DECLARATION OF COVENANTS AND
RECIPROCAL EASEMENT AGREEMENT
FOR
SOMERSETT TOWN CENTER
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V.

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DECLARATION OF COVENANTS AND
RECIPROCAL EASEMENT AGREEMENT
FOR
SOMERSETT TOWN CENTER

This Declaration of Covenants and Reciprocal Easement Agreement for Somerset Town Center ("Declaration") is made as of the 12th day of September, 2006, by SOMERSETT DEVELOPMENT COMPANY LTD., a Nevada limited liability company ("Declarant"), with reference to the following facts and is as follows:

RECITALS:

A. Declarant is the owner of certain land located in Washoe County, Nevada, commonly known as Somerset Town Center, and described more particularly in Exhibit "A" attached hereto and by this reference incorporated herein ("Property").

B. Declarant desires to develop the Property as a multi-use center pursuant to the Center Site Plan to be prepared by Declarant, and together with any and all amendments thereto approved by the Approving Owner and the City of Reno, the "Center Site Plan". This Declaration contains restrictions on amendment to the Center Site Plan and on applications for change of zoning or master plan land use classification.

C. The Property currently is divided into four (4) parcels ("Parcels") as shown on that certain Record of Survey in support of boundary line adjustment, recorded on June 16, 2006, in the office of the County Recorder of Washoe County, Nevada, as File No. 3401827, Official Records. As below provided in this Declaration, Declarant reserves the right to create one (1) additional parcel from among the Parcels pursuant to a further recorded parcel map; and upon such further parceling such additional legal parcel shall be included in the Parcels.

D. Declarant desires that the Parcels be developed and operated pursuant to a common plan for the multi-use center known as "Somerset Town Center", as more particularly set forth herein.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part
thereof, in accordance with the plan for the improvement and further division of the Property. All of
the limitations, covenants, conditions, restrictions, easements and other provisions hereof shall be
deemed to run with the land as covenants running with the land or as equitable servitudes, as the case
may be, and shall constitute benefits and burdens to the Declarant and its successors and assigns, and
all parties having or acquiring any right, title or interest in or to any part of the Property, however
such interest may be obtained.

ARTICLE I
DEFINITIONS

1.1 "Affiliate" means, as to any Person, any person, firm or entity which controls or is
controlled by such Person or is controlled by the same persons, firms or entities which shall then
control such Person in a relationship of joint venture, partnership or other form of business
association or any entity created or operated for the benefit of such Person. In this definition, the
term "control" shall include the ownership of ten percent (10%) or more of the beneficial interest in
the firm or entity referred to.

1.2 "Approving Owner" means the Owner designated hereunder to make certain decisions
and/or give certain approvals pursuant to the terms of this Declaration. The Approving Owner shall
be Declarant or any successor in title to Declarant who is an Affiliate of Declarant (as defined in
Section 1.12 below) until the later of the date ("Declarant=s Control Termination Date") on which (i)
neither Declarant nor an Affiliate of Declarant holds any fee ownership or leasehold interest within
the Center or (ii) Declarant no longer is entitled to exercise any special declarant rights or
developmental rights (as such terms are used in the Master Declaration) under and pursuant to the
Master Declaration. From and after the Declarant's Control Termination Date, the Approving
Owner shall be the Owner(s) of the Parcel or Parcels which, taken together, have more than fifty
percent (50%) of the land area within the Center. The Approving Owner shall have the right to appoint the
Approving Owner=s Designee (as defined in Section 5.8 hereof), and either the Approving Owner or
the Approving Owner=s Designee shall have absolute discretion to make the decisions and/or give
the approvals expressly designated in this Declaration to be made and or given by the Approving
Owner.

1.3 "Approved Final Plans" means, as to each Parcel, the final building and improvement
plans, drawings and elevations which have been approved by the Approving Owner in the manner set
forth in Section 3.6 hereof, and, to the extent required, by the City. The Approved Final Plans shall
contain the final plans, elevations, and specifications for the Building(s) and other Improvements to
be constructed on the Building Site and for all Improvements to be constructed within the Common
Easement Areas of such Parcel, utility and drainage plans, exterior lighting plans, landscape and

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irrigation plans, sidewalk and parking area plans, and plans for any roadways, curbs and gutters within such Parcel, all of which shall be in conformity with the Center Improvement Plans unless otherwise required by the City.

1.4 "Approving Owner=s Designee" shall have the meaning ascribed thereto in Section 5.8 hereof.

1.5 "Assessments" means collectively the Annual Assessments (defined in Section 7.3 below) any Special Assessments (defined in Section 7.4 below), any Violation Assessments against a particular Owner (as defined in Section 7.5 below).

1.6 "Beneficiary" means a beneficiary under a deed of trust or a mortgagee under a mortgage, or the assignee of such beneficiary or mortgagee.

1.7 "Building" means a building constructed or to be constructed on a Building Site.

1.8 "Building Site" means that portion of a Parcel designated on the Center Site Plan for construction of a Building or Buildings and all projections and extensions thereof, including, but not limited to, patios, porches, decks, railings, planters, eaves, appurtenant canopies, supports, loading docks, truck ramps, and other extensions of a Building.

1.9 "Center Improvement Plans" means the final civil engineering drawings and landscape plans to be prepared by or at the direction of Declarant for the improvement of the Common Areas, consistent with the Center Site Plan.

1.10 "Center Site Plan" shall have the meaning set forth in Recital B hereof.

1.11 "City" means the City of Reno, Washoe County, Nevada.

1.12 "Commercial Parcels" means those of the Parcels developed and used for retail and other commercial uses, as opposed to solely residential uses.

1.13 "Common Areas" means collectively (a) the Common Easement Areas of each Parcel and (b) any areas outside the perimeter boundaries of the Parcels which serve or benefit the Somersett Town Center and which the Somersett Town Center is required to construct or maintain pursuant to entitlements received from the City or any other law, regulation or ordinance, or any agreement between the Declarant and a third party.
1.14 "Common Easement Areas" means, as to each and every Parcel within the Property, the entire Parcel exclusive of the Building Site, and exclusive of those areas of the Residential Parcels lying behind and within private security or entry gates and security/privacy fences.

1.15 "Declarant" means Somersett Development Company Ltd., a Nevada limited liability company.

1.16 "Declarant Improvements" shall have the meaning set forth in Section 3.4.2(a) hereof.

1.17 "Declaration" means this Declaration of Covenants and Reciprocal Easement Agreement for Somersett Town Center, and any and all subsequent amendments hereto.

1.18 "Deed of Trust" means a deed of trust or a mortgage encumbering any portion or all of the Property.


1.20 "First Deed of Trust" means a Deed of Trust having priority over all other Deeds of Trust encumbering the same portion of the Property.

1.21 "Foreclosure" means a foreclosure under a Deed of Trust by judicial action or exercise of power of sale pursuant to a Deed of Trust.
1.22 "Handbook" means the Development Standards Handbook for the Somersett planned unit development as approved and required by the City, as amended from time to time.

1.23 "Hazardous Materials" means wastes, substances, mixtures, pollutants, contaminants, or other materials which are defined or classified by any Environmental Law as hazardous, toxic, or radioactive, including, whether or not so defined, petroleum and natural gas products, polychlorinated biphenyls, radioactive materials, urea formaldehyde foam insulation and asbestos-containing materials.

1.24 "Improvements" means all structures and works of improvement of every type and kind, including but not limited to buildings, outbuildings, garages, carports, roads, driveways, parking areas, curbs, gutters, sidewalks, fences, screening walls, retaining walls, stairs, decks, patios, landscaping, sprinklers, hedges, windbreaks, planting, planted trees, shrubs, poles, signs, free standing lighting fixtures, exterior air conditioning, and water softener fixtures or equipment.

1.25 "Manager" means a Person properly licensed in or legally authorized by statute in the State of Nevada and appointed by the Approving Owner to manage, maintain and operate the Somersett Town Center. The person designated as Manager shall serve in such capacity until it resigns, is removed by the Approving Owner, or is removed by the mutual written consent of Owners holding a majority of the voting power of the Owners.

1.26 "Master Declaration" means that certain Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Somersett, recorded on March 3, 2005, as Document No. 2177981, Official Records, Washoe County, Nevada.

1.27 "Occupant" means any Person from time to time entitled to the use and occupancy of any portion of a Building in the Somersett Town Center under an ownership right or any lease, sublease, license, concession, or other similar agreement.

1.28 "Owner" means every person or entity (including Declarant) holding a fee simple interest in a Parcel or who is the buyer of a Parcel under a recorded contract of sale. In the case of a buyer under a recorded Contract of Sale, the Seller under such Contract of Sale shall not be deemed to be an Owner from and after the date of recordation of the Contract of Sale. Each Owner shall be liable for the performance of all covenants, obligations and undertakings herein set forth with respect to the portion of the Somersett Town Center owned by it which accrue during the period of such ownership, and such liability shall continue with respect to any portion transferred until the notice of transfer set forth below is given, at which time the transferring Owner=s liability for unaccrued obligations shall terminate. At such time as any Parcel has been improved with a condominium project (whether residential or non-residential) and the units' owners association has been formed as
and to the extent then required by applicable law (in each instance, a "Unit Owners Association"), such association shall be deemed for all purposes hereunder to be the "Owner" with respect to the Parcel upon which such condominium project is located.

Except for those instances where a Unit Owners Association is deemed an Owner as provided in the next preceding sentence, if a Parcel is owned by more than one Person, the Person or Persons holding at least fifty-one percent (51%) of the ownership interest in the Parcel shall designate one of their number to represent all owners of the Parcel and such designated Person shall be deemed the Owner for such Parcel for purposes of the consents and approvals required by this Declaration. Until the notice of transfer is given, the transferring Owner shall (for the purpose of this Declaration only) be the transferee's agent.

1.29 "Owner=s Prorata Percentage of Shared Development Costs" means a fraction, the numerator of which is the square footage of land area within such Owner=s Parcel as shown on the recorded parcel or subdivision map and the denominator of which is the aggregate square footage of all Parcels comprising the Somersett Town Center. Such square footages for the Somersett Town Center on the date of recordation of this Declaration are shown on the Somersett Town Center Site Plan attached hereto.

1.30 "Parcel" means each and every portion of the Property which has been subdivided into a legally separate parcel or lot pursuant to a recorded parcel map or subdivision map, including, but not limited to, the Parcels shown on the map described in Recital C hereto; provided, however, that with respect to any parcel which is subdivided as a condominium, all units and common elements subject to and created by such subdivision collectively shall be deemed just one Parcel for all purposes hereunder. Each Parcel shall contain a Building Site and Common Easement Areas consisting of walkways, landscaped areas, and parking and driveway areas, which Common Easement Areas shall be subject to the rights of ingress, egress and parking, restrictions on use, and reciprocal easements as set forth herein. No further division of any Parcel shall in any manner impair the parking or access easements and rights of the Owners and Occupants of any other Parcel.

1.31 "Person" means any individual, partnership, firm, association, corporation, trust, or any other form of business or government entity.

1.32 "Permittee" means all Occupants and the officers, directors, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees, licensees, subtenants, and concessionaires of Occupants insofar as their activities relate to the intended development, use, and occupancy of the Somersett Town Center. Among others, Persons engaging in the following activities on the Common Easement Areas will not be considered to be Permittees:

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(i) Exhibiting any placard, sign or notice;
(ii) Distributing any circular, handbill, placard, or booklet;
(iii) Soliciting memberships or contributions;
(iv) Parading, picketing, or demonstrating; and
(v) Failing to follow regulations relating to the use of the Somerset Town Center.

1.33 "Property" or "Somerset Town Center" means all that real property which is described in Exhibit "A" attached hereto and incorporated herein by this reference, and which is commonly known as Somerset Town Center, including the land and Improvements now or hereafter located thereon, together with all easements, rights, and appurtenances belonging thereto.

1.34 "Residential Parcels" means those of the Parcels developed with multifamily residential condominium or apartment projects with only ancillary commercial uses as a part thereof, if any.

1.35 "Rules and Regulations" means such reasonable rules and regulations as the Manager shall adopt with the written approval of the Approving Owner from time to time pursuant to the terms of this Declaration. In the event of conflict between the provisions of this Declaration and the Rules and Regulations, this Declaration shall control.

1.36 "Shared Development Costs" shall have the meaning set forth in Section 3.4.2(b) hereof.

1.37 "Shared Maintenance Expenses" means the Common Area maintenance expenses which are to be shared among all of the Owners as provided in Article IV hereof.

1.38 "Somerset Town Center" means the Property, as developed, improved, used, maintained and operated pursuant to the Center Site Plan, Center Improvement Plans, and the further terms, provisions, covenants, conditions and restrictions set forth in this Declaration.

1.39 "Utility Lines" shall mean those facilities and systems for the transmission of utility services, including drainage and storage of surface water. "Common Utility Lines" shall mean those Utility Lines which are installed to provide the applicable service to all of the Parcels. "Separate Utility Lines" shall mean those Utility Lines which are installed to provide the applicable service.
solely to one of the Parcels. For the purpose of this Declaration, the portion of a Utility Line extending between a Common Utility Line and a Building shall be considered a Separate Utility Line.

ARTICLE II

EASEMENTS

Each Owner hereby grants to each and every other Owner, and Declarant hereby reserves unto itself for so long as Declarant owns any portion of the Property, non-exclusive easements for the duration of this Declaration, over, across and through the Common Easement Areas on such Parcel, for the purposes set forth in this Article II.

2.1 Ingress, Egress and Parking. Each Owner hereby grants and conveys to each other Owner for its use and for the use of its Permittees (which Permittees for the purpose of this Section 2.1 shall include Persons utilizing the nine (9) hole executive golf course in Somerset known as Canyon Nine), in common with others entitled to use the same, a non-exclusive easement for the passage of vehicles over and across the driveway areas of, and parking of vehicles upon the parking areas of, the Common Easement Areas within such Owner's Parcel as the same may from time to time be constructed and maintained for such use, and for the passage and accommodation of pedestrians over and across the parking, driveways and sidewalk areas of such Common Easement Areas, as the same may from time to time be constructed and maintained for such use. Changes to size, area or configuration of Common Easement Areas from that shown on the Center Site Plan may be made only with the prior written approval and consent of the Approving Owner. Such easement rights shall be subject to the following reservations and limitations, as well as other provisions contained in this Declaration. Except as otherwise expressly provided herein, (a) Approving Owner may designate employee parking areas on one or more of the Parcels, and to the extent so designated each Owner shall comply, or cause its Occupants to comply, therewith; and (b) each Owner reserves the right at any time and from time to time to exclude and restrain any Person who is not a Permittee from using the Common Easement Areas on its Parcel.

2.2 Utilities.

(a) Each Owner hereby grants and conveys to each other Owner non-exclusive perpetual easements in, to, over, under, along, and across those portions of the Common Easement Areas located on the grantor's Parcel necessary for the installation, operation, flow, passage, use, maintenance, connection, repair, relocation, and removal of Utility Lines serving the grantee's Parcel,
including, but not limited to, sanitary sewers, storm drains, water (fire and domestic), gas, electrical, telephone, and communication lines. All Utility Lines shall be underground except:

(i) as otherwise shown on the Center Improvement Plans and the Approved Final Plans;

(ii) as may be necessary during periods of construction, reconstruction, repair, or temporary service;

(iii) as may be required by governmental agencies having jurisdiction;

(iv) as may be required by the provider of such service; and

(v) fire hydrants.

Prior to exercising the right granted herein, the grantee shall first provide the grantor with a written statement describing the need for such easement, shall identify the proposed location of the Utility Line, and shall furnish a certificate of insurance showing that its contractor has obtained the minimum insurance coverage required by Section 5.4 hereof. Except as otherwise agreed to by the grantor and the grantee of such easements, any Owner installing Separate Utility Lines pursuant to the provisions of this subparagraph shall pay all costs and expenses with respect thereto and shall cause all work in connection therewith (including general clean-up and proper surface and/or subsurface restoration) to be completed as quickly as possible, in a manner so as to minimize interference with the use of the Common Easement Areas and in a manner so as to not unreasonably interfere with the use, occupancy or enjoyment of the grantor's Parcel. If any Owner elects to install Common Utility Lines in addition to those installed by Declarant, all repair, maintenance, replacement and other work thereon, if not performed by the utility company, shall be performed by the Owners of the Parcels served by the Common Utility Lines and the expense thereof shall be shared in the manner that such Owners shall agree in writing.

(b) The initial location of any Utility Line which is not shown on the Center Improvement Plans shall be subject to the prior written approval of the Approving Owner and the Owner whose Parcel is to be burdened thereby, such approval not to be unreasonably withheld or delayed. The easement area shall be the greater of the width reasonably necessary to satisfy the requirements of a private or public utility, or five feet (5') on each side of the centerline if the easement is granted to an Owner. Upon request, the grantee shall provide to the grantor a copy of an as-built survey showing the location of such Utility Line. The grantor shall have the right at any time to relocate a Utility Line upon thirty (30) days prior written notice, provided that such relocation:
(i) shall not interfere with or diminish the utility service to the grantee during the grantee's business hours;

(ii) shall not reduce or impair the usefulness or function of such Utility Line;

(iii) shall be performed without cost or expense to grantee;

(iv) shall be completed using materials and design standards which equal or exceed those originally used; and

(v) shall have been approved by the provider of such service and the appropriate governmental or quasi-governmental agencies having jurisdiction there over.

Documentation of the relocated utility easement area, including the furnishing to the grantee of an "as-built" survey, shall be the grantor's expense and shall be accomplished as soon as possible.

(c) Each Owner hereby grants and conveys to each Owner owning a Parcel which is adjacent to the grantor=s Parcel, the perpetual right and easement to discharge surface storm drainage and/or runoff from the grantee's Parcel over, upon, and across the Common Easement Areas of the grantor's Parcel, upon the following conditions and terms:

(i) The Common Easement Area grades and the surface water drainage/retention system for the Somersett Town Center shall be initially constructed in strict conformance with the details approved by the Approving Owner; and

(ii) No Owner shall alter or permit to be altered the surface of the Common Easement Areas or the drainage/retention system constructed on its Parcel if such alteration would materially increase the flow of surface water onto an adjacent Parcel either in the aggregate or by directing the flow of surface water to a limited area or materially decrease the purity or quality of surface water flowing onto an adjacent Parcel.

The surface water collection, retention, and distribution facilities shall be deemed a Common Utility Line.
2.3 **Construction, Maintenance, and Reconstruction.**

(a) **"As Built" Easements.** In order to accommodate any building improvements which may inadvertently be constructed beyond the boundary line for a Parcel, each Owner grants to each Owner owning an adjacent Parcel an easement in, to, over, under, and across that portion of the grantor's Parcel adjacent to such common boundary line for the maintenance and replacement of such building improvements to a maximum lateral distance of one (1) foot.

(b) **Subsurface Construction Elements.** In the event a constructing Owner (the "Constructing Owner") determines that it is necessary to place underground piers, footings and/or foundations ("Subsurface Construction Elements") across the boundary line of its Parcel, the Constructing Owner shall advise the Owner owning the adjacent Parcel (the "Adjacent Owner") of its construction requirement and shall provide plans and specifications relating thereto, including proposed construction techniques for the Subsurface Construction Elements. The Adjacent Owner hereby grants and conveys to the Constructing Owner for the benefit of its Parcel an easement, not to exceed a maximum lateral distance of five feet (5'), in, to, under, and across that portion of the Adjacent Owner's Parcel not theretofore occupied by any then existing structure, for the installation, maintenance and replacement of such Subsurface Construction Elements; provided, however, that the Constructing Owner shall have no right to use such easement if the Adjacent Owner is able to provide the Constructing Owner a reasonable alternative construction method for the placement of the Subsurface construction Elements entirely on the Constructing Owner's Parcel.

The Adjacent Owner reserves the right to require the Constructing Owner to modify the design specifications for the Subsurface Construction Elements in order to permit the Adjacent Owner the opportunity to utilize the same in connection with the construction of its building improvements to the end that each Owner shall be able to place its building immediately adjacent to the common boundary line. If a common Subsurface Construction Element is used by the Owners, each shall assume and pay its reasonable share of the cost and expense of the design and construction thereof. In the event any building utilizing a common Subsurface Construction Element is destroyed and not replaced or is removed, the common Subsurface Construction Element shall remain in place for the benefit of the other building utilizing the same.

(c) The foregoing easement grants shall not diminish or waive any right of an Owner to recover damages resulting from the constructing Owner's failure to construct its building within its Parcel in the case of (a) above, or within the easement area limits in the case of (b) above. The easements in each instance shall:

11.

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(i) be non-exclusive and continue in effect for the term of this Declaration and thereafter for so long as the Building utilizing the easement area exists (including a reasonable period to permit reconstruction or replacement of such Building if the same shall be destroyed, damaged, or demolished); and

(ii) include the reasonable right of access necessary to exercise and enjoy such easement grant, subject to the limitations described in this Declaration.

(d) Nothing herein shall be deemed to create or establish a "common" or "party" wall to be shared by Buildings constructed along the common boundary line between the Parcels.

(e) Each Owner hereby grants and conveys to each other Owner and to its respective contractors, materialmen, and laborers a temporary license for access and passage over and across the Common Easement Areas of the grantor's Parcel as shall be reasonably necessary for the grantee to construct and/or maintain improvements upon the grantee's Parcel; provided, however, that such license shall be in effect only during periods when actual construction and/or maintenance is being performed and provided further that the use of such license shall not unreasonably interfere with the use, operation, and enjoyment of such Common Easement Areas by others. Prior to exercising the rights granted herein, the grantee shall first provide the grantor with a written statement describing the need for such license, and shall furnish a certificate of insurance showing that its contractor has obtained the minimum insurance coverage required by Section 5.4(b) hereof. Any Owner availing itself of the temporary license shall promptly pay all costs and expenses associated with such work, shall diligently complete such work as quickly as possible, and shall promptly clean the area, and restore and/or repair the affected portion of the Common Easement Areas to a condition which is equal to or better than the condition which existed prior to the commencement of such work. Notwithstanding the foregoing, in the event a dispute exists between the contractors, laborers, and suppliers and/or others connected with construction activities, each Owner shall have the right to prohibit the contractors, laborers, suppliers and/or others working for another Owner from using the Common Easement Areas on its Parcel.

2.4 Restriction. No Owner shall grant any easement or license for the purpose set forth in this Article for the benefit of any property not within the Somersett Town Center or for the benefit of any Person in connection with any activity not related to the Somersett Town Center; provided, however, that the foregoing shall not prohibit the granting or dedicating of easements by an Owner on its Parcel to governmental or quasi-governmental authorities or to public utilities.

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ARTICLE III

CONSTRUCTION

3.1 General Requirements.

(a) Each Owner agrees that all construction activities performed by it within the Somersett Town Center shall be performed in compliance with all applicable laws, rules, regulations, orders, and ordinances of the city, county, state, and federal government, or any department or agency thereof and shall be constructed in accordance with the Center Improvement Plans and the Approved Final Plans for each Parcel.

(b) Each Owner further agrees that its construction activities shall not:

   (i) cause any unreasonable increase in the cost of constructing improvements upon another Owner’s Parcel;

   (ii) unreasonably interfere with construction work being performed on any other Owner of the Somersett Town Center;

   (iii) unreasonably interfere with the use, occupancy, or enjoyment of any part of the remainder of the Somersett Town Center by any other Owner or its Permittees; or

   (iv) cause any building located on another Parcel to be in violation of any law, rule, regulation, order, or ordinance authorized by any city, county, state, federal, government, or any department or agency thereof.

(c) In connection with any construction, reconstruction, repair or maintenance on its Parcel, each Owner reserves the right to create a temporary staging and/or storage area in the Common Easement Areas or in the Building Site on its Parcel at a location which will not unreasonably interfere with access between such Parcel and the other areas of the Somersett Town Center. Prior to the commencement of any work which requires the establishment of a staging and/or storage area on its Parcel, an Owner shall give at least thirty (30) days prior notice to the Approving Owner, for its approval of the proposed location. If the Approving Owner does not approve the proposed location of the staging and/or storage area, the Owner shall modify the proposed location to satisfy the reasonable requirements of the Approving Owner. If substantial work is to be performed, the constructing Owner shall, at the request of any Approving Owner, fence off the staging and storage area. All storage of materials and the parking of construction vehicles,
including vehicles of workers, shall occur only on the constructing Owner's Parcel, and all laborers, suppliers, contractors, and others connected with such construction activities shall use only the access points located upon the constructing Owner's Parcel. Upon completion of such work, the constructing Owner shall restore the affected Common Easement Areas to a condition equal to or better than that existing prior to commencement of such work. At all times during construction on a Parcel, adequate measures shall be taken for dust control. All streets and sidewalks shall be kept free of debris and other materials.

3.2 **Indemnity.** Each Owner agrees to defend, indemnify, and hold harmless each other Owner from all claims, losses, liabilities, actions, proceedings, and costs (including reasonable attorneys' fees and costs of suit), including liens, and any accident, injury, loss or damage whatsoever occurring to any Person or to the property of any Person arising out of or resulting from any construction activities performed or authorized by such indemnifying Owner, including, but not limited to, the creation of dust hazards by the indemnifying Owner; provided, however, that the foregoing shall not be applicable to events or circumstances caused by the negligence or willful act or omission of such indemnified Owner, its licensees, concessionaires, agents, servants, employees, or anyone claiming by, through, or under any of them.

3.3 **Minimum General Design Standards.** The following minimum general design standards shall be complied with throughout the term of this Declaration:

3.3.1 **Lighting.**

(a) **Common Easement Areas.** The lighting system throughout the Common Easement Areas shall be connected to common utility meters and controls to be operated by the Manager at the direction of the Approving Owner. Light poles and fixtures shall be decorative and shall complement the architectural theme of the Somersett Town Center approved by the City. Parking lot lighting shall not exceed 30' in height and the lighting fixtures shall direct light downward. The type and design of the Common Easement Areas lighting standards shall be designated by the Approving Owner.

(b) **Buildings.** All lighting which shines outside the exterior perimeter of each Building shall be approved by Approving Owner as set forth in Section 3.6 hereof. In addition, lighted building signage shall comply with the provisions of Section 5.3(e) hereof.

3.3.2 **Slopes.** The slope in the parking area shall not exceed the maximum and minimum slopes set forth in the Center Improvement Plans and in the Approved Final Plans.

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3.3.3 Sidewalks, Parking Areas and Driveways. All sidewalks and pedestrian aisles shall be concrete or other approved materials. The automobile parking areas, drives, and access roads shall be designed in conformity with the recommendations of a registered soils engineer approved by the Approving Owner.

3.3.4 Utility Lines. Utility Lines that are placed underground shall be at depths designated by consultants approved by the Approving Owner. If surface water retention and/or detention areas are located outside of the general parking lots, such areas shall be fenced or otherwise secured to impede public access thereto.

3.3.5 Parking Spaces. The Somerssett Town Center has been designed so that the parking areas on each of the Parcels may not contain sufficient parking spaces in order to comply with the minimum parking requirements of the City as they relate to uses within such Parcel; provided, however, that the total parking spaces within the Common Easement Areas are sufficient to satisfy present City requirements for parking for each Parcel. In the event of condemnation of part of a Parcel or sale or transfer in lieu thereof that reduces the number of usable parking spaces below that which is required herein, the Owner whose Parcel is so affected shall use its best efforts (including using proceeds from the condemnation award or settlement) to restore and/or substitute parking spaces in order to comply with the parking requirements set forth in this Declaration. If such compliance is not possible, such Owner shall not be deemed in default hereunder, but such Owner shall not be permitted to expand the floor space within the Building(s) located upon its Parcel. If such floor space is thereafter reduced other than by casualty, then the floor space on such Parcel may not subsequently be increased unless the parking requirement is satisfied.

3.3.6 Landscaping. All landscaping shall be in conformance with the Center Improvement Plans and the Approved Final Plans.

3.3.7 Signage. There shall be no freestanding signs other than (a) the monument sign at the locations shown on the Center Site Plan, and (b) the pylon sign on Parcels 2A and 3A. Prior to installation, the sign materials shall be approved by the City and the Approving Owner and shall contain "anti-graffiti" coating, where required.

3.3.8 Trash Enclosures. Trash bins shall be stored in enclosures. Trash enclosures shall be located in the areas shown on the Center Site Plan and shall be constructed of materials and incorporate the colors which have been approved by the City. The construction plans and specifications for trash enclosures shall be approved by Approving Owner in the manner set forth in Section 3.6 hereof. The sides of the enclosures shall be treated with an "anti-graffiti" coating. No chain link fencing shall be permitted.
3.3.9 Drive-through Businesses. All drive-through businesses shall construct decorative walls as required by the City which are compatible with the architectural theme of the Somersett Town Center and shall include enclosed speaker boxes which are directed away from neighboring residences.

3.3.10 Handbook Controls. Notwithstanding any term or provision of this Section 3.3 to the contrary, all items and matters referenced or identified in Sections 3.3.1 through 3.3.9 shall be in full compliance with, and subject to, the applicable requirements of the Handbook, and to the extent of any inconsistency between the terms and provisions of such Section and the applicable provisions of the Handbook, the more restrictive provision shall control.

3.4 Common Area Development Covenants.

3.4.1 General. The Common Areas of the Somersett Town Center shall be initially constructed as shown on the Center Improvement Plans and the applicable Approved Final Plans, provided, however, that no fence or other barrier which would prevent or unreasonably obstruct the passage of pedestrian or vehicular travel shall be erected or permitted within or across the Common Easement Areas, exclusive of the limited curbing and other forms of traffic control depicted on the Center Improvement Plans, or permitted staging and/or storage areas.

3.4.2 Construction Obligations. Each Owner shall have the obligation to construct in accordance with the Center Site Plan and the Approved Final Plans for such Owner's Parcel all Improvements to the Common Easement Areas within such Owner's Parcel which Declarant does not construct, including any additional internal driveways within such Parcel, curbs, gutters, sidewalks, landscaped areas, parking lots, underground utilities, sanitary sewer lines, storm drains, electrical and gas lines, telephone and television cables and lines, street lights, parking area lighting, signs, and related Improvements. No Owner shall do anything which would change the pattern of traffic flow for the Somersett Town Center from that shown on the Site Plan, nor shall any owner construct or modify any Building so as to cause a decrease in the parking spaces upon such Owner's Parcel without the written consent of all other Owners, the Approving Owner and the City (to the extent required). No Improvements shall be constructed, erected or maintained upon any Common Easement Area, unless approval therefor is first obtained from the Approving Owner in the manner set forth in Section 3.6 hereof, and from the City if so required. In addition, all Improvements must be in full compliance with the Handbook.

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3.5 Building Improvements.

(a) Each Building on a Parcel shall be located only within the Building Site designated on the Center Site Plan or Approved Final Plans for such Parcel approved in accordance with the procedures set forth in Section 3.6 hereof. The Building Site within each Parcel shall not exceed the maximum number of square feet designated on the Center Site Plan.

(b) The exterior of all Buildings to be constructed or placed within the Somersett Town Center shall be architecturally and aesthetically compatible. In order to insure the exterior architectural and aesthetic compatibility of the Buildings within the Somersett Town Center, each Owner shall submit to the Approving Owner detailed plans and specifications ("Plans") covering the initial construction of each Building and any additions, remodeling, reconstruction, or other alteration thereto which changes the exterior thereof for approval in the manner set forth in Section 3.6 hereof.

(c) No Building or other structure (exclusive of any light poles, the pylon or flag poles referred to in Section 5.3 hereof) shall exceed the lesser of (i) the size and height permitted by applicable law, or (ii) the Handbook.

The height of any Building shall be measured perpendicular from the finished floor elevation to the top of the roof structure, including any screening, parapet, penthouse, mechanical equipment, or similar appurtenance located on the roof of such Building. Subject to the Handbook, any Owner shall have the right to install, maintain, repair, replace and remove Communications Equipment on the top of the building on its Parcel so long as it does not extend above the height limits established above; provided, however, such Communications Equipment shall be screened so that it is not visible by customers of the Somersett Town Center, and under no circumstance shall any commercial cell tower or other commercial telecommunication facility or improvement of any kind or nature be placed in the Somersett Town Center. As used herein, the phrase "Communications Equipment" means such things as satellite and microwave dishes, antennas and laser heads, together with associated equipment and cable. An elevation certificate executed by the licensed architect which prepared the building plans shall be submitted to the Approving Owner pursuant to Section 3.6 hereof.

(d) Each Owner shall have the obligation to substantially complete the Buildings within such Owner=s Parcel which are shown on the Center Site Plan (excluding tenant improvements) by obtaining a certificate of occupancy for such improvements within three (3) years after the recordation of the first deed to such Parcel wherein Declarant is the grantor. In the event any Owner breaches the covenant in the preceding sentence, Declarant shall notify such Owner in
writing and such Owner shall have a period of sixty (60) days thereafter to comply with such construction requirement. In the event of non-compliance, Declarant shall have the exclusive right and option to repurchase such Parcel ("Declarant=s Repurchase Option"), exercisable within six (6) months after the expiration of such 60-day notice, by so notifying the defaulting Owner ("Selling Owner") in writing, at a price equal to seventy-five percent (75%) of the Appraised Value. As used herein, "Appraised Value" shall be determined as follows:

(i) Within fifteen (15) days after exercise of Declarant=s Repurchase Option, Declarant and Selling Owner shall each appoint an appraiser ("Appraiser") who is a member of the American Institute of Real Estate Appraisers with at least five (5) years of commercial appraisal experience in the Reno area ("MAI"). Each Appraiser shall appraise the fair market value of the subject Parcel using generally accepted appraisal principles, and shall submit his or her written appraisal to Declarant and Selling Owner within sixty (60) days after the date such Appraiser was appointed. Either Declarant or Selling Owner may reject the appraisal by giving written notice to the other within five (5) days after receipt of such appraisal. If the lower of the two (2) appraisals differs from the higher appraisal by ten percent (10%) or less then the average of the two (2) appraisals shall be the Appraised Value of the Property. If such difference is greater than ten percent (10%), then the current President of the Chapter of the American Institute of Real Estate Appraisers having jurisdiction over the area where the Property is located ("MAI Chapter President") shall designate a qualified member ("Third Appraiser"), upon written request of either party, to appraise the fair market value of the subject Property. The Third Appraiser shall submit its appraisal to the Declarant and Selling Owner within sixty (60) days after the designation of the Third Appraiser. The appraisal of the Third Appraiser shall bind the Declarant and Selling Owner and shall establish the Appraised Value of the Property, except that if the appraisal of the Third Appraiser is less than the lower of the first two (2) appraisals, or higher than the higher of the first two (2) appraisals, the Appraised Value shall be the appraisal which is neither the highest nor the lowest of the three (3) appraisals.

(ii) If either party fails to appoint an Appraiser pursuant to this Section, then the appraisal of the Appraiser appointed pursuant to the provisions hereof shall establish the Appraised Value.

(iii) Declarant and Selling Owner shall each pay one-half (1/2) of the fees and expenses of all of the Appraisers appointed pursuant to the terms hereof.

The date on which a Building is "Substantially Complete" is the date on which a certificate of occupancy is issued by the City. Percentage of completion shall be determined by draw requests
which have been submitted by the contractor constructing the Building and paid by the Owner. The discounted purchase price set forth herein shall be deemed to be liquidated damages payable to Declarant. By acceptance of its deed to a Parcel, the Owner thereof agrees that the damages which the Declarant and the Somerset Town Center project will suffer as a result of a breach of the completion agreement set forth in this subparagraph (f) are difficult or impossible to ascertain and that the amount of such discount is a reasonable estimate of such damages, including, but not limited to, sales commissions, holding costs and reduced Somerset Town Center revenues.

3.6 Procedure for Approval of Plans and Specifications.

(a) Delivery of Plans. No later than forty-five (45) days before the commencement of construction work on a Parcel, the Owner or its representative shall submit detailed plans and specifications of the Buildings and Common Easement Area Improvements to the Approving Owner, which shall be in substantial conformity with the architectural theme, conceptual drawings and elevations and other requirements and elements approved by the City pursuant to the Handbook. The term "Plans" includes all (i) plats, parcel, subdivision and condominium maps that subdivide the Land; (ii) site, circulation, parking and traffic plans; and (iii) utility plans.

(b) Approval Procedure. If the Approving Owner should reject the Plans, the submitting Owner and the Approving Owner shall mutually consult to establish approved Plans for the proposed work. The Approving Owner shall not arbitrarily or unreasonably withhold approval of the Plans, nor shall it withhold approval of exterior remodeling or exterior reconstruction which does not either substantially enlarge an existing structure, or substantially change an existing structure, subject, however, to the restrictions of the Handbook. Approval of Plans by the Approving Owner shall not constitute assumption of responsibility for the accuracy, sufficiency, or propriety thereof, nor shall such approval constitute a representation or warranty that the Plans comply with applicable laws. No material deviation shall be made from the approved Plans. Any Plans or revised Plans which are submitted to Approving Owner and not disapproved within twenty (20) days after submittal shall be deemed approved. Plans approved by Approving Owner in the manner set forth herein and by the City are herein called "Approved Final Plans".

3.7 Phased Development. All Center Improvement work for the Somerset Town Center shall be performed in accordance with and subject to the terms and conditions applicable thereto set forth elsewhere in this Declaration and in accordance with this Section 3.7. All of the work applicable to any Parcel shall be completed prior to the earlier of (a) initial occupancy of any Building on such Parcel in question or (b) issuance of any certificate of occupancy for any such Building. Once commenced, all of the work for the Parcel in question shall proceed continuously and with all due diligence to completion.
3.8 Limitations on Modifications.

3.8.1 To Applicable Land Use and Zoning Classifications. No Owner shall make application to change the present zoning on such Owner's Parcel or to amend the land use classification for the Somersett Town Center or modify the Center Site Plan, without the prior written consent of the Approving Owner.

3.8.2 To Common Easement Area Improvements. No Owner shall make changes to the Common Easement Areas on its Parcel without the approval of the Approving Owner, except that each Owner hereby reserves the right, from time to time, without obtaining the consent or approval of any other Owner, to make at its own expense any insignificant change, modification or alteration in its portion of the Common Easement Areas, including the installation of convenience facilities such as mailboxes, public telephones, and benches provided that:

(i) the accessibility of such Common Easement Areas for pedestrian and vehicular traffic (as it relates to the remainder of the Somersett Town Center) is not unreasonably restricted or hindered, and all parking stalls and rows and vehicular traffic lanes shall remain generally as shown on the Center Site Plan;

(ii) there shall be maintained at all times within such Common Easement Areas, a sufficient number of vehicular parking spaces to meet the minimum requirements of the City for the uses within the Parcel;

(iii) no governmental rule, ordinance, or regulation shall be violated as a result of such action, and such action shall not result in any other Owner being in violation of any governmental rule, ordinance, or regulation;

(iv) no change shall be made in the access points between the Common Easement Areas and the public streets; provided, however, that additional access points may be created with the approval of the Approving Owner, such approval not to be unreasonably withheld; and

(v) at least thirty (30) days prior to making any such change, modification, or alteration the Owner desiring to do such work shall deliver to each other Owner copies of the plans therefor.

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The provisions of this Section 3.8 do not apply to any changes, modifications, or alterations of Common Easement Areas located within any Building Site which result from or arise out of the construction, expansion, or maintenance of buildings.

Notwithstanding anything contained herein to the contrary, any change to the access points or the major driveways from that which is shown on the Center Site Plan must be approved by each of the Owners.

ARTICLE IV

MAINTENANCE AND REPAIR

4.1 Utility Lines.

(a) Each Owner shall maintain and repair, or cause to be maintained and repaired, in a good state of repair and safe condition, all Separate Utility Lines utilized by it regardless of where located. Any maintenance and repair of nondedicated utilities located on another Owner's Parcel shall be performed: after two (2) weeks' notice to the grantor (except in an emergency the work may be initiated with reasonable notice); after normal business hours whenever possible; and in such a manner as to cause as little disturbance in the use of the grantor's Parcel as is practicable under the circumstances. Any Owner performing or causing to be performed maintenance or repair work agrees: to promptly pay all costs and expenses associated therewith; to diligently complete such work as quickly as possible; and to promptly clean the area and restore the affected portion of the Common Easement Areas to a condition equal to or better than the condition which existed prior to the commencement of such work.

(b) Common Utility Lines shall be maintained and replaced as part of the Common Easement Areas pursuant to Section 4.2 below.

4.2 Common Easement Area Maintenance.

4.2.1 Owner Maintenance Obligations.

(a) Improved Parcels. Subject to the joint maintenance provision set forth in Section 4.2.2 below, each Owner of an improved Parcel shall maintain, or cause to be maintained, the Common Easement Areas on its Parcel in a sightly, safe condition, and good state of repair in accordance with the applicable provisions of this Declaration. For purposes of the maintenance obligations set forth in this Article IV, an improved Parcel shall be one in which a certificate of
occupancy has been issued for the Building or Building "shell" within the Parcel, provided, however, that if more than one Building is to be constructed within such Parcel, the unimproved Building Sites and the unpaved portions of the Common Easement Areas such Parcel shall be deemed unimproved and shall be maintained in accordance with subsection 4.2.1(b) hereof. The minimum standard of maintenance for the improved Common Easement Areas shall be comparable to the standard of maintenance followed in other first-class retail and mixed use developments of comparable size in the Reno, Nevada area; notwithstanding the foregoing, however, the Common Easement Areas shall be operated and maintained in compliance with all applicable governmental laws, rules, regulations, orders and ordinances, and the provisions of this Declaration. All Common Easement Area Improvements described in this Section 4.2.1 and elsewhere in this Declaration shall be repaired or replaced with materials as substantially similar as is commercially reasonable to, and at least equal to the quality of the materials being repaired or replaced so as to maintain the architectural and aesthetic harmony of the Somerset Town Center as a whole. The maintenance and repair obligation of each Owner shall include but not be limited to the following:

(i) Separate Utility Lines. Maintaining, cleaning, replacing, any and all separate Utility Lines.

(ii) Obstructions. Keeping the Common Easement Areas free from any and all obstructions, unless such obstructions are caused by Improvements permitted under the provisions of this Declaration.

(iii) Sidewalks and Owner Installed Landscaping. Maintaining, cleaning and replacing of all sidewalks serving exclusively the Buildings within such Owner=s Parcel. Owner Installed Landscaping shall be kept in an attractive and thriving condition, trimmed and weed free, and shall be irrigated with automatic sprinkling or drip systems. Sidewalks shall be cleaned regularly and swept at appropriate intervals at such times as shall not interfere with the conduct of business or use of the Common Easement Areas and landscaping installed by the Owner of the Parcel.

(b) Unimproved Parcels. All unimproved Parcels or portions thereof shall be landscaped or otherwise treated by the Owner thereof, at its sole cost and expense, and kept litter-free. Acceptable landscaping of unimproved Parcels, or portions thereof, includes grasses, groundcovers and/or wildflowers. All such landscaping shall be irrigated and maintained in a healthy condition until construction is commenced on such Parcel or unimproved portion thereof. The Somerset Town Center shall have the obligation to maintain such landscaping under the supervision of the Manager, until such time as construction work commences on such Parcel. All such maintenance costs shall be charged solely to the Owner of the unimproved Parcel as a portion of
the Annual Assessment. From and after the date construction commences on an unimproved Parcel, until construction of the Buildings and all Common Easement Area Improvements thereon is substantially complete, the Owner thereof shall assume all maintenance responsibilities therefor. The Owner of an unimproved Parcel or of a Parcel on which construction has commenced shall be responsible for the occurrence of dust hazards emanating from its Parcel.

4.2.2 Shared Maintenance Expenses.

(a) Somerset Town Center Maintenance Obligations. Until the later of (i) the issuance of a certificate of occupancy for a Building within a Parcel or (ii) the appointment by the Approving Owner of the Manager for the Somerset Town Center ("Management Commencement Date"), each Owner shall maintain the improved Common Easement Areas in its Parcel in accordance with the provisions of Section 4.2.1 above and this Section 4.2.2. Commencing on the Management Commencement Date for such Parcel, the Manager shall assume the operational duties of the Manager as set forth herein and shall cause to be performed the following described maintenance within the improved Common Easement Areas of the Parcel; the cost of which, together with the Manager=s Fee described in Section (b) below, are the "Shared Maintenance Expenses":

(i) Debris and Refuse. Periodic removal of all papers, debris, filth and refuse on all parking areas and driveways within the Common Easement Areas to the extent necessary to keep the same in a first-class, clean and orderly condition; provided, however, that Occupant trash and/or garbage removal shall not be a Shared Maintenance Expense. All sweeping shall be at appropriate intervals during such times as shall not interfere with the conduct of business or use of the Common Easement Areas by Permittees.

(ii) Non-Occupant Signs and Markers. Maintaining, cleaning any appropriate directional, stop or handicapped parking signs; restriping lots and drive lanes as necessary to maintain parking space designation direction; and keeping clearly marked fire lanes, loading zones, no parking pedestrian cross-walks.

(iii) Lighting. Maintaining, cleaning and replacing Common Easement Area lighting facilities, including light standards, wires, conduits, lamps, ballasts and clocks and circuit breakers.

(iv) Common Utility Lines. Maintaining, cleaning and replacing any Common Utility Lines which are not maintained by a public utility;

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(v) **Perimeter.** Maintaining, cleaning, repairing and replacing the walls constructed by Declarant as Declarant's Improvements along the perimeter boundaries of the Somerset Town Center;

(vi) **Drive and Parking Areas.** Maintaining and repairing all paved surfaces and curbs in a smooth and evenly covered condition, including, without limitation, replacement of base, skin patch, resealing and resurfacing. (For the purpose of this Section, an overlay of the drives and parking areas shall be considered a maintenance item);

(vii) **Landscaping.** Maintaining and replacing all landscaping in an attractive and thriving condition, trimmed and weed free and operating, maintaining and replacing, if necessary, all automatic sprinkler systems serving the perimeter landscaping;

(viii) **Signs.** Maintaining the Signs (defined in Section 5.3(b)) and repairing and replacing all Signs and the lighting thereof.

All Common Easement Area Improvements described in this Section 4.2.2 shall be repaired or replaced with materials as substantially similar as commercially reasonable to at least equal to the quality of, the materials being repaired or replaced so as to maintain the architectural and aesthetic harmony of the Somerset Town Center as a whole.

(b) **Manager=s Fee.** Manager shall be paid as its fee for managing the Somerset Town Center ("Management Fee") an amount which is equal to the customary fee charged by managers of similar commercial properties in the Reno area. Nothing set forth herein shall preclude Approving Owner or Approving Owner=s Designee from acting as the Manager of the Somerset Town Center so long as such Person is properly licensed or legally authorized and its Management Fee meets the criteria set forth herein.

(c) **Budget.** Within sixty (60) days after the recording of this Declaration, and thereafter by January 31 of each calendar year, the Manager shall submit to the Approving Owner an estimated budget ("Budget") for the Shared Maintenance Expenses estimated to be incurred in the operation and maintenance of the Common Areas of the Somerset Town Center for the ensuing calendar year. The Budget shall include reasonable reserves for replacement of Declarant=s Improvements and shall be in a form reasonably acceptable to the Approving Owner.

The Manager may hire companies affiliated with it to perform the maintenance and operation of the Common Areas, but only if the rates charged by such companies are competitive with those of other companies furnishing similar services in the metropolitan area in or about the Somerset Town
Center, it being agreed that this provision shall be construed strictly against Manager. Each Owner hereby grants to Manager, its agents and employees a license to enter upon its Parcel to discharge the duties to operate, maintain, and repair the Common Easement Areas within such Parcel. Manager shall expend only such funds as are reasonably necessary for the operation, maintenance, and insurance of the Common Areas as provided herein and shall promptly pay such costs ("Costs") when incurred. Shared Maintenance Expenses shall not include the following, which shall be paid by the Owner of the Parcel:

(A) any costs to clean up or repair the Common Easement Areas resulting from promotional or construction activities of such Owner; or

(B) real property taxes and assessments; or

(C) utilities separately metered and provided to a particular Parcel and not benefiting another Parcel or Parcels.

In the event the Budget is approved by the Approving Owner, the Manager shall, within twenty (20) business days thereafter, provide the Owners with copies of the approved Budget. Each Owner agrees to pay its share thereof in accordance with Section (d) below.

The Manager shall use its best efforts to operate and maintain the Common Areas in accordance with the Budget. Notwithstanding the foregoing, Manager shall have the right to make emergency repairs to the Common Areas to prevent injury or damage to person or property, it being understood that Manager shall nevertheless advise each Owner of such emergency condition as soon as reasonably possible, including the corrective measures taken and the cost thereof. If the cost of the emergency action exceeds the amount allocated in the Budget for emergencies as contingencies, then Manager may submit a supplemental billing to each Owner, together with evidence supporting such payment, and each Owner shall pay its share thereof within thirty (30) days.

(d) **Allocation of Shared Maintenance Expenses.** Each Owner shall pay such Owner’s Prorata Percentage (as defined in Section 1.24 hereof) of the Shared Maintenance Expenses. The Shared Maintenance Expenses allocable to each Parcel shall be assessed as set forth in Section 7.3 hereof as the Annual Assessment, the payment of which shall be secured by a lien as set forth in Section 7.10 hereof.

Each Owner shall pay to the Manager in equal monthly payments, in advance, (or in such other periodic installments as may be established by the Manager), its share of the Shared Maintenance Expenses based either upon the amount set forth in the approved Budget, or if a Budget

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is not approved, the monthly payment established for the prior year. The Manager shall reasonably estimate such costs for the partial year during which the maintenance obligations commence and each Owner shall make its first payment on the first day of the month following the Management Commencement Date (as defined in Section 4.2.2(a) hereof). Within ninety (90) days after the end of each calendar year, Manager shall provide to each Owner who has made written request therefor a statement certified by an authorized Person, together with copies of invoices and other materials setting forth the actual Shared Maintenance Expenses incurred by it for the operation and maintenance of such Common Areas, and each Owner's share of the aggregate thereof. If the amount paid by an Owner for such calendar year shall have exceeded its share (which excess amount is herein termed "surplus") then, at the election of the Approving Owner, Manager shall either (i) apply the surplus to the Annual Assessment for the next fiscal year or to any other unpaid Assessment which such Owner is obligated to pay, or (ii) refund the excess to such Owner within thirty (30) days after such certified statement is delivered. If the amount paid by an Owner for such year shall be less that its share, such Owner shall pay the balance of its share to Manager within thirty (30) days after receipt of such certified statement.

Within two (2) years after receipt of any such certified statement, each Owner shall have the right to audit Manager's books and records pertaining to the operation and maintenance of the Common Area for the calendar year covered by such certified statement; the Owner shall notify Manager of its intent to audit at least fifteen (15) days prior to the designated audit date. In the event that such audit shall disclose any error in the determination of the Shared Maintenance Expenses, or in the allocation thereof to a Parcel, an adjustment shall be made forthwith. The cost of any audit shall be assumed by the Owner requesting the audit unless such Owner shall be entitled to a refund in excess of three (3%) percent of the amount calculated by Manager as its share for the calendar year, in which case the Manager shall pay the cost of such audit.

(e) Damage or Destruction. In the event any of the Common Easement Area is damaged or destroyed by any cause whatsoever, whether insured or uninsured, during the term of this Declaration, other than damage caused by ordinary use or wear and tear, the Owner upon whose Parcel such Common Easement Area is located shall repair or restore such Common Easement Area at its sole cost and expense with all due diligence. In the event damage or destruction of the Common Easement Area is caused in whole or in part by an Owner, the Manager reserves and retains the right to proceed against such Owner for indemnity, contribution, or damages.

4.3 Maintenance of Building(s) and Other Improvements Within the Building Site.

(a) After completion of construction, each Owner covenants and agrees to maintain and keep the exterior portion of the Buildings and other Improvements located within the

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Building Site of its Parcel in first-class condition and state of repair in a manner consistent with other first-class retail developments of comparable size in the Reno, Nevada area, in compliance with all governmental laws, rules, regulations, orders, and ordinances exercising jurisdiction there over, and in compliance with the provisions of this Declaration. Each Owner further agrees to store all trash and garbage in adequate containers, to locate such containers in accordance with the Center Improvement Plans, or if not shown thereon, the Approved Final Plans, and to arrange for regular removal of such trash or garbage.

(b) In the event any of the Building(s) or other Improvements are damaged by fire or other casualty (whether insured or not), the Owner upon whose Parcel such building improvements are located shall, subject to governmental regulations and/or insurance adjustment delays, immediately remove the debris resulting from such event and provide a sightly barrier, and within a reasonable time thereafter shall either (i) repair or restore the building improvements so damaged to a complete unit, such repair or restoration to be performed in accordance with all provisions of this Declaration or (ii) erect other building improvements in such location, such construction to be performed in accordance with all provisions of this Declaration. Such Owner shall have the option to choose which of the foregoing alternatives to perform, but such Owner shall be obligated to perform one of such alternatives. Such Owner shall give notice to each other Owner within forty-five (45) days from the date of such casualty of which alternative it elects.

4.4 Maintenance Violations and Manager's Right to Correct Maintenance Violation.

(a) Maintenance Violation Notice. If any Owner allows, permits, or causes any condition to exist on such Owner's Building Site which in the sole reasonable discretion of the Manager is unsightly, unsanitary, or hazardous, or fails to maintain the Building(s) within such Owner's Building Site or the Improvements on the Common Easement Areas within its Parcel in accordance with the provisions of this Declaration (herein collectively "Maintenance Violation"), then except as otherwise provided in Section 4.5 in the case of an emergency, the Manager shall give the Owner of the Parcel on which such condition exists, written notice ("Maintenance Violation Notice") specifying the nature of the Maintenance Violation and a reasonable time period within which the Owner(s) must correct such Maintenance Violation, which Maintenance Violation Notice shall specify the time period within which such Owner(s) shall correct such Maintenance Violation as the Manager determines is reasonably required, which notice period shall be no less than thirty (30) days. If more than thirty (30) days is reasonably required to correct such Maintenance Violation then the Maintenance Violation Notice shall specify such longer cure period as the Manager deems reasonable, provided, however, that such Maintenance Violation Notice shall state that the curative work shall be commenced within thirty (30) days after the Maintenance Violation Notice is given.
(b) **Owner’s Right to File An Objection.** The Owner of the Parcel to whom a Maintenance Violation Notice is given shall have the right to file a written objection thereto with the Manager within ten (10) days after such Owner is deemed to have received such Maintenance Violation Notice. In the event such an objection is filed, then within sixty (60) days after the objection is filed the Manager, the Approving Owner and another Owner (other than the defaulting Owner) appointed by the Approving Owner shall serve as an arbitration panel (herein "the Arbitration Panel") to hold a hearing regarding such Maintenance Violation. Notice of such hearing and the time and place thereof, shall be given to the Owner to whom the Maintenance Violation Notice is given and any other Owners who have filed Owner Complaints (defined below) at least five (5) business days prior to the date set for such hearing. The Arbitration Panel shall give written notice of its decision to the Owner against whom the Maintenance Violation Notice was given as to whether or not a Maintenance Violation exists and the nature of such violation. Copies of such decision shall be mailed to all persons who filed an Owner Complaint. The decision of the Arbitration Panel shall be conclusive as to whether or not a Maintenance Violation in fact exists. The notice period within which a Maintenance Violation must be cured shall be tolled from the date of filing such objection until the date the Arbitration Panel notifies the Owner in writing of its decision.

(c) **Manager=s Right to Correct Maintenance Violation or Assess Liquidated Damages.** If the Owner fails to correct a Maintenance Violation within the period specified in the Maintenance Violation Notice (as such period may have been tolled by the filing of an objection), then the Manager shall have the right to levy (in the manner provided in Section 7.5 below) a Violation Assessment against the defaulting Owner(s) in an amount equal to the cost of the corrective work, and, at such time as the Violation Assessment is fully paid, to undertake and perform such work through its agents and employees as the Manager may deem be necessary or desirable to remedy the Maintenance Violation.

(d) **Procedure for Filing Owner Complaints.** In the event that the Manager fails to give a Maintenance Violation Notice to an Owner who has defaulted in his maintenance obligation hereunder, then upon the filing with the Manager of a written complaint (herein "Owner Complaint") executed by the Owners of any two (2) Parcels, the Manager shall have the obligation to give such Maintenance Violation Notice.

(e) **Procedure for Manager=s Correction of Maintenance Violation.**

(i) **Bids.** Promptly after the expiration of the cure period afforded a defaulting Owner, the Manager shall obtain three (3) written bids to perform the work to
correct the Maintenance Violation and shall mail the bids to the Owner(s) of the Parcels on which a Maintenance Violation exists in the manner provided in this Declaration for the giving of notices. Such Owner shall have the right to select the bid by notifying the Manager in writing within five (5) days after the bids are so mailed by the Manager to the Owner. In the event the Owner fails to select a bid within such time period, the Manager shall select the bid.

(ii) Violation Assessment. When the bid has been selected as set forth in subparagraph (i) above, the Manager shall levy a Violation Assessment against the Owner(s) of the Parcel on which a Maintenance Violation exists to pay for the cost of correcting the Maintenance Violation.

(iii) Performance of Corrective Work By Manager. The Manager shall have the duty to cause the corrective work to be commenced promptly after the Violation Assessment has been levied against and collected from the defaulting Owner; provided, however, that the Manager may, in its sole discretion, elect to begin the corrective work before the Violation Assessment is collected from the Owner. Neither the Manager, nor any of the Manager’s agents or employees, nor any person hired by the Manager to perform the corrective work, shall be liable for any damage which may result from any work performed by or on behalf of the Manager to cure a Maintenance Violation.

4.5 Manager’s Right of Entry for Repair and Maintenance. Each of the Owners hereby grants to the Manager, and its duly authorized agents, representatives, employees and contractors, the right of entry onto such Owner’s Parcel, including entry within the Building and other Improvements thereon, which right shall be irrevocable, to make such repairs and perform such maintenance work which the Manager is required or entitled to do pursuant to the provisions of this Declaration. Except as otherwise provided below with respect to emergencies, such right of entry shall be exercised only during reasonable hours and after reasonable notice. In the event the Manager believes, in its sole reasonable discretion, that an emergency situation exists within a Parcel or within the Building or other Improvements thereon, and that immediate repairs are necessary to prevent or mitigate damage to any Parcel, including the Improvements thereon, then the Manager shall have the right to exercise its right of entry without notice. If after gaining entry, the Manager still believes in its sole reasonable discretion, that immediate repairs are necessary to prevent or mitigate damages to any Parcel or the Building or other Improvements thereon, then the Manager shall have the right to make such repairs without notice to the Owner of the Parcel or hearing as required by subsection (b) above, and without obtaining competitive bids as provided in subsection (b) above. The Manager shall levy a Violation Assessment against the Owner(s) of the Parcel in which the repairs were made in the amount of the cost of the corrective work and all costs and expenses incurred by the Manager.
incident thereto. Neither the Manager, nor any of its agents or employees, nor any person hired by the Manager to perform the corrective work, shall be liable for any damage which may result from any work so performed. In the event any Owner(s) prevents representatives of the Manager accompanied the Manager from gaining access to any portion of such Owner(s) Parcel (including the Building(s) and other Improvements thereon) for the purpose of correcting a Maintenance Violation or for the purpose of attending to an emergency situation, all Owner(s) of such Parcel shall be jointly and severally liable to the other Owners for attorneys' fees and court costs incurred by the Manager for the purpose of gaining such entry and all other costs and expenses incident thereto, and such attorneys' fees, court costs and incidental expenses shall be assessed to such Owners as a Violation Assessment.

ARTICLE V
OPERATION OF THE TOWN CENTER AREA

5.1 Uses

5.1.1 Definitions.

(a) "Restaurant" shall mean any operation or business which requires a governmental permit, license and/or authorization to prepare and/or serve food for either on or off site consumption, and may include a drive-up facility for ordering and dispensing food to the extent allowed by the Handbook.

5.1.2 Prohibited Uses. No use shall be permitted in the Somersett Town Center which is inconsistent with the operation of a first-class mixed use center. Without limiting the generality of the foregoing, the following uses shall not be permitted:

(i) Any use which emits an unpleasant odor, noise, or sound which can be heard or smelled outside of any building in the Somersett Town Center;

(ii) Any operation primarily used as a storage warehouse operation and any assembling, manufacturing, distilling, refining, smelting, agricultural, or mining operation;

(iii) Any "second hand" store or "surplus" store, which terms shall not include discount stores such as "Ross Dress for Less" or outlet stores;
(iv) Any mobile home park, trailer court, labor camp, junkyard, or stockyard (except that this provision shall not prohibit the temporary use of construction trailers during periods of construction, reconstruction, or maintenance);

(v) Any dumping, disposing, incineration, or reduction of garbage (exclusive of garbage compactors or other future technology no more intrusive than garbage compactors located near the rear of any building);

(vi) Any fire sale, bankruptcy sale (unless pursuant to a court order) or auction house operation;

(vii) Any "sidewalk", "parking lot" or "tent" sale;

(viii) Any automobile, truck, trailer, boat or recreational vehicles sales, leasing, display, body shop or repair operation;

(ix) Any entertaining or recreational facility which includes movie and live performance theater(s), bowling lanes, skating rink, gym, dance hall, billiard or pool hall, massage parlor or similar facility (but not including a "resort spa" type use which offers, among other services, massage treatments, facials, etc.). Notwithstanding the foregoing, billiard or pool tables shall be permitted as part of a "sports bar" or similar concept.

(x) Except for the Residential Parcels, any living quarters, sleeping apartments, or lodging rooms;

(xi) Any veterinary hospital or animal raising facilities (except that this prohibition shall not prohibit pet shops);

(xii) Any mortuary or funeral home;

(xiii) Any adult book or adult video store or establishment selling or exhibiting pornographic materials or drug-related paraphernalia;

(xiv) Any farmer's market (unless Approving Owner's prior written consent is obtained therefor), any flea market, amusement or video arcade (except up to five electronic games shall be allowed if incidental to any permitted use);

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(xv) Any training or educational facility, including but not limited to: beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers; provided however, this prohibition shall not be applicable to on-site employee training by an Occupant incidental to the conduct of its business at the Somersett Town Center; and

(xvi) Except for slot machines and video poker/blackjack/keno machines and similar devices, no gambling facility or operation shall be permitted without the prior written consent of the Approving Owner.

5.1.3 General Use Restrictions and Provisions.

(a) No merchandise, equipment or services, including, but not limited to vending machines, promotional devices and similar items, shall be displayed, offered for sale or lease, or stored within the Common Easement Areas; provided however, that the foregoing prohibition shall not be applicable to (i) the storage of shopping carts; (ii) the seasonal display and sale of bedding plants on the sidewalk in front of any Building which are for sale by the Occupant of the Building; (iii) temporary Somersett Town Center promotions, except that no promotional activities will be allowed in the Common Easement Areas without the prior written approval of the Approving Owner which may be withheld in its sole and absolute discretion and which shall be subject to the restrictions set forth in this Declaration pertaining to temporary signage; or (iv) newspaper distribution stands and similar public service items. In addition, if a recycling center or equipment is required by law to be located in the Somersett Town Center, the location thereof shall be subject to the approval of the Owners.

(b) No banner signs or other temporary signs shall be permitted anywhere within the Somersett Town Center without the prior written approval of Approving Owner, which may be withheld in its sole and absolute discretion;

(c) Except to the extent required by law, no Permittee shall be charged for the right to use the Common Easement Areas; for the purpose of this provision, a tax assessment or other form of charge applicable to parking spaces or parking lots may be deemed by the Approving Owner an imposition required by law.

(d) This Declaration is not intended to, and does not, create or impose any obligation on an Owner to operate, continuously operate, or cause to be operated a business or any particular business at the Somersett Town Center or on any Parcel.
5.1.4 Hours of Operation. No Parcel shall be restricted in its hours of operation, unless otherwise required by the Approving Owner, the Handbook or applicable law.

5.2 Lighting. After completion of the Common Easement Area lighting system, the Somerset Town Center shall be fully illuminated each day from dusk to dawn as and to the extent allowed by the Handbook. The Owners of each Parcel shall keep any exterior building security lights on from dusk until dawn. During the term of this Declaration, each Owner grants an irrevocable license to each other Owner for the purpose of permitting the lighting from one Parcel to incidentally shine on the adjoining Parcel.

5.3 Occupant Signs.

(a) Permitted Signs. Signs shall be permitted within the Somerset Town Center only as provided for and allowed by the Handbook.

(b) Electrical Service. Electrical Service to signs for the Somerset Town Center (as opposed to signs on Buildings) which are for the common use of the Somerset Town Center ("Signs") shall be established with separate meters under the name of the Owner of the Parcel on which such Sign is located or under the name required by the electrical service provider. The Owner(s) of the Parcels upon which the Signs are located shall be entitled to partial reimbursement for the cost of electricity service to such Signs as a Shared Maintenance Expense on a monthly basis, from the Owners of each of the other Parcels.

(c) Building Signs. Signs attached to the exteriors of the Buildings shall be designed, constructed, placed and installed as provided in the Handbook, and shall be subject to the prior written approval of the Approving Owner, which shall not be unreasonably withheld. No Occupant identification sign attached to the exterior of a Building shall be:

(i) painted on the surface of any building or window;

(ii) flashing or audible signs;

(iii) signs employing exposed raceways (unless the raceway is the same color as the building), exposed ballast boxes, or exposed transformers; or

(iv) paper or cardboard signs, "canned" signs, temporary signs (exclusive of contractor signs), stickers or decals; provided, however, the foregoing shall not prohibit

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the placement at the entrance of each Occupant's space a small sticker or decal, indicating hours of business, emergency telephone numbers, acceptance of credit cards, and other similar bits of information.

Prior to the placement of any neon lighting or lettering in the windows of a Building, the Owner or Occupant thereof shall obtain the written approval of the Approving Owner.

(f) Miscellaneous Signage. Notwithstanding anything above to the contrary, each Owner shall be permitted to place within the Common Easement Areas located on its Parcel directional signs or informational signs such as "Handicapped Parking", the temporary display of leasing and/or sales information and the temporary erection of one sign identifying each general contractor working on a construction job.

5.4 Insurance.

(a) Each Owner (as to its Parcel only) shall maintain or cause to be maintained in full force and effect Commercial General Liability Insurance with a combined single limit of liability of not less than Two Million and No/100ths Dollars ($2,000,000.00) for bodily or personal injury or death, and for property damage, arising out of any one occurrence. All other Owners shall be "additional insureds" under such policy. Each Owner ("Indemnitor") covenants and agrees to defend, protect, indemnify and hold harmless each other Owner ("Indemnitee") from and against all claims, including any action or proceedings brought thereon, and all costs, losses, expenses and liability (including reasonable attorney's fees and cost of suit) arising from or as a result of the injury to or death of any Person, or damage to the property of any Person located on the Parcel owned by each Indemnitor, except for claims caused by the negligence or willful act or omission of such Indemnites, its licensees, concessionaires, agents, servants, or employees, or the agents, servants, or employees of any licensee or concessionaire thereof.

(b) Prior to commencing any construction activities within the Somersett Town Center, each Owner shall obtain or require its contractor to obtain and thereafter maintain so long as such construction activity is occurring, at least the minimum insurance coverages in Constant Dollars set forth below:

(i) Workers' Compensation - statutory limits

(ii) Employers' Liability - $500,000.00

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(iii) Comprehensive General/Commercial General Liability and Business Auto Liability as follows:

1. Bodily Injury - $1,000,000.00 per occurrence
2. Property Damage - $1,000,000.00 per occurrence
3. Independent Contractors Liability; same coverage as set forth in (1) and (2) above;
4. Products/Completed Operations Coverage which shall be kept in effect for two (2) years after completion of work;
5. "XCU" Hazard Endorsement, if applicable;
6. "Broad Form" Property Damage Endorsement;
7. "Personal Injury" Endorsements;

If the construction activity involves the use of another Owner's Parcel, then the Owner of such Parcel shall be an additional insured and such insurance shall provide that the same shall not be canceled, or reduced in amount or coverage below the requirements of this Declaration, without at least thirty (30) days prior written notice to the named insureds and each additional insured. If such insurance is canceled or expires then the constructing Owner shall immediately stop all work on or use of the other Owner's Parcel until either the required insurance is reinstated or replacement insurance obtained.

(c) Effective upon the commencement of construction of any Building on its Parcel and so long as such Building exists, an Owner shall carry, or cause to be carried, casualty insurance with "extended" or "all-risk" coverage, in the amount of one hundred (100%) percent of full replacement cost thereof (excluding footings, foundations or excavations).

Each Owner (the "Releasing Owner") hereby releases and waives for itself, and each Person claiming by, through or under it, each other Owner (the "Released Owner") from any liability for any loss or damage to all property of such Releasing Owner located upon the Releasing Owner's Parcel, which loss or damage is of the type covered by the insurance required to be maintained under

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Section 5.4(c), irrespective either of any negligence on the part of the Released Owner which may have contributed to or caused such loss, or of the amount of such insurance required or actually carried, including any deductible or self insurance reserve. Each Owner agrees to use its reasonable efforts to obtain, if needed, appropriate endorsements to its policies of insurance with respect to the foregoing release; provided, however, that failure to obtain such endorsements shall not affect the release hereinabove given. Each Owner ("Indemnitor") covenants and agrees to indemnify, defendant hold harmless each other Owner ("Indemnitee") from and against all claims asserted by or through any Permittees of the Indemnitor's Parcel for any loss or damage to the property of such Permittee located upon the Indemnitor's Parcel, which loss or damage is covered by the insurance required to be maintained under this Section 5.4(c), irrespective of any negligence on the part of the Indemnitee which may have contributed to or caused such loss.

(d) Beginning on the Management Commencement Date, Manager shall cause to be carried casualty insurance with "all risk" coverage in the amount of one hundred percent (100%) of the full replacement cost of the Common Easement Area Improvements and commercial general liability coverage with a combined single limit of liability of not less than $2,000,000.00 for bodily or personal injury or death and for property damage, arising out of any one occurrence.

(e) All insurance required by Section 5.4 shall be procured from companies licensed in the state where the Somersett Town Center is located and shall be rated by Best's Insurance Reports not less than A/VII. All insurance may be provided under (i) an individual policy covering this location, (ii) a blanket policy or policies which includes other liabilities, properties and locations of such Owner; provided, however, that if such blanket commercial general liability insurance policy or policies contain a general policy aggregate of less than $20,000,000.00, then such insuring Owner shall also maintain excess liability coverage necessary to establish a total liability insurance limit of $20,000,000.00, (iii) a plan of self-insurance, provided that any Owner so self-insuring notifies the other Owners of its intent to self-insure and agrees that upon request it shall deliver to such other Owners each calendar year a copy of its annual report that is audited by an independent certified public accountant which discloses that such Owner has a net worth reasonably and customarily sufficient to support such self insurance, determined in accordance with generally accepted accounting principles; and (iv) a combination of any of the foregoing insurance programs. To the extent any deductible is permitted or allowed as a part of any insurance policy carried by an Owner in compliance with Section 5.4, such Owner shall be deemed to be covering the amount thereof under an informal plan of self-insurance; provided, however, that in no event shall any deductible exceed $50,000.00 unless such Owner complies with the requirements regarding self-insurance pursuant to (iii) above. Each Owner agrees to furnish to any Owner requesting the same, a certificate(s) of insurance evidencing that the insurance required to be carried by such Person is in full force and effect.

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(f) The insurance required pursuant to Sections 5.4(a) and (b) above shall include the following provisions:

(i) shall provide that the policy may not be canceled or reduced in amount or coverage below the requirements of this Declaration, without at least thirty (30) days prior written notice by the insurer to each insured and to each additional insured;

(ii) shall provide for severability of interests;

(iii) shall provide that an act or omission of one of the insureds or additional insureds which would void or otherwise reduce coverage, shall not reduce or void the coverage as to the other named insureds; and

(iv) shall provide for contractual liability coverage with respect to the indemnity obligation set forth herein; provided, however, the coverage limits of such insurance shall in no event limit the indemnity obligations of any Owner hereunder.

(g) Notwithstanding anything to the contrary set forth herein, Manager shall cause the policy amounts set forth in this Declaration to be reviewed not less frequently than annually to determine the sufficiency thereof. If the insurer and the Manager recommend that any policy amounts be increased, then such recommendation shall be made to the Approving Owner in writing. Approving Owner shall designate in writing to the Manager any policy coverage increases to be made, and Manager shall promptly notify the Owners of the Parcels of such increase.

5.5 Taxes and Assessments. Each Owner shall pay, or cause to be paid prior to delinquency, all taxes and assessments with respect to its Parcel, the buildings, and improvements located thereon and any personal property owned or leased by such Owner in the Somersett Town Center, provided that if the taxes or assessments or any part thereof may be paid in installments, the Owner may pay each such installment as and when the same becomes due and payable. Nothing contained in this subsection shall prevent any Owner from contesting at its cost and expense any such taxes and assessments with respect to its Parcel in any manner such Owner elects, so long as such contest is maintained with reasonable diligence and in good faith. At the time as such contest is concluded (allowing for appeal to the highest appellate court), the contesting Owner shall promptly pay all such taxes and assessments determined to be owing, together with all interest, penalties and costs thereon.
5.6 Liens. In the event any mechanic's lien is filed against the Parcel of one Owner as a result of services performed or materials furnished for the use of another Owner, the Owner permitting or causing such lien to be so filed agrees to cause such lien to be discharged within lien and further agrees to indemnify, defend, and hold harmless the other Owner and its Parcel against liabilities, losses, damages, costs or expenses (including reasonable attorneys' fees and cost of suit) on account of such claim of lien. Upon request of the Owner whose Parcel is subject to such lien, the Owner permitting such lien to be filed agrees to promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien or by posting bond or other security as shall be required by law to obtain such release and discharge. Nothing herein shall prevent an Owner permitting or causing such lien from contesting the validity thereof in any manner such Owner chooses so long as such contest is pursued with reasonable diligence. In the event such contest is determined adversely (allowing for appeal to the highest appellate court), such Owner shall promptly pay in full the required amount, together with any interest, penalties, costs, or other charges necessary to release such lien.

5.7 Rules and Regulations. The Manager shall adopt and may modify from time to time, with the prior written approval of the Approving Owner, Rules and Regulations for the operation of the Somerset Town Center which shall be consistent with the Handbook and the provisions of this Declaration. The Rules and Regulations and any and all amendments thereto shall be mailed or communicated by facsimile transmission to each Owner at the address or telefax number designated by such Owner to the Manager. The Rules and Regulations shall include, but are not limited to, the following:

(a) All deliveries to the Somerset Town Center and noise generating maintenance, such as parking lot sweeping, shall be limited to between the hours of 7:00 a.m. and 10:00 p.m. No truck idling shall be permitted in the Somerset Town Center, except between the hours of 7:00 a.m. and 10:00 p.m.

(b) Construction and construction related activities shall be limited to the hours of 7:00 a.m. to 7:00 p.m., Monday through Saturday. No work shall be performed on Sundays.

(c) Any Owner providing shopping carts to its customers shall be responsible for keeping the carts within its parking lot and shall provide for the daily retrieval of carts taken off site.

5.8 Designation of Authority by Approving Owner. Approving Owner shall have the right to designate in writing another Owner or an Occupant which is a lessee of an Owner ("Approving Owner=s Designee") within the Property to exercise all of the rights of Approving Owner hereunder. In no event shall Approving Owner=s Designee be deemed to be the agent or
representative of Approving Owner. Each of the Owners hereby releases Approving Owner from any and all liability in the exercise of its power of appointment and for the acts or inaction of Approving Owner=s Designee, including, but not limited to, the Approving Owner=s Designee=s negligence, gross negligence and intentional or reckless misconduct. Nothing set forth herein shall relieve Approving Owner=s Designee from liability for its own actions or failure to act. Declarant hereby appoints SR, Inc. as the Approving Owner=s Designee. Approving Owner shall have the right to terminate the appointment of Approving Owner=s Designee at any time, with or without cause, by executing and recording a supplement to this Declaration. Subsequent Approving Owner=s Designees shall be appointed by the execution and recording of a Supplement to this Declaration.

ARTICLE VI
ENVIRONMENTAL MATTERS

6.1 Duties of Users. Except as provided in Section 6.2, neither the Owners nor any Occupant(s) shall release, generate, use, store, dump, transport, handle or dispose of any Hazardous Material within the Somerset Town Center or otherwise permit the presence of any Hazardous Material on, under or about the Somerset Town Center or transport any Hazardous Material to or from the Somerset Town Center. Any such use, handling or storage permitted under Section 6.2 shall be in accordance with all Environmental Laws and all other applicable laws, ordinances, rules and regulations now or hereafter promulgated by any governmental authority having jurisdiction thereof. Neither the Owners nor any Occupant(s) shall install, operate or maintain any above, below or at grade tank, sump, pit, pond, lagoon or other storage or treatment vessel or device on or about the Somerset Town Center unless plans therefor have been submitted to and approved by the Approving Owner pursuant to Section 6.2 hereof. Each Owner with respect to its Parcel shall immediately notify the other Owners in writing of the following with respect to such Owner's (i) any notice of violation or potential or alleged violation of any laws, ordinances or regulations which the Owner shall have received from any governmental agency concerning the use, storage, release and/or disposal of Hazardous Materials; (ii) any and all inquiry, investigation, enforcement, cleanup, removal or other governmental or regulatory actions instituted or threatened relating to such Parcel(s); (iii) all claims made or threatened by any third Owner relating to any Hazardous Materials; and (iv) any release of Hazardous Materials in a reportable quantity on or about the Somerset Town Center which such Owner knows of or reasonably believes may have occurred. Such notice shall be accompanied by copies of any notices, inquiries or other documentation issued to the notifying Owner in connection with such matters.

6.2 Permitted Use, Storage, Handling and Disposal of Hazardous Materials. Notwithstanding anything contained in Section 6.1 to the contrary, any Owner, or any Occupant or
Permittee may sell, store and use products containing Hazardous Materials in, on or about the Parcel occupied by such Owner, Occupant or Permittee or the Common Easement Areas to the such products and/or equipment are incidental to normal shopping center operations, and are sold, stored or used in compliance with all applicable Environmental Laws. By way of example, and not limitation, such permitted materials may include paints, oils, solvents, sealers, adhesives and finishes, fertilizers, medicines, insecticides and rodent poisons and the like, which may be or contain Hazardous Materials, so long as such products are produced, packaged and purchased for retail sale and generally merchandised or sold in retail outlets or are normally used in maintaining or repairing shopping center improvements. The Owner or Occupant(s) of Parcel F shall be permitted to conduct gas station operations and any services or businesses or support facilities incidental thereto on the Parcel, so long as they are conducted in accordance with all applicable laws and regulations. An Owner or an Occupant may also use other Hazardous Materials in connection with its use of its Parcel if such Owner or Occupant has received the Approving Owner's prior consent to the same. The Approving Owner shall not unreasonably withhold its consent provided (i) the Owner demonstrates to the Approving Owner's reasonable satisfaction that such Hazardous Materials (a) are necessary or useful to the Owner's or its Occupant's business, (b) will be monitored, used, stored, handled and disposed of in compliance with all Environmental Laws, (c) will not endanger any persons or property and (d) will not invalidate or limit the coverage or increase the premiums of any insurance policy affecting or covering any portion of the Somerset Town Center, (ii) the Owner or Occupant provides the Approving Owner with such security as may be reasonably required by the Approving Owner to help secure such Owner's or Occupant's performance of its obligations under Section 6.3, and (iii) such Owner or Occupant satisfies any other requirements any other Owner may reasonably impose with respect to the Owner's or Occupant's use of the subject Hazardous Materials.

6.3 Cleanup of Hazardous Materials. In the event Hazardous Materials are released within the Somerset Town Center in violation of any Environmental Law and such release occurred as a direct or indirect result of an Owner's or its Occupant's or Permittee's use, handling, storage, or transportation of such Hazardous Material, as between the Owners, such Owner or Occupant engaged in such activity shall be solely responsible and shall be liable for the prompt cleanup and remediation of any resulting contamination and all claims, costs, expenses (including reasonable attorney and consultant fees) and damages, including consequential damages, suffered by the other Owner, Occupants and Permittees.

ARTICLE VII
ASSESSMENTS

7.1 Agreement to Pay. Declarant, for each Parcel owned by it, and each Owner (other than Declarant) for each Parcel owned by such Owner, hereby covenants and agrees to pay to the
Manager the Annual Assessments, any and all Special Assessments, and any and all Violation Assessments levied against such Owner as are established, made and collected as provided in this Declaration. It is the intention of Declarant that an Owner of a Parcel (including Declarant), whether such Parcel is improved or unimproved, shall be assessed the Annual Assessments, any Special Assessments, and any applicable Violation Assessments. The Assessments levied hereunder shall be the amount estimated to be required, and shall be used exclusively, to promote the health, safety and welfare of the Owners and their Permittees and for the repair, maintenance and upkeep of the Common Easement Areas.

7.2 **Personal Obligations.** Each and every Assessment hereunder, together with any late charges, interest, collection costs and reasonable attorneys' fees, shall be the personal obligation of the Person who is the Owner of the Parcel against which the same is made at the time it becomes due and payable. If more than one Person is the Owner of the Parcel, such personal obligation shall be both joint and several. Subject to the provisions of Section 7.1, a purchaser of a Parcel shall be jointly and severally liable with the seller of the Parcel for all unpaid Assessments against the Parcel and any unpaid portion of the Percentage Share of Development Costs attributable to such Parcel which become payable prior to such purchaser=s ownership of the Parcel, without prejudice to the purchaser=s right to recover from the seller the amount paid by the purchaser. Suit to recover a money judgment for such personal obligation shall be maintainable by any Owner without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by non-use or abandonment of the Owner=s Parcel.

7.3 **Annual Assessments.** As used herein, "Annual Assessment" shall mean the amount of the Budget for each calendar year as established by the Manager pursuant to the provisions of this Declaration. In addition, the Annual Assessment for a particular Parcel shall include any charges payable solely by the Owner of such Parcel, including, but not limited to, those described in Section 4.2.1(b) hereof.

The Manager, with the written approval of the Approving Owner, shall establish the Annual Assessment without the written consent of the other Owners; provided, however, the Manager may not establish an Annual Assessment for any calendar year which is more than one hundred twenty-five percent (125%) of the Annual Assessment of the prior calendar year (except the first such calendar year if it should be less than 12 months), without the approval by vote or written consent of Owners of Parcels containing more than fifty percent (50%) of the total land area within the Property.

7.4 **Special Assessments.** If the Manager determines that the estimated total amount of funds necessary to defray the Shared Maintenance Costs for a given fiscal year is or will become
inadequate to meet expenses for any reason, including, but not limited to, delinquencies in the payment of Assessments, then the Manager shall determine the approximate amount necessary to defray such expenses, and if the amount is approved, it shall become a special assessment ("Special Assessment") against the Parcels. The Manager may, at its discretion, prorate a Special Assessment over the remaining months of the calendar year or levy the Special Assessment immediately against each Owner of an Parcel.

7.5 Violation Assessments. Subject to the provisions of Section 4.4 hereof, the Manager shall levy a Violation Assessment against an Owner ("Violation Assessment"): (i) to pay for the cost of curing any Maintenance Violation of such Owner and/or any other work performed by the Somerssett Town Center for such Owner's account pursuant to the provisions of this Declaration, and any costs or expenses incident thereto, including, but not limited to, attorneys' fees and court costs; and (ii) to collect fines levied pursuant to the terms of this Declaration, and any and all attorneys' fees and court costs incurred in such collection.

7.6 Assessment Period. The Annual Assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year. Annual Assessments shall be payable in equal monthly installments unless the Manager adopts some other basis for collection. However, the initial Annual Assessment period for all Parcels shall commence on the first day of the calendar month following the date on which a certificate of occupancy is issued by the City for a Building (or building "shell") on a Parcel.

7.7 Notices of Assessments; Delinquencies. All Assessment notices shall be in writing and shall be given in the manner specified in Section 8.4 hereof. The Manager shall give written notice of the Annual Assessments and any Special Assessments to the Owners of the Parcels, which notice shall specify the amount of the Assessment and the date or dates payment of the same is due. Notice of a Violation Assessment is required to be given only to the Owners of the Parcel against whom the Violation Assessment is made. Nothing contained herein shall be construed so as to require the Manager to give periodic notices of the same Assessment. One notice of an Assessment shall be sufficient to meet the requirements of this paragraph, even though the Assessment may be payable in installments. Failure of the Manager to give notice of any Assessment shall not affect the liability of the Owners of the Parcel for such Assessment; provided, however, that the date when payment of the first installment of such Assessment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given, and the first installment of such Assessment shall not be deemed delinquent until ten (10) days after such deferred due date.

7.8 Statement of Account. Upon payment of a reasonable fee, and upon written request of any Owner or any mortgagee, prospective mortgagee, or prospective purchaser of a Parcel, the
Manager shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Parcel, the amount of the current periodic assessment, and the date that such assessment becomes or became due, and if there is any credit for advance payments. Such statement shall be conclusive upon the Somersett Town Center in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) business days following receipt of the written request and fee, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to requesting such statement.

7.9 **Collection of Owner's Obligations.** The right to collect and enforce Assessments is vested in the Manager acting for and on behalf of the Approving Owner. Any Owner or its authorized representative, including any Manager, can enforce the obligations of the Owners to pay the obligations provided for in this Declaration by commencement and maintenance of a suit at law or in equity; or any Owner may enforce by judicial proceedings or, to the extent permitted by applicable law, through the exercise of the power of sale pursuant to applicable statutes and laws, and Section 7.11 to enforce the lien rights created. Suit to recover a money judgment against an Owner for unpaid obligations, together with all other amounts due hereunder, shall be maintainable without first foreclosing against the Parcel which is subject to the lien for such assessment or waiving the lien rights granted hereby.

7.10 **Lien for Assessments; Priority.** All sums assessed to any Parcel pursuant to this Declaration, including but not limited to the Assessments and all fines imposed hereunder against the Owners of a Parcel, together with interest thereon as provided herein, shall be secured by a lien on such Parcel from the date the same becomes due as provided in and pursuant to NRS 278A.170 or such other applicable law provided for in Nevada Revised Statutes for the Creation and enforcement of assessment liens as contemplated in this Declaration ("Lien Laws"). If the secured obligation is payable in installments, the full amount of the obligation is a lien from the time the first installment thereof becomes due. Such lien shall be prior to all other liens and encumbrances on such Parcel except for: (a) valid tax and special assessment liens in favor of any governmental assessing authority; (b) liens and encumbrances recorded before the recordation of the Declaration; and (c) a First Deed of Trust recorded before the date on which the Assessment or fine sought to be enforced became delinquent. The lien created by this Declaration for unpaid Annual Assessments is also prior to a First Deed of Trust to the extent of the amount of such Annual Assessments which become due during the six (6) month period immediately preceding institution of an action to enforce the Assessment lien.

7.11 **Enforcement of Lien.** The lien created pursuant to this Declaration may be foreclosed in any manner provided for or allowed by Lien Laws.

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7.12 **Surplus Funds.** Any surplus funds remaining after payment of or provision for payment of the Shared Maintenance Expenses and any prepayment of reserves must be paid to the Owners, excluding the delinquent Owner, in proportion to their liabilities for the Shared Maintenance Expenses or credited to them to reduce their future assessments for Shared Maintenance Expenses.

**ARTICLE VIII**

**MISCELLANEOUS**

8.1 **Default.**

(a) The occurrence of any one or more of the following events shall constitute a material default and breach of this Declaration by the nonperforming Owner (the "Defaulting Owner"):

(i) The failure to make any payment required to be made hereunder within ten (10) days of the due date, or

(ii) The failure to observe or perform any of the covenants, conditions or obligations of this Declaration, other than as described in subsection (i) above, within thirty (30) days after the issuance of a written notice by the Manager specifying the nature of the default claimed.

(b) No waiver of any default under this Declaration shall be effective or binding unless made in writing by the Manager and no such waiver shall be implied from any omission by the Manager to take action in respect to such default. No express written waiver of any default shall affect any other default or cover any other period of time other than any default and/or period of time specified in such express waiver. One or more written waivers or any default under any provision of this Declaration shall not be deemed to be a waiver of any subsequent default in the performance or the same provision or any other term or provision contained in this Declaration.

8.2 **Interest and Late Charges.**

Any time an Owner shall not pay any sum payable hereunder to another within ten (10) days of the due date, including, but not limited to, all Assessments due hereunder, such delinquent Owner shall pay interest on such amount from the due date to and including the date such
payment is received by the Person entitled thereto, at the rate of eighteen percent (18%) per annum, and, in addition, a late charge equal to ten percent (10%) of each delinquent installment shall be due for each delinquent installment thereof.

8.3 Estoppel Certificate.

The Manager and each Owner agrees that upon written request (which shall not be more frequent than three (3) times during any calendar year) of any other Owner, it will issue to such Owner, or its prospective mortgagee or successor, an estoppel certificate stating to the best of the issuer's knowledge that as of such date:

(i) whether any default by such Owner exists and, if so, specifying the nature thereof;

(ii) whether this Declaration has been assigned, modified or amended in any way by it and if so, then stating the nature thereof; and

(iii) whether this Declaration is in full force and effect.

Such statement shall act as a waiver of any claim by all Owners to the extent such claim is based upon facts contrary to those asserted in the statement and to the extent the claim is asserted against a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary of those contained in the statement, and who has acted in reasonable reliance upon the statement.

8.4 Notices.

All notices under this Declaration shall be in writing and delivered either (i) in person, (ii) by reputable overnight delivery service, so long as delivery is made by obtaining a signed receipt, (iii) by certified mail, or (iv) by facsimile transmissions so long as the original notice is also forwarded by the method described in (i), (ii) or (iii). All notices shall be addressed as follows:

Declarant: Somerset Development Company Ltd.
P.O. Box 34360
Reno, Nevada 89533

Telephone: (775) 323-1405
Facsimile: (775) 323-1498

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Jones Vargas
Attorneys at Law
100 W. Liberty St., 12th Floor
Reno, Nevada 89501
(775)786-5000
Approving Owner's Designee: SR, Inc.
7690 Town Square Way
Reno, Nevada 89523
Telephone: (775) 323-1405
Facsimile: (775) 323-1498

All notices to other Owners shall be delivered to the address specified by such Owner in writing and delivered to the Approving Owner and the Manager. Unless otherwise expressly provided herein, any notice given pursuant to this Agreement shall be deemed effective the day it is personally delivered or transmitted by facsimile, the day after it is delivered to the overnight delivery service, or three business days after the date it is deposited in the United States mail system. Upon at least ten (10) days prior written notice, each Person shall have the right to change its address to any other address within the United States of America.

8.5 Approval Rights.

(a) Nothing contained in this Declaration shall limit the right of an Owner to exercise its business judgment, or act, in a subjective manner, with respect to any matter as to which it has specifically been granted such right, or the right to act in its sole discretion or sole judgment, whether "objectively" reasonable under the circumstances, and any such exercise shall not be deemed inconsistent with any covenant of good faith and fair dealing otherwise implied by law to be part of this Declaration; and the Owners intend by this Declaration to set forth their entire understanding with respect to the terms, covenants, conditions and standards pursuant to which their obligations are to be judged and their performance measured.

(b) Unless provision is made for a specific time period, each response to a request for an approval or consent shall be given by the Person to whom directed within (30) days of receipt. Each disapproval shall be in writing and, subject to (a) above, the reasons shall be clearly stated. If a response is not given within the required time period, the requested Owner shall be deemed to have given its approval.

8.6 Condemnation. In the event any portion of the Somersett Town Center shall be condemned, the award shall be paid to the Owner owning the land or the improvement taken, except that (i) if the taking includes improvements belonging to more than one Owner, such as Utility Lines or signs, the portion of the award allocable thereto shall be used to relocate, replace or restore such jointly owned improvements to a useful condition, and (ii) if the taking includes easement rights which are intended to extend beyond the term of this Declaration, the portion of the award allocable
to each such easement right shall be paid to the respective grantee thereof. In addition to the
foregoing, if a separate claim can be filed for the taking of any other property interest existing
pursuant to this Declaration which does not reduce or diminish the amount paid to the Owner owning
the land or the improvement taken, then the owner of such other property interest shall have the right
to seek an award for the taking thereof.

8.7 Binding Effect. The terms of this Declaration and all easements granted hereunder
shall constitute covenants running with the land and shall bind the real estate described herein and
inure to the benefit of and be binding upon the signatories hereto and their respective successors and
assigns who become Owners hereunder.

8.8 Construction and Interpretation.

(a) This Declaration and the Exhibits hereto contain all the representations and
the entire agreement between the Owners with respect to the subject matter hereof. Any prior
negotiations, correspondence, memoranda or agreements are superseded in total by this Declaration
and Exhibits hereto. This Declaration has been fully negotiated at arms length between the
signatories hereto, and after advice by counsel and other representatives chosen by such signatories,
and such signatories are fully informed with respect thereto; no such signatory shall be deemed the
scrivener of this Declaration; and, based on the foregoing, the provisions of this Declaration and the
Exhibits hereto shall be construed as a whole according to their common meaning and not strictly for
or against any Owner.

(b) Whenever required by the context of this Declaration, (i) the singular shall
include the plural, and vice versa, and the masculine shall include the feminine and neuter genders,
and vice versa and (ii) use of the words "including", "such as", or words of similar import, when
following any general term, statement or matter shall not be construed to limit such statement, term
or matter to specific items, whether or not language of non-limitation, such as "without limitation",
or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other
items or matters that could reasonably fall within the broadest scope of such statement, terms or
matter.

(c) The captions preceding the text of each article and Section are included only
for convenience of reference. Captions shall be disregarded in the construction and interpretation of
this Declaration. Capitalized terms are also selected only for convenience of reference and do not
necessarily have any connection to the meaning that might otherwise be attached to such term in a
context outside of this Declaration.
(d) Invalidation of any of the provisions contained in this Declaration, or of the application thereof to any person by judgment or court order shall in no way affect any of the other provisions hereof or the application thereof to any other person and the same shall remain in full force and effect.

(e) This Declaration may be executed in several counterparts, each of which shall be deemed an original. The signatures to this Declaration may be executed and notarized on separate pages, and when attached to this Declaration shall constitute one complete document.

8.9 Amendment. This Declaration may be amended by, and only by, a written instrument signed by the then current Approving Owner and shall be effective only when recorded in the county and state where the Somersett Town Center is located; provided, however, that no such amendment shall impose any materially greater obligation on, or materially impair any right of an Owner or Occupant of a Parcel without the consent of such Owner. Any amendment to this Declaration which is outside the scope of amendments permitted by the preceding sentence shall be made by a written instrument, which may be executed in counterparts, executed by (i) the Owners of Parcels with more than fifty percent (50%) of the voting power of all of the Parcels within the Somersett Town Center, and (ii) Approving Owner, which written instrument shall be in recordable form and shall be recorded as provided in this Section. Notwithstanding the foregoing, any substantive amendment to any of the following described provisions of this Declaration requires a recorded written instrument executed by the Owners of at least sixty-seven percent (67%) of the voting power of all of the Parcels recorded in the manner provided in this Section:

(a) Voting rights;

(b) Assessments;

(c) Reserves for maintenance, repair, and replacement of the Common Area Improvements which the Somersett Town Center is required to maintain pursuant to the provisions of this Declaration;

(d) Responsibility for maintenance and repairs;

(e) Insurance or fidelity bond provisions;

(f) Imposition of any additional restrictions on a Owner's right to sell or transfer such Owner's Parcel; or
(g) Provisions pertaining to termination of the Declaration.

Any provision that expressly benefits Beneficiaries under Deeds of Trust shall not be amended without the prior written consent of all such Beneficiaries under First Deeds of Trust. No consent to the amendment of this Declaration shall ever be required of any Occupant.

8.10 Negation of Partnership. None of the terms or provisions of this Declaration shall be deemed to create a partnership between or among the Owners in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Owner shall be considered a separate owner, and no Owner shall have the right to act as an agent for another Owner, unless expressly authorized to do so herein or by separate written instrument signed by the Owner to be charged.

8.11 Not a Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Somersett Town Center or of any Parcel or portion thereof to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no right, privileges or immunities of any Owner hereto shall inure to the benefit of any third-Owner Person, nor shall any third-Owner Person be deemed to be a beneficiary of any of the provisions contained herein.

8.12 Excusable Delays. Whenever performance is required of any Person hereunder, such Person shall use all due diligence to perform and take all necessary measures in good faith to perform; provided, however, that if completion of performance shall be delayed at any time by reason of acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty, or any cause beyond the reasonable control of such Person, then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused. The provisions of this Section shall not operate to excuse any Person from the prompt payment of any monies required by this Declaration.

8.13 Mitigation of Damages. In all situations arising out of this Declaration, all Owners shall attempt to avoid and mitigate the damages resulting from the conduct of any other Owner. Each Owner hereto shall take all reasonable measures to effectuate the provisions of this Declaration.

8.14 Declaration Shall Continue Notwithstanding Breach. It is expressly agreed that no breach of this Declaration shall (i) entitle any Owner to cancel, rescind, or otherwise terminate this Declaration, or (ii) defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to any part of the Somersett Town Center. However, such limitation shall not
affect in any manner any other rights or remedies which an Owner may have hereunder by reason of any such breach.

8.15   **Time.** Time is of the essence of this Declaration.

8.16   **No Waiver.** The failure of any Owner to insist upon strict performance of any of the terms, covenants or conditions hereof shall not be deemed a waiver of any rights or remedies which that Owner may have hereunder, at law or in equity and shall not be deemed a waiver of any subsequent breach or default in any of such terms, covenants or conditions.

8.17   **Limitation of Liability.**

(a) Except as specifically provided below, there shall be absolutely no corporate or personal liability of persons, firms, corporations or entities who constitute an Owner hereto, including, but not limited to, officers, directors, employees or agents of a Owner hereto with respect to any of the terms, covenants, conditions, and provisions of this Declaration. In the event of default by a Defaulting Owner hereunder (as defined in Section 7.1) any Non-Defaulting Owner (as defined in Section 7.1 hereof) who seeks recovery from a Defaulting Owner hereto shall look solely to the interest of such Defaulting Owner, its successors and assigns, in the Somerset Town Center for the satisfaction of each and every remedy of the Non-Defaulting Owner; provided, however, the foregoing shall not in any way impair, limit or prejudice the right of any Owner:

(i) to pursue equitable relief in connection with any term, covenants or condition of this Declaration, including a proceeding for temporary restraining order, preliminary injunction, permanent injunction or specific performance; and

(ii) to recover from another Owner (or its guarantor) all losses suffered, liabilities incurred or costs imposed arising out of or in connection with, or on account of, such Owner (or its guarantor) not funding its self insurance obligations which were assumed pursuant to Section 5.4 above.

8.18   **Transfer of Interest.** An Owner transferring all or any portion of its interest in the Somerset Town Center shall give notice to all other Owners of such transfer and shall include therein at least the following information:

(i) the name and address of the new Owner;

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100 W Liberty St, 12th Floor
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(775)786-3000
(ii) a copy of the legal description of the portion of the Somersett Town Center transferred; and

(iii) if the transferee is more than one Person, the Person designated pursuant to the terms of Section 1.23 hereof to represent the transferee.

8.19 Special Power of Attorney. In the event any public authority or utility company providing service to the Somersett Town Center requires the dedication or conveyance of any portion of a Parcel or the granting of an easement within the Somersett Town Center (collectively, "conveyance") as a condition precedent to the development, construction or operation of the Somersett Town Center, including, but not limited to, for the purposes of the issuance of any permit, license, certificate of occupancy, "will serve" letter or similar commitment, and the Owners of the Parcel or Parcels involved fails to comply with the written request of the City, Declarant, or another Owner, to execute such conveyance, then Declarant, Approving Owner, or Approving Owner=s Designee shall have the right to act as such Owner=s attorney-in-fact for the limited purpose of executing, delivering and recording such conveyance. By acceptance of its deed to a Parcel, each Owner hereby irrevocably appoints Declarant, Approving Owner, or Approving Owner=s Designee as its attorney-in-fact for the purposes described in this Section. The power of attorney granted hereby shall be deemed to be coupled with an interest and shall continue for the term of this Declaration.

8.20 HANDBOOK VS. DECLARATION. IN THE EVENT OF ANY CONFLICT OR MATERIAL INCONSISTENCY BETWEEN THE TERMS AND PROVISIONS OF THIS DECLARATION AND THE HANDBOOK, THE MORE RESTRICTIVE AND/OR MANDATORY PROVISION SHALL CONTROL.

ARTICLE IX

VOTING

The Somersett Town Center presently is comprised of four (4) separate legal parcels of land. Declarant intends to create an additional legal parcel of land from within the Property for a total of five (5) Parcels. As to all matters hereunder upon or for which the Owners are entitled to exercise approval, consent or other voting rights, it is Declarant's intent that there be a total of three (3) votes, with (i) the Residential Parcels having one (1) whole vote between them and which is to be exercised jointly, (ii) the Commercial Parcels having one (1) whole vote between them and which is to be exercised jointly and (iii) the remaining Parcel (i.e., the Club at Town Center Parcel) having one (1) vote. Accordingly, regardless of the further subdivision of the Residential Parcels into further legal
parcels, all such newly created legal parcels within the perimeter boundary of the original Residential Parcels shall collectively have but one (1) vote hereunder; which vote shall be exercised through the Unit Owners Association(s) to be formed for the Residential Parcels; and all votes exercised by the Residential Parcels shall be deemed valid only if made jointly and consistently by the executive board(s) of each Unit Owners Association acting through a duly authorized officer of the applicable Unit Owners Association. No other Owner shall be required to accept more than one (1) total vote for the Residential Parcels; and conflicting votes from different Unit Owner Associations shall not be accepted. Likewise, the collective one (1) vote for the Commercial Parcels shall be exercised by the joint vote, in person, of the Owners of the Commercial Parcels (or by their respective designee(s) appointed in a written authorization from the appointing Owner) or by written instruction, approval, etc., from such Owners jointly. No other Owner shall be required to accept more than one (1) total vote for the Commercial Parcels; and conflicting votes from different Owners of the Commercial Parcels shall not be accepted. In the event that all of the Residential Parcels are converted to non-residential uses, then the one (1) vote allocated to the Residential Parcels shall be exercised in the same manner as, and subject to the same restriction for, the one (1) vote allocated to the Commercial Parcels; but subject to the further limitation that if at any time the Residential Parcels are not all used for the same type uses, then the Residential Parcels shall have no vote unless and until each is put to the same type (i.e., residential, non-residential or mixed commercial and residential) use.

Notwithstanding the foregoing terms and provisions of this Article IX to the contrary, until such time as Declarant has sold all of the Parcels to an Unaffiliated third party (such period of time, "Declarant's Special Rights Period"), Declarant shall have the exclusive right to (i) determine the general type and mix of use for each Parcel owned by it or its Affiliate (i.e., residential or commercial use, or a combination of such uses) and (ii) increase, but not decrease, the total number of votes to be exercised among the Parcels, and the allocation thereof among the Parcels, provided that at all times the Parcel on which the Club at Town Center is located shall have not less than one (1) whole vote. In addition, during Declarant's Special Rights Period, Declarant shall have the right, acting alone, to revise, amend, modify and supplement the Center Site Plan with respect to all aspects of the Common Areas (in each instance, a "Common Area Change"), provided that Declarant determines, in its sole discretion, that such Common Area Change will not materially and adversely affect any third party Owner's use and enjoyment of its Parcel (or the use and enjoyment thereof by its Occupants). As used in this paragraph, the phrase "will not materially and adversely affect" shall mean that a given Common Area Change will not impact an affected Parcel in a manner which makes the use and enjoyment of the Common Areas relative to such Parcel after the Common Area Change, as compared to the Common Areas prior to such Common Area Change, so much more inconvenient, burdensome, unsupportive, etc., as to be patently unreasonable.
ARTICLE X

FURTHER SUBDIVISION

Except for the Residential Parcels, no Parcel may be further subdivided except with the prior written consent of Declarant so long as Declarant is the Approving Owner, and thereafter by those Owners holding not less than sixty-six percent (66%) of the voting power among the Parcels; which consent, in each instance, may be withheld by the Person(s) from whom such consent is required if in the commercially reasonable discretion of such Person(s) such further subdivision would materially and adversely affect the use and/or operation of the Somersett Town Center and/or the administration of this Declaration.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed effective as of the day and year first above written.

Declarant:

SOMERSET DEVELOPMENT COMPANY LTD.,
a Nevada limited liability company

By: SR, INC., a Nevada corporation

Its: Manager

By: G. BLAKE SMITH

Its: President
STATE OF NEVADA  
COUNTY OF WASHOE  

This instrument was acknowledged before me on September 12, 2006, by G. BLAKE SMITH, as President of SR, INC., a Nevada corporation, as Manager of SOMERSET DEVELOPMENT COMPANY LTD., a Nevada limited liability company.

Notary Public  
My Commission Expires: 6-5-07

TOBI R. MAKI  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 93-56657-2 - Expires June 5, 2007
EXHIBIT "A"

Legal Description

All that certain real property situate in the City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

PARCEL 1:

All that certain real property situated within a portion of the Northwest Quarter (NW 1/4) of Section Twelve (12), Township Nineteen (19) North, Range Eighteen (18) East, Mount Diablo Meridian, set forth as Adjusted Parcel 1A in Boundary Line Adjustment & Quitclaim Deed recorded June 16, 2006, as Document No. 3401826 of Official Records, being more particularly described as follows:

BEGINNING at the most northwesterly corner of Parcel 1, as shown on the "Second Parcel Map for Somerset Town Center", recorded 4123, File Number 2965382, Official Records of Washoe County, Nevada, said point also being on the southerly right of way line of Somerset Parkway, as shown on the "Dedication Map of Somerset Parkway Phase 2", recorded in the office of the Washoe County Recorder on February 13, 2002, as Dedication Tract Map No. 4053, File Number 2652303, Official Records of Washoe County, Nevada;

Thence along the southerly right of way line of said Somerset Parkway, South 79°08'37" East, a distance of 65.42 feet;

Thence leaving the southerly right of way line of said Somerset Parkway, South 10°51'23" West, a distance of 49.53 feet;

Thence South 51°53'05" West, a distance of 80.25 feet;

Thence South 04°33'44" West, a distance of 107.51 feet;

Thence South 79°08'37" East, a distance of 83.89 feet;

Thence North 10°51'23" East, a distance of 9.00 feet;

1.

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Thence South 79°08'37" East, a distance of 43.00 feet;

Thence North 10°51'23" East, a distance of 8.50 feet;

Thence South 79°08'37" East, a distance of 14.00 feet;

Thence Northeasterly along the arc of a tangent curve to the left having an arc length of 8.64 feet and a radius of 5.50 feet, through a central angle of 90°00'00", whose chord bears North 55°51'23" East, a distance of 7.78 feet;

Thence South 77°43'59" East, a distance of 26.79 feet;

Thence North 10°51'52" East, a distance of 62.69 feet;

Thence North 70°37'49" East, a distance of 19.53 feet;

Thence Southeasterly along the arc of a non-tangent curve to the left having an arc length of 9.38 feet and a radius of 163.00 feet, through a central angle of 03°17'57", whose chord bears South 12°37'22" East, a distance of 9.38 feet;

Thence South 14°16'19" East, a distance of 21.00 feet;

Thence Southeasterly along the arc of a tangent curve to the right having an arc length of 59.54 feet and a radius of 137.00 feet, through a central angle of 24°54'08", whose chord bears South 01°49'15" East, a distance of 59.08 feet;

Thence South 10°37'49" West, a distance of 125.14 feet;

Thence Southeasterly along the arc of a tangent curve to the left having an arc length of 126.94 feet and a radius of 88.00 feet, through a central angle of 82°38'59", whose chord bears South 30°41'40" East, a distance of 116.22 feet;

Thence South 72°01'10" East, a distance of 73.57 feet;

2.

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Thence Southeasterly along the arc of a tangent curve to the left having an arc length of 45.54 feet and a radius of 113.00 feet, through a central angle of 23°05’33”, whose chord bears South 83°33’56” East, a distance of 45.24 feet;

Thence South 12°01’10” East, a distance of 63.07 feet to the southerly line of said Parcel 1;

Thence along the southerly line of said Parcel 1 the following ten (10) courses:

1. South 90°00’00” West, a distance of 103.11 feet;
2. South 00°00’00” West, a distance of 61.38 feet;
3. South 90°00’00” West, a distance of 14.81 feet;
4. South 56°50’51” West, a distance of 49.23 feet;
5. South 00°00’00” West, a distance of 33.78 feet;
6. South 64°32’38” West, a distance of 86.74 feet;
7. South 00°00’00” West, a distance of 33.30 feet;
8. South 90°00’00” West, a distance of 68.16 feet;
9. South 00°00’00” West, a distance of 47.00 feet;
10. South 90°00’00” West, a distance of 401.21 feet to the southwesterly corner of said Parcel 1; also being a point on the easterly line of Parcel A-1, as shown on that “Record of Survey in Support of a Boundary Line Adjustment between Somersett Development Company, LTD., Morgan Pointe, LLC, Joseph & Monique Festinese, Robert & Stephanie Angold, and Robert Eisan & Nancy Austin”, recorded in the office of the Washoe County Recorder on April 14, 2003, as Record of Survey Map No. 4232, Document No. 2836417, Official Records of Washoe County, Nevada;

Thence along the westerly line of said Parcel 1 the following four (4) courses:

1. North 29°30’32” East, a distance of 393.95 feet;
2. North 42°54’22” East, a distance of 182.92 feet;
3. North 12°47’06” West, a distance of 86.06 feet;
4. North 10°51’24” East, a distance of 245.00 feet to the Point of Beginning;

Said parcel is further shown and delineated as Parcel 1-A on Record of Survey No. 4742, filed June 16, 2006 as File No. 3401827.

3.

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APN: a portion of 232-051-01 and 02

PARCEL 2:

All that certain real property situated within a portion of the Northwest Quarter (NW 1/4) of Section Twelve (12), Township Nineteen (19) North, Range Eighteen (18) East, Mount Diablo Meridian, set forth as Adjusted Parcel 2-A in Boundary Line Adjustment & Quitclaim Deed recorded June 16, 2006, as Document No. 3401826 of Official Records, being more particularly described as follows:

Beginning at a point from which the northwest corner of Parcel 1, as shown on that “Second Parcel Map for Somerset Town Center”, recorded in the office of the Washoe County Recorder on December 10, 2003, as Parcel Map No. 4123, Document No. 2965382, Official Records of Washoe County, Nevada, bears North 79°08’37” West, a distance of 65.42 feet; said point also being on the southerly right of way line of Somerset Parkway, as shown on that “Dedication Map of Somerset Parkway Phase 2”, recorded in the office of the Washoe County Recorder on February 13, 2002, as Dedication Tract Map No. 4053, File No. 2652303, Official Records of Washoe County, Nevada;

Thence along the southerly right of way line of said Somerset Parkway the following two (2) courses:

1. South 79°08’37” East, a distance of 128.49 feet;
2. Southeasterly along the arc of a tangent curve to the right having an arc length of 9.03 feet and a radius of 49.00 feet, through a central angle of 10°34’09”, whose chord bears South 73°51’32” East, a distance of 9.03 feet;

Thence leaving the southerly right of way line of said Somerset Parkway South 10°51’52” West, a distance of 60.61 feet;

Thence Southeasterly along the arc of a tangent curve to the left having an arc length of 62.13 feet and a radius of 163.00 feet, through a central angle of 21°50’17”, whose chord bears South 00°03’16” East, a distance of 61.75 feet;

Thence South 70°37’49” West, a distance of 19.53 feet;
Thence South 10°51'52" West, a distance of 62.69 feet;

Thence North 77°43'59" West, a distance of 26.79 feet;

Thence Southwesterly along the arc of a non-tangent curve to the right having an arc length of 8.64 feet and a radius of 5.50 feet, through a central angle of 90°00'00", whose chord bears South 55°51'23" West, a distance of 7.78 feet;

Thence North 79°08'37" West, a distance of 14.00 feet;

Thence South 10°51'23" West a distance of 8.50 feet;

Thence North 79°08'37" West a distance of 43.00 feet;

Thence South 10°51'23" West, a distance of 9.00 feet;

Thence North 79°08'37" West, a distance of 83.89 feet;

Thence North 04°33'44" East, a distance of 107.51 feet;

Thence North 51°53'05" East, a distance of 80.25 feet;

Thence North 10°51'23" East, a distance of 49.53 feet to the Point of Beginning.

Said parcel is further shown and delineated as Parcel 2-A on Record of Survey No. 4742, filed June 16, 2006, as File No. 3401827.

APN: a portion of 232-051-01 and 02

PARCEL 3:

All that certain real property situated within a portion of the Northwest Quarter (NW 1/4) of Section Twelve (12), Township Nineteen (19) North, Range Eighteen (18) East, Mount Diablo Meridian, set forth as Adjusted Parcel 3-A in Boundary Line Adjustment & Quitclaim Deed recorded June 16, 2006, as Document No. 3401826 of Official Records, being more particularly described as follows:

5.

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Beginning at the most Southeasterly corner of Parcel 1, as shown on that “Second Parcel Map of Somersett Town Center”, recorded in the office of the Washoe County Recorder on December 10, 2003, as Parcel Map No. 4123, Document No. 2965382, Official Records of Washoe County, Nevada;

Thence along the southerly line of said Parcel 1, North 90°00’00” West, a distance of 212.27 feet;

Thence leaving the southerly line of said Parcel 1, North 12°01’10” West, a distance of 63.07 feet;
Thence Northwesterly along the arc of a non-tangent curve to the right having an arc length of 45.54 feet and a radius of 113.00 feet, through a central angle of 23°05’33”’, whose chord bears North 83°33’56” West, a distance of 45.24 feet;

Thence North 72°01’10” West, a distance of 73.57 feet;

Thence Northwesterly along the arc of a tangent curve to the right having an arc length of 126.94 feet and a radius of 88.00 feet, through a central angle of 82°38’59”’, whose chord bears North 30°41’40” West, a distance of 116.22 feet;

Thence North 10°37’49” East, a distance of 125.14 feet;

Thence Northwesterly along the arc of a tangent curve to the left having an arc length of 59.54 feet and a radius of 137.00 feet, through a central angle of 24°54’08”’, whose chord bears North 01°49’15” West, a distance of 59.08 feet;

Thence North 14°16’19” West, a distance of 21.00 feet;

Thence Northwesterly along the arc of a tangent curve to the right having an arc length of 71.51 feet and a radius of 163.00 feet, through a central angle of 25°08’14”’, whose chord bears North 01°42’15” West, a distance of 70.94 feet’

Thence North 10°51’52’ East, a distance of 60.61 feet to the southerly right of way line of Somersett Parkway, as shown on that “Dedication Map of Somersett Parkway Phase 2”, recorded in the office of the Washoe County Recorder on February 13, 2002, as Dedication Tract Map No. 4053, File Number 2652303, Official Records of Washoe County, Nevada;

6.

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Thence following the southerly right of way line of said Somersett Parkway the following seventeen (17) courses:

1. Southeasterly along the arc of a non-tangent curve to the right having an arc length of 67.93 feet and a radius of 49.00 feet, through a central angle of 79°25'51", whose chord bears South 28°51'32" East, a distance of 62.62 feet;
2. South 10°51'23" West, a distance of 46.50 feet;
3. South 79°08'37" East, a distance of 33.50 feet;
4. South 10°51'23" West, a distance of 70.00 feet;
5. South 79°08'37" East, a distance of 18.00 feet;
6. North 10°51'23" East, a distance of 25.55 feet;
7. Northeasterly along the arc of a tangent curve to the right having an arc length of 45.13 feet and a radius of 149.50 feet, through a central angle of 17°17'52", whose chord bears North 19°30'19" East, a distance of 44.96 feet;
8. South 79°08'37" East, a distance of 21.74 feet;
9. North 10°51'23" East, a distance of 34.97 feet;
10. Northeasterly along the arc of a tangent curve to the right having an arc length of 80.16 feet and a radius of 49.00 feet, through a central angle of 93°43'20", whose chord bears North 57°43'20" East, a distance of 71.52 feet;
11. Southeasterly along the arc of a tangent curve to the right having an arc length of 301.23 feet and a radius of 77050 feet, through a central angle of 22°24'01", whose chord bears South 64°12'42" East, a distance of 299.32 feet;
12. Southeasterly along the arc of a tangent curve to the left having an arc length of 28.23 feet and a radius of 101.00 feet, through a central angle of 16°00'55", whose chord bears South 61°01'09" East, a distance of 28.14 feet;
13. Southeasterly along the arc of a tangent curve to the right having an arc length of 35.70 feet and a radius of 99.00 feet, through a central angle of 20°39'34", whose chord bears South 58°41'50" East, a distance of 35.50 feet;
14. Southeasterly along the arc of a tangent curve to the right having an arc length of 72.32 feet and a radius of 780.50 feet, through a central angle of 05°18'33", whose chord bears South 45°42'46" East, a distance of 72.30 feet;
15. Southeasterly along the arc of a tangent curve to the right having an arc length of 58.77 feet and a radius of 65.00 feet, through a central angle of 51°48'07", whose chord bears South 17°09'26" East, a distance of 56.79 feet.
16. Southwesterly along the arc of a tangent curve to the left having an arc length of 11.74 feet and radius of 92.50 feet, through a central angle of 07°16’24”, whose chord bears South 05°06’25” West, a distance of 11.73 feet;

17. Southwesterly along the arc of a tangent curve to the right having an arc length of 56.58 feet and a radius of 65.00 feet, through a central angle of 49°52’33”, whose chord bears South 26°24’29” West, a distance of 57.81 feet;

Thence leaving the Southerly right of way line of said Somersett Parkway and following the Northerly right of way line of Lone Oak Trail, as shown on that “Official Plat of Somersett Town center Residential Phase 1”, recorded in the office of the Washoe County Recorder on March 22, 2004, as Subdivision Tract Map No. 4322, File Number 3010187, Official Records of Washoe County, Nevada, the following two (2) courses:

1. South 66°34’01” West, a distance of 125.80 feet;
2. Southwesterly along the arc of a non-tangent curve to the left having an arc length of 192.15 feet and a radius of 56.00 feet, through a central angle of 196°35’36”, whose chord bears South 23°5’50” West, a distance of 110.83 feet to the Point of Beginning.

Said parcel is further shown and delineated as Parcel 3-A on Record of Survey No. 4742, filed June 16, 2006, as File No. 3401827.

APN: a portion of 232-051-01, 232-051-02, 232-051-03 and 232-051-04

PARCEL 4:

All that certain real property situated within a portion of the Northwest Quarter (NW 1/4) of Section Twelve (12), Township Nineteen (19) North, Range Eighteen (18) East, Mount Diablo Meridian, set forth as Adjusted Parcel 4-A in Boundary Line Adjustment & Quitclaim Deed recorded June 16, 2006, as Document No. 3401826 of Official Records, being more particularly described as follows:

Commencing at the most northwesterly corner of Parcel 1, as shown on that “Second Parcel Map for Somersett Town Center”, recorded in the office of the Washoe County Recorder on December 10, 2003, as Parcel Map No. 4123, Document No.

8.

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2965382, Official Records of Washoe County, Nevada; said point also being on the southerly right of way line of Somersett Parkway, as shown on that "Dedication Map of Somersett Parkway Phase 2", recorded in the office of the Washoe County Recorder on February 13, 2002, as Dedication Tract Map No. 4053, File Number 2652303, Official Records of Washoe County Nevada;

Thence along the southerly right of way line of said Somersett Parkway the following eleven (11) courses:

1. South 79°08'37" East, a distance of 193.91 feet;
2. Southeasterly along the arc of a tangent curve to the right having an arc length of 76.97 feet and a radius of 49.00 feet, through a central angle of 90°00'00", whose chord bears South 34°08'37" East, a distance of 69.30 feet;
3. South 10°51'23" West, a distance of 46.50 feet;
4. South 79°08'37" East, a distance of 33.50 feet;
5. South 10°51'23" West, a distance of 70.00 feet;
6. South 79°08'37" East, a distance of 18.00 feet;
7. North 10°51'23" East, a distance of 25.55 feet;
8. Northeasterly along the arc of a tangent curve to the right having an arc length of 45.13 feet and a radius of 149.50 feet, through a central angle of 17°17'52", whose chord bears North 19°30'19" East, a distance of 44.96 feet;
9. South 79°08'37" East, a distance of 21.74 feet;
10. North 10°51'23" East, a distance of 34.97 feet;
11. Northeasterly along the arc of a tangent curve to the right having an arc length of 80.16 feet and a radius of 49.00 feet, through a central angle of 93°43'54", whose chord bears North 57°43'20" East, a distance of 71.52 feet;

Thence leaving the southerly right of way line of said Somersett Parkway, South 42°13'26" East, a distance of 109.57 feet to the Point of Beginning;

Thence Southeasterly along the arc of a non-tangent curve to the right having an arc length of 43.64 feet and a radius of 473.50 feet through a central angle of 05°16'51", whose chord bears South 63°53'22" East, a distance of 43.62 feet;

Thence South 61°01'43" East, a distance of 97.45 feet;

Thence South 28°45'04" West, a distance of 18.18 feet;

9.

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Thence Southeasterly along the arc of a non-tangent curve to the right having an arc length of 54.66 feet and a radius of 80.70 feet, through a central angle of 38°48’39”, whose chord bears South 35°20’56” East a distance of 53.62 feet;

Thence Southeasterly along the arc of a tangent curve to the right having an arc length of 20.30 feet and a radius of 83.84 feet, through a central angle of 13°52’21”, whose chord bears South 09°00’25” East, a distance of 20.25 feet;

Thence Southwesterly along the arc of a tangent curve to the right having an arc length of 54.46 feet and a radius of 110.53 feet, through a central angle of 28°13’51”, whose chord bears South 12°02’41” West, a distance of 53.91 feet;

Thence South 26°09’36” West, a distance of 32.80 feet;

Thence Southwesterly along the arc of a tangent curve to the left having an arc length of 24.63 feet and a radius of 68.50 feet, through a central angle of 20°36’13”, whose chord bears South 15°51’30” West, a distance of 24.50 feet;

Thence South 56°45’28” West, a distance of 31.61 feet;

Thence North 33°14’32” West, a distance of 258.82 feet;

Thence Northeasterly along the arc of a non-tangent curve to the left having an arc length of 73.62 feet and a radius of 200.50 feet, through a central angle of 21°02’18”, whose chord bears North 43°59’04” East, a distance of 73.21 feet to the Point of Beginning.

Said parcel is further shown and delineated as Parcel 4-A on Record of Survey No. 4742, filed June 16, 2006, as File No. 3401827.

APN: a portion of 232-051-03 and 04

Document Number 3401826 is provided pursuant to the requirements of Section 1. NRS 111.312.