, but in any event, not more than the period of time for which the completion date under the permit is extended.

J. **Cost Overruns.** The Developer is responsible for the payment of and agrees to pay all costs of construction which exceed the amount available for that purpose from the proceeds of Bonds. When the sum of the amounts previously paid to the Developer pursuant to Section 1.4 hereof together with the amounts requested to be paid pursuant to Section 1.4 hereof equals or exceeds ninety percent of original principal amount of the Bonds, the Developer shall furnish the County a performance and payment bond or, in the discretion of the Developer, cash in an amount equal to the amount of the excess of the estimated costs of constructing the remaining phases of the Project over the amount of Bond proceeds available for such purpose.

K. **Cost Underruns.** If prior to three years from the date of issuance of the Bonds, the Project is complete and accepted and there remain unexpended proceeds of the Bonds (including interest earned on such proceeds) which were to be used for expenses in connection with the Project, and are not needed for any Project, assessment or Bond related purposes (including cost overruns on non-construction costs as provided in Section 1.3), as determined by the County, the County and the Developer may, by agreement, amend the Project to include any other Subprojects eligible for financing under Chapter 271 of NRS and the County's guidelines that benefit the property assessed in the District and such unexpended Bond proceeds may be expended on such additional Subprojects. If no such amendment is made or if after such an amendment or if after three years from the date of issuance of the Bonds, there still remains unexpended Bond proceeds, these unexpended proceeds shall be applied to redeem Bonds at such times as are determined by the County.

1.2 **Oversizing.**

A. **Water Line Oversizing.** The County shall not pay for any oversizing of

water lines the cost of which is to be reimbursed to the Developer by the County under any existing or future agreements between the County and the Developer or otherwise, and the Developer agrees not to include any such oversizing in its cost estimates or final costs for the Project or any Subproject.

B. **Sewer Line Oversizing.** The County shall not pay under this Agreement for any oversizing of sewer lines, the cost of which is to be reimbursed to the Developer by IHGID under any existing or future agreements between IHGID and the Developer or otherwise, and the Developer agrees not to include any such costs in its cost estimates or in final costs of the Project or any Subproject.

1.3 **Incidental Expenses.** The Developer and the County shall be entitled to be reimbursed for their incidental expenses ("Incidental Expense") as follows:

A. **Developer's Incidental Expenses.** The Developer shall be entitled to be reimbursed from Bond proceeds for the actual costs of the following estimated incidental expenses incurred and paid by the Developer (unless additional amounts are available from cost underruns on particular Subprojects or the County's Incidental Expenses): engineering expenses; environmental expenses; legal expenses; other non-construction costs associated with the District in such amounts as determined by the County Manager, in his sole discretion, to be necessary and appropriate; and the deposit of \$75,000 made by the Developer for County's costs. The County will, upon presentation of evidence of payment of the foregoing expenses by the Developer and approval thereof by the County, pay to the Developer the cost incurred, but only from the available proceeds of the Bonds.

B. **County's Incidental Expenses.** The County is entitled to pay the following incidental expenses directly from the proceeds of the Bonds and the deposit of \$75,000 made by the Developer for County costs, and any other monies provided to the County by the Developer for that purpose: (1) the cost of funding a reserve fund in the amount provided in the ordinance of the County authorizing the Bonds (the "Bond Ordinance"); (2) the fees and expenses of the engineering services described in Section 1.1.A(3) hereof; (3) the County's cost of issuing the bonds, which includes the estimated fees and expenses of bond counsel, financial consultant, the estimated cost of official statement printing and mailing, the other costs listed in the purchase contract for the bonds to be paid by the County including the estimated underwriter's discount, and the County's other actual expenses in connection with the issuance



of the Bonds; (4) the estimated cost of appraisal and absorption study; and (5) the estimated amount of the County's other costs of creating the District and administering the acquisition and construction of the Project, including legal expenses. If the deposit made by the Developer for County costs and the available Bond proceeds are not sufficient to pay the County's Incidental Expenses, the Developer shall, at the request of the County, pay the amounts needed.

1.4 **Method of Payment.** Payments made to the Developer, whether for the cost of a Subproject or for reimbursement of Incidental Expenses (as described in Section 1.3.A.), shall be made only on execution of a request for such payment signed by the Developer in the form attached as Exhibit F, by check or draft made out to the party designated and mailed as provided in the form found at Exhibit F. Developer agrees to not request a payment in an amount of less than \$250,000, except for the final payment. The County shall not be obligated to make any payment if after such payment the amount of Bond proceeds which would be remaining is less than ten percent of the original principal amount of the Bonds unless the Developer has complied with Section 1.1.J. hereof.

1.5 **County Authorized to Pay.** The County is authorized to directly pay all expenses listed in Section 1.3.B., without further authorization from the Developer, and shall provide to Developer, at its request, a copy of any invoice received with respect to those costs, or in the case of internal costs, other evidence of those costs.

1.6 **Appraisal and Absorption Study.** The County will obtain an appraisal and absorption study in form and substance and prepared by persons acceptable to the County which the County will use in evaluating the amount of Bonds, if any, which it will issue for the Project. The absorption study and appraisal shall respectively demonstrate the economic feasibility of the Bonds and the value of each parcel to be assessed, all as is required by the Guidelines.

ARTICLE 2. ASSESSMENTS.

2.1 **Procedure.** The Developer agrees that the County may proceed to order that the Project be acquired and improved, issue the Bonds and otherwise finance the cost of the Project and levy assessments without complying with the provisions of NRS 271.305 to 271.320, inclusive, 271.330 to 271.345, inclusive, 271.380 and 271.385 and the provisions of any law requiring public bidding or otherwise imposing requirements on public contracts, projects, works or improvements including without limitation chapter 332, 338 and 339 of NRS except as specifically provided in NRS 271.710. The Developer agrees that the Board may create the

District, levy assessments and for all other purposes relating to the District proceed pursuant to the provisions of NRS 271.710.

2.2 **Financing.** After the County determines the amount of Bonds, if any, to be issued based upon the appraisal and absorption study described in Section 1.6 hereof, the County agrees to proceed with the financing of the improvements by levying assessments against the property in the District and issuing the Bonds in the manner described herein and in the County documents, all of which are listed on Exhibit G (the "County Documents"). The County has not agreed to pay the Bonds from the sources named in NRS 271.495.

2.3 **Assessed Property, Assessment Roll.** The County will levy assessments against all the property in the District as provided in the assessment ordinance, and the amount of the assessments against each parcel of property in the District will not exceed that listed in the assessment roll attached hereto as Exhibit H. The final amount of the assessment against each parcel shall be determined in the sole discretion of the County based upon the information provided pursuant to Section 1.6 hereof, the Guidelines, and the report of the assessment engineer hired by the County.

2.4 **Assessment Installments.** Pursuant to NRS 271.405(2), the Developer hereby elects to pay the assessments against all the property it owns in the District in installments, with interest thereon as provided in the assessment ordinance. There will be not more than sixty substantially equal semiannual installments due, which substantially equal semiannual installments will include principal and interest. The Developer waives the right to pay the whole assessment within 30 days after the effective date of the assessment ordinance.

2.5 **Interest Rate.** The interest rate on the assessments will be a fixed interest rate which will be fixed by the County at a rate that is one percentage point above the highest interest rate on any of the Bonds unless a lesser amount is agreed to by the County in its sole discretion. Any interest received that is not used to pay the principal and interest on the Bonds will be used to pay the reasonable administrative and other expenses of the County in connection with the Bonds, the assessments and the Project, and to the extent not so used shall be applied as provided in Section 2.7.B. below. The effective interest rate on the Bonds and the interest rate on each maturity of the Bonds shall not exceed by more than three percent the Index of Twenty Bonds which was most recently published before the bids are received or the negotiated offer is accepted.

2.6 **Installment Due Dates.** Assessment installments shall bear interest at the rate specified as provided in Section 2.5 hereof from the date specified in the assessment ordinance until paid in full. The parties anticipate that sixty amortized assessment installments of principal and interest will be due semi-annually on March 1 and September 1 of each year, commencing on the first March 1 or September 1 within no less than six months but no greater than one year immediately following the adoption of an ordinance authorizing the issuance of Bonds ending within 30 years thereafter. The County may in connection with a refunding of the Bonds, change the assessment amortization, installment dates and payments and any other terms of the assessments permitted to be changed pursuant to NRS 271.488, in the manner provided in NRS 271.488.

2.7 **Bond Reserve.**

A. **Bond Reserve Defined.** A reserve fund (the "Bond Reserve") in the amount of the combined maximum annual principal and interest coming due on the assessments in any one year, or if smaller, such percentage thereof which equals the lesser of (i) the maximum amount of principal and interest due on the Bonds in any year or (ii) the maximum amount permitted to be funded with the proceeds of the Bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Tax Code") (the "minimum reserve requirement"), will be created with the proceeds of the Bonds. The Bond Reserve will be used as additional security for the Bonds to pay any principal and interest on the Bonds when due, if the payments of the assessment installments are insufficient for that purpose.

B. **Application of Interest Income.** All amounts in the Bond Reserve in excess of the minimum reserve requirement, derived from interest earned on amounts in the Bond Reserve or otherwise shall be applied at least annually to the following in the following order of priority:

1. **First,** to pay the principal of and interest on the Bonds then due to the extent not provided from capitalized or accrued interest or from the assessment installments and interest. Interest used under this clause to pay the principal of and interest on the Bonds shall be applied before a withdrawal is made from the balance in the Bond Reserve.

2. **Second,** to restore the Bond Reserve to the minimum reserve requirement if it is not then at that level.



3. Third, to pay all administrative and other expenses of the County associated with the Project, the Bonds or the assessments.

4. Fourth, to provide any credit or refund then owed under paragraph D of this section.

5. Fifth, interest earned on amounts in the Bond Reserve at least fourteen (14) months before an assessment interest payment date, not applied to any of the above purposes shall be applied pro-rata as a credit against the next assessment payment due on parcels whose payments are not delinquent and shall be applied against any delinquency in the case of delinquent assessments.

The County will, by June 15 of each year, commencing on June 15 following the first interest payment on the Bonds, compute the application of interest increase as described above, and interest increase applicable as provided in Section 2.5 hereof, and such computation shall be available for inspection by the Developer.

C. **Delinquent Assessment Reimbursement.** If because of any delinquent assessment an amount is withdrawn from the Bond Reserve to pay the principal of or interest on the Bonds, and that assessment is later paid in whole or in part (or amounts are received at a foreclosure sale or otherwise as a result of enforcing the payment of the delinquent assessment), an amount equal to the greater of (i) the amount withdrawn plus interest at the assessment interest rate, or (ii) the amount necessary to restore the Bond Reserve to the minimum reserve requirement, to the extent available from that payment of the delinquent assessment (including penalty and interest but after payment of costs of collection) shall be paid to the Bond Reserve from the payment of the delinquent assessment.

D. **Refunds.** Except as provided in the succeeding sentence, at the time the assessment against any parcel of property is paid in full, that parcel of property shall be entitled to a credit equal to its pro rata share of the balance then in the Bond Reserve, and the minimum reserve requirement shall be recalculated to reflect the payment in full of that assessment. No credit shall be made to the extent the balance in the Bond Reserve after granting the credit would be less than the minimum reserve requirement, as recalculated, but if this structure prevents all or a part of a credit, a refund in an amount equal to the credit that was not granted shall be made if and when money is available in the Bond Reserve to make the payment and as otherwise provided in paragraph B hereof.

E. **Use for Other Purposes.** This section does not entitle property owners or any other person to a refund of amounts in the Bond Reserve and the County is authorized to use amounts in the Bond Reserve for other purposes in connection with any refunding of the Bonds even if it reduces or eliminates any refunds that might otherwise be available.

2.8 **Waiver.** The Developer agrees: (i) that all of the property owned by it in the District is benefitted by the improvements proposed to be acquired and constructed in the District by an amount at least equal to the amount proposed to be assessed against those properties listed in the assessment roll attached as Exhibit H; and (ii) that the County may assess those properties in the amounts listed in the assessment roll. The Developer waives any and all formalities required by the laws of the United States and the State of Nevada in order to impose such assessments. The Developer consents and agrees to the assessments listed in the assessment roll for the property and agrees that, provided the Bonds are issued, those assessments must be made regardless of whether any or all of the improvements proposed to be constructed as described herein are in fact constructed or any provisions of Article 3 hereof are followed and agrees that the County may proceed to collect and enforce the assessments in the manner described herein and in the County Documents regardless of whether it completes the acquisition or construction of the improvements or complies with Article 3 hereof. The Developer waives all powers, privileges, immunities and rights as against the County or the District arising from or following from irregularities or defects, if any, occurring in connection with or ensuing from the actions, proceedings, matters and things heretofore taken or hereafter to be taken had and done by the County, the Board and the officers of the County (including, without limitation, the proper description of all property which the Developer may own within the District and the giving of proper notice of the proceedings relating to the District) concerning the creation of the District and the levying of special assessments to meet the cost and expenses of the improvements in the District. The Developer consents and agrees to be bound and consents and agrees that all property in the District owned by the Developer be bound and be subject to the assessment lien as thoroughly and effectively as if all actions, proceedings, notices, matters and things had been taken and done free from irregularities. The Developer also represents and warrants that the market value of each parcel owned by it in the District on the date of execution hereof and the date the assessments are levied exceeds the amount of the assessment proposed to be made against each such parcel.



ARTICLE 3. MISCELLANEOUS.

3.1 **Federal Tax Covenant.** The Developer covenants that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Developer or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code; or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect until the date on which all obligations of the County in fulfilling the tax covenant contained in the bond ordinance have been met.

3.2 **County Documents.** The Developer agrees to all provisions of those County Documents now on file with the County Clerk as of the date hereof. Any County Documents not now on file and changes to or additions to the County Documents must be approved by the County and the Developer. This section does not require Developer's approval of any new County Document or any change in the County Documents if the Developer's aggregate land holdings in the District consists of land on which there are unpaid assessments which represent, at the time of the adoption of such new or changed County Document, less than 50% of the aggregate unpaid assessments in the District.

3.3 **Permits.** The Developer hereby represents and warrants to the best of its knowledge after reasonable investigation that it has all discretionary governmental or other permits required to proceed with development of its property and the Project and has paid all fees relating thereto and any other fees owing with respect to the Project except as provided in Exhibit K. The Developer covenants that it will obtain any permits it does not now have and pay all fees due. There is no impediment, to the Developer's knowledge, to proceeding with the Project to completion and proceeding with the development of the land owned by the Developer in the District.

3.4 **Permitted Investments.** Any funds invested by the County under this Agreement may be invested in any investment that would be lawful for the County under the provisions of Chapter 355 and 356 of NRS.

3.5 **Indemnification; Insurance.**

A. **Indemnification To County.** Developer agrees to protect, indemnify, defend and hold the County, its officers or employees and agents and each of them harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees, and court costs which the County, its officers, employees or agents or any combination thereof may suffer or which may be sought against or recovered or obtained from the County, its officers, employees or agents or any combination thereof as a result of or by reason of or arising out of or in consequence of: (i) the acquisition, construction or financing of the improvements acquired by the County or Applicable Government pursuant to this Agreement; (ii) any environmental or hazardous waste conditions (a) which existed on any of the Project Property at any time prior to final acceptance of the Project by the Applicable Government or which was caused by the Developer or (b) which existed on any of the property which is assessed at any time while the Developer owned the property or which was caused by the Developer, provided said condition was not caused by the deliberate action of the County; or (iii) any act or omission negligent or otherwise of the Developer or any of its subcontractors, agents or anyone who is directly employed by or acting in connection with the Developer or any of its subcontractors, or agents, in connection with the Project. This Section 3.5 is not intended and shall not be construed to be a warranty of the construction, workmanship or of the materials or equipment incorporated in the Project; it being agreed that Developer's only warranty of such matters to the County is as stated in Section 1.1.

B. **Defense of Suits.** The Developer agrees that it shall at its sole cost and expense defend (including, without limitation, by paying the cost of attorneys selected by the County to assist in such defense) the County, its officers, employees and agents and each of them in any suit or action that may be brought against it or any of them by reason of the County's involvement in the Project and the financing thereof or any act or omission negligent or otherwise the consequences of which the Developer has agreed to indemnify the County, its officers, employees or agents. If the Developer fails to do so, the County shall have the right but not the obligation to defend the same and charge all of the direct or incidental costs of such defense including any attorneys fees or court costs to and recover the same from the Developer.

C. **Exception.** No indemnification is required to be paid by the Developer for any claim, loss or expense arising from the willful misconduct or gross negligence of the

County, its officers or employees and agents.

D. **Survival.** The provisions of this section shall survive the termination of this Agreement. It is not intended by the parties hereto that this indemnification provision revive any claim of or extend any statute of limitations which has run against any third party.

E. **Insurance.**

1. Developer shall procure and maintain during the course of this agreement, general liability, auto liability, property, and professional insurance as necessary to meet the financial obligations and liability of Developer assumed in this section. Said policies shall include coverage limits of not less than \$2,000,000 per occurrence. The County shall be added as an additional insured on all policies and certificates of insurance and endorsements for each insurance policy signed by a person authorized by the insured to bind coverage and shall be provided to the County prior to any work occurring after the execution of this Agreement.

2. Developer shall also procure and maintain workers compensation insurance on each of their employees in accordance with the laws of the State and shall require that all persons with whom they contract to perform any work in connection with the Project also procure and maintain that insurance for each person employed to perform work on or services for the Project.

3. All contracts entered into by Developer for the completion of work or professional services required pursuant to this Agreement shall contain indemnification and insurance clauses to protect the County's interest. Said coverages shall meet or exceed County "Minimum Standards" as required in the design and construction agreements as if contracts were entered into directly with County. A copy of such County "Minimum Standards" may be obtained from the Regional Transportation Commission.

3.6 **No Third-Party Beneficiaries.** None of the provisions of this Agreement are intended to make any person who is not a party to this Agreement, including, without limitation, the subsequent owners of property assessed, the general public or any member thereof, a third party beneficiary hereunder or to authorize anyone who is not a party to this Agreement to maintain any suit pursuant to this Agreement for any reason, including, without limitation, any suit for personal injuries or property damage, except that the Applicable Governments are



other documents which the County or bond underwriter reasonably request in connection with the sale of the bonds.

3.13 **Obligations of Developer; Guarantee.** The obligations of the Developer under Articles 1 and 3 hereof are obligations of the Developer upon which the Developer is personally liable and which are also secured by the guarantee attached hereto as Exhibit J. The obligations to pay assessments in Article 2 pertain only to the land owned by the Developer in the District and are not personal obligations of the Developer.

3.14 **Notices.** All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, addressed as follows:

If to the COUNTY:

Douglas County, Nevada
County Manager
Clear Creek Tahoe, LLC

If to the DEVELOPER:

If any notice hereunder is given to the County, a copy shall be forwarded by first class mail, postage prepaid, to the County's Director of Public Works, Chief Financial Officer and County Counsel at:

Director of Public Works
Chief Financial Officer
and
Douglas County District Attorney

If notice hereunder is given to the Developer, a copy should be forwarded by first-class mail, postage prepaid, to the Developer's counsel as follows:

3.15 **No Waivers.** No failure or delay on the part of either party in enforcing any provision shall operate as a waiver thereof, nor shall any single or partial enforcement of any provision hereof preclude any other or further enforcement or the exercise of any other right, power or remedy that either party may have.

3.16 **Attorneys' Fees.** If the County incurs attorneys' fees or expenses or any other fees and expenses in connection with the actual or overtly threatened breach by any other party of any provision hereof or in enforcing the provisions hereof, the County shall be entitled to



recover such fees and expenses from the Developer.

3.17 **Severability.** If any provision of this Agreement is deemed to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof that can be given effect without the invalid or unenforceable provision and the County and Developer agree to replace such invalid or unenforceable provision with a valid provision which has, as nearly as possible, the same effect.

3.18 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

3.19 **No County Obligation.** Nothing herein obligates the County to expend any money other than funds derived from the sale of the Bonds and amounts received from the investment thereof and receipts from the assessments made against the property in the District. Nothing herein obligates the County to issue the Bonds; however, the obligations of the Developer hereunder (except as provided in the following sentence) are contingent on the issuance of the Bonds by the County. If the Bonds are not issued by December 1, 2009 for any reason, this Agreement may be terminated by either party, but the Developer shall be responsible for payment of all of the costs incurred by Developer and by the County prior to that date. The amount of such costs incurred by the County shall not be contestable or appealable, absent fraud or gross abuse of discretion. The Developer shall pay to the County the costs submitted in the County's statement within thirty (30) days after receiving notice of the amount of the costs.

3.20 **Termination Date.** Except as otherwise provided in Sections 1.1.C.3, 3.1 and 3.5 hereof, this Agreement shall be in effect from the date and year first mentioned above until the later of: (i) the date all of the Bonds and all bonds issued to refund any of the Bonds (including through a series of refundings) have been retired; or (ii) the date on which all of the assessments against property in the District have been paid in full.

3.21 **Counterparts.** This Agreement may be executed on one or more counterparts, each of which shall be regarded as an original and all of which shall constitute the same Agreement.

3.22 **Recordation.** After this Agreement is executed in full, the County shall, within ten (10) working days, record this Agreement in the office of the County Recorder, after which this Agreement:

A. Is a binding obligation on all subsequent owners of the property described in Exhibit A pursuant to the terms hereof;

B. Is not extinguished by the sale of any property on account of nonpayment of general taxes or any other sale of the property; and

C. Is prior and superior to all liens, claims, encumbrances and titles other than the liens of assessment and general taxes.

3.23 **Conveyance Restriction.** Developer agrees not to convey any parcel, lot or real property interest in any land described in Exhibit A to any party until after this Agreement has been recorded in the office of the County Recorder.

3.24 **Disclosure to Transferee.** Developer agrees to inform any transferee of the property described in Exhibit A of the existence of this Agreement and the assessments and to obtain from any transferee who is known to the Developer to be acquiring a lot for development and resale a covenant to make a similar disclosure to any subsequent transferee. A form disclosure statement, which Developer agrees to use commercially reasonable efforts to have completed and signed by all purchasers of the property described in Exhibit A is attached as Exhibit I.

3.25 **Execution Authorization.** The persons executing this Agreement hereby state and acknowledge that they are authorized and empowered to do so on behalf of the party so designated.

3.26 **Construction; Time.**

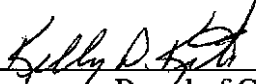
A. The language of this Agreement shall be construed as a whole according to its fair meaning and intent and not strictly for or against any party. Both parties were represented by counsel in the negotiation of this Agreement, and this Agreement shall be deemed to have been drafted by both of the parties.

B. Time is of the essence of this Agreement and all terms, provisions, covenants, and conditions hereof.



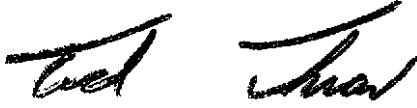
IN WITNESS WHEREOF the County and the Developer have caused this Agreement to be executed as of the day and year first mentioned above.

DOUGLAS COUNTY, NEVADA



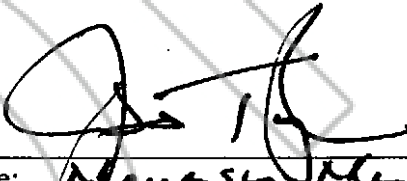
Chairman, Board of County Commissioners
Douglas County, Nevada

(SEAL)



County Clerk
Douglas County, Nevada
By: *L. Lynch, Clerk to Board*

CLEAR CREEK TAHOE, LLC

By: 
Title: Managing Director



STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on December 18, 2008, by Kelly D. Kite, as Chairman of the Board of County Commissioners, Douglas County, Nevada.

Witness my hand and official seal.



(NOTARY SEAL)

Deanne Hoogestraat
Notary Public for the State of Nevada

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on _____, 2008, by _____, as County Clerk, Douglas County, Nevada.

Witness my hand and official seal.

(NOTARY SEAL)

Notary Public for the State of Nevada

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on _____, 2008 by _____ as _____ of Clear Creek Tahoe, LLC.

Witness my hand and official seal.

(NOTARY SEAL)

Notary Public for the State of Nevada



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of California

On 4/29/09 before me, Lori Cole, Notary Public

personally appeared - James S. Taylor -

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: - District Financing Agree -

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

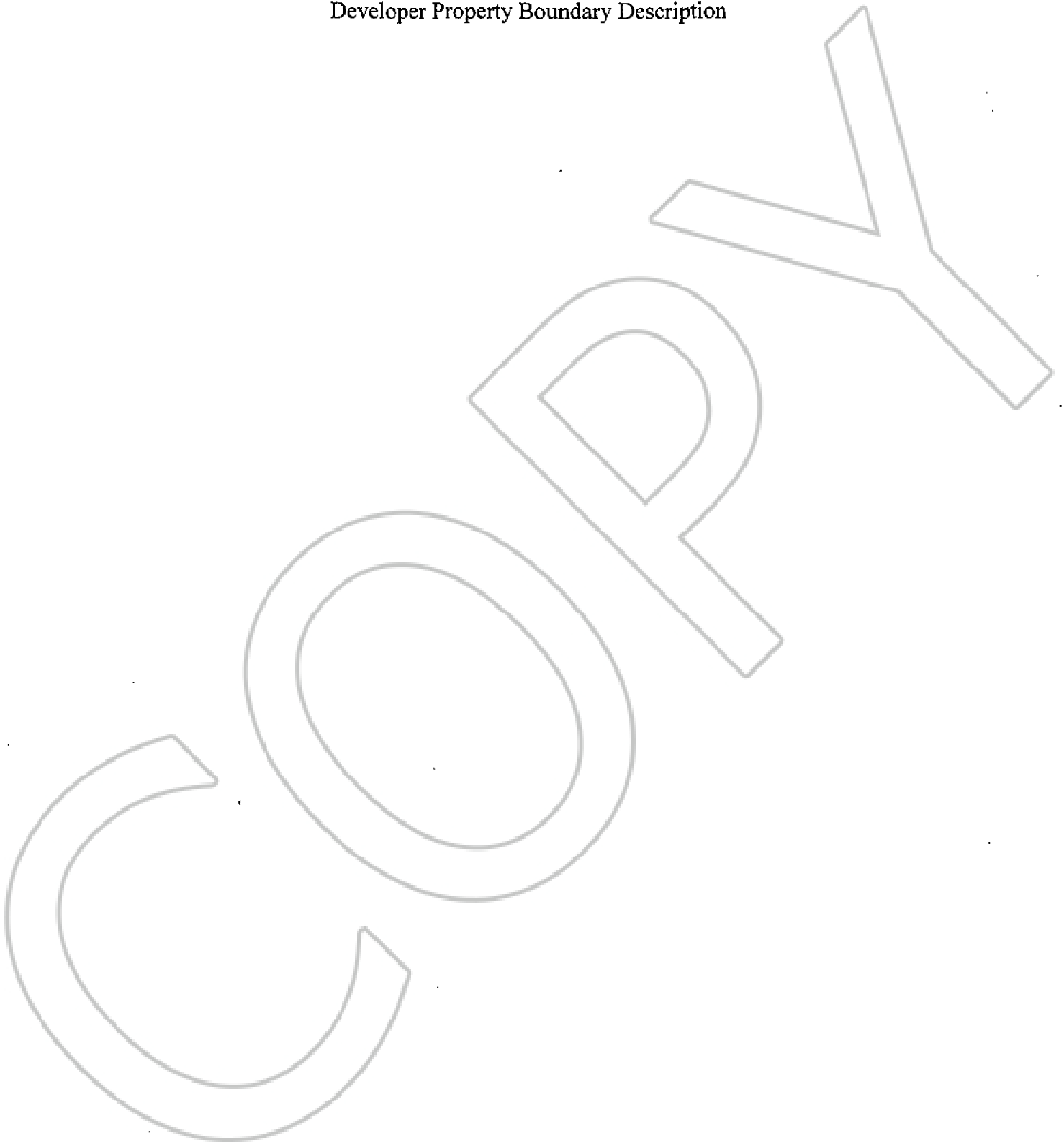
Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

Exhibit A
Developer Property Boundary Description



**SPECIAL ASSESSMENT DISTRICT #4
BOUNDARY
LEGAL DESCRIPTION**

A parcel of land situate in Sections 3, 4, 9 and 10, Township 14 North, Range 19 East, MDM, Douglas County, Nevada and being more particularly described as follows:

BEGINNING at the North Quarter corner of said Section 9;

Thence along the South line of the Southwest Quarter of said Section 4, South 88°59'58" West a distance of 1763.32 feet;

Thence leaving said South line, North 01°00'02" West a distance of 500.52 feet;

Thence North 61°22'11" East a distance of 255.88 feet;

Thence North 85°17'33" East a distance of 352.35 feet;

Thence North 29°04'35" East a distance of 257.50 feet;

Thence North 15°59'13" East a distance of 1018.32 feet;

Thence North 83°57'07" East a distance of 132.37 feet;

Thence North 43°34'46" East a distance of 75.90 feet;

Thence North 06°09'45" East a distance of 314.73 feet;

Thence North 39°21'07" East a distance of 317.38 feet;

Thence South 72°20'47" East a distance of 262.36 feet;

Thence South 39°46'59" East a distance of 347.54 feet;

Thence North 05°17'16" East a distance of 269.78 feet;

Thence North 13°31'46" West a distance of 231.61 feet;

Thence North 56°34'18" West a distance of 57.53 feet;

Thence North 63°02'22" West a distance of 65.29 feet;

Thence North 26°56'31" East a distance of 164.39 feet;

Thence South 88°57'09" East a distance of 1126.33 feet;

Thence South 00°26'56" East a distance of 120.89 feet;

Thence South 64°18'43" East a distance of 383.46 feet;



Thence North 31°37'15" East a distance of 310.39 feet;

Thence North 89°04'30" East a distance of 180.31 feet;

Thence North 44°21'15" East a distance of 173.27 feet;

Thence South 79°48'06" East a distance of 219.12 feet;

Thence South 87°23'11" East a distance of 226.13 feet;

Thence South 85°58'00" East a distance of 873.38 feet;

Thence South 07°44'18" West a distance of 234.97 feet;

Thence South 70°28'48" West a distance of 595.82 feet;

Thence South 75°25'24" West a distance of 308.30 feet;

Thence South 08°49'37" West a distance of 67.76 feet;

Thence South 74°04'28" West a distance of 169.17 feet;

Thence along the arc of a non tangent curve to the left having a tangent bearing of South 57°14'50" East, a radius of 277.50 feet, a central angle of 31°20'11", a distance of 151.77 feet;

Thence along the arc of a reverse curve to the right having a radius of 322.50 feet, a central angle of 12°46'03", a distance of 71.86 feet;

Thence North 62°13'07" East a distance of 189.17 feet;

Thence South 72°40'31" East a distance of 14.68 feet;

Thence North 88°48'52" East a distance of 30.27 feet;

Thence North 80°11'32" East a distance of 83.62 feet;

Thence North 71°44'39" East a distance of 107.51 feet;

Thence South 36°35'53" East a distance of 180.59 feet;

Thence North 59°39'19" East a distance of 352.28 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of North 64°31'16" East, radius of 117.02 feet; a central angle of 57°34'32", a distance of 117.59 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of North 49°16'12" East, a radius of 161.05 feet, a central angle of 59°14'49", a distance of 166.53 feet;

Thence South 73°21'10" East a distance of 168.01 feet;

Thence North 16°38'50" East a distance of 95.61 feet;



Thence North 10°52'22" East a distance of 117.98 feet;

Thence North 45°00'41" East a distance of 112.75 feet;

Thence North 66°57'11" East a distance of 86.33 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of North 29°36'26" West, a radius of 372.50 feet, a central angle of 30°40'27", a distance of 199.42 feet;

Thence North 01°04'01" East a distance of 381.06 feet;

Thence along the arc of a curve to the left having a radius of 307.50 feet, a central angle of 111°37'46", a distance of 599.10 feet;

Thence along the arc of a reverse curve to the right having a radius of 332.50 feet, a central angle of 139°17'08", a distance of 808.30 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of South 77°28'39" West, a radius of 200.00 feet, a central angle of 134°44'09", a distance of 470.32 feet;

Thence along the arc of a non tangent curve to the left having a tangent bearing of North 32°22'49" West, a radius of 230.00 feet, a central angle of 66°13'03", a distance of 265.81 feet;

Thence along the arc of a reverse curve to the right having a radius of 191.85 feet, a central angle of 90°10'10", a distance of 301.92 feet;

Thence North 07°31'50" East a distance of 169.98 feet;

Thence North 89°21'41" East a distance of 272.37 feet;

Thence along the arc of a curve to the left having a radius of 100.00 feet, a central angle of 57°32'59", a distance of 100.44 feet;

Thence North 31°48'42" East a distance of 112.59 feet;

Thence South 88°40'41" East a distance of 130.03 feet;

Thence South 04°00'45" East a distance of 298.51 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of North 59°02'10" East, a radius of 200.00 feet, a central angle of 60°15'12", a distance of 210.32 feet;

Thence along the arc of a reverse curve to the left having a radius of 100.00 feet, a central angle of 30°08'50", a distance of 52.62 feet;

Thence North 89°08'32" East a distance of 111.90 feet;

Thence along the arc of a curve to the right having a radius of 175.00 feet, a central angle of 91°42'33", a distance of 280.11 feet;

Thence South 00°51'05" West a distance of 16.66 feet;



Thence along the arc of a non tangent curve to the left having a tangent bearing of South 58°12'23" East, a radius of 28.50 feet, a central angle of 24°03'56", a distance of 11.97 feet;

Thence South 82°16'19" East a distance of 36.21 feet;

Thence along the arc of a curve to the left having a radius of 252.50 feet, a central angle of 76°27'17", a distance of 336.93 feet;

Thence along the arc of a reverse curve to the left having a radius of 28.50 feet, a central angle of 113°23'21", a distance of 56.40 feet;

Thence South 87°53'03" West a distance of 5.00 feet;

Thence North 01°09'51" West a distance of 18.51 feet;

Thence along the arc of a non tangent curve to the left having a tangent bearing of North 88°50'09" East, a radius of 500.00 feet, a central angle of 48°51'32", a distance of 426.37 feet;

Thence South 14°03'31" East a distance of 17.78 feet;

Thence South 77°20'12" West a distance of 5.00 feet;

Thence along the arc of a curve to the left having a radius of 28.50 feet; a central angle of 65°42'06", a distance of 32.68 feet;

Thence along the arc of a reverse curve to the right having a radius of 297.50 feet, a central angle of 86°05'35", a distance of 447.03 feet;

Thence North 82°16'19" West a distance of 104.19 feet;

Thence along the arc of a curve to the left having a radius of 66.50 feet, a central angle of 46°55'42", a distance of 54.47 feet;

Thence along the arc of a reverse curve to the right having a radius of 352.00 feet, a central angle of 32°50'41", a distance of 201.78 feet;

Thence along the arc of a reverse curve to the left having a radius of 51.50 feet, a central angle of 46°38'06", a distance of 41.92 feet;

Thence along the arc of a reverse curve to the left having a radius of 287.50 feet, a central angle of 147°34'19", a distance of 740.49 feet;

Thence along the arc of a reverse curve to the right having a radius of 352.50 feet, a central angle of 111°37'46", a distance of 686.78 feet;

Thence South 01°04'01" West a distance of 381.06 feet;

Thence along the arc of a curve to the left having a radius of 327.50 feet, a central angle of 07°00'09", a distance of 40.03 feet to a point on the North line of the Southwest Quarter of said Section 3;

Thence along the North line of the said Southwest Quarter, North 89°13'59" East a distance of 1436.81 feet;

Thence leaving said North line and along the North line of the Northwest Quarter of the Southeast Quarter of said Section 3, North 89°12'25" East a distance of 1145.67 feet;

Thence leaving said North line, South 05°18'35" West a distance of 611.29 feet;

Thence South 41°29'41" West a distance of 165.63 feet;

Thence South 30°35'03" West a distance of 438.91 feet;

Thence South 01°18'09" West a distance of 172.42 feet;

Thence South 31°37'04" West a distance of 139.55 feet;

Thence North 84°39'19" West a distance of 107.67 feet;

Thence South 31°53'08" West a distance of 183.02 feet;

Thence North 80°15'05" West a distance of 78.65 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of South 18°21'48" West, a radius of 522.50 feet, a central angle of 06°29'26", a distance of 59.19 feet;

Thence along the arc of a reverse curve to the left having a radius of 477.50 feet, a central angle of 17°26'19", a distance of 145.33 feet;

Thence along the arc of a reverse curve to the right having a radius of 1522.50 feet, a central angle of 07°18'25", a distance of 194.16 feet;

Thence South 70°42'27" East a distance of 138.76 feet;

Thence South 10°03'37" East a distance of 192.97 feet;

Thence South 33°17'27" West a distance of 51.59 feet;

Thence South 60°36'42" East a distance of 127.48 feet;

Thence South 71°31'17" East a distance of 159.92 feet;

Thence South 34°03'09" East a distance of 86.27 feet;

Thence South 87°06'37" East a distance of 68.92 feet;

Thence South 43°30'42" East a distance of 78.34 feet;

Thence South 00°11'11" East a distance of 402.80 feet;

Thence South 49°31'10" West a distance of 161.10 feet;

Thence South 73°12'58" West a distance of 486.50 feet;

Thence South 51°38'15" East a distance of 230.44 feet;

Thence South 05°03'22" East a distance of 226.16 feet;

Thence South 56°21'23" East a distance of 350.44 feet;

Thence South 03°15'33" West a distance of 152.47 feet;

Thence South 88°47'11" West a distance of 332.64 feet;

Thence South 48°03'07" West a distance of 603.96 feet;

Thence North 77°20'33" West a distance of 227.19 feet;

Thence North 17°00'43" West a distance of 388.80 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of South 49°45'06" West, a radius of 222.50 feet, a central angle of 27°24'31", a distance of 106.44 feet;

Thence South 77°09'37" West a distance of 39.62 feet;

Thence South 22°55'09" East a distance of 520.09 feet;

Thence South 65°35'22" West a distance of 246.75 feet;

Thence South 28°18'38" West a distance of 131.62 feet;

Thence South 07°49'37" East a distance of 204.84 feet;

Thence South 77°37'58" West a distance of 202.15 feet;

Thence North 89°41'55" West a distance of 242.05 feet;

Thence North 20°05'25" West a distance of 221.51 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of South 69°54'35" West, a radius of 822.50 feet, a central angle of 22°41'53", a distance of 325.84 feet;

Thence along the arc of a reverse curve to the left having a radius of 177.50 feet, a central angle of 40°14'48", a distance of 124.68 feet;

Thence South 48°43'34" East a distance of 71.37 feet;

Thence North 87°11'10" East a distance of 62.67 feet;

Thence South 45°41'12" East a distance of 254.66 feet;

Thence South 60°08'27" East a distance of 504.99 feet;



Thence South 19°04'56" East a distance of 157.36 feet;

Thence South 89°12'38" West a distance of 1278.35 feet;

Thence North 31°34'52" West a distance of 533.96 feet;

Thence South 73°42'36" West a distance of 150.46 feet;

Thence South 05°30'33" East a distance of 213.63 feet;

Thence South 41°21'31" West a distance of 277.29 feet;

Thence South 89°12'38" West a distance of 120.46 feet;

Thence South 88°27'48" West a distance of 253.72 feet;

Thence North 00°19'56" West a distance of 218.89 feet;

Thence North 44°59'13" West a distance of 122.09 feet;

Thence South 68°12'46" West a distance of 223.25 feet;

Thence North 87°21'11" West a distance of 401.73 feet;

Thence North 18°35'42" West a distance of 355.78 feet;

Thence North 48°10'38" East a distance of 250.56 feet;

Thence North 33°02'41" West a distance of 97.44 feet;

Thence North 03°16'11" West a distance of 102.76 feet;

Thence North 36°06'05" West a distance of 182.48 feet;

Thence along the arc of a non tangent curve to the left having a tangent bearing of South 80°23'29" West, a radius of 827.50 feet, a central angle of 09°43'46", a distance of 140.52 feet;

Thence along the arc of a reverse curve to the right having a radius of 447.50 feet, a central angle of 03°43'19", a distance of 29.07 feet;

Thence South 00°00'44" West a distance of 360.19 feet;

Thence South 84°16'51" West a distance of 200.65 feet;

Thence North 39°52'47" West a distance of 240.95 feet;

Thence North 04°06'30" East a distance of 235.44 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of North 61°00'31" West, a radius of 447.50 feet, a central angle of 19°33'06", a distance of 152.71 feet;



Thence South 04°06'30" West a distance of 309.64 feet;
Thence South 41°44'56" West a distance of 122.39 feet;
Thence South 07°09'01" East a distance of 99.58 feet;
Thence South 49°01'05" East a distance of 112.90 feet;
Thence South 65°01'01" East a distance of 350.51 feet;
Thence South 29°44'43" West a distance of 273.84 feet;
Thence South 75°04'27" East a distance of 272.32 feet;
Thence South 01°58'29" East a distance of 164.85 feet;
Thence South 88°27'48" West a distance of 754.75 feet;
Thence North 58°25'55" West a distance of 358.95 feet;
Thence North 26°26'09" West a distance of 102.30 feet;
Thence North 37°47'17" West a distance of 279.89 feet;
Thence South 89°53'12" West a distance of 129.49 feet to a point on the West line of the Northeast Quarter of said Section 9;
Thence along said West line, North 00°06'48" West a distance of 2120.31 feet to the **POINT OF BEGINNING**;

Excepting the following;

A parcel of land situate in Section 10, Township 14 North, Range 19 East, MDM, Douglas County, Nevada and being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 10;

Thence South 35°22'45" East a distance of 1474.78 feet to the **POINT OF BEGINNING**

Thence South 19°33'34" East a distance of 153.33 feet;

Thence North 71°52'48" East a distance of 383.67 feet;

Thence along the arc of a non tangent curve to the left having a tangent bearing of South 31°52'24" East, a radius of 322.50 feet, a central angle of 13°04'56", a distance of 73.64 feet;

Thence South 66°21'21" West a distance of 445.22 feet;

Thence South 33°34'49" East a distance of 161.94 feet;

Thence South 18°09'34" East a distance of 157.47 feet;

Thence North 72°59'38" East a distance of 171.93 feet;

Thence South 85°10'02" East a distance of 339.19 feet;

Thence South 12°59'43" East a distance of 110.39 feet;

Thence along the arc of a non tangent curve to the right having a tangent bearing of South 70°59'30" West, a radius of 777.50 feet, a central angle of 21°36'58", a distance of 293.33 feet;

Thence along the arc of a reverse curve to the left having a radius of 222.50 feet, a central angle of 99°38'14", a distance of 386.93 feet;

Thence South 66°06'49" West a distance of 300.78 feet;

Thence North 00°57'54" West a distance of 183.86 feet;

Thence North 35°14'49" West a distance of 192.44 feet;

Thence North 02°25'17" West a distance of 369.11 feet;

Thence North 21°07'41" East a distance of 236.11 feet;

Thence North 46°13'23" East a distance of 165.58 feet to the POINT OF BEGINNING.

Containing 713.37 Acres, more or less.

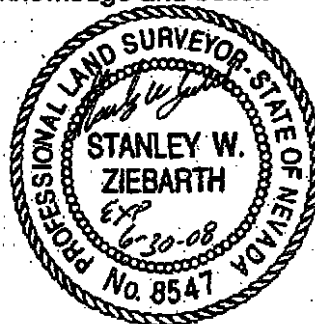
BASIS OF BEARINGS: North 89°12'38" East between the West Quarter (W¼) corner and the East Quarter (E¼) corner of Section Ten (10), Township Fourteen (14) North, Range Nineteen (19) East, Mount Diablo Meridian, as shown on Document No. 494257, Douglas County Official Records.

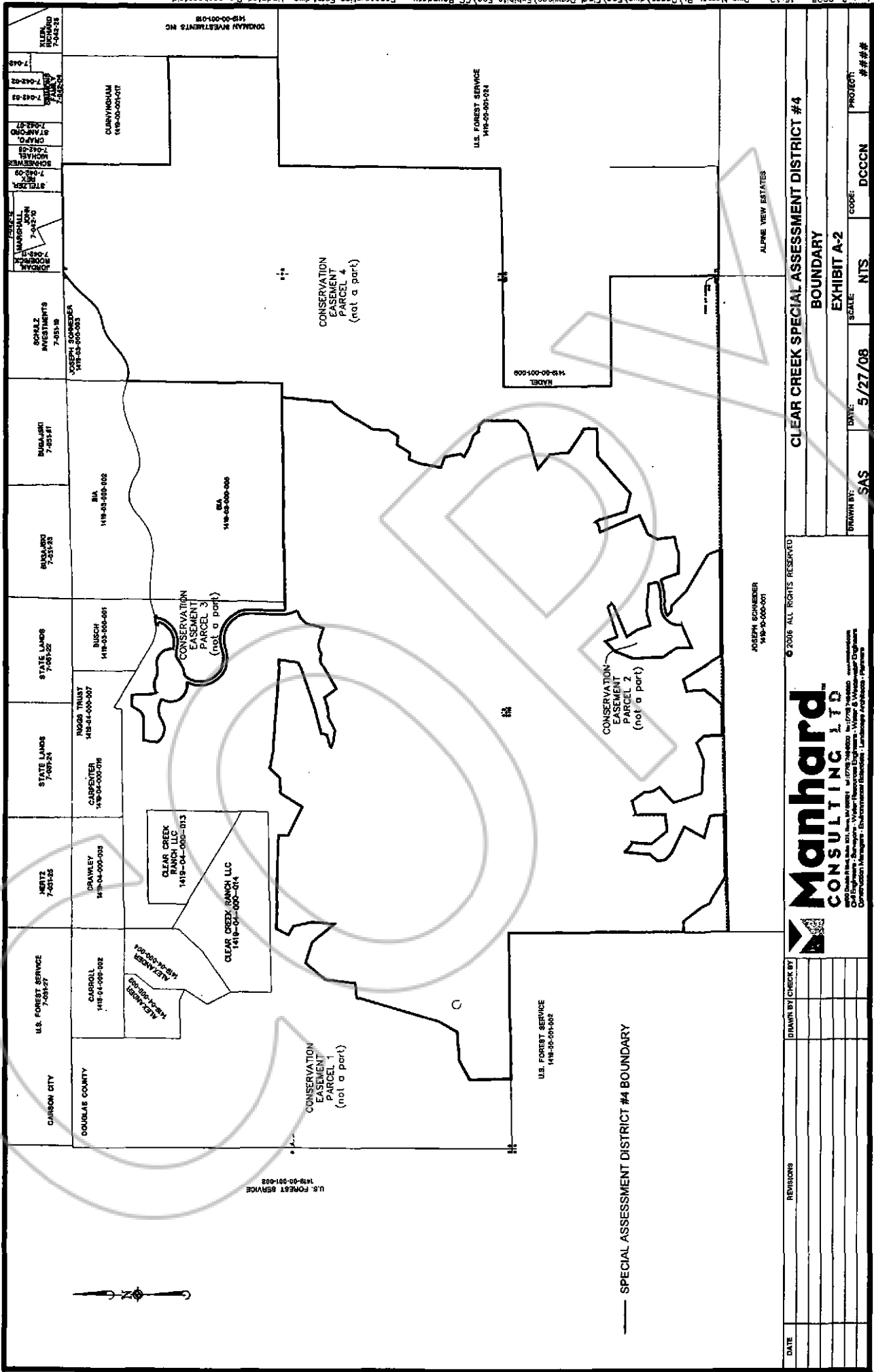
Surveyor's Certificate

I hereby certify that the attached legal description was prepared by me or under my direct supervision and is accurate to the best of my knowledge and belief.

Stanley W. Ziebarth
Nevada PLS 8547
For and on behalf of

 **Manhard**
CONSULTING
9850 DOUBLE R BLVD, SUITE 101
RENO, NEVADA 89521
(775) 746-3500





Manhard CONSULTING LTD.

1000 South Main Street, Suite 100, Denver, CO 80202
 Civil Engineers - Surveyors - Water Resources Engineers - Water & Wastewater Engineers
 Construction Managers - Environmental Scientists - Landscape Architects - Planners

DATE	REVISIONS	DRAWN BY	CHECK BY

CLEAR CREEK SPECIAL ASSESSMENT DISTRICT #4
BOUNDARY
EXHIBIT A-2

DRAWN BY: SAS
 DATE: 5/27/08
 SCALE: NTS
 CODE: DCCCN
 PROJECT: ###

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 JOSEPH SCHNEIDER
 1418-00-000-001

Job Name: P:\Projects\2008\2008-1612 - 1612.dwg
 User: jpschneider
 Date: 5/27/08
 Time: 7:48:28 AM

Exhibit B
Title Exceptions

COPY

Exhibit C
Subproject Description
and Purchase Prices

COPY

WATER SYSTEM IMPROVEMENTS:

The water system improvements will provide water to the Clear Creek Development as well as improving the current Douglas County water system. These improvements include the following projects listed below.

SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
Project 1	<i>James Canyon Booster Station</i>	\$1,274,040	\$177,000

Replacement of two existing 150 GPM pumps with two new 850 GPM pumps. The replacement of the two pumps requires the demolition of the existing pump building and reconstruction of a larger building, which also includes room for the addition of another 850 GPM pump in the future. This project also includes, valves, pipes and fittings, pumps and motors, a sodium hypochlorite treatment system, a pump building, appurtenant electrical improvements, communications and telemetry, mechanical equipment, a generator, excavation and embankment, storm drain improvements, sub-grade preparation, paving and aggregate base, fencing, landscaping, engineering, surveying, geotechnical analysis, permits, and fees.

The replacement of the existing James Canyon Booster Station is necessary to pump water to feed the Clear Creek Tahoe Zone 2 Booster Station, which will accommodate the Clear Creek Project. This project will also provide additional water to service future North Douglas County area maximum day demands.



SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
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Project 2	<i>Off-site Water Transmission Main</i>	\$4,904,628	\$228,100
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Construction of approximately 4600 LF of 12" PVC transmission main, 5350 LF of 16" of ductile iron pipe water transmission main, 16,200 LF of 18" of ductile iron pipe water transmission main, associated water valves, butterfly valves, flush valves, air release valves, a pressure reducing station, a smart valve, fire hydrants, service laterals, waterline protection, excavation and embankment, material haul-off, erosion control, storm drain improvements, removal and replacement of paving and base, re-vegetation, engineering, surveying, geotechnical analysis, permits, and fees. This project will be constructed along Jacks Valley Road from the James Canyon Booster Station to the existing Jacks Valley Tank Feed Line and along Bavarian Way, from Jacks Valley Road to the Zone 2 Booster Station.

The transmission main is needed to transport water from the James Canyon Booster Station to the Clear Creek Tahoe Zone 2 Booster Station. The transmission main will also tie the North County and the James Canyon/Montana water systems together providing additional water supply to the North Valley's area for future development as well as providing a redundant water supply for the entire north area in the event of a problem with the North County well(s).

Project 3	<i>Upper James Canyon Tank Feed Line</i>	\$451,200	\$82,000
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Construction of approximately 3000 LF of 18" ductile iron water transmission main, including associated water valves, butterfly valves, flush valves, air release valves, service laterals, and waterline protection. This water line will replace the existing 10" water line from the James Canyon Booster Station to the James Canyon Water Tank 2 (Upper James Canyon Tank).

The 18" water line is needed to reduce flow velocity and headloss during future maximum day and peak hour demands and to stabilize pressure fluctuations during future peak hour demands due to the increased water usage within the North County Service Area.



SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
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Project 4	<i>Clear Creek Production Well</i>	\$1,083,720	\$138,000
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Well improvements, including drilling, casing, pumps and motors, pipes and fittings, valves, a well house, water treatment, appurtenant electrical improvements, communications and telemetry, mechanical equipment, a generator, fencing, re-vegetation, engineering, surveying, geotechnical analysis, permits, and fees.

This project will provide additional water supply to the existing water system, as well as the Clear Creek Development.

Project 5	<i>Clear Creek Zone 2 Booster Station</i>	\$1,005,600	\$123,000
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Includes the installation of two pumps capable of delivering 500 GPM, valves, pipes and fittings, pumps and motors, a sodium hypochlorite system, a pump building, appurtenant electrical improvements, communications and telemetry, mechanical equipment, a generator, excavation and embankment, storm drain improvements, sub-grade preparation, paving and aggregate base, fencing, landscaping, engineering, surveying, geotechnical analysis, permits, and fees.

The Clear Creek Zone 2 Booster Station is necessary to pump water to the Clear Creek Zone 2 Tank, which will supply water to the Clear Creek Development water distribution system.

Project 6	<i>Clear Creek Zone 2 Tank</i>	\$1,199,700	\$151,500
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Construction of a 750,000 gallon water tank, associated water valves, excavation and embankment, material haul-off, erosion control, rock walls, storm drain improvements, sub-grade preparation, paving and aggregate base, engineering, surveying, geotechnical analysis, permits, and fees located on the western border of the subdivision.

This project will provide domestic water supply and fire storage for the residents of the Clear Creek Development.

SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
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Project 7	Clear Creek Zone 2 Transmission Main	\$1,703,868	\$60,500
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Construction of approximately 8200 LF of 12" PVC water main, 3500 LF of 10" ductile iron pipe water main, associated water valves, butterfly valves, flush valves, air release valves, fire hydrants, service laterals, waterline protection, excavation and embankment, material haul-off, erosion control, rock walls, storm drain improvements, sub-grade preparation, paving and aggregate base, engineering, surveying, geotechnical analysis, permits, and fees from the Zone 2 Booster Station to the Clear Creek Zone 2 Tank located on the western border of the subdivision. This project also includes the appurtenant grading, storm drainage, and paving required to provide a utility access road to the Zone 2 Tank as required by Douglas County.

This project will also provide domestic water supply for the residents of the Clear Creek Development.

Project 8	Hollister Well	\$801,000	\$100,000
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Well improvements, including drilling, casing, pumps and motors, pipes and fittings, valves, a well house, water treatment, appurtenant electrical improvements, communications and telemetry, mechanical equipment, a generator, fencing, re-vegetation, engineering, surveying, geotechnical analysis, permits, and fees.

Per the Forsgren "Capital Facility Plan: North County/West Valley Water System" report dated 08/10/2007, the Genoa Lakes #3 Well Site (Hollister Well) is currently being used for irrigation purposes only. This project would upgrade the existing well to be adequate for domestic use and provide additional water supply to the existing system, as well as the Clear Creek Development.



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SANITARY SEWER SYSTEM IMPROVEMENTS:

The sewer improvements will provide the means to deliver sewage from the Clear Creek Development to an existing wastewater treatment facility within the Indian Hills General Improvement District. A description of the sanitary sewer system improvements is given below.

SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
Project 9	<i>Indian Hills GID Off-Site Sewer and Lift Station</i>	\$2,250,282	\$246,000

Construction of approximately 10,500 LF of 8" sanitary sewer main, approximately 4000 LF of 6" sanitary sewer force main, including manholes, valves, excavation and material haul-off, erosion control, rock walls, removal and replacement of paving and base, chip seal of Bavarian Drive, mill and overlay of Jacks Valley Road, striping, engineering, surveying, geotechnical analysis, permits, and fees.

Also, included with the construction of the sewer main, is a sanitary sewer lift station with two 350 GPM pumps, valves, piping, fittings, a wet well, a generator, appurtenant electrical improvements, communications and telemetry, mechanical equipment, excavation, erosion control, paving and aggregate base, striping, engineering, surveying, geotechnical analysis, permits, and fees.

This project consists of the off-site portion of sanitary sewer and force main that will carry sewage from the Clear Creek Development to an existing sanitary sewer main within the Indian Hills General Improvement District. The existing sanitary sewer main is located just south of the Jacks Valley Elementary School and will provide service for the entire Clear Creek Development.

STREET IMPROVEMENTS:


The street improvements will provide primary vehicular access to the Clear Creek Development and the projects associated with these improvements are described below.

SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
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Project 10	Tahoe Golf Club Drive	\$1,398,691	\$1,208,821
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Construction of approximately 4000 LF of street improvements, which will connect the entrance of the Clear Creek Development with US Highway 50. The project includes: acquisition of right-of way and right-of-way easements, excavation and embankment, dust control, erosion control, storm drain improvements, rock walls, sub-grade preparation, paving and aggregate base, curb and gutter, re-vegetation, signing and striping, engineering, surveying, geotechnical analysis, permits, and fees.

The residents of Clear Creek will use Tahoe Golf Club Drive as the primary access to the development. Tahoe Golf Club Drive will also provide access to existing residents of Clear Creek Road.

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PHASE 1 IMPROVEMENTS:

The Phase 1 improvements provide water and sanitary sewer infrastructure that will benefit both the Phase 1 and 2 Golf Estate and Golf Cottage units of the Clear Creek Development.

SAD Project Number	Project Description	SAD Construction Cost	SAD Soft Costs
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Project 11	<i>Phase 1 Infrastructure and Sanitary Sewer Lift Station</i>	\$5,297,078	\$669,200
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Construction of approximately 2500 LF of 8" PVC water main, 12,000 LF of 10" PVC water main, 630 LF of 12" PVC water main, associated water valves, butterfly valves, flush valves, air release valves, fire hydrants, service laterals, waterline protection, approximately 13,300 LF of 8" PVC sewer main, approximately 5800 LF of sanitary sewer force main, including manholes, valves, excavation and embankment, material haul-off, erosion control, rock walls, storm drain improvements, sub-grade preparation, aggregate base, engineering, surveying, geotechnical analysis, permits, and fees.

Also included with Project 11, is construction of a sanitary sewer lift station with two 300 GPM pumps, valves, piping, fittings, a wet well, a generator, appurtenant electrical improvements, communications and telemetry, mechanical equipment, excavation, erosion control, engineering, surveying, geotechnical analysis, permits, and fees.

This project will provide domestic water supply and sewage disposal for the residents of the Phase 1 and 2 Golf Estates and Golf Cottages, as well as the Golf Course Facilities within the Clear Creek Development.

Project 12	<i>Clubhouse Road Infrastructure</i>	\$3,005,695	\$190,000
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Construction of approximately 2000 LF of 8" PVC water main, 4400 LF of 10" PVC water main, and 600 LF of 12" PVC water main, associated water valves, butterfly valves, flush valves, air release valves, fire hydrants, service laterals, waterline protection, approximately 4,300 LF of 8" PVC sewer main, approximately 3,700 LF of sanitary sewer force main, including manholes, valves, excavation and embankment, material haul-off, erosion control, rock walls, storm drain improvements, two bridges, sub-grade preparation, aggregate base, engineering, surveying, geotechnical analysis, permits, and fees.

This project will provide domestic water supply and sewage disposal for the residents of the Phase 1 and 2 Golf Estates and Golf Cottages, as well as the Golf Course Facilities within the Clear Creek Development.

Project #1:

Clear Creek Tahoe - James Canyon Booster Pump Station

Developer:

Clear Creek LLC.

Engineer:

Manhard Consulting, Ltd.

Prepared By:

DJR

Date:

9/12/2008

BOOSTER PUMP STATION

Description	Quantity	Unit	Unit Price	Total
Building (Structure)	1	LS	\$230,000.00	\$230,000.00
Valves	1	LS	\$81,000.00	\$81,000.00
Pipes and Fittings	1	LS	\$80,000.00	\$80,000.00
Pumps and Motors	1	LS	\$120,000.00	\$120,000.00
Motor Control Center	1	LS	\$224,000.00	\$224,000.00
Diesel Generator Set	1	LS	\$160,000.00	\$160,000.00
Outside Piping	1	LS	\$75,000.00	\$75,000.00
Hypochlorine System	1	LS	\$15,000.00	\$15,000.00
Subtotal:				\$985,000.00

SITE IMPROVEMENTS

Description	Quantity	Unit	Unit Price	Total
4" Asphalt Concrete Pavement	5,700	SF	\$1.00	\$5,700.00
6" Aggregate Base Material	5,700	SF	\$0.70	\$3,990.00
Fog Seal	5,700	SF	\$0.05	\$285.00
PCC Driveway Apron	225	SF	\$30.00	\$6,750.00
Grading and Landscaping	1	LS	\$50,000.00	\$50,000.00
Subtotal:				\$66,725.00

SOFT COSTS

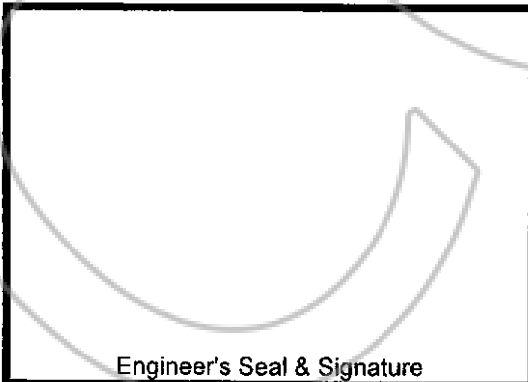
Description	Quantity	Unit	Unit Price	Total
Engineering Costs	1	LS	\$88,000.00	\$88,000.00
Mechanical Electrical	1	LS	\$28,000.00	\$28,000.00
Geotechnical Costs	1	LS	\$15,000.00	\$15,000.00
Surveying Costs	1	LS	\$10,000.00	\$10,000.00
Project Management	1	LS	\$10,000.00	\$10,000.00
Site Improvement Fees	1	LS	\$25,000.00	\$25,000.00
Douglas County and NDEP Review Fees	1	LS	\$10,000.00	\$10,000.00
Subtotal:				\$186,000.00

Subtotal: \$1,237,725.00

Prevailing Wage Adjustment (12.5%): \$131,465.63

7.5% Contingencies: \$78,900.00

Total: \$1,449,000.00



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Project #2:

Clear Creek Tahoe - Offsite Watermain

Developer:

Clear Creek LLC.

Engineer:

Manhard Consulting, Ltd.

Prepared By:

DJR

Date:

9/12/2008

STREETS

Description	Quantity	Unit	Unit Price	Total
Saw Cut Asphalt Concrete Pavement	26,500	LF	\$2.70	\$71,550.00
Remove Asphalt Concrete Pavement	13,500	SY	\$7.00	\$94,500.00
3" Asphalt Concrete Pavement	15,500	SF	\$1.00	\$15,500.00
6" Aggregate Base Material	19,500	SF	\$0.70	\$13,650.00
4" Asphalt Concrete Pavement	118,000	SF	\$1.30	\$153,400.00
8" Aggregate Base Material	118,000	SF	\$1.00	\$118,000.00
Fog Seal	133,500	SF	\$0.05	\$6,675.00
Grind and Overlay	83,500	SF	\$2.50	\$208,750.00
4' x 1' V-Ditch w/ Rip Rap	950	LF	\$22.50	\$21,375.00
Subtotal:				\$703,400.00

GRADING

Description	Quantity	Unit	Unit Price	Total
Roadway/Pad Excavation and Embankment	1,900	CY	\$2.50	\$4,750.00
Landscaping Re-Spread at 6" Depth	500	CY	\$2.50	\$1,250.00
Material Haul-off	500	CY	\$5.00	\$2,500.00
Subtotal:				\$8,500.00

STORM DRAIN

Description	Quantity	Unit	Unit Price	Total
Detention Basin Outlet Structure	1	EA	\$1,500.00	\$1,500.00
Storm Drain Main 18" Diameter - RCP	160	LF	\$60.00	\$9,600.00
Rock Riprap 6-12" Depth	120	SF	\$3.50	\$420.00
Flared End Section 18" RCP	3	EA	\$800.00	\$2,400.00
Subtotal:				\$13,920.00

PUBLIC UTILITIES

Description	Quantity	Unit	Unit Price	Total
8" PVC Water Main	10	LF	\$55.00	\$550.00
12" PVC Water Main	4,600	LF	\$67.00	\$308,200.00
16" DI Water Main	5,350	LF	\$90.00	\$481,500.00
18" DI Water Main	16,200	LF	\$110.00	\$1,782,000.00
12" Valve	5	EA	\$2,500.00	\$12,500.00
16" Butterfly Valve	7	EA	\$3,500.00	\$24,500.00
18" Butterfly Valve	23	EA	\$4,500.00	\$103,500.00
Fire Hydrant (inc. Valve & 6" Water Main)	17	EA	\$3,000.00	\$51,000.00
Flush Valve	9	EA	\$2,650.00	\$23,850.00
Air Release Valve	7	EA	\$2,700.00	\$18,900.00
PRV Station	1	EA	\$50,000.00	\$50,000.00
Smart Valve	1	EA	\$40,000.00	\$40,000.00
Subtotal:				\$2,896,500.00

MISCELLANEOUS

Description	Quantity	Unit	Unit Price	Total
Silt Fencing	25,500	LF	\$2.50	\$63,750.00
Revegetation	36,000	SF	\$0.20	\$7,200.00
Emergency Access Gate	1	EA	\$3,000.00	\$3,000.00
Pavement Markings	41,400	LF	\$0.20	\$8,280.00

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Traffic Control	1	LS	\$20,000.00	\$20,000.00
			Subtotal:	\$102,230.00

SOFT COSTS

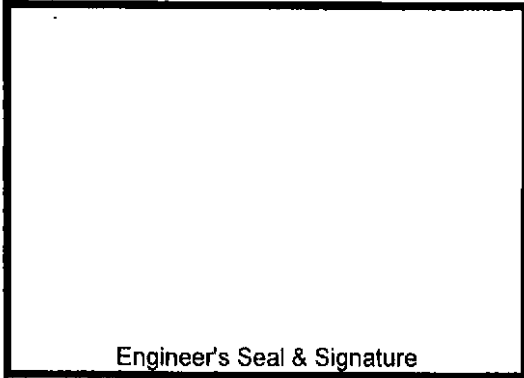
Description	Quantity	Unit	Unit Price	Total
Engineering Costs	1	LS	\$178,000.00	\$115,000.00
Geotechnical Costs	1	LS	\$40,000.00	\$40,000.00
Survey Costs	1	LS	\$25,000.00	\$25,000.00
Project Management	1	LS	\$25,000.00	\$25,000.00
Site Improvement Fees	1	LS	\$30,000.00	\$25,000.00
Douglas County and NDEP Review Fees	1	LS	\$15,000.00	\$10,000.00
			Subtotal:	\$240,000.00

Subtotal: \$3,964,550.00


Prevailing Wage Adjustment (12.5%): \$465,600.00

7.5% Contingencies: \$279,300.00

Total: \$4,710,000.00



Engineer's Seal & Signature

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Project #3:

Clear Creek Tahoe - James Canyon Watermain Transmission Line

Developer:

Clear Creek LLC.

Engineer:

Manhard Consulting, Ltd.

Prepared By:

DJR

Date:

9/12/2008

PUBLIC UTILITIES

Description	Quantity	Unit	Unit Price	Total
18" DI Water Main	3,000	LF	\$110.00	\$330,000.00
18" Butterfly Valve	1	EA	\$4,500.00	\$4,500.00
20" Butterfly Valve	1	EA	\$5,500.00	\$5,500.00
Subtotal:				\$340,000.00

MISCELLANEOUS

Description	Quantity	Unit	Unit Price	Total
Silt Fencing	6,000	LF	\$2.50	\$15,000.00
Revegetation	30,000	SF	\$0.20	\$6,000.00
Subtotal:				\$21,000.00

SOFT COSTS

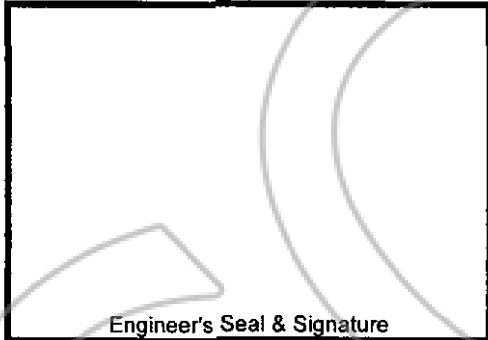
Description	Quantity	Unit	Unit Price	Total
Engineering Costs	1	LS	\$35,000.00	\$35,000.00
Geotechnical Costs	1	LS	\$15,000.00	\$15,000.00
Surveying Costs	1	LS	\$15,000.00	\$15,000.00
Project Management	1	LS	\$10,000.00	\$10,000.00
Site Improvement Fees	1	LS	\$10,000.00	\$5,000.00
Douglas County and NDEP Review Fees	1	LS	\$10,000.00	\$5,000.00
Subtotal:				\$85,000.00

Subtotal: \$446,000.00

Prevailing Wage Adjustment (12.5%): \$45,100.00

7.5% Contingencies: \$27,100.00

Total: \$518,200.00



Engineer's Seal & Signature



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TITLE:
 PROJECT:
 PROJECT #:
 DATE:
 BY:

OPINION OF COST
 CLEAR CREEK PRODUCTION WELL
 CLEARCRK001
 JUNE 18, 2008
 TEC CIVIL ENGINEERING CONSULTANTS

Item #	Desc.	Unit	Estimated Quantity	Estimated Unit Price	Estimated Total Price
1	Mob/Demob (Wells/	LS	1	\$50,000	\$50,000
2	Grading / Site Prep	LS	1	\$6,000	\$6,000
3	Swr Conn - Septic removal	LS	1	\$23,000	\$23,000
4	Drivway / fencing / access / etc	LS	1	\$24,000	\$24,000
5	Test Well / borehole	VF	600	\$75	\$45,000
6	Production Well	VF	600	\$450	\$270,000
7	Abandon Test & Muni Well	LS	1	\$35,000	\$35,000
8	Pump testing / wtr quality / etc	LS	1	\$12,000	\$12,000
9	Well House and Equip	LS	1	\$410,000	\$410,000
10	Electrical Service	LS	1	\$23,600	\$23,600
11	Civil Design, Electrical Design	LS	1	\$118,000	\$118,000
	Survey, Architectural, Struct Eng, Specifications, const observation, HVAC design, telemetry , etc				
12	Water Main connection and valving @ well house	LS	1	\$4,500	\$4,500
13	Permitting (Co / State)	LS	1	\$20,000	\$20,000
14	Water Treatment (unknown)	?? LS			
				Sub-Total	\$1,041,100
	Contingency (10%)				\$104,110
	TOTAL Estimate of Costs			Total	\$1,145,210



Project #5:

Clear Creek Tahoe - Zone 2 Booster Pump Station

Developer:

Clear Creek LLC.

Engineer:

Manhard Consulting, Ltd.

Prepared By:

DJR

Date:

9/12/2008

BOOSTER PUMP STATION

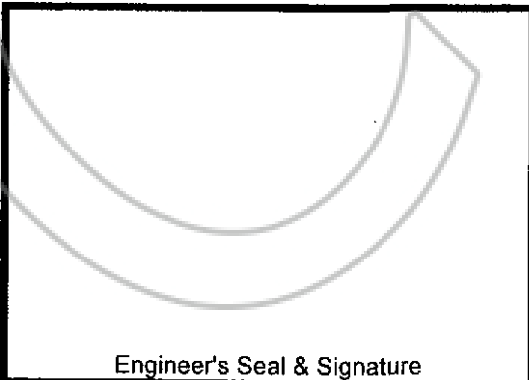
Description	Quantity	Unit	Unit Price	Total
Building (Structure)	1	LS	\$120,000.00	\$120,000.00
Valves	1	LS	\$40,000.00	\$40,000.00
Pipes and Fittings	1	LS	\$30,000.00	\$30,000.00
Pumps and Motors	1	LS	\$90,000.00	\$90,000.00
Motor Control Center	1	LS	\$150,000.00	\$150,000.00
Diesel Generator Set	1	LS	\$70,000.00	\$70,000.00
Outside Piping	1	LS	\$30,000.00	\$30,000.00
Hypochlorine System	1	LS	\$10,000.00	\$10,000.00
Subtotal:				\$540,000.00

SITE IMPROVEMENTS

Description	Quantity	Unit	Unit Price	Total
3" Asphalt Concrete Pavement	2,600	SF	\$1.00	\$2,600.00
6" Aggregate Base Material	2,600	SF	\$0.70	\$1,820.00
Fog Seal	2,600	SF	\$0.05	\$130.00
Chain Link Fence - 6' w/ Barb Wire	220	LF	\$40.00	\$8,800.00
Chain Link Fence - 16' Wide Gate	1	EA	\$400.00	\$400.00
Storm Drain 4" Diameter - PVC	60	LF	\$31.00	\$1,860.00
Rock Riprap 6-12" Depth	1,150	SF	\$3.50	\$4,025.00
Grading and Landscaping	1	LS	\$60,000.00	\$60,000.00
Subtotal:				\$79,635.00

SOFT COSTS

Description	Quantity	Unit	Unit Price	Total
Engineering Costs	1	LS	\$85,000.00	\$85,000.00
Mechanical/Electrical Engineering	1	LS	\$21,500.00	\$21,500.00
Geotechnical Costs	1	LS	\$5,000.00	\$5,000.00
Surveying Costs	1	LS	\$7,500.00	\$7,500.00
Project Management	1	LS	\$5,000.00	\$5,000.00
Site Improvement Fees	1	LS	\$15,000.00	\$15,000.00
Douglas County and NDEP Review Fees	1	LS	\$5,000.00	\$5,000.00
Subtotal:				\$144,000.00



Engineer's Seal & Signature

Subtotal:	\$763,635.00
Prevailing Wage Adjustment (12.5%):	\$77,454.38
7.5% Contingencies:	\$46,500.00
Total:	\$888,000.00



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BK- 0609
PG- 912

Project #6:

Clear Creek Tahoe - Zone 2 Water Tank

Developer:

Clear Creek LLC.

Engineer:

Manhard Consulting, Ltd.

Prepared By:

DJR

Date:

9/12/2008

STREETS

Description	Quantity	Unit	Unit Price	Total
3" Asphalt Concrete Pavement		SF	\$1.00	
6" Aggregate Base Material		SF	\$0.70	
Fog Seal		SF	\$0.05	
6" Aggregate Shoulder		SY	\$6.00	
2' x 1' V-Ditch w/ Rip Rap		LF	\$11.50	

Subtotal: \$0.00

GRADING

Description	Quantity	Unit	Unit Price	Total
Excavation and Embankment	21,500	CY	\$2.50	\$53,750.00
Stripping at 4" depth		CY	\$2.50	
Material Haul-off		CY	\$5.00	

Subtotal: \$53,750.00

WALLS

Description	Quantity	Unit	Unit Price	Total
Rockery Retaining Wall 3' - 6'		LF	\$100.00	

Subtotal: \$0.00

STORM DRAIN

Description	Quantity	Unit	Unit Price	Total
Storm Main 12" Diameter - RCP		LF	\$30.00	
Storm Main 18" Diameter - RCP		LF	\$40.00	
Rock Riprap 12-24" Depth		SF	\$5.00	
Trash Rack 24" and smaller		EA	\$5,000.00	
Flared End Section 12" RCP		EA	\$700.00	
Flared End Section 18" RCP		EA	\$800.00	
12" CMP Riser		EA	\$800.00	
Interceptor Structure for V-Ditch		EA	\$1,200.00	
French Drain 6" Diameter - PVC		LF	\$18.00	
Drainage Rock for French Drain		SF	\$3.50	
Storm Drain Main 6" Diameter - PVC		LF	\$18.00	
Storm Drain Main 12" Diameter - PVC		LF	\$40.00	

Subtotal: \$0.00



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PUBLIC UTILITIES

Description	Quantity	Unit	Unit Price	Total
12" PVC Water Main		LF	\$52.00	
10" DI Water Main		LF	\$75.00	
10" Gate Valve		EA	\$1,140.00	
12" Gate Valve		EA	\$1,400.00	
10" Butterfly Valve		EA	\$2,500.00	
Air Release Valve		EA	\$2,700.00	
Flush Valve Assembly		EA	\$2,650.00	
DI WM Sleeve Protection - 10" Main		EA	\$1,600.00	
PVC WM Sleeve Protection - 12" Main		EA	\$1,240.00	
Fire Hydrant		EA	\$1,500.00	
1" House Service Type K		EA	\$750.00	
Dry Connection		EA	\$1,000.00	

Subtotal: \$0.00

MISCELLANEOUS

Description	Quantity	Unit	Unit Price	Total
Water Tank	1	LS	\$880,000.00	\$880,000.00

Subtotal: \$880,000.00

SOFT COSTS

Description	Quantity	Unit	Unit Price	Total
Engineering Costs	1	LS	\$99,000.00	\$99,000.00
Geotechnical Costs	1	LS	\$10,000.00	\$10,000.00
Surveying Costs	1	LS	\$5,000.00	\$5,000.00
Site Improvement Fees	1	LS	\$10,000.00	\$10,000.00
Douglas County and NDEP Review Fees	1	LS	\$2,500.00	\$2,500.00

Subtotal: \$126,500.00

	Subtotal:	\$1,061,000.00
	Prevailing Wage Adjustment (12.5%):	\$116,812.50
	7.5% Contingencies:	\$70,100.00
	Total:	<u>\$1,248,000.00</u>

Engineer's Seal & Signature



Project #7:

Clear Creek Tahoe - Zone 2 Transmission Main

Developer:

Clear Creek LLC.

Engineer:

Manhard Consulting, Ltd.

Prepared By:

DJR

Date:

9/12/2008

STREETS

Description	Quantity	Unit	Unit Price	Total
3" Asphalt Concrete Pavement	16,600	SF	\$1.00	\$16,600.00
6" Aggregate Base Material	52,200	SF	\$0.70	\$36,540.00
Fog Seal	16,600	SF	\$0.05	\$830.00
6" Aggregate Shoulder	900	SY	\$6.00	\$5,400.00
2' x 1' V-Ditch w/ Rip Rap	570	LF	\$11.50	\$6,555.00

Subtotal: \$65,925.00

GRADING

Description	Quantity	Unit	Unit Price	Total
Excavation and Embankment	32,500	CY	\$2.50	\$81,250.00
Stripping at 4" depth	21,000	CY	\$2.50	\$52,500.00
Material Haul-off	14,900	CY	\$5.00	\$74,500.00

Subtotal: \$208,250.00

WALLS

Description	Quantity	Unit	Unit Price	Total
Rockery Retaining Wall 3' - 6'	980	LF	\$100.00	\$98,000.00

Subtotal: \$98,000.00

STORM DRAIN

Description	Quantity	Unit	Unit Price	Total
Storm Main 12" Diameter - RCP	165	LF	\$30.00	\$4,950.00
Storm Main 18" Diameter - RCP	240	LF	\$40.00	\$9,600.00
Rock Riprap 12-24" Depth	320	SF	\$5.00	\$1,600.00
Trash Rack 24" and smaller	8	EA	\$5,000.00	\$40,000.00
Flared End Section 12" RCP	2	EA	\$700.00	\$1,400.00
Flared End Section 18" RCP	6	EA	\$800.00	\$4,800.00
12" CMP Riser	2	EA	\$800.00	\$1,600.00
Interceptor Structure for V-Ditch	1	EA	\$1,200.00	\$1,200.00
French Drain 6" Diameter - PVC	240	LF	\$18.00	\$4,320.00
Drainage Rock for French Drain	360	SF	\$3.50	\$1,260.00
Storm Drain Main 6" Diameter - PVC	150	LF	\$18.00	\$2,700.00
Storm Drain Main 12" Diameter - PVC	115	LF	\$40.00	\$4,600.00

Subtotal: \$78,030.00



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PG- 915

PUBLIC UTILITIES

Description	Quantity	Unit	Unit Price	Total
12" PVC Water Main	8,200	LF	\$52.00	\$426,400.00
10" DI Water Main	3,500	LF	\$75.00	\$262,500.00
10" Gate Valve	3	EA	\$1,140.00	\$3,420.00
12" Gate Valve	25	EA	\$1,400.00	\$35,000.00
10" Butterfly Valve	6	EA	\$2,500.00	\$15,000.00
Air Release Valve	3	EA	\$2,700.00	\$8,100.00
Flush Valve Assembly	3	EA	\$2,650.00	\$7,950.00
DI WM Sleeve Protection - 10" Main	1	EA	\$1,600.00	\$1,600.00
PVC WM Sleeve Protection - 12" Main	7	EA	\$1,240.00	\$8,680.00
Fire Hydrant	10	EA	\$1,500.00	\$15,000.00
1" House Service Type K	11	EA	\$750.00	\$8,250.00
Dry Connection	3	EA	\$1,000.00	\$3,000.00

Subtotal: \$794,900.00

MISCELLANEOUS

Description	Quantity	Unit	Unit Price	Total
Erosion Control	1	LS	\$80,000.00	\$80,000.00
Structural Costs (retaining walls)	1	LS	\$1,500.00	\$1,500.00

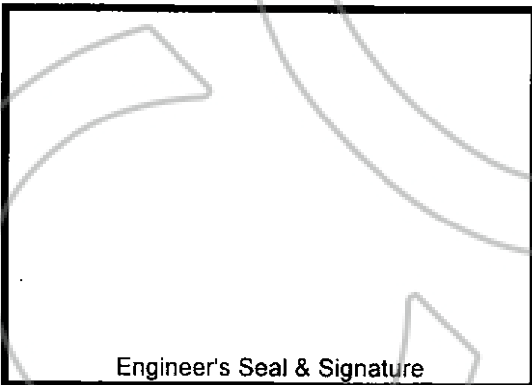
Subtotal: \$81,500.00

SOFT COSTS

Description	Quantity	Unit	Unit Price	Total
Engineering Costs	1	LS	\$45,000.00	\$45,000.00
Mechanical/Electrical Engineering	1	LS	\$0.00	\$0.00
Geotechnical Costs	1	LS	\$10,000.00	\$10,000.00
Surveying Costs	1	LS	\$20,000.00	\$20,000.00
Project Management	1	LS	\$5,000.00	\$5,000.00
Site Improvement Fees	1	LS	\$5,000.00	\$5,000.00
Douglas County and NDEP Review Fees	1	LS	\$2,500.00	\$2,500.00

Subtotal: \$87,500.00

Subtotal:	<u>\$1,415,000.00</u>
Prevailing Wage Adjustment (12.5%):	<u>\$165,937.50</u>
7.5% Contingencies:	<u>\$99,600.00</u>
Total:	<u>\$1,681,000.00</u>



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06/03/2009

TITLE: ENGINEER'S OPINION OF COST
 PROJECT: CLEAR CREEK CONNECTOR ROAD (TOTAL)

JOB# SA 007

CLIENT: SYNCON HOMES
 BY: TEC 1, Inc.

DATE: 1-25-2005

(T. Pyeatte)

ROADWAY

ITEM	QUANTITY	TOTAL	NOTES
SITE PREPARATION		\$12,000.00	
EARTHWORK		\$285,140.50	
STORM DRAINAGE		\$399,056.90	
PAVING		\$289,840.52	
SWPPP		\$75,438.50	
MISCELLANEOUS		\$337,213.28	
SUBTOTAL		\$1,398,689.70	
Contingency	3%	\$41,960.69	
SOFT COSTS		\$ 656,821	
Civil Engineering		\$ 519,660	
Geotechnical/Const. Observation		\$ 37,240	
Surveying/Staking		\$ 97,921	
Miscellaneous Consultants		\$ 2,000	
LAND ACQUISITION		\$550,000.00	
		\$2,647,471.26	

Abbreviations:

- EA - Each
- CY - Cubic Yard
- LS - Lump Sum
- LF - Linear Foot
- SF - Square Foot

Note:

Thiel Engineering Consultants has prepared this cost estimate with the standard of care, skill, and diligence normally provided by a professional in the performance of such engineering services on work similar to that hereunder. Owner shall be entitled to rely on the accuracy, competence and completeness of engineer's services hereunder, but Engineer shall not be regarded as a guarantor with respect to this cost estimate. Quantities and values



TITLE: ENGINEER'S OPINION OF COST
 PROJECT: CLEAR CREEK CONNECTOR ROAD (CARSON CITY)
 CLIENT: SYNCON HOMES
 BY: TEC 1, Inc. (T. Pyeatte)

JOB# SA 007
 DATE: 1-25-2005

ROADWAY

ITEM	QUANTITY	UNIT COST	TOTAL	NOTES
SITE PREPARATION				
Mobilization/Demobilization	1 LS	\$6,000.00	\$6,000.00	
EARTHWORK				
Excavation and Embankment	73,629.0 CY	\$3.10	\$228,249.90	
Clear & Grub/Tree Removal	11 AC	\$3,200.00	\$33,600.00	
Dust Control	1 LS	\$2,666.00	\$2,666.00	
STORM DRAINAGE				
Catch Basin Type 3	2 EA	\$1,200.00	\$2,400.00	
Catch Basin Type 4R	8 EA	\$1,200.00	\$9,600.00	
15" RCP	83 LF	\$40.00	\$3,334.00	
18" RCP	50 LF	\$50.00	\$2,500.00	
24" RCP	2,132 LF	\$70.00	\$149,240.00	
Type IA 48" Diameter Manhole	17 EA	\$2,200.00	\$37,400.00	
Type IA 60" Diameter Manhole	1 EA	\$2,700.00	\$2,700.00	
Interceptor Ditches	1,700 LF	\$2.50	\$4,250.00	
Valley Gutter	1 EA	\$3,000.00	\$3,000.00	
Concrete Headwall	2 EA	\$1,400.00	\$2,800.00	\$249,024.00
6-12" Rip-Rap	15,500 SF	\$2.00	\$31,000.00	DITCHES
12-18" Rip-Rap	400 SF	\$2.00	\$800.00	OUTLET PIPES
PAVING				
A.C. Pavement 4" Section	93,500 SF	\$1.05	\$98,175.00	
Agg Base 9" Section	135,507 SF	\$0.55	\$74,528.85	
Striping	1 LS	\$11,666.00	\$11,666.00	
Slurry Seal	93,500 SF	\$0.14	\$13,090.00	\$197,459.85
SWPPP				
Straw Waddle	16,919 LF	\$2.50	\$42,297.50	
Fiber Waddle	112 LF	\$3.00	\$336.00	
Silt Fence	10,935 LF	\$3.00	\$32,805.00	
MISCELLANEOUS				
Street/ Stop Signs	19 EA	\$450.00	\$8,550.00	
CL Survey Monuments	11 EA	\$400.00	\$4,400.00	
Irrigation	1 LS	\$18,666.00	\$18,666.00	
Revegetation	210250 SF	\$0.10	\$21,025.00	
Rockery Wall	1147 LF	\$72.00	\$82,800.00	
Type I Curb and Gutter	6298 LF	\$14.00	\$88,172.00	
Guardrail	1432 LF	\$25.00	\$35,800.00	\$1,398,689.70
SUBTOTAL			\$1,051,851.25	
Contingency (3% of Subtotal)			\$31,555.54	
LAND ACQUISITION				
State Land Registrar			\$500,000.00	
TOTAL			\$1,583,406.79	

Abbreviations:

EA - Each
 CY - Cubic Yard
 LS - Lump Sum
 LF - Linear Foot
 SF - Square Foot

Note:

Thiel Engineering Consultants has prepared this cost estimate with the standard of care, skill, and diligence normally provided by a professional in the performance of such engineering services on work similar to that hereunder. Owner shall be entitled to rely on the accuracy, competence and completeness of engineer's services hereunder, but Engineer shall not be regarded as a guarantor with respect to this cost estimate. Quantities and values reflected in this report are for analysis purposes only.



TITLE: ENGINEER'S OPINION OF COST
 PROJECT: CLEAR CREEK CONNECTOR ROAD (DOUGLAS COUNTY)
 CLIENT: SYNCON HOMES
 BY: TEC 1, Inc.

JOB# SA 007
 DATE: 9-07-2005

(T. Pyeatte)

ROADWAY

ITEM	QUANTITY	UNIT COST	TOTAL	NOTES
SITE PREPARATION				
Mobilization/Demobilization	1 LS	\$6,000.00	\$6,000.00	
EARTHWORK				
Excavation and Embankment	3,126.0 CY	\$3.10	\$9,690.60	
Clear & Grub/Tree Removal	3 AC	\$3,200.00	\$9,600.00	
Dust Control	1 LS	\$1,334.00	\$1,334.00	
STORM DRAINAGE				
Catch Basin Type 4R	4 EA	\$1,200.00	\$4,800.00	
18" RCP	125 LF	\$40.00	\$5,000.00	
24" RCP	185 LF	\$50.00	\$9,250.00	
36" RCP	1,357 LF	\$70.00	\$94,970.40	
Type IA 60" Diameter Manhole	6 EA	\$2,700.00	\$16,200.00	
Interceptor Ditches	613 LF	\$2.50	\$1,532.50	
Concrete Headwall	6 EA	\$1,400.00	\$8,400.00	\$150,032.90
6-12" Rip-Rap	4,390 SF	\$2.00	\$8,780.00	DITCHES
12-18" Rip-Rap	550 SF	\$2.00	\$1,100.00	OUTLET PIPES
PAVING				
A.C. Pavement 4" Section	40,978 SF	\$1.05	\$43,026.90	
Agg Base 9" Section	59,607 SF	\$0.55	\$32,783.85	
Striping	1 LS	\$5,833.00	\$5,833.00	
Slurry Seal	40,978 SF	\$0.14	\$5,736.92	\$92,380.67
Sawcutting	50 LF	\$100.00	\$5,000.00	OLD CLEAR CREEK RD
MISCELLANEOUS				
Street/ Stop Signs	13 EA	\$450.00	\$5,850.00	
CL Survey Monuments	5 EA	\$400.00	\$2,000.00	
Irrigation	1 LS	\$9,334.00	\$9,334.00	
Revegetation	22558 SF	\$0.66	\$14,888.28	
Type 1 Curb and Gutter	2677 LF	\$14.00	\$37,478.00	
Guardrail	330 LF	\$25.00	\$8,250.00	
SUBTOTAL			\$346,838.45	
Contingency (3% of Subtotal)			\$10,405.15	
LAND ACQUISITION				
Busch Access, Utility, and Drainage Easement			\$50,000.00	
TOTAL			\$407,243.60	

Abbreviations:

- EA - Each
- CY - Cubic Yard
- LS - Lump Sum
- LF - Linear Foot
- SF - Square Foot

Note:

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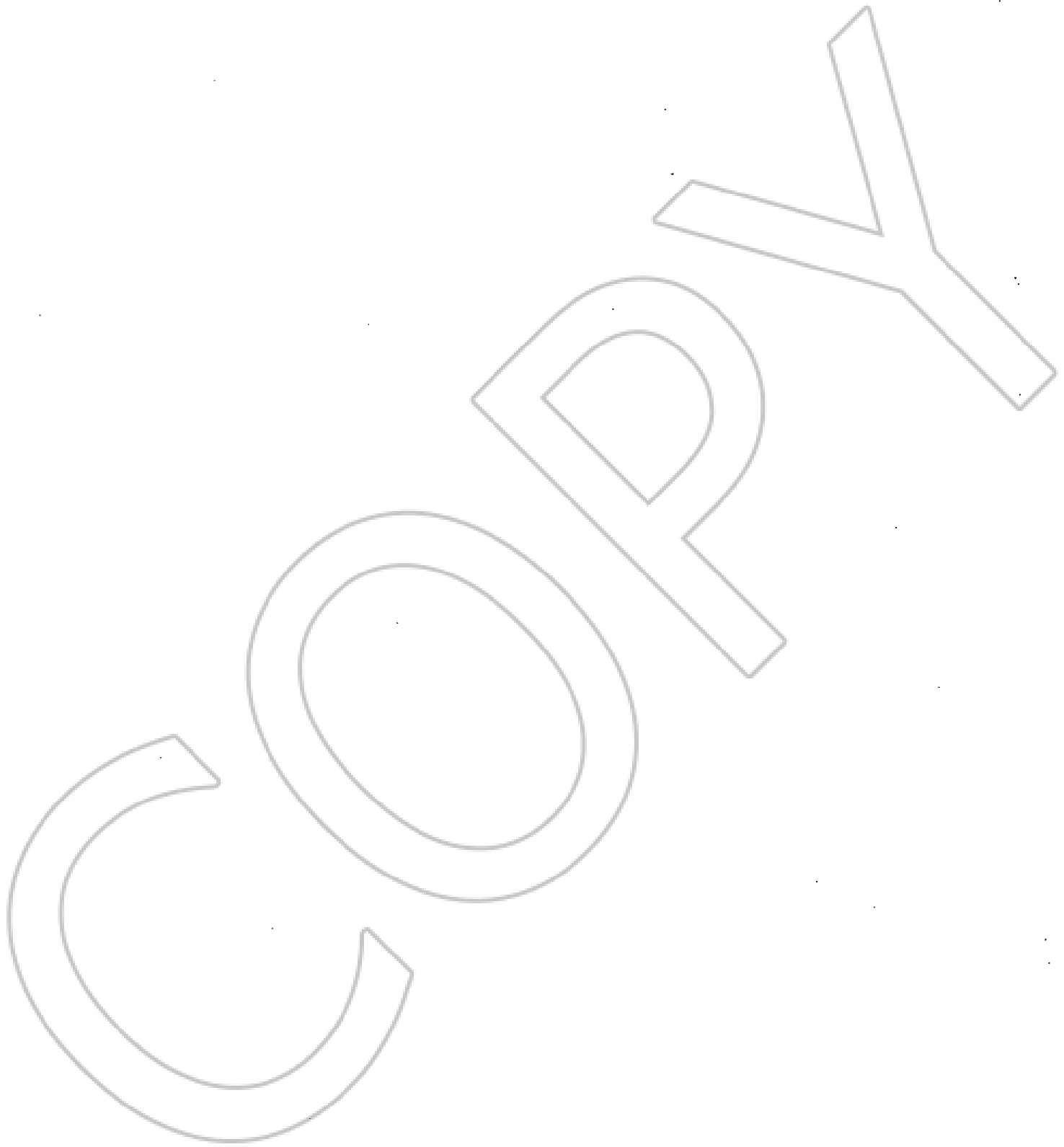
CLEAR CREEK ROAD ACCESS ROAD

Summary of Charges
thru June 30, 2007

	WASHINGTON INFRASTRUCTURE	MARVIN E. DAVIS	CSCON C. Schillecher	JBR Associates Revegetation Pin	PAUL NAU	TEC ENGINEERING
ACCESS & EMERGENCY ROADS						
ENGINEERING						
Design & Redesign x?	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519,660
Rockery Wall Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Access Road Staking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,199
Construction Observation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,991
Ford Access Rd, Intersection & BLA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,722
Geotechnical	\$ -	\$ 16,249	\$ -	\$ -	\$ -	\$ -
totals =	\$ -	\$ 16,249	\$ -	\$ -	\$ -	\$ 640,572



Exhibit D
Map Showing Project Property



beneficiaries of the provisions hereof that specifically provide Developer obligations to those Governments.

3.7 **No Guarantee of Water or Sewer Capacity.** Nothing in this Agreement or any other document involving the District, nor the installation by way of the District of, or the assessment of the property within the District for, the water or sewer facilities shall be taken as a guarantee, promise or representation that water or sewage treatment capacity will be made available to the property in the District.

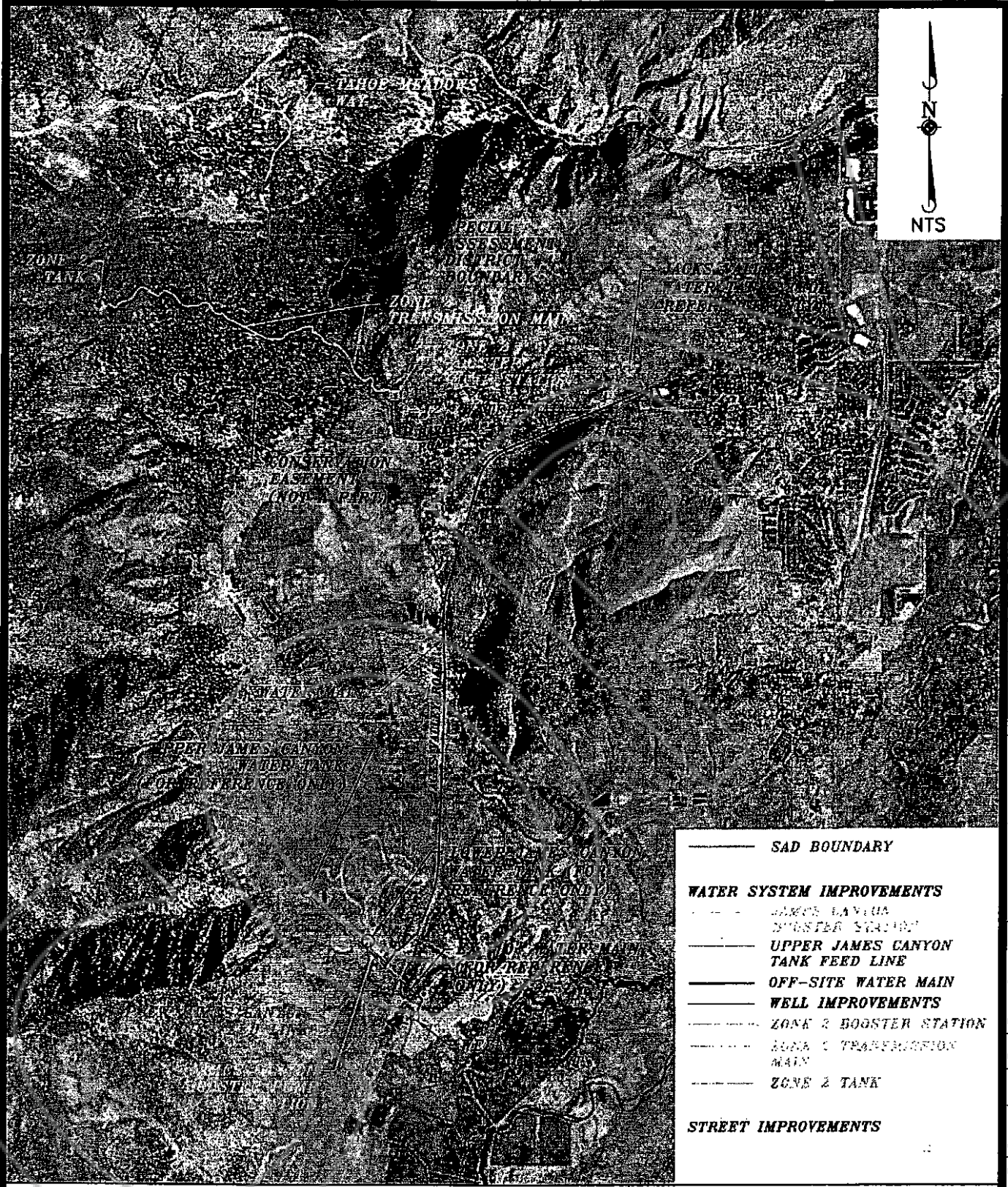
3.8 **Continuing Disclosure.** The County and the Developer agree to execute a continuing disclosure agreement or certificate in a mutually acceptable form prior to the issuance of the Bonds obligating each party to make certain disclosures on an ongoing basis as required under Rule 15c2-12 of the United States Securities Exchange Commission. If the parties are unable to agree on a form of agreement or certificate, the Bonds will not be issued unless they qualify for an exemption from Rule 15c2-12.

3.9 **Successors; Assignments.** This Agreement shall be binding upon and inure to the benefit of the County and the Developer and their respective successors and assigns. No assignment of this Agreement or any right or obligation hereunder by the Developer hereto shall be valid unless the other party hereto consents to such assignment in writing.

3.10 **Inspection of Books.** The County will permit the Developer to inspect its books and records pertaining to the District, including but not limited to, information relating to bond principal outstanding, interest disbursements, and balances of funds held by the office of the County Treasurer.

3.11 **Entire Agreement.** This Agreement, including the exhibits hereto, constitutes the entire agreement of the parties hereto, but nothing in this Agreement shall affect the Deposit and Reimbursement Agreement dated as of December 1, 2008. This Agreement may be modified by the parties hereto but only by a written instrument signed and acknowledged by each party and recorded with the County Recorder of the County.

3.12 **Further Assurances.** The Developer and the County agree to do such further acts and things and to execute and deliver to the other such additional certificates, documents and instruments as the other may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the other party its rights, powers, and remedies hereunder. The Developer shall execute all consents, certificates and



—————	SAD BOUNDARY
WATER SYSTEM IMPROVEMENTS	
-----	JAMES CANYON BOOSTER STATION
—————	UPPER JAMES CANYON TANK FEED LINE
—————	OFF-SITE WATER MAIN
WELL IMPROVEMENTS	
-----	ZONE 2 BOOSTER STATION
-----	ZONE 1 TRANSITION MAIN
-----	ZONE 2 TANK
STREET IMPROVEMENTS	

Manhard CONSULTING LTD

8850 Double R Blvd, Suite 101, Reno, NV 89521 tel: (775) 746-8500 fax: (775) 746-8520 www.manhard.com
 Civil Engineers · Surveyors · Water Resources Engineers · Water & Wastewater Engineers
 Construction Managers · Environmental Scientists · Landscape Architects · Planners

SPECIAL ASSESSMENT DISTRICT #4	
CLEAR CREEK DEVELOPMENT	
DOUGLAS COUNTY, NEVADA	
PROJ. MGR.: SAS	SHEET
DRAWN BY: SAS	EXHIBIT 2
DATE: 8/12/2008	DCCCN
SCALE: NTS	

© 2008 ALL RIGHTS RESERVED

Dwg Name: P:\Dcccn\dwg\Eng\Final Drawings\Exhibits Eng\Final Engineers Report\SAD Engineer Report Exhibits 91208.dwg Updated By: sschoenfeld 17:09

Exhibit E
Prevailing Wages

COPY

Exhibit F
Developer Payment Request Form

Date: _____

To: Department of Public Works
Attn: _____

Dear _____:

Attached please find documentation [including lien releases] evidencing a payment request in the total amount of \$ _____. The payment request is as contemplated and described in the Financing Agreement for the expenses and costs heretofore paid by the Developer and listed in the attached itemized statement, as contemplated by the District Financing Agreement between us and Douglas County dated _____, 200__ : (itemize and detail expenses or costs on an attached sheet(s))

Please remit payment to the following party and address:

Thank you.

Clear Creek Tahoe, LLC

By: _____

Title: _____

Margy Hunter



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Barbara }

On 4/29/09 before me, Lori Cole, Notary Public
Date Here Insert Name and Title of the Officer

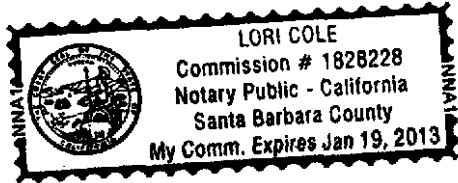
personally appeared - James S. Taylor
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

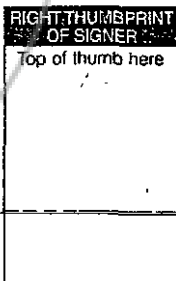
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

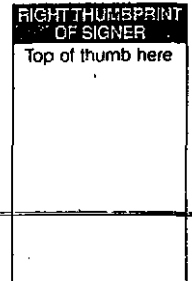
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Exhibit G
List of County Documents

	<u>Action</u>
Initial Resolution	To be Adopted and Filed
Preliminary Plans Resolution	To be Adopted and Filed
Full and Detailed Plans Resolution	To be Adopted and Filed
Necessity Resolution	To be Adopted and Filed
Ordinance Creating District	To be Adopted and Filed
Assessment Roll Resolution	To be Adopted and Filed
Assessment Ordinance	To be Adopted and Filed
Bond Ordinance	To be Adopted and Filed
Bond Purchase Contract	To be Adopted and Filed
Preliminary Official Statement	To be Adopted and Filed
Official Statement	To be Adopted and Filed
Certificate of the County Manager regarding Interest Rate	To be Adopted and Filed

Exhibit H
Assessment Roll

COPY

Special Assessment District #4 (Clear Creek)
 Final Engineers Report

Douglas County
 Special Assessment District #4
 (Clear Creek)

Asmt. No.	BLA Parcel Number	Assessor's Parcel Number	Property Owner	Dwelling Units	Preliminary Assessment Amount	Development Unit
1	5		Clear Creek, LLC	0	\$0	HOA - Visitor Center, Gate House
2	6		Clear Creek, LLC	0	\$0	HOA - Nursery
3	7, 8, 9, 10		Clear Creek, LLC	163	\$6,809,861	Residential Parcel - Cottages
4	11		Clear Creek, LLC	0	\$0	Golf Course Maintenance Facility
5	12		Clear Creek, LLC	0	\$0	Golf Course
6	13		Clear Creek, LLC	0	\$0	Golf Course
7	14		Clear Creek, LLC	0	\$0	Golf Course
8	15		Clear Creek, LLC	0	\$0	Golf Course
9	16		Clear Creek, LLC	0	\$585,568	Golf Course Clubhouse
10	17		Clear Creek, LLC	111	\$6,199,713	Residential Parcel - Golf Estates Unit 1
11	18		Clear Creek, LLC	110	\$6,143,860	Residential Parcel - Golf Estates Unit 2
TOTALS				384	\$19,739,000	

Manhard Consulting, Ltd



0744363

Page: 71 OF 78

BK- 0609
 PG- 929
 06/03/2009

EXHIBIT I
Douglas County, Nevada
Special Improvement District # ____ Information Form

Dear Property Owner,

You are about to purchase a property in Special Improvement District 151 of Douglas County, Nevada. **THIS PROPERTY IS SUBJECT TO AN OUTSTANDING ASSESSMENT.** Below are some commonly asked questions regarding Special Assessment Districts. Please take the time to read through all of the information. After reading the information, please sign, date, and mail the form.

Why was the Assessment District created?

In _____ of 200__, Douglas County issued \$ _____ in bonds to fund the acquisition and construction of certain street, water and sewer improvements specifically benefitting property located in the County's Special Improvement District 151.

What are my assessment installment payments used for?

To repay the principal and interest on the bonds issued to finance the street, landscapes, parks, water, and sewer improvements.

Who is responsible for payment?

Each assessment constitutes a lien on the property similar to property tax lien and must be paid by the property owner.

How often are assessments installments billed?

Assessment installments are billed semi-annually. Assessment payments are due June 1 and December 1 of each year until _____. Late Penalties for delinquent installments can be substantial. To avoid late penalties and potential sale and foreclosure proceedings, please pay the amount due prior to the Due Date. Late penalties accrue at the first of each month if payment is not received on or before the Due Date.

Can the assessment be paid in advance?

Yes. The assessment may be paid in full at any time, if interest is also paid to the next assessment installment payment date.

Is there a premium charged for prepaying my assessment?

Yes. The prepayment premium is _____ % of the outstanding principal balance.

What happens if I sell my home?

The remaining assessment may be transferred to the new owner at the time of sale or paid off in advance as described above.

Are there penalties for failure to pay/underpayment of assessment installments?

Yes. If an assessment payment is not received by the Due Date indicated on the bill, a late penalty of 2% per month of the total outstanding assessment will be imposed. In addition, failure to pay an assessment installment when due may cause the whole amount of the outstanding assessment to become due and payable immediately as a result of the commencement of sale or foreclosure proceedings.

What about Overpayments?

If an overpayment is received, the amount of the overpayment will be credited in accordance with policy established by the County.

Is my assessment limited to the property I own?

Yes. The assessment levied on any property owner's parcel is limited to that individual piece of property. As a property owner, you will never be liable for any other owners' assessments.

Where can I get further information about the Assessment District or my bill? Call (775)-_____.

Please Sign Below.

APN # _____

Address: _____

Buyer: _____ Date: _____ Buyer: _____ Date: _____

Exhibit J
Attach form of Guarantee

GUARANTY

This Guaranty ("**Guaranty**") is made and entered into as of the 18th day of Dec., 2008, by Clear Creek Tahoe, LLC ("**Guarantor**"), and delivered to the County of Douglas ("**County**"), a political subdivision of the State of Nevada, with respect to the following facts and circumstances:

A. The Board of County Commissioners of the County proposes to establish Douglas County, Nevada, Special Assessment District No. 4 (Clear Creek) (the "**District**") pursuant to Chapter 271 of the Nevada Revised Statutes ("**NRS**") and to sell certain limited obligation special assessment bonds (the "**Bonds**") for the purpose of constructing certain public improvements in the District.

B. In order to provide moneys for the payment of principal, interest and premium, if any, on the Bonds, Clear Creek Tahoe, LLC, a Nevada corporation ("**Developer**"), as the sole owner of all assessable property in the District, was required, pursuant to NRS 271.710 and 271.720 to enter into a written agreement for the acquisition or construction, or both, of such public improvements, designated in connection with the District as the "District Financing Agreement" and dated as of December 18, 2008 (the "**Agreement**"), by and between Developer and the County. The Agreement provides for assessments, as more specifically described in the Agreement, on the property within the District, which constitute a lien on such property (the "**Assessment**" or "**Assessments**").

C. Any terms used herein and not otherwise defined shall have the meaning given them in the Agreement.

In consideration of the County's issuance of the Bonds to finance improvements, Guarantor has agreed, at the request of Developer and the County, to guarantee unconditionally certain terms of the Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Guarantor, Guarantor, as a separate and independent obligation of Guarantor to the County, agrees with the County as follows:

ARTICLE I. REPRESENTATIONS, WARRANTIES AND COVENANTS

Guarantor makes the following representations and warranties which shall be continuing representations and warranties, as long as any of Developer's obligations to perform under Article 1 and Article 3 of the Agreement have not been fully and satisfactorily performed.

Section 1.01 **Guaranty Binding**. This Guaranty is a valid and legally binding obligation of Guarantor enforceable in accordance with its terms.

Section 1.02 No conflict. The execution and delivery of this Guaranty are not, and the performance of this Guaranty will not be, in contravention of, or in conflict with, any agreement, indenture or undertaking to which Guarantor or Developer is a party.

ARTICLE II. GUARANTY

Section 2.01 Guaranty. Guarantor unconditionally guarantees and promises to:

(1) In the event Developer fails to do so, pay all costs of engineering design, appraisals, environmental work, property acquisition, title work and engineering services for the Project for which Developer is obligated under the Agreement and which are incurred or due and payable prior to the time Bonds are issued for the District or in the event bonds are not issued.

(2) In the event the cost of construction together with all other costs paid from the proceeds of the Bonds issued for the District exceeds the amount of the proceeds of those Bonds available for payment of those costs, and should Developer fail to do so, pay in cash the amount of any such cost overruns when due;

(3) In the event Developer fails to do so, and other moneys are not available for payment of such costs, remedy any defects in any subproject and pay for any damage to other work resulting there from which shall appear within one (1) year from the date of transfer of title of that subproject to the County or Indian Hills General Improvement District, whichever is applicable, or such longer periods as may be required by the County or Indian Hills General Improvement District.

(4) In the event Developer fails to do so, protect and indemnify and hold the County, its officers or employees and agents and each of them harmless as provided in Article 3 of the Agreement.

(5) In the event the Developer fails to do so, otherwise fully and satisfactorily perform all of the Developer's obligations under Article 1 and Article 3 of the Agreement.

Section 2.02 Limitation. This Guaranty extends to those obligations of the Developer which are described in Section 3.13 of the Agreement as being personal obligations of the Developer, but does not extend to those assessment obligations described in that Section 3.13 of the Agreement as relating only to the Developer's property.

ARTICLE III. MISCELLANEOUS

Section 3.01 Governing Law; Jurisdiction and Venue. This Guaranty shall be governed by and construed in accordance with the laws of the State of Nevada. In the event that the County in its sole and absolute discretion, determines that it is necessary to enforce its rights hereunder through litigation, Guarantor hereby consents to the jurisdiction of any federal or state court in the State of Nevada over such litigation. The Parties stipulate to venue in such courts in Douglas County, Nevada.



Section 3.02 Modification. The parties to the Agreement shall not enter into any alteration or modification thereof which would in any way increase the extent of the Guarantor's obligations hereunder, or which would make performance by the Developer more difficult, without first obtaining Guarantor's written consent. Guarantor shall have the benefit of any modification of the obligations of Developer under the Agreement, and shall also have the benefit of any settlement, compromise, or adjustment of any claims of County arising out of the Agreement.

Section 3.03 Waivers. Guarantor waives any right to require the County to proceed against any other person liable for performance guaranteed hereby, to proceed against or exhaust any security held from any other person or to pursue any other remedy, including without limitation any remedy against Developer, and Guarantor understands and acknowledges that any demand upon Guarantor to perform under this Guaranty may, at the sole and absolute option of the County, be enforced against Guarantor as a separate and independent action apart from the obligation of the Developer that is secured by this Guaranty. Guarantor understands and acknowledges that NRS 40.430 does not apply to this Guaranty, and if it should ever be interpreted as applying, Guarantor specifically waives any right that it may otherwise have under and by virtue of NRS 40.430. The County may, at its election, exercise any right or remedy it may have against any other person or any security held by the County, without affecting or impairing in any way the liability of Guarantor hereunder, except to the extent the obligations guaranteed hereby are fully and satisfactorily performed, and Guarantor waives any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of Guarantor against any security whether resulting from such election by the County or otherwise.

Section 3.04 Notice. All notices, demands, instructions, and other communications required or permitted to be given to, or made upon, any party hereto shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, addressed as follows:

If to the COUNTY: Douglas County, Nevada
Attn: County Manager

If to the DEVELOPER: Clear Creek Tahoe, LLC

If to the GUARANTOR: Clear Creek Tahoe, LLC

If any notice hereunder is given to the COUNTY, a copy shall be forwarded by first class mail, postage prepaid, to the COUNTY's Director of Public Works and COUNTY District Attorney at: Attn: Director of Public Works, Carl Ruschmeyer and Attn: District Attorney, Mark B. Jackson.

If notice hereunder is given to the DEVELOPER, a copy should be forwarded by first-class mail, postage prepaid, to the DEVELOPER's counsel as follows: _____ and to



the Guarantor's counsel as follows: _____.

CLEAR CREEK TAHOE, LLC, as guarantor

By: _____

Its: _____

COPY

Exhibit K
List of permits still required

[Proposed Projects require_____. The design/construction documents have not been approved by the required agencies for these required construction permits.]

DRAFT

Exhibit L
District Boundary Description

COPY

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 3, 2009

Mark P. Gosh Clerk of the Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By

Carol M. Mulvey

Deputy

