

# Exhibit 16

## MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

5 Harris Court, Building G  
 P.O. Box 85  
 Monterey, CA 93942-0085  
 Phone: (831) 658-5601 FAX: (831) 644-9558

**COPY**

MPWMD WATER PERMIT  
 Issue Date: 09/16/2008  
 PERMIT #: 25915

Expires: 9/15/2010  
 Expires two years after date of issue  
 or at discretion of jurisdiction.  
 Final Inspection Required  
 by MPWMD

Applicant: Wilson Street Enterpr, LLC Phone: (831) -  
 Agent: Wald Ruhnke & Dost Phone: (831) 646-4642  
 Applicant Mailing Address: 2051 Junction Ave #100  
 San Jose, CA 95131  
 Property Address: 10-20 Ryan Court **MONTEREY, CA 93940**  
**DEED RESTRICTION APPLIES**

Water Company: RYAN RANCH  
**not in MPWMD water resource system** Lot: AP Number: 259-031-058  
 Permit Type: NEW CONNECTION (Commercial)  
 Number of Proposed Connections: 1 OF 2  
 Existing Land Use VACANT  
 Proposed Land Use AUTO USES Water Account Number:  
 Remarks: ORD #60/PROJECT SITE MUST MEET MPWMD'S NEW CONSTRUCTION CODES.  
 SEPARATE WATER METER REQUIRED FOR LANDSCAPE USE.  
 SPECIAL CONDITIONS OF APPROVAL APPLY.

----- F E E S -----

TYPE OF USE	NUMBER	AVERAGE USE IN ACRE-FEET	TOTAL COST PER ACRE-FOOT	CONNECTION CHARGES
LANDSCAPE	1.927 AF	X 1.000000	X \$22,979.00 =	44,280.53
Auto <del>USES</del> Uses	<del>20,881</del> sq ft 108,615 sq ft	X 0.000070	X \$22,979.00 =	17,471.05
			Connection Charge	40,885.62
			Permit Processing	350.00
			Other	467.00
			Deed Restriction	100.00
			Recording Fee	65.00
			<b>TOTAL</b>	<b>41,867.62</b>

I declare under penalty of perjury that the information on this permit, the accompanying application, and any attachments is correct to the best of my knowledge and belief. I have had an opportunity to review the Rules and Regulations of the MPWMD. The undersigned, as property owner or agent thereof, hereby authorizes MPWMD staff to make on-site inspections as deemed necessary to insure the accuracy of this application and compliance with the permit.

Furthermore, by signing this water permit, the undersigned acknowledges the District's right to assess and collect fees and impose fines for added water fixtures or changes in use occurring without amendment of the water permit. Water fixtures added without amendment of the water permit may be subject to a requirement of removal. The current title-holder of the property and/or his agent is responsible to insure completion of a Final Inspection by the MPWMD. Failure to arrange for a final inspection may result in a Notice of Violation recorded against the property, may subject a future property owner to fees and penalties, or may result in interruption of water service at the site.

( continued )

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Applicant: Wilson Street Enterpr, LLC

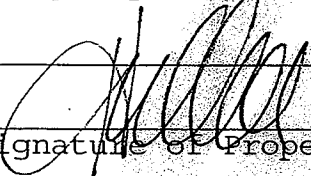
Phone: (831) -

Agent: Wald Ruhnke & Dost

Phone: (831) 646-4642

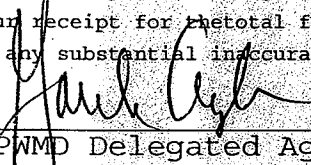
Property Address: 10-20 Ryan Court

MONTEREY, CA 93940  
DEED RESTRICTION APPLIES

  
\_\_\_\_\_  
Signature of Property Owner/Agent

9/16/08  
\_\_\_\_\_  
Date

The Monterey Water Management District issues a permit for the above project. This permit constitutes your receipt for the total fees shown. This permit may be revoked or other penalties imposed upon discovery of any substantial inaccuracy with respect to the above application.

  
\_\_\_\_\_  
MPWMD Delegated Agent

09/16/2008  
Issued

NOTE: This permit does not guarantee service by any water company, public utility, or municipal water agency. This permit may be canceled at the request of the jurisdiction following notice to the property owner.



**MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT**

5 HARRIS COURT, BLDG. G  
POST OFFICE BOX 85  
MONTEREY, CA 93942-0085 • (831) 658-5601  
FAX (831) 644-9560 • <http://www.mpwmd.dst.ca.us>

Stephen L. Vagnini  
Monterey County Recorder  
Recorded at the request of  
**Filer**

CRLUCY  
9/16/2008  
15:06:29

DOCUMENT: 2008060655



Titles: 1/ Pages: 6

Fees..... 24.00  
Taxes.....  
Other... 2.00  
AMT PAID \$26.00

**Recording Requested by:**  
Monterey Peninsula Water Management District

**And When Recorded Mail To:**  
Monterey Peninsula Water Management District  
Post Office Box 85  
Monterey, California 93942-0085

**NOTICE AND DEED RESTRICTION  
REGARDING LIMITATION ON USE  
WITH SPECIAL CONDITIONS OF APPROVAL**

**NOTICE IS GIVEN** that the Monterey Peninsula Water Management District (hereinafter referred to as the Water Management District), duly formed as a water district and public entity pursuant to the provisions of law found at Statutes of 1977, Chapter 527, as amended (found at West's California Water Code Appendix, Chapters 118-1 to 118-901), has approved water service to the real property referenced below as "Subject Property."

**NOTICE IS FURTHER GIVEN** that the real property affected by this agreement is situated in the City of Monterey:

**10-20 RYAN CT, MONTEREY CA 93940  
(RYAN RANCH INDUSTRIAL PARK UNIT 2 TR 961 LOT 7 EXC POR DESC IN R2218-351  
6.91 AC)  
ASSESSOR'S PARCEL NUMBER 259-031-058-000**

This real property is hereinafter referred to as the "Subject Property." The Subject Property is located within the jurisdiction of the Water Management District. **Wilson Street Enterprises, LLC, a California Limited Liability Company**, (hereinafter referred to as "Owner(s)"), are record Owner(s) of the Subject Property.

Owner(s) and the Water Management District further agree that the maximum permitted water use at the Subject Property is limited to supply the Potable water requirements for an **auto use** consisting of:

- **108,615 square-feet of Group I Auto Use (Rule 24, Table 2)**
- **Landscape area must not exceed 27,207 square-feet**

Owner(s) and the Water Management District each acknowledge and agree that the Subject Property shall be subject to Conditions of Approval. The following Conditions are permanent requirements of the Subject Property. The following **Conditions of Approval** shall be binding on the current and future property owner(s) unless rescinded by the Water Management District or its successor. The following Conditions shall apply to the interior water use of the Site and shall be recorded in the Conditions, Covenants and Restrictions for the Site. Notice shall be provided to every property owner(s) and shall be recorded precedent on the title of each separately owned portion of the Site:

1. All water consumption records for the previous month shall be provided electronically to Water Management District by California American Water or by any other water purveyor, if not supplied water by California American Water.
2. In the event the Water Year to date consumption exceeds an average of **0.634** Acre-Feet per month during any review, the following actions shall commence immediately:
  - a. Within seven (7) days, the property manager shall submit a plan to Water Management District to bring the Site into compliance with these Conditions;
  - b. Water conservation measures identified in the plan shall be fully implemented.
3. Failure to comply with the Water Year to date consumption average of 0.634 Acre-Feet at the subsequent meter reading shall result in any or all of the following:
  - a. Water Management District may direct California American Water to install a flow restrictor in the water line supplying the building until compliance has been achieved;
  - b. Water Management District may take action to suspend any or all Use Permits associated with the Site;
  - c. Water Management District may require additional retrofitting to achieve permanent reductions in water use;
  - d. Water Management District may request compliance assistance from the City of Monterey.
4. In-line water meters shall be installed to meter water use within individual condominium units.
5. Each new assigned Assessor's Parcel Number is subject to these Conditions of Approval;
6. Outdoor water use shall be supplied with a water meter separate and distinct from the interior water use.

No water uses other than those listed above have been approved for use on the Subject Property. All permitted water uses are subject to Water Management District Rules and Regulations including Regulation XV.

**NOTICE IS FURTHER GIVEN** that this agreement is binding and has been voluntarily entered into by Owner(s), and each of them, and constitutes a mandatory condition precedent to receipt of regulatory approval from the Water Management District relating to the Subject Property. This agreement attaches to the land and shall bind any tenant, successor or assignee of Owner(s). The agreement to release water use data shall bind future property owners and/or tenants to the same extent it binds the current Owner(s).

terms. This document shall be enforceable by the Water Management District or any public entity that is a successor to the Water Management District.

The Owner(s) elects and irrevocably covenants with the Water Management District to abide by the Special Conditions of Approval and this Notice and Deed Restriction to enable issuance of Water Permit Nos. 25915-25916. But for the limitations and notices set forth herein, approval of this Water Permit would otherwise be withheld and found to be inconsistent with the Water Management District Rules and Regulations.

This Notice and Deed Restriction shall be recorded against the Subject Property. Any transfer of this property, or an interest therein, is subject to its terms.

If any provision of this Notice and Deed Restriction is held to be invalid, or for any reason becomes unenforceable, no other provision shall thereby be affected or impaired.

The undersigned Owner(s) agrees with and accepts all terms of this document stated above, and requests and consents to recordation of this Notice and Deed Restriction Regarding Limitation on Use with Special Conditions of Approval. The Owner(s) further agrees to notify any present and future tenant of the Subject Property of the terms and conditions of this document.

**OWNER(S) agrees to recordation of this Notice and Deed Restriction in the Recorder's Office for the County of Monterey. Owner(s) further unconditionally accepts the terms and conditions stated above.**

*(Signatures must be notarized)*

**WILSON STREET ENTERPRISES, LLC,  
a California Limited Liability Company**

By: David G. Stocker, member Dated: 9/16/08  
David G. Stocker, Member

By: [Signature] Dated: 9/16/08  
Henry Ruhinke under Power of Attorney  
dated September 12, 2008

By: [Signature] Dated: 9.16.08  
Gabriela Ayala, Conservation Representative  
Monterey Peninsula Water Management District

*Attached: Power of Attorney*

**POWER OF ATTORNEY**

I, David G. Stocker, a resident of Monterey County, California, do hereby make, constitute and appoint Henry Ruhke of Monterey County, California, my full and lawful attorney in fact, for me in my name to do any and all of the following:

To execute any and all documents and deed restrictions required by the Monterey Peninsula Water Management District in relation to Wilson Street Partners, LLC/Club Auto Sport project in Ryan Ranch.

I FURTHER GIVE to my said attorney in fact full power and authority to do and perform all and every act and thing which may be necessary or convenient in connection with any of the foregoing, as full, to all intents and purposes, as I might or could do if personally present, hereby ratifying and confirming all that my said attorney in fact shall lawfully do or cause to be done by authority hereof.

IN WITNESS WHEREOF, I have signed and acknowledged this Power of Attorney this 12th day of September, 2008, at Monterey, California, and shall be valid until October 1, 2008.

  
\_\_\_\_\_  
DAVID G. STOCKER  
MANAGING MEMBER

STATE OF CALIFORNIA

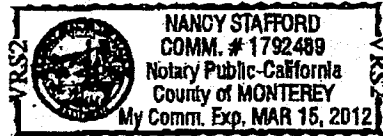
COUNTY OF MONTEREY

On September 12, 2008, before me, NANCY STAFFORD, a Notary Public, personally appeared DAVID G. STOCKER, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Nancy Stafford*



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Monterey

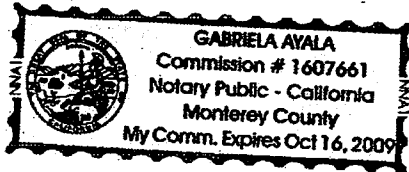
On September 16, 2008  
Date

before me,

Gabriela Ayala, Notary Public  
Here Insert Name and Title of the Officer

personally appeared

Henry P. Kuhnke  
Name(s) of Signer(s)



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

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

WITNESS my hand and official seal.

Signature

[Handwritten Signature]

Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document:

Notice and Deed Retraction Regarding Limitations on Use of Special Conditions of Approval

Document Date:

September 16, 2008

Number of Pages:

3

Signer(s) Other Than Named Above:

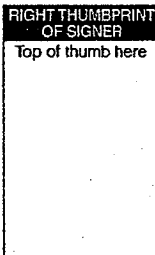
David G. Stucker, Gabriela Ayala

**Capacity(ies) Claimed by Signer(s)**

Signer's Name:

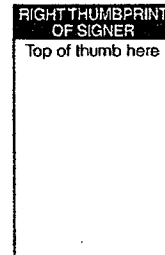
Henry Kuhnke

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



Signer's Name: \_\_\_\_\_

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



Signer Is Representing:

David G. Stucker

Signer Is Representing: \_\_\_\_\_

**END OF DOCUMENT**





**MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT**

5 HARRIS COURT, BLDG. G  
POST OFFICE BOX 85  
MONTEREY, CA 93942-0085 • (831) 658-5601  
FAX (831) 644-9560 • <http://www.mpwmd.dst.ca.us>

Stephen L. Vagnini  
Monterey County Recorder  
Recorded at the request of  
**Filer**

CRLUCY  
9/16/2008  
15:06:29

DOCUMENT: **2008060656**



Titles: 1/ Pages: 6  
Fees..... 24.00  
Taxes....  
Other... 2.00  
AMT PAID \$26.00

**Recording Requested by:**  
Monterey Peninsula Water Management District

**And When Recorded Mail To:**  
Monterey Peninsula Water Management District  
Post Office Box 85  
Monterey, California 93942-0085

**NOTICE AND DEED RESTRICTION  
PROVIDE PUBLIC ACCESS TO  
WATER USE DATA**

**NOTICE IS GIVEN** that the Monterey Peninsula Water Management District (hereinafter referred to as the Water Management District), duly formed as a water district and public entity pursuant to the provisions of law found at Statutes of 1977, Chapter 527, as amended (found at West's California Water Code Appendix, Chapters 118-1 to 118-901), has approved water service to the real property referenced below as "Subject Property."

**NOTICE IS FURTHER GIVEN** that the real property affected by this agreement is situated in the **City of Monterey:**

**10-20 RYAN CT, MONTEREY CA 93940  
(RYAN RANCH INDUSTRIAL PARK UNIT 2 TR 961 LOT 7 EXC POR DESC IN R2218-351  
6.91 AC)  
ASSESSOR'S PARCEL NUMBER 259-031-058-000**

This real property is hereinafter referred to as the "Subject Property." The Subject Property is located within the jurisdiction of the Water Management District. **Wilson Street Enterprises, LLC, a California Limited Liability Company**, (hereinafter referred to as "Owner(s)"), is record Owner(s) of the Subject Property.

**NOTICE IS FURTHER GIVEN** that Owner(s), and each of them, irrevocably grant to the Water Management District, the right to access and disseminate to the public-at-large any and all information relating to delivery and/or use of water from any and all sources, including but not limited to private Wells, municipal systems and/or Public Utilities such as the California American Water on the Subject Property.

**NOTICE IS FURTHER GIVEN** that all water use data relating to delivery and/or use of water on the Subject Property shall be publicly disclosed. This information shall be provided electronically by the water utility monthly as it becomes available.

**NOTICE IS FURTHER GIVEN** that this agreement is binding and has been voluntarily entered into by Owner(s), and each of them, and constitutes a mandatory condition precedent to receipt of regulatory approval from the Water Management District relating to the Subject Property. This agreement attaches to the land and shall bind any tenant, successor or assignee of Owner(s). The agreement to release water use data shall bind future property owners and/or tenants to the same extent it binds the current Owner(s) and each is deemed to have waived any right to privacy to the release of this data for the duration of this restriction.

The Owner(s) and the Water Management District each intend that this Notice and Deed Restriction act as a deed restriction upon the Subject Property, and that it shall be irrevocable during all times that water use data are disclosable under its terms. This document shall be enforceable by the Water Management District or any public entity that is a successor to the Water Management District.

The Owner(s) elects and irrevocably covenants with the Water Management District to abide by the conditions of this Notice and Deed Restriction to enable issuance of Water Permit Nos. **25915-25916**. But for the limitations and notices set forth herein, approval of this Water Permit would otherwise be withheld and found to be inconsistent with the Water Management District Rules and Regulations.

This Notice and Deed Restriction is placed upon the Subject Property. Any transfer of this property, or an interest therein, is subject to its terms.

If any provision of this Notice and Deed Restriction is held to be invalid, or for any reason becomes unenforceable, no other provision shall thereby be affected or impaired.

The undersigned Owner(s) agrees with and accepts all terms of this document stated above, and requests and consents to recordation of this Notice and Deed Restriction Provide Public Access to Water Use Data. The Owner(s) further agrees to notify any present and future tenant of the Subject Property of the terms and conditions of this document.

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*Intentionally Left Blank*

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OWNER(S) agrees to recordation of this Notice and Deed Restriction in the Recorder's Office for the County of Monterey. Owner(s) further unconditionally accepts the terms and conditions stated above.

*(Signatures must be notarized)*

**WILSON STREET ENTERPRISES, LLC,  
a California Limited Liability Company**

By: David G. Stocker, member Dated: 9/16/08  
David G. Stocker, Member

By: [Signature] Dated: 9/16/08  
Henry Ruhnke under Power of Attorney  
dated September 12, 2008

By: [Signature] Dated: 9.16.08  
Gabriela Ayala, Conservation Representative  
Monterey Peninsula Water Management District

*Attached: Power of Attorney*

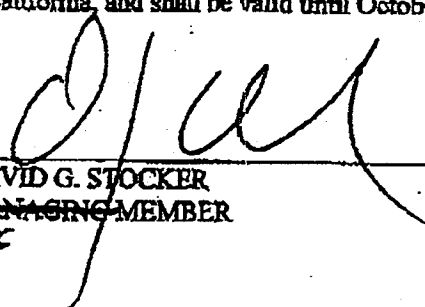
**POWER OF ATTORNEY**

I, David G. Stocker, a resident of Monterey County, California, do hereby make, constitute and appoint Henry Ruhke of Monterey County, California, my full and lawful attorney in fact, for me in my name to do any and all of the following:

To execute any and all documents and deed restrictions required by the Monterey Peninsula Water Management District in relation to Wilson Street Partners, LLC/Club Auto Sport project in Ryan Ranch.

I FURTHER GIVE to my said attorney in fact full power and authority to do and perform all and every act and thing which may be necessary or convenient in connection with any of the foregoing, as full, to all intents and purposes, as I might or could do if personally present, hereby ratifying and confirming all that my said attorney in fact shall lawfully do or cause to be done by authority hereof.

IN WITNESS WHEREOF, I have signed and acknowledged this Power of Attorney this 12<sup>th</sup> day of September, 2008, at Monterey, California, and shall be valid until October 1, 2008.

  
\_\_\_\_\_  
DAVID G. STOCKER  
MANAGING MEMBER  
DG

STATE OF CALIFORNIA

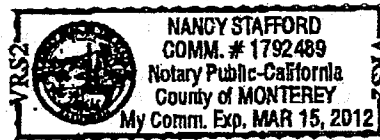
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I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Nancy Stafford*



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

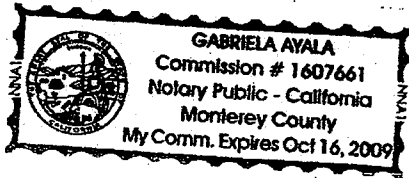
State of California

County of Monterey

On September 16, 2008 before me, Gabriela Ayala, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Henry P. Rubnke  
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature Gabriela Ayala  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: Notice and Deed Restrictions Provide Public Access to

Document Date: September 16, 2008 Number of Pages: 5  
Water Use Data

Signer(s) Other Than Named Above: David G. Stocker & Gabriela Ayala

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Henry P. Rubnke

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

RIGHT THUMBPRINT OF SIGNER  
Top of thumb here

Signer Is Representing: \_\_\_\_\_

David G. Stocker

Signer's Name: \_\_\_\_\_

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

RIGHT THUMBPRINT OF SIGNER  
Top of thumb here

Signer Is Representing: \_\_\_\_\_

\_\_\_\_\_

**END OF DOCUMENT**