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

DOC # 0715111
12/20/2007 04:38 PM Deputy:
OFFICIAL RECORD
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HALE LANE PEEK ET AL

Douglas County - NV
Werner Christen - Recorder

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DECLARATION OF RESERVATION OF DRAINAGE AND IRRIGATION FACILITIES EASEMENTS

This Declaration of Reservation of Drainage and Irrigation Facilities Easements (this "Declaration") is made and entered into as of the date of its recordation in the official records of Douglas County, Nevada ("Effective Date") by Arbor Gardens IV, LLC, a Nevada limited liability company ("Developer"), with reference to the following facts:

RECITALS

- A. Developer is the owner of that certain real property located in Douglas County, Nevada, described as Lots 18, 19, and 20, as shown on that certain Final Subdivision Map, a Planned Unit Development LDA 01-047 for Arbor Gardens Phase 4 (the "Map"), filed for record in the Office of the Douglas County Recorder on October 17, 2005, in Book 1005, at Page 7083, as File Number 657923 (which lots, as amended by that certain boundary line adjustment filed for record in the Office of the Douglas County Recorder on August 7, 2007, in Book 807, at Page 2227, as Document Number 707133, are each individually a "Lot", and collectively the "Lots").
- B. As more particularly described on the Map, a portion of each Lot is designated on the Map as "20' Wide Ditch Irrigation, Maintenance, and Drainage Easement", which portions are referred to herein collectively as the "Easement Area".
- C. Developer now desires to create certain easements over the Easement Area, all as more particularly set forth herein.

DECLARATION

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

1. Definitions.

- 1.1 <u>Definition of "Owner"</u>. "Owner" means any person or entity, including Developer, holding a fee simple interest in a Lot.
- 1.2 <u>Definition of "Grantee"</u>. "Grantee" means any of the following: (i) the Town of Gardnerville, Nevada; (ii) Douglas County, a political subdivision of the State of Nevada; and (iii) any entity engaged in the provision and/or delivery of irrigation water using and/or maintaining any irrigation improvements present on the Lots as of the Effective Date (and the successors and assigns thereof).
- 1.3 <u>Definition of "Party and Parties"</u>. Developer, the Owners and Grantees hereunder are sometimes individually referred to as "Party" and collectively as the "Parties".
- 2. <u>Reservation of Easements</u>. Developer hereby reserves over the Easement Area, for the benefit of each Grantee, a perpetual, non-exclusive easement for (i) the construction, installation, use, maintenance, repair, and/or replacement of such drainage and/or irrigation facilities as such Grantee may wish to install on such Lot (subject to Section 3), and (ii) such access as said Grantee may require in enjoying the aforementioned rights.
- 3. <u>Compliance with Governing Documents and Laws</u>. Each Grantee shall fully comply with (and shall cause all persons acting through or on behalf of such Grantee to fully comply with) all laws, ordinances, rules and regulations applicable to the Easement Area and the Lots.
- 4. <u>Property Taxes.</u> No Grantee shall have, as a result of the easement rights reserved under Section 2, an obligation to pay any property taxes or assessments charged against any other Lot, subject to such Grantee's indemnity obligations set forth in Section 6 below.

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5. Maintenance; Owner Use.

- 5.1 <u>Maintenance</u>. Each Grantee agrees to maintain, at its sole cost and expense, all drainage and/or irrigation facilities used, owned, or operated by that Grantee upon the Easement Area, such drainage and/or irrigation facilities in to be kept in a clean and orderly manner, and in a good condition and state of repair. Each Grantee shall promptly repair and restore any portion of the surface areas of the Easement Area disturbed by such Grantee during the course of the exercise of its rights hereunder.
- 5.2 Owner Use. An Owner shall not erect or construct, nor permit the erection or construction of any buildings, fences or structures, nor permit any activity upon the Easement Area which is inconsistent with a Grantee's use the easement rights granted herein.
- 6. <u>Indemnification</u>. As a condition to the exercise of the rights reserved hereunder, each Grantee (the "Indemnifying Grantee") shall defend, protect, indemnify and hold harmless each person or entity (including, without limitation, Developer, as applicable) whose real property is encumbered by a portion of the Easement Area (the "Indemnified Owner") against any and all damages, losses, expenses, assessments, fines, costs and liabilities (including without limitation, all interest, penalties and attorney's fees) based upon or arising out of any claim of personal injury, property damage, violation of law, or other claim resulting from the Indemnifying Grantee's maintenance, repair, restoration, or use of the Easement Area or any improvement or appurtenance thereon, except to the extent such claim is based upon or arises out of the Indemnified Owner's own negligence or willful misconduct. In the event that the Indemnified Owner receives notice of any claim to which indemnity applies hereunder, the Indemnified Owner shall inform the Indemnifying Grantee of the claim as soon as is reasonably possible.
- 7. Subsequent Owner's Acceptance. Each subsequent owner or purchaser of any Lot shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Developer or a subsequent owner of such Lot, accept such deed or contract upon and subject to each and all of the provisions of this Declaration. By acceptance, such owner or purchaser shall for himself (his heirs, personal representatives, successors and assigns) covenant, consent and agree to and with Developer, and to and with the subsequent owners of each of the other Lots, to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to the continuation to completion of the Lots in substantially the manner heretofore approved by Douglas County.
- 8. <u>Modification and Waiver</u>. No claim of waiver, modification, consent or acquiescence with respect to any provision of this Declaration shall be made against any Party except on the basis of a written instrument executed by or on behalf of such Party.
- 9. <u>Construction and Interpretation</u>. Wherever possible, each provision of this Declaration shall be interpreted in such manner as to be valid under applicable law, but, if any

BK- 1207 PG- 4614 0715111 Page: 3 Of 5 12/20/2007 provision of this Declaration shall be invalid or prohibited thereunder, such provision shall be ineffective to the extent of such prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration. 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.

- 10. <u>Paragraph Headings</u>. The headings of the several paragraphs of this Declaration are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.
- 11. Attorneys' Fees. Should any Party employ an attorney for the purpose of enforcing or construing this Declaration, or any judgment based on this Declaration, in any legal proceeding whatsoever, the prevailing Party(ies) shall be entitled to receive from the other Party(ies) thereto reimbursement for all attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees, and the cost of any bonds, whether taxable or not. Should any judgment or final order be issued in that proceeding, said reimbursement shall be specified therein.
- 12. <u>Governing Law</u>. This Declaration shall be construed and enforced in accordance with the laws of the State of Nevada, without giving effect to the choice of law principles of said State.
- 13. <u>Limitation of Liability</u>. The Owner of a Lot is obligated to perform its obligations under this Declaration as an Owner of a Lot only during the time said Owner owns title to such Lot. Any Owner who transfers all of its interest in a Lot is relieved of all liability with respect to the obligations of an Owner of that Lot under this Declaration on or after the date of transfer.
- 14. <u>Enforcement; Breach Shall Not Permit Termination</u>. Each Party shall have the right (but not the duty) to enforce its rights hereunder against the Parties. Notwithstanding the foregoing or anything else herein to the contrary, no breach of this Declaration shall entitle any Party to cancel, rescind, or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which may be available to such Party at law or in equity.
- 15. <u>Rights Conditioned</u>. The obligations imposed on a Grantee hereunder shall be deemed as conditions to the exercise of the rights reserved to a Grantee hereunder.

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Dated as of Dec.	20,, 2007.	
	ARBOR GARDENS IV, LLC, a Nevada limited liability company By Syncon Homes, Its Manager By: Its: Mkc Lemke	
STATE OF NEVADA		
COUNTY OF DOUGLAS	5	
This instrument was	acknowledged before me on Dec. 20, 20	07, by
Mike Lemke	, as <u>President</u>	of
	orporation, Manger of Arbor Gardens IV, LLC, a Nevada l	imited
liability company.		
Nota State	ne Detter ty Public of Nevada ont Exp: 05-09-2009 No: 97-1105-12 Notary Public My Commission Expires: 5/9/09	

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