

**City of Carson City
Agenda Report**

Date Submitted: December 7, 2010

Agenda Date Requested: December 16, 2010
Time Requested: 10 Minutes

To: Mayor and Supervisors

From: Parks and Recreation Department - Open Space Division

Subject Title: Action to accept the recommendation of the Open Space Advisory Committee to approve a funding agreement and deed restriction with the Division of State Lands in order to execute a Nevada Conservation and Resource Protection Program Question-1 grant in partnership with the Nevada Land Conservancy for approximately \$1,075,000 for the fee title acquisition of the Serpa Property in the Carson River Canyon approximating 418.77 acres. (Juan F. Guzman)

Staff Summary: The acquisition of the Serpa property will be facilitated by a Nevada Conservation and Resource Protection Program, Question-1 grant award for approximately \$1,075,000. This grant award has been made to the Nevada Land Conservancy, our partners in this transaction. The City is responsible for the remaining \$2,065,775 necessary to complete the purchase. The Question-1 Program has put on notice the Nevada Land Conservancy and Carson City that the grant must be used by January 31, 2011, or it will be rescinded without any opportunity for its renewal.

Type of Action Requested: (check one)

- Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to accept the recommendation of the Open Space Advisory Committee to approve a funding agreement and deed restriction with the Division of State Lands in order to execute a Nevada Conservation and Resource Protection Program Question-1 grant in partnership with the Nevada Land Conservancy for approximately \$1,075,000 for the fee title acquisition of the Serpa Property in the Carson River Canyon approximating 418.77 acres.

Explanation for Recommended Board Action: The monies awarded are to be forwarded to the Nevada Land Conservancy; however, Carson City will be responsible for the conditions of satisfying the requirements of the grant. It should be noted that the Nevada Land Conservancy will not reserve any interest in the subject property. The entire bundle of rights will reside with Carson City. The main documents necessary for the execution of the grant include a deed restriction and a funding agreement. The deed restriction and funding agreement were previously the subject of extensive review by the Board of Supervisors and negotiated by Supervisor Williamson and Supervisor Aldean with assistance from staff. The State will provide the funding to the Nevada Land Conservancy who in turn will deposit the monies into the escrow account in accordance with the purchase agreement for this acquisition. The State of Nevada has agreed to process and advance the funding in order to be able to close the transaction with Mr. Serpa.

Applicable Statute, Code, Policy, Rule or Regulation:

Chapter 13.06 of the Carson City Municipal Code
State of Nevada Question-1 Program regulations

Fiscal Impact:

Approximately \$1,075,000 in grant funds to be used for the transaction.
Approximately \$2,065,775 from Carson City Open Space Acquisition Account.

Explanation of Impact: The value of the property was determined through a Carson City appointed appraiser, Mr. Tony Wren, MAI. A Nevada Land Conservancy grant was obtained through competitive review with other nominations submitted by non-profit corporations that can take advantage of that category of the Question-1 grant funding. Carson City is very thankful to the Nevada Land Conservancy for their perseverance and cooperation in this acquisition.

Funding Source:

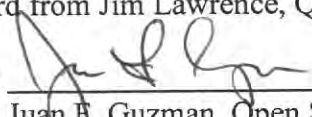
Question-1 State of Nevada Conservation Land and Water Program
Question-18 Open Space Acquisition Account with a present balance of \$3,400,000

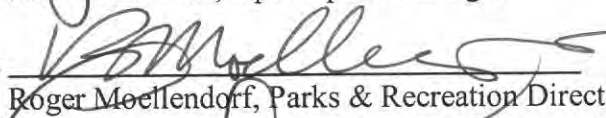
Alternatives:

Deny the request and direct staff to develop other funding options

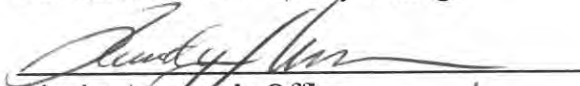
Supporting Material:

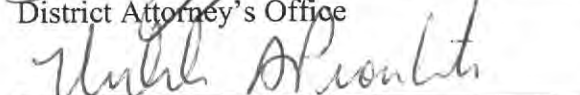
Draft deed restriction
Draft funding agreement
Letter of Award from Jim Lawrence, Question-1 Program, dated October 15, 2010

Prepared By:  Date: 12/3/2010
Juan F. Guzman, Open Space Manager

Reviewed By:  Date: 12/3/10
Roger Moellendorf, Parks & Recreation Director

 Date: 12/7/10
Lawrence A. Werner, City Manager

 Date: 12/7/10
District Attorney's Office

 Date: 12/7/10
Finance Department

Board Action Taken:

Motion: _____ 1: _____ Aye/Nay
2: _____

(Vote Recorded By)

A Funding Agreement Between the State of Nevada
Acting By and Through Its Division of State Lands and the
Conservation and Resource Protection Grant Program
(Grantor)

901 S. Stewart St., Suite 5003, Carson City, NV 89701
phone: (775) 684-2720
fax: (775) 684-2721

And

Nevada Land Conservancy
(Grantee)

P.O. Box 20288, Reno, NV 89515
phone: (775) 851-5180
fax: (775) 851-5182

And

Consolidated Municipality of Carson City
(Recipient)

3303 Butti Way Building # 9, Carson City, NV 89701
phone: (775) 887-2262
fax: (775) 887-2145

FOR THE PURPOSES OF acquiring land in Carson River Canyon consisting of approximately 418.77 acres along and adjacent to the Carson River; APN's 8-531-40, 10-011-26, 8-541-73, 8-531-05, 8-531-39, 10-021-55, 8-541-92, 10-011-27.

WHEREAS, at the general election on November 5, 2002 Nevada's voters approved a conservation initiative generated by Assembly Bill 9, Statutes of Nevada, 17th Special Session of the 2001 Nevada State Legislature, Chapter 104, referred to as Question 1, and authorized the issuance of general obligation bonds in the face amount of \$200,000,000 to carry out this program; and

WHEREAS, the Nevada legislature authorized the State Land Registrar to establish a conservation and resource protection grant program and administer the issuance of general obligation bonds in the face amount of \$65,500,000; and

WHEREAS, \$15,000,000 of the above \$65,500,000 is allocated to the acquisition of land and water, or interests in land and water for the public benefit to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains, wetlands and other environmental resources; and

WHEREAS, the State Land Registrar has determined this project is both necessary and in the best interests of the State of Nevada;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This Funding Agreement shall not become effective until and unless approved by the State Land Registrar and the governing body of the Nevada Land Conservancy.
2. DEFINITIONS. "Grantor" means the State of Nevada and the Division of State Lands, its officers and employees. "Grantee" means the Nevada Land Conservancy. "Recipient" means Consolidated Municipality of Carson City. "Parties" means the Grantor, Grantee and Recipient.
3. FUNDING AGREEMENT TERM. This Funding Agreement shall be effective from July 1, 2008 to January 31, 2011, unless sooner terminated by either party as specified in paragraph 10 herein.
4. NOTICE. All notices or other communications required or permitted to be given under this Funding Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other parties at the addresses specified above.
5. INCORPORATED DOCUMENTS. The parties agree that the responsibilities and duties of each party as well as the scope of the project shall be specifically described; this Funding Agreement incorporates the following attachments in descending order of constructive precedence;
 - ATTACHMENT A: Question 1 Adopted Regulations
 - ATTACHMENT B: Project Summary and Special Conditions
 - ATTACHMENT C: Scope of Work
 - ATTACHMENT D: Project Budget
 - ATTACHMENT E: Appraisal
 - ATTACHMENT F: Title Report
 - ATTACHMENT G: Non-revocable Deed Restriction
 - ATTACHMENT H: DCNR General Requirements
 - ATTACHMENT I: Easement Exhibit
6. COST: Grantor agrees to provide a maximum of 33.78 percent of the total project cost (the amount actually expended and necessary for completion of the described project), not to exceed a total grant amount of \$1,075,00.00, contingent upon Grantee's and Recipient's compliance with all of the terms and conditions herein. See Attachment B hereto, for description. Recipient is required to provide a minimum of 66.22% of the \$3,181,935.36 total project cost as its local share.
7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this Funding Agreement are also specifically a part of this Funding Agreement and are limited only by their respective order of precedence and any limitations specified.
8. INSPECTION & AUDIT.
 - a. Books and Records. Grantee and Recipient agree to keep and maintain under general accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to Grantor, or its authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.
 - b. Inspection & Audit. Grantee and Recipient agree that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices, financial statements and supporting documentation shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Grantee and Recipient where such records may be found by Grantor's designated representative.

c. Period of Retention. All books, records, reports, and statements relevant to this Funding Agreement must be retained a minimum of six years. The retention period runs from the date of Grantor's last Funding Agreement payment, or from the date of termination of the Funding Agreement, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

9. FUNDING DISTRIBUTION: Question 1 funding in an amount not to exceed \$1,075,000.00 shall be disbursed to Grantee in the form of an advance or reimbursement(s). A proposed easement for use by the V&T railroad may potentially be constructed on the property acquired. The value of the land under the easement is included in the appraised value of the overall 418.77 acres. State Lands Q1 funds are not funding the easement portion of this acquisition. Original invoices, or a request for an advance, shall be submitted by Grantee to the Grantor to receive funds.

10. FUNDING AGREEMENT TERMINATION. Grantor may only terminate this project agreement as specified in section 16 of the incorporated Attachment B, and as further specific herein. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Grantee or Recipient to provide the goods or services required by this Funding Agreement is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or if Grantee or Recipient becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or if it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Grantee, or any agent or representative of Grantee, to any officer or employee of the State of Nevada with a view toward securing a Funding Agreement or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such Funding Agreement, then this Funding Agreement may be immediately terminated by the Grantor.

a. Time to Correct. Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in paragraph 4 above, and the subsequent failure of the defaulting party within 30 calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

b. Winding Up Affairs Upon Termination. In the event of termination of this Funding Agreement for any reason, the parties agree that the provisions of this paragraph survive termination:

i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Funding Agreement. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

ii. Recipient shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Grantor;

iii. Grantee and/or Recipient shall execute any documents and take any actions necessary to effectuate an assignment of this Funding Agreement if so requested by the Grantor;

11. REMEDIES. Except as otherwise provided for by law or this Funding Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation \$125 per hour for State-employed attorneys. The State may set off consideration against any unpaid obligation of Grantee to any State agency.

12. LIMITED LIABILITY. The State will not waive and intends to assert available NRS chapter 41 liability limitations in all cases

13. FORCE MAJEURE. No party shall be deemed to be in violation of this Funding Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of

God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Funding Agreement after the intervening cause ceases.

14. INDEMNIFICATION. To the fullest extent permitted by law, Grantee and Recipient shall indemnify, hold harmless and defend, not excluding the State's right to participate, the State from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Grantee or Recipient, its officers, employees and agents for this Funding Agreement.

15. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the Funding Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

16. SEVERABILITY. If any provision contained in this Funding Agreement is held to be unenforceable by a court of law or equity, this Funding Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Funding Agreement unenforceable.

17. ASSIGNMENT. Neither Grantee nor Recipient shall assign, transfer nor delegate any rights, obligations or duties under this Funding Agreement without the prior written consent of the State.

18. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Grantee and Recipient may be open to public inspection and copying. The State will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests.

19. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this Funding Agreement:

a. Grantee and Recipient certifies, by signing this Funding Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Grantee and Recipient shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Grantee and Recipient shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offer for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

20. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this Funding Agreement on behalf of each party has full power and authority to enter into this Funding Agreement. Grantee and Recipient acknowledges that as required by statute or regulation this Funding Agreement is effective only after approval by the Division of State Lands Administrator and only for the period of time specified in the Funding Agreement. Any services performed by Grantee and Recipient before this Funding Agreement is effective or after it ceases to be effective are performed at the sole risk of Grantee and Recipient.

21. GOVERNING LAW; JURISDICTION. This Funding Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of

Nevada. Grantee and Recipient consents to the jurisdiction of the Nevada district courts for enforcement of this Funding Agreement.

22. ENTIRE FUNDING AGREEMENT AND MODIFICATION. This Funding Agreement and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Funding Agreement specifically displays a mutual intent to amend a particular part of this Funding Agreement, general conflicts in language between any such attachment and this Funding Agreement shall be construed consistent with the terms of this Funding Agreement. Unless otherwise expressly authorized by the terms of this Funding Agreement, no modification or amendment to this Funding Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Funding Agreement to be signed and intend to be legally bound thereby.

_____ James R. Lawrence Grantor Signature	_____ Date	_____ Administrator/State Lands Registrar Grantor's Title
_____ Grantee Signature	_____ Date	_____ Grantee's Title
_____ Recipient Signature	_____ Date	_____ Recipient's Title

ATTACHMENT A
Question 1 Adopted Regulations

(See 17 Page PDF Document Attached)

DRAFT

**ATTACHMENT B
 Project Summary & Special Conditions**

Project Summary:

Project Title and Identification Number:
Deer Run - Carson River Canyon Fee Title Acquisition, CA-LW-08042

GRANTOR:.....Nevada Division of State Lands
GRANTEE:.....Nevada Land Conservancy
RECIPIENT.....Consolidated Municipality of Carson City
GRANT PROGRAM:...Question 1

Project Type: Land and Water Acquisition, NPO
 Question 1 Funding Source: Land and Water Acquisition, NPO

Period Covered By This Funding Agreement (Term):
 July 1, 2008 to January 31, 2011

Project Cost Sharing Estimates (Match Amount)		
Recipient's (Nevada Land Conservancy's) Share of Project Cost	66.22% of Project Cost	\$2,106,935.36
Grantor's (State Lands) Share of Project Cost	33.78% of Project Cost	\$1,075,000.00
Estimated Total Project Cost*		\$3,181,935.36

*See Attachment D, Project Budget for details.

RECIPIENT is responsible for a minimum of 66.22% of the ACTUAL costs of the project and estimates a contribution of 66.22% of the project costs currently estimated to be \$2,106,935.36.

GRANTOR is responsible for a maximum of 33.78% of the ACTUAL costs of acquisition, excluding easement costs, not to exceed \$1,075,000.00, unless the funding agreement is amended by the State. Based on the estimated costs, it is estimated that Grantor will be responsible for 33.78% of the project cost (\$1,075,000.00). The GRANTOR will reimburse GRANTEE for administrative costs of a maximum of 5% of the total project cost. Reimbursement of administrative and project costs together shall not exceed \$1,075,000.00.

Project Scope (Description of Project elements funded by this agreement).
See Attachment C for details:

The purpose of the project is to acquire in Fee Title approximately 418.77 acres that front or are near the Carson River in the vicinity of Deer Run Road, Deer Run Bridge, and south of US Highway 50 East in Carson City. The land proposed to be acquired is comprised of eight contiguous parcels along or near the river for approximately 3.5 miles. The acquisition includes riparian and upland desert habitat, wildlife habitat, natural and artificial wetlands, sensitive flora, historic mining areas, and navigable waters as part of the Carson River Aquatic Trail.

Special Conditions:

In addition to the terms and conditions listed on pages 1-5 of this Funding Agreement, the GRANTOR, GRANTEE, and RECIPIENT mutually agree to perform this Funding Agreement with the terms, promises, conditions, plans, specifications, estimates, procedures, project proposals, maps and assurances attached hereto and hereby made a part hereof.

1. The GRANTEE and RECIPIENT hereby promises, in consideration of the promises made by the GRANTOR herein, to execute the project described above in accordance with the terms of the Funding Agreement.
2. The incorporated Non-revocable Deed Restriction that runs with the land shall be recorded against the property(ies) in perpetuity. See Attachment G below.
3. Work performed after July 1, 2000 may be eligible for matching contributions provided:
 - a. The applicant provides documentation detailing the work performed;
 - b. The applicant provides documentation that the work performed related directly towards project implementation;
 - c. The work performed is considered eligible for reimbursement per NAC regulations, Chapter 321, Sections 2 to 35, inclusive; and
 - d. The total State Share specified in the Funding Agreement does not increase.
4. The GRANTOR shall receive a site plan and other relevant project plans and specifications, completed by the RECIPIENT, if applicable, showing all interests in land and water, and showing all facilities and structures acquired as part of the project including a summary report with information requested by the GRANTOR.
5. A request for funds exceeding \$1,075,000.00 requires an amendment to this agreement and must be approved by the State Lands Registrar.
6. Question 1 funding in an amount not to exceed \$1,075,000.00 shall be disbursed to the GRANTEE in the form of an advance or reimbursement(s) for direct distribution to the RECIPIENT. A proposed easement for use by the V&T railroad may potentially be constructed on the property acquired. The value of the land under the easement is included in the appraised value of the overall 418.77 acres. State Lands Q1 funds are not funding the easement portion of this acquisition. Original invoices, or a request for an advance, shall be submitted by GRANTEE to the GRANTOR to receive funds. GRANTEE invoices or advance request shall include a copy(ies) of RECIPIENT invoices or advance request to be paid by GRANTEE.
7. Payments are on a reimbursement basis and can be advanced in certain circumstances. Requests for reimbursements or advances must contain the necessary information identified in the "Outlay Report and Request for Reimbursement and/or Advance" form, or equivalent form provided by the GRANTOR. All reimbursements or advances must include supporting documentation, including, but not limited to, invoices, receipts and details outlining the basis for the expenditures, and the signature of the official responsible for approving the expenditures. The GRANTOR reserves the right to request any additional information, related

to project expenses, or a request for an advance, that the GRANTOR determines is necessary to process a payment.

8. The GRANTOR may audit project records or its designee. All records must be retained a minimum of 6 (six) years (see Attachment H) after the completion of work on the Project. The GRANTOR reserves the right to require that the records be kept for a longer period of time.
9. The GRANTOR, GRANTEE, and RECIPIENT will be invited to attend all major project issue meetings.

Grantor: Nevada Division of State Lands
Attn: Kevin Hill, Question 1 Program Coordinator
901 S. Stewart St., Suite 5003
Carson City, NV 89701
(775) 684-2747

Grantee: Nevada Land Conservancy
Attn: Becky Stock, Project Director / Chuck Pope, CEO
P.O. Box 20288
Reno, NV 89515
(775) 851-5180

Recipient: Consolidated Municipality of Carson City
Attn: Juan Guzman, Open Space Manager
3303 Butti Way, Building # 9
Carson City, NV 89701

10. The GRANTOR will be notified immediately of any changes regarding the cost of the project or the scope of work.
11. The RECIPIENT is responsible for obtaining all permits, easements and other private and governmental agency approvals required for the project.
12. To the fullest extent permitted by law, the GRANTEE and RECIPIENT agree to indemnify, hold harmless and defend the State of Nevada, its officers, employees, agents and invitees from and against all liabilities, claims, actions, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of any alleged negligent or willful acts or omissions of the GRANTEE and RECIPIENT, its officers, employees and agents.
13. The failure of all parties to enforce any provision of the Funding Agreement shall not be construed as a waiver of limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Funding Agreement.
14. This Funding Agreement may be modified or amended if the amendment is made in writing and is signed by all parties.
15. If any provision of this Funding Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of the Funding Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

16. Termination

The GRANTOR may terminate this Funding Agreement for reason of default by the GRANTEE and/or RECIPIENT. Any of the following events described in subparagraphs a through e inclusive shall constitute default:

- a. Termination of the grant by reason or fault of the GRANTEE and/or RECIPIENT;
- b. Failure by the GRANTEE and/ RECIPIENT to observe any of the covenants, conditions, or warranties of this Funding Agreement and its incorporated provisions;
- c. Failure by the GRANTEE and/or RECIPIENT to make progress on the project within the Period covered by this Funding Agreement;
- d. Unsatisfactory financial conditions of the GRANTEE and/or RECIPIENT which endanger the performance of the grant; and/or
- e. Delinquency by the GRANTEE and/or RECIPIENT in payments to contractors, except for those payments to contractors which are being contested in good faith by the GRANTEE and/or RECIPIENT.
- f. Conditions in the Event of Default:
 - i. If the Project is not completed, the GRANTEE and/or RECIPIENT is required to reimburse the GRANTOR for funds expended for those portions of the Project that will not stand on their own, as determined by the GRANTOR.
 - ii. The GRANTOR shall give notice to the GRANTEE and/or RECIPIENT if the GRANTEE and/or RECIPIENT is in default in the performance of any of the duties of the GRANTEE and/or RECIPIENT described in this Funding Agreement. The GRANTEE and/or RECIPIENT shall have 30 days from receipt of notice to remedy the default, and if the GRANTEE and/or RECIPIENT cannot remedy the default within such period of time, the GRANTOR may terminate this Funding Agreement. The right of the GRANTOR to terminate this Funding Agreement shall not impair any other rights or remedies at law or equity the GRANTOR may have against the GRANTEE and/or RECIPIENT under this agreement or under the law. No waiver of any default by the GRANTOR under this contract shall be held to be a waiver of any other subsequent default by the GRANTEE and/or RECIPIENT. All remedies afforded under this Funding Agreement are cumulative; this is in addition to every other remedy provided therein or under the law.

16. The RECIPIENT will furnish progress reports and such other information as the GRANTOR may require. The GRANTOR requires and an opportunity to review acquisition documents prior to closing: Five working days prior notification to review documents is required.
17. The Recipient shall post an appropriate sign at the project site acknowledging the project's funding source(s).
18. The laws of the State of Nevada shall govern this Agreement.

ATTACHMENT C Scope of Work

Project Name: Deer Run – Carson River Canyon Fee Title Acquisition
Project Number: CA-LW-08042

Grantor: Nevada Division of State Lands
Grantee: Nevada Land Conservancy
Recipient: Consolidated Municipality of Carson City

The purpose of the project is to acquire in fee title approximately 418.77 acres that front or are near the Carson River in the vicinity of Deer Run Road, Deer Run Bridge, and south of US Highway 50 East in Carson City. The land proposed to be acquired is comprised of eight contiguous parcels along or near the river for approximately 3.5 miles (APNs 008-531-05, 008-531-39, 008-531-40, 008-541-73, 008-541-92, 010-011-26, 010-011-27, & 010-021-55). The project area includes riparian and upland desert habitat, natural and artificial wetlands, sensitive flora, historic mining areas, wildlife habitat and navigable waters as part of the Carson River Aquatic Trail.

A proposed easement for use by the V&T railroad may potentially be constructed on the property acquired. The value of the land under the easement is included in the appraised value of the overall 418.77 acres. State Lands Q1 funds are not funding the easement portion of this acquisition.

The property to be acquired by Nevada Land Conservancy pursuant to this agreement shall be instantaneously transferred to Carson City at the time of escrow closing.

For a detailed description of the property, the conservation values protected, and the property rights granted and retained, see Attachments E, F, and G below.

**ATTACHMENT D
 Project Budget**

Project Name: Deer Run - Carson River Canyon Fee Title Acquisition
 Project Number CA-LW-08042

Grantor: Nevada Division of State Lands
 Grantee: Nevada Land Conservancy
 Recipient: Consolidated Municipality of Carson City

Deer Run - Carson River Canyon Fee Title Acquisition

Question 1 Project Budget

Project Task/Item	Funding Source			Subtotal
	Question 1 Request	Match, Cash	Match, Inkind	
Fee Title	\$1,070,000.00	\$2,075,775.00		\$3,145,775.00
V&T Easement			\$1,500,000.00	\$1,500,000.00
Appraisal		\$8,500.00		\$8,500.00
RCI Report		\$3,880.00		\$3,880.00
NLC Transactional Fees	\$5,000.00	\$11,470.00		\$16,470.00
Documented Closing Costs, including Title Report		\$7,310.36		\$7,310.36
Subtotal	\$1,075,000.00	\$2,106,935.36	\$0.00	
		Total Project Cost		\$4,681,935.36
		Total Qualifying Project Cost		\$3,181,935.36

Percent of Total, Qualifying Costs 0
 Total Match Percentage 66.21552991
 Percentage Total (100?) 100
 Total Match \$2,106,935.36
Total Q1 Request \$1,075,000.00

Total Qualifying Project Cost  **\$3,181,935.36**

ATTACHMENT E
Appraisal including Preparer's Qualifications and References

Project Name: Deer Run – Carson River Canyon Fee Title Acquisition
Project Number CA-LW-08042

Grantor: Nevada Division of State Lands
Grantee: Nevada Land Conservancy
Recipient: Consolidated Municipality of Carson City

(See Tony Wren appraisal attached)

DRAFT

Deer Run – Carson Canyon Fee Acquisition CARON-08042
Term Ending Date: January 31, 2011

ATTACHMENT F
Title Report

Project Name: Deer Run – Carson River Canyon Fee Title Acquisition
Project Number CA-LW-08042

Grantor: Nevada Division of State Lands
Grantee: Nevada Land Conservancy
Recipient: Consolidated Municipality of Carson City

(See Preliminary Title Report prepared by Northern Nevada Title Attached)

DRAFT

N
N
T
C
ORTHERN
EVADA
ITLE
OMPANY

307 W Winnie Lane, Suite 1
Carson City, NV 89703
Phone (775)883-7513
Fax (775)887-5065

PRELIMINARY REPORT

Issued for the sole use of:

Carson City

Our Order No.: **1095408-LS**

Title No.: **1095408-LS**

Your No.: **CC-1095408-LS**

When Replying Please Contact:

Lanette Inman, Escrow Officer

Buyer:

Carson City

Property Address:

**vacant land
Carson City, NV 89701**

Assessor's Parcel No.:

8-531-40, 10-011-26, 10-011-27, 8-541-73, 8-531-05, 8-531-39, 10-021-55 and 8-541-92

In response to the above referenced application for a policy of title insurance, Northern Nevada Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of December 6, 2010 at 12:00AM

Title Officer: Tammy May

For Exceptions Shown or Referred to, See Attached

Northern Nevada Title Company

The form of policy of title insurance contemplated by this report is:

CLTA Owners. A specific request should be made if another form or additional cover is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

A Fee

Title to said estate or interest at the date hereof is vested in:

John C. Serpa, a married man as his sole and separate property

All that certain real property situated in the County of Carson City, State of Nevada, described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Property Taxes for the fiscal year 2010-2011 shown below are paid. For Pro-ration purposes the amounts are:
Assessor's Parcel No.: 008-531-40
Total: \$88.88
2. General and special State, County and/or City property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, payable in 4 quarterly installments (3rd Monday in August and the 1st Monday in October, January and March, respectively) as follows:
Assessor's Parcel No.: 010011-26
Total: \$105.24
First Installment: \$27.24, paid
Second Installment: \$26.00, paid
Third Installment: \$26.00, not paid
Fourth Installment: \$26.00, not paid
3. General and special State, County and/or City property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, payable in 4 quarterly installments (3rd Monday in August and the 1st Monday in October, January and March, respectively) as follows:
Assessor's Parcel No.: 010-011-27
Total: \$131.53
First Installment: \$35.53, paid
Second Installment: \$32.00, paid
Third Installment: \$32.00, not paid
Fourth Installment: \$32.00, not paid
4. General and special State, County and/or City property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, payable in 4 quarterly installments (3rd Monday in August and the 1st Monday in October, January and March, respectively) as follows:
Assessor's Parcel No.: 008-541-73
Total: \$711.11
First Installment: \$180.11, paid
Second Installment: \$177.00, paid
Third Installment: \$177.00, not paid
Fourth Installment: \$177.00, not paid

Northern Nevada Title Company

5. Property Taxes for the fiscal year 2010-2011 shown below are paid. For Pro-ration purposes the amounts are:
Assessor's Parcel No.: 008-531-05
Total: \$17.79
6. General and special State, County and/or City property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, payable in 4 quarterly installments (3rd Monday in August and the 1st Monday in October, January and March, respectively) as follows:
Assessor's Parcel No.: 008-531-39
Total: \$133.36
First Installment: \$34.36, paid
Second Installment: \$33.00, paid
Third Installment: \$33.00, not paid
Fourth Installment: \$33.00, not paid
7. Property Taxes for the fiscal year 2010-2011 shown below are paid. For Pro-ration purposes the amounts are:
Assessor's Parcel No.: 010-021-55
Total: \$48.52
8. General and special State, County and/or City property taxes and any assessments collected with taxes, for the fiscal year 2010-2011, payable in 4 quarterly installments (3rd Monday in August and the 1st Monday in October, January and March, respectively) as follows:
Assessor's Parcel No.: 008-541-92
Total: \$540.16
First Installment: \$135.16, paid
Second Installment: \$135.00, paid
Third Installment: \$135.00, not paid
Fourth Installment: \$135.00, not paid
9. The lien, if any, for taxes for improvements completed or in progress, but which were not shown on the tax bill for the current year.
10. Liens levied by the Carson City Water and Sewer District for water, sewer and storm water utilities, by reason that subject property is located within said district. To verify payments, delinquencies or liens, contact Carson City Utilities at (775) 887-2355.
11. Notes, easements and recitals as set forth on Record of Survey Map No. 2561. Said notes, easement and recitals will affect the use of the herein described property and a review of said map is advised.
12. Rights of the public, county and/or city in that portion lying within the street as it now exists.
STREET NAME: Brunswick Canyon Road and N. Deer Run Road
13. Any easement or claims of easement or rights of access based on prescription or by implied dedication to the public over said land or any part thereof, for access (or recreational purposes) to or upon the Carson River.

Northern Nevada Title Company

14. Any adverse claim based upon the assertion that:
- a) "Said land or any part thereof is now, or at any time has been, below the ordinary high water mark of the Carson River."
 - b) "Some portion of said land has been created by artificial means or has accreted to such portions so created."
 - c) "Some portion of said land has been brought with the boundary thereof by an avulsive movement of the Carson River or has been formed by accretion to any such portion."

15. Such rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of Carson River.

16. Easement, together with the rights incidental thereto,

Granted to: Carson city, a Political Subdivision of the State of Nevada
Purpose: Right-of-way, with the right to construct, operate and maintain underground utility facilities with appurtenances thereto
Recorded: June 5, 1985
Book: 395
Page: 600
Document No. 36541, Official Records

AFFECTS: Parcels 1, 2 and 3

17. Easement, together with the rights incidental thereto,

Granted to: Sierra Pacific Power Company, a Nevada Corporation and Nevada Bell, a Nevada corporation
Purpose: A 20 foot wide right of way, with the right to construct, operate and maintain one or more electric, gas and water distributions lines with appurtenances thereto
Recorded: January 8, 1987
Document No. 53717, Official Records

AFFECTS: Parcel 1

18. Easement, together with the rights incidental thereto,

Purpose: Reciprocal Vehicular Access Easements
Recorded: April 9, 2007
Document No. 366499, Official Records

AFFECTS: Parcel 8

19. The fact that said land does not contain any insurable access to or from any dedicated public road or highway.

AFFECTS: Parcel 7

We find no Deeds of Trust of record, please inquire.

Northern Nevada Title Company

Northern Nevada Title Company

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of **Northern Nevada Title Company**.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from [our affiliates or] others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Northern Nevada Title Company

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

Northern Nevada Title Company

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters.
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer, or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

Northern Nevada Title Company

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**AMERICAN LAND TITLE ASSOCIATION
LOAN POLICY OF TITLE INSURANCE - 2008
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART 1, SECTION ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Northern Nevada Title Company

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
and
AMERICAN LAND TITLE ASSOCIATION LEASEHOLD OWNERS POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy, or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer, or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
 Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

Northern Nevada Title Company

**AMERICAN LAND TITLE ASSOCIATION
OWNER'S POLICY OF TITLE INSURANCE - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (v) the character, dimensions, or location of any improvement erected on the Land;
 - (vi) the subdivision of land; or
 - (vii) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
 3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
 5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in Public Records that vests Title as shown in Schedule A.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART ONE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule AOR
 - in streets, alleys, or Waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**AMERICAN LAND TITLE ASSOCIATION
SHORT FORM RESIDENTIAL LOAN POLICY - 2006
ONE-TO-FOUR FAMILY**

ANY ADDENDUM ATTACHED HERETO, OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, A MINNESOTA CORPORATION, HEREIN CALLED THE "COMPANY", HEREBY INSURES THE INSURED IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, EXCLUSIONS AND CONDITIONS SET FORTH IN THE AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (8-17-06), ALL OF WHICH ARE INCORPORATED HEREIN. ALL REFERENCES TO SCHEDULES A AND B SHALL REFER TO SCHEDULES A AND B OF THIS POLICY.

SCHEDULE B

EXCEPTIONS FROM COVERAGE AND AFFIRMATIVE ASSURANCES

Except to the extent of the affirmative insurance set forth below, this policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees, or expenses) which arise by reason of:

1. Covenants, conditions and restrictions, if any, appearing in the Public Records; however, this policy insures against loss or damage arising from:
 - (a) The violation of those covenants, conditions, or restrictions on or prior to Date of Policy;
 - (b) a forfeiture or reversion of Title from a future violation of those covenants, conditions, or restrictions, including those relating to environmental protection; and
 - (c) provisions in those covenants, conditions, or restrictions, including those relating to environmental protection, under which the lien of the Insured Mortgage can be extinguished, subordinated, or impaired.

As used in paragraph 2(a), the words "covenants, conditions, or restrictions" do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not referenced in an addendum attached to this policy.

2. Any easements or servitudes appearing in the Public Records; however, this policy insures against loss or damage arising from (a) the encroachment, at Date of Policy, of the improvements on any easement, and (b) any interference with or damage to existing improvements, including lawns, shrubbery, and trees, resulting from the use of the easements for the purposes granted or reserved.
3. Any lease, grant, exception, or reservation of minerals or mineral rights appearing in the Public Records; however, this policy insures against loss or damage arising from (a) any affect on or impairment of the use of the Land for residential one-to-four family dwelling purposes by reason of such lease, grant, exception or reservation of minerals or mineral rights, and (b) any damage to existing improvements, including lawns, shrubbery, and trees, resulting from the future exercise of any right to use the surface of the Land for the extraction or development of the minerals or mineral rights so leased, granted, excepted, or reserved. Nothing herein shall insure against loss or damage resulting from subsidence.

EXHIBIT "A"

All that certain real property situated in the County of Carson City, State of Nevada, described as follows:

PARCEL 1

The Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 12, Township 15 North, Range 20 East, M.D.B. & M., Carson City, Nevada.

EXCEPTING THEREFROM, all that portion of said land lying West of the Easterly line of the Carson River.

ALSO EXCEPTING THEREFROM, all that land lying within the bed of the Carson River.

Note: Legal description previously contained in Document recorded June 14, 1965 in Book 396, Page 372 as Document No. 36739 and re-recorded June 17, 1986 as Document No. 46476, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 8-531-40

PARCEL 2

The Southwest $\frac{1}{4}$ of Section 7 all being in Township 15 North, Range 21 East, M.D.B. & M., Carson City, Nevada.

EXCEPTING THEREFROM all that land lying within the bed of the Carson River.

Note: Legal description previously contained in Document recorded June 14, 1965 in Book 396, Page 372 as Document No. 36739 and re-recorded June 17, 1986 as Document No. 46476, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 10-011-26

PARCEL 3

The Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 18 in Township 15 North, Range 21 East, M.D.B. & M., Carson City, Nevada.

EXCEPTING THEREFROM all that land lying within the bed of the Carson River.

Note: Legal description previously contained in Document recorded June 14, 1965 in Book 396, Page 372 as Document No. 36739 and re-recorded June 17, 1986 as Document No. 46476, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 10-011-27

Northern Nevada Title Company

PARCEL 4

A portion of Parcel D as set forth on the Parcel Map for Carson River Development Co, being a portion of the Northeast ¼ of Section 11, Township 15 North, Range 20 East, M.D.B. & M., Carson City, Nevada filed for record September 4, 1979 in Book 3 of Maps, page 797, Document No. 90527, Official Records of Carson City, State of Nevada.

EXCEPTING THEREFROM that certain piece or parcel of land shown as Parcel 3A on Record of Survey to Support a Lot Line Adjustment for John C. Serpa & JS-SDA, LLC recorded in the office of the Carson City Recorder on May 27, 2005 in Book 9 of Maps, Page 2561A, Document No. 337116, Official Records of Carson City, State of Nevada and being more particularly described in that certain Lot Line Adjustment recorded May 27, 2005 as Document No. 337115, Official Records of Carson City, State of Nevada.

FURTHER EXCEPTING THEREFROM all the land lying within the bed of the Carson River.

Assessor's Parcel No. 8-541-73

PARCEL 5

A portion of the Northeast ¼ of Section 11, Township 15 North, Range 20 East, M.D.B. & M., Carson City, Nevada, described as follows:

COMMENCING at the East quarter corner of said Section 11, as set forth on Parcel Map recorded September 4, 1979 in Book 3 of Maps, Page 767, file No. 90527, Official Records of Carson City, Nevada, said point being the Point of Beginning; thence N. 89°21'46" West along the East-West section line 729.15 feet; thence N. 73°45'57" E, 204.61 feet; thence on a curve to the right with a central angle of 73°48'06" a radius of 600.00 feet for an arc length of 772.85 feet; thence East 100 feet to a point on the section line common to sections 11 and 12; thence S. 0°01'36" East, 641.65 feet to the Point of Beginning.

EXCEPTING THEREFROM that portion lying within the right of way boundary of Deer Run Road.

Note: Legal description previously contained in Document recorded June 14, 1965 in Book 396, Page 372 as Document No. 36739 and re-recorded June 17, 1986 as Document No. 46476, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 8-531-05

PARCEL 6

The Southwest ¼ of the Northwest 1/4; the Southeast ¼ of the Northwest ¼; the East ½ of the Southwest ¼; the West ½ of the Southeast ¼; and the Southeast ¼ of the Southeast ¼ all in Section 12, Township 15 North, Range 20 East, M.D.B. & M., Carson City, Nevada.

EXCEPTING THEREFROM those portions lying Northerly and Easterly of the Southerly and Westerly line of the Carson River.

ALSO EXCEPTING THEREFROM all that land lying within the bed of the Carson River.

ALSO EXCEPTING THEREFROM all that portion lying within the right of way boundary of Deer Run Road.

Note: Legal description previously contained in Document recorded June 14, 1965 in Book 396, Page 372 as Document No. 36739 and re-recorded June 17, 1986 as Document No. 46476, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 8-531-39

PARCEL 7

Northeast ¼ of the Northeast ¼ of Section 13, Township 15 North, Range 20 East, M.D.B. & M., Carson City, Nevada.

EXCEPTING THEREFROM all that land lying within the bed of the Carson River.

Note: Legal description previously contained in Document recorded June 14, 1965 in Book 396, Page 372 as Document No. 36739 and re-recorded June 17, 1986 as Document No. 46476, Official Records of Carson City, State of Nevada.

Assessor's Parcel No. 10-021-55

PARCEL 8

All that certain real property situate within the northeast 1/4 of Section 11, Township 15 North, Range 20 East, M.D.M., Carson City, Nevada, further described as a portion of New Parcel 3 as shown on the Record of Survey to support a Lot Line Adjustment for John C. Serpa, recorded as Document No. 194756, Official Records of Carson City, Nevada, more particularly described as follows:

COMMENCING at the east 1/4 corner of said Section 11, said point being a 5/8" Rebar with Tag "RE 778";

THENCE N 89°21'46" W a distance of 729.16 feet to the TRUE POINT OF BEGINNING;

THENCE N 89°21'46" W a distance of 602.18 feet;

THENCE N 00°15'29" E a distance of 1315.43 feet;

THENCE N 89°18'23" W a distance of 1324.22 feet;

THENCE N 00°30'45" E a distance of 13.47 feet to a point on the southeasterly right-of-way line of Morgan Mill Road;

THENCE N 76°49'43" B along said southeasterly right-of-way, a distance of 471.97 feet;

THENCE continuing along said right-of-way along a curve to the left having a radius of 760.00 feet, arc length of 156.90 feet, delta angle of 11°49'43", a chord bearing of N 70°54'52" E, and a chord length of 156.62;

THENCE N 65°00'00" E continuing along said right-of-way a distance of 42.52 feet to the southwesterly corner of New Parcel 1 as shown on the aforementioned Record of Survey to support a Lot Line Adjustment for John C. Serpa;

THENCE along the southerly line of said New Parcel 1 the following six (6) courses;

THENCE S 63°38'57" E, a distance of 251.89 feet;

THENCE S 88°32'55" E, a distance of 254.33 feet;

THENCE S 67°39'20" E, a distance of 110.73 feet;

THENCE N 62°58' 10" E, a distance of 63.20 feet;

THENCE S 78°22'39" E, a distance of 69.91 feet;

THENCE N 75°44'48" E, a distance of 49.24 feet to the southeast corner of said New Parcel 1;

THENCE N 85°20'47" E, a distance of 462.74 feet;

THENCE S 87°20'00" E, a distance of 171.11 feet;

THENCE S 59°25'00" E, a distance of 580.12 feet to a point on the southwesterly right-of-way line of Deer Run Road;

THENCE along said southwesterly right-of-way, along a curve to the right having a radius of 600.00 feet, arc length of 139.89 feet, delta angle of 13°21 '30", a chord bearing of S 06°42'21" E, and a chord length of 139.57 feet;

Northern Nevada Title Company

THENCE S 00°01'36" E continuing along said right-of-way a distance of 356.98 feet;

THENCE continuing along said right-of-way along a curve to the right having a radius of 600.00 feet, arc length of 772.85 feet, delta angle of 73°48'06", a chord bearing of S 36°51'54" W, and a chord length of 720.52 feet;

THENCE S 73°45'57" W continuing along said right-of-way a distance of 204.63 feet to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM all that certain property lying southerly of the northerly mean high water mark of the Carson River.

Reference is further made to adjusted Parcel 3A on Record of Survey to Support a Lot Line Adjustment for John C. Serpa & JS-SDA, LLC recorded in the office of the Carson City Recorder on May 27, 2005 in Book 9 of Maps, Page 2561 as Document No. 337116, Official Records of Carson City State of Nevada.

Note: Legal description previously contained in Document recorded May 27, 2005 as Document No. 337115, Official Records of Carson City, State of Nevada.

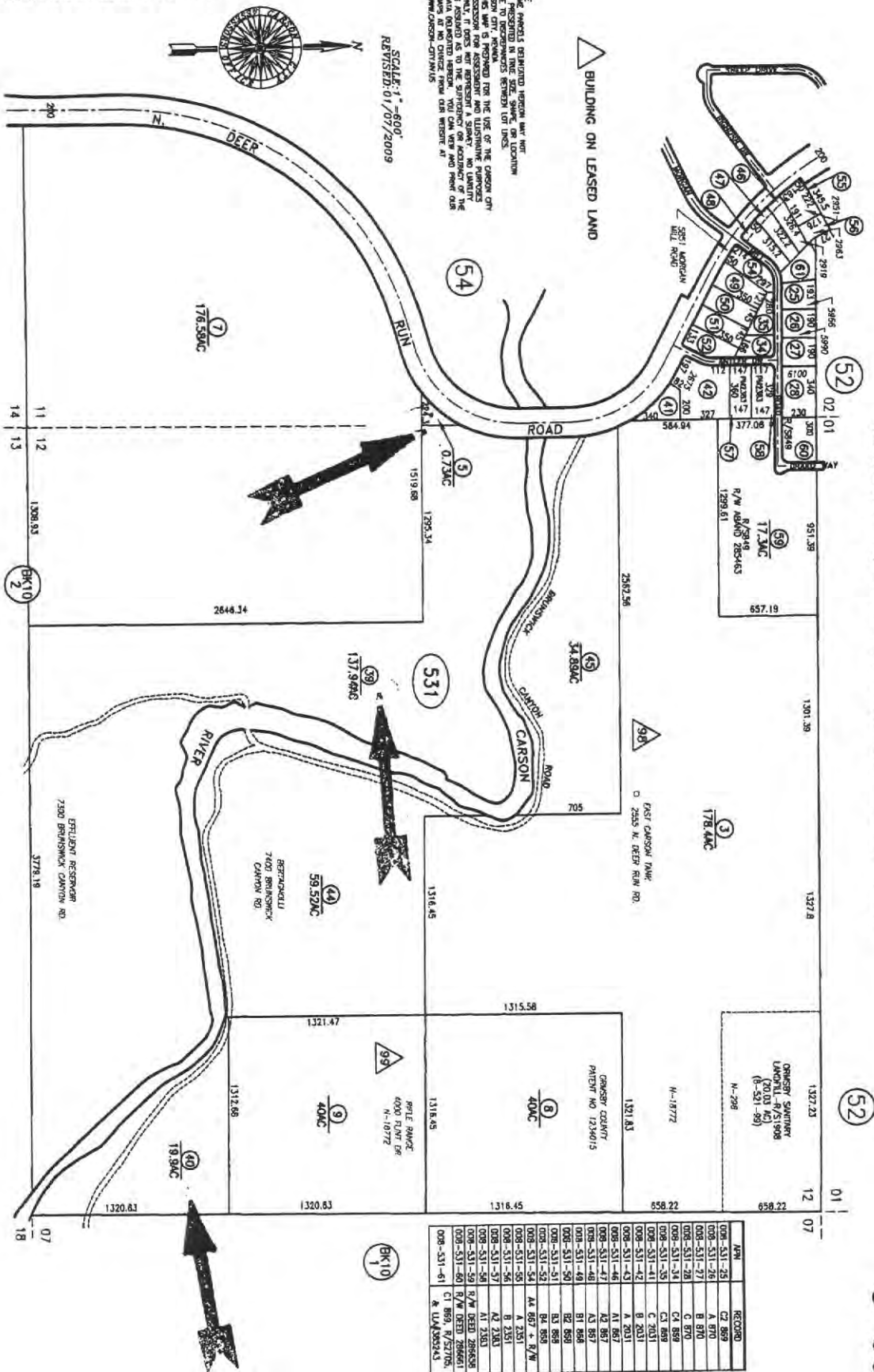
Assessor's Parcel No. 8-541-92

SECTION 12, T.15 N., R.20 E., M.D.B. & M.

ACR	RECORD
008-531-28	C2 889
008-531-29	A 870
008-531-27	B 870
008-531-28	C 870
008-531-24	C4 869
008-531-25	C3 869
008-531-41	C 8031
008-531-42	B 8031
008-531-43	A 8031
008-531-46	A1 867
008-531-47	A2 867
008-531-48	A3 867
008-531-49	B1 868
008-531-50	B2 868
008-531-51	B3 868
008-531-52	B4 868
008-531-54	AK 869 + R/W
008-531-55	A 2381
008-531-56	B 2381
008-531-57	A1 3183
008-531-58	A 3183
008-531-59	B/W DEED 28856
008-531-60	B/W DEED 28861
008-531-61	C1 869, R/2785

NOTE: PROPERTY IS SEPARATED HEREON AND NOT BE PRESERVED IN THIS SIZE, SHAPE, OR LOCATION DUE TO DISCREPANCIES BETWEEN LOT LINES. COURSE AND DISTANCES FOR THE USE OF THE COURSE OR ANY PART THEREOF SHALL BE THE COURSE AND DISTANCES AS SHOWN ON THIS PLAN AND NOT THE DATA HEREIN. THIS PLAN SHALL BE VOID UNLESS THE DATA HEREIN IS CORRECTED BY THE DATA HEREIN. THE DATA HEREIN SHALL BE VOID UNLESS THE DATA HEREIN IS CORRECTED BY THE DATA HEREIN.

SCALE: 1"=600'
 REVISED: 01/07/2009



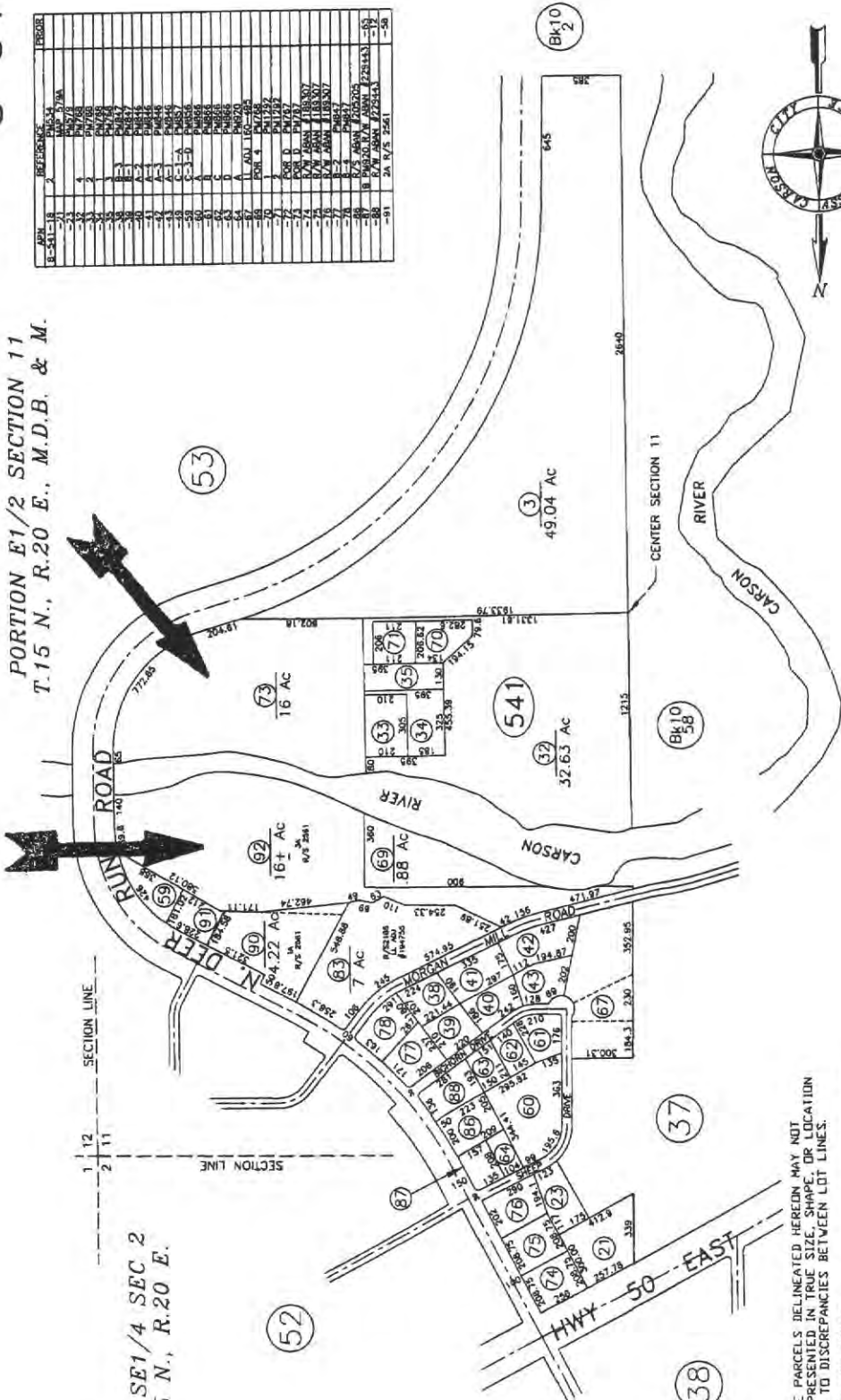
APN 008-531-24 IS NOW 008-531-81 DUE TO LVA#385243

8-54

PORTION E1/2 SECTION 11
T.15 N., R.20 E., M.D.B. & M.

APN	REFERENCE	RECORD
8-541-18	10-5-4	10000
71	10-5-4	10000
72	10-5-4	10000
73	10-5-4	10000
74	10-5-4	10000
75	10-5-4	10000
76	10-5-4	10000
77	10-5-4	10000
78	10-5-4	10000
79	10-5-4	10000
80	10-5-4	10000
81	10-5-4	10000
82	10-5-4	10000
83	10-5-4	10000
84	10-5-4	10000
85	10-5-4	10000
86	10-5-4	10000
87	10-5-4	10000
88	10-5-4	10000
89	10-5-4	10000
90	10-5-4	10000
91	10-5-4	10000
92	10-5-4	10000
93	10-5-4	10000
94	10-5-4	10000
95	10-5-4	10000
96	10-5-4	10000
97	10-5-4	10000
98	10-5-4	10000
99	10-5-4	10000
100	10-5-4	10000
101	10-5-4	10000
102	10-5-4	10000
103	10-5-4	10000
104	10-5-4	10000
105	10-5-4	10000
106	10-5-4	10000
107	10-5-4	10000
108	10-5-4	10000
109	10-5-4	10000
110	10-5-4	10000
111	10-5-4	10000
112	10-5-4	10000
113	10-5-4	10000
114	10-5-4	10000
115	10-5-4	10000
116	10-5-4	10000
117	10-5-4	10000
118	10-5-4	10000
119	10-5-4	10000
120	10-5-4	10000
121	10-5-4	10000
122	10-5-4	10000
123	10-5-4	10000
124	10-5-4	10000
125	10-5-4	10000
126	10-5-4	10000
127	10-5-4	10000
128	10-5-4	10000
129	10-5-4	10000
130	10-5-4	10000
131	10-5-4	10000
132	10-5-4	10000
133	10-5-4	10000
134	10-5-4	10000
135	10-5-4	10000
136	10-5-4	10000
137	10-5-4	10000
138	10-5-4	10000
139	10-5-4	10000
140	10-5-4	10000
141	10-5-4	10000
142	10-5-4	10000
143	10-5-4	10000
144	10-5-4	10000
145	10-5-4	10000
146	10-5-4	10000
147	10-5-4	10000
148	10-5-4	10000
149	10-5-4	10000
150	10-5-4	10000
151	10-5-4	10000
152	10-5-4	10000
153	10-5-4	10000
154	10-5-4	10000
155	10-5-4	10000
156	10-5-4	10000
157	10-5-4	10000
158	10-5-4	10000
159	10-5-4	10000
160	10-5-4	10000
161	10-5-4	10000
162	10-5-4	10000
163	10-5-4	10000
164	10-5-4	10000
165	10-5-4	10000
166	10-5-4	10000
167	10-5-4	10000
168	10-5-4	10000
169	10-5-4	10000
170	10-5-4	10000
171	10-5-4	10000
172	10-5-4	10000
173	10-5-4	10000
174	10-5-4	10000
175	10-5-4	10000
176	10-5-4	10000
177	10-5-4	10000
178	10-5-4	10000
179	10-5-4	10000
180	10-5-4	10000
181	10-5-4	10000
182	10-5-4	10000
183	10-5-4	10000
184	10-5-4	10000
185	10-5-4	10000
186	10-5-4	10000
187	10-5-4	10000
188	10-5-4	10000
189	10-5-4	10000
190	10-5-4	10000
191	10-5-4	10000
192	10-5-4	10000
193	10-5-4	10000
194	10-5-4	10000
195	10-5-4	10000
196	10-5-4	10000
197	10-5-4	10000
198	10-5-4	10000
199	10-5-4	10000
200	10-5-4	10000

POR SE1/4 SEC 2
T.15 N., R.20 E.



NOTE
SOME PARCELS DELINEATED HEREIN MAY NOT
BE PRESENTED IN TRUE SIZE, SHAPE, OR LOCATION
DUE TO DISCREPANCIES BETWEEN LOT LINES.
CARSON CITY, NEVADA
THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY
ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES
ONLY. IT DOES NOT REPRESENT A SURVEY. NO LIABILITY
IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF THE
DATA DELINEATED HEREON FROM OUR WEBSITE AT
www.carson-city.nv.gov/assessor

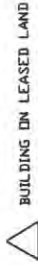
Scale: 1" = 500'
Revised 3/31/2006

10-01

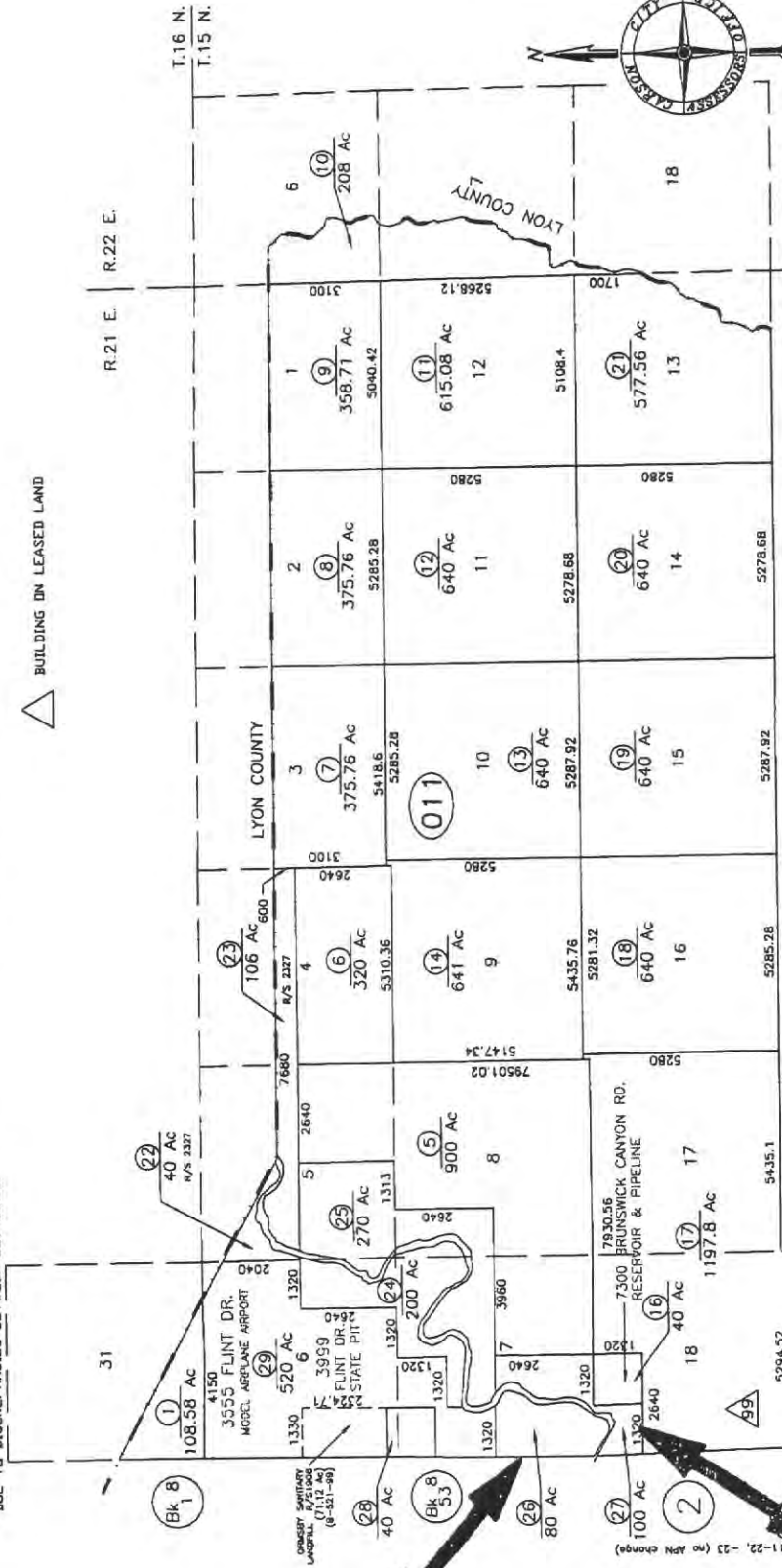
PORTIONS T.15 N., R. 21 E.,
T.16 N., R. 21 E. AND
T.15 N., R.22 E., M.D.B. & M.

CARSON CITY, NEVADA
THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY
ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES
ONLY. IT DOES NOT REPRESENT A SURVEY. NO LIABILITY
IS ASSUMED AS TO THE SUFFICIENCY OR ACCURACY OF
THE DATA DELINEATED HEREIN.

NOTE
SOME PARCELS DELINEATED HEREIN MAY NOT
BE PRESENTED IN TRUE SIZE, SHAPE, OR LOCATION
DUE TO DISCREPANCIES BETWEEN LOT LINES.



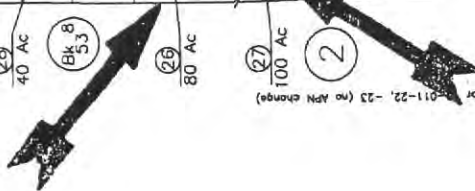
BUILDING ON LEASED LAND



Scale: 1" = 3000'
Revised 08/09/99

(29)

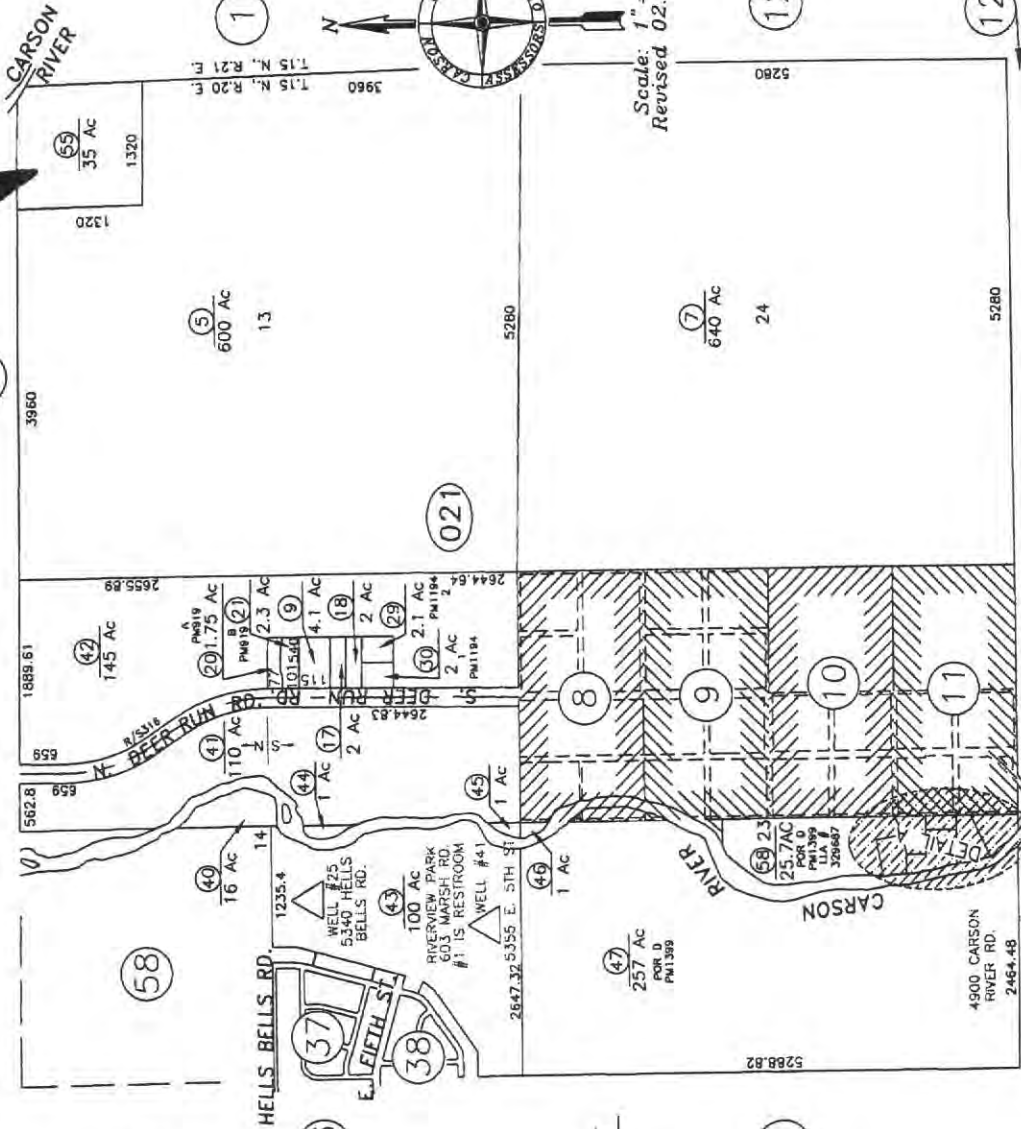
(12)



R/S 2327 for 011-22, -23 (no APN change)

10-02

T.15 N., R.20 E., M.D.B. & M.



CARSON CITY, NEVADA
 THIS MAP IS PREPARED FOR THE USE OF THE CARSON CITY
 ASSESSOR FOR ASSESSMENT AND ILLUSTRATIVE PURPOSES
 AND DOES NOT CONSTITUTE A WARRANTY OF ACCURACY OF THE
 DATA DELINEATED HEREIN YOU CAN VIEW AND PRINT OUR
 MAPS AT NO CHARGE FROM OUR WEBSITE AT
 www.carsoncity.gov

NOTE
 SOME PARCELS DELINEATED HEREON MAY NOT
 BE PRESENTED IN TRUE SIZE, SHAPE, OR LOCATION
 DUE TO DISCREPANCIES BETWEEN LOT LINES.



LAND AREA BETWEEN HIGH WATER
 MARKS OF THE CARSON RIVER
 BELONGS TO THE STATE OF
 NEVADA

DETAIL A
 Scale: 1"=300'

Added dashed line for

Scale: 1"=1200'
 Revised 02.06.2007

Record of Survey
 DRAWING NUMBER
 John C. Soren &
 Harlan King &
 Associates LLC

4-7852

DRAWING NUMBER

DRAWING NUMBER

DRAWING NUMBER

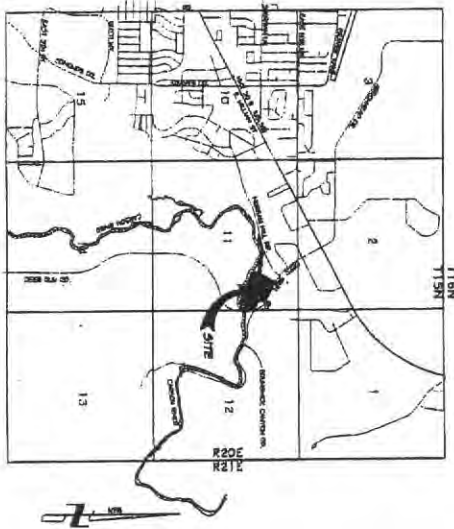
OWNER'S CERTIFICATE

I, the undersigned owner of the attached parcel as shown on the map, do hereby certify that I have reviewed the plat and approve and authorize its recording. I have reviewed the plat and approve and authorize its recording. I have reviewed the plat and approve and authorize its recording.

STATE OF NEVADA }
 CARSON CITY }
 I, John C. Soren, County Clerk, do hereby certify that the attached plat has been recorded in the office of the County Clerk, Carson City, Nevada, on this 15th day of April, 2008.

STATE OF NEVADA }
 CARSON CITY }
 I, John C. Soren, County Clerk, do hereby certify that the attached plat has been recorded in the office of the County Clerk, Carson City, Nevada, on this 15th day of April, 2008.

PLAT OF RECORDS
 THE DATE OF RECORDING FOR THIS PLAT IS THE SOUTH LINE OF THE NORTH EAST 1/4, SECTION 11, T.116N. R.115E, N.11.



PLANNING AND DEVELOPMENT APPROVAL

I, John C. Soren, County Clerk, do hereby certify that the attached plat has been approved by the Carson City Planning and Development Commission. The Commission has reviewed the plat and approved its recording.

CARSON CITY PLANNING AND DEVELOPMENT APPROVAL
 I, John C. Soren, County Clerk, do hereby certify that the attached plat has been approved by the Carson City Planning and Development Commission.

TRUSTEE'S CERTIFICATE
 I, John C. Soren, County Clerk, do hereby certify that the attached plat has been recorded in the office of the County Clerk, Carson City, Nevada, on this 15th day of April, 2008.

CLERK-RECORDER'S CERTIFICATE
 I, John C. Soren, County Clerk, do hereby certify that the attached plat has been recorded in the office of the County Clerk, Carson City, Nevada, on this 15th day of April, 2008.

RECORD OF SURVEY
 7th Survey of
 LOT LINE ADJUSTMENT
 JOHN C. SOREN & ASSOCIATES
 HARLAN KING & ASSOCIATES

7-1-1-11

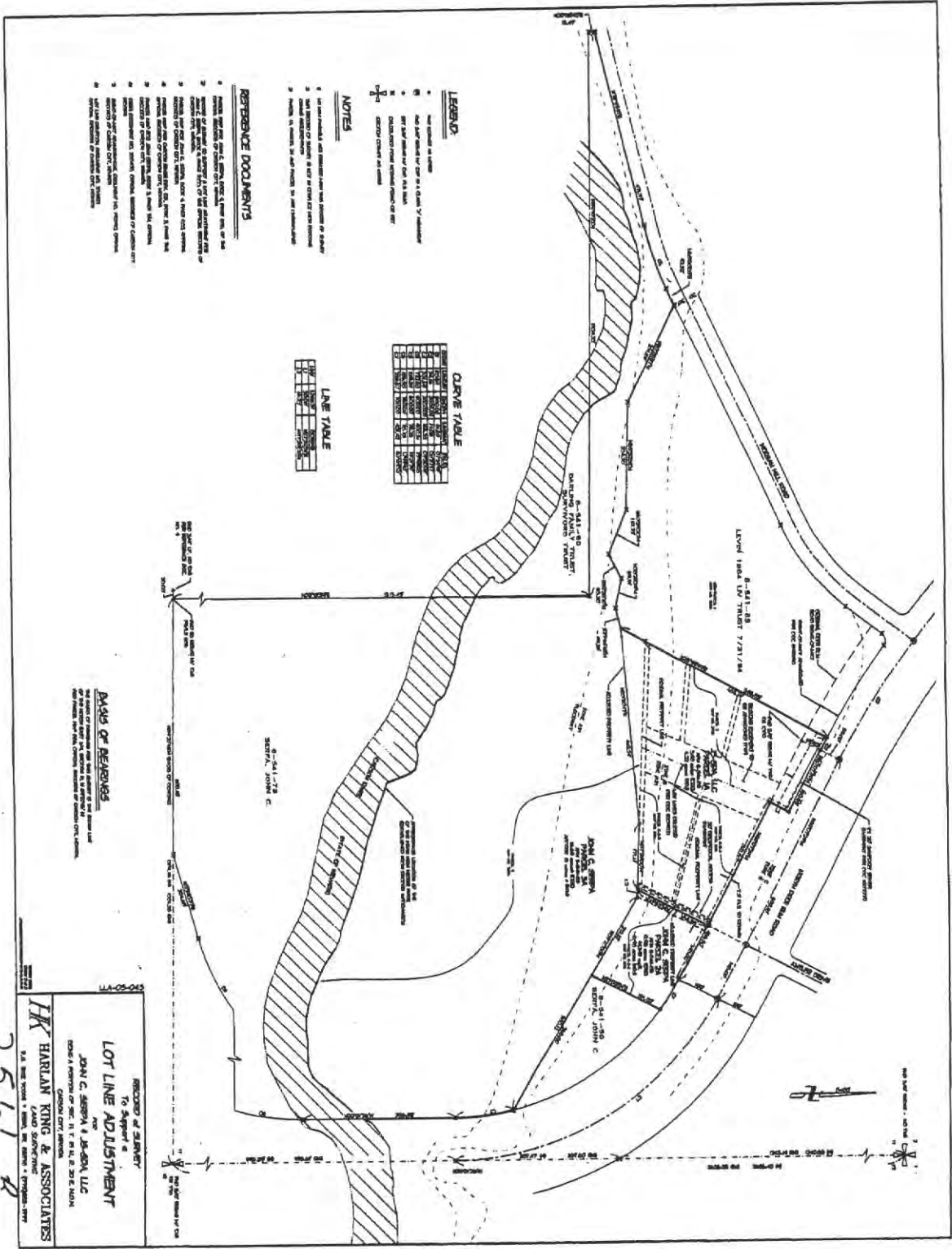
2561A

2561B
 DRAWING NUMBER
 2561B
 11/11/11

DRAWING NUMBER

REVISION NUMBER

DRAWING NUMBER



2561B

ATTACHMENT G
Non-revocable Deed Restriction

Project Name: Deer Run – Carson River Canyon Fee Title Acquisition
Project Number: CA-LW-08042

Grantor: Nevada Division of State Lands
Grantee: Nevada Land Conservancy
Recipient: Consolidated Municipality of Carson City

(See 13 Page Document Attached)

DRAFT

A.P.N. 8-531-40, 10-011-26, 10-011-27, 8-541-73, 8-531-05, 8-531-39, 10-021-55, 8-541-92

RECORDING REQUESTED BY:

Juan Guzman, Open Space Manager
3303 Butti Way, Building No. 9
Carson City, NV 89701

WHEN RECORDED MAIL TO:

Nevada Division of State Lands
Question 1 Program
901 S. Stewart St., Suite 5003
Carson City, Nevada 89701

NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY

This NONREVOCABLE AGREEMENT TO RESTRICT PROPERTY ("Agreement") is made and entered into this ___ day of January, 2011, by and between the Consolidated Municipality of Carson City ("Grantee"), and the State of Nevada ("State"). Grantee and State are sometimes hereinafter referred to collectively as the "Parties."

Recitals

WHEREAS, Grantee is the owner of that certain real property located in Carson City, State of Nevada, described as follows:

Carson City Assessor Parcel Number(s) 8-531-40, 10-011-26, 10-011-27, 8-541-73, 8-531-05, 8-531-39, 10-021-55, and 8-541-92, (hereinafter "Property"). For a complete legal description of the Property see "Exhibit A" attached hereto and incorporated herein by this reference.

WHEREAS, This Agreement is given to insure that the Property is maintained and used in a manner consistent with the regulations (NAC Section 321) adopted by the State for the Conservation and Resource Protection Grant Program, hereinafter referred to as "Question 1 Program." Regulatory authority is provided by Subsection 1-35, Section 2 of Assembly Bill No. 9 of the 17th Special Session of the Nevada Legislature, Chapter 6, Statutes of Nevada 2001. The referenced regulations require the Nevada Division of State Lands, (hereinafter "State Lands," an agency of the State), when entering into a Funding Agreement, to include pertinent nonrevocable deed restrictions and appropriate reversionary clauses to ensure that at all times the land is maintained in a manner consistent with the purpose of the Question 1 Program.

WHEREAS, Grantee has entered into a State Lands Question 1 Program Funding Agreement that provides funding to implement the project entitled the "Deer Run-Carson River Canyon Acquisition" and which has been assigned Question 1 Program Project ID No. CA-LW-08042.

WHEREAS, State Lands has authority to award grants of money from the sale of general obligation bonds to a county, or a municipality within a county for the acquisition of land and water or interests in land and water for the public benefit to protect and enhance wildlife habitat, sensitive or unique vegetation, historic or cultural resources, riparian corridors, floodplains, wetlands and other environmental resources pursuant to an adopted plan for open spaces.

Declarations

NOW, THEREFORE, in consideration of the grant funds received and the covenants and agreements contained herein, the Parties hereto agree as follows:

1. Recitals. The foregoing recitals are true and correct.
2. Authorized Uses. Pursuant to this Nonrevocable Agreement to Restrict Property, Grantee agrees that the Property will be used only for open space purposes that are consistent with the objectives for which the Property is acquired and the local jurisdictions' adopted open space plan. The Grantee further agrees that the property will be used for ranching and purposes that are consistent with the protection or enhancement of wildlife habitat, protection of sensitive or unique vegetation, protection of historic or cultural resources, protection of riparian corridors, floodplains, or wetlands, and/or to protect or preserve the benefits of the Property or natural resources within the State for the public.
3. In Event of Unauthorized Uses. If at any time the Property, or any portion of it, is used for some purpose other than that stated in Paragraph 2 above, the following actions shall be taken:
 - A. In the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement, the State, or any person, shall give written notice to Grantee and request that the Grantee take corrective action sufficient to cure the violation or prevent the threatened violation. Grantee shall have 30 days to comply with the request. If Grantee is unable to cure the violation within the time allotted but is pursuing corrective measures with due diligence, the State may permit the Grantee a reasonable extension of time. If the State, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the permitted use of the property as described in Paragraph 2 of this Agreement, the State may pursue its remedies under this section without prior notice to Grantee or without waiting for the period provided for cure to expire. Nothing in this Agreement shall be construed to impair the State's, or any person's right to seek temporary or permanent injunctive or other relief to enforce the terms of this Agreement against a violation or threatened violation hereof.

- B. If the Grantee fails to take corrective action to cure the violation or prevent the threatened violation pursuant to subparagraph A., the Grantee shall offer to convey the Property, for no consideration, to the State for the purposes stated in paragraph 2 above; or, if said offer is rejected by the State or if the State fails to respond to the offer within ninety (90) days of the date of the offer, then Grantee shall offer to convey the Property, for no consideration, to each reasonably identifiable Nonprofit Conservation Organization active in Nevada. For purposes of this Agreement, the term "Nonprofit Conservation Organization" means a nonprofit organization, qualified in the State, that has as one of its primary purposes the acquisition of property for the protection, preservation and/or conservation of land, water, open space and/or the natural communities, resources and wildlife located thereon.

Any offer made herein by Grantee must be made: (a) by delivering a written offer to the party to whom the offer is being made via certified U.S. Mail or hand delivery, and (b) by providing public notice of the offer, which public notice shall include, without limitation, notice of such offer by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City. Both the written offer and the public notice described herein shall state that in the event multiple Parties are interested in accepting the offer and are otherwise qualified to accept the offer, the party to whom the Property will be conveyed will be determined promptly by the Grantee in its sole and absolute discretion. The written offer and public notice shall also include the date by which a qualified party must accept the offer in writing, which date shall be not less than sixty (60) days nor more than ninety (90) days after the date of third publication, and shall identify the representative to whom the written acceptance must be made and the place where such written acceptance must be delivered. The Grantee shall bear all costs for any offer required to be made by it hereunder.

Should an offer described herein be accepted, Grantee shall, at its sole cost and expense, promptly deliver to the qualified party accepting said offer, a duly executed warranty, grant bargain sale, or quitclaim deed capable of being recorded in order to convey clear title to the Property to said party subject to encumbrances imposed by the State.

If neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee shall, at the sole discretion of the State, promptly take one of the following actions (either sub-subparagraph i or sub-subparagraph ii):

- i. Sell said Property or a portion of the property as determined by the State to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.
- ii. Remit to the State a sum equivalent to the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.

4. Voluntary Transfer of Property. In the event the Grantee desires to sell or otherwise transfer the Property, prior to any such sale or transfer of the Property by Grantee, Grantee shall offer to convey the Property, for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein. If, after complying with the provisions of sub-subparagraph 3(B), neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may, at the sole discretion of the State, promptly take one of the following actions (either subparagraph A or subparagraph B):

A. Sell the Property to any other person or entity for fair market value, based on an appraisal of the property at the time of transfer. Upon such sale, other than to the State or a qualified Nonprofit Conservation Organization, Grantee shall promptly transmit to the State its pro rata share of the sale price of the portion of the Property sold, or the amount of the grant, whichever is greater. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement.

B. Promptly transmit to the State the amount of the Grant, together with interest thereon at the rate of 10% per annum, commencing from the date of the Grantee's acquisition of the Property until the date paid. Upon receipt of said payment, the State shall release the Grantee from any further obligations or liabilities under this Agreement and shall remove any deed restrictions or other encumbrances on the Property imposed by this Agreement.

5. Condemnation. Any and all funds received by Grantee in connection with any portion of the Property taken by right of eminent domain or by condemnation shall be delivered pro rata promptly to the State as reimbursement, in whole or part, for the amount of the Grant. If only a portion of the Property is taken by right of eminent domain or by condemnation, and if Grantee thereafter desires to dispose of that portion of the Property not taken by right of eminent domain or condemnation (hereinafter "the Remainder Portion"), Grantee shall offer to convey the Remainder Portion for no consideration, to the entities described in sub-subparagraph 3(B) above, subject to the same terms and conditions, and according to the same procedures, set forth therein.

If, after complying with the provisions of the preceding paragraph, neither the State nor a qualified Nonprofit Conservation Organization has accepted Grantee's offer, Grantee may sell said Remainder Portion to any other person or entity for fair market value. Upon such sale, Grantee shall promptly transmit to the State the State's pro rata share of the sale price of the Remainder Portion sold, or the amount of the grant attributable to the Remainder Portion, whichever is greater.

6. Enforcement. The State, or any person, has the right to prevent any activity or use on this property that is inconsistent with the permitted use as described in paragraph 2 of this Agreement. The terms and conditions in this Agreement may be enforced as follows:
- A. Enforcement of the provisions of this Agreement shall be at the discretion of the enforcing party. Any forbearance in the enforcement of rights and interest under this Agreement in the event of a violation or infringement, or threatened violation or infringement, of any provision of this Agreement shall not be deemed or construed to be a waiver of such provision or of any subsequent violation or threatened violation of the same or any other provision of this Agreement, and any failure to act shall not be deemed a waiver or forfeiture of the right to enforce the provisions of this Agreement in the future.
 - B. Grantee will not be responsible for injury to or change in the property subject to this Agreement resulting from natural causes or environmental catastrophe beyond Grantee's control, such as fire, flood, storm and earth movement, or from any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the property resulting from such causes.
 - C. If Grantee fails to cure a violation or threatened violation of the terms and conditions as expressed herein after receiving written notice of the violation or threatened violation, the State or any person may institute a suit to enjoin the violation or infringement and/or to require the restoration to the condition that existed prior to the violation or infringement; in addition, the State or any person enforcing this Agreement may seek damages to which they may be entitled including reimbursement to the State of all or a portion of the grant funding provided to Grantee for acquisition of the property herein. The enforcement rights under this subparagraph shall apply equally in the event of either actual or threatened violations of the provisions of this Agreement. The Grantee agrees and acknowledges that the remedies at law for any violation of the provisions of this Agreement are inadequate and that any person enforcing this Agreement shall be entitled to the injunctive relief described in this subparagraph, both prohibitive and mandatory, in addition to such other relief, including damages, to which the enforcing person may be entitled, including specific performance of the provisions of this Agreement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.
 - D. If a court determines that this Agreement has been breached Grantee will reimburse the State or any other person bringing suit for relief under this section, for reasonable costs of enforcement, including court costs, reasonable attorney's fees, and any other payments ordered by the court.
7. Recordation. This Agreement shall be recorded in the Office of the Carson City Recorder and shall run with the land.
8. Amendments. This Agreement shall not be amended except upon the written agreement of the Parties after public notice by publication no less than three (3) times at one-week intervals in a newspaper of general circulation in Carson City.

9. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the specific matters contained herein and supersedes all previous discussions, understandings and agreements.
10. Further Assurances. Additional Documents. The Parties agree to execute any and all further documents, deeds and other writings, and to undertake any further action necessary to consummate the transactions contemplated herein.
11. Authority. Grantee and State, respectively, represent and warrant that, as of the date of this Agreement, each has the full right, power and authority to enter into this Agreement and to consummate the transaction contemplated herein, and that each has duly and properly taken all action required of it, to authorize the execution, delivery and performance by it of this Agreement.
12. Binding Effect. This Agreement is binding upon the representatives, successors, and assigns of the Parties hereto.
13. Captions. The captions and headings of the sections of this Agreement are for convenience of reference only and shall not be construed in interpreting the provisions hereof.
14. Severability. If any term or provision of this Agreement is deemed unenforceable by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect so long as the purpose and intent of this Agreement may be achieved.
15. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Nevada.
16. Attorneys Fees. In the event of any controversy, claim, or dispute relating to this Agreement or to the violation or infringement thereof, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the date first written above.

STATE:

STATE OF NEVADA
Division of State Lands

By: _____
JAMES R. LAWRENCE
Administrator and Ex-Officio
State Land Registrar

STATE OF NEVADA)
 :SS
CITY OF CARSON CITY)

On _____, 2011
personally appeared before me, a
Notary Public, JAMES R.
LAWRENCE, Administrator and
Ex-Officio State Land Registrar,
Division of State Lands, who
acknowledged that he executed
the above document on this date.

GRANTEE:

CARSON CITY

By: _____

Date: _____

STATE OF NEVADA)
 :SS
COUNTY OF CARSON)

On _____, 2011
personally appeared before me,
a Notary Public, _____
_____, known to
me to be authorized to sign on
behalf of the above
GRANTEE, who
acknowledged that (s)he
executed the above document
on this date.

APPROVED as to Form:

CATHERINE CORTEZ MASTO
Attorney General

By: _____
Kevin Benson
Deputy Attorney General

APPROVED as to Form:

NEIL ROMBARDO
Carson City District Attorney

By: _____
Tina Russom
Deputy District Attorney

Exhibit A

ATTACHMENT H
DCNR General Requirements

Project Name: Deer Run – Carson River Canyon Fee Title Acquisition
Project Number CA-LW-08042

Grantor: Nevada Division of State Lands
Grantee: Nevada Land Conservancy
Recipient: Consolidated Municipality of Carson City

Regarding the eligibility of in-kind services, materials, and equipment offered by the Recipient to meet its match requirement, as well as other matters necessary to administer funding, the parties mutually agree as follows:

Definitions:

Eligible expenses: Expenses that are directly related to the project.

Cash reimbursement: Direct payment to the recipient in cash for eligible expenses incurred after execution of the funding agreement.

Bond Cash on Hand: Bond proceeds held, as unexpended, by the Grantee during any stage of a covered project.

Terms and Conditions:

1. Grantee will bear the full responsibility of properly administering funds allocated under AB 9. This responsibility includes complete and accurate accounting of all funds, both bond and matching; ensuring expenditures and procurement activities are in compliance with the enabling legislation, Generally Accepted Accounting Principles, and all other applicable laws and regulations.
2. This requirement also applies to the Grantee's contractors and their subcontractors. Prevention of project overruns/shortfalls is the responsibility of the Grantee. The Grantor, its Department of Conservation and Natural Resources, and the AB 9 program administered under this agreement will not be obligated to supplement project funds, beyond the approved project budget, due to cost overruns, shortfalls, unforeseen circumstances, or any other reason.
3. Advances may be requested by the Grantee, but the requested advance amount must be based on realistic expenditure projections and must be liquidated within 90 days from receipt. The Administrator retains discretion to grant advances.
4. Cash reimbursements to the Grantee will be by payment to the Recipient for eligible expenses incurred after execution of the Funding Agreement.

5. Advances and cash reimbursements are subject to the following conditions:

- a) If the Grantee requests an advance, the Outlay Report must be submitted on a quarterly basis until all advance amounts are spent;
- b) Requests for reimbursements may not outpace currently available bond proceeds specifically designated for their project(s);
- c) Requests for reimbursements/advance may not exceed the total amount approved (bond share) for the project(s);
- d) Funds will not be disbursed to any entity for the purpose of simply accruing interest; and
- e) Recipient should not commingle AB 9 expenditures/funds with non-AB 9 related expenditures and must separately account for these expenditures and revenue sources.

The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.

Bond Cash on Hand, Excess Balances:

1. Cash on hand, including amounts received as advances, must be spent within 90 days. The DCNR may require repayment of any unspent advance amount at the end of the 90-day period.
2. The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.

Retention and Record Keeping:

1. Grantee agrees to maintain all records relevant to its AB 9 project for which funds were allocated in accordance with NRS chapter 239; additionally, recipient must keep records at least six (6) years from the end of the state fiscal year (July-June) in which each project was completed.
2. If any litigation concerning the project is begun before the expiration of this six (6) year period, the individual file must be retained for six (6) calendar years from the date of resolution of the litigation; and
3. Before any files are destroyed, the Grantee must contact the Grantor to obtain and verify final disposition instructions. This requirement also applies to the Recipient's contractors and any subcontractors.
4. Examples of records subject to retention provisions are (list is not intended to be all inclusive): all fiscal/accounting records and reports; all drawings, blueprints, renderings, architect and/or engineering reports, financial estimates, fee schedules, site proposals, photos, maps, copies of easements, copies of building permits, copies of inspections, related correspondence; and all procurement activities, including contractors proposals and rates.

Other:

1. The Grantee may be subject to audit and must allow access to applicable AB 9 records, if so directed by the Grantor. If any audit finding reveals that either an overpayment was made, or ineligible costs were incurred (either match or bond proceeds), the overpayment or the ineligible expense must be repaid to the AB 9 Fund, DCNR, Carson City, Nevada.
2. It is the policy of the Board of Examiners and the DCNR to restrict contractors, as well as all other recipients of public funds, to the same (or less) travel rates and procedures allowed State employees. This requirement also applies to the Grantee's contractors and any subcontractors.

Certain disbursements will not be paid unless agreed to in advance. These include:

1. Secretarial or word processing services (normal, temporary, or overtime);
2. Any other staff charges, such as filing, proofreading, regardless of when incurred;
3. Photocopy expenses of more than 15 cents per page;
4. Photocopy expenses in excess of \$2,000.00 for a single job;
5. Computer time.
6. Equipment purchased for the project.

The State will not reimburse expenses for the following:

1. Local telephone expenses or office supply costs;
2. The costs of first-class travel;
3. Grant administrative costs in excess of 5 percent of the total project cost, and any undocumented administrative costs.

LEO DROZDOFF
Acting Director

Department of Conservation
and Natural Resources

JAMES R. LAWRENCE
Administrator

JIM GIBBONS
Governor



State Land Office
State Land Use Planning Agency
Nevada Tahoe Resource Team
Conservation Bond Program -Q1

Address Reply to

Division of State Lands
901 S. Stewart St. Suite 5003
Carson City, Nevada 89701-5246
Phone (775) 684-2720
Fax (775) 684-2721
Web www.lands.nv.gov

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Division of State Lands

October 15, 2010

Mr. Chuck Pope
Nevada Land Conservancy
P.O. Box 20288
Reno, NV 89515

RECEIVED

OCT 19 2010

CARSON CITY PARKS DEPT.

Grant Award Status, Deer Run-Carson River Canyon Acquisition, Question 1 Project No. CA-LW-08062

Dear Mr. Pope:

As you are probably aware, the Nevada Treasurer's Office recently announced that, due to declining property tax revenue, the Treasurer's Office is not able issue new general obligation bonds. The implication is that, absent additional bond sales, we are unable to execute funding agreements for all projects that have been recommended for funding in previous grant rounds.

Based on staff recommendation and careful consideration of our existing available funds, this letter is to inform you that we have determined that adequate funding does exist to execute the above referenced project in the amount of \$1,075,000.

However, you are also undoubtedly aware that this office has issued two previous letters urging progress of this acquisition and establishing deadlines for completion. One letter established a deadline of December 31, 2009 and another established a deadline of March 31, 2010. Both of those deadlines were extended at the request of the applicant and the assurances that the acquisition was close to being completed. It is imperative that this acquisition either be completed or terminated soon. Continuing to reserve funds for this acquisition is to the detriment of other acquisitions that have been recommended for approval and are ready for completion, but cannot do so due to the suspension of bonds sales from the Treasurer's Office.

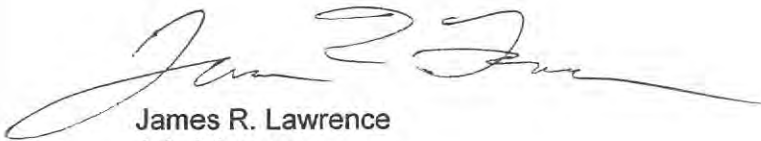
This letter serves as final notice that if appraisals are not completed, purchase and funding agreements in place, and title transferred by January 31, 2011, the grant award will be rescinded. **There will be no further exceptions or extensions.** If you feel that you and your client are unable to meet this deadline, please notify this office as soon as possible so that we can transfer this funding to another project.

Mr. Chuck Pope
October 15, 2010
Page 2

It is my understanding that there is currently an appraisal being conducted on this project and that it is estimated to be complete in 30-45 days. Once this is complete, and all parties agree to a fair market value, we can enter into a funding agreement and record a deed restriction on the property to help move this acquisition to completion by the January 31, 2011 deadline.

Please do not hesitate to contact me or Kevin Hill if you have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Lawrence", written in a cursive style.

James R. Lawrence
Administrator
Division of State Lands
Division of Conservation Districts

cc: Juan Guzman, Carson City Open Space
Kevin Hill, Q1 Coordinator, Division of State Lands