

FILED  
86-55

CONTRACT FOR THE PURCHASE

OF REAL PROPERTY

'86 SEP 19 AM 50

This agreement entered into this 16th day of <sup>YVONNE BERNARD</sup> ~~SEP~~ September, 1986 between DURELL E. WILLIAMS and VIRGINIA J. WILLIAMS <sup>BY</sup> ~~WILLIAMS~~ co-trustees under declaration of trust dated June 20, 1973, hereinafter "WILLIAMS", and DOUGLAS COUNTY, NEVADA, a political subdivision of the State of Nevada, hereinafter, "COUNTY".

W I T N E S S E T H:

1. WILLIAMS agrees to sell to COUNTY that certain parcel of real property containing approximately 15.1 acres, situated in the County of Douglas, State of Nevada and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

2. County agrees to pay WILLIAMS \$75,000, upon execution of this agreement, which both parties agree is the value of the 15.1 acre site as a separate and independent parcel, not including damages to the remainder. COUNTY agrees to additionally pay WILLIAMS for any damages resulting from the taking, use and construction of a sewer treatment facility (on the 15.1 acre site) which accrue to the remainder of the 305 acres owned by WILLIAMS. COUNTY agrees to have an appraiser, who has MAI qualifications and is experienced in condemnation appraisals, to determine the damages to the remainder of the WILLIAMS land. Within seven (7) days of the receipt of the said appraisal, the COUNTY shall provide WILLIAMS with a copy of that appraisal. WILLIAMS shall have thirty (30) days from the receipt of the appraisal information in which to object to the results thereof. If WILLIAMS notifies the county in writing that they agree with the appraisal or if WILLIAMS fails to object within said thirty (30) period, (the results of the appraisal shall be considered acceptable to WILLIAMS) the COUNTY shall pay any additional sums identified as damages by the appraisal report within thirty (30) days of acceptance by WILLIAMS. In the event

*[Signature]*  
2.9.86

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WILLIAMS notifies the COUNTY in writing that they disagree with the results of the county hired appraisal, WILLIAMS shall hire their own appraiser, who has M.A.I. qualifications and is experienced in condemnation appraisals, to conduct a similar appraisal of the damage issue. Within seven (7) days of receipt of the second appraisal WILLIAMS shall forward a copy to the COUNTY. If the two appraisals agree as to the amount of damages, if any, then the COUNTY shall pay the amount of damages so determined to WILLIAMS as additional consideration for the property. In the event that the two appraisals do not agree, the appraisers hired by the parties shall select a third appraiser to conduct an appraisal for the purposes of determining the damages, if any. This appraiser must also be an M.A.I. appraiser experienced in condemnation appraisals. The costs of hiring the third appraiser shall be borne equally by the parties to this agreement. Upon completion of the third appraisal the appraisers shall meet and arrive at a figure which the majority of them can agree upon as the amount of damages if any. This figure shall be used by the parties to complete payment for the purchase of the above described property. COUNTY shall pay the amount arrived at through the appraisal process to WILLIAMS within thirty (30) days. The results of the appraisal(s) shall be binding upon the parties to this agreement.

3. The parties agree that upon the execution of this agreement and the payment of the \$75,000, the COUNTY shall have the right to enter onto the property and commence construction of a sewer treatment facility to serve the Airport industrially zoned properties and such other properties as from time to time may be allowed into the sewer system being developed by the COUNTY pursuant to an EDA grant.

4. WILLIAMS warrant that they have title to the property free from any and all encumbrances, except as shown on Lawyers Title policy number H923519, dated October 10, 1983 as

*DeW*  
*2/2/85*

items 1-10, attached hereto as exhibit "B", and further warrants that WILLIAMS has the right to convey the property to the COUNTY pursuant to the terms of this agreement.

5. At the time that the COUNTY tenders the sum of SEVENTY FIVE THOUSAND DOLLARS (\$75,000.00) to WILLIAMS, WILLIAMS shall execute and deliver to the COUNTY a grant deed evidencing the transfer of title from WILLIAMS to the COUNTY for the above described property. This transfer of title shall in no way relieve the COUNTY of its obligation to pay for any damages as may be determined under the procedure set forth in paragraph 2.

6. The parties agree that in the event that the COUNTY no longer needs the use of the above described property for any purpose then the COUNTY shall offer to sell the said property to WILLIAMS, their heirs, successors and assigns. The purchase price of said property shall be the fair market value of the property at the time that it is offered to WILLIAMS. The fair market value shall be determined by an appraiser selected by the COUNTY. WILLIAMS shall have ninety (90) days from the date that the COUNTY provides WILLIAMS with a copy of the appraisal and notifies WILLIAMS of its intent to offer it to them for repurchase in which to accept the offer. Should WILLIAMS fail to accept the offer within the said ninety (90) day period, the COUNTY will be free to offer it for sale to any bona fide purchaser. In the event that WILLIAMS accepts the offer to repurchase, WILLIAMS shall have an additional period of sixty (60) days in which to finalize the repurchase of the subject property. Failure to finalize the repurchase of the property within the said sixty (60) days shall result in the COUNTY being able to offer the property to any other bona fide purchaser.

7. This agreement is the final expression of the intent of the parties and shall supersede any and all prior memorandum, negotiations or other activities of the parties related to the purchase of the above described property.

*[Handwritten Signature]*  
2/2/20

8. This agreement has been entered into in lieu of condemnation of the property, which the COUNTY was prepared to do, but for the parties having reached this agreement.

9. All notices called for in this agreement shall be sent to the parties at the following addresses:

DOUGLAS COUNTY  
R. BRUCE ADAMS  
COUNTY MANAGER  
POST OFFICE BOX 218  
MINDEN, NEVADA 89423

DURELL and VIRGINIA WILLIAMS  
1163 CARY CREEK COURT RT. 3  
GARDNERVILLE, NEVADA 89410

The parties shall notify each other as to any changes as to the above written addresses for the mailing of notices. Notices shall be deemed to have been delivered three (3) days after they have been deposited with the United States Mails.

10. Interest shall accrue on the amount of the damages from September 11, 1986 until the date of payment at 12 percent per annum and shall be paid to WILLIAMS at the same time as the damages are paid.

11. Both parties agree to use their best good faith efforts to conclude this matter as soon as possible and agree that the process should easily be completed no later than September 11, 1988.

12. The appraisal date shall be September 11, 1986.

13. Taxes shall be prorated to September 11, 1986, WILLIAMS shall pay taxes for quarter 10/1/86 through 12/31/86.

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*[Handwritten Signature]*  
2/2/86

This agreement has been entered into as of the day and year first above written.

DOUGLAS COUNTY, NEVADA

By: Robert L. Pruet  
ROBERT L. PRUETT, CHAIRMAN  
BOARD OF COUNTY COMMISSIONERS

ATTEST:

Evonne Bernard  
EVONNE BERNARD,  
DOUGLAS COUNTY CLERK

Durell E. Williams  
DURELL E. WILLIAMS and

Virginia J. Williams  
VIRGINIA J. WILLIAMS  
as Co-trustees under  
Declaration of Trust  
Date June 20, 1973

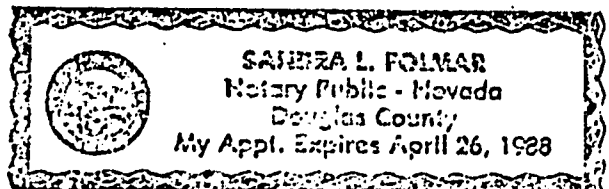
STATE OF NEVADA            )  
                                      : ss.  
COUNTY OF DOUGLAS        )

On this 16th day of September, 1986, personally appeared before me, a Notary Public, in and for said County and State, DURELL WILLIAMS AND VIRGINIA J. WILLIAMS, known to me to be the persons described in and who executed the foregoing document, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this document first above written.

Sandra L. Folmar/Bain  
NOTARY PUBLIC

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EXHIBIT "A"

That certain tract, piece or parcel of land situate, lying and being in the northwest  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 32, Township 14 North, Range 20 East, M.D.B. & M., County of Douglas, State of Nevada, and more particularly described as follows:

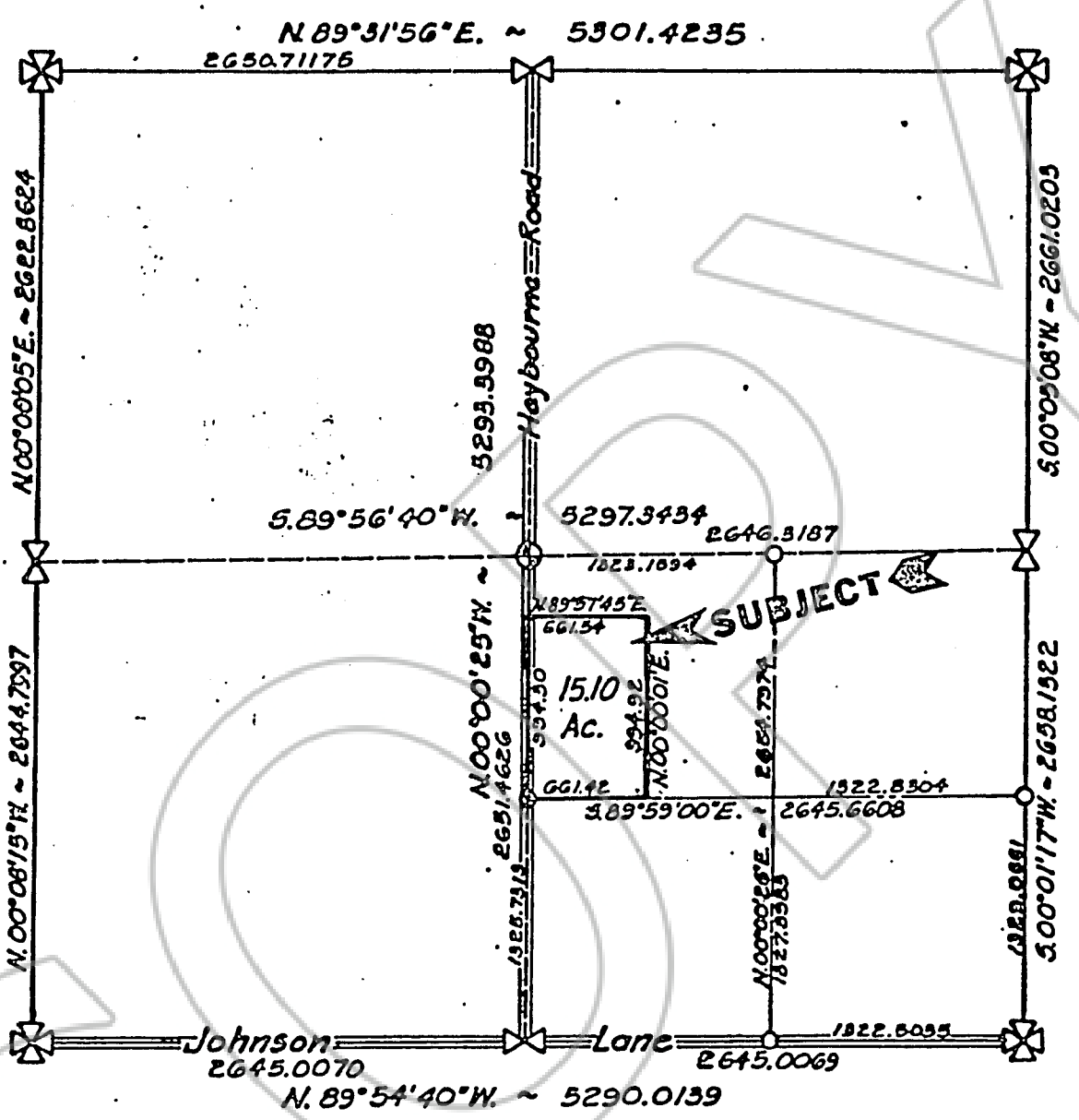
Commencing at the south quarter corner of Section 32, T.14 N., R.20 E. M.D.B. & M., thence North  $00^{\circ} 00' 25''$  West, a distance of 1325.73 feet to the TRUE POINT OF BEGINNING; thence continuing North  $00^{\circ} 00' 25''$  West, a distance of 994.30 feet; thence North  $89^{\circ} 57' 43''$  East, a distance of 661.54 feet; thence South  $00^{\circ} 00' 01''$  West, a distance of 994.92 feet; thence North  $89^{\circ} 59' 00''$  West, a distance of 661.42 feet to the TRUE POINT OF BEGINNING. Said parcel containing 15.10 acres more or less.

COPY



# EXHIBIT A - 2/ORL

SEC. 32, T. 14 N., R. 20 E.



Civil Engineers • Surveyors • Material Testing  
625 Fairview Dr., Suite 102 Carson City, NV 89701 (702) 883-7077  
3100 Mill St., Suite 114, Reno, NV 89502 (702) 348-7277

## EDA SEWER SITE DOUGLAS COUNTY, NEVADA

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# Lawyers Title Insurance Corporation

A Stock Company  
Home Office - Richmond, Virginia  
STANDARD COVERAGE POLICY

## SCHEDULE A

AMOUNT

\$450,000.00

EFFECTIVE DATE

October 10, 1983

3:17 o'clock P.M.

INSURED

JOSEPH F. ARROYO,  
DURELL WILLIAMS and VIRGINIA J. WILLIAMS

1. The title to the fee simple estate or interest in the land described below is at the date hereof vested in: DURELL WILLIAMS and VIRGINIA J. WILLIAMS, as Co-Trustees under Declaration of Trust dated June 20, 1973
2. The land referred to in this policy is described as follows:

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

The East 1/2 of Section 32, Township 14 North, Range 20 East, M.D.B. & M.,

EXCEPT THEREFROM that portion of the South 40 feet of the South 1/2 of the South 1/2 of the Southeast 1/4 of said Section 32, conveyed to Douglas County, for roadway purposes by instrument recorded September 17, 1956, in Book C-1 of Deeds, Page 182, Douglas County, Nevada, Records.

Said land more fully shown as Parcel's 27, 28, 29, 30, 31, 32, 35, and 36, as set forth on that certain Record of Survey for NEVIS INDUSTRIES, INC., also known as DANGBERG ESTATES, filed for record in the Office of the County Recorder of Douglas County, Nevada, on May 6, 1980, as Document No. 44253.

TOGETHER with all those certain appertenant access and utility easements for ingress and egress as set forth on that certain Record of Survey for NEVIS INDUSTRIES, INC., filed for record in the Office of the County Recorder of Douglas County, Nevada, on May 6, 1980, as Document No. 44253.

o0o

Countersigned:

  
Authorized Officer or Agent

ORIGINAL

Your No. 39355-GG  
Issued at: Minden, Nevada 37055- M

Page 1 of Sched. A-Pol No. **H** 923519

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STANDARD COVERAGE POLICY  
**Lawyers Title Insurance Corporation**

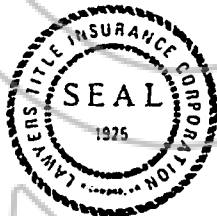
HOME OFFICE - RICHMOND, VIRGINIA

**Lawyers Title Insurance Corporation**, a Virginia corporation, herein called the Company, for a valuable consideration paid for this Policy, **Hereby Insures** the parties named as Insured in Schedule A, the heirs, devisees, personal representatives of such Insured, or if a corporation, its successors by dissolution, merger or consolidation, against loss or damage not exceeding the amount stated in Schedule A, together with costs, attorneys' fees and expenses which the Company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the Insured shall sustain by reason of

1. Any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule A existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage in Schedule B or in the Conditions and Stipulations; or
2. Unmarketability of such title as herein insured; or
3. Any defect in the execution of any mortgage shown in Schedule B securing an indebtedness, the owner of which is named as an Insured in Schedule A, but only insofar as such defect affects the lien or charge of said mortgage upon the estate or interest referred to in this policy; or
4. Priority over said mortgage, at the date hereof, of any lien or encumbrance not shown or referred to in Schedule B, or excluded from coverage in the Conditions and Stipulations, said mortgage being shown in Schedule B in the order of its priority;

all subject, however, to the Conditions and Stipulations hereto annexed, which Conditions and Stipulations, together with Schedules A and B, are hereby made a part of this policy.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed and sealed, to be valid when Schedule A hereof is countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws.



**Lawyers Title Insurance Corporation**

*Robert C. Dawson*

President

Attest:

*Roy S. McLeod*

Secretary.

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# Lawyers Title Insurance Corporation

A Stock Company

Home Office - Richmond, Virginia

## STANDARD COVERAGE POLICY

### SCHEDULE B

This policy does not insure against loss or damage by the reason of the following:

#### PART I

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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

#### PART II

1. Rights of way for any existing roads, trails, streams, ditches, drain ditches, pipe, pole or transmission lines traversing said premises.
2. Any loss or damage arising out of the fact that the said premises may be situate within the boundaries of any present or future general improvement, special assessment, water or sewer districts, the existence of which is not, at the date hereof, a matter of public record.
3. Right of Way in favor of the TRUCKEE RIVER GENERAL ELECTRIC COMPANY, as granted by the H.F. DANGBERG LAND AND LIVESTOCK COMPANY, for poles and incidental purposes, recorded August 12, 1907, in Book B of Miscellaneous Records, Page 217, Douglas County, Nevada, Records. (Location Indefinite)
4. Right of way for irrigation, canals and ditches, with incidents thereto, over and across said lands, as set forth in various Deeds of Record, one among them being recorded March 30, 1978, in Book 378, Page 1923, Document No. 19096, Official Records of Douglas County, Nevada.  
Agreement of easements and water rights dated May 10, 1978, executed by JOHN B. ANDERSON, et ux, and NEVIS INDUSTRIES, INC., upon the terms and conditions contained therein, recorded May 12, 1978, in Book 578, Page 949, Document No. 20648, of Official Records.
5. Roadway easement with incidents thereto, over and across said land as more fully set forth on that certain Land Division Map H.F. DANGBERG LAND AND LIVESTOCK COMPANY NO. 2, filed for record in the Office of the County Recorder of Douglas County, Nevada, on May 4, 1978, as Document No. 20315, of Official Records.
6. Rights of Way and easements as set forth in Land Division Map for NEVIS INDUSTRIES, INC., NO. 3, filed in the Office of the County Recorder of Douglas County, Nevada, on January 23, 1979, in Book 179, Page 1267, Document No. 29279, Official Records.
7. Conveyance of all minerals, oil, gas, and other hydro-carbons now or at any time hereafter situate therein and thereunder and which may be produced therefrom together with the free and unlimited right to mine, drill, bore, operate and

# Lawyers Title Insurance Corporation

Home Office - Richmond, Virginia

## CONDITIONS AND STIPULATIONS

### 1. Definition of Terms

The following terms when used in this policy mean:

- (a) "land": the land described, specifically or by reference, in Schedule A and improvements affixed thereto which by law constitute real property;
- (b) "public records": those records which impart constructive notice of matters relating to said land;
- (c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to the Insured by reason of any public records;
- (d) "date": the effective date;
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument; and
- (f) "insured": the party or parties herein designated as Insured, and if the owner of the indebtedness secured by a mortgage shown in Schedule B is named as an Insured in Schedule A, the Insured shall include (1) each successor in interest in ownership of such indebtedness, (2) any such owner who acquires the estate or interest referred to in this policy by foreclosure, trustee's sale, or other legal manner in satisfaction of said indebtedness, and (3) any federal agency or instrumentality which is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing said indebtedness, or any part thereof, whether named as an Insured herein or not.

### 2. Benefits After Acquisition of Title

If an insured owner of the indebtedness secured by a mortgage described in Schedule B acquires said estate or interest, or any part thereof, by foreclosure, trustee's sale, or other legal manner in satisfaction of said indebtedness, or any part thereof, or if a federal agency or instrumentality acquires said estate or interest, or any part thereof, as a consequence of an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by a mortgage covered by this policy, or any part thereof, this policy shall continue in force in favor of such insured, agency or instrumentality, subject to all of the conditions and stipulations hereof.

### 3. Exclusions From the Coverage of This Policy

This policy does not insure against loss or damage by reason of the following:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions, or location of any improvement now or hereafter erected on said land, or prohibiting a separation in ownership or a reduction in the dimensions or area of any lot or parcel of land.
- (b) Governmental rights of police power or eminent domain unless notice of judicial action to exercise such rights appears in the public records at the date hereof.
- (c) Title to any property beyond the lines of the land expressly described in Schedule A, or title to streets, roads, avenues, lanes, ways or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement; or any rights or easements therein unless this policy specifically provides that such property, rights or easements are insured, except that if the land abuts upon one or more physically open streets or highways this policy insures the ordinary rights of abutting owners for access to one of such streets or highways, unless otherwise excepted or excluded herein.
- (d) Defects, liens, encumbrances, adverse claims against the title as insured or other matters (1) created, suffered, assumed or agreed to by the Insured; or (2) known to the Insured either at the date of this policy or at the date such Insured acquired an estate or interest insured by this policy and not shown by the public records, unless disclosure thereof in writing by the Insured shall have been made to the Company prior to the date of this policy; or (3) resulting in no loss to the Insured; or (4) attaching or created subsequent to the date hereof; or (5) mechanics' or materialmen's liens not shown of record at the date hereof.
- (e) Claims against the estate or interest of an individual Insured based upon the homestead, community property, dower, curtesy or other statutory marital rights of the spouse of any such Insured.
- (f) Loss or damage which would not have been sustained if the Insured were a purchaser or encumbrancer for value without knowledge.
- (g) Usury or claims of usury.
- (h) "Consumer credit protection," "truth in lending" or similar law.

### 4. Defense and Prosecution of Actions—Notice of Claim to be Given by the Insured

(a) The Company, at its own cost and without undue delay shall provide (1) for the defense of the Insured in all litigation consisting of actions or proceedings commenced against the Insured, or defenses, restraining orders, or injunctions interposed against a foreclosure or sale of the indebtedness secured by a mortgage covered by this policy or a sale of the estate or interest in said land; or (2) for such action as may be appropriate to establish the title of the estate or interest or the lien of the mortgage as insured, which litigation or action in any of such events is founded upon an alleged defect, lien or encumbrance insured against by this policy, and may pursue any litigation to final determination in the court of last resort.

(b) In case any such action or proceeding shall be begun, or defense interposed, or in case knowledge shall come to the Insured of any claim of title or interest which is adverse to the title of the estate or interest or lien of the mortgage as insured, or which might cause loss or damage for which the Company shall or may be liable by virtue of this policy, or if the Insured shall in good faith contract to sell the indebtedness secured by a mortgage covered by this policy, or, if an Insured in good faith leases or contracts to sell, lease or mortgage the same, or if the successful bidder at a foreclosure sale under a mortgage covered by this policy refuses to purchase and in any such event the title to said estate or interest is rejected as unmarketable, the Insured shall notify the Company thereof in writing. If such notice shall not be given to the Company within ten days of the receipt of process or pleadings or if the Insured shall not, in writing, promptly notify the Company of any defect, lien or encumbrance insured against which shall come to the knowledge of the Insured, or if the Insured shall not, in writing, promptly notify the Company of any such rejection by reason of claimed unmarketability of title, then all liability of the Company in regard to the subject matter of such action, proceeding or matter shall cease and terminate; provided, however, the failure to notify shall in no case prejudice the claim of any Insured unless the Company shall be actually prejudiced by such failure and then only to the extent of such prejudice.

(c) The Company shall have the right at its own cost to institute and prosecute any action or proceeding or do any other act which in its opinion may be necessary or desirable to establish the title of the estate or interest or the lien of the mortgage as insured; and the Company may take any appropriate action under the terms of this policy whether or not it shall be liable thereunder and shall not thereby concede liability or waive any provision of this policy.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense or any action or proceeding, the Insured shall secure to it the right to so prosecute or provide defense in such action or proceeding, and all appeals therein, and permit it to use, at its option, the name of the Insured for such purpose. Whenever requested by the Company the Insured shall give the Company all assistance in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding, and the Company shall reimburse the Insured for any expense so incurred.

(conditions and stipulations continued on cover sheet)

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# Lawyers Title Insurance Corporation

A Stock Company  
Home Office - Richmond, Virginia

SCHEDULE B cont'd.

remove all minerals from beneath the surface of said land at any level below the surface of said lan, as granted to STOCK PETROLEUM CO., INC., in Deed recorded March 13, 1980, in Book 380, Page 1315, Document No. 42677, of Official Records.

8. The effect of that certain Record of Survey affecting said land as set forth on that certain Record of Survey for NEVIS, filed for record in the Office of the County Recorder of Douglas County, Nevada, on May 6, 1980, as Document No. 44253.

9. A Non-Exclusive access and utility easement, with incidents thereto, over and across the Northerly 30 feet and Westerly 50 feet of said land as reserved by JOSEPH F. ARROYO and DOLORES C. ARROYO, husband and wife, in Deed recorded June 5, 1981, in Book 681, Page 525, Document No. 56933, of Official Records. (Affects Parcel 27)

10. Conditions affecting said land as set forth in Deed executed by JOSEPH F. ARROYO and DOLORES C. ARROYO, husband and wife, in Deed recorded June 5, 1981, in Book 681, Page 525, Document No. 56933, of Official Records. (Affects Parcel 27)

11. A Deed of Trust dated October 6, 1983, executed by DURELL WILLIAMS and VIRGINIA J. WILLIAMS, Trustees under Declaration of Trust dated June 20, 1973, to LAWYERS TITLE INSURANCE CORPORATION, a Virginia Corporation, as trustee, to secure an indebtedness of \$50,000.00, in favor of JOSEPH F. ARROYO, a married man, as his sole and separate property, and any other amounts payable under the terms thereof, recorded October 10, 1983, in Book 1083, Page 1005, Document No. 88668, Official Records of Douglas County, Nevada. (Affects Parcel 28)

12. A Deed of Trust dated October 6, 1983, executed by DURELL WILLIAMS and VIRGINIA J. WILLIAMS, Trustees under Declaration of Trust dated June 20, 1973, to LAWYERS TITLE INSURANCE CORPORATION, a Virginia Corporation, as trustee, to secure an indebtedness of \$50,000.00, in favor of JOSEPH F. ARROYO, a married man, as his sole and separate property, and any other amounts payable under the terms thereof, recorded October 10, 1983, in Book 1083, Page 1007, Document No. 88669, Official Records of Douglas County, Nevada. (Affects Parcel 30)

13. A Deed of Trust dated October 6, 1983, executed by DURELL WILLIAMS and VIRGINIA J. WILLIAMS, Trustees under Declaration of Trust dated June 20, 1973, to LAWYERS TITLE INSURANCE CORPORATION, a Virginia Corporation, as trustee, to secure an indebtedness of \$50,000.00, in favor of JOSEPH F. ARROYO, a married man, as his sole and separate property, and any other amounts payable under the terms thereof, recorded October 10, 1983, in Book 1083, Page 1009, Document No. 88670, Official Records of Douglas County, Nevada. (Affects Parcel 32)

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Schedule \_\_\_\_\_ Page \_\_\_\_\_ No. \_\_\_\_\_

**5. Notice of Loss—Limitation of Action**

In addition to the notices required under paragraph 4(b), a statement in writing of any loss or damage for which it is claimed the Company is liable under this policy shall be furnished to the Company within sixty days after such loss or damage shall have been determined and no right of action shall accrue to the Insured under this policy until thirty days after such statement shall have been furnished, and no recovery shall be had by the Insured under this policy unless action shall be commenced thereon within five years after expiration of said thirty day period. Failure to furnish such statement of loss or damage, or to commence such action within the time hereinbefore specified, shall be a conclusive bar against maintenance by the Insured of any action under this policy.

**6. Option to Pay, Settle or Compromise Claims**

The Company shall have the option to pay or settle or compromise for or in the name of the Insured any claim insured against or to pay the full amount of this policy, or, in case loss is claimed under this policy by the owner of the indebtedness secured by a mortgage covered by this policy, the Company shall have the option to purchase said indebtedness; such purchase, payment or tender of payment of the full amount of this policy, together with all costs, attorneys' fees and expenses which the Company is obligated hereunder to pay, shall terminate all liability of the Company hereunder. In the event, after notice of claim has been given to the Company by the Insured, the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness and the mortgage securing the same to the Company upon payment of the purchase price.

**7. Payment of Loss**

(a) The liability of the Company under this policy shall in no case exceed, in all, the actual loss of the Insured and costs and attorneys' fees which the Company may be obligated hereunder to pay.

(b) The Company will pay, in addition to any loss insured against by this policy, all costs imposed upon the Insured in litigation carried on by the Company for the Insured, and all costs and attorneys' fees in litigation carried on by the Insured with the written authorization of the Company.

(c) No claim for damages shall arise or be maintainable under this policy (1) if the Company, after having received notice of an alleged defect, lien or encumbrance not excepted or excluded herein removes such defect, lien or encumbrance within a reasonable time after receipt of such notice, or (2) for liability voluntarily assumed by the Insured in settling any claim or suit without written consent of the Company, or (3) in the event the title is rejected as unmarketable because of a defect, lien or encumbrance not excepted or excluded in this policy, until there has been a final determination by a court of competent jurisdiction sustaining such rejection.

(d) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto and no payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company; provided, however, if the owner of the indebtedness secured by a mortgage shown in Schedule B is an Insured herein then such payments shall not reduce pro tanto the amount of the insurance afforded hereunder as to such Insured, except to the extent that such payments reduce the amount of the indebtedness secured by such mortgage. Loss payable to the Insured under this policy shall be payable, first, to any insured owner of indebtedness secured by mortgage shown in Schedule B in the order of priority, ratably as their respective interests may appear if such ownership vests in more than one, and thereafter, or if there be no such insured owner of indebtedness, to the other Insured, ratably as their respective interests may appear. Payment in full by any person or voluntary satisfaction or release by the Insured of a mortgage covered by this policy shall terminate all liability of the Company to the insured owner of the indebtedness secured by such mortgage, except as provided in paragraph 2 hereof.

(e) When liability has been definitely fixed in accordance with the conditions of this policy the loss or damage shall be payable within thirty days thereafter.

**8. Liability Noncumulative**

It is expressly understood that the amount of this policy is reduced by any amount the Company may pay under any policy insuring the validity or priority of any mortgage shown or referred to in Schedule B hereof or any mortgage hereafter executed by the Insured which is a charge or lien on the estate or interest described or referred to in Schedule A and the amount so paid shall be deemed a payment to the Insured under this policy. The provisions of this paragraph numbered 8, shall not apply to an insured owner of an indebtedness secured by a mortgage shown in Schedule B unless such Insured acquires title to said estate or interest in satisfaction of said indebtedness or any part thereof.

**9. Apportionment**

If the land described or referred to in Schedule A is described as separate and non-contiguous parcels, or if contiguous and such parcels are not used as one single site, and a loss is established affecting one or more of said parcels but not all, the loss shall be computed and settled on a pro rata basis as if the face amount of the policy was divided pro rata as to the value on the date of this policy of each separate independent parcel to the whole, exclusive of any improvements made subsequent to the date of this policy, unless a liability or value has otherwise been agreed upon as to each such parcel by the Company and the Insured at the time of the issuance of this policy and shown by an express statement herein or by an endorsement attached hereto.

**10. Subrogation Upon Payment or Settlement**

Whenever the Company shall have settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the Insured, and it shall be subrogated to and be entitled to all rights and remedies which the Insured would have had against any person or property in respect to such claim had this policy not been issued. If the payment does not cover the loss of the Insured, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from any act of the Insured, such act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation. The Insured, if requested by the Company, shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect such right of subrogation, and shall permit the Company to use the name of the Insured in any transaction or litigation involving such rights or remedies.

If the Insured is the owner of the indebtedness secured by a mortgage covered by this policy, such Insured may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the mortgage, or release any collateral security for the indebtedness, provided such act does not result in any loss of priority of the lien of the mortgage.

**11. Policy Entire Contract**

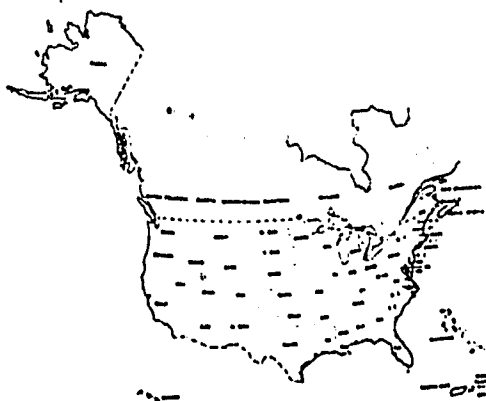
Any action or actions or rights of action that the Insured may have or may bring against the Company arising out of the status of the lien of the mortgage covered by this policy or the title of the estate or interest insured herein must be based on the provisions of this policy.

No provision or condition of this policy can be waived or changed except by writing endorsed hereon or attached hereto signed by the President, a Vice President, the Secretary, an Assistant Secretary or other validating officer of the Company.

**12. Notices, Where Sent**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to its home office, 3800 Cutshaw Avenue, Richmond, Virginia 23230.

Service available throughout the United States, Puerto Rico, the U.S. Virgin Islands and Canada.



National Division, Branch and Agency offices and Approved Attorneys located throughout the operating territory as shown on the map.

# Lawyers Title Insurance Corporation

Home Office - Richmond, Virginia

**Lawyers Title**  
Insurance Corporation  
A Stock Company  
Home Office  
Richmond, Virginia

**Policy**  
of  
**Title Insurance**

### CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: Sept 24 1986  
J. Bernard Clerk of the 5th Judicial District Court  
of the State of Nevada; in and for the County of Douglas.

By: Julie Hoffman Deputy

**SEAL**

*14 pages*

*A word of thanks to our insured.....*

As we make your policy a part of our permanent records, we want to express our appreciation of this evidence of your faith in Lawyers Title Insurance Corporation.

There is no recurring premium.

This policy provides valuable title protection and we suggest you keep it in a safe place where it will be readily available for future reference.

If you have any questions about the protection provided by this policy or wish to contact us for any other reason, write to:

Consumer Affairs Department  
**Lawyers Title Insurance Corporation**  
P.O. Box 27567  
Richmond, Virginia 23261

REQUESTED BY  
**DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

'86 SEP 24 08:17

SUZANNE BEAUDREAU  
RECORDER

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