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**Official Record**

Recording requested By  
EUREKA COUNTY

Eureka County - NV  
**Mike Rebaleati - Recorder**

Fee:

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RPTT:

Recorded By: FS

Book- 0474 Page- 0340



0212171

APN# \_\_\_\_\_

Recording Requested by:

Name: EUREKA COUNTY

Address: \_\_\_\_\_

City/State/Zip EUREKA, NV

RESOLUTION (JULY 25, 2008)  
(Title of Document)

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

This cover page must be typed or printed.

**RESOLUTION**

**FOR THE LEASE OF COUNTY REAL PROPERTY  
TO SUPPORT NEW COMMERCIAL ENTERPRISE  
PURSUANT TO N.R.S. 244.2815**

WHEREAS, Eureka Moly, LLC, (EMLLC) is a Delaware limited liability company in good standing, and EMLLC has disclosed its ownership interest pursuant to N.R.S. 237.023 as split between General Moly, Inc., a Delaware corporation which has an 80% interest in EMLLC, and POS-Minerals Corporation, a Delaware corporation which has the remaining 20% interest in EMLLC; and

WHEREAS, EMLLC has proposed to develop a molybdenum mine near Mt. Hope in Eureka, Nevada, and is now in the process of applying for the necessary permits to commence operations; and

WHEREAS, EMLLC has informed the Board of County Commissioners (Board) of a shortage of temporary construction worker housing, and EMLLC proposed to place this housing at the Romano Ranch situated in northern Diamond Valley; and

WHEREAS, the Board raised concerns about providing necessary law enforcement, fire and ambulance services for the workers if they were based at the Romano Ranch, and concerns that any housing development at the Romano Ranch may turn into permanent housing over time, requiring the investment in additional roads, services and infrastructure improvements, and requested EMLLC to consider an alternative site closer to Eureka, where the bulk of law enforcement, fire and ambulance services are based; and

WHEREAS, EMLLC was receptive to working with the Board to consider an alternative site for the placement of the hundreds of construction workers contemplated to build the molybdenum mine works, and to ensure that temporary housing would not be allowed to remain on the property once the construction of the mine was completed; and

WHEREAS, the Board had directed the Eureka Townsite Annexation Advisory Committee (ETAAC) to consider development of the real property near the County Fairgrounds, dog pound, and lay down yard for residential use, and ETAAC developed a conceptual plan for this development which was reviewed by the public and accepted by the Board; and

WHEREAS, the Board granted EMLLC a revocable letter of entry to investigate this site for development, and EMLLC did test and survey the existing conditions at the site; and

WHEREAS, a lease agreement was drafted by County staff and EMLLC representatives to regulate EMLLC's use of this County owned real property in the unincorporated townsite of Eureka for the placement of temporary construction worker housing; and

WHEREAS, EMLLC, using the conceptual plan generated by the ETAAC and accepted by the Board, has provided the Eureka County Planning Commission with a subdivision application for this County property to describe a plan for building permanent housing once the temporary construction worker housing is removed, and this application is now under consideration by the Planning Commission but will not be approved unless and until the parties enter into a development agreement separate and apart from any lease of the property, however, it is understood that by commencing with this lease agreement and building in accordance with the tentative map as currently proposed by EMLLC and under review by the Planning Commission, that EMLLC will conduct significant civil construction, and that EMLLC and the County will follow the guiding principle that the grading plan, utility locations, and road layout will remain consistent with the tentative map; and

WHEREAS, EMLLC wishes to have a lease in place in order to begin the time consuming process of preparing the site for temporary construction worker housing, while at the same time working with the Board to enter into a development agreement to be allowed the opportunity to build permanent housing for eventual use by the workers who will be employed at the mine; and

WHEREAS, as a precondition to entering into an agreement the Board obtained two independent appraisals of this property, and accepted these appraisals at their July 7, 2008 Board meeting; and

WHEREAS, the appraisals are for two contiguous lots, a 40 acre parcel near the dog pound and lay down yard (Assessor's Parcel Number 01-221-02) and a 124 acre parcel near the County Fairgrounds (Assessor's Parcel Number 01-221-05) and the appraisals report the following values of the property; and

	<u>Duvall Appraisal</u>	<u>Ruby Mtn. Appraisal</u>
124 Acres 01-221-05	\$260,000	\$930,000
40 Acres 01-221-02	<u>\$ 75,000</u>	<u>\$480,000</u>
164 Acres total appraised value	\$335,000	\$1,410,000
per acre value	\$2,042.68/acre	\$8,597.56/acre

WHEREAS, on July 7, 2008, the Board received a copy of the lease agreement signed by EMLLC for consideration by the Board; and

WHEREAS, the Board set a public hearing on July 21, 2008 at 7:00 p.m. at the Opera House to consider whether to lease the property (without offering it to the public and for less than fair market value) to EMLLC for temporary construction worker housing; and

WHEREAS, N.R.S. 244.2815 provides that before the Board may lease real property for the purpose of economic development, which is defined to include establishment of new commercial enterprises or facilities within the County and the establishment of residential housing needed to support the establishment of new commercial enterprises or facilities, the Board must obtain at least one appraisal and adopt a resolution finding that it is in the best interest of the public to lease the real property without offering the real property to the public and for less than the fair market value of the real property; and

WHEREAS, at the public hearing, after considering the public comments provided, the Board decided to delay action to include a bond or other form of security for the work to be completed by EMLLC;

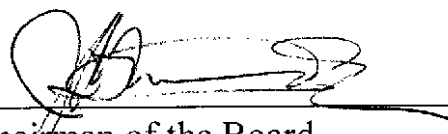
NOW THEREFORE BE IT RESOLVED the Board finds that:

1. EMLLC's molybdenum mine project is a new commercial enterprise within the County in need of housing, and as such falls within the definition of economic development pursuant to N.R.S. 244.2815(3); and
2. EMLLC's placement of temporary construction worker housing near

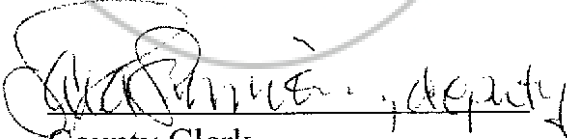
Eureka will ease the burden of providing law enforcement, fire and ambulance services to the workers needed to build the mine project; and

3. If the property is offered to the public, there is no assurance that temporary construction worker housing will be located near Eureka or that it will be removed once the project is completed; and
4. The fair market value of the property for lease will be satisfied by EMLLC improving the site consistent with the conceptual subdivision plan prepared by the ETAAC, which was approved by the Board and incorporated into EMLLC's subdivision application, and the requirements of the lease agreement; and
5. It is in the best interest of the public to concentrate development where existing infrastructure is available, thereby preventing the development of separate water, sewer, and other public services; and
6. The property subject to the lease agreement will be served by EMLLC paying the cost of extending and improving the existing road, electrical, sewer and water infrastructure in Eureka to the property; and
7. EMLLC has provided the disclosure required by N.R.S. 278.023, and a copy of that enclosure is available from the Clerk; and
8. For the reasons described in this Resolution, the Board finds that it is in the best interest of the public to lease the real property to EMLLC without offering the real property to the public and for less than the fair market value of the real property pursuant to N.R.S. 244.2815.

Adopted this 25<sup>th</sup> day of July, 2008.

  
Chairman of the Board  
Eureka County Commissioners

Attest:

  
County Clerk