

33

DOC # 0714680  
12/12/2007 03:55 PM Deputy: GB

OFFICIAL RECORD  
Requested By:  
HALE LANE PEEK ET AL

**RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:**

Douglas C. Flowers, Esq.  
Hale Lane Peek Dennison  
And Howard  
✓ 5441 Kietzke Lane, 2<sup>nd</sup> Floor  
Reno, Nevada 89511

Douglas County - NV  
Werner Christen - Recorder

Page: 1 of 22 Fee: 35.00  
BK-1207 PG- 2417 RPTT: 0.00



**NOTICE OF DETENTION PONDS**  
**(Lot 122)**

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

*M/L* 12/12/07  
Signature Title

Mike Lemke  
Print Signature

## NOTICE OF DETENTION PONDS

(Lot 122)

This Notice of Detention Ponds ("Notice") is made as of the date of its recordation in the Official Records of Douglas County, Nevada ("Official Records"), by Syncon Homes, a Nevada corporation ("Developer"), and is as follows:

1. Developer is the owner of that certain real property located in Douglas County, Nevada, described as Lot 122 of Final Subdivision Map FSM #94-04-03 for Skyline Ranch Phase 3, as shown on the official plat thereof, filed in the Official Records, on July 5, 2005, in Book 0705 at Page 1491, as Document No. 648689 (such property being referred to herein as the "Detention Pond Lot").

2. The Detention Pond Lot is included within that certain residential common-interest community in Douglas County, Nevada, created by that certain Declaration of Covenants Conditions and Restrictions for Skyline Ranch Douglas County, Nevada, re-recorded in the Official Records on August 8, 2005, as Document Number 0651583 (which, together with all supplements, amendments, prior recordings, and re-recordings thereof, is referred to herein as the "Declaration"), which community is commonly known as Skyline Ranch (herein, the "Community"). By virtue of its inclusion within the Community, the Detention Pond Lot is subject to the jurisdiction of both the Declaration and Skyline Ranch Association, a Nevada non-profit corporation (the "Association"), the homeowners association created pursuant to the Declaration.

3. In connection with Developer's development of the Community, Developer has constructed upon the Detention Pond Lot certain drainage basin and/or detention pond facilities, which facilities have been designed and constructed to control water run-off and to provide water drainage and detention (including storm water) **for the benefit of all residential lots within the Community** (such drainage basin and/or detention pond facilities being referred to herein as the "Detention Ponds"). Furthermore, Developer has installed, around the Detention Ponds, six-foot (6') high black rod iron fencing, which fencing includes a twelve-foot (12') wide lockable double gate for access and maintenance purposes (such fencing and gate being referred to herein as the "Detention Pond Fencing").

4. The general layout and location of the Detention Ponds and the Detention Pond Fencing upon the Detention Pond Lot is as set forth in the plot plan for the Detention Pond Lot attached hereto as **Exhibit "A"**, which is incorporated herein by this reference.

5. Pursuant to Article III, Section 1 of the Declaration, an Owner (as defined in the Declaration) of a Lot (as defined in the Declaration) within the Community is obligated to maintain all drainage easements and drainage structures on that Lot. However, per certain development approvals issued for the Community by Douglas County, and in order to provide for the perpetual maintenance of the Detention Ponds for the benefit the entire Community,



Developer and the Association entered into that certain Drainage Facility Maintenance Agreement, recorded in the Official Records on October 18, 2005, as Document No. 0658085 (which, together with all amendments and supplements thereto, is referred to herein as the "Maintenance Agreement"), pursuant to which the Association agreed to maintain the Detention Ponds, all as more particularly set forth in the Maintenance Agreement. A copy of the recorded Maintenance Agreement is attached hereto as **Exhibit "B"**, and is incorporated herein by this reference.

6. Notwithstanding the Association's prior execution of the Maintenance Agreement—and the Association's subsequent ratification of that execution at a meeting of its Board of Directors on October 24, 2006, at which time the Board of Directors was constituted entirely of members elected by homeowners in the Community other than Developer—on May 30, 2007, the Association took action to terminate the Maintenance Agreement, which action is evidenced by that certain Termination of Drainage Facility Maintenance Agreement, recorded in the Official Records on October 10, 2007, as Document No. 0710893 (such document being hereinafter referred to as the "Termination"). A copy of the recorded Termination is attached hereto as **Exhibit "C"**, and is incorporated herein by this reference.

7. Upon receiving notice of the Association's intent to terminate the Maintenance Agreement, Developer filed suit against the Association to prevent the Association from following through with its intended activities (said lawsuit, filed in the Ninth Judicial District Court, State of Nevada, Case No. 07-CV-0140, being referred to herein as the "Lawsuit"). Developer's efforts to prevent termination were stopped, however, when by court order dated July 19, 2007, the judge presiding over the Lawsuit denied Developer's request to preliminarily enjoin the Association from terminating the Maintenance Agreement. According to the judge, while the Association may have breached the Maintenance Agreement by attempting to terminate it, these efforts should not be blocked by preliminary injunction because the Developer may be able to recover monetary damages from the Association at a later date.

8. Following the court's order of July 19, 2007, and at the suggestion of the court, Developer approached the Association about the possibility of entering into a settlement agreement pursuant to which the Association, in exchange for certain consideration from the Developer, would agree to undertake maintenance of the Detention Ponds as originally contemplated by the Maintenance Agreement. Unfortunately, as of the date of this Notice, the Association has not expressed any interest in such a settlement.

9. After careful evaluation, Developer has concluded that, should it be unable to reach a settlement with the Association, pressing ahead with the Lawsuit for the purpose of recovering monetary damages would not be in the best interests of the Community. To that end, Developer contemplates that in the near future it will pursue a dismissal of its claims in the Lawsuit, provided that the Association agrees to fully dismiss all of its claims against Developer in the Lawsuit (such dismissal, upon filing with and approval by the court, being referred to herein as the "Dismissal"). Once the Dismissal is accomplished, Developer will record against

the Detention Pond Lot a notice of the Dismissal, and Developer hereby reserves all rights required to record said notice, whether or not Developer is the owner of the Detention Pond Lot at the time the Dismissal or recordation of the notice.

10. With dismissal of the Lawsuit, all obligations related to the maintenance and repair of the Detention Ponds will conclusively devolve to the owner of the Detention Pond Lot, as provided under Article III, Section 1 of the Declaration.

11. In light of the foregoing, each owner of the Detention Pond Lot shall be deemed, upon acceptance of a deed to the Detention Pond Lot, to have acknowledged and agreed to facts and recitations set forth above, as well as the following:

(a) The Detention Pond Fencing may not be located exactly on the easement lines of the Detention Pond Lot, and each owner of the Detention Pond Lot is solely responsible for reviewing, prior to accepting title to the Detention Pond Lot, the attached plot plan to determine the location of the Detention Pond Fencing, as well as any other ancillary fencing that may be installed by Developer on the Detention Pond Lot;

(b) Prior to accepting a deed to the Detention Pond Lot, the owner thereof shall have performed his/her own independent investigation of the Detention Pond Lot, including physically walking and visually inspecting the Detention Pond Lot (together with any Detention Ponds and Detention Pond Fencing thereon), and inspecting all plot plans, grading plans, the preliminary title report (and relevant exception documents), and final map related to the Detention Pond Lot;

(c) Upon Dismissal, the owner of the Detention Pond Lot will be conclusively deemed the sole responsible party for maintaining, in good order and repair, any rod iron fencing installed by Developer in connection with the improvement of the Detention Pond Lot;

(d) The Detention Ponds and Detention Pond Fencing may increase the cost of obtaining insurance for the Detention Pond Lot, and prior to accepting a deed to the Detention Pond Lot, the owner thereof shall have performed his/her own independent investigation of the costs associated with obtaining insurance for both the improvements on the Detention Pond Lot, and for liability associated with having any Detention Pond and/or Detention Pond Fencing (and the duty to maintain said improvements) on the Detention Pond Lot;

(e) Upon Dismissal, each owner of the Detention Pond Lot shall be solely responsible for all liabilities, insurance, costs, and maintenance obligations associated with the Detention Ponds and Detention Pond Fencing located thereon, and that owner, if other than Developer, shall have no recourse or right of refund or additional compensation from Developer;

(f) Upon Dismissal, the owner of the Detention Pond Lot shall be solely responsible for maintaining the Detention Ponds and Detention Pond Fencing thereon to the



standards set forth in the Maintenance Agreement, particularly in light of the fact that, given that the Detention Ponds control water run-off and to provide water detention (including storm water) for the benefit of all lots within the Community, failure to adequately maintain the Detention Ponds could lead to serious damage to other lots within the Community, thereby exposing the owner of the Detention Pond Lot to significant liability;

(g) With the exception of any maintenance obligations required of an owner, an owner shall not alter, modify or interfere with the Detention Ponds or Detention Pond Fencing on the Detention Pond Lot;

(h) With the exception of any entry made to perform the maintenance obligations required of an owner, each owner, as well as that owner's family members, guests, tenants and invitees, is strictly prohibited from entering into and/or interfering with any portion of the Detention Ponds;

(i) Like any drainage facility constructed to facilitate the movement or storage of water, including storm water, the Detention Ponds may present certain dangers and risks of injury to persons or property, particularly while actually transporting and/or detaining water, which is why all persons other than authorized maintenance personnel are strictly prohibited from entering upon the Detention Ponds.

(j) Each owner agrees to hold Syncon Homes, Skyline Ranch III, LLC, and each of their affiliated companies, officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused by or related to any Detention Pond, or any other drainage facilities within the Community, including, without limitation, any damages or costs related to any injury to person or property stemming from a violation of the obligations set forth in this Notice, as well as any damages or costs related to the Association's failure to meet its obligations under the Maintenance Agreement, or dissolution of the Association.

12. Developer encourages anyone considering future ownership of the Detention Pond Lot to carefully study this Notice, all grading plans, plot plans, maps, and other documents recorded against the Detention Pond Lot, and the current status of the Association and its attitude toward the Maintenance Agreement or the general maintenance of the Detention Ponds. Ultimately, anyone considering future ownership of the Detention Pond Lot must decide for himself or herself what risks are acceptable in connection with the acquisition of the Detention Pond Lot.

Dated as of December 12, 2007.

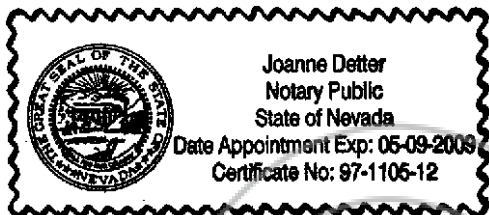
**DEVELOPER:**

**SYNCON HOMES,  
a Nevada corporation**


By: *M/L* 12/12/2007  
Mike Lemke, President

STATE OF NEVADA     )  
                                  )  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me on December 12, 2007, by Mike Lemke as President of Syncon Homes, a Nevada corporation.



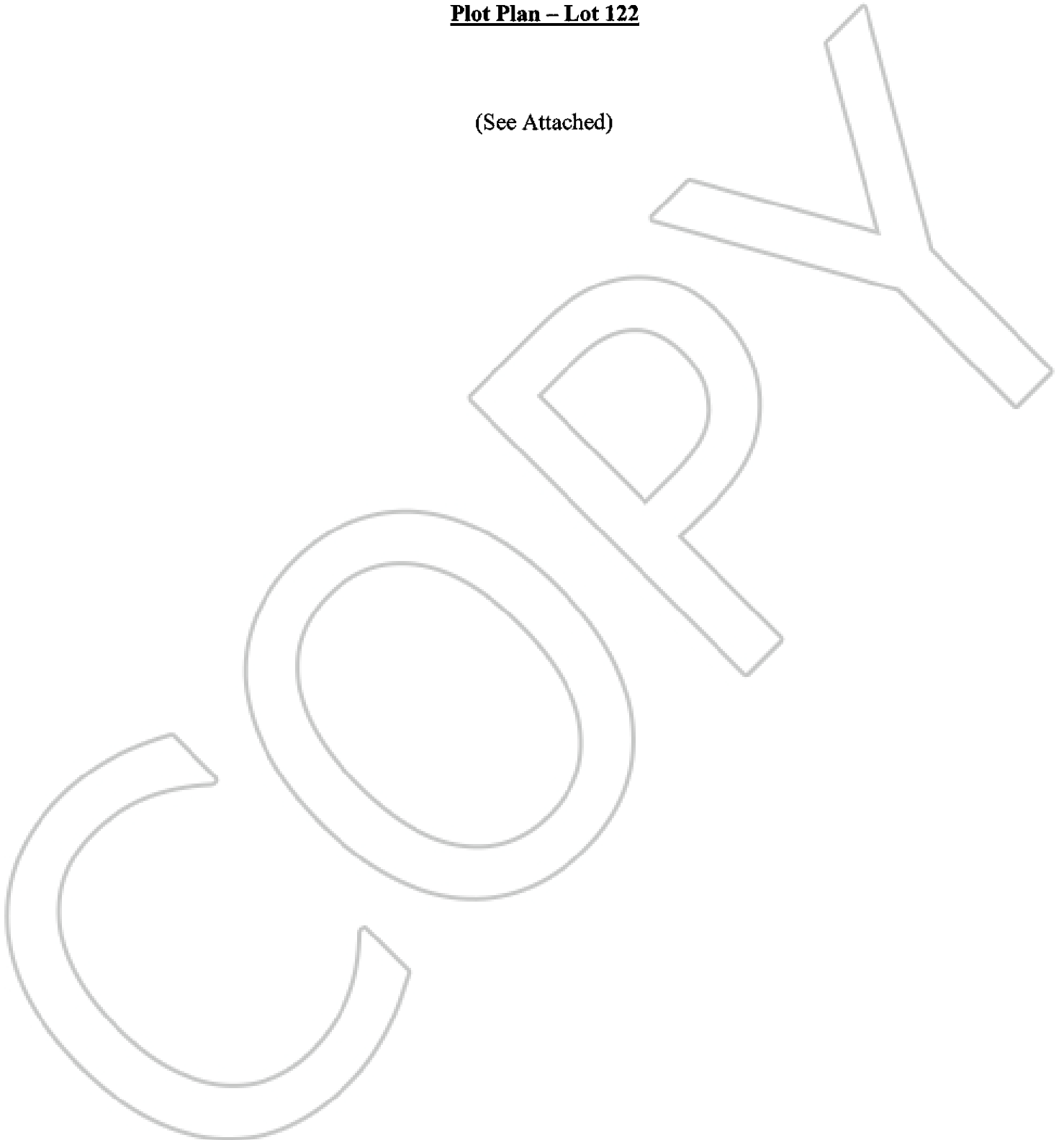
*Joanne Detter*  
Notary Public  
My Commission Expires: May 9, 2009

 BK- 1207  
PG- 2422  
0714680 Page: 6 Of 22 12/12/2007

**Exhibit "A"**

**Plot Plan – Lot 122**

(See Attached)



Address: 1714 CROWNE WAY  
Minden, NV 89410

County: Douglas County, Nevada

APN: 1420-35-311-012

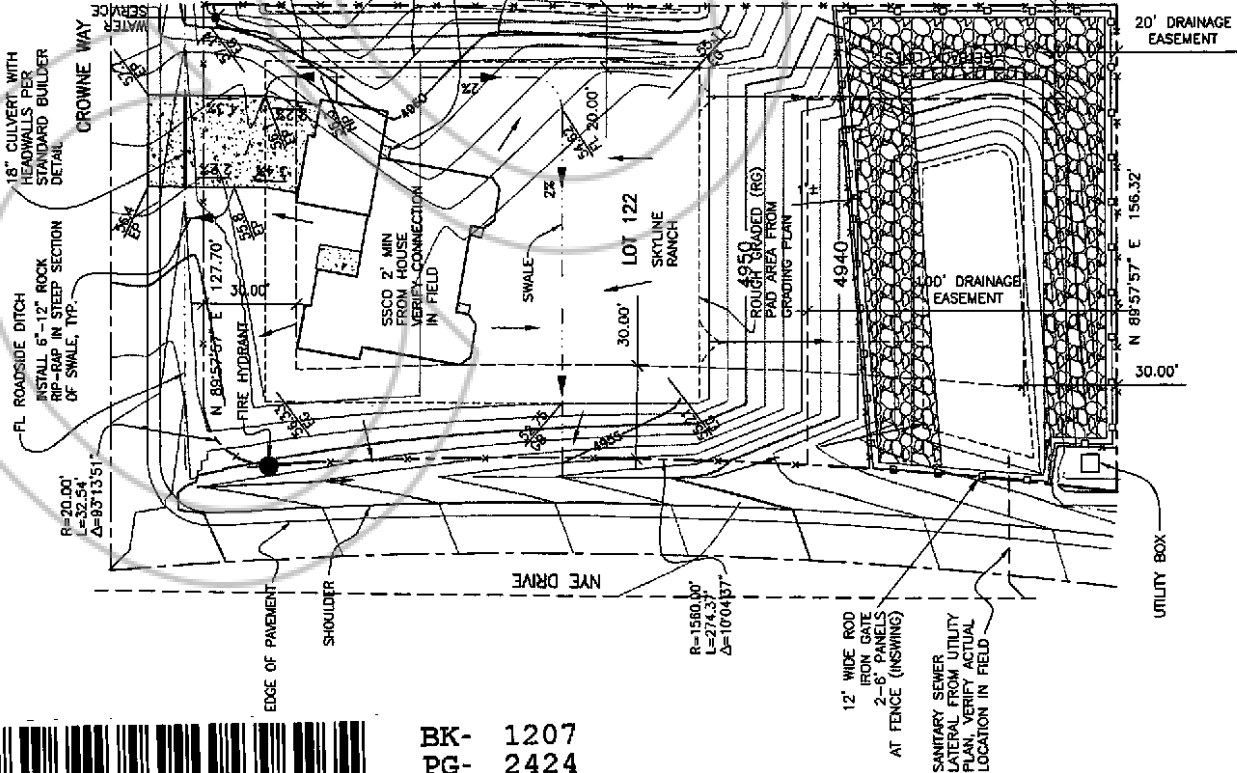
Legal: Lot 122 - Skyline Ranch  
Phase 3

Lot Area: 43,560 SF

House Plan: Plan 2645B



SCALE: 1" = 30'



Pad Elev: 4855.88'  
Pop of Stenwall: 4857.30'  
Bottom of Footing: 4855.80'  
Typical Interior FG Elev: 4856.50'  
Maximum Exterior FG Elev: 4936.67'

Area Breakdown  
(Areas Are Approximate)

Living Area: 2845 SF  
Garage Area: 791 SF  
Covered Area: 108 SF

LEGEND

- RIP RAP/ROCK SETBACK
- ℄ of Road
- Roadside Ditch Flowline
- Swale Flowline
- Concrete Area
- Grading Contours (indicates sloped areas)
- White Vinyl Fence
- Rod Iron Fence
- Property Line
- FG = FINISHED GRADE
- RC = ROUGH GRADE
- AC = ASPHALT CONCRETE
- HP = HIGH POINT
- FL = FLOWLINE
- EP = EDGE OF PAVEMENT
- CB = GRADE BREAK
- TYP. = TYPICAL

THE PLOT PLAN, IMPROVEMENT PLANS AND OTHER DOCUMENTS AND INFORMATION REGARDING THE RESIDENCE AND SUBDIVISION CONTAIN DIMENSIONS THAT ARE APPROXIMATE AND DO NOT REFLECT ALL EASEMENTS WITH ACCURACY. ACTUAL LOT LINES ARE DESCRIBED ON PLOT PLANS, WHICH HAVE BEEN PROVIDED TO YOU AS A CONVENIENCE WITH THIS DISCLOSURE STATEMENT. THE PLOT PLAN IS INTENDED TO GIVE BUYER A GENERAL OVERVIEW OF THE LOT DEVELOPMENT.

BUYER AGREES TO CAREFULLY REVIEW THE PLOT PLAN AND FINAL SUBDIVISION MAP. THE PLOT PLAN IS AN APPROXIMATION OF SOME OF THE FEATURES OF THE PROPERTY AND DOES NOT CONSTITUTE A WARRANTY OF ANY KIND. THE BUYER SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF THE PLOT PLAN AND ANY OTHER INFORMATION THAT MAY BE PROVIDED BY THE SELLER. THE SELLER SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS THAT MAY BE MADE IN THE PLOT PLAN OR ANY OTHER INFORMATION THAT MAY BE PROVIDED BY THE SELLER. THE BUYER SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF THE PLOT PLAN AND ANY OTHER INFORMATION THAT MAY BE PROVIDED BY THE SELLER. THE SELLER SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS THAT MAY BE MADE IN THE PLOT PLAN OR ANY OTHER INFORMATION THAT MAY BE PROVIDED BY THE SELLER.

ACKNOWLEDGMENT

BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_

BUYER: \_\_\_\_\_ DATE: \_\_\_\_\_

NOVEMBER 2005  
10/26/112

STANFAC HOMES  
LOT 122, PHASE 3  
PLOT PLAN  
LOT 122

Stantec Consulting  
6860 Sierra Center Parkway, Suite 100  
Reno NV, USA 89511  
Tel. 775.850.0777  
Fax. 775.850.0787  
www.stantec.com

Call before you Dig  
1-800-221-2388

GRAPHIC SCALE  
0 15 30 60  
( IN FEET )  
1 inch = 80 feet

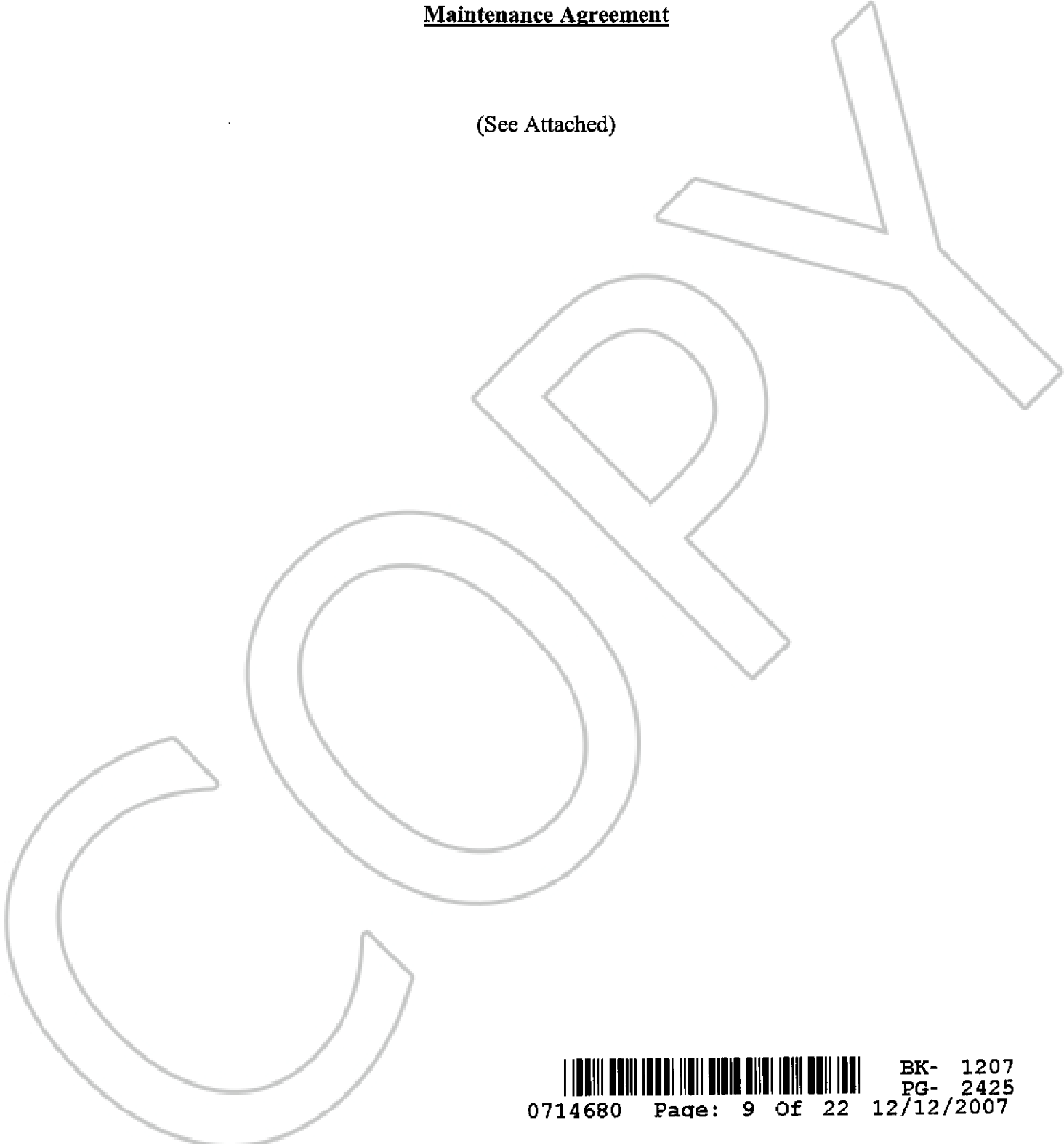
VA5804 (rev.01) (8/04) (24) (Various) (Stipple, Hatch, Shading) Lot 122 rev.12-10-07.dwg  
2007-12-10 11:24 AM By: stanstac



**Exhibit "B"**

**Maintenance Agreement**

(See Attached)



0714680  Page: 9 Of 22 12/12/2007 BK- 1207 PG- 2425

APN: 1420-35-311-012

**RECORDING REQUESTED BY, AND  
WHEN RECORDED, RETURN TO:**

Syncon Homes,  
Attn: Cheri Glassick, Esq.  
2221 Meridian Boulevard, #A  
Minden, Nevada 89423

**DRAINAGE FACILITY MAINTENANCE AGREEMENT**

This Drainage Facility Maintenance Agreement ("Agreement") is made as of the date of its recordation in the Official Records of Douglas County, Nevada ("Effective Date"), by and between Skyline Ranch III, LLC, a Nevada limited liability company ("SRIII"), and Skyline Ranch Association, a Nevada nonprofit corporation (the "Association"). SRIII and the Association are individually referred to herein as "Party" and collectively as "Parties".

This Agreement, is made with reference to the following facts and is as follows:

**RECITALS**

A. SRIII is the owner of that certain real property located in Douglas County, Nevada, described as lot 122 (the "Lot"), as shown on the Final Subdivision Map FSM#94-04-03 for Skyline Ranch, Phase 3, filed for record in the Office of the Douglas County Recorder on July 5, 2005, in Book 0705, at Page 1491, as File Number 648689 (the "Map").

B. The Lot is located within that certain residential common-interest community in Douglas County, Nevada, arising under that certain Declaration of Covenants Conditions and Restrictions for Skyline Ranch, Douglas County, Nevada, recorded in the Office of the Douglas County Recorder on June 13, 2001, in Book 0601, as Document Number 0516290 (which, together with all supplements, amendments, and re-recordings thereof—including, without limitation, that re-recording in the Office of the Douglas County Recorder on June 13, 2001, in Book 0601, as Document Number 0516290—is referred to herein as the "Declaration"), which community is commonly known as Skyline Ranch.

C. The Association is the homeowners association for Skyline Ranch, as provided for in the Declaration.

D. By virtue of its location within Skyline Ranch, the Lot is subject to and under the jurisdiction of both the Association and the Declaration.



E. The Lot, as improved by SRIII, includes or will include a drainage basin and other related drainage facilities (the "Drainage Facilities") on that portion of the Lot more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Easement Area"). Both SRIII and the Association acknowledge that the Drainage Facilities provide water (including storm water) drainage and detention that generally benefits the single-family lots within the Skyline Ranch and, thereby, the Association's members.

F. Article VII of the Declaration provides the Association with the authority to levy assessments against individual single-family lots within Skyline Ranch as is necessary to cover the costs associated with the maintenance of drainage facilities within Skyline Ranch. Furthermore, the Map provides for the Association's maintenance of certain drainage facilities within Skyline Ranch.

G. In order to fairly allocate the burden for the maintenance of the Drainage Facilities, in light of their benefit to Skyline Ranch generally, and to assure that such maintenance will be conducted consistently and appropriately for the benefit of all owners within Skyline Ranch over time, SRIII and the Association desire to document (i) certain easement rights of the Association over the Lot, (ii) the responsibility for maintaining the Drainage Facilities, and (iii) the responsibility for costs arising in connection therewith, all as specified in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SRIII and the Association hereby agree as follows:

### AGREEMENT

**I. Reservation of Easements.** SRIII hereby grants to the Association (i) a perpetual, appurtenant, non-exclusive easement over and upon the Easement Area, for the use, maintenance, replacement, and repair of the Drainage Facilities, as well as for the installation, use, maintenance, replacement, and repair of any drainage facilities and/or improvements the Association hereafter elects to place upon the Easement Area; and (ii) a perpetual, appurtenant, non-exclusive easement over and upon the Easement Area for such access as the Association may need to enjoy the foregoing rights, or to enjoy similar rights held by the Association on other single-family residential lots or common area within Skyline Ranch.

**II. Maintenance Obligations.** The Association hereby covenants to maintain the Drainage Facilities, and all improvements related thereto, in good order and repair, and to undertake such maintenance, replacements, and repairs as are necessary to comply with the foregoing standard. The Association shall carry out its obligations hereunder promptly and in a manner reasonably designed to minimize any adverse impact on the Lot. Without limiting the generality of the foregoing two sentences, the Association shall (i) have a licensed, certified and insured, civil or soils engineer inspect the Drainage Facilities at least once per year and following any significant storm event (that is, a storm event that produces a flow depth of one (1) foot in any channel); (ii) remove, at each inspection, woody plant species within immediate channel

flowlines and basins; (iii) remove, at each inspection, debris, such as branches and trash, from all Drainage Facilities in order to reduce the potential for the clogging and/or obstruction of the Drainage Facilities; (iv) remove from channels and basins, sediment and silt deposits in excess of one-half (1/2) foot in depth, which removal, if required or recommended by the soils or civil engineer, shall conform to the original geometric section of the channel or basin and any removal should take place under the observation or guidance of the soils or civil engineer; (v) undertake any necessary repairs or restoration recommended by the soils or civil engineer upon inspection. Any deposit or erosion to be remedied in accordance with subsections (iv) and (v) above shall be addressed as soon as the channel or basin has dried sufficiently to allow maintenance equipment to operate within the channel or basin in an efficient manner so as to minimize channel or basin disturbances. Notwithstanding the foregoing, should the degree of deposit or erosion be such that channel or basin integrity is compromised in a manner that imperils public health, safety, and welfare, remedial measures to restore the channel or basin shall be taken immediately, whether during or after a storm event, to keep flows confined within the Drainage Facilities.

**III. Power to Maintain; Indemnification of the Association.** The Association shall be solely responsible for, and SRIII shall not be responsible for and shall not have control or charge over, the means methods, techniques, or procedures used in connection with the Association's discharge of its obligations under Section 2. Furthermore, SRIII hereby covenants that neither SRIII nor any of its guests, tenants, agents, or invitees shall in any way interfere with or damage the Drainage Facilities, and SRIII shall indemnify, defend and hold harmless the Association on any claims arising from the negligence or willful misconduct of SRIII, its guests, tenants, agents, or invitees for damages sustained on the Drainage Facilities, except to the extent any such claims arise from the negligence or willful misconduct of the Association, and SRIII shall promptly reimburse the Association for the costs associated with any damage to the Drainage Facilities caused by the negligence or willful misconduct of SRIII, its guests, tenants, agents, or invitees. Notwithstanding anything else herein to the contrary, nothing herein shall restrict or prohibit SRIII from taking such action upon or in relation to the Drainage Facilities as is necessary to protect the Lot, or other persons or property in the event of an emergency or failure to act by the Association.

**IV. Cost of Maintenance.** The Association shall be solely responsible for all costs and expenses associated with the maintenance of the Drainage Facilities and the discharge of its obligations under Section 2, except as provided under Section 3. Nothing herein shall be deemed to exempt SRIII from the payment of assessments levied by the Association under the Declaration, including, without limitation, assessments levied for the purpose of covering the costs associated with the Association's maintenance of the Drainage Facilities.

**V. SRIII Indemnity.** The Association hereby agrees to indemnify, defend and hold SRIII and its constituent partners, directors, officers, members, shareholders, agents and employees harmless from and against any and all losses, claims, damages, liabilities, costs and expenses (including, without limitation, attorney's fees, investigative and discovery costs), and any and all other sums which SRIII may pay, or be obligated to pay, or incur, on account of any and all demands or claims, or assertions of liability, or any claim or action of any type founded

thereon, arising, or alleged to have arisen, out of, in whole or in part, any act, omission, negligence or willful misconduct of the Association, its architects, members, engineers, invitees or licensees.

**VI. Mechanics' Liens.** The Association shall pay when due all costs, fees or other expenses associated with work undertaken hereunder, and shall indemnify, defend and hold harmless SRIII from any mechanics' liens, actions or liabilities arising from non-payment of such costs, fees or other expenses for such work; provided, however, in the event the Association shall have a bona fide dispute with the architect, engineer, contractor or other person or entity performing work, the Association may withhold payment pending resolution of such dispute, and may engage counsel and undertake such action as is reasonably necessary to resolve such dispute at the earliest possible date. If, by reason of the withholding of any payment pending resolution of a bona fide dispute, any mechanics' liens are filed against the Lot, the Association shall, upon written demand of SRIII, post such surety bond as is necessary to release such mechanics' lien(s) from the Lot.

**VII. Miscellaneous.**

**A. Attorney's Fees.** In the event of any legal or equitable action, arbitration or proceeding between the Parties hereto arising out of this Agreement, the prevailing Party shall be awarded reasonable attorneys' fees and court or arbitration costs in addition to any other judgment or award.

**B. No Third Party Rights.** No provision of this Agreement shall confer upon any person or persons not a party hereto any rights hereunder, nor shall any provision hereof establish a trust or other fund for the benefit of any such person or persons, nor shall any such person or persons be construed as a third party beneficiary of any term, covenant or condition hereof.

**C. No Partnership.** The provisions of this Agreement do not create any partnership, joint venture, or other legal entity between the Parties hereto.

**D. Property Taxes and Assessments.** Nothing in this Agreement shall be deemed to create in the Association an obligation to pay any property taxes or assessments charged against the Lot or any other property owned by SRIII.

**E. Covenants and Servitudes.** All provisions of this Agreement shall be binding upon the successors and assigns of SRIII and the Association, and, as to SRIII and the Lot, shall be deemed to run with the Lot as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Lot, as provided herein, and to all persons hereafter acquiring or owning any interest in the Lot, however such interest may be obtained. Notwithstanding anything else herein to the contrary, any person or entity who owns the Lot (including, without limitation, SRIII), upon transfer of all of its interest

in the Lot, is relieved of all liability with respect to the obligations of SRIII under this Agreement to performed on or after the date of transfer.

F. Authority to Execute. Each person executing this Agreement on behalf of a Party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to so bind and that such entity has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

G. Time. Time is of the essence. Each Party shall perform its obligations hereunder in a prompt and timely manner.

H. Force Majeure. The performance by either Party of its obligations under this Agreement shall be excused during any period of delay caused at any time by reason of acts of God or civil commotion, riots, strikes, picketing, or other labor disputes shortages of materials or supplies, or damage to work in process by reason of fire, floods, earthquake, or other casualties, restrictions imposed or mandated by governmental or quasi-governmental entities (including, without limitation, new or supplementary environmental regulations), third party litigation, act or neglect of the other Party, or any other cause beyond the reasonable control of a Party ("Force Majeure"). Each Party shall give written notice to the other Party of any delay hereunder as soon as reasonably possible after the same has been ascertained.

I. Further Assurances. Each Party shall, whenever and as often as it shall be reasonably requested by the other Party, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, such further instruments and documents and take such further actions as may be reasonably necessary in order to carry out the intent and purpose of this Agreement.

J. Entire Agreement. This Agreement supersedes all other agreements, whether oral or written, between the Parties with respect to the subject matter hereof and this Agreement shall not be modified by either Party by oral representation made before or after the execution of this Agreement, and all modifications shall be in writing signed by each of the Parties hereto.

K. Waivers. No waiver by any Party of any term, covenant or condition hereof shall bind any other Party hereto, nor shall such waiver be deemed a waiver or any other term, covenant or condition hereof, or of any subsequent performance of the same term, covenant or condition.

L. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but, if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

M. Interpretation. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning. This Agreement shall be construed as if all Parties jointly prepared this agreement and any uncertainty and ambiguity shall not be interpreted against any one Party. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "sections" are to sections of this Agreement, unless otherwise specifically provided. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender and neuter, and vice versa.

N. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without giving effect to the conflicts of law principles of said state.

O. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original but all of which together shall constitute one and the same document.

Dated as of October 14, 2005.

**SRIII:**

**SKYLINE RANCH III, LLC,**  
a Nevada limited liability company

By: **SYNCON HOMES,**  
a Nevada company

Its: **Manager**

By: Andrew W Mitchell

Its: Pres

**THE ASSOCIATION:**

**SKYLINE RANCH ASSOCIATION,**  
a Nevada nonprofit corporation

By: Andrew W Mitchell

Its: Pres



STATE OF NEVADA )  
 )  
COUNTY OF DOUGLAS )

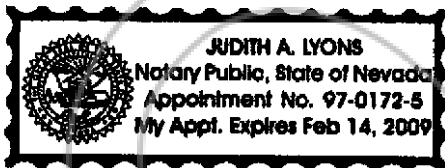
This instrument was acknowledged before me on October 14, 2005, by Andrew W. Mitchell as President of Syncon Homes, a Nevada corporation , as Manager of Skyline Ranch III, LLC, a Nevada limited liability company.



*Judith Lyons*  
Notary Public  
My Commission Expires: Feb 14, 2009

STATE OF NEVADA )  
 )  
COUNTY OF DOUGLAS )

This instrument was acknowledged before me on October 14, 2005, by Andrew W. Mitchell as President of Skyline Ranch Association, a Nevada nonprofit corporation.



*Judith Lyons*  
Notary Public  
My Commission Expires: Feb 14, 2009

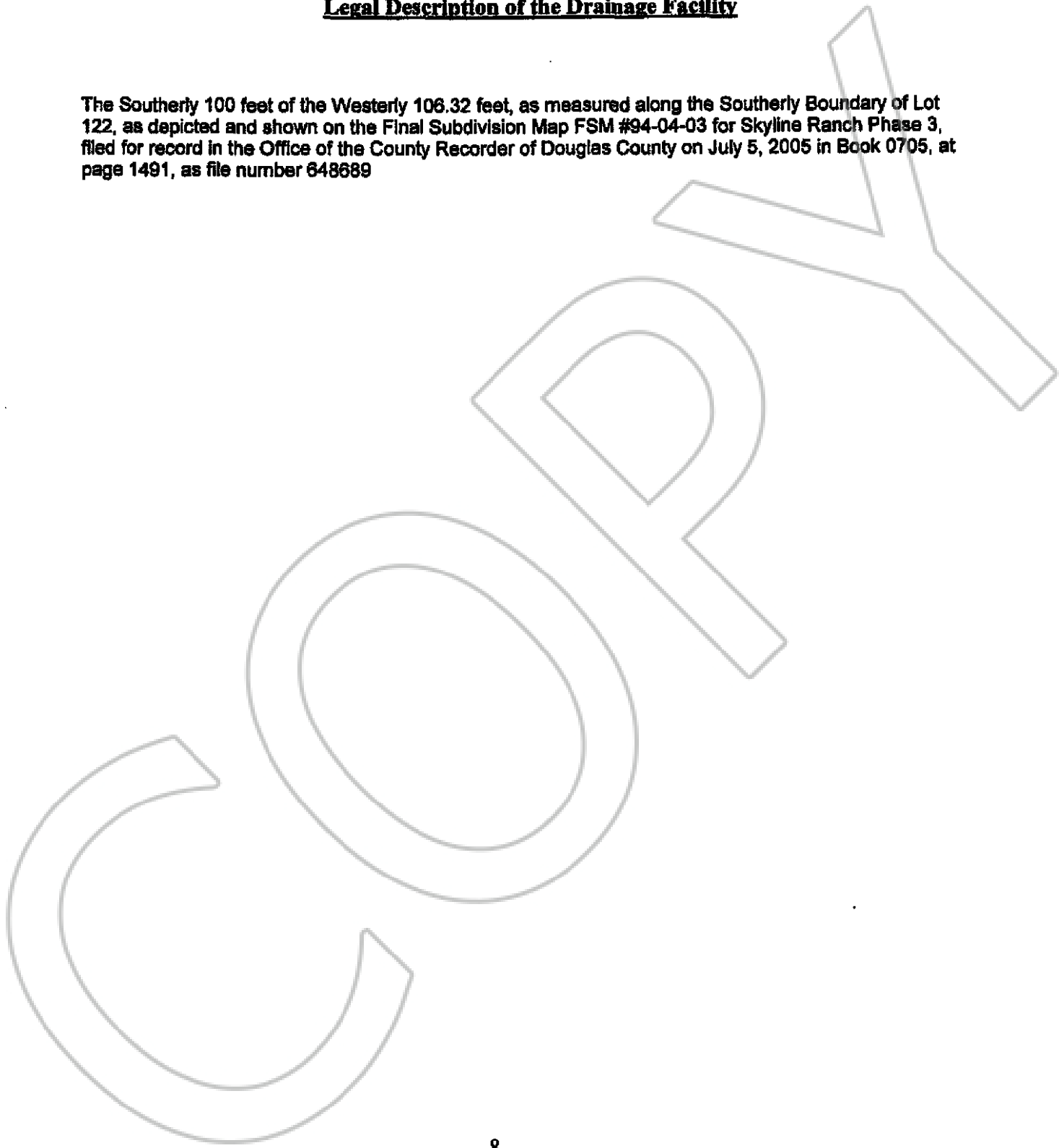




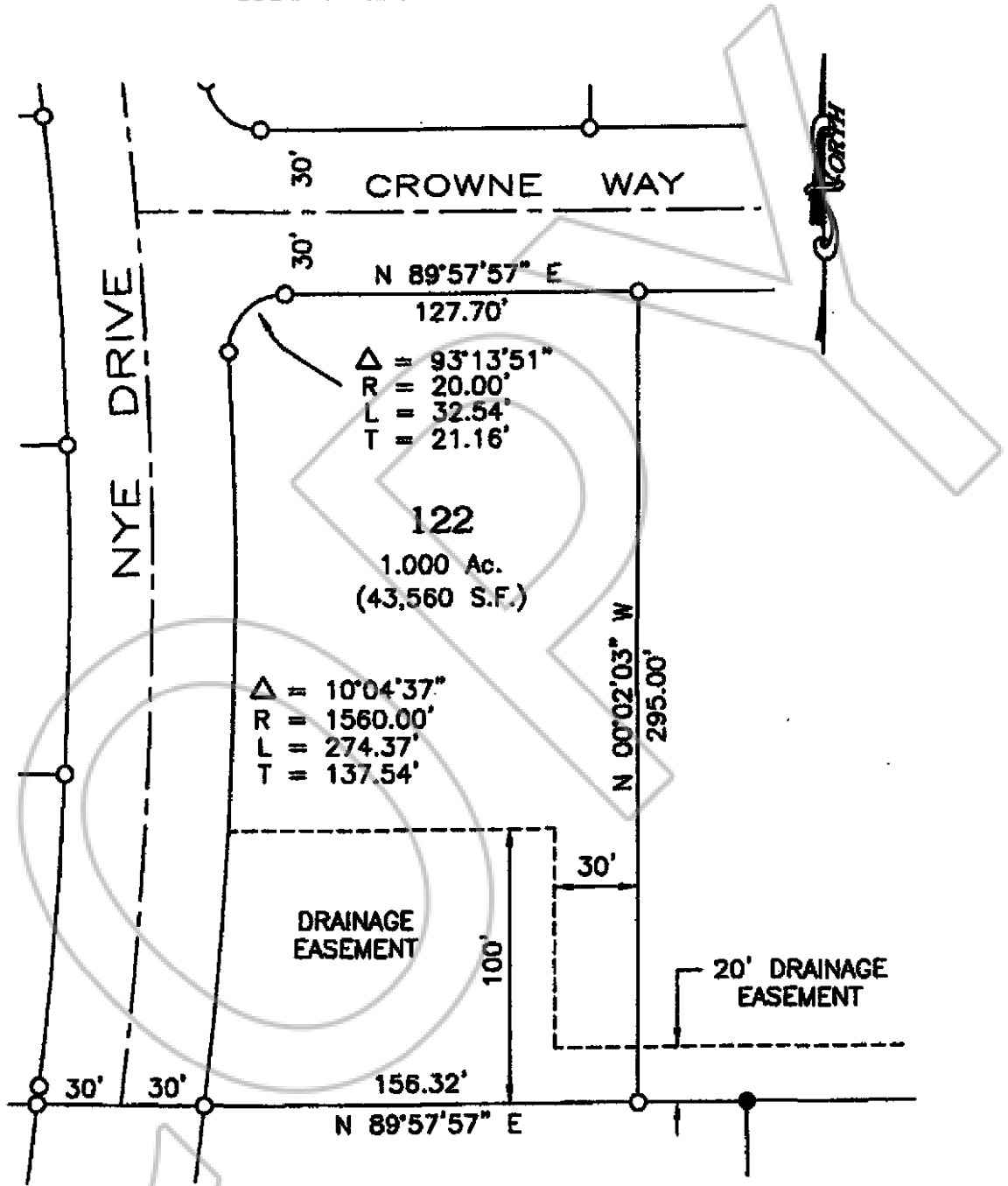
**Exhibit "A"**

**Legal Description of the Drainage Facility**

The Southerly 100 feet of the Westerly 106.32 feet, as measured along the Southerly Boundary of Lot 122, as depicted and shown on the Final Subdivision Map FSM #94-04-03 for Skyline Ranch Phase 3, filed for record in the Office of the County Recorder of Douglas County on July 5, 2005 in Book 0705, at page 1491, as file number 648689



# EXHIBIT B



**WESTERN**  
 ENGINEERING & SURVEYING SERVICES  
 3033 BISHOP ROAD DRIVE  
 CORONA CITY, MISSISSIPPI 39701  
 (770) 834-3200 Fax (770) 834-3211



**Exhibit "C"**  
**Termination**

DOC # 0710893  
10/10/2007 02:39 PM Deputy: SD  
CONFORMED COPY  
Requested By:  
GAYLE A. KERN

APN: 1420-35-311-012

WHEN RECORDED, MAIL TO:  
Skyline Ranch Association  
New Valley Real Estate Management, Inc.  
1664 US Highway 395 N  
Suite 106  
Minden, NV 89423

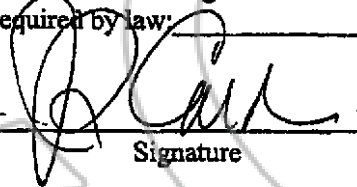
Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 4 Fee: 17.00  
BK-1007 PG- 2832 RPIT: 0.00




**TERMINATION OF DRAINAGE FACILITY MAINTENANCE AGREEMENT**

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.  
(Per NRS 239B.030)

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the social security number of a person or persons as required by law: \_\_\_\_\_ (state specific law)

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Title

This page added to provide additional information required by NRS 111.312 Sections 1-2 and NRS 239B.030, Section 4.

This cover page must be typed or printed in black ink.

APN: 1420-35-311-012

WHEN RECORDED, MAIL TO:  
Skyline Ranch Association  
New Valley Real Estate Management, Inc.  
1664 US Highway 395 N  
Suite 106  
Minden, NV 89423

**TERMINATION OF DRAINAGE FACILITY MAINTENANCE AGREEMENT**

This Termination of Drainage Facility Maintenance Agreement ("Termination"), dated for reference purposes only as June 18, 2007 ("Effective Date"), by SKYLINE RANCH ASSOCIATION, a Nevada nonprofit corporation ("Association"), with reference to the following facts.

**RECITALS:**

A. The Association is a community interest community subject to Chapter 116 of the Nevada Revised Statutes and subject to certain Declaration of Covenants, Conditions and Restrictions for Skyline Ranch ("CC&Rs") recorded in the Office of the Douglas County Recorder on June 13, 2001, in Book 0601, as Document Number 0516290 and re-recorded August 8, 2005 in Book 0805, Page 3483, as Document Number 0651583.

B. On October 18, 2005, as Document No. 0658085, Book 1005, Page 7828 in the official records of Douglas County, Syncon Homes caused to be recorded between Skyline Ranch III, LLC, a Nevada limited liability company and Skyline Ranch Association, a Nevada nonprofit corporation a Drainage Facility Maintenance Agreement ("Drainage Agreement").

C. The Association, on May 30, 2007, conducted a duly noticed meeting of its board of directors at which time the board of directors considered and took action to terminate the Drainage Agreement pursuant to the rights afforded the Association under NRS 116.3105.

NOW, THEREFORE, pursuant to the applicable law of Nevada, the Association provides the following Termination of Drainage Agreement:

1. Termination of Drainage Agreement. The Association hereby terminates the Drainage Agreement for all purposes.

2. Enforcement of CC&Rs. The Association shall enforce the CC&Rs and the owner of Lot 122 shall comply with all restrictions contained in the CC&Rs, including, without limitation, the owner or owners of lot 122 as shown on the Final Subdivision Map FSM #94-04-03 for Skyline Ranch, Phase 3, filed for record in the Office of the Douglas County Recorder on July 5, 2005, in Book 0705, at Page 1491, as File Number 648689 (the "Property") shall comply with Article III, Section 1 as follows:

**SECTION 1. Drainage Easements.** An Owner shall not at any time hereafter fill, block or obstruct any drainage easement or drainage structures on his Lot (man made or natural) and each Owner shall repair and maintain all drainage easements and drainage structures located on his Lot. No structure of any kind shall be constructed and no vegetation shall be planted or allowed to grow within the drainage easement which may impede the flow of water under, over or through the easements. All drainage areas shall be maintained by the Owner of the Lot on which the easement area is located.

3. **Remedies.** The Association shall have all remedies at law or equity in the event of any owner's default under the provisions of the CC&Rs.

4. **Nature of Covenants.** The provisions of this Termination shall be deemed to run with the Property as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the parties and their assigns, and to all persons hereafter acquiring or owning any interest in the Property; however such interest may be obtained.

5. **General.**

5.1 **Partial Invalidity.** If any term or provision of this Termination or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Termination or the application of such term or provision to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Termination shall be valid, and shall be enforced to the fullest extent permitted by law.

5.2 **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained.

5.3 **Attorneys' Fees.** If any party commences an action to interpret or enforce any of the terms of this Termination or because of the breach by any party of any of the terms hereof, the losing party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, whether or not the action is prosecuted to a final judgment. For the purpose of this Termination, the terms "attorneys' fees" or "costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photocopying, duplicating and other expenses and expert witness fees. The terms "attorneys' fees" or "costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

5.4 **Construction.** Headings at the beginning of each Section and subsection are solely for convenience and are not a part of the Termination. Whenever required by the context of this Termination, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs, sections, subparagraphs and subsections are to this Termination.

5.5 **Governing Law.** This Termination shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada and venue for any action arising from this Agreement must be in Douglas County, Nevada.



5.6 Days of Week. If any date for performance herein falls on a Saturday, Sunday or federal holiday, the time for such performance shall be extended to 5:00 p.m. on the next business day.

5.7 Successors and Assigns. This Agreement shall be binding upon the parties hereto, their successors and assigns.

SKYLINE RANCH ASSOCIATION,  
a Nevada nonprofit corporation

By: [Signature]  
Its: P/S R/A

STATE OF NEVADA }  
COUNTY OF DOUGLAS } ss:

This instrument was acknowledged before me on June 20, 2007, by Joe  
Cardosi as President of Skyline Ranch Association.

[Signature]  
Notary Public  
My Commission Expires: 2/17/10

