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WHEN RECORDED, MAIL TO:

**DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
JEWEL COMMERCIAL PARK, PHASE 2
(Drainage Improvements Maintenance)**

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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
JEWEL COMMERCIAL PARK, PHASE 2
(Drainage Improvements Maintenance)**

THIS DECLARATION is made this _____ day of _____, 1997, by the JACOBSEN FAMILY RESIDUAL TRUST, the JACOBSEN FAMILY SURVIVORS TRUST, and JEWEL COMMERCIAL PARK, A Limited Partnership ("Declarant").

RECITALS

- A. Declarant is the owner of certain real property located in Douglas County, Nevada, described in Exhibit A (the "Property").
- B. Declarant is subjecting the Property to the Subdivision Map for Jewel Commercial Park, Phase 2.
- C. As a condition of approval of the Subdivision Map, Douglas County requires the Property to be subjected to the following:

DECLARATION

NOW, THEREFORE, Declarant hereby declares that the real property described in Exhibit A is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions of this Declaration, all of which are hereby declared to be in furtherance of a general plan for the development, improvement, and sale of such property, and to be for the purpose of enhancing, maintaining, and protecting the value and attractiveness of such property. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in such property, however such interest may be obtained.

**ARTICLE 1
DEFINITIONS**

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the meanings set forth in this Section.

Allocated Interests. The "allocated interests" means the interest allocated to each Lot for liability for Common Expenses and votes in the Association, as set forth in Section 2.2.

Articles. The "Articles" mean the articles of incorporation of the Association.

Association. The "Association" means the Jewel Commercial Park, Phase 2, Drainage Association, a Nevada nonprofit corporation.

Board. The "Board" means the Board of Directors of the Association.

Bylaws. The "Bylaws" mean the Bylaws of the Association.

Common Expenses. The "Common Expenses" means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves.

County. The "County" means Douglas County, Nevada.

Declarant. The "Declarant" means the JACOBSEN FAMILY RESIDUAL TRUST, the JACOBSEN FAMILY SURVIVORS TRUST, and JEWEL COMMERCIAL PARK, A Limited Partnership, who have made and executed this Declaration, or their successors.

Declaration. The "Declaration" means this instrument and amendments thereto.

Deed of Trust. A "deed of trust" means a deed of trust or a mortgage encumbering any Parcel.

Drainage Improvements. "Drainage Improvements" means the following:

(a) Drainage Improvements are all features, appurtenances, and facilities (including drainage improvements, conveyance structures, and detention/retention basins) for detention of stormwater in the Project, except:

(i) Such facilities on Lot 1 are not included because Lot 1 drains into a detention facility (located outside the Project), which the Town of Gardnerville has previously accepted for maintenance;

(ii) The regional detention basin (located inside the Project) is not included because the Town of Gardnerville will accept it for maintenance; such regional detention basin is designed to detain stormwater runoff from the Project and additional future phases of development;

(iii) The stormwater drainage facilities located in the streets of the Project are not included because the Town of Gardnerville will accept them for maintenance; and

(iv) The existing irrigation ditches located on the Project are not included because the users thereof are already liable for maintenance of such irrigation ditches pursuant to other agreements.

(b) For each Parcel, the Drainage Improvements shall include the facilities required for detention of stormwater, otherwise running off the land, with the following characteristics:

(i) The detention facilities shall have a combined volume equal to at least 1,800 cubic feet per acre of: the Parcel plus one-half of the adjacent street right of way(s);

(ii) The maximum discharge into the detention facilities shall not exceed 0.20 cubic feet per second per acre of: the Parcel plus one-half of the adjacent street right of way(s);

(iii) At least 70% of the total runoff from the Parcel plus one-half of the adjacent street right of way(s) shall enter the detention facilities; and

(iv) If more than one detention basin is utilized on the Parcel, the volume of each basin shall be proportional to the runoff entering it.

First Deed of Trust. A "first deed of trust" means a deed of trust or a mortgage having priority over all other deeds of trust encumbering the same portion of the Project.

Foreclosure. A "foreclosure" means a foreclosure of a mortgage or exercise of power of sale pursuant to a deed of trust.

Institutional Holder. An "institutional holder" means a mortgagee that is a bank, savings and loan association, established mortgage company, or other entity chartered under federal or state laws, or any corporation or insurance company, or federal or state agency.

Liability for Common Expenses. The "liability for common expenses" means the liability for Common Expenses allocated to each Parcel.

Lot. A "Lot" means any lot created by the Plat.

Manager. The "Manager" means the person or entity designated by the Board to manage designated affairs of the Association and to perform various other duties assigned by the Board and by the provisions of this Declaration.

Member. A "Member" means every person or entity who holds a membership in the Association.

Owner. An "Owner" means any person, persons, or entity, including Declarant, owning a Parcel.

Parcel. A "Parcel" means any Lot or portion thereof, or any other subdivision of the Project, except that Lot 1 is not a Parcel.

Plat. The "Plat" means the official plat map of Jewel Commercial Park, Phase 2, created in accordance with NRS Chapter 278 and filed in the Office of the County Recorder of Douglas County, Nevada, on July 24, , 1997 , as File No. 417846 .

Project. The "Project" means the real property described in Exhibit A, including the land, buildings, and other improvements now or hereafter thereon, together with all easements, rights, and appurtenances belonging thereto.

ARTICLE 2 OWNERS' RIGHTS AND OBLIGATIONS

2.1 Membership in Association. Ownership of each Parcel within the Project shall include a membership in the Association.

2.2 Allocated Interests. The liability for Common Expenses and the votes in the Association are allocated to each Parcel in proportion that the area of such Parcel bears to the total area of all the Parcels.

2.3 Maintenance of Drainage Improvements. Each Owner shall, at the Owner's expense, install, maintain in good repair, and replace the Drainage Improvements required on the Owner's Parcel by this Declaration.

2.4 Easements of Access for Repair, Maintenance, and Emergencies. Some of the Drainage Improvements are or may be located within the Parcels or Lots or may be conveniently accessible only through the Parcels or Lots. The Owners of other Parcels or Lots shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Parcel or Lot from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Drainage Improvements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Drainage Improvements or to another Parcel or Lot. The Association shall also have such right independent of any agency relationship. Damage to any part of a Parcel or Lot resulting from the maintenance, repair, emergency repair, or replacement of any of the Drainage Improvements or as a result of emergency repairs within another Parcel or Lot at the instance of the Association or of Owners shall be an expense of all of the Owners; provided, however, if such damage is the result of negligence of an Owner, then such Owner shall be financially responsible for all of such damage. Amounts owing by Owners pursuant hereto shall be collected by the Association by assessment pursuant to Article 5.

ARTICLE 3 THE ASSOCIATION

3.1 Formation. The Association is a nonprofit corporation formed under the laws of the State of Nevada. Prior to the first conveyance of a Lot from Declarant to another Owner, Declarant shall cause the Articles to be filed with the Secretary of State of the State of Nevada. Upon recording of the first Lot sale to an Owner (other than Declarant), the Association shall be

charged with the duties and invested with the powers set forth in the Articles, Bylaws, and this Declaration.

3.2 Membership.

3.2.1 Incorporators as Members. The Incorporators who execute and subscribe the Articles shall be deemed Members of the Association. The status of Incorporators as Members shall cease upon the election or appointment of the successors to the first Board of Directors named in the Articles. The Incorporators are designated as Members solely for the purpose of complying with the provisions of NRS 81.410 to 81.450; and unless an Incorporator is also an Owner, then an Incorporator shall have no rights, duties, or obligations as a Member under the Declaration, the Articles, or Bylaws. Any reference to "Member" in this Declaration, the Articles, or Bylaws shall not include any Incorporator unless specific reference to such Incorporator is made.

3.2.2 Membership Qualifications. Except as provided in Section 3.2.1, the membership of the Association at all times shall consist exclusively of (a) all Owners, or (b) their heirs, successors, or assigns. Persons or entities who hold an interest in a Parcel merely as security for performance of an obligation are not to be regarded as Members; however, a contract of sale buyer of a Parcel shall be a Member (contract of sale herein is defined to be the "security interest" document and not the "marketing" document).

3.2.3 Members' Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in this Declaration, the Articles, Bylaws, and Rules and Regulations, as the same may from time to time be amended.

3.2.4 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Parcels shall be appurtenant to each such Parcel, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to each such Parcel or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Parcel or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner. Immediately after any transfer of title to a Parcel, either the transferring Owner or the acquiring Owner shall give notice to the Board of such transfer, including the name and address of the acquiring Owner and the date of transfer.

3.3 Meetings of Members. A meeting of the Association must be held at least annually. Special meetings of the Association may be called by the president, a majority of the Board or by Owners having 20 percent, or any lower percentage specified in the Bylaws, of the votes in the Association. Not less than 10 nor more than 60 days in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of each Parcel or to any other mailing address designated in writing by the Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including, but not limited to, the general nature of any proposed amendment to the Declaration or Bylaws, any fees or assessments to be imposed or

increased, any budgetary changes, and any proposal to remove an officer or member of the Board. The notice must include notification of the right of an Owner to have a copy of the minutes or a summary of the minutes of the meeting distributed to him upon request if he pays the Association the cost of making the distribution.

3.4 Voting Rights. Only Members of the Association shall be entitled to vote. The voting privileges of each class of Members shall be as set forth herein.

3.4.1 Incorporators. Any Incorporator who is not also an Owner shall have no voting rights.

3.4.2 Members. Members shall have the votes set forth in Section 2.2. If only one of several Owners of a Parcel is present at a meeting of the Association, that Owner is entitled to cast all the votes allocated to that Parcel. If more than one of the Owners are present, the votes allocated to that Parcel may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the Owners cast the votes allocated to that Parcel without protest made promptly to the person presiding over the meeting by any of the other Owners of the Parcel. The voting rights for each Parcel may not be cast on a fractional basis. If the joint owners of a Parcel are unable to agree among themselves as to how their voting rights shall be cast, then they shall forfeit the vote on the matter in question. If more than one person or entity exercises the voting rights for a particular Parcel, none of their votes shall be counted; and their votes shall be deemed void.

3.4.3 Proxies. Votes allocated to a Parcel may be cast pursuant to a proxy executed by an Owner of such Parcel. If a Parcel is owned by more than one person, each Owner of the Parcel may vote or register protest to the casting of votes by the other Owners of the Parcel through an executed proxy. An Owner may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

3.4.4 Parcel Owned by Association. No votes allocated to a Parcel owned by the Association may be cast.

3.5 Members' Approval. Except as otherwise provided in the Bylaws or this Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

3.6 Board of Directors and Officers. Except as otherwise provided in the Bylaws or the Declaration, the affairs of the Association shall be conducted by and through the Board, by such officers and committees appointed by the Board in accordance with this Declaration and the Bylaws, and by persons and entities described in Section 4.1(c).

3.6.1 Qualifications. Except as otherwise provided in the Declaration, the members of the Board shall be Owners. An officer, employee, agent, or director of a corporate owner of a Parcel, a trustee or designated beneficiary of a trust that owns a Parcel, a partner of a partnership that owns a Parcel, and a fiduciary of an estate that owns a Parcel may be an officer or member of the Board. In all events where the person serving or offering to serve as an officer or member of the Board is not the record Owner, he shall file proof of authority in the records of the Association.

3.6.2 Removal. Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant.

3.6.3 Limitations on Authority of the Board. The Board may not act on behalf of the Association to amend the Declaration, to elect members of the Board or determine their qualifications, powers, and duties or terms of office, or to pay compensation to members of the Board or officers for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association; and the Board may fill vacancies in its membership for the unexpired portion of any term.

3.6.4 Fiduciaries. In the performance of their duties, the officers and members of the Board are fiduciaries and are subject to the insulation from liability provided for directors of corporations by the laws of the State of Nevada. The members of the Board are required to exercise the ordinary and reasonable care of directors of a corporation, subject to the business-judgment rule.

3.6.5 Personal Liability; Indemnification. Except to the extent such liability, damage, or injury is covered by any type of insurance, no member of the Board, or any committee of the Association or any officer of the Association, or any Manager, or Declarant, or any agent of Declarant, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct. When a member of the Board is sued for liability for actions undertaken in his role as a member of the Board, the Association shall indemnify him for his losses or claims, and undertake all costs of defense, until and unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof, the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Board who so acted. Members of the Board are not personally liable to the victims of crimes occurring on the Project. Punitive damages may not be recovered against the Association, but may be recovered from persons whose activity gave rise to the damages.

3.7 Bylaws. The Bylaws of the Association must provide:

- (a) The number of members of the Board and the titles of the officers of the Association;
- (b) For election by the Board of a president, treasurer, secretary, and any other officers of the Association the Bylaws specify;
- (c) The qualifications, powers, and duties, terms of office, and manner of electing and removing members and officers of the Board and filling vacancies;
- (d) Which, if any, of its powers the Board or officers may delegate to other persons or to a Manager;
- (e) Which of its officers may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; and
- (f) A method for amending the Bylaws.

Subject to the provisions of the Declaration, the Bylaws may provide for any other matters the Association deems necessary and appropriate.

3.8 Inspection of Association Books and Records. Any membership register, accounting records, and minutes of meetings of the Members, the Board, and committees of the Board or the Association, shall be made reasonably available for any Member of the Association, or his duly appointed representative, or any mortgagee, at any reasonable time and for a purpose reasonably related to his interest, at the office of the Association or at such other place as the Board prescribes. The Board shall establish by resolution reasonable rules with respect to (a) notice to be given to the custodian of the records of the Association by the Member, representative, or mortgagee desiring to make an inspection, (b) hours and days of the week when an inspection may be made, and (c) payment of the cost of reproducing copies of documents requested by a Member or by a representative or mortgagee. Every member of the Board shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a member of the Board includes the right to make extracts and copies of documents. Not more than 30 days after any meeting, the secretary or other officer specified in the Bylaws shall cause the minutes or a summary of the minutes of the meeting to be made available to the Owners. A copy of the minutes or a summary of the minutes must be provided to any Owner who pays the Association the cost of providing the copy to him.

3.9 Period of Declarant Control. Operation of the Association is subject to the period of Declarant control provided in Article 11.

**ARTICLE 4
POWERS AND DUTIES OF THE ASSOCIATION**

4.1 Powers. The Association may:

- (a) Adopt and amend the Bylaws;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Owners;
- (c) Hire and discharge the Manager and other employees, agents, and independent contractors; however, any agreement for professional management of the Association shall be terminable by either party with or without cause and without payment of a termination fee on 30 days' written notice; and the term of any such agreement shall not exceed one year, although such agreement may be renewed from year to year by the Board.
- (d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Project;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of Drainage Improvements;
- (g) Cause additional improvements to be made as a part of the Drainage Improvements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property;
- (i) Impose and receive any payments, fees, or charges for the use, operation, or maintenance of the Drainage Improvements;
- (j) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration and Bylaws;
- (k) Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of unpaid assessments;
- (l) Provide for the indemnification of its officers and Board and maintain directors' and officers' liability insurance;
- (m) Assign its right to future income, including the right to receive assessments for Common Expenses, but only to the extent the Declaration expressly so provides;
- (n) Exercise any other powers conferred by the Declaration or Bylaws;
- (o) Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association; and

(p) Exercise any other powers necessary and proper for the governance and operation of the Association.

4.2 **Duties.** Except as otherwise provided, the Association has the obligation to conduct all business concerning the common interests of the Owners and concerning the Drainage Improvements, and without limitation, to perform the following duties:

- (a) Adopt the Bylaws;
- (b) Adopt budgets for revenues, expenditures, and reserves, and collect assessments for Common Expenses from Owners;
- (c) Maintain in good repair, and replace any Drainage Improvements when any Owner fails to provide such maintenance and replacement;
- (d) Obtain the insurance required by Article 7;
- (e) Provide for the indemnification of its officers and Board;
- (f) Keep accurate financial records;
- (g) Make all financial and other records reasonably available for examination by any Owner and his authorized agents; and
- (h) Carry out the other duties of the Association set forth in the Declaration, Articles, or Bylaws.

ARTICLE 5 ASSESSMENTS

5.1 **Purpose.** The assessments levied by the Association shall be the amount estimated to be required, and shall be used exclusively, to pay the Common Expenses. After an assessment has been made by the Association, assessments shall be made at least annually, based on a budget adopted at least annually by the Association.

5.2 **Agreement to Pay.** Each Owner (including Declarant) for each Parcel owned, covenants and agrees to pay to the Association such regular, special, and capital improvement assessments as are established, made, and collected as provided in this Declaration. Until the Association makes an assessment for Common Expenses, the Declarant shall pay all Common Expenses.

5.3 **Personal Obligations.** Each assessment or instalment, together with any late charge, interest, at a rate not exceeding 18.0% per year, collection costs, and reasonable attorneys' fees, all as established by the Board, shall be the personal obligation of the person or entity who was an Owner at the time such assessment or instalment became due and payable. If

more than one person or entity was the Owner of a Parcel, the personal obligation to pay such assessment or instalment respecting such Parcel shall be both joint and several. Subject to the provisions of Section 5.10, a purchaser of a Parcel shall be jointly and severally liable with the seller for all unpaid assessments against the Parcel up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any of the Drainage Improvements or by abandonment of his Parcel.

5.4 Allocation of Assessments. All Common Expenses shall be assessed against all the Parcels in accordance with the allocation set forth in Section 2.2, except as follows:

(a) Assessments to pay a judgment against the Association may be made only against the Parcels in the Project at the time the judgment was entered, in proportion to their liabilities for Common Expenses;

(b) If any Common Expense is caused by the misconduct or negligence of any Owner, the Association may assess that expense exclusively against his Parcel;

(c) If liabilities for Common Expenses are reallocated, assessments for Common Expenses and any instalment thereof not yet due must be recalculated in accordance with the reallocated liabilities. Except as otherwise provided, the Association shall not change the pro rata interest or obligation of any Parcel for purposes of levying assessments unless all Owners and all institutional first mortgagees have given their prior written consent.

5.5 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves must be paid to the Owners in proportion to their liabilities for Common Expenses or credited to them to reduce their future assessments for Common Expenses.

5.6 Regular Assessments. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all the Owners, and shall set a date for the meeting of the Owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary. Unless at that meeting at least a majority of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board. The Board shall establish the regular annual assessment without vote of the Members; provided, however, the Board may not establish a regular assessment for any fiscal year of the Association that is more than 120% of the regular assessment of the prior fiscal year of the Association (except the first such fiscal year of the Association if it should be less than 12 months) without the approval by vote or written consent of Members holding at least 51% of the voting rights. In addition to all other uses of the regular assessments as herein provided, the Association shall, from each payment of regular monthly assessments, fund a reserve for replacement of Drainage Improvements.

5.7 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the Common Expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs, or replacements of capital improvements to the Drainage Improvements, then the Board shall determine the approximate amount necessary to defray such expenses. If the amount is approved by a majority vote of the Board, it shall become a special assessment. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or immediately levy the assessment against each Parcel. Additionally, the Association shall have the power to incur expenses for maintenance and repair of any Parcel, provided such maintenance and repair is necessary, in the opinion of the Board, to protect the Drainage Improvements, and provided the Owner of such Parcel has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair has been delivered by the Board to such Owner. The Board shall levy a special assessment against the Owner of any such Parcel to pay for the cost of such maintenance, repair, and any other costs or expenses arising out of or incident to such maintenance and repair, and the assessment therefor. Additionally, the Board may levy a special assessment against a Parcel to collect a fine imposed on the Owner by the Board.

5.8 Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year. Regular assessments shall be payable in equal monthly instalments unless the Board adopts some other basis for collection. However, the initial regular assessment period shall commence on the first day of the calendar month following the date on which the sale of the first Parcel to a purchaser is closed and recorded, and shall terminate on December 31 of the year in which the initial sale is closed and recorded. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly instalments unless the Board adopts some other basis for collection.

5.9 Notice of Assessments; Time for Payment. The Association may, in its discretion, give written notice of assessments to each Owner, which notice shall specify the amount of the assessment and the date of payment of the assessment. No payment shall be due fewer than 15 days after such written notice has been given. An assessment payment is delinquent if not paid within 30 days after such due date. Failure of the Association to give notice of the assessment shall not affect the liability of the Owner of any Parcel for such assessment, but the date when payment shall become due in such a case shall be deferred to a date 15 days after such notice shall have been given.

5.10 Statement of Account. The Association upon written request shall furnish to Owner a statement setting forth the amount of unpaid assessments against the Parcel. The statement must be in recordable form. The statement must be furnished within 10 business days after receipt of the request and is binding on the Association, the Board and every Owner.

5.11 Collection of Assessments. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized

representative, including any Manager, can enforce the obligations of commencement and maintenance of a suit at law or in equity; or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Section 6.2 to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 5.3 shall be maintainable without foreclosing or waiving the lien rights.

ARTICLE 6
LIENS FOR ASSESSMENTS

6.1 Lien for Assessments. From the time the assessment becomes due, all sums assessed to any Parcel pursuant to this Article, together with interest thereon and other charges as provided herein, shall be secured by a lien on such Parcel in favor of the Association. If an assessment is payable in instalments, the full amount of the assessment is a lien from the time the first instalment thereof becomes due. Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment is required. A lien under this Section is prior to all other liens and encumbrances on a Parcel except:

- (a) Liens and encumbrances recorded before the recordation of the Declaration;
- (b) A first security interest on the Parcel recorded before the date on which the assessment sought to be enforced became delinquent;
- (c) Liens for real estate taxes and other governmental assessments or charges against the Parcel.

The lien is also prior to all security interests described in paragraph (b) to the extent of the assessments for Common Expenses based on the periodic budget adopted by the Association pursuant to Section 5.6 that would have become due in the absence of acceleration during the 6 months immediately preceding institution of an action to enforce the lien. A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within 3 years after the full amount of the assessments becomes due. The existence of the lien does not prohibit the Association from actions to recover sums secured by the lien or from taking a deed in lieu of foreclosure.

6.2 Foreclosure of Lien. The Association may foreclose its lien and conduct the sale upon foreclosure in the same manner as provided by NRS 116, Article 3.

6.3 County as Third Party Beneficiary. The County, or any other political subdivisions that may hereafter contain the Project, is expressly made a third party beneficiary of this Declaration for the purpose of granting to the County limited rights to enforce the provisions of this Declaration to ensure compliance with the obligation to maintain the Drainage Improvements. In the event that the Association fails to enforce such provisions, the County shall be entitled to commence an action as set forth in Section 11.2.2 to enforce such provisions and levying a special assessment pursuant to Section 5.7 secured by a lien to be established, created, and enforced pursuant to Article 6. Notwithstanding the foregoing, the County shall be entitled

to commence such action only after (i) the County has given reasonable notice, which shall be no less than 30 days, to the Association in the manner provided in Section 11.3, describing such violation, or if no Association is in existence, by publication of reasonable notice in a newspaper of general circulation in the County, and (ii) the Association or the Owners shall have failed to cure such violation within a reasonable time thereafter to the reasonable satisfaction of the County. After giving such notice, the County shall have the right to enter the Project to effect the necessary maintenance and repair of the Drainage Improvements, and to recover the costs thereof from the Association as provided above.

ARTICLE 7 INSURANCE

7.1 Insurance to be Obtained. The Association may obtain and maintain insurance coverage, provided by companies duly authorized to do business in Nevada, as set forth in this Article.

7.2 Casualty Insurance. The Association may obtain such insurance on the Drainage Improvements as is available and which the Association shall deem appropriate. The Association may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

7.3 Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance, and other use of the Drainage Improvements. The liability insurance shall name as separately protected insureds Declarant, Declarant's project manager, the Association, the Board, and their representatives, members, and employees, with respect to any liability arising out of the maintenance or use of the Drainage Improvements. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, Declarant's project manager, the Board, and their representatives, members, and employees. After Declarant has no further interest in any portion of the Project, then the above insurance provisions regarding Declarant and Declarant's project manager shall not apply.

7.4 Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

7.5 Fidelity Insurance. The Association may purchase in such amounts and in such forms as it shall deem appropriate, coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

7.6 **Other Insurance.** The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Project.

7.7 **Premiums and Review.** Except as provided above, premiums for all the foregoing insurance carried by the Association shall be a Common Expense and shall be included in the assessments or charges made by the Association. The Board shall review the limits of all insurance policies of the Association at least once a year and adjust the limits as the Board deems necessary or appropriate.

7.8 **Form.** The insurance policies carried pursuant to Sections 7.2 and 7.3 shall provide to the extent reasonably available that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of his interest, if any, in the Drainage Improvements or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Owner or member of his household;

(c) No act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Each insurer shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner or holder of a security interest. The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Owner, and each holder of a security interest to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

7.9 **Adjustment of Losses.** Any loss covered by any policy carried pursuant to Sections 7.2, 7.3, or 7.5 shall be adjusted with the Association; but the proceeds for the loss shall be payable to any trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The trustee or the Association shall hold any proceeds in trust for the Association, Owners, and lien holders as their interests may appear. The proceeds must be disbursed first for the repair or restoration of the damaged property; and the Association, Owners, and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored; or the Project is terminated.

ARTICLE 8
PROTECTION OF LENDERS

8.1 **General.** Notwithstanding any other provisions in this Declaration to the contrary, in order to induce institutional lenders to participate in the financing of sales of Parcels in the Project, the following provisions are included. To the extent that the provisions of Article 8 conflict with any other provisions in this Declaration, the provisions of Article 8 shall control.

8.2 **Encumbrance of Lots Permitted.** Any Owner may encumber his Parcel with a deed of trust.

8.3 **Subordination.** Any lien created or claimed under Article 6 of this Declaration is subject and subordinate to the lien of any first deed of trust encumbering any Parcel or other property in the Project and recorded before the date on which the assessment sought to be enforced became delinquent, unless the priority of such first deed of trust is expressly subordinated to such assessment lien.

8.4 **Non-Liability for Unpaid Assessments.** Any beneficiary of a first deed of trust who comes into possession of a Lot pursuant to the remedies provided in the deed of trust shall take such Parcel free of any claims for unpaid assessments or charges against the encumbered Parcel that accrued prior to the time such beneficiary came into possession of the Parcel, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Parcels in the Project. Provided, however, after the foreclosure of any such deed of trust or conveyance of any Parcel to such beneficiary by deed in lieu of foreclosure, such Parcel shall remain subject to the Declaration; and the amount of all regular and special assessments, to the extent they related to expenses incurred subsequent to such foreclosure, shall be assessed hereunder to the grantee or purchaser at such foreclosure sale.

8.5 **Breach of Covenants.** No breach of any of the provisions of this Declaration or the re-entry by reason of any such breach shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to any Parcel; provided, however, the provisions of the Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

8.6 **Notice of Default.** Upon written request to the Association, the beneficiary of a first deed of trust encumbering a Parcel shall be entitled to written notification from the Association of any default by the trustor in the performance of trustor's obligations under the Declaration, Articles, Bylaws, or Rules and Regulations that is not cured within 30 days.

8.7 **Other Notices.** Any institutional holder of a first deed of trust encumbering a Parcel shall be entitled to timely written notification from the Association of any loss in excess of \$1,000.00 to a Parcel covered by the deed of trust, any loss in excess of \$10,000.00 to the Drainage Improvements, and commencement of any condemnation proceeding.

8.8 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of a beneficiary pursuant to its deed of trust in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the encumbered Parcel or Drainage Improvements.

8.9 Appearance at Meetings. Any institutional holder of a first deed of trust on a Parcel, upon request, shall be entitled to written notice of all meetings of the Members of the Association and shall be permitted to designate a representative to attend all such meetings.

8.10 Right to Examine Books and Records. Any institutional holder of a first deed of trust can examine the books and records of the Association during normal business hours and, upon request, shall be entitled to receive an annual audited financial statement of the Project within 90 days following the end of any fiscal year of the Project.

8.11 Prior Approvals. Unless the institutional holders of first deeds of trust on the Parcels have given their prior written approval, neither the Association, any Owner, nor any other individual shall do the following:

(a) Change the method of determining the obligations, assessments, or other charges that may be levied against an Owner; or change the pro rata interest or obligations of any Parcel for purposes of levying assessments or charges or allocating distributions or hazard insurance proceeds; or change votes in the Association allocated to a Parcel;

(b) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Drainage Improvements; the granting of easements for public utilities or for other public purposes consistent with the intended use of the Drainage Improvements by the Association or the Owners shall not be deemed to be a transfer within the meaning of this Section;

(c) Use hazard insurance proceeds for losses to Parcels or Drainage Improvements for other than the repair, replacement, or reconstruction of such improvements or property;

(d) By act or omission, change, waive, or abandon the provisions of this Declaration, or the enforcement thereof, pertaining to maintenance of the Drainage Improvements;

(e) Fail to maintain the insurance required by Section 7.2;

(f) If the Project is professionally managed, terminate professional management and assume self-management; or

(g) Make material amendments to this Declaration.

**ARTICLE 9
SPECIAL DECLARANT'S RIGHTS**

9.1 **Period of Declarant Control.** The Declarant shall have the power to appoint and remove members of the Board and officers as follows:

(a) Subject to Section 9.1(b), Declarant, or persons designated by Declarant, may appoint and remove officers and members of the Board from formation of the Association until the earlier of (i) 60 days after conveyance of 75 percent of the Lots to Owners other than Declarant, or (ii) 5 years after Declarant has ceased to offer Lots for sale in the ordinary course of business. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of that period; but in that event, Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Association or Board as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

(b) Not later than 60 days after conveyance of 25 percent of the Lots to Owners other than Declarant, at least one member and not less than 25 percent of the members of the Board must be elected by Owners other than the Declarant. Not later than 60 days after conveyance of 50 percent of the Lots to Owners other than Declarant, not less than 33 1/3 percent of the members of the Board must be elected by Owners other than the Declarant.

(c) Not later than the termination of any period of Declarant's control, the Owners shall elect a Board of at least three members, at least a majority of whom must be Owners. The Board shall elect the officers. The officers and members of the Board shall take office upon election.

(d) Within 30 days after Owners other than the Declarant may elect a majority of the members of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by Declarant.

(e) In calculating any percentage of Lots in this Section 9.1, Lot 1 shall be excluded.

9.2 **Transfer of Declarant's Rights.** Declarant may transfer, pursuant to the Act, any or all of Declarant's rights under this Declaration.

**ARTICLE 10
AMENDMENT**

10.1 **Association or Owner Approval.** Except as otherwise provided herein, the Declaration may be amended only by vote or agreement of Owners of Parcels to which at least a majority of the votes in the Association are allocated.

10.2 Governmental Approval. No amendment to this Declaration shall be effective to eliminate the perpetual funding for maintenance of the Drainage Improvements without the written consent of Douglas County. No amendment to the Declaration modifying the rights and benefits extended to any governmental entity shall be made without the written consent of such entity.

10.3 Restrictions on Amendments. Except to the extent expressly permitted or required by the Declaration, no amendment may change the allocated interests of a Parcel in the absence of unanimous consent of the Owners affected and the consent of a majority of the Owners of the remaining Parcels.

10.4 Form. Amendments to the Declaration shall be prepared, executed, and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

10.5 Effective upon Recordation. Every amendment to the Declaration shall be recorded with the County recorder and shall be effective only upon such recordation.

**ARTICLE 11
MISCELLANEOUS**

11.1 Term of Declaration. The provisions of this Declaration shall continue and be effective for a period of 50 years from the date of recordation and shall be automatically extended for successive periods of 10 years until at least a two-thirds vote of the Owners of all of the Parcels within the Project shall determine by vote that they shall terminate, and all the institutional holders of first deeds of trust encumbering the Parcels shall have given their prior written approval, and notice thereof is recorded in the office of the County Recorder.

11.2 Enforcement and Waiver.

11.2.1 Right of Enforcement by Association.

(a) The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or any resolutions of the Board, or to enforce by mandatory injunction, or otherwise, all of these provisions.

(b) In addition, the Association can suspend the voting rights or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration, the Articles, Bylaws, Rules and Regulations, or Board resolutions. However, any such suspension of use privileges cannot exceed a period of 60 days for any one violation. Before invoking any such suspension or fine, the Board shall give such violating Owner or other person a hearing upon at least 5 days' written notice. Each suspended or fined Owner or other person can appeal such action by filing written notice of his intention to appeal with the Board. The action imposing the fine or suspension shall then become

ineffective until the fine or suspension is unanimously approved by all Board members at a regular or special meeting of the Board at which all Board members are present; provided, however, if the fined or suspended Owner is a Board member, then such Board member need not be present at such hearing or approve of such sanction. The Owner or other person to be fined or suspended can appear, be represented by counsel, and be heard at the meeting. The Board may impose a special assessment against such Owner's Parcel collect any fine that remains unpaid for a period of 10 days or more. Except as provided in this Section, the Association does not have the power or authority to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of such Owner's Parcel if the Owner does not comply with provisions of this Declaration, the Articles, Bylaws, or the Rules and Regulations, except when the loss or forfeiture is the result of a court judgment or arbitration decision or a foreclosure or sale under a power of sale based on failure of the Owner to pay assessments levied by the Association.

11.2.2 General Right of Enforcement. Except as otherwise provided herein, Declarant, the Association, and any Owner shall have the right (but not the duty) to enforce, by an action for damages or injunctive relief or both, any or all of the covenants, conditions, and restrictions now or hereafter imposed by this Declaration upon the Owners or upon any of the Project; provided, however, the County shall be a third party beneficiary of this Declaration as provided in Section 6.3. Except as otherwise provided, nothing herein shall be construed as creating a third party beneficiary contract in favor of parties who are not Owners of property subject hereto; and there shall be no right of enforcement by any one else who does not own property in the Project.

11.2.3 Violations and Nuisance. Every act or omission whereby a covenant, condition, or restriction of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association, or any Owner. Any other provision to the contrary notwithstanding, only Declarant, the Board, and their duly authorized agents may enforce by self-help any covenant, condition, or restriction herein set forth.

11.2.4 Violation of Law. Any violation of any state, regional, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any portion of the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

11.2.5 Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive.

11.2.6 Nonwaiver. The failure to enforce the provisions of any covenant, condition, or restriction contained in the Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provisions of this Declaration.

11.3 Notices. All notices hereunder to the Association or the Board shall be sent by registered or certified mail to the Board at the Project, or to such other address as the Board may designate from time to time by notice in writing to the Owners. All notices hereunder to an

Owner shall be sent by registered or certified mail to the Owner at his Parcel, or to such other address as the Owner may give from time to time in writing to the Board. All notices shall be deemed to have been given when mailed except notices of change of address, which shall be deemed to have been given when received, and except as otherwise provided herein.

11.4 Construction of the Declaration.

11.4.1 Restrictions Construed Together. All of the covenants, conditions, and restrictions of the Declaration shall be liberally construed together to promote and effectuate the fundamental concepts set forth in the "Declaration" at the beginning of this Declaration.


11.4.2 Restrictions Severable. Notwithstanding the provisions of Section 11.4.1, the covenants, conditions, and restrictions of the Declaration shall be deemed independent and severable. The invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

11.4.3 Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary. The masculine, feminine, or neuter shall each include the masculine, feminine, and neuter, as the context requires.

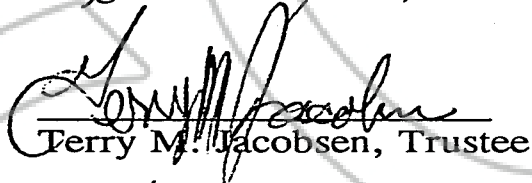
11.4.4 Captions. All captions or titles used in the Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions of any Section.

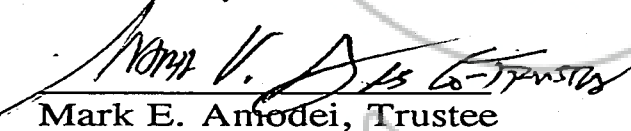
IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first above written.

Jacobsen Family Residual Trust

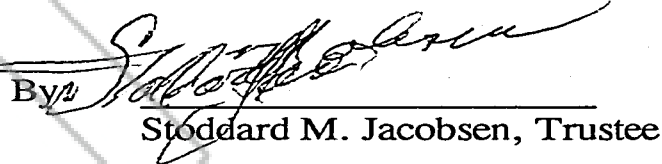
By: 
Stoddard M. Jacobsen, Trustee

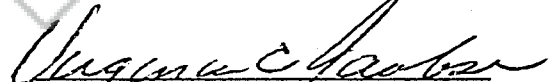
By: 
Virginia C. Jacobsen, Trustee

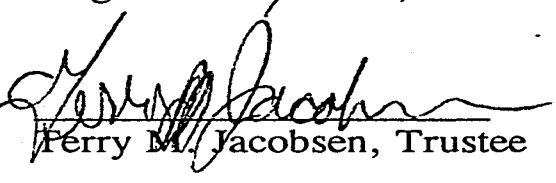
By: 
Terry M. Jacobsen, Trustee

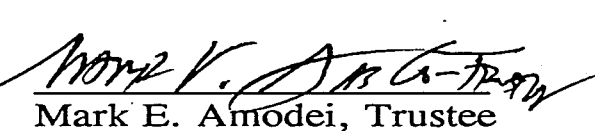
By: 
Mark E. Amodei, Trustee

Jacobsen Family Survivors Trust

By: 
Stoddard M. Jacobsen, Trustee

By: 
Virginia C. Jacobsen, Trustee

By: 
Terry M. Jacobsen, Trustee

By: 
Mark E. Amodei, Trustee

Jewel Commercial Park,
A Limited Partnership

By: [Signature]
Alan R. Fleming, General Partner



STATE OF NEVADA)
COUNTY OF Carson) SS.

This instrument was acknowledged before me on July 7, 1997, by STODDARD M. JACOBSEN as Trustee of the JACOBSEN FAMILY RESIDUAL TRUST.

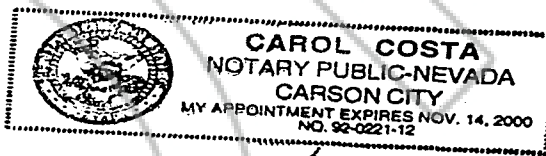
[Signature]
Notary Public



STATE OF NEVADA)
COUNTY OF Carson) SS.

This instrument was acknowledged before me on July 7, 1997, by VIRGINIA C. JACOBSEN as Trustee of the JACOBSEN FAMILY RESIDUAL TRUST.

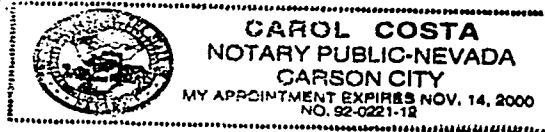
[Signature]
Notary Public



STATE OF NEVADA)
COUNTY OF Carson) SS.

This instrument was acknowledged before me on July 7, 1997, by TERRY M. JACOBSEN as Trustee of the JACOBSEN FAMILY RESIDUAL TRUST.

[Signature]
Notary Public



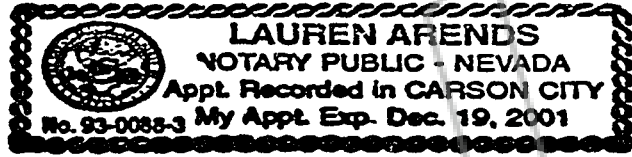
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STATE OF NEVADA)
)
COUNTY OF Carson City) SS.

This instrument was acknowledged before me on July 8, 1997, by MARK E. AMODEI as Trustee of the JACOBSEN FAMILY RESIDUAL TRUST.

Lauren Arends
Notary Public



STATE OF NEVADA)
)
COUNTY OF Carson) SS.

This instrument was acknowledged before me on July 7, 1997, by STODDARD M. JACOBSEN as Trustee of the JACOBSEN FAMILY SURVIVORS TRUST.

Carol Costa
Notary Public



STATE OF NEVADA)
)
COUNTY OF Carson) SS.

This instrument was acknowledged before me on July 7, 1997, by VIRGINIA C. JACOBSEN as Trustee of the JACOBSEN FAMILY SURVIVORS TRUST.

Carol Costa
Notary Public



STATE OF NEVADA)
)
COUNTY OF Carson) SS.

This instrument was acknowledged before me on July 7, 1997, by TERRY M. JACOBSEN as Trustee of the JACOBSEN FAMILY SURVIVORS TRUST.

Carol Costa
Notary Public



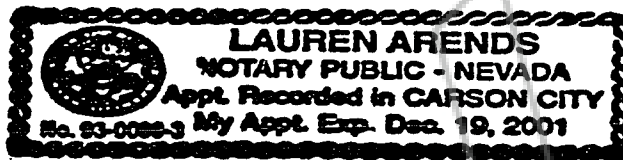
STATE OF NEVADA)

SS.

COUNTY OF Carson City)

This instrument was acknowledged before me on July 8, 1997, by MARK E. AMODEI as Trustee of the JACOBSEN FAMILY SURVIVORS TRUST.

Lauren Arends
Notary Public



STATE OF NEVADA)

SS.

COUNTY OF Douglas)

This instrument was acknowledged before me on 7-2, 1997, by ALAN R. FLEMING as General Partner of JEWEL COMMERCIAL PARK, A Limited Partnership.

Mary H. Kelsh
Notary Public



DESCRIPTION
JEWEL COMMERCIAL PARK - PHASE 2

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

A parcel of land located within a portion of Section 10, Township 12 North, Range 20 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at a point on the northeasterly right-of-way line of U.S. Highway 395 being the beginning of curvature at Station 289+97.69 (tangent bears S 44°45'21" E), said point bearing North 45°14'39" East, 4.10 feet from a found right-of-way monument per Record of Survey for Stoddard Jacobsen recorded in the office of Recorder, Douglas County, Nevada as Document No. 129795;

thence along said right-of-way South 44°45'21" East, 918.44 feet to the northwesterly corner of Parcel 3-C-2-C as shown on Parcel Map #4 for Jacobsen Family Trust of 1982 recorded in the office of Recorder, Douglas County, Nevada as Document No. 338399, the POINT OF BEGINNING;

thence along the westerly boundary of said Parcel 3-C-2-C North 45°14'39" East, 88.83 feet;

thence continuing along said westerly boundary of Parcel 3-C-2-C North 00°09'31" East, 239.35 feet;

thence continuing along said westerly boundary of Parcel 3-C-2-C North 44°45'21" West, 165.48 feet to a point on the southerly boundary of Parcel 2 as shown on the Parcel Map for Jacobsen Family Trust recorded in the office of Recorder, Douglas County, Nevada as Document No. 250593;

thence along the common boundary of said Parcel 3-C-2-C and said Parcel 2 North 78°45'00" East, 145.92 feet to a point on the storm drainage easement as shown on the Final Map for Jewel Commercial Park, Phase 1 recorded in the office of Recorder, Douglas County, Nevada as Document No. 289083 and a point on the northerly boundary of Adjusted A.P.N. 25-740-08 as shown on the Record of Survey to Support a Boundary Line Adjustment for Jacobsen Family Survivors/Residual Trust recorded March 20, 1997 in the office of Recorder, Douglas County, Nevada as Document No. 408804;

thence along said boundary of Adjusted A.P.N. 25-740-08 the following five courses:

thence North 18°19'02" East, 144.73 feet;

thence North 74°58'11" East, 182.38 feet;

thence North 27°15'55" West, 54.74 feet;

thence North 62°44'05" East, 100.00 feet;

thence South 27°15'55" East, 87.00 feet to a point on said common boundary of Parcel 3-C-2-C and Parcel 2;

thence North 45°44'39" East, 692.27 feet to the northeasterly corner of said Adjusted A.P.N. 25-740-08;

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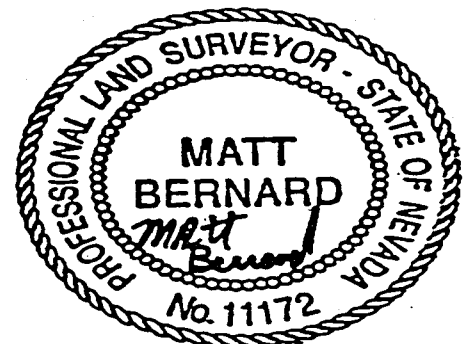
thence South 44°45'21" East, 1540.37 feet to the southeasterly corner of said Adjusted A.P.N. 25-740-08;
thence South 29°35'16" West, 767.52 feet to the southwesterly corner of said Parcel 3-C-2-C;
thence along said boundary of Parcel 3-C-2-C North 46°24'12" West, 620.29 feet;
thence North 44°45'21" West, 62.31 feet;
thence North 46°24'12" West, 74.43 feet to the northeasterly corner of Parcel 1 as shown on the Parcel Map for Jacobsen Family 1982 Trust recorded in office of Recorder, Douglas County, Nevada as Document No. 369896;
thence along the boundary of said Parcel 1 the following three courses:
thence South 86°32'14" West, 116.76 feet;
thence South 43°58'01" West, 215.00 feet;
thence South 60°24'44" East, 223.48 feet to a point on the northwesterly right-of-way of Virginia Ranch Road;
thence along said northwesterly right-of-way South 29°35'16" West, 434.17 feet;
thence along the arc of a curve to the right having a radius of 20.00 feet, central angle of 105°39'23", and an arc length of 36.88 feet to a point on said northeasterly right-of-way of U.S. Highway 395;
thence along said northeasterly right-of-way North 44°45'21" West, 1068.92 feet to the POINT OF BEGINNING, containing 46.51 acres, more or less.

Together with Parcel 3-C-2-A as shown said Parcel Map #4, Document No. 338399, containing 3.48 acres, more or less.

The Basis of Bearing for this description is North 44°45'21" West, the easterly right-of-way of U.S. Highway 395 as shown on said Record of Survey for Stoddard Jacobsen, Document No. 129795.

Note: Refer this description to your title company before incorporating into any legal document.

Prepared By: R.O. ANDERSON ENGINEERING, INC.
P.O. Box 2294
Minden, Nevada 89423



0417847

4-15-97

BK 0797 PG 4071

COPY

REQUESTED BY
RO Anderson Engineering
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'97 JUL 24 A9:02

LINDA SLATER
RECORDER

\$35.00 PAID K2 DEPUTY

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