REQUESTED BY
Stewart Title of Douglas County

IN OFFICIAL RECORDS OF OCUSEAS CO., NEVADA

2004 JUN - 1 AM 10: 36

WERNER CHRISTEN RECORDER

\$25 PAID K2 DEPUTY

APN 1419-05-000-005 and 006

Recording Requested By:

Stewart Title of Douglas County

1650 N. Lucerne, Ste. 101

Minden, NV 89423

040700510

WHEN RECORDED MAIL TO: SMITH & SMITH, LLC P. O. BOX 2410 MINDEN, NV 89423

AGREEMENT

(Title of Document)

THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMMODATION ONLY. NO LIABILITY, EXPRESSED OR IMPLIED, IS ASSUMED AS TO IT'S REGULARITY OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.

STEWART TITLE OF DOUGLAS COUNTY

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

This cover page must be typed.

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AGREEMENT

THIS AGREEMENT (hereinafter "Agreement") is made on May , 2004 by Smith and Smith, LLC, a Nevada limited liability company, and James H. Lundy and Jo Lynne Lundy, husband and wife as joint tenants (hereinafter "Owners").

RECITALS

- A. The Owners own certain real property situated in the County of Douglas, State of Nevada, which are more particularly described on Exhibit A attached hereto and incorporated herein by reference. Such real property is further described as Adjusted Parcels A, B and C in the Plat Map attached hereto and incorporated herein by reference as Exhibit "B" (individually a "Lot" and collectively the "Lots").
- B. It is the Owner's express desire and intention to restrict the Lots according to a common plan as to use, and as to construction, repair and maintenance of easements or other rights for access and utilities, so that all of the Lots will be benefited and each successive owner of all or a part of the Lots will be benefited by the preservation of the value and character of the Lots. These covenants, easements, restrictions and conditions (i) create a general plan and scheme of improvement for the benefit of the Lots and the future Owners of all or any portion thereof; (ii) run with the Lots; (iii) bind all parties having or acquiring any right, title or interest in the Lots or any part thereof; and (iv) inure to the benefit of the successors and assigns of each Owner thereof.
- C. The administration and enforcement of these covenants will be the responsibility of the Owners, in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties to this Agreement, each to the others as covenantors and covenantees, and expressly for the benefit of, and to bind, their successors in interest, the parties agree as follows:

ARTICLE I Definitions

- Section 1. "Approval of the Owners" means written approval by a Majority of the Owners.
- Section 2. "County" means the County of Douglas, State of Nevada.
- Section 3. "Lot" means and includes any parcel of real property designated by a number or letter on the Parcel Map of the Lots. For this purpose, APNs 1419-05-000-005 and 1419-05-000-006 shall be considered a single Lot, and are referenced on the Parcel Map as "Adjusted Parcel A".
- <u>Section 4.</u> "Majority of the Owners" means approval by more than fifty percent (50%) of the Owners of Record of a Lot. For this purpose, there shall be only one Owner per Lot, regardless of the type of vesting or numbers of actual persons or entities having an interest in a Lot.
- <u>Section 5.</u> "Owner" means any person, firm, corporation or other entity which owns the fee simple interest in any Lot and, except where the context otherwise requires, the family, guests, tenants and invitees of an Owner.
- <u>Section 6.</u> "Owner of Record" includes an Owner and means any person, firm, corporation of other entity in which title to a Lot is vested as shown by the official records of the Office of the County Recorder.
- Section 7. "Parcel Map" refers to: That certain Record of Survey recorded September 2, 2003 in Book 0903, Page 451, as Document 588487in the Official Records of the County Recorder of Douglas County.
- <u>Section 8.</u> "Residence" means a private, single-family dwelling constructed or to be constructed on a Lot.
- <u>Section 9.</u> "Single Family Residence Use" means occupation and use of a Residence for single family dwelling purposes in conformity with this Agreement and the requirements imposed by applicable zoning laws or other applicable laws or governmental regulations limiting the number of persons who may occupy single family residential dwellings.

ARTICLE II Property Rights and Obligations of Owners

Section 1. Declaration Regarding Lots.

- (a) The Lots shall be held, conveyed, divided, encumbered, hypothecated, leased, rented, used, occupied and improved only upon compliance with and subject to the provisions of this Agreement, which is hereby declared to: (i) be for the benefit and protection of the Lots and to enhance the desirability, value and attractiveness of the Lots, (ii) be for the benefit of the Owners, (iii) run with the land and be binding upon all parties having or acquiring any right, title or interest in the Lots or any portion thereof, (iv) inure to the benefit of every portion of the Lots and any interest therein, and (vi) inure to the benefit of and be binding upon each Owner.
- (b) All present and future Owners, tenants and occupants within the Lots shall be subject to, and shall comply with, each and every provision of this Agreement, as the same shall be amended from time to time unless a particular provision of this Agreement is specifically restricted to one or more classes of persons (i.e., Owners, tenants, invitees, a particular Lot, etc.). The acceptance of a deed to any Lot, the execution of a lease, sublease or contract of sale with respect to any Lot or the entering into occupancy of any Residence shall make the provisions of this Agreement binding upon said persons and they shall thereafter be obligated to observe and comply with this Agreement.
 - (c) This Agreement shall be enforceable by each Owner, and each successor in interest of each Owner.

ARTICLE III Use of Lots and Restrictions

The following restrictions are hereby imposed upon the use of the Lots.

- Section 1. Single Family Residential Use. No structures shall be erected, altered, placed or permitted to remain on any residential Lot other than one detached single-family dwelling not to exceed two stories in height and a private garage and other outbuildings incidental to residential use of the Lot. The limitations contained in this section 1 are intended to exclude every form of multi-family dwelling, boarding or lodging house and the like. All buildings and other structures erected upon any Lot shall be of new construction and no buildings shall be moved from other locations onto any Lot. Construction of every building commenced on any Lot and major repairs thereof shall be diligently pursued to completion. The use of the individual Lots is hereby restricted to Single Family Residential Use. In no event shall a Residence be occupied by more individuals than permitted by applicable zoning laws or governmental regulations. No Lot Owner shall be entitled to construct a caretaker's residence that exceeds 1100 square feet interior living space.
- Section 2. Prohibition of Noxious Activities. No illegal, noxious or offensive activities shall be carried out or conducted upon any Lot nor shall anything be done within a Lot which is or could become an unreasonable annoyance or nuisance to the neighborhood. Without limiting the foregoing, no Owner shall permit noise, including, but not limited to the excessive barking of dogs, the operation of air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from an Owner's Lot, which would unreasonably disturb other Lot Owner's enjoyment of his Lot.
- <u>Section 3. Temporary Structures.</u> No structure of a temporary character, trailer, mobile home, camper, tent, shack, garage or other outbuilding shall be used on any Lot at any time as a permanent. Residence.
- <u>Section 4.</u> Household Pets. A reasonable number of common household pets (including up to four (4) horses, mules or donkeys kept in a proper shelter) may be kept in each Lot so long as the same are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred or raised on any Lot. Each Owner shall be responsible for proper pet control and shall clean up and properly dispose of pet waste.
- Section 5. Garbage. No rubbish, trash, or garbage shall be allowed to accumulate on Lots. Any trash outside the interior walls of a Residence shall be stored entirely within appropriate covered disposal facilities that are screened from view from any other Lot.

Section 6. Parking and Vehicle Restrictions.

- (a) The private access road must be kept clear for free access and use by all Owners and for fire access as provided under applicable law. Therefore, no permanent, semi-permanent, or frequent parking by Owners, guests or others shall be permitted along either side of the private street.
- (b) No motor vehicle shall be constructed, reconstructed or repaired on a Lot and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on a Lot, unless such activities shall occur within a covered garage; provided, however that the provisions of this section shall not apply to emergency vehicle repairs.
- <u>Section 7. Activities Affecting Insurance.</u> Nothing shall be done or kept on any Lot which will increase the rate of insurance relating thereto without the Approval of the Owners and no Owner shall permit anything to be done or kept on his Lot which would cause any improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Residence.
- Section 8. Restriction on Further Subdivision and Severability. No Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof and no Owner of a Lot within the Lots shall be entitled to sever that Lot from the common access easement portion of the Lots; provided, however, that the Owner of Lot A shall be entitled to convey fee simple title to Lot A, yet retain an interest in the commercial communications facilities thereon, by way of leasehold, easement or other device.
- Section 9. Commercial Communications Facilities. No commercial communications facilities shall be erected or operated on Lot B or C. The Owner of Lot Ashall be allowed to construct and operate, or allow commercial communications providers to construct and operate, on Lot A commercial communications facilities, including without limitation antenna structures and electronic equipment shelters or cabinets, backup generators, utilities, etc. Such facilities shall be constructed and operated in compliance with all applicable laws, rules and regulations of Douglas County and other applicable jurisidictions, including any requirements relating to screening such facilities; the Owner of Lot A shall use due diligence to insure that said communications facilities shall be properly maintained.
- <u>Section 10.</u> <u>Grant to US Forest Service.</u> The Owners acknowledge and agree that an easement or other right for public access (non-motorized) may be granted to the United States Forest Service in exchange for the use of the encroachment on Highway 50, and each Owner agrees to execute such documentation as reasonably required to grant such easement or other right. Except as set forth above, no Owner shall grant public access to any portion of a Lot.

ARTICLE IV Access Easements and Maintenance

Section 1. Construction, Repair and Maintenance of Access Road.

- (a) The Owners shall be mutually responsible for and shall share pro-rata (each Owner one-third) all costs and expenses of construction, repair and maintenance (hereinafter "Road Maintenance Costs") of the portion of the access road from the Hwy 50 encroachment for approximately 750 feet to the junction of the private driveway to Lot C, which road portion is labeled on the map attached hereto and is hereinafter referred to herein as the "Upper Access Road". In any decision relating to incurring Road Maintenance Costs with respect to the Upper Access Road, Approval of the Owners shall be required.
- (b) The Owners of Lot A and Lot B shall share equally in Road Maintenance Costs for that portion of the access road which commences at the termination of the Upper Access Road and continues approximately 1600 feet to the northern boundary of Lots A and B, which road portion is labeled on the map attached hereto and is hereinafter referred to herein as "Lower Access Road". Approval for incurring Road Maintenance Costs for the Lower Access Road shall require unanimous approval of the Owners of Lot A and Lot B.
- (c) The Upper Access Road and Lower Access Road shall be collectively referred to herein as the "Access Road". Notwithstanding subsections (a) and (b) above, to the extent Road Maintenance Costs must be incurred with respect to the Access Road as a direct result of duties or obligations of the Owners under an encroachment permit or other agreement with the US Forest Service and/or Nevada Department of Transportation documenting encroachment rights from US Highway 50, the Owners shall share pro-rata (each Owner one-third) in such Costs. Each Owner agrees that if such Owner or such Owner's guests or invitees cause or allow any portion of the Access Road to be used in any manner which results in unusual wear or damage to the surface of such Access Road, they shall bear the costs and expenses or restoring said surface as their sole and separate cost and expense.
- (d) If any Owner fails, after demand in writing, to pay their proportion of the Road Maintenance Costs applicable to such Owner, action may be brought against such Owner in a court of competent jurisdiction by the other Owners, either jointly or severally, for contribution and costs of such legal action, including legal fees.

- (e) Until such time as a Lot has a Residence constructed and occupied on such Lot, the Owner of such Lot shall not be responsible for the costs of snow removal from any portion of the Access Road, unless such Owner accesses the Lot on a regular basis during periods when snow removal is required, in which case such Owner shall share snow removal costs in proportion to actual use of the Access Road during periods when snow removal is required for such access.
- Section 2. No Lien Rights. Nothing herein grants to any Owner, the right to impose a lien on any Lot due to the failure by an Owner to pay such Owner's share of Road Maintenance Costs under this Article IV.
- Section 3. Utility Company Access. All utility companies having easements on property covered by this Agreement shall have easements for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in all overhead or underground utility lines, including, when reasonably necessary the entry into an improvement constructed upon a Lot for uncovering any such lines. Any Owner or utility company exercising the rights granted in this section 3 shall be obligated to restore the Lot area entered to substantially its former condition.
- <u>Section 4. Underground Utilities.</u> All new utilities installed by an Owner outside of the existing Sierra Pacific Power Company utility easement shall be placed underground.
- Section 5. Other Fasements. Each Lot and its Owner, as the case may be, is hereby declared to be subject to all the easements, dedications and rights-of-way granted or reserved in, on, over and under the Lots as shown on the Parcel Map.
- <u>Section 6. Priority of Easements.</u> Wherever easements granted to the County are, in whole or in part, coterminous with any other easements, the easements of the County shall have and are hereby granted priority over said other easements in all respects.

ARTICLE V Breach and Default

- <u>Section 1.</u> Remedy at Law Inadequate. Except for the nonpayment of any Road Maintenance Costs, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Agreement are inadequate and that the failure of any Owner, tenant, occupant or user of any Lot, to comply with any provisions of this Agreement may be enjoined by appropriate legal proceedings instituted by any Owner or Owners or by their respective successors in interest.
- <u>Section 2. Nuisance.</u> Without limiting the generality of the foregoing section 1, the result of every act or omission whereby any covenant contained in this Agreement is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.
- <u>Section 3. Costs and Attorneys' Fees.</u> In any action brought because of any alleged breach or default of any Owner or other party hereto under this Agreement, the court may award to any party to such action such attorneys' fees and other costs as it may deem just and reasonable.
- <u>Section 4.</u> Cumulative Remedies. The respective rights and remedies provided by this Agreement or by law shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Agreement.
- <u>Section 5. Failure Not a Waiver.</u> The failure of any Owner or Owners or their agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Agreement shall not constitute a waiver of the right to enforce the same thereafter.

ARTICLE VI Notices

<u>Section 1. Mailing Addresses.</u> Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

If to any Owner:

Lot A:

Cole Smith

c/o Smith and Smith, LLC 2241 Park Pl. Suite D Minden, NV 89423

Lot B:

Cole Smith c/o Smith and Smith, LLC 2241 Park Pl. Suite D Minden, NV 89423

Lot C:

James H. and Jo Lynne Lundy PO Box 407 Glenbrook. NV 89413

<u>Section 2. Personal Service Upon Co-Owners and Others.</u> Personal service of a notice or demand to one of the co-Owners of any Lot, to any general partner of a partnership which is the Owner of record of the Lot, or to any officer or agent for service of process of a corporation which is the Owner of record of the Lot, shall be deemed delivered to all such co-Owners, to such partnership, or to such corporation, as the case may be.

<u>Section 3. Deposit in United States Mails</u>. All notices and demands served by mail shall be by registered or certified mail, with postage prepaid, and shall be deemed delivered seven (7) days after deposit in the United States mail in Douglas County, Nevada.

ARTICLE VII No Public Rights in the Lots

<u>Section 1</u>. Nothing contained in this Agreement shall be deemed to be a gift or dedication of all or any portion of the Lots to the general public or for any public use or purpose whatsoever.

ARTICLE VIII Amendment of Agreement

Section 1. Amendment.

- (a) <u>Amendment</u>. This Agreement may be amended or revoked in any respect by the vote or assent by written ballot of the holders of voting rights. Any amendment thereof will require the vote or assent by written ballot of not less than two-thirds (2/3s) of the Lot Owners. Notwithstanding the foregoing, the percentage of the voting power necessary to amend a specific clause or provision of this Agreement shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.
- (b) Effective Date of Amendment. The amendment will be effective upon the recording in the Office of the Recorder of Douglas County a Certificate of Amendment, duly executed and certified by the Lot Owners, as the case may require, setting forth in full the amendment so approved and that the approval requirements of subsection (a) above have been duly met. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or Mortgage recorded prior to the recording of such amendment. If the consent or approval of any governmental authority, Mortgage, or other entity is required under this Agreement to amend or revoke any provision of this Agreement, no such amendment or revocation shall become effective unless such consent or approval is obtained.
- (c) <u>Reliance on Amendments</u>. Any amendments made in accordance with the terms of this Agreement shall be presumed valid by anyone relying on them in good faith.

ARTICLE IX General Provisions

<u>Section 1. Term.</u> The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights—of—way, charges and equitable servitudes contained in this Agreement shall run with, and shall benefit and burden the Lots as herein provided, and shall inure to the benefit of and be binding upon the Owners, and their respective successors in interest, for the term of 60 years from the date of the recording of this Agreement, after which time the same shall be automatically extended for successive periods of 10 years each unless, within 6 months prior to the expiration of the initial 60 year term or any such 10 year extension

period, a recordable written instrument, approved by at least fifty percent (50%) of the Owners terminating the effectiveness of this Agreement shall be filed for recording in the Office of the County Recorder of Douglas County, Nevada.

<u>Section 2. Insurance.</u> Each Lot Owner shall purchase, obtain and maintain a comprehensive general liability and property damage insurance policy insuring the Owner for any liability arising out of the ownership of such Owner's Lot and the use by Owner, it agents, guests and invitees, of the Access Road, whether contained within or without such Owner's Lot. The limits of such insurance shall not be less than \$500,000 covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location and use.

Section 3. Construction.

- (a) Restrictions Construed Together. All of the covenants, conditions and restrictions of this Agreement shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Lots as set forth in the Recitals of this Agreement. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.
- (b) <u>Restrictions Severable</u>. Notwithstanding the provisions of subparagraph (a) above, the covenants, conditions and restrictions of this Agreement shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.
- (c) <u>Singular Includes Plural</u>. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.
- (d) <u>Captions</u>. All captions or titles used in this Agreement are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Agreement.
 - (e) Exhibits. All exhibits attached hereto shall be deemed to be incorporated herein by reference.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement on the date first above written.

Owner of Lots A and B:

Smith and Smith, LOC, a Nevada limited liability company

Title: Operating Mange

Owner of Lot C:

James H. Yundy and Jo Lypne Landy, husband and wife as joint tenants

James H. Lundy

Jo Lynne Luddy

Exhibit A

LEGAL DESCRIPTION

Page 2 of 3

ADJUSTED PARCEL B

DESCRIPTION OF ALL THAT LOT, PIECE, OR PARCEL OF LAND BEING KNOWN AS ADJUSTED PARCEL B, REFLECTING A BOUNDARY LINE ADJUSTMENT BETWEEN ASSESSOR'S PARCEL NUMBERS 1419-05-000-001 AND 1419-05-000-002 AND 1419-05-000-003, DOUGLAS COUNTY, NEVADA, SAID LOT BEING A PORTION OF THE SK NWW OF SECTION 5, T.14N., R.19E., M.D.B.& M., DOUGLAS COUNTY, NEVADA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NW CORNER OF THE S¼ NW¼ SECTION 5, T.14N., R.19E., M.D.B.& M.; THENCE N. 88° 41' 30" E., 1646.19 FEET TO THE TRUE POINT OF BEGINNING; THENCE N. 88° 41' 30" E., 979.51 FEET; THENCE S. 00° 27' 43" E., 826.53 FEET; THENCE N. 84° 02' 46" W., 1262.17 FEET; THENCE S. 29° 45' 03" W., 603.10 FEET; THENCE S. 74° 27' 55" W., 159.82 FEET; THENCE N. 57° 23' 03" W., 459.61 FEET; THENCE ON A CURVE TO THE LEFT WITH RADIUS OF 300.00 FEET, CENTRAL ANGLE OF 115° 06' 43" AND ARC LENGTH OF 602.73 FEET; THENCE N. 07° 30' 14" E., 144.42 FEET; THENCE ON A CURVE TO THE RIGHT WITH RADIUS OF 280.00 FEET, CENTRAL ANGLE OF 79° 33' 20" AND ARC LENGTH OF 388.78 FEET; THENCE N. 87° 03' 34" E., 103.65 FEET; THENCE ON A CURVE TO THE LEFT WITH RADIUS OF 295.00 FEET, CENTRAL ANGLE OF 105° 16' 22" AND ARC LENGTH OF 542.02 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 25.64 ACRES MORE OF LESS.

BASIS OF BEARINGS: THE NORTH LINE OF THE SOUTH 1/2 OF THE NORTHWEST 1/3 OF SECTION 5, T.14N., R.19E., M.D.B.& M., PER BLM PLAT FILED ON JULY 29, 1997. (BEARING: S. 88° 41' 30" W.)

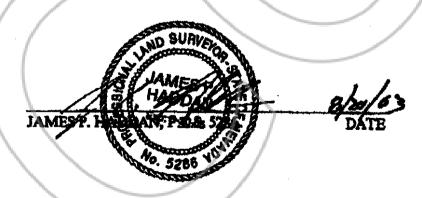


Exhibit A

LEGAL DESCRIPTION

Page 1 of 3

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

ADJUSTED PARCEL A

DESCRIPTION OF ALL THAT LOT, PIECE, OR PARCEL OF LAND BEING KNOWN AS ADJUSTED PARCEL A, REFLECTING A BOUNDARY LINE ADJUSTMENT BETWEEN ASSESSOR'S PARCEL NUMBERS 1419-05-000-001 AND 1419-05-000-002 AND 1419-05-000-003, DOUGLAS COUNTY, NEVADA, SAID LOT BEING A PORTION OF THE S½ NW¼ OF SECTION 5, T.14N., R.19E., M.D.B.& M., DOUGLAS COUNTY, NEVADA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PORTION EASTERLY OF U.S.50:

COMMENCING AT THE NW CORNER OF THE S½ NW¼ SECTION 5, T.14N., R.19E., M.D.B.& M.; THENCE N. 88° 41' 30" E., 781.21 FEET TO THE TRUE POINT OF BEGINNING; THENCE N. 88° 41' 30" E., 864.98 FEET; THENCE ON A CURVE TO THE RIGHT WITH RADIUS OF 295.00 FEET; CENTRAL ANGLE OF 105° 16' 22" AND ARC LENGTH OF 542.02 FEET; THENCE S. 87° 03' 34" W., 103.65 FEET; THENCE ON A CURVE TO THE LEFT WITH RADIUS OF 280.00 FEET, CENTRAL ANGLE OF 79° 33' 20" AND ARC LENGTH OF 388.78 FEET; THENCE S. 07° 30' 14" W., 144.42 FEET; THENCE ON A CURVE TO THE RIGHT WITH RADIUS OF 300.00 FEET, CENTRAL ANGLE OF 115° 06' 43" AND ARC LENGTH OF 602.73 FEET; THENCE N. 57° 23' 03" W., 156.51 FEET; THENCE ON A CURVE TO THE LEFT WITH RADIUS OF 850.00 FEET, CENTRAL ANGLE OF 48° 31' 32" AND ARC LENGTH OF 719.90 FEET; THENCE N. 06° 19' 25" E., 282.52 FEET TO THE TRUE POINT OF BEGINNING.

PORTION WESTERLY OF U.S. 50:

COMMENCING AT THE NW CORNER OF THE S½ NW¼ SECTION 5, T.14N., R.19E., M.D.B.& M., SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE N. 88° 41' 30" E., 419.02 FEET; THENCE ON A CURVE TO THE RIGHT WITH RADIUS OF 550.00 FEET, CENTRAL ANGLE OF 99° 53' 11" AND ARC LENGTH OF 958.84 FEET; THENCE N. 00° 22' 45" W., 723.51 TO THE TRUE POINT OF BEGINNING (NO STRUCTURES ARE ALLOWED ON PARCEL 2).

CONTAINING 19.56 ACRES MORE OR LESS.

BASIS OF BEARINGS: THE NORTH LINE OF THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 5, T.14N., R.19E., M.D.B.& M., PER BLM PLAT FILED ON JULY 29, 1997.

HADDAN

(BEARING: S. 88° 41' 30" W.)

JAMES P. HADDAN, P.L.S. 52

a Street * Carsoli

75) 883-6595 + FAX (775) 883-6582 U6 1 4 7 7 4

BK 0 6 0 4 PG 0 0 1 5 1

Exhibit A

LEGAL DESCRIPTION

Page 3 of 3

ADJUSTED PARCEL C

Description of all that lot, piece, or parcel of land being known as Adjusted Parcel C, reflecting a Boundary Line Adjustment between Assessor's Parcel Numbers 1419-05-000-001 and 1419-05-000-002 and 1419-05-000-003, douglas County, Nevada, said lot being a portion of the South 1/2 of the Northwest 1/4 of Section 5, Township 14 North, Range 19 East, M.D.B.&M., Douglas County, Nevada and being more particularly described as follows:

Commencing at the Northwest corner of the South 1/2 of the Northwest 1/4 of Section 5, Township 14 North, Range 19 East, M.D.B.&M.; thence South 00°22′45" East, 1026.61 feet to the True Point of Beginning; thence on a curve to the left with radius of 850.00 feet, central angle of 29°05′58" and arc length of 431.70 feet; thence South 57°23′03" East, 156.51 feet; thence South 57°23′03" East, 459.61 feet; thence North 74°27′55" East, 159.82 feet; thence North 29°45′03" East, 603.10 feet; thence South 84°02′46" East, 1262.17 feet; thence South 00°27′43" East, 525.00 feet; thence South 88°43′43" West, 2627.63 feet; thence North 00°22′45" West, 323.25 feet to the True Point of Beginning.

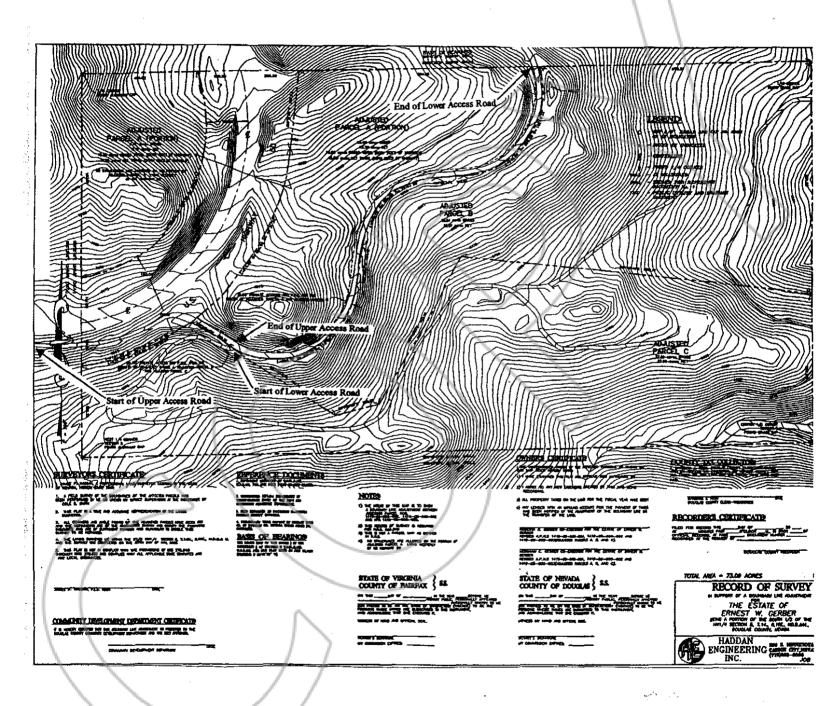
Basis of Bearings: the North line of the South 1/2 of the Northwest 1/4 of Section 5, Township 14 North, Range 19 East, M.D.B.&M., per BLM plat filed on July 29, 1997 (Bearing: South 88°41'30" West).

A portion of APN 1419-05-000-003

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED 9-11-03, BOOK 0903, PAGE 5-929, AS FILE NO. 589673, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

Exhibit B

PLAT MAP



STATE OF Devalary COUNTY OF Devaluation (State of State
This instrument was acknowledged before me on Nay 27,2 Cofe S. Smith, Tames H. Lundy a So Yhne Lundy
WITNESS my hand and official seal. Signature
L. HENDRICK Notary Public - State of Nevada Appointment Recorded in Douglas County No. 93-2710-5 - EXPIRES APRIL 29, 2005