

31

Assessor's Parcel Number: 1220-28-000-005

Recording Requested By:

✓ Name: Gardnerville Ranchos (GI)

Address: 931 Mitch Dr

City/State/Zip Gardnerville, NV
89466

Real Property Transfer Tax:

\$ _____

DOUGLAS COUNTY, NV **2014-850317**
Rec:\$31.00
Total:\$31.00 **10/03/2014 11:15 AM**
GARDNERVILLE RANCHOS GID Pgs=18



00000540201408503170180185

KAREN ELLISON, RECORDER

Annexation Agreement

(Title of Document)

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

This cover page must be typed or legibly hand printed.

ANNEXATION AGREEMENT

GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT

A POLITICAL SUBDIVISION OF THE COUNTY OF DOUGLAS,

STATE OF NEVADA

AND

RANCHO SIERRA, LLC
A Nevada Limited Liability Company

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ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 2014, by and between the Gardnerville Ranchos General Improvement District ("District" or "GRGID"), by and through its Chairman of the Board of Trustees ("Board"), a political subdivision of the County of Douglas, State of Nevada, and Rancho Sierra, LLC, by and through its Manager ("Petitioner")

WITNESSETH

WHEREAS, Petitioner petitioned for the inclusion of real property into the District by proper petition submitted to the District dated February 5, 2014. At the regular general business meeting of the Board and the District on February 5, 2014, the District approved of the annexation, or inclusion, of Petitioner's real property subject to conditions; and

WHEREAS, a condition of approval at the February 5, 2014, Board meeting was that an annexation agreement be prepared to encompass the entire area of Petitioner's property to set forth the terms, conditions, provisions and approvals of annexation of Petitioner's property and its inclusion into the District; and

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

NOW THEREFORE, for and in consideration of the above-stated recitals, and the District and Petitioner's compliance with each term and provision of this Agreement, and for other good and valuable consideration including the mutual covenants, conditions and promises set forth

hereinbelow, the parties do hereby agree as follows:

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

The property, described in Exhibit "A" hereto, is annexed into the District subject to the District's Policies and Procedures Manual ("Manual"), as in effect at the time the parties execute this Agreement, and as amended from time to time. Petitioner and the District agree that the District's Manual, including without limitation, Appendix "E" "Procedures for Annexation", shall govern the annexation of the property into the District.

2. Water Rights.

A. Petitioner has, by grant, bargain and sale deed ("Deed"), deeded certain water rights owned by Petitioner to the District. Petitioner owned a certain water right which may be identified as a portion of Permit Number 24427, Certificate 7330, issued by the Nevada State Engineer and consisting of a duty of two-hundred (200) acre feet annually along with a portion of the diversion rate consisting of 0.276 cfs; and further including a portion of supplemental permit 69233 issued by the Nevada State Engineer consisting of 0.387 cfs. The total combined duty of the described water rights is not to exceed two-hundred (200) acre-feet annually ("Permit"). A copy of the deed is attached hereto as Exhibit "B" and incorporated herein as if set forth in full.

Petitioner has executed the Deed conveying to the District the Permit to satisfy, in part, a condition of annexation imposed by the District on all applicants for annexation of property

into the District. Pursuant to the standard conditions of annexation set forth in the Manual, the owner of property included into the District shall dedicate to the District a sufficient quantity and quality of water rights to serve the maximum allowable use for the property annexed. As set forth in the Deed, this Annexation Agreement shall govern the rights and relations of the parties insofar as the Permit and the water represented thereby, is concerned.

B. The District and Petitioner agree that the Deed has transferred or assigned the Permit to the District, and that the District will change the point of diversion under the Permit to an existing point of diversion within the District's system to utilize the water rights evidenced by the Permit throughout its system. Further, the District agrees to be solely responsible to utilize its best efforts to maintain the Permit in good standing with the State of Nevada Division of Water Resources, and Petitioner agrees to pay for all reasonable costs incurred by the District which are associated with the transfer and maintenance of the Permit, including reasonable engineering, legal and administrative fees and costs. The Permit allows an appropriation of water to be applied to beneficial use, the total combined duty of which is not to exceed two hundred (200) acre feet annually to be used for the District's benefit.

C. The District and Petitioner agree that the Permit and Deed will satisfy the general condition of annexation requiring an applicant to supply sufficient quantity and quality of water to the District for only that number of homes which can be served by the waters appropriated pursuant to the Deed and Permit and assigned to the District. Should Petitioner seek to develop the property at a greater density than the Permit will allow, Petitioner shall be required to supply an additional quantity and quality of water necessary to develop the property at such greater density.

D. The parties further agree that the water rights evidenced by the Permit may be utilized for development of all or any portion of the property as directed by Petitioner. In the

event that Petitioner does not utilize all of the water rights evidenced by the Permit in the development of the property, Petitioner, with the prior approval of the District, which approval shall not be unreasonably withheld, shall be able to transfer any of the unused water to any other property within GRGID's service area for the use and development of such other property. Petitioner agrees that if any water rights evidenced by the Permit are for any reason deeded back to Petitioner, Petitioner will pay to the District, prior to the transfer back to Petitioner, any and all costs incurred to maintain those water rights including administrative, engineering and legal costs.

E. Petitioner and the District agree that neither the District nor the Petitioner have an ability to control and govern the actions of the State Engineer with regard to the Permit. Accordingly, Petitioner agrees to hold harmless GRGID from any and all loss or reduction of water rights which may result to Petitioner or the District, which may be caused by an action of the State Engineer's office.

3. General Conditions.

A. Petitioner and the District agree that, in addition to other general conditions set forth within this Agreement and in the Manual, Petitioner shall be required to pay to the District all applicable fees and charges of the District as set forth in the Manual as in effect at the time of development of the property.

Petitioner agrees to submit all tentative and final map(s) to the District concurrent with submission of such map(s) to Douglas County or any other regulatory agency having jurisdiction over the property. The Petitioner agrees that the District will be a signor on all maps or improvement plans. The Petitioner agrees to dedicate on the final map all rights of way and public improvements to the District.

B. Petitioner will submit to GRGID for its review and recommendations

regarding any proposed design for the development of the property. The District's review shall be of all aspects of the development, including, without limitation, density of development, public facilities, and all aspects of access to the property (including ingress, egress, road width and construction). GRGID and Petitioner agree that the District will review such proposed development pursuant to the then existing requirements set forth in the District's Manual, and Petitioner agrees to comply with all applicable provisions of the District's Manual as in effect at the time of the application for development of the property, or any portion of the property.

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

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

5. Final Map Assurance. After dedication to the District of all rights-of-way and public improvements to be constructed on the property to the District, after review and recommendations regarding the design elements of the property and approval by the District of the proposed plans and method for providing District services to the property, and after review and approval by the Douglas County Community Development Department of the tentative map(s) filed by the Petitioner, the approval of the anticipated final map(s) on each phase of the project

shall require posting a letter of credit or other financial assurances with Douglas County to ensure completion of all or any portion of the public improvements within such phase(s) equal to one hundred fifty percent (150%) of the estimated construction costs for such improvement(s).

Petitioner agrees that the letter of credit or other financial assurance shall also name the District as a beneficiary of the letter of credit or assurance. Any assurance provided shall be periodically reduced in accordance with County and District approval(s) in order that the entire assurance will be exonerated on final completion of improvement construction.

Alternatively, Petitioner, at its discretion and option, may install any such public improvements within any phase prior to the recordation of that phase's final map in lieu of posting such letter of credit or other assurance. Public improvements include streets, curbs, sewer systems, water systems, storm drain systems, street lights, and access roadways; all of which shall be dedicated to the District.

6. Further Covenants. Upon compliance with all of the District's conditions of design and of the tentative map(s), and upon compliance with the conditions of a final map(s), the District shall not require any further payments, contributions or economic concessions as a condition for subsequent approvals, authorizations or permits contemplated within, or by, this Agreement, other than as provided for herein or in the District's Manual, except for taxes, fees or other charges applied on a uniform basis by the District to all similarly situated development projects.

7. Services/Improvements

A. District Services. On a final map(s) recordation, the District shall provide to the property, or any portion of the property, all services typically provided by the District to areas within the District including, but not limited to, water service, sewer service, street

maintenance, street lighting and storm water drainage. The District shall provide such services upon satisfactory compliance with all conditions of approval of a tentative map(s) and/or of a final map(s) for all or a portion of the property.

B. Sewer Capacity. Petitioner acknowledges that they shall be required to acquire capacity for sewer service from the District. The Petitioner, or its successors in interest, shall pay to GRGID all costs of the acquisition of such sewer capacity which GRGID incurs in acquiring capacity for sewer service from the Minden-Gardnerville Sanitation District.

As final maps are recorded, Petitioner agrees to acquire capacity as necessary to serve the lots contemplated for development in the final map(s) for the property. The Petitioner will be responsible for and pay all necessary and reasonable capacity charges to the District, connection charges, and any other sewer service fees reasonably required by the Manual at the time of an application for sewer service for each lot, if capacity is reasonably available to the District.

C. Developer Improvements. Petitioner shall provide and construct infrastructure for each phase of the project, at its sole expense, and will construct and provide to District standards, and as operational, a water distribution system with improvements, which may include without limitation a well(s), distribution lines from an outside source, water treatment facilities and/or water storage tank(s) necessary to connect into GRGID's existing system and to provide water service to the property or a portion of the property being developed; a sewer distribution system with improvements necessary to connect into GRGID's existing system to provide sewer service to the property or a portion of the property being developed; a system of streets constructed to District standards and dedicated to the District to provide access to and within the property or a portion of the property being developed; satisfactory ingress and egress on

such streets or highways as are approved by the District and by Douglas County; and a storm sewer/drainage system to District standards, and as operational, necessary to provide storm water drainage and to connect into existing systems to provide storm drainage to the property or a portion of the property being developed. Petitioner, or its successors in interest, shall be responsible for any connection fees (hook-up fees) and for all monthly user fees for any service provided by the District to the property that are in effect at the time that such service(s) is required for the property. Petitioner acknowledges that it may be required to perform a study and construct offsite improvements that will allow service to its proposed project.

Such developer improvements shall be constructed for each phase of development of the property as reasonably required by Douglas County and by the District. Upon construction to District standards, the District shall accept dedication and ownership of and shall maintain all roads and public improvements upon completion and acceptance and delivery of as built drawings.

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

9. Improvement Plans. The Petitioner shall provide improvement plans for each phase of the project to the District or its representative(s) for review and approval, and Petitioner agrees to reimburse the District for any reasonable expenses in review of said plans, which may include expenses related to design review, to review of any tentative map(s) for any phase(s); review of any final map(s) for any phase(s); full-time on-site inspection; and legal and engineering expenses. Petitioners also agree to reimburse the District for any administrative expenses

incurred by the District in the plan review process. Petitioner shall provide as-built drawings to the District upon completion of improvements.

10. Water Meters. Water meters as required by the Manual and by District Standards shall be installed for each lot developed by Petitioner. Petitioner, or its successor in interest, shall pay for all meters which will be supplied and furnished by the District. Petitioner, or its successor in interest, shall also pay hook-up fees in effect at the time of the request for service.

11. Default, Remedies, Termination.

A. General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay in performing any term or provision of this Annexation Agreement shall constitute a default. In the event of an alleged default, or breach of any of the terms or conditions of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the party charged shall not be considered in default for the purpose of termination of this Agreement or institution of any legal or equitable proceedings.

After written notice and expiration of thirty (30) days from the date of notice of default, the non-defaulting party to this Annexation Agreement may, at its option, institute legal, equitable or administrative proceedings to enforce its rights pursuant to this Agreement.

Evidence of default may also arise in the course of periodic review of this Agreement. If either party determines that the other party is in default following the completion of the periodic review, said party may give written notice of default of this Agreement as set forth

in this section specifying in the notice the alleged nature of the default and potential actions to cure the default where appropriate.

Following a notice of default of this Agreement, the matter shall be scheduled for consideration and review by the District Board at its next regularly scheduled meeting. If the default is not cured within thirty (30) days or within such longer period as agreed upon between the District and Petitioner, or if the defaulting party waives its right to cure such alleged default, then the defaulting party shall be required to pay the non-defaulting party all costs and expenses suffered by the non-defaulting party resulting from the default.

Any mutually agreed upon extension of the time within which either party may perform the conditions and requirements of this Agreement shall not be defined as a default of the terms of this Agreement.

B. Bi-annual Agreement Review. Petitioner and the District agree that, for the purposes of the District's review of this Agreement, the Agreement shall be considered as an agreement for development of land pursuant to the provisions of NRS 278.0205. This Agreement may be amended or cancelled, in whole or in part, by mutual consent of the parties to the Agreement or their successors in interest, except that if the District determines, upon a review of the development of the land held at least once every 24 months, that the terms or conditions of the Agreement are not being complied with by either party, or their successors in interest, either party may provide notice of default to the non-performing party.

C. Notice. Notice of intention to declare a default of any portion of the Agreement must be given by publication in a newspaper of general circulation in Douglas County, Nevada, and by certified mail to the defaulting party.

Should either party, or their successors in interest, be in default and not cure

the default, or should either party elect to waive its/their right to cure such default, in no event shall the Permit which is evidenced by Exhibit "B" attached hereto revert to Petitioner.

D. Termination not to Affect Final Map(s). It is hereby acknowledged by Petitioner and the District that any portion of the property which is the subject of a final map recorded at the time of a default shall not be affected by or jeopardized in any respect by any subsequent default affecting the balance of the property.

12. Miscellaneous.

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

If to: GRGID
931 Mitch Drive
Gardnerville, NV 89460

With Copy to: Rowe Hales Yturbide, LLP
1638 Esmeralda Avenue
Minden, NV 89423

If to: Rancho Sierra, LLC

B. Governing Law. It is agreed that this Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada as amended from time to time.

C. Modification. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party, or an authorized representative of each party.

D. Indemnification/Hold Harmless. Petitioner hereby agrees to, and shall hold the District and its elected and appointed Boards, Commissions, Officers, agents, attorneys

and employees harmless from any liability for injury or claims for property damage which may arise from Petitioner's conduct, or the conduct of Petitioner's agents or successors, including contractors and sub-contractors, or by any one or more persons directly or indirectly employed by or acting as the agent for Petitioner during the course of project construction and until final approval and acceptance of the project and the public improvements contained within it. Petitioner agrees to and shall defend the District from any and all suits or actions at law or in equity for damage caused or alleged to have been caused by reason of the Petitioner's construction operations until final District approval of the improvements within the phase(s) of the project. Petitioner shall, at its sole expense and cost, repair any existing streets, sidewalks, storm drains, sewer lines, water lines, street lights or other public improvement(s) which may be damaged during the course of construction of improvements on the property during Petitioner's development of the property.

E. Private Undertaking. Petitioner and the District specifically understand and agree that the property and the development of the property by the Petitioner, or its successors in interest, is purely a private development, and no partnership, joint venture or other association or entity of any kind is formed by this Agreement. The Petitioner and the District agree that the only relationship between the District and Petitioner is that of governmental entity regulating or providing services to the development of private property within the parameters of applicable law, ordinance, and policy as they relate to the owner of such private property.

F. Effect of the Agreement. This Agreement is intended to contain, define, delineate, modify and expand upon all of the conditions attendant to the District's annexation of the property upon Petitioner's Petition for Inclusion of Real Property into the District. This Agreement supersedes all previous written and oral communication between the

District and Petitioner. There shall be no modification of this Agreement unless it is in writing and signed by the Petitioner, or its successors in interest, and the District. This Agreement shall be binding upon, and inure to the benefit of the heirs, successors and assigns of the parties.

G. Memorandum of Agreement. This Agreement, or a memorandum or short form of this Agreement containing its essential terms, may be recorded upon the request of either party. This Agreement's terms, conditions, obligations, duties and responsibilities shall be binding upon and inure to the benefit of the property, and the requirements of this Agreement are obligations intended by the parties to be covenants running with, and applying to, the property.

H. Assignment. Neither this Agreement, nor any part hereof, or performance pursuant to the terms of this Agreement, may be assigned by either party without the prior written consent of the other party first received in hand. The consent to an assignment of all or a portion of the duties, rights, covenants and conditions of this Agreement shall not be unreasonably withheld by either party.

Dated this 6th day of August, 2014.

Gardnerville Ranchos General Improvement District



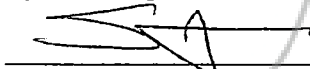
Chairman

Attest:



Robert Spellberg, District Manager

Rancho Sierra, LLC
By its Manager

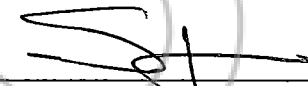


STEVEN V. RYCKERSCHT

ACKNOWLEDGEMENT


STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On the 1 day of October, 2014, personally appeared before me a Notarial Officer in and for Douglas County, STEVEN RYCKEBOSCH, Manager of Sierra Ranchos, LLC, who satisfactorily proved to me to be the person described and who executed the above document and who acknowledged to me that he executed the same for the purposes therein stated.



STEVEN RYCKEBOSCH
Manager, Sierra Ranchos, LLC

Signed and sworn to before me on this 1 day of October, 2014.



NOTARIAL OFFICER

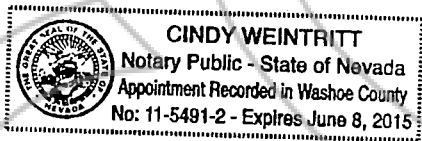


Exhibit "A"

1/7/14
Page 1 of 2

DESCRIPTION LOT 1B

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

Township 12 North, Range 20 East, M.D.B. & M., Section 28: West ½ of the Northeast ¼.

APN 1220-28-000-005

COPY