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

2004 AUG -6 AM 10: 23

WERNER CHRISTEN
RECORDER

\$35⁰⁰ PAID *KJ* DEPUTY

This instrument prepared for,
and after recording return to:

✓ Sherry Wagner
MDG Nevada, Inc.
6900 South McCarran Blvd., Suite 1010
Reno, Nevada 89509

Above Space Reserved for Recording Information

**DECLARATION ESTABLISHING
RECIPROCAL COVENANTS AND EASEMENTS
(Storm Drainage System)**

This Declaration Establishing Reciprocal Covenants and Easements (“**this Declaration**”) is made and entered into as of the 5 day of August, 2004, by and among JAMES CANYON, LLC, a Nevada limited liability company (“**James Canyon**”), and LITTLE MONDEAUX LIMOUSIN CORPORATION, a Nevada corporation (“**Little Mondeaux**” and, together with James Canyon, “**Declarants**”).

RECITALS

A. James Canyon is the developer of a certain subdivision situated in the County of Douglas, State of Nevada, commonly known as “Canyon Creek Estates”, which is more particularly described on **Exhibit A-1** hereto (“**Canyon Creek Estates**”).

B. James Canyon has sold certain of the lots within Canyon Creek Estates (collectively, the “**Sold Estates Lots**”), and is the owner of the remaining portion of Canyon Creek Estates, which is more particularly described on **Exhibit A-2** hereto (the “**James Canyon Land**”).

C. Little Mondeaux is the owner of the real property (the “**Little Mondeaux Land**”) described on **Exhibit B** hereto, which is situated in the County of Douglas, State of Nevada.

D. Canyon Creek Estates and the Little Mondeaux Land each consist of multiple parcels (each a “**Parcel**” and in the plural “**Parcels**”). Canyon Creek Estates includes a Parcel which has been subdivided into thirty-eight (38) lots (on which the Sold Estates Lots are located) and a Parcel for which a forty-two (42) lot subdivision is being planned. The Little Mondeaux Land includes, as designated and described on **Exhibit B** hereto, a Parcel which has

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been subdivided into forty-four (44) lots and Parcels known as Remainder Parcel 1, Remainder Parcel 2, and Parcels 10, 13, 14, 16, 17, 19 and 22.

E. Canyon Creek Estates and the Little Mondeaux Land have been planned for and developed heretofore pursuant to a unitary conception as a single project consisting of related and mutually supporting elements such as residential areas, tourist commercial areas, a golf course with its ancillary clubhouse, and common infrastructure facilities such as a water system, sanitary sewer system, and storm water drainage system. The existing and future development of Canyon Creek Estates and the Little Mondeaux Land is sometimes hereinafter called the "**Project**". James Canyon and Little Mondeaux acknowledge that the common infrastructure facilities associated with the Project jointly benefit and serve multiple Parcels within the Project and that James Canyon and Little Mondeaux intend, and anticipate that their respective successors and assigns (including buyers of one or more Parcels) also will intend, compatibly with one another and beneficially for the Project, either to develop, operate and market their respective Parcels for income or to hold their respective Parcels for investment. In connection therewith, James Canyon and Little Mondeaux wish to enter into certain covenants and agreements and to declare certain reciprocal easements in, to, over, under, through and across the James Canyon Land and the Little Mondeaux Land.

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants and agreements hereinafter set forth and in furtherance of the Declarants' understandings, James Canyon and Little Mondeaux agree as follows.

AGREEMENTS

1. Definitions.

"**County**" shall mean the County of Douglas, State of Nevada.

"**Person**" shall mean any individual, partnership, firm, association, corporation, trust, or any other form of business or government entity.

"**Shared Facilities Agreement**" shall mean that certain written agreement entitled *Shared Facilities and Easement Agreement* to be entered into by and among James Canyon, Little Mondeaux, Genoa Developer Associates, LLC, a Nevada limited liability company, Genoa Land Investors, LLC, a Nevada limited liability company, Genoa Golf Investors, LLC, a Nevada limited liability company, Canyon Creek Estates Homeowners Association, a Nevada non-profit corporation, and Canyon Creek Meadows Homeowners Association, a Nevada non-profit corporation, which agreement will be placed of record after the date hereof.

"**Storm Drainage System**" shall mean any and all storm drainage facilities and improvements and related appurtenances presently installed or installed at any time in the future on Canyon Creek Estates and/or the Little Mondeaux Land to collect, channel and deliver storm and natural drainage and runoff which flows onto or is generated from the Project, traverses the Project and exits from the Project by means of outlet structures and/or natural flow to lands and

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water courses outside the Project, and includes any off-site drainage facilities and improvements installed in connection with storm drainage from the Project. The facilities such as they exist and requirements for future improvements together which constitute said system are described narratively on Exhibit C-1 hereto and legally on Exhibit C-2 hereto.

“System” shall mean the Storm Drainage System.

2. **Declaration of Reciprocal Easements.** James Canyon and Little Mondeaux, as their interests appear, hereby declare for the benefit of the Little Mondeaux Land and Canyon Creek Estates, as the dominant tenements, perpetual non-exclusive easements for the Storm Drainage System over, across, under and through those portions of the James Canyon Land and the Little Mondeaux Land as servient tenements where existing facilities and improvements for the Storm Drainage System are presently located and/or that are to be installed at any time in the future, in locations pre-approved by the owner(s) of the servient tenements as more particularly set forth in the Shared Facilities Agreement, in order to provide storm and natural drainage service for the Project. The foregoing grant of easements does and shall include (i) the rights of ingress and egress as necessary on, over and across the James Canyon Land and the Little Mondeaux Land to reach the facilities and improvements which constitute the System and (ii) the right to install, construct, use, operate, repair, maintain, renovate, replace and reasonably relocate the facilities and improvements constituting the System.

3. **Access.** To the extent any Person is entitled to exercise a right of ingress and/or egress pursuant to the grant of reciprocal easements which this Declaration effects, such Person, so far as practically possible, shall utilize public streets, private roads, rights of way and access easements which have been previously created and presently exist for the purpose of providing or allowing access to the System.

4. **Performance of Work and Location of New Facilities.** Any Person entitled to install or construct facilities or improvements or perform other work relating to the System, including, without limitation, any relocation of the same, who undertakes any such work shall conduct such work in compliance with applicable law, with any applicable requirements of the Shared Facilities Agreement, and with the following requirements: (i) the work shall not unreasonably interfere with or diminish the service which the System provides to users within the Project; (ii) the work shall be completed using materials and design standards which equal or exceed those originally used for the most recently designed and constructed portion of the System; (iii) the work shall be conducted subject to the issuance of any necessary permits and/or other governmental approvals; (iv) the work shall not unreasonably interfere with the use of the land affected by the work and/or adjacent land for its normal and intended use, and upon completion of the work the Person who undertook the work shall restore all portions of the land which the work disturbs to the same condition (or better) as existed prior to commencement of the work; and (v) the Person performing any such work shall pay for the cost of such work subject, however, to any reimbursements to which the Person may be entitled under the Shared Facilities Agreement or otherwise.

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5. **Cost of Use; Maintenance and Repair.** The rights and obligations of the parties to this Declaration with respect to maintenance, repair, and replacement of the Storm Drainage System is set forth in and shall be governed by the Shared Facilities Agreement.

6. **Binding Nature; Enforcement.** This Declaration shall be binding upon James Canyon and Little Mondeaux, and their respective successors and assigns, as owners, respectively, of the Parcels which constitute the James Canyon Land and the Little Mondeaux Land. The parties hereto intend that all the restrictions, covenants and easements which this Declaration creates shall be "covenants running with the land" and, as such, shall run with, be binding upon and constitute encumbrances upon the James Canyon Land the Little Mondeaux Land. The parties hereto intend that the rights and benefits hereof which are appurtenant to any Parcel of Canyon Creek Estates and to any Parcel of the Little Mondeaux Land which Parcel shall become subject to the jurisdiction of a homeowners association shall, at such time as the homeowners association is formed, be exercisable only by the board of directors of such association and not by any individual member acting on such member's own behalf.

7. **Amendment or Modification.** This Declaration may be amended or modified only by a written instrument executed in recordable form by a majority in number of the owners of the Parcels in the Project. For this purpose, any Parcel with multiple owners shall designate a representative for such Parcel, which shall be entitled to one vote, and any Parcel which shall become subject to the jurisdiction of a homeowners association shall be entitled to one vote.

8. **Waiver.** No waiver of , acquiescence in or consent to any breach or default of any term or condition hereof shall constitute or be construed as a waiver of, acquiescence in or consent to any other, further or succeeding breach or default in the same or any other term or condition.

9. **Severability.** If any term, covenant, restriction or easement set forth in this Declaration or the applicability thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable under applicable law, then the remainder thereof, as to the application of such term, covenant, restriction or easement to any Person or circumstance other than those as to which it is invalid or unenforceable, shall not be affected thereby.

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IN WITNESS WHEREOF, James Canyon and Little Mondeaux, as Declarants, have executed and delivered this Declaration as of the date first set forth above.

JAMES CANYON:

JAMES CANYON, LLC,
a Nevada limited liability company

By: *Ronald L. Simek*
Ronald L. Simek, Manager

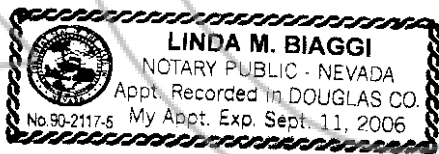
LITTLE MONDEAUX:

LITTLE MONDEAUX LIMOUSIN CORPORATION,
a Nevada corporation

By: *Ronald L. Simek*
Ronald L. Simek, President

STATE OF NEVADA)
) ss.
COUNTY OF Douglas)

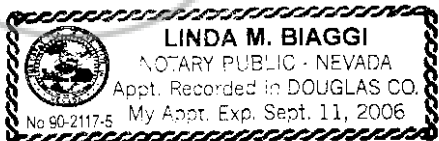
This instrument was acknowledged before me on August 5th, 2004, by Ronald L. Simek as Manager of James Canyon, LLC, a Nevada limited liability company.



Linda M. Biaggi
Notary Public
My Commission Expires: 09-11-06

STATE OF NEVADA)
) ss.
COUNTY OF Douglas)

This instrument was acknowledged before me on August 5th, 2004, by Ronald L. Simek as President of Little Mondeaux Limousin Corporation, a Nevada corporation.



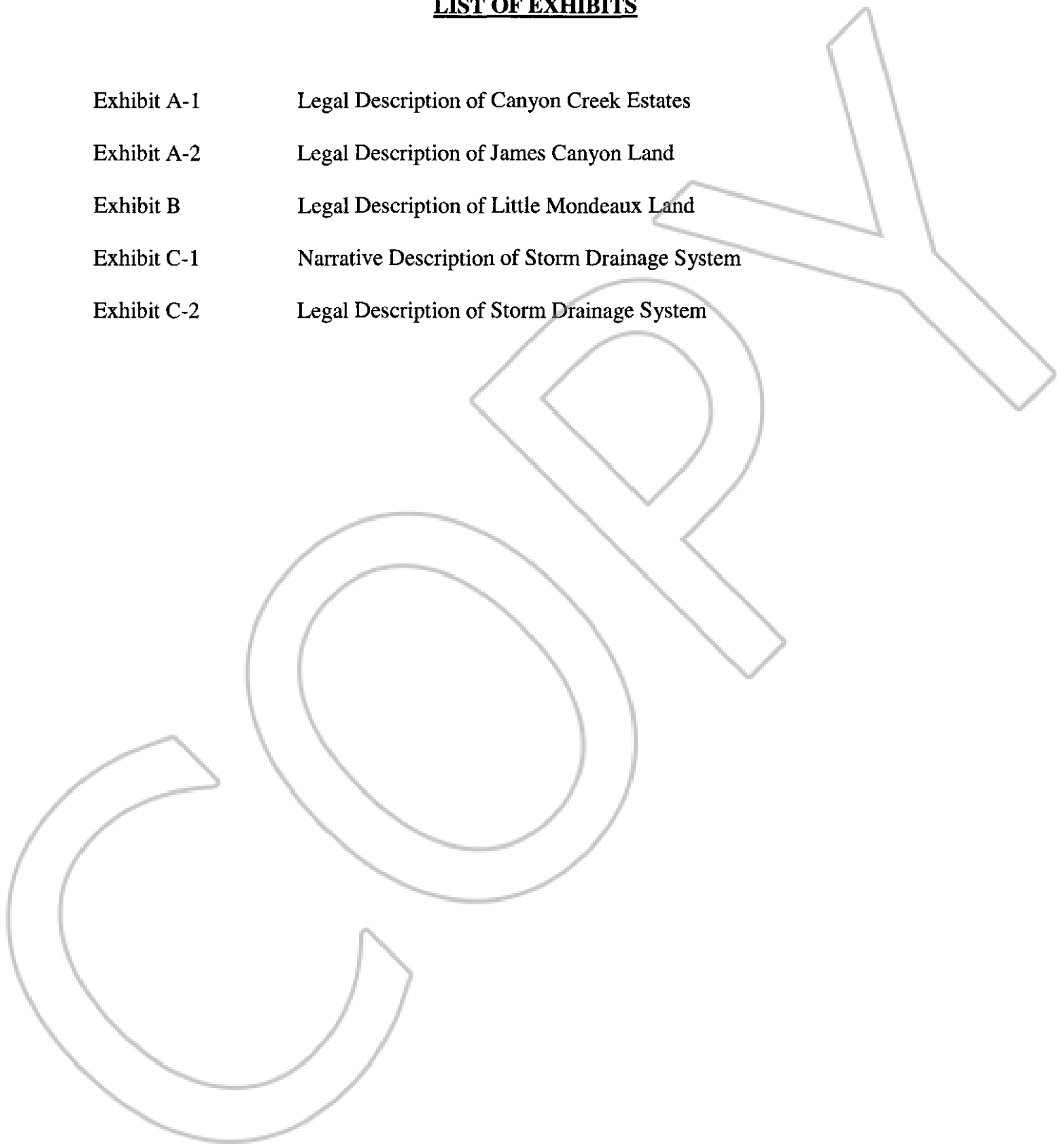
Linda M. Biaggi
Notary Public
My Commission Expires: 09-11-06

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LIST OF EXHIBITS

- Exhibit A-1 Legal Description of Canyon Creek Estates
- Exhibit A-2 Legal Description of James Canyon Land
- Exhibit B Legal Description of Little Mondeaux Land
- Exhibit C-1 Narrative Description of Storm Drainage System
- Exhibit C-2 Legal Description of Storm Drainage System



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EXHIBIT A-1

LEGAL DESCRIPTION OF CANYON CREEK ESTATES

LOTS 1 – 38, OPEN SPACE AND REMAINDER

CANYON CREEK ESTATES

All that real property situate within portions of Sections 26 and 27, Township 14 North, Range 19 East, Mount Diablo Meridian, County of Douglas, State of Nevada, described as follows:

Lots 1, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, Open Space A, D, E, F, and G, Block 'A',

Lots 23, 24, 25, 26, Block 'B',

Lots 28, 29, Block 'C',

Lots 35, 36, 37, Block 'D', and

roadways known as James Canyon Loop and Childs Canyon Drive of the Final Subdivision Map and Planned Development PD 00-16 for Mountain Meadow Estates Phase 1 recorded March 6, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 536360;

Adjusted Lots 2, 3, 4, 5, 6, Open Space B and C, Block 'A',

Adjusted Lot 22, Block 'B' and

Adjusted Lot 34, Block 'D', of the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 6, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 560049;

Adjusted Lots 27, 30, 31, 32, Block 'C',

Adjusted Lots 33, 38, Block 'D', and

Adjusted Remainder of the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

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EXHIBIT A-2

LEGAL DESCRIPTION OF JAMES CANYON LAND

All that real property situate within a portion of Section 27, Township 14 North, Range 19 East, Mount Diablo Meridian, County of Douglas, State of Nevada, described as follows:

Lots 15, 16, 19, Open Space A, D, E, F, and G, Block 'A', and roadways known as James Canyon Loop and Childs Canyon Drive of the Final Subdivision Map and Planned Development PD 00-16 for Mountain Meadow Estates Phase 1 recorded March 6, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 536360;

Open Space B and C, Block 'A', and Adjusted Lot 34, Block 'D', of the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 6, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 560049;

Adjusted Remainder of the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

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EXHIBIT B

LEGAL DESCRIPTION OF LITTLE MONDEAUX LAND

**LOTS 1 – 44, OPEN SPACE, COMMON AREAS,
REMAINDER PARCELS 1 AND 2
CANYON CREEK MEADOWS
AND PARCELS 10, 13, 14, 16, 17, 19 AND 22**

All that real property situate within portions of Sections 26, 27 and 35, Township 14 North, Range 19 East, Mount Diablo Meridian, County of Douglas, State of Nevada, described as follows:

Lots 1-9, Common Area 1, Block 'A',
Lots 10, 11, Block 'B',
Lots 12-27, Common Area 2, Block 'C',
Lots 28, 29, Block 'D',
Lots 30-44, Open Space 'A', 'B', Block 'E', and
Common Area 3, Remainder Parcels 1 and 2, and roadways known as Mountain Meadow Drive, Voight Canyon Drive, Cloudburst Canyon Drive, Daggett Creek Road, Daggett Creek Loop, Antelope Valley Court, and Acorn Canyon Drive of the Final Subdivision Map and Planned Development PD 00-16/LDA 02-008 for Canyon Creek Meadows, Phase 1 recorded February 11, 2004 in the office of Recorder, Douglas County, Nevada as Document No. 604356;

Adjusted Parcel 10 of the Record of Survey to Support a Boundary Line Adjustment for Little Mondeaux Limousin Corporation recorded November 19, 2001 in the office of Recorder, Douglas County, Nevada as Document No. 528042;

Adjusted Parcel 13 of the Record of Survey to Support a Boundary Line Adjustment for Little Mondeaux Limousin Corporation recorded June 30, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 581895;

Adjusted Parcels 14, 16, 17, 19 and 22 of the Record of Survey to Support a Boundary Line Adjustment for Ronald L. Simek, Little Mondeaux Limousin Corporation, and The Pivot Limited Partnership recorded December 31, 1996 in the office of Recorder, Douglas County, Nevada as Document No. 403935.

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EXHIBIT C-1

NARRATIVE DESCRIPTION OF STORM DRAINAGE SYSTEM

Storm drainage from the respective Project sites can broadly be described as flowing from west to east through existing and historic paths that include, in areas, overland flow in currently undefined channels across portions of the developed Sierra Nevada Golf Ranch and in other areas of the Little Mondeaux Lands. The Project is generally situated on an alluvial fan with substantial topographical relief and, as a proximate result, there are a variety of places where it is not feasible nor practical for existing or proposed lots to be graded to drain to storm drainage facilities located in the adjoining or adjacent streets. Specifically these areas include from Canyon Creek Estates, Phase 1 (including some of the Sold Estate Lots), located topographically below both James Canyon Loop and Childs Canyon Drive, discharging to the upper portions of Sierra Nevada Golf Ranch and from the Parcel that has been subdivided into 44 lots, those being located topographically below Cloudburst Canyon Drive and Daggett Creek Loop across portions of Parcel 10. It is anticipated that this same condition exists and will be necessary for portions of Remainder Parcels 1 & 2, discharging across portions of Parcel 10, when they are developed in the future. Where these conditions exist the discharging lots are required through adopted design guidelines to implement and affect best management practices that prohibit concentration of discharge points and minimize erosion potential from the developed lots.

Canyon Creek Estates, Phase 1 was developed without constructing any storm water detention or retention facilities and therefore, with the exception of the lots noted above, discharge directly and unimpeded to existing or historic drainage paths. Future phases of Canyon Creek Estates will be designed with detention or retention facilities, which facilities shall be sized in compliance with the requirements of the latest edition of Douglas County Improvements Standards and Design Manual.

Canyon Creek Meadows, Phase 1 was similarly developed without any formal storm drainage detention facilities however, with the exception of the lots noted above, the storm drains are directed to existing low spots that are identified as "wetland/restricted use" areas. In the future, Remainder Parcel 2 will be similarly developed and discharge directly to either existing wetland/restricted use areas or, in the instance of that area located at the southern limits of the Project, to future detention areas in the existing flood plain above Parcel 8. Due to physical constraints, storm drainage from Remainder Parcel 1, when developed, will be collected and discharged either directly to historic points of discharge at Parcel 10 or to the existing wetlands/restricted use area that traverses through Remainder Parcel 1.

Significant portions of the storm drainage from Sierra Nevada Golf Ranch is effectively routed to and detained within the three existing golf course ponds. One of the three ponds is currently lined; the other two will be lined in the coming months. Storm drainage originating from those

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areas of the Golf Course that are not directed to the drainage paths leading to the noted ponds and which abut Canyon Creek Meadows, Phase 1, including the Clubhouse area, was collected into a storm drain system which was then connected to the storm drains constructed with this phase of the Project and discharged to the wetland/restricted use areas as described in the previous paragraph. Similar conditions and storm drain improvements are anticipated to be necessary for the remaining portions of Sierra Nevada Golf Ranch that do not discharge to paths leading to the ponds and abut either Remainder Parcel 1 or Remainder Parcel 2.

There currently exists no definitive plan for the use of Parcel 14 (the tourist commercial site), Parcel 16 or Parcel 17. These particular sites have significant topographical relief and generally slope and drain to the golf course areas that abut them to the east. As development plans for these sites become defined storm drainage improvements shall be implemented, where feasible, to detain and thereby minimize increased storm water discharges and maintain historic drainage paths.

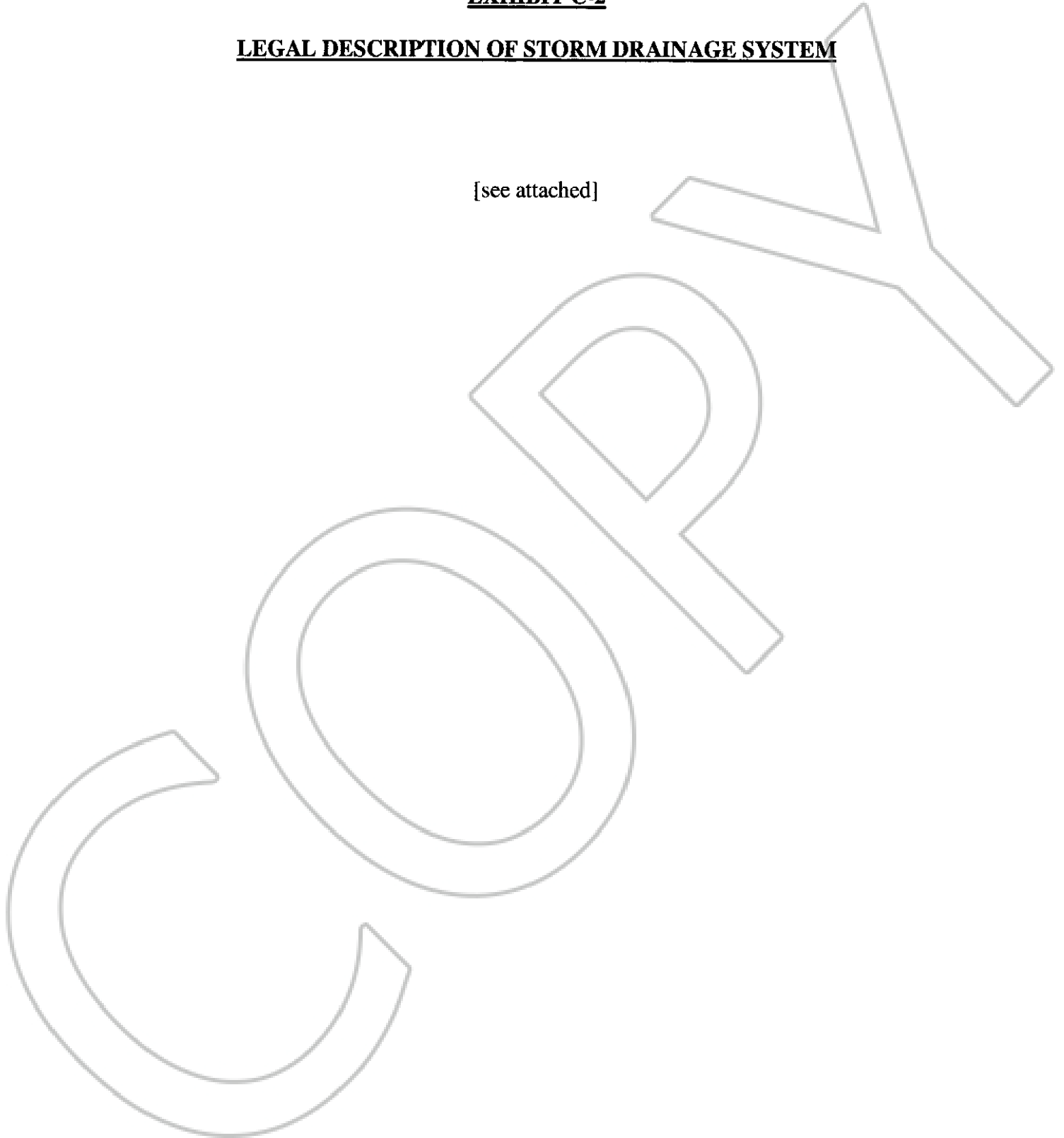
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EXHIBIT C-2

LEGAL DESCRIPTION OF STORM DRAINAGE SYSTEM

[see attached]



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EASEMENT 'NN1'
PRIVATE NON-EXCLUSIVE DRAINAGE EASEMENT
(Over Parcel 22, west side golf course, A.P.N. 1419-26-001-001)

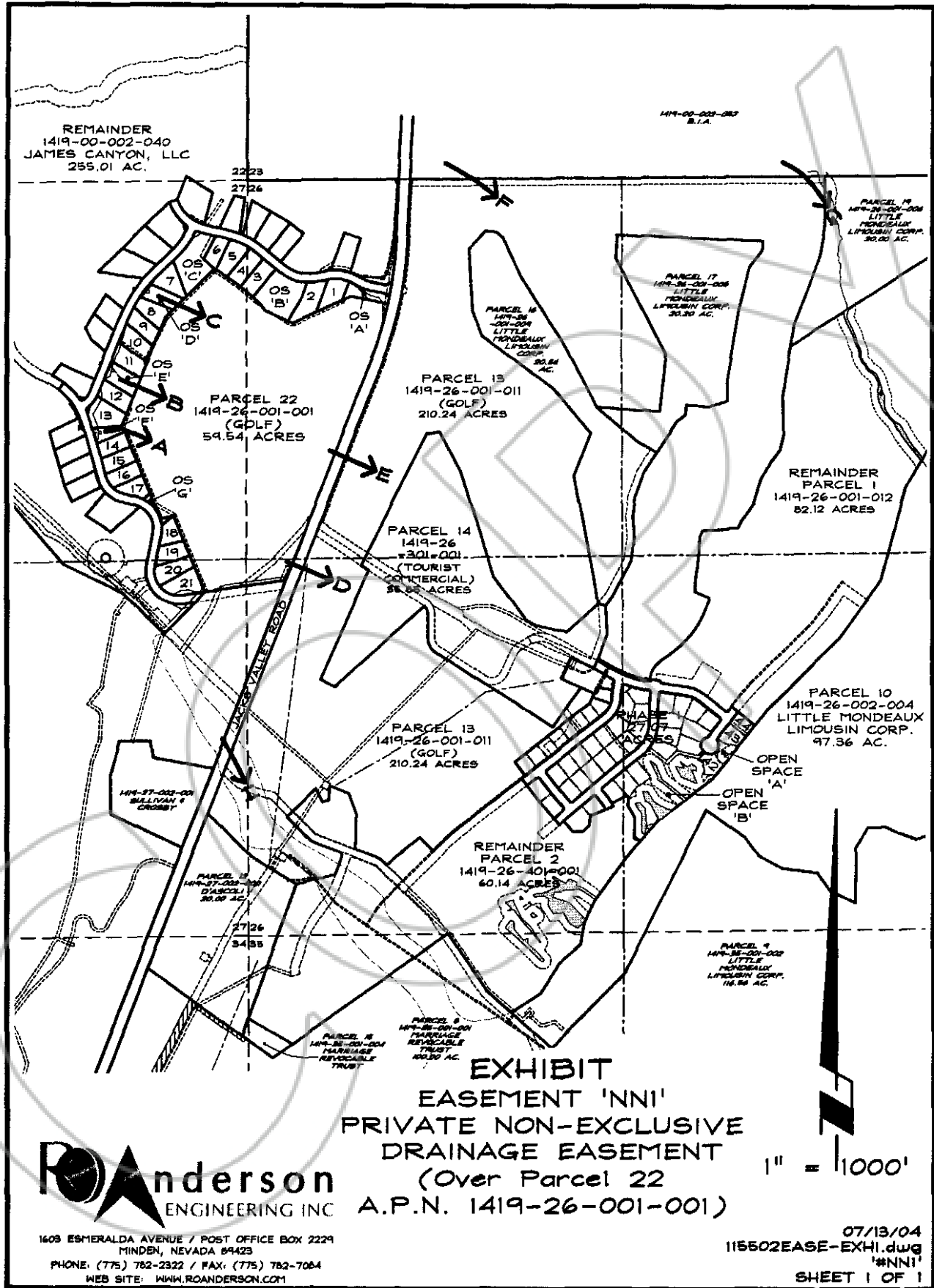
A private non-exclusive drainage easement from discharge points A, B, and C limited to pre-development discharge of Canyon Creek Estates, Phase 2 known as Remainder parcel as shown on the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

Together with a private non-exclusive drainage easement for direct discharge from Lots 1 through 21 and Open Space 'A' through 'G' of Canyon Creek Estates, Phase 1 as shown on the Final Subdivision Map PD 00-16 for Mountain Meadow Estates, Phase 1, recorded March 6, 2002 in said office of Recorder as Document No. 536360.

The specific location and extent of this easement will be determined from a future detailed hydrologic and hydraulic evaluation of the region including historic flow patterns both upstream and downstream of the effected parcels. Upon completion and acceptance of that evaluation the specific location and extent of this drainage easement will be described and the easement amended accordingly.

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

Prepared By: R.O. ANDERSON ENGINEERING, INC.
P.O. Box 2229
Minden, Nevada 89423



1609 ESMERALDA AVENUE / POST OFFICE BOX 2229
HINDEN, NEVADA 89423
PHONE: (775) 782-2322 / FAX: (775) 782-7084
WEB SITE: WWW.ROANDERSON.COM

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EASEMENT 'OO1'
PRIVATE NON-EXCLUSIVE DRAINAGE EASEMENT
(Over Parcel 13, east side golf course, A.P.N. 1419-26-001-011
and Parcel 14, A.P.N. 1419-26-301-001)

A private non-exclusive drainage easement from discharge points F and G limited to pre-development discharge of Canyon Creek Estates, Phase 2 development areas known as Remainder parcel as shown on the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

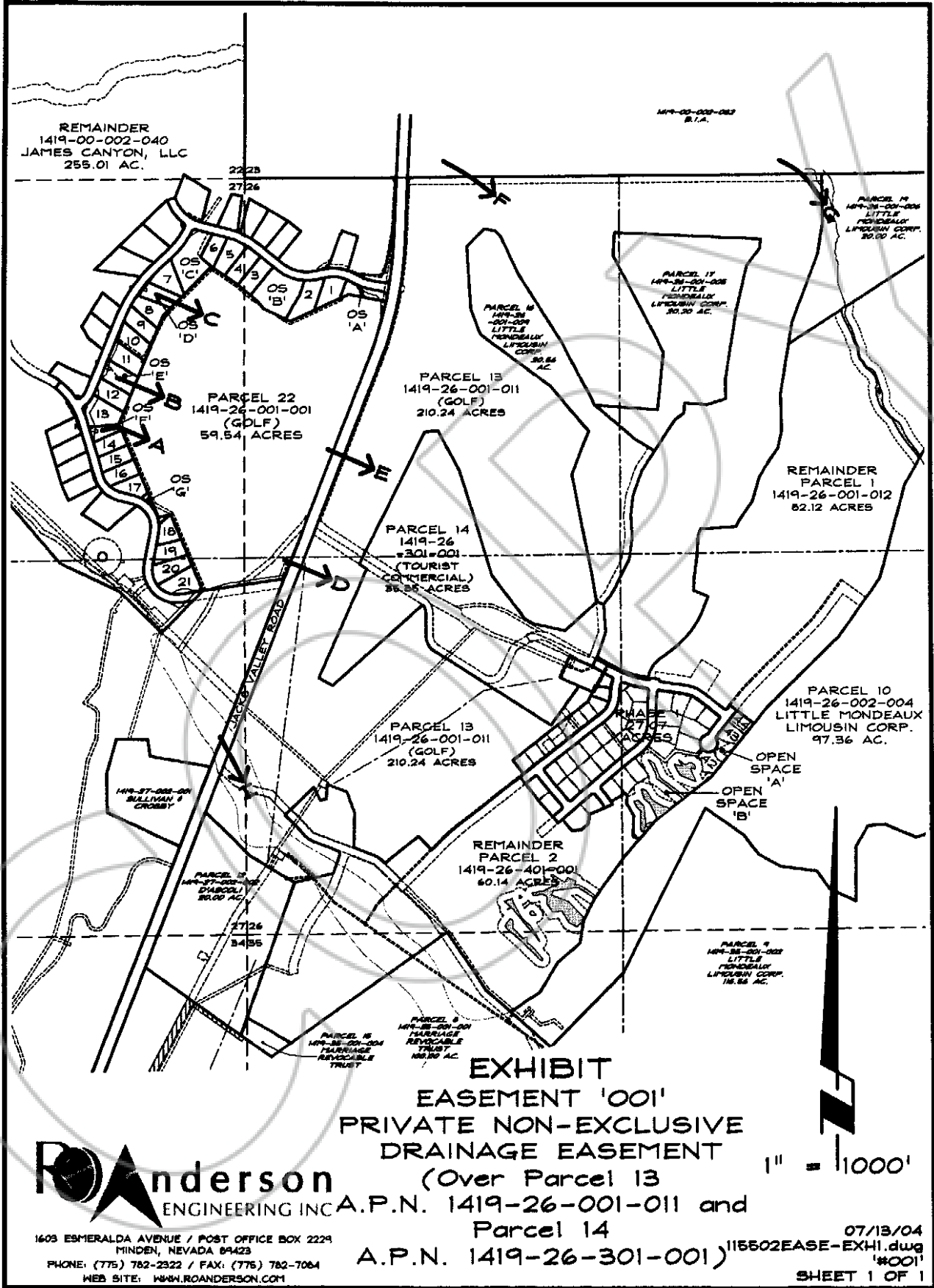
Together with a private non-exclusive drainage easement from discharge points D and E limited to pre-development discharge from said Canyon Creek Estates, Phase 2 and direct discharge from Lots 1 through 21 and Open Space 'A' through 'G' of Canyon Creek Estates, Phase 1 as shown on the Final Subdivision Map PD 00-16 for Mountain Meadow Estates, Phase 1, recorded March 6, 2002 in said office of Recorder as Document No. 536360 and direct discharge from Parcel 22 (west side golf course) as shown on the Record of Survey to Support a Boundary Line Adjustment for Ronald L. Simek, Little Mondeaux Limousin Corporation, and The Pivot Limited Partnership recorded December 31, 1996 in the office of Recorder, Douglas County, Nevada as Document No. 403935.

Together with a private non-exclusive drainage easement from discharge point H (James Canyon floodplain) limited to pre-development discharge in James Canyon drainage for all of said Canyon Creek Estates, Phase 2.

The specific location and extent of this easement will be determined from a future detailed hydrologic and hydraulic evaluation of the region including historic flow patterns both upstream and downstream of the effected parcels. Upon completion and acceptance of that evaluation the specific location and extent of this drainage easement will be described and the easement amended accordingly.

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P.O. Box 2229
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REMAINDER
 1419-00-002-040
 JAMES CANYON, LLC
 256.01 AC.

MP-01-001-002
 S.T.A.

PARCEL 14
 1419-26-001-006
 LITTLE
 MONDEAUX
 LIMOUSIN CORP.
 20.90 AC.

PARCEL 17
 1419-26-001-008
 LITTLE
 MONDEAUX
 LIMOUSIN CORP.
 30.30 AC.

PARCEL 16
 1419-26-001-009
 LITTLE
 MONDEAUX
 LIMOUSIN CORP.
 30.64 AC.

PARCEL 13
 1419-26-001-011
 (GOLF)
 210.24 ACRES

REMAINDER
 PARCEL 1
 1419-26-001-012
 82.12 ACRES

PARCEL 22
 1419-26-001-001
 (GOLF)
 59.54 ACRES

PARCEL 14
 1419-26-301-001
 (TOURIST
 COMMERCIAL)
 85.25 ACRES

PARCEL 10
 1419-26-002-004
 LITTLE MONDEAUX
 LIMOUSIN CORP.
 97.36 AC.

PARCEL 13
 1419-26-001-011
 (GOLF)
 210.24 ACRES

OPEN SPACE
 'A'
 OPEN SPACE
 'B'

REMAINDER
 PARCEL 2
 1419-26-401-001
 60.14 ACRES

PARCEL 9
 1419-26-001-002
 LITTLE
 MONDEAUX
 LIMOUSIN CORP.
 16.56 AC.

PARCEL 15
 1419-26-001-010
 29.00 AC

PARCEL 8
 1419-26-001-004
 MARRIAGE
 REVOCABLE
 TRUST
 163.90 AC

**EXHIBIT
 EASEMENT '00'
 PRIVATE NON-EXCLUSIVE
 DRAINAGE EASEMENT
 (Over Parcel 13
 A.P.N. 1419-26-001-011 and
 Parcel 14
 A.P.N. 1419-26-301-001)**

1" = 1000'



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07/13/04
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 SHEET 1 OF 1

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**EASEMENT 'PP1'
PRIVATE NON-EXCLUSIVE DRAINAGE EASEMENT
(Over Remainder Parcel 1, A.P.N. 1419-26-001-012
and Remainder Parcel 2, A.P.N. 1419-26-401-001)**

A private non-exclusive drainage easement from Parcel 13, east side golf course, as shown on the Record of Survey to Support a Boundary Line Adjustment for Little Mondeaux Limousin Corporation recorded June 30, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 581895 from unidentified but numerous discharge points from said east side golf course to Remainder Parcels 1 and 2 as shown on the Final Subdivision Map PD 00-16/LDA 02-008 for Canyon Creek Meadows, Phase 1, recorded February 11, 2004 and limited to existing golf course use subject to detailed investigation of discharge points and hydrology.

Together with a private non-exclusive drainage easement from discharge points A, B, and C limited to pre-development discharge of Canyon Creek Estates, Phase 2 known as Remainder parcel as shown on the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

Together with a private non-exclusive drainage easement for direct discharge from Lots 1 through 21 and Open Space 'A' through 'G' of Canyon Creek Estates, Phase 1 as shown on the Final Subdivision Map PD 00-16 for Mountain Meadow Estates, Phase 1, recorded March 6, 2002 in said office of Recorder as Document No. 536360.

Together with a private non-exclusive drainage easement from discharge points F and G limited to pre-development discharge of Canyon Creek Estates, Phase 2 development areas known as Remainder parcel as shown on the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

Together with a private non-exclusive drainage easement from discharge points D and E limited to pre-development discharge from said Canyon Creek Estates, Phase 2 and direct discharge from Lots 1 through 21 and Open Space 'A' through 'G' of Canyon Creek Estates, Phase 1 as shown on the Final Subdivision Map PD 00-16 for Mountain Meadow Estates, Phase 1, recorded March 6, 2002 in said office of Recorder as Document No.

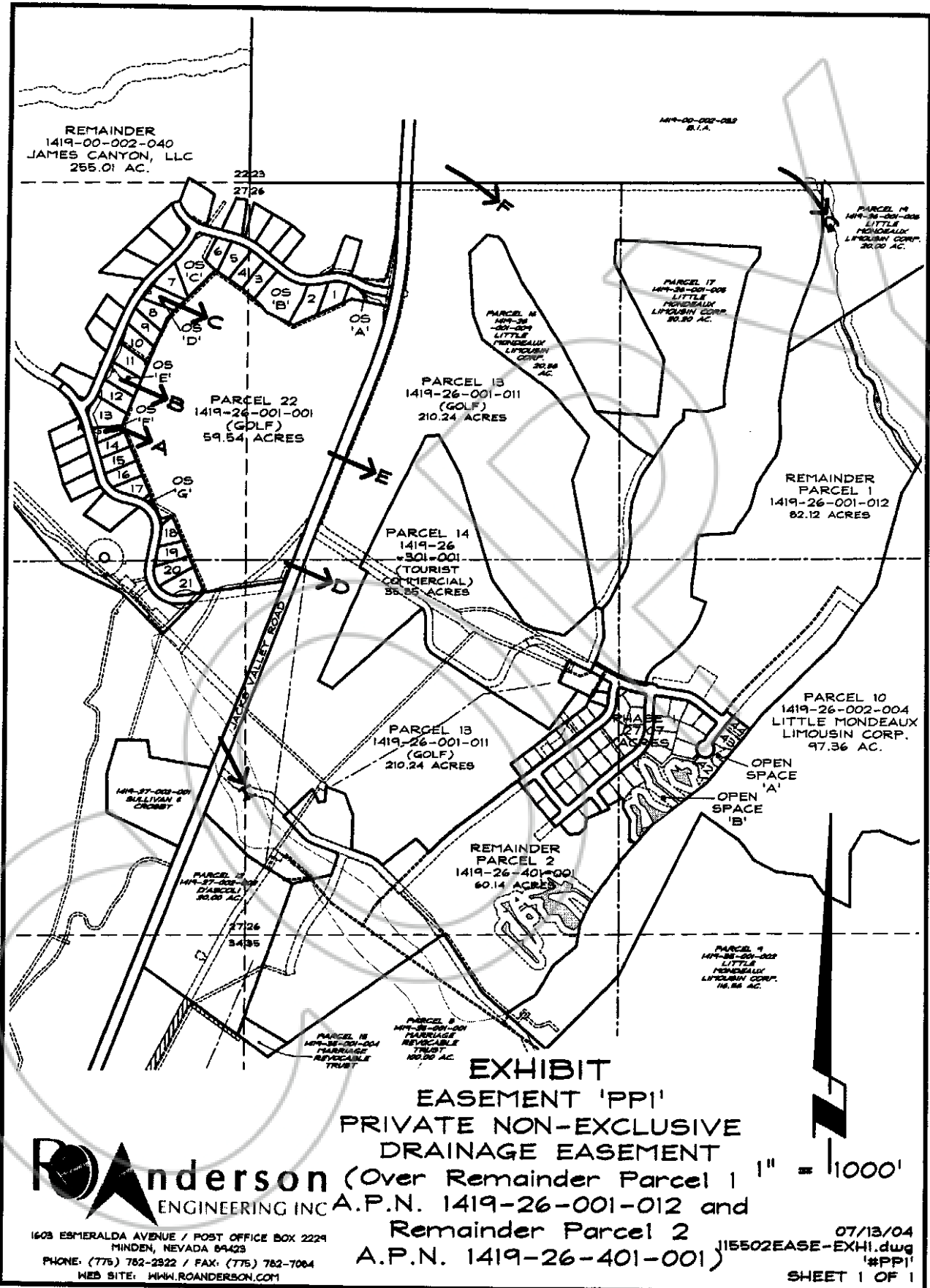
536360 and direct discharge from Parcel 22 (west side golf course) as shown on the Record of Survey to Support a Boundary Line Adjustment for Ronald L. Simek, Little Mondeaux Limousin Corporation, and The Pivot Limited Partnership recorded December 31, 1996 in the office of Recorder, Douglas County, Nevada as Document No. 403935.

Together with a private non-exclusive drainage easement from discharge point H (James Canyon floodplain) limited to pre-development discharge in James Canyon drainage for all of said Canyon Creek Estates, Phase 2.

The specific location and extent of this easement will be determined from a future detailed hydrologic and hydraulic evaluation of the region including historic flow patterns both upstream and downstream of the effected parcels. Upon completion and acceptance of that evaluation the specific location and extent of this drainage easement will be described and the easement amended accordingly.

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Anderson
ENGINEERING INC.

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EXHIBIT
EASEMENT 'PPI'
PRIVATE NON-EXCLUSIVE DRAINAGE EASEMENT
(Over Remainder Parcel 1 and
Remainder Parcel 2
A.P.N. 1419-26-001-012 and
A.P.N. 1419-26-401-001)

1" = 1000'

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'#PPI'

SHEET 1 OF 1

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EASEMENT 'QQ1'
PRIVATE NON-EXCLUSIVE DRAINAGE EASEMENT
(Over Parcel 10, A.P.N. 1419-26-002-004)

A private non-exclusive drainage easement for discharge of storm water from Canyon Creek Meadows, Phase 1, across Parcel 10 as shown on the Record of Survey to Support a Boundary Line Adjustment for Little Mondeaux Limousin Corporation recorded November 19, 2001 in the office of Recorder, Douglas County, Nevada as Document No. 528042, more particularly described as discharge of storm water from adjoining lots of Remainder Parcels 1 and 2 and adjoining Lots 42, 43 and 44 and Open Space 'A' and 'B' all as shown on Final Subdivision Map PD 00-16/LDA 02-008 for Canyon Creek Meadows, Phase 1, recorded February 11, 2004 in said office of recorder as Document No. 604356

Together with a private non-exclusive drainage easement from discharge points A, B, and C limited to pre-development discharge of Canyon Creek Estates, Phase 2 known as Remainder parcel as shown on the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

Together with a private non-exclusive drainage easement for direct discharge from Lots 1 through 21 and Open Space 'A' through 'G' of Canyon Creek Estates, Phase 1 as shown on the Final Subdivision Map PD 00-16 for Mountain Meadow Estates, Phase 1, recorded March 6, 2002 in said office of Recorder as Document No. 536360.

Together with a private non-exclusive drainage easement from discharge points F and G limited to pre-development discharge of Canyon Creek Estates, Phase 2 development areas known as Remainder parcel as shown on the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.

Together with a private non-exclusive drainage easement from discharge points D and E limited to pre-development discharge from said Canyon Creek Estates, Phase 2 and direct discharge from Lots 1 through 21 and Open Space 'A' through 'G' of Canyon Creek Estates, Phase 1 as shown on the Final Subdivision Map PD 00-16 for Mountain Meadow Estates, Phase 1, recorded March 6, 2002 in said office of Recorder as Document No. 536360 and direct discharge from Parcel 22 (west side golf course) as shown on the

Record of Survey to Support a Boundary Line Adjustment for Ronald L. Simek, Little Mondeaux Limousin Corporation, and The Pivot Limited Partnership recorded December 31, 1996 in the office of Recorder, Douglas County, Nevada as Document No. 403935.

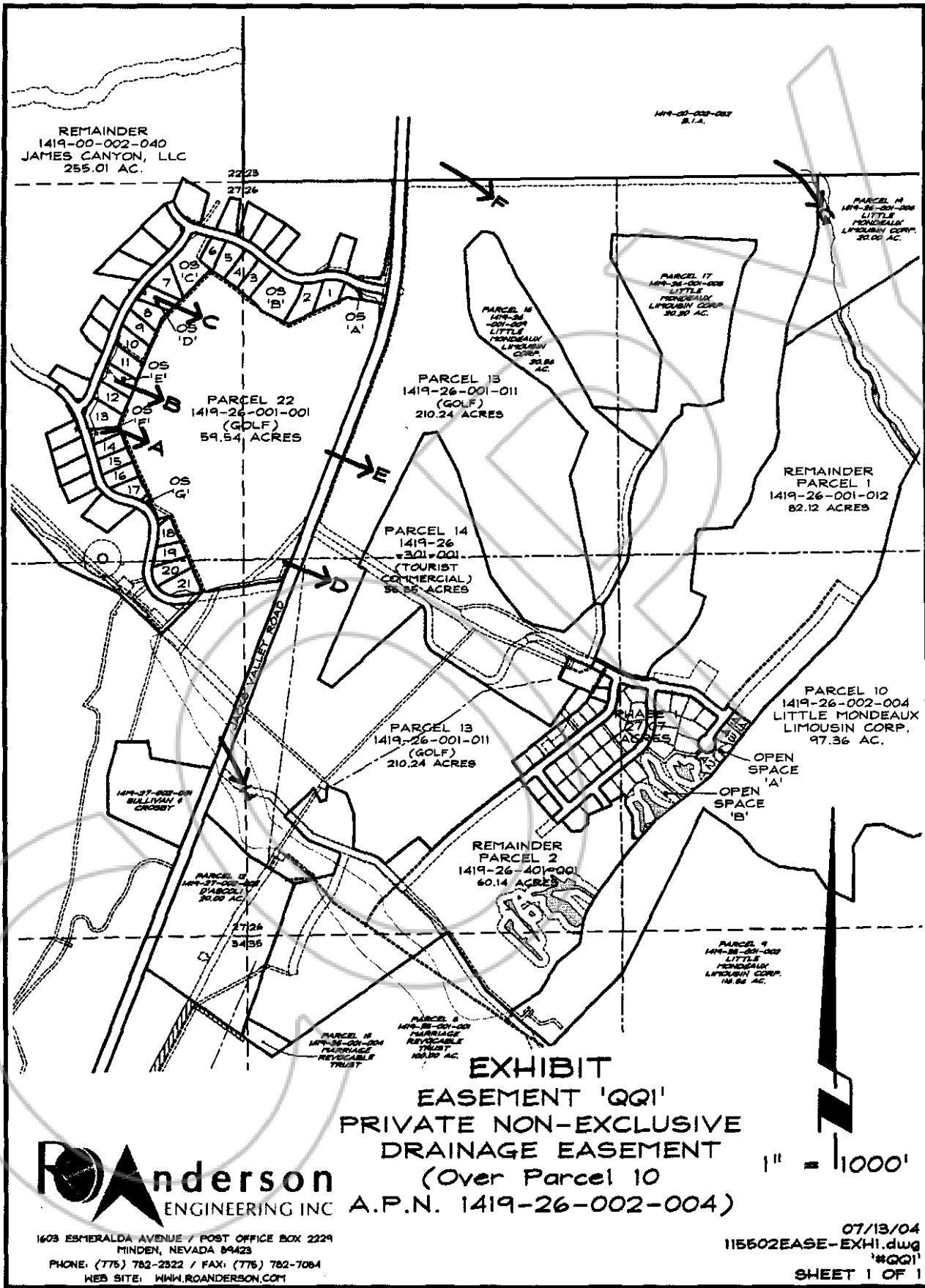
Together with a private non-exclusive drainage easement from discharge point H (James Canyon floodplain) limited to pre-development discharge in James Canyon drainage for all of said Canyon Creek Estates, Phase 2.

Together with a private non-exclusive drainage easement from Parcel 13, east side golf course, as shown on the Record of Survey to Support a Boundary Line Adjustment for Little Mondeaux Limousin Corporation recorded June 30, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 581895 from unidentified but numerous discharge points from said east side golf course to Remainder Parcels 1 and 2 as shown on the Final Subdivision Map PD 00-16/LDA 02-008 for Canyon Creek Meadows, Phase 1, recorded February 11, 2004 and limited to existing golf course use subject to detailed investigation of discharge points and hydrology.

The specific location and extent of this easement will be determined from a future detailed hydrologic and hydraulic evaluation of the region including historic flow patterns both upstream and downstream of the effected parcels. Upon completion and acceptance of that evaluation the specific location and extent of this drainage easement will be described and the easement amended accordingly.

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

Prepared By: R.O. ANDERSON ENGINEERING, INC.
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