



**KALIE M. WORK**  
**Washeoe County Recorder**

**CONTACT**

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DOC # 1937678

**OFFICIAL WASHOE COUNTY TITAN SEAL**

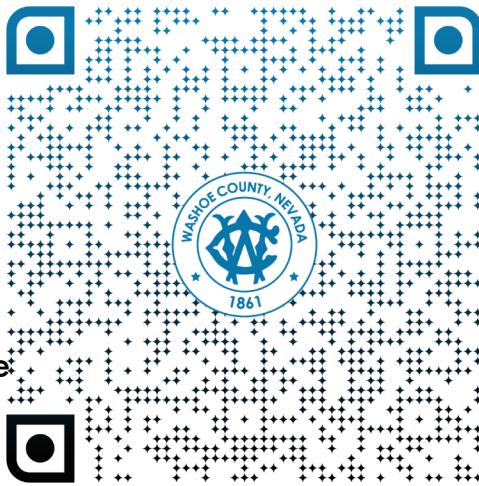
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I, Kalie Work, hereby certify this document as a true and correct copy of the original on record with the Washoe County Recorder's office.

A handwritten signature of Kalie Work in black ink.

Kalie Work, Washoe County Recorder

January 12, 2022

Date

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DECLARATION

AFTER RECORDING MAIL TO:  
BAILEY & MCGAH  
1641 GLEN OAKS DR.  
RENO, NEVADA 89523

OF COVENANTS, CONDITIONS, AND RESTRICTIONS

OF NORTHGATE EIGHT

THIS DECLARATION is made this 27 day of OCT., 1995, by BAILEY & McGAH, a Nevada general partnership (herein "Declarant").

R E C I T A L S:

A. Declarant is the owner of the real property located in Washoe County, Nevada, described in Exhibit "A" hereto.

B. Declarant is constructing on the real property described in Exhibit "A" a development project known as Northgate No. 8. Declarant may develop the project in multiple phases, the first consisting of 50 lots together with common area to be constructed upon that portion of Declarant's real property described in the Subdivision Map of Northgate Unit No. 8A, File No. 1492055, filed with the Washoe County Recorder July 5, 1991, (herein the "Project"), and with subsequent phases which may be constructed upon appropriate portions of the remainder of the real property described in Exhibit "A".

C. By this Declaration, Declarant intends to submit the real property described in Exhibit "B" to use and ownership as a single-family development in accordance with the provisions of Chapter 278 of Nevada Revised Statutes, and to provide for the possible annexation of additional portions of the real property described in Exhibit "A".

DECLARATION:

NOW, THEREFORE, Declarant hereby declares that the real property described in Exhibit "B", and such other real property as becomes annexed and subject hereto as set forth in Article 14 of this Declaration, is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions of this Declaration, all of which are hereby declared to be in furtherance of a general plan for the development, improvement, and sale of the Project, and are further declared to be for the purpose of enhancing, maintaining, and protecting the value and attractiveness of the Project. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and burdens to the Declarant and its assigns and to all persons hereafter acquiring or owning any interest in the Project, however such interest may be obtained.

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ARTICLE I  
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the meanings set forth in this Article.

- 1.1 The "Articles" mean the articles of incorporation of the Association.
- 1.2 The "Association" means the Northgate - Eight Homeowners Association, a Nevada nonprofit corporation.
- 1.3 The "Association Property" means any property owned by the Association.
- 1.4 A "beneficiary" means a beneficiary under a deed of trust or a mortgagee under a mortgage, and/or the assignee of such beneficiary or mortgagee.
- 1.5 The "Board" means the Board of Directors of the Association.
- 1.6 The "Bylaws" means the Bylaws of the Association.
- 1.7 The "City" means the City of Reno, Nevada.
- 1.8 The "Common Area" means the approximate areas designated as areas to be owned or subject to easement by the "Association" shown in Exhibit "C" attached hereto including , but not limited to the two (2) parcels designated as "Common Area" on the Map. "Common Area" shall also mean any property described as "Common Area" in a Supplemental Declaration. "Common Area" includes all Improvements situated thereon or therein.
- 1.9 The "County" means Washoe County, Nevada.
- 1.10 The "Declarant" means BAILEY & McGAH, a Nevada general partnership, which has made and executed this Declaration.
- 1.11 The "Declaration" means this instrument and amendments thereto.
- 1.12 A "deed of trust" means a deed of trust or a mortgage encumbering a portion of the Project.
- 1.13 An "Eligible Mortgagee" means an institutional holder of a first deed of trust who has requested the Association to notify such mortgagee of any proposed action that requires the consent of a specified percentage of such mortgagees.
- 1.14 A "first deed of trust" means a deed of trust or mortgage having priority over all other deeds of trust encumbering the same portion of the Project.

1.15 A "foreclosure" means a foreclosure of a mortgage or exercise of power of sale pursuant to a deed of trust.

1.16 An "improvement" is any building, outbuilding, shed, road, driveway, parking area, walk, fence, wall, arbor, deck, pole, sign, pool, tank, ditch, landscaping, court, gate, statute, marker, bridge, pole, pipe, antenna, satellite dish, clothes line, screening wall, retaining wall, hedge, wind break, planting, planted tree and shrub, or any other structure or landscaping improvement of every type and kind in the Project.

1.17 An "institutional holder" is a mortgagee which is a bank, savings and loan association, established mortgage company, or other entity chartered under federal or state laws, or any corporation or insurance company, or federal or state agency.

1.18 A "lease" is any agreement for the leasing or rental of any portion of the Project.

1.19 A "Lot" means Lots 1 through 50, inclusive, as shown on the Map. The term "Lot" shall also mean any Lot described as such in a Supplemental Declaration. Lot includes all Improvements situated thereon or therein.

1.20 The "Manager" means the person or entity designated by the Board to manage the affairs of the Association and to perform various other duties assigned by the Board and by the provisions of this Declaration.

1.21 The "Map" means the Subdivision Map of Northgate Unit No. 8A filed in the Office of the County Recorder of Washoe County, Nevada, as File No. 1492055, on July 5, 1991, at 8:25 a.m. This definition may be amended by filing supplemental declarations including such further recorded maps as may be approved by the City of Reno pertaining to the real property described in Exhibit "A", as such real property is annexed in accordance with Article 14.

1.22 A "Member" means every person or entity who holds a membership in the Association.

1.23 A "mortgage" means a mortgage or a deed of trust encumbering a portion of the Project.

1.24 A "mortgagee" means a mortgagee of a mortgage or a beneficiary under a deed of trust.

1.25 An "Owner" means any person, persons, or entity, including Declarant, owning a Lot.

1.26 The "Project" means the real property described in Exhibit "B" including the land, buildings, and other structures and improvements now or hereafter thereon, together with all easements, rights, and appurtenances belonging thereto, and all personal property used in

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connection therewith owned now or hereafter by the Association. The definition of the "Project" shall include annexed property as provided in Section 14.2.

1.27 The "Rules and Regulations" mean such rules and regulations as the Board from time to time may adopt concerning the use of the Project or of any part thereof.

1.28 "Supplemental Declaration" means any instrument recorded in the County which extends the provisions of this Declaration to all or a portion of the real property described on Exhibit "A" or any other property.

ARTICLE 2  
OWNERSHIP OF LOTS AND COMMON AREA  
EASEMENTS, AND APPURTENANCES

2.1 Ownership of Lot. Ownership of each Lot within the Project shall include a fee interest in a Lot, a membership in the Association, and any exclusive or non-exclusive easement or easements appurtenant to each Lot.

2.2 Non-Severability of Component Parts of Lot. No part of a Lot or of the legal rights comprising ownership of a Lot including Association membership, may be severed from any other part thereof during the period of Lot ownership prescribed herein, so that each Lot and the easements and rights appurtenant to such Lot shall always be conveyed, devised, encumbered, and otherwise affected only as a complete Lot. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Lot or any part thereof shall be presumed to be a gift, devise, bequest, transfer, encumbrance, or conveyance, respectively, of the entire Lot, together with all appurtenant rights created by law or by this Declaration. No Owner may bring any action for partition of any Lot.

2.3 Ownership of Common Area. As soon as practicable after formation of the Association, Declarant may transfer and convey to the Association, and the Association shall accept the conveyance by Declarant of any portion of its interest in all of the Common Area, free and clear of all liens, restrictions, easements, and encumbrances, except the following:

2.3.1 Those created by this Declaration;

2.3.2 The lien of non-delinquent real property taxes and assessments;

2.3.3 Such easements and rights of way on, over, or under all or any part thereof as may be reserved to the Declarant or granted to any Owner for the use thereof in accordance with this Declaration;

2.3.4 Such easements and rights of way on, over, or under all or any part thereof as may be reserved to Declarant or granted to or for the Benefit of any political subdivision, public organization, or utility for the purpose of constructing, erecting, operating, and maintaining thereon, at any time: (a) roads, streets, trails, walks, driveways, parkways, and park areas; (b)

poles, wires, conduits for transmission of electricity, telephone, communication and cable or master antenna television for the Project and the necessary attachments connected therewith; or (c) public and private sewers, sewage disposal systems, storm water drains, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any and all equipment connected therewith;

2.3.5 Any easements and rights of way on, over, or under all or any part thereof as may be reserved to Declarant or granted to any Owner for access, ingress, and egress to and from any Lot, the Common Area, or other part of the Project;

2.3.6 The obligation imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution, or regulation of the United States of America, the State of Nevada, County, City, or any other political subdivision or public organization having jurisdiction over the Project or the sales thereof, or by virtue of any organization or political body created pursuant to any such statute, law, ordinance, or regulation;

2.3.7 Any other lien, encumbrance, or defect of title of any kind whatsoever (other than of the type that would at any time or from time to time create a lien upon such property to secure an obligation to pay money) that would not materially and actually prejudice Owners in their use and enjoyment of their Lots and the Common Area.

2.5 Use of Common Area. Each Owner shall have a non-exclusive easement for designated use of and maintenance of the Common Area and for ingress, egress, and support over and through the Common Area. Each such non-exclusive easement shall be appurtenant to and pass with title to each Lot, subject to the following rights and restrictions:

2.5.1 The right of the Board, subject to the veto by a vote of at least 67% of the total allocated votes, to adopt, amend, and enforce Rules and Regulations concerning the use of any portion of Common Area;

2.5.2 The right of the Association to borrow money to improve, repair, or maintain the Common Area;

2.5.3 The right of the Association to assign, rent, license, or otherwise designate and control use of the Common Area;

2.5.4 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or entity for such purposes, and subject to such conditions as may be agreed to by the Owners by the votes set forth below. No such dedication or transfer shall be effective until Owners representing at least 67% of the total votes of each class of Members and Eligible Mortgagees representing at least 51% of the votes of Lots that are subject to mortgages held by Eligible Mortgagees have consented, and a notice evidencing such consent has been recorded.

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2.6 Utility Easements. There is reserved for the benefit of each Lot easements for utility services over, under, or through such positions of the Project and other Lots, where such utilities are constructed when construction of the Project is completed. In addition, Declarant reserves and the Association is granted, the right to establish and convey subsequent utility easements. Each Owner, in accepting a deed of a Lot, expressly consents to such easements. However, no such easement can be granted if it would interfere with the use, occupancy, or enjoyment by any Owner of his Lot, unless approved by the vote or written consent of the holders of not less than 67% of the total votes of each class of Members.

2.7 Easements of Access for Repair, Maintenance, and Emergencies. Some of the Common Area is or may be located within the Lots or may be conveniently accessible only through the Lots. The Owners of other Lots shall have the irrevocable right, to be exercised by the Association as their agent, to have access to each Lot and to all Common Area from time to time during such reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Area located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Area or to another Lot. The Association shall also have such right independent of any agency relationship. Damage to the interior of any part of a Lot resulting from the maintenance, repair, emergency repair or replacement of any of the Common Area or as a result of emergency repairs within another Lot at the instance of the Association or of Owners shall be an expense of all the Owners, unless otherwise provided herein; however, if such damage is the result of negligence of the Owner of a Lot, then such Owner shall be financially responsible for all of such damage. Amounts owing by Owners pursuant to this Section shall be collected by the Association by assessment pursuant to Article 6 below.

2.7.1 Declarant reserves an easement on behalf of Declarant and the Association for the purpose of constructing and maintaining the landscape buffer and special fencing as more particularly described in 3.4.4 below and which easement area is more particularly described in Exhibits D-1 through D-19 attached hereto and made a part hereof. It shall be the obligation of the Association to maintain said improvements after they have been constructed by said Declarant.

2.7.2 Declarant reserves to Declarant and the Association a landscape and maintenance easement for the area within the street median located within that dedicated street known as Beaumont Parkway. After said median landscape improvements have been made by Declarant it shall be the obligation of the Association to maintain the same.

2.8 Easements Deemed Created. All conveyances of Lots or Common Area hereafter made shall be construed to grant and reserve such reciprocal easements as shall give effect to Sections 2.5, 2.7 and 2.8 above, even though no specific reference to such easements or to those Sections appear in any such conveyance.

2.8.1 Other Easements. Said easements shall include any other easements shown on the maps of development recorded from time to time with the Washoe County, Nevada Recorder.

2.8.2 Transfer of Easements. A conveyance of common areas to the Association shall transfer to such Association all easements herein reserved to Declarant which are necessary or convenient to the obligation of the Association to carry out its duties prescribed herein and in its Articles and By-Laws, which transfer shall not diminish the rights in and to said easements herein reserved. Nothing set forth herein shall be construed to impose on Declarant any duty or obligation of maintenance of common areas or improvements thereon after conveyance of the common areas on which such may be located to the Association. Declarant reserves to itself and its licensees the right to extend any and all utility lines (water, sewer, electrical, etc.), roads and any other improvements necessary to complete the entire development and as may be necessary with respect to the Northgate 8 Project as a whole.

2.9 Taxes and Assessments. Each Owner shall execute such instruments as may reasonably be specified by the Association to obtain separate real property tax assessment for the Owner's Lot. Each Owner shall pay all taxes and assessments levied against the Owner's Lot. The Association shall pay all taxes and assessments levied against the Common Area and other Association Property.

2.10 Liability for Use of Easement. No Owner shall have any claim or cause of action against any Declarant or the Association or their respective successors and assigns arising out of the use or nonuse of any easement reserved hereunder or shown on the map, by any person.

ARTICLE 3  
RESTRICTIONS ON USE OF LOTS

3.1 Residential Use. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling not to exceed two stories in height and an attached or detached private garage for not more than three cars for use by occupants of single-family dwelling.

3.2 Alterations and Improvements. Except as initially constructed by Declarant and/or as required by the City of Reno as a condition to approval of the Map or Maps pertaining to the real property (Exhibit "A"), no building, fence, wall, or other structure or improvement shall be commenced, erected, or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board or by an architectural committee composed of 3 or more representatives appointed by the Board. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within 30 days after such plans and specifications have been submitted to it, approval will not be required and this Section 3.2 will be deemed to have been fully complied with.

3.3 Maintenance, Appearance and Landscaping. The Owner of each Lot shall maintain the Lot and all improvements located on the Lot in a clean and orderly manner and in good condition and state of repair, all at Owner's sole cost and expense. All landscaping in the Project

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shall be maintained and cared for in a manner consistent with the standards of design and quality as originally established by Declarant and in a condition comparable to that of other well maintained residential areas in the vicinity of the Project. Specific restrictions on landscaping may be established by the Board. All landscaping shall be maintained in a neat and orderly condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced. All lawn areas shall be neatly mowed and trees and shrubs shall be neatly trimmed. Each Owner shall be responsible for all landscaping located within his Lot. Each Owner shall commence and complete installation of permanent landscaping within all portions of the Owner's Lot within eighteen (18) months after the last to occur of the following: (a) conveyance of the Lot to the Owner, or (b) completion of construction of a residence on the Lot.

**3.4 Special Conditions and Restrictions Pertaining to the Common and Landscaped Areas and Specific Lots.**

**3.4.1 Conditions Pertaining to Common and Landscaped Areas.** Certain landscaped areas described in the Map referred to herein or adjacent to the above described property, but not included within the individual Lots will be specially landscaped as a condition for City of Reno approval of the subdivision map for Northgate Unit 8, and accordingly, the Homeowners Association for Northgate Unit 8 shall have the ultimate responsibility for maintaining said landscaped areas in accordance with the original landscape improvement and shall in no event, without approval of Declarant, the majority of property owners in Northgate 8, and the City of Reno Department of Planning and Community Development, alter in any substantial manner the landscaping approved by the Reno City Department of Planning and Community Development and implemented by Declarant. The Association shall assume and discharge the obligation of maintenance of said landscaped areas, however, the Declarant shall have the option, in its sole discretion, of assuming and discharging said obligation at the expense of the Association until such time as 75% of the lots in said subdivision have been sold. The size of said landscaped areas may be modified if grading on adjacent parcels eliminates the need for said landscaping or development of adjacent Lots requires the landscaping to be modified.

**3.4.2 30 Foot Wide Roadway Easement Adjacent to Lots 1, 2 and 3.** The common area consisting of a 30 foot wide roadway easement serving Lots 1, 2 and 3 shall be maintained by the Association.

**3.4.3 30 Foot Wide Roadway Easement Adjacent to Lots 41 Through 50.** The common area consisting of a 30 foot wide roadway easement serving Lots 41 through 50 shall be maintained by the Association.

**3.4.4 Landscaped Buffer and Special Fencing Conditions and Restrictions.** In accordance with individual lot plot plans between Declarant and Owners and in accordance with the final landscape plan approved by the Reno City Department of Planning and Community Development and implemented by the Declarant, the Association shall maintain a minimum 5 foot landscape buffer within the "landscape easement" on Map Lots 1 through 4, 7, 8, 20, 21, 25, 26, 31, 32, 37, 38, and 46 through 50 and shall have and maintain upon said "landscape easement" a uniform solid 6 foot high masonry fence on lots 46 through 50, a uniform solid 5 foot high masonry fence on lots 1 through 3, and a 6 foot high wrought iron fence (with masonry pillars) on

lots 4, 7, 8, 20, 21, 25, 26, 31, 32, 37, and 38; however, there shall be a reduction in the fence height to 4 feet within the 20 foot front yard areas of Map Lots 21, 25, 26, 31, 32, 37, 38 and 50, adjacent to Beaumont Parkway, which fences as constructed by Declarant shall be maintained by the Association.

**3.4.5 Special Assessments.** The Board may adopt reasonable and necessary special and non-uniform assessments under its powers, as set forth in Article 6, to provide for the non-uniform special conditions pertaining to certain specific Lots herein.

**3.5 Parking Restrictions.** Unless otherwise permitted by the Board, no automobile shall be parked or left within the Project other than within a garage or driveway. No travel or camp trailer, motorhome, house trailer, golf cart, recreational vehicle, truck camper, camper, boat or boat trailer shall be parked within the Project for more than 48 hours nor for more than 5 days in a 30 day consecutive period unless kept within a fully enclosed roofed garage so as not to be visible from any street, lot, parcel, or common area. The intent of this paragraph is to allow only for loading and unloading such vehicles in the Project unless kept in a garage as aforesaid. Commercial vehicles shall only be parked in such areas as may, in the sole discretion of the Board, be designated in its Rules and Regulations. Parking by commercial vehicles for the purpose of making deliveries shall be permitted in accordance with the Rules and Regulations. The above said parking restrictions shall not apply to the Declarant's model home and Project office during construction and sales activities throughout the development of the Project and annexed areas.

**3.6 Restricted Use of Recreational Vehicles, Etc.** No boat, truck, trailer, camper, recreational vehicle, barn, shack, garage, outbuilding, or tent shall be used as a living area while located on the Project.

**3.7 Fences and Walls.** No fences shall be constructed within the Project except those that are installed in accordance with the original construction of the Project, and their replacements, or such wrought-iron fences as are authorized and approved by the Board.

**3.8 Trash Disposal.** Trash, garbage, or other waste shall be kept only in sanitary containers. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Project other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose except on the scheduled day for trash pickup.

**3.9 Signs.** All signs displayed in the Project shall be attractive and compatible with the design of the Project and shall comply with all applicable local ordinances. The only signs of any kind which may be displayed to the public view on or from any Lot or common area shall be as follows: (i) one (1) sign not larger than eighteen inches by twenty four inches (18" x 24") may be placed on a Lot advertising the Lot for sale or rent; (ii) signs may be displayed by Declarant on unsold Lots, as Declarant deems appropriate, advertising Lots owned by Declarant for sale or rent; and (iii) signs required by legal proceedings may be displayed. The Declarant's model home sign and the Declarant's Project advertising monument are specifically excepted from this sign restriction.

3.10 Animals. No animals or fowl shall be raised, bred or kept in any dwelling or on any Lot, except for dogs, cats or other household pets of the Owner or his tenant of a reasonable number, and not for any commercial purposes, and subject to the condition that such animals or pets shall not create or constitute a nuisance to others. In no event shall any domestic pet be allowed to run free away from its Owner's Lot without a leash and under a person's control.

3.11 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate in the Project. No odors shall be permitted to arise from the Project so as to render any portion of the Project unsanitary, unsightly, offensive, or detrimental to any other portion of the Project in the vicinity thereof or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any portion of the Project so as to be offensive or detrimental to any other portion of the Project in the vicinity thereof or to its occupants. Without limiting the generality of any of the following provisions, no exterior speakers, horns, whistles, bells, or other sound devices (other than security systems used exclusively for security purposes) shall be located, used, or placed on the Project without the prior written approval of the Board. No noxious or offensive activities, including but not limited to, repair of automobiles or other motorized vehicles or installation and maintenance of offensive or intrusive exterior lighting, shall be conducted within the Project. Nothing shall be done on or within the Project that may be or may become an annoyance or nuisance to the residents of the Project, or that in any way interferes with the quiet enjoyment of occupants of Lots.

3.12 Compliance with Laws; Prohibition of Certain Activities. No Owner shall permit anything to be done or kept in his Lot that violates any law, ordinance, statute, rule or regulation of any local, county, state, or federal body. No Owner shall allow furniture, furnishings, or other personality belonging to such Owner to remain within any portion of the Common Area except as otherwise permitted by the Board. Without prior written consent from the Board, nothing shall be done or kept in any Lot or in the Common Area or any part thereof which would result in cancellation of the insurance on the Project or any part thereof or increase the rate of insurance on the Project or any part thereof over what would be paid but for such activity.

3.13 Rules and Regulations. No Owner shall violate the Rules and Regulations as adopted from time to time by the Board.

3.14 Indemnification. Each Owner shall be liable to the Association for any damage to the Common Area that may be sustained by reason of the negligence of such Owner, members of his family, his contract purchasers, tenants, guests, or invitees, but only to the extent that any such damage is not covered by insurance.

3.15 Right of Entry. Upon reasonable notice and during reasonable hours, Declarant or any member of the Board, or any authorized representative of any of them, shall have the right to enter upon and inspect any Lot for the purposes of ascertaining whether or not the provisions of this Declaration or the Rules and Regulations have been or are being violated. Such persons shall not be deemed guilty of trespass by reason of such entry. The granting of such right shall not be construed as creating any duty or obligation to determine compliance with the Declaration.

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ARTICLE 4  
THE ASSOCIATION

4.1 Formation. The Association is a nonprofit corporation formed under the laws of the State of Nevada. Immediately after recording of the Declaration, Declarant shall cause the Articles to be filed with the Secretary of State of the State of Nevada. Upon recording of the first Lot sale to an Owner other than Declarant, the Association shall be charged with the duties and invested with the powers set forth in the Articles, Bylaws, and this Declaration.

4.2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of Members as set forth in the Articles, Bylaws, and this Declaration, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration or the Bylaws, or their amendments. Except for the original Board named in the Articles, the Board shall be composed of Members. Not later than the earlier of (a) four months after 75% or 140 of the Lots in the Project have been conveyed to Owners other than Declarant or (b) five years after the first conveyance of a Lot to an Owner other than Declarant, a special meeting of the Members shall be held for the purposes of electing a Board to succeed the Board named in the Articles. Such meeting shall be noticed and conducted in accordance with the Bylaws. Except as otherwise provided in the Articles, Bylaws, or this Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total allocated voting rights assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

4.3 Membership.

4.3.1 Incorporators as Members. The Incorporators who execute and subscribe the Articles shall be deemed Members of the Association. The status of Incorporators as Members shall cease upon the convening of the first meeting of the Members of the Association called for the purpose of electing successors to the first Board of Directors named in the Articles. The Incorporators are designated as Members solely for the purpose of complying with the provisions of NRS 81.450(1). Unless an Incorporator is also an Owner or is serving in his capacity as officer, partner, employer, or agent of Owner/Declarant, then an Incorporator shall have no rights, duties, or obligations as a Member under this Declaration, the Articles, or Bylaws. Any reference to "Member" in this Declaration, the Articles, or Bylaws shall not include any Incorporator unless specific reference to such Incorporator is made or unless such Incorporator is also an Owner.

4.3.2 Membership Qualifications. Each Owner of a Lot, including Declarant, shall be a Member of the Association. No Owner shall hold more than one membership in the Association even though such Owner may own, or own an interest in, more than one Lot. Except as provided in Section 4.3.1, ownership of a Lot or interest in it shall be sole qualification for membership in the Association. Each Owner shall remain a Member of the Association until his ownership or ownership interest in any Lot in the Project closes, at which time his membership in

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the Association shall automatically cease. Persons or entities who hold an interest in a Lot solely as security for performance of an obligation are not to be regarded as Members. However, a contract of sale buyer of a Lot shall be a Member (contract of sale herein is defined to be the "security interest" document and not the "marketing" document).

4.3.3 Members' Rights and Duties. Each Member shall have the rights, duties, and obligations set forth in this Declaration, the Articles, Bylaws, and Rules and Regulations, as the same may from time to time be amended.

4.3.4 Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, one or more Lots shall be appurtenant to each such Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer or title to each such Lot or interest in it and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot or interest in it shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner. Immediately after any transfer of title to a Lot, either the transferring Owner or the acquiring Owner shall give notice to the Board of such transfer, including the name and address of the acquiring Owner and the date of transfer.

4.4 Voting Rights. Only Members of the Association shall be entitled to vote. The voting privileges of each class of Members shall be as set forth herein. There shall be no cumulative voting.

4.4.1 Incorporators. Any Incorporator who is not also an Owner or partner, officer, agent or proxy holder of Declarant/Owner, shall have no voting rights.

4.4.2 Class A Members. Class A Members shall be all Owners excepting Declarant and shall have one vote for each Lot owned. However, when one or more Members own an interest in a Lot, the vote for such Lot shall be exercised as they themselves shall determine. However, in no case shall more than one vote be cast by one Lot with respect to any matter in question. Further, the voting rights for each Lot may not be cast on a fractional basis. If the joint owners of a Lot are unable to agree among themselves as to how their voting rights shall be cast, then they shall forfeit the vote on the matter in question. It will be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Lot. If more than one person or entity exercises the voting rights for a particular Lot, none of their votes shall be counted; and their votes shall be deemed void on the matter at issue.

4.4.3 Class B Members. The Class B Member shall be Declarant and shall be entitled to cast three (3) votes for each lot it owns. Class B membership shall cease when all of the real property described in Exhibit "A" has been added to the Project and Declarant no longer owns any Lot in the Project.

4.4.4 Votes Upon Annexation. If and when additional premises are annexed hereto, Declarant shall become a Class B Member for each Lot within the added premises so annexed and shall be entitled to cast three votes for each Lot that it owns in the added land even

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though its Class B voting rights for the Lots within a previous phase may have ceased pursuant to Section 4.4.3.

4.5 Successor Associations. In the event that the Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association hereunder. The affairs of such unincorporated association shall be governed by the laws of the State of Nevada and, to the extent not inconsistent therewith, by the Articles and Bylaws of the Association as if they were created for the purpose of governing the affairs of an unincorporated association.

## ARTICLE 5 POWERS AND DUTIES OF THE ASSOCIATION

5.1 Powers. The Association shall have all powers of a nonprofit corporation organized under the laws of the State of Nevada subject only to such limitations or the exercise of such powers as are set forth in the Articles, the Bylaws, and this Declaration. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under this Declaration, the Articles, or the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the following:

5.1.1 Assessments. The Association shall have the power to establish, fix, and levy assessments against the Owners and to enforce payment of such assessments, in accordance with the provisions of this Declaration. However, the approval of Members shall be required as to the amounts of all regular and special assessments except as otherwise provided in this Declaration.

5.1.2 Right of Enforcement. The Association in its own name and on its own behalf, or on behalf of any Owner who consents, can commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or any resolutions of the Board, or to enforce by mandatory injunction, or otherwise, all of these provisions. In addition, the Association can suspend the voting rights, can suspend any use privileges of the Common Area, or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of this Declaration, the Articles, Bylaws, Rules and Regulations, or Board resolutions. However, any such suspension of use privileges cannot exceed a period of 60 days for any one violation. Any monetary penalty cannot exceed \$500.00 for any one violation. Before invoking any such suspension or fine, the Board shall give such violating Owner or other person a hearing upon at least 5 days' written notice. Each suspended or fined Owner or other person can appeal such action by filing written notice of his intention to appeal with the Board. The action imposing the fine or suspension shall then become ineffective until the fine or suspension is approved by a majority of Board members at a regular or special meeting of the Board at which at least 75% of Board members are present; provided, however, if the fined or suspended Owner is a Board member, then such suspended Owner shall not be considered to be a Board member for such issue. The Owner or other person to be fined or suspended can appear,

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be represented by counsel, and be heard at the meeting. The Board may impose a special assessment against such Owner's Lot to collect any fine which remains unpaid for a period of 10 days or more. Except as provided in this Section, the Association does not have the power or authority to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of such Owner's Lot if the Owner does not comply with provisions of this Declaration, the Articles, Bylaws, or the Rules and Regulations, except when the loss or forfeiture is the result of a court judgment or arbitration decision or a foreclosure or sale under a power of sale based on failure of the Owner to pay assessments levied by the Association.

**5.1.3 Delegation of Powers; Professional Management; Other Services.** The Association acting by and through the Board can delegate its powers, duties, and responsibilities to committees or employees, including a professional managing agent ("Manager"). Any agreement for professional management of the Project shall be terminable by either party with or without cause and without payment of a termination fee on 30 days' written notice. The term of any such agreement shall not exceed one year, although such agreement may be renewed from year to year by the Board. If the project is professionally maintained or managed, the Board shall not terminate professional management and assume self-management of the project without the prior written consent of members. The Association may obtain and pay for legal, accounting, and other services necessary and desirable in connection with the operation of the Project and the enforcement of this Declaration.

**5.1.4 Personal Property.** The Association may acquire and hold for the use and benefit of all the Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise.

**5.1.5 Rules and Regulations.** The Board shall have the power to adopt, amend, and repeal the Rules and Regulations as it deems reasonable. The Rules and Regulations shall govern the use and maintenance of the Common Area provided herein by all Owners, or their families, guests, invitees, or by any contract purchaser, or tenant, or their respective family members, guests, or invitees. However, the Rules and Regulations shall not be inconsistent with or materially alter any provisions of this Declaration, the Articles, or the Bylaws. A copy of the Rules and Regulations as adopted, amended, or repealed, shall be mailed or otherwise delivered to each Owner. Such Rules and Regulations, as amended from time to time, shall be effective upon such mailing or delivery. In case of any conflict between any provision of the Rules and Regulations and any provisions of this Declaration, the Articles, or Bylaws, then the conflicting provision of the Rules and Regulations shall be deemed to be superseded by the provisions of this Declaration, the Articles, or the Bylaws.

**5.1.6 Other Services and Properties.** The Association shall have the power to obtain or pay for, as the case may be, any other property, services, taxes, or assessments which the Association or the Board is required to secure or pay for pursuant to the terms of this Declaration, the Articles, or Bylaws, including security services for the Association Properties or for the Project generally, or which, in its opinion, shall be necessary or proper for the operation of the Association Property.

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5.2 Duties of the Association. In addition to the duties delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 5.1.3, has the obligation, except as otherwise provided herein, to conduct all business affairs of common interest to the Owners and to perform each of the following duties:

5.2.1 Operation and Maintenance of Common Area. The Association shall operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of the Common Area and all its facilities, improvements, and landscaping, including any other property acquired by the Association, including personal property. Such operations and management shall be conducted in a first-class manner. The Association Property shall be maintained in a good state of repair. In this connection, the Association may enter into contracts for services or materials for the benefit of the Association of the Common Area, including contracts with Declarant. The term of any such service contract shall not exceed one year and shall be terminable by either party with or without cause and without payment of a termination fee upon 30 days' written notice.

5.2.2 Exterior Maintenance of Lots. In the event an Owner of any Lot shall fail to maintain the Lot and improvements thereon in a manner satisfactory to the Board and as required by this Declaration, then the Association, after approval by vote of at least 67% of the Board and 15 days' written notice to Owner, shall have the right, through its agents and employees, to enter upon the Lot and to correct and restore the following deficiencies: (a) failure to keep all parts of the Lot between the dwelling building and the streets free from trash, weeds, and other unsightly material; (b) failure to keep all parts of the Lot between the dwelling building and the streets properly landscaped, cultivated, and trimmed; (c) failure to keep the exterior of any improvement in proper repair, including paint or other finish. The cost of such corrective or restoration work shall be added to and become part of the assessment to which such Lot is subject.

5.2.3 Taxes and Assessments. The Association shall pay all taxes and assessments levied against property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale of the disposition of any property to satisfy the payment of such taxes.

5.2.4 Utilities. The Association shall acquire, provide, and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas, and other utility services which it deems necessary for operation and maintenance of the Common Area. The term of any contract to supply any of the listed services shall not exceed one year or, if the supplier is a regulated public utility, the shortest term not to exceed one year for which the supplier will contract at the applicable regulated rate.

5.2.5 Insurance. The Association shall obtain and maintain, from reputable insurance companies, the insurance described in Article 8.

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5.2.6 Enforcement. The Association shall perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, Articles, Bylaws, the Rules and Regulations, or Board resolutions.

5.2.7 Other. The Association shall carry out the other duties of the Association set forth in the Declaration Articles, or Bylaws.

5.3 Limitations of Authority of Board. Except with the vote or written assent of Members of the Association holding 55% of the voting rights, the Board shall not take any of the following actions:

5.3.1 Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 10% of the budgeted gross expenses of the Association for that fiscal year;

5.3.2 Sell during any fiscal year property of the Association having an aggregate fair market value greater than 10% of the budgeted gross expenses of the Association for that fiscal year;

5.3.3 Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

5.4 Personal Liability. Except to the extent such liability, damage, or injury is covered by any type of insurance, no member of the Board, or of any committee of the Association, or any officer of the Association, or any Manager, or Declarant, or any agent of Declarant, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

5.5 Meetings of Members. Meetings of Members shall be noticed and held as provided in the Articles, Bylaws, and this Declaration.

5.6 Inspection of Association Books and Records.

5.6.1 Any membership register, accounting records, and minutes of meetings of the Members, the Board, and committees of the Board or the Association, shall be made available for inspection and copying by any Member of the Association, or his duly appointed representative, or any mortgagee, at any reasonable time and for a purpose reasonably related to his interest as a Member, at the office of the Association or at such other place as the Board prescribes.

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## ARTICLE 6 ASSESSMENTS

6.1 Agreement to Pay. Each Owner (including Declarant) for each Lot owned, covenants and agrees to pay to the Association such regular, special, and capital improvement assessments as are established, made, and collected as provided in this Declaration.

6.2 Personal Obligations. Each assessment or installment, together with any late charge, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner at the time such assessment or installment became due and payable. If more than one person or entity was the Owner of a Lot, the personal obligation to pay such assessment or installment respecting such Lot shall be both joint and several. Subject to the provisions of Section 6.10, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the Lot up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by waiver of the use and enjoyment of any part of the Common Area or by abandonment of his Lot.

6.3 Purpose and Amount of Assessments. The assessments levied by the Association shall be the amount estimated to be required, and shall be used to promote health, safety, and welfare of the Members of the Association, the improvement, replacement, repair, operation, and maintenance of the Common Area, and the performance of the duties of the Association as set forth in this Declaration. There shall be a working capital fund for the initial months of operation of the Project equal to at least 2 months' estimated charge for every Lot.

6.4 Regular Assessments. Not less than 30 days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of preparing the operating statement or budget for the forthcoming fiscal year and establishing the regular annual assessment for the forthcoming fiscal year. The Board shall establish the regular annual assessment without vote of the Members; provided, however, the Board may not establish a regular assessment for any fiscal year of the Association that is more than 120% of the regular assessment of the prior fiscal year of the Association (except the first such fiscal year of the Association if it should be less than 12 months) without the approval by vote or written consent of at least 51% of the total allocated votes of Members at either the regular annual meeting or a special meeting called for that purpose at which a quorum of at least 60% of the Owners or their proxies are represented. If 60% do not attend, then a second meeting may be called and the required quorum may be reduced to 30%. In addition to all other uses of the regular assessments as herein provided, the Association shall, from each payment of regular monthly assessments, fund a reserve for replacement of Common Area property and Association property.

6.5 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated

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delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on the Common Area, then the Board shall determine the approximate amount necessary to defray such expenses. The levy of special assessments shall require approval by a majority vote of the Board and the approval of Members in the same manner required for an increase in the regular assessment in excess of 120% as described in Section 6.4. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Lot. Additionally, the Association shall have the power to incur expenses for maintenance, repair, or other costs incurred with respect to any Lot, provided such expense is necessary, in the opinion of the Board, to protect the Common Area or any other portion of the Project, and provided the Owner of such Lot has failed or refused to perform such maintenance or repair or to pay such expense within a reasonable time after written notice of the necessity of such maintenance, repair, or expense has been delivered by the Board to such Owner. The Board shall levy a special assessment against the Owner of any such Lot to pay for the cost of such maintenance, repair, and any other costs or expenses arising out of or incident to such maintenance or repair, and the assessment therefor. Additionally, the Board may levy a special assessment against an Owner to collect a fine imposed by the Board.

#### 6.6 Capital Improvement Assessments.

6.6.1 After approval of a proposed capital improvement and the estimated total cost thereof pursuant to Sections 7.1 or 7.2, a capital improvement assessment in an amount equal to the estimated total cost shall be assessed against the Owners of each Lot in an equal amount for each Lot. If the total capital improvement assessments exceeds \$5,000.00 in any one fiscal year, then such capital improvement assessment shall not be established without the approval of at least 55% of the total allocated votes in the same manner as required for an increase in the regular assessment in excess of 120% as described in Section 6.4.

6.6.2 If at any time and from time to time a capital improvement assessment proves or appears likely to prove inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, without obtaining any further approval from the Owners, levy a further capital improvement assessment in the amount of such actual or estimated inadequacy, which shall be assessed to all Owners in equal amounts. If such additional assessment shall be in excess of 10% of the original assessment, the affirmative vote or written consent of 55% of each Class of Members shall be required for such further assessment.

6.6.3 Capital improvement assessments shall be due and payable by all Owners in such installments and during such periods as the Board shall designate.

6.7 Uniform Rate of Assessment. Except as otherwise specifically provided in this Declaration, regular, special, and capital improvement assessments must be fixed at a uniform rate for all Lots. The amount assessed to each Lot shall be determined by dividing the total amount assessed by the total number of Lots then within the Project and subject to assessment.

6.8 Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year. Regular assessments shall be

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payable in equal monthly installments unless the Board adopts some other basis for collection. However, the initial regular assessment period shall commence on the first day of the calendar month following the date on which the first sale of a Lot to an Owner other than Declarant is closed and recorded, and shall terminate on December 31 of that year. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Board adopts some other basis for collection. The Association shall not change the pro rata interest or obligation of any Lot for purposes of levying assessments without the prior written consent of Owners representing at least 67% of the total allocated votes of Members and of Eligible Mortgagees representing at least 51% of the votes of Lots that are subject to mortgages held by Eligible Mortgagees.

6.9 Notice of Assessments; Time for Payment. The Association may, in its discretion, give written notice of assessments to each Owner, which notice shall specify the amount of the assessment and the date of payment of the assessment. No payment shall be due fewer than 15 days after such written notice has been given. Each delinquent assessment shall bear interest at a reasonable rate as specified from time to time in the Rules and Regulations from the date it becomes due together with a reasonable late charge as specified from time to time in the Rules and Regulations for each delinquent installment. An assessment payment is delinquent if not paid within 30 days after such due date. Failure of the Association to give notice of the assessment shall not affect the liability of the Owner of any Lot for such assessment; but the date when payment shall become due in such a case shall be deferred to date 15 days after such notice shall have been given.

6.10 Statement of Account. Upon payment of a reasonable fee, as specified from time to time in the Rules and Regulations, and upon written request of any Owner or any mortgagee, prospective mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the following: the amount of the unpaid assessments, if any, with respect to such Lot; the amount of the current periodic assessment, and the date that such assessment becomes or became due; credit for advanced payments or prepaid items. Such statement of account shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within 20 days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee that acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessments and the personal obligation of the purchaser shall be released automatically if the statement is not furnished within the 20 day period, provided that, thereafter, an additional written request is made by such prospective purchaser and is not complied with within 10 days, and that such purchaser subsequently acquires the Lot.

6.11 Collection of Assessments. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized representatives, including any Manager, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity. Alternatively, the Board may foreclose by judicial proceedings or through the

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exercise of the power of sale pursuant to Section 6.14 to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 6.2 shall be maintainable without foreclosing or waiving the lien rights.

6.12 Lien for Assessments. All sums assessed to any Lot pursuant to this Article, together with interest thereon and other charges as provided herein, shall be secured by a lien on such Lot in favor of the Association upon recordation of a notice of delinquency as herein provided. Such lien shall be superior to all other liens and encumbrances on such Lot except for: (a) valid tax and special assessment liens on the Lot in favor of any governmental assessing authority; (b) a lien for all sums unpaid on a first mortgage, or on any mortgage to Declarant, duly recorded in the County real estate records including all unpaid obligatory advances to be made pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; (c) labor or materialmen's liens, to the extent required by law; and (d) a lien for sums secured by any other mortgage recorded prior to the recordation of the notice of delinquency.

6.13 Creation of Lien. To create a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of delinquency setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record owner of the Lot, and a description of the Lot. Such notice shall be signed by the Association's representative and may be recorded in the office of the County Recorder. No notice of delinquency shall be recorded until there is a delinquency in payment of the assessment.

6.14 Enforcement of Lien. Such lien may be enforced by sale by the Association after failure of the Owner to pay such assessment in accordance with its terms. Such sale shall be conducted in accordance with the provisions or covenants numbered 6, 7, and 8 of NRS 107.030, and in accordance with the provisions of NRS 107.030 and 107.090, applicable to the exercise of powers of sale in deeds of trust, or in any other manner permitted by law. After the lien is filed, the Owner shall be required to pay the costs and expenses of such foreclosure proceeding, including reasonable attorney's fees.

All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Lot which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with the Lot as the Owner thereof.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the County real estate records, upon payment of all sums secured by a lien that has been made the subject of a recorded notice of delinquency.

Any encumbrancer holding a lien on a Lot may pay, but shall not be required to pay, and amounts secured by the lien created by Section 6.12. Upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority rights.

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ARTICLE 7  
CAPITAL IMPROVEMENTS

7.1 Petition; Association Approval.

7.1.1 A majority of the Owners may petition the Association for the construction, installation, or acquisition of a capital improvement on the Common Area. As used herein, "capital improvement" relates only to a new capital improvement. No such petition or approval shall be required to replace existing capital improvements or to make expenditures from any capital replacement reserve. Such petition shall be in writing and be in such form and shall contain such information as the Board may require, including, without limitation, preliminary plans and cost estimates. The Board may, on its own motion, move for the construction, installation, or acquisition of a capital improvement, in which case such motion shall be treated as if it were a petition duly submitted by an owner.

7.1.2 The Board shall approve the petition if it determines that the proposed capital improvement is desirable for the beneficial use and enjoyment of the Common Area by Owners.

7.1.3 Upon the approval of such petition by the Board, the Board shall obtain firm bids on the total cost of constructing, installing, or acquiring the proposed capital improvement. The lowest acceptable bid or bids shall be deemed the estimated total cost of such capital improvement.

7.2 Owner Approval. If the estimated total cost of the proposed capital improvement exceeds the sum of \$5,000.00 in any one fiscal year, then the Board shall present the proposed capital improvement and the estimated total cost thereof to all Owners. Such improvements shall be deemed approved if 55% of the total allocated votes of Members vote to approve such capital improvement.

7.3 Construction of Improvements. After the levy of the capital improvement assessment pursuant to Section 6.6, and at such time and upon such terms and conditions as the Board may deem appropriate, but not exceeding the estimated total cost of such capital improvement determined pursuant to Section 7.1.3, the Board shall cause to be constructed, installed, or acquired, or contract for the construction, installation, or acquisition of the proposed capital improvement.

7.4 Costs of Petition. If for any reason the construction, installation, or acquisition of the proposed capital improvement is not approved by the Board or the Owners, all expenses incurred by the Association with respect to the proposed capital improvement shall be paid proportionately by the petitioning Owners. The Board may levy a special assessment against such Owners for the purpose of paying such expenses.

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ARTICLE 8  
INSURANCE

8.1     Casualty Insurance. The Association may obtain reasonable insurance on items not normally excluded from coverage on the Common Area within the Common Area, or such other limits as the Board may deem desirable. Such insurance may include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Board shall deem it appropriate to provide insurance protection. The Association may elect such "deductible" provisions as in the Board's opinion are consistent with good business practice.

8.2     Public Liability and Property Damage Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as the Board deems advisable to provide adequate protection. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles or other equipment on behalf of the Association, and activities in connection with the ownership, operation, maintenance, and other use of the Common Area. The liability insurance shall name as separately protected insureds Declarant, Declarant's project manager, the Association, the Board, and their representatives, members, Manager, and employees, with respect to any liability arising out of the maintenance or use of any Association Property. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, Declarant's project manager, the Board, and their representatives, members, and employees. After Declarant has no further interest in any portion of the project, then the above insurance provisions regarding Declarant and Declarant's project manager shall not apply.

8.3     Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

8.4     Fidelity Insurance. The Association shall purchase in such amounts and in such forms as it shall deem appropriate coverage against dishonesty of employees, destruction or disappearance of money or securities, and forgery.

8.5     Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as the Board shall deem appropriate with respect to the Common Area and other Association Property.

8.6     Premiums and Review. Except as provided above, premiums for all of the foregoing insurance carried by the Association shall be a common expense and shall be included in the assessments or charges made by the Association. The Board shall review the limits of all insurance policies of the Association at least once a year and adjust the limits as the Board deems necessary or appropriate. Each insurance policy shall provide that it cannot be canceled or substantially modified by the insurer until after 10 days' written notice is first given to the Association.

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8.7 Owner's Insurance Responsibilities. The following insurance coverages shall be the responsibility of each respective Owner and not of the Association: insurance on furnishings initially placed in the Lot by Declarant; insurance on items of personal property placed in the Lot by Owner; insurance for casualty and public liability coverage within each Lot; insurance coverage for activities of the Owner, not acting by the Association, with respect to the Common Area; insurance against loss from theft on all personal property placed in the Lot by Owner.

## ARTICLE 9 DAMAGE OR DESTRUCTION OF COMMON AREA

9.1 Authority of Association. The association shall have authority to repair or reconstruct damaged or destroyed portions of the Common Area as provided in this Article. Repair and reconstruction of the improvements as used in the succeeding sections mean restoring the Common Area to substantially the same vertical and horizontal boundaries as before.

9.2 Estimate of Costs. As soon as practicable after an event causing damage to, or destruction of, any part of the Common Area, the Association shall obtain estimates that it deems reliable and complete of the costs of repair or reconstruction of that part of the Common Area damaged or destroyed.

9.3 Repair or Reconstruction. As soon as practicable after receiving these estimates, the Association shall diligently pursue to complete the repair or reconstruction of the part of the Common Area damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction. No consent or other action by any Owner shall be necessary in connection therewith. Such repair or reconstruction may be in accordance with the original plans and specifications of the Project or may be in accordance with any other plans and specifications the Association may approve, provided that in such latter event, the number of cubic feet and the number of square feet for such improvements as originally constructed pursuant to such original plans and specifications.

9.4 Funds for Reconstruction. The proceeds of any insurance collected shall be available to the Association for the purpose of repair or reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair or reconstruction, then the Association, pursuant to Article 6 hereof, may levy in advance a special assessment sufficient to provide funds to pay such estimated or actual costs of repair or reconstruction. Such assessment shall be allocated and collected as provided in that Article. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair or reconstruction.

9.5 Disbursement of Funds for Repair or Reconstruction. The insurance proceeds held by the Association and the amounts received from the assessments provided for in Section 9.4 constitute a fund for the payment of cost of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for cost of repair or reconstruction shall be made from insurance proceeds. If there is a balance after payment of all costs of such repair or reconstruction, such balance shall be distributed to the Owners in proportion to the contributions

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that were or would have been made by each Owner pursuant to assessments by the Association under Section 9.4 of this Declaration.

#### ARTICLE 10 CONDEMNATION

10.1 Consequences of Condemnation. If at any time during the continuance of the planned until development ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the following provisions shall apply.

10.2 Condemnation of Common Area. If at any time all or any portion of the Common Area, or any interest therein, be taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation shall be paid to the holders or holders of the fee title to such area as their interest may appear. Any such award to the Association shall be deposited into the operating fund of the Association. No Owner shall be entitled to any portion of such award. No Owner shall be entitled to participate as a party, or otherwise, in any proceedings related to such condemnation, such right or participation being herein reverted exclusively to the Association, or other holder of the fee title which shall, in its name alone, represent the interests of all Owners to the extent such Owners have any interest.

10.3 Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 9 hereof.

#### ARTICLE 11 PROTECTION OF LENDERS

11.1 General. Notwithstanding any other provisions in this Declaration to the contrary, in order to induce institutional lenders to participate in the financing of sales of Lots in the Project, the following provisions are included. To the extent that the provisions of Article 11 conflict with any other provisions in this Declaration, the provisions of Article 11 shall control.

11.2 Encumbrances of Lots Permitted. Any Owner may encumber his Lot with one or more deed of trust.

11.3 Subordination. Any lien created or claimed under Article 6 of this Declaration is subject and subordinate to the lien of any first deed of trust encumbering any Lot or other property in the Project, unless the priority of such first deed of trust is expressly subordinated to such assessment lien.

11.4 Non-Liability for Unpaid Assessments. Any beneficiary of a first deed of trust who comes into possession of a Lot pursuant to the remedies provided in the deed of trust shall take such Lot free of any claims for unpaid assessments or charges against the encumbered Lot that accrued prior to the time such beneficiary comes into possession of the Lot, except for claims for

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a pro rata share of such assessments or charges resulting from a pro rata reallocation or such assessments or charges to all Project Lots including the mortgaged Lot; provided, however, after the foreclosure of any such deed of trust or conveyance of any Lot to such beneficiary by deed in lieu of foreclosure, such Lot shall remain subject to the Declaration. The amount of all regular and special assessments, to the extent they relate to expenses incurred subsequent to such foreclosure, shall be assessed hereunder to the grantee or purchaser at such foreclosure sale.

11.5 Breach of Covenants. No breach of any of the provision of this Declaration or the re-entry by reason of any such breach, shall defeat or render invalid the lien or any first mortgage or first deed of trust made in good faith and for value as to any Lot; provided, however, the provisions of the Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

11.6 Notice of Default. Upon written request to the Association, any holder, insurer, or guarantor of an obligation secured by a deed of trust encumbering any Lot shall be entitled to timely written notification from the Association of any default by the trustor in the performance of trustor's obligations under the Declaration, Articles, Bylaws, or Rules and Regulations that is not cured within 60 days.

11.7 Other Notices. Upon written request of the Association, any holder, insurer, or guarantor of an obligation secured by a deed of trust encumbering any Lot shall be entitled to timely written notification from the Association of any loss in excess of \$10,000.00 to the Common Area, commencement of any condemnation proceeding, a lapse, cancellation of material modification of any insurance policy or fidelity bond maintained by the Association, or any proposed action that requires consent of a specified percentage of Eligible Mortgagees.

11.8 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of a beneficiary pursuant to its deed of trust in the case of a distribution of Owners of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

11.9 Appearance at Meetings. Any institutional holder of a first deed of trust on a Lot, upon request, shall be entitled to written notice of all meetings of the Members of the Association and shall be permitted to designate a representative to attend all such meetings.

11.10 Right to Examine Books and Records. Any institutional holder of a first deed of trust can examine the books and records of the Association during normal business hours and, upon request, shall be entitled to receive an annual audited financial statement of the Project within 90 days following the end of any fiscal year of the project.

11.11 Prior Approvals-Material Changes. Amendments to the Declaration of a material nature must be agreed to by Owners representing at least 67% of the total allocated votes of Members.

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ARTICLE 12  
LIMITATION OF RESTRICTIONS

12.1 General. Declarant is undertaking the work of constructing the Project. The completion of construction of the Project and the sale of Lots is essential to the establishment and welfare of the Project as a residential development. In order that the work may be completed and the Project may be established as a fully occupied residential development as rapidly as possible, the restrictions contained in this Declaration are limited in their application to Declarant by this Article.

12.2 Limitations on Restrictions. Nothing in this Declaration shall be understood or construed to:

12.2.1 Prevent Declarant, its contractors, or subcontractors from doing on the Project whatever is reasonably necessary or advisable in connection with the commencement or completion of the above described work;

12.2.2 Prevent Declarant or its representatives from erecting, constructing, maintaining on any part of the Project, such structures as may be reasonably necessary for the conduct of its business of completing the work, establishing the Project as a residential community, and disposing of the Project by sale, lease, or otherwise;

12.2.3 Prevent Declarant from conducting on any part of the Project its business of completing the work, or establishing the Project as a residential community, and of disposing of the Project by sale, lease, or otherwise;

12.2.4 Prevent Declarant from maintaining such on any part of the Project owned by Declarant or on the Common Area, signs as may be necessary for the sale, lease, or disposition thereof;

12.2.5 Prevent Declarant from utilizing Lots as model homes, sales offices, or for construction activities, or from utilizing trailers or temporary structures as sales offices or for construction activities.

12.3 Damage. Nothing in this Article shall give the Declarant the right to damage any Lot not owned by Declarant. Declarant's right to so use the Project, except for the rights under Sections 12.2.4 and 12.2.5 shall terminate upon final completion of construction of the Project, except as required for maintenance and repair obligations conducted by Declarant which may continue after completion of construction.

ARTICLE 13  
AMENDMENT

13.1 Prior to Close of First Sale. Before the first conveyance of a Lot in the Project to a purchaser other than Declarant, this Declaration and any amendments to it may be amended in

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any respect or revoked by the execution by Declarant and any mortgagees of record of an instrument amending or revoking the Declaration. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the County Recorder.

13.2 After Close of First Sale. Except as otherwise provided herein, after the first conveyance of a Lot in the Project to a purchaser other than Declarant, this Declaration may be amended or revoked in any respect by the vote or written consent of Owners representing at least 67% of the total allocated votes of each class of Members. However, if any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Members in order to have affirmative or negative action under such provision, then the same percentage of such class of Members shall be required to amend or revoke such provision. Also, if the consent or approval of any governmental authority, mortgagee, or other person, firm, agency, or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, then no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first conveyance shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association, and shall make appropriate reference to this Declaration and its amendments, and shall be acknowledged and recorded in the office of the County Recorder.

13.3 Approval of City. Any amendment which would defeat the obligation of the Association to maintain the Common Area in a first class condition and in a good state of repair, or which would defeat the City imposed conditions for subdivision map approval or the assessment procedure to insure such maintenance, must be first approved in writing by the City.

13.4 Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

#### ARTICLE 14 ANNEXATION

14.1 Subdivision and Development by Declarant. Declarant intends to divide some or all of the real property described in Exhibit "A" into several areas, and to develop some or all of such areas in accordance with a general plan for development of such property. It is contemplated that such areas will be developed as a single family residential development project in which the development of, and restrictions upon, each portion thereof will benefit each other portion and the whole thereof. As each area is developed, Declarant intends, with respect thereto, to record one or more Supplemental Declarations which will incorporate by reference the provisions of this Declaration and annex the area to the Project herein.

14.2 Annexation. All or any portion of the real property described on Exhibit "A" may be added to the Project by Declarant at any time without the approval of the Association or any Owner other than the Declarant, if annexed prior to the tenth (10th) anniversary of the recordation of the most recently recorded Supplemental Declaration. Property other than the property described on Exhibit "A" may be annexed to the Project only with the approval of a

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majority of the Members. Upon the close of escrow for a Lot covered by a Supplemental Declaration, the provisions of this Declaration shall apply to all Lots described in the Supplemental Declaration in the same manner as if the added land were originally covered by this Declaration.

14.3 Contents of Supplemental Declaration. Any Supplemental Declaration referred to in Section 14.2 shall contain an exact description of the added land and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing the added land to the original land covered by this Declaration and extending the jurisdiction of the Association to cover the added land. The "Project" shall be redefined to include the added land in addition to the original land. A Supplemental Declaration may contain such complementary additions and modifications to this Declaration as may be necessary.

14.4 Deannexation and Amendment. Declarant has the right, at its sole option, to (i) amend a Supplemental Declaration by executing and recording an amendment of the Supplemental Declaration, or (ii) remove from the Project any property described in a recorded Supplemental Declaration by executing and recording a rescission of the Supplemental Declaration of Annexation, as long as all of the following conditions are satisfied at the time of the execution and recordation of the amendment or rescission: (a) no Lot described in the Supplemental Declaration has been conveyed to an Owner; (b) no Common Area described in the Supplemental Declaration has been conveyed to the Association; and (c) assessments have not commenced for any Lot described in the Supplemental Declaration.

## ARTICLE 15 MISCELLANEOUS

15.1 Term of Declaration. Except as otherwise provided herein, the Declaration shall continue and be effective for a period of 50 years from the date of recordation and shall be automatically extended for successive periods of 10 years until termination is approved by Owners representing at least 67% of the total allocated votes of Members and Eligible Mortgagees representing at least 67% of the votes of Lots that are subject to mortgages held by Eligible Mortgagees and notice of such termination is recorded in the office of the County Recorder.

### 15.2 Enforcement and Waiver.

15.2.1 Right of Enforcement. As provided in Section 5.1.2 and except as otherwise provided herein, Declarant, the Association, and any Owner shall have the right (but not the duty) to enforce, by an action for damages or injunctive relief or both, any or all of the covenants, conditions, and restrictions now or hereafter imposed by this Declaration upon the Owners or upon any of the Project; provided, however, nothing herein shall be construed as creating a third party beneficiary contract in favor of parties who are not Owners of property subject hereto. There shall be no right of enforcement by any one else who does not own property in the Project.

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15.2.2 Violations and Nuisance. Every act or omission whereby a covenant, condition, or restriction of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association, or any Owner. Any other provision to the contrary notwithstanding, only Declarant, the Board, and their duly authorized agents may enforce by self-help any covenants, conditions, or restrictions herein set forth.

15.2.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any portion of the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

15.2.4 Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive.

15.2.5 Nonwaiver. The failure to enforce the provisions of any covenant, condition, or restriction contained in the Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provisions to the Declaration.

15.3 Obligations of Owners. No Owner may avoid the burdens or obligations imposed on him by the Declaration through nonuse of any Association Property or the facilities located thereon or by abandonment of his Lot. Upon the conveyance, sale, assignment, or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any assessments with respect to such Lot levied after the date of such transfer. No person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of Owner under the Declaration.

15.4 Notices. All notices hereunder to the Association or the Board shall be sent by registered or certified mail to the Board at the Project, or to such other address as the Board may designate from time to time by notice in writing to the Owners. All notices to any Owner shall be sent by registered or certified mail to his Lot or to such other address as may be designated by him from time to time, in writing, to the Board. All notices shall be deemed to have been given three days after mailing, except notices of change of address which shall be deemed to have been given when received, and except as otherwise provided herein.

15.5 Assignment of Rights. The rights of Declarant under the Declaration may be assigned to any successor or successors to all or part of Declarant's interest in the Project.

#### 15.6 Construction of the Declaration.

15.6.1 Restrictions Construed Together. All of the covenants, conditions, and restrictions of the Declaration shall be liberally construed together to promote and effectuate the fundamental concepts set forth in the "Declaration" at the beginning of this Declaration.

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15.6.2 Restrictions Severable. Notwithstanding the provisions of Section 15.6.1, the covenants, conditions, and restrictions of the Declaration shall be deemed independent and severable. The invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

15.6.3 Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary. The masculine, feminine, or neuter shall each include the masculine, feminine, and neuter, as the context requires.

15.6.4 Captions. All captions or titles used in the Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions of any Section.

## ARTICLE 16 GOLF COURSE

16.1 Golf Course Areas. Owners and their Invitees adjacent to all golf course areas shall not engage in any action which would distract from the playing quality of the golf course. Such actions include but are not limited to burning materials where the smoke will cross the golf course, maintaining pets which are creating excess noise, playing loud radios, stereos, televisions or musical instruments, running, walking, jogging, bicycle riding, or skateboarding on the fairways or golf cart paths, picking up golf balls or otherwise interfering with play.

16.2 Intrusion Onto Golf Course. No Owner shall have any right of entry onto the golf course without the consent of the owner of the golf course. All permitted entry shall be made only through entry points designated by the golf course; no Owner may access the golf course from any adjacent residential Lot. No Owner may permit any irrigation water to overspray or drain from its Lot onto any portion of the golf course without approval of the owner of the golf course. No Owner may permit any fertilizer, pesticides or other chemical substances to overspray, drain, flow or be disposed of in any manner upon the golf course. If any Owner violates the provisions of this Section, it shall be liable to the owner of the golf course for all damages to the turf resulting from the violation and all damages, including consequential damages, suffered by the golf course owner.

16.3 Ownership Of Property Near A Golf Course. By acceptance of a deed to a Lot, each Owner acknowledges and agrees that owning property adjacent to a golf course has benefits as well as detriments and that the detriments include (a) the risk of damage to property or injury to persons and animals from golf balls which are hit onto an Owner's Lot or other portion of the Project utilized by the Owner, (b) the entry by golfers onto Owner's Lot or other portions of the Project utilized by the Owner to retrieve golf balls, (c) overspray in connection with the watering of the roughs, fairways and greens on the golf course, (d) noise from golf course maintenance and operation equipment (including, without limitation, irrigation systems, compressors, blowers, mulchers, tractors, utility vehicles and pumps, all of which may be operated

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at all times of the day and night and/or continuously), (e) odors arising from irrigation and fertilization of the turf situated on the golf course, (f) disturbance and loss of privacy resulting from golf cart traffic and golfers and (g) noise, vehicular and pedestrian traffic, congestion and loss of privacy as a result of tournaments held on the golf course. Additionally, each Owner acknowledges that pesticides and chemicals may be applied to the golf course throughout the year and that reclaimed water, treated waste water or other sources of non-potable water may be used for irrigation of the golf course. Each Owner expressly assumes such detriments and risks and agrees that neither Declarant, the owner or manager of the golf course, nor any of their successors or assigns shall be liable to the Owner or anyone claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of the Owner's Lot or Residence to the golf course, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the manager or owner of the golf course, or their successors or assigns. Each Owner hereby agrees to indemnify and hold Declarant and the golf course owners and managers of the golf course, and their respective successors and assigns, against any and all such claims by Owner's Invitees.

By acceptance of a deed to a Lot, each Owner specifically covenants and agrees that he or she will specifically disclose the existence and contents of this Article 16 to his or her subsequent transferees.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

BAILEY & McGAH

By Craig N. Dutton  
CRAIG N. DUTTON

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STATE OF NEVADA )  
 ) ss:  
COUNTY OF WASHOE )

On OCTOBER 27, 1995, before me, the undersigned, a Notary Public in and for said State, personally appeared CRAIG N. DUTTON known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

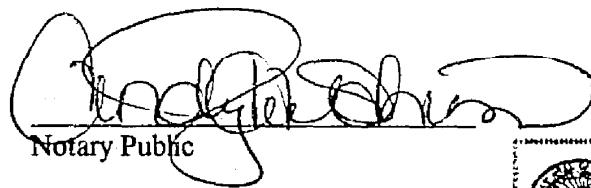
  
Notary Public



EXHIBIT A  
LEGAL DESCRIPTION  
NORTHGATE UNIT NO. 8  
APRIL 10, 1989

A parcel of land situated within Section 6, Township 19 North, Range 19 East, M.D.M., and Section 1, Township 19 North, Range 18 East, M.D.M., and more particularly described as follows:

Beginning at a point on the Northerly line of Northgate Golf Course, from which the Southeast corner of said Section 1 bears South  $31^{\circ}13'14''$  East, a distance of 797.48 feet; thence along the Northerly line of said Golf Course the following fourteen (14) courses and distances:

North  $62^{\circ}23'16''$  West, a distance of 162.71 feet;  
North  $37^{\circ}46'32''$  East, a distance of 492.49 feet;  
North  $46^{\circ}12'56''$  West, a distance of 170.13 feet;  
North  $70^{\circ}46'14''$  West, a distance of 101.94 feet;  
North  $55^{\circ}22'16''$  West, a distance of 470.50 feet;  
North  $12^{\circ}00'39''$  West, a distance of 561.02 feet;  
North  $12^{\circ}58'54''$  West, a distance of 50.40 feet;  
North  $79^{\circ}49'38''$  West, a distance of 114.48 feet;  
North  $73^{\circ}51'10''$  West, a distance of 59.88 feet;  
North  $73^{\circ}51'10''$  West, a distance of 7.50 feet;  
North  $64^{\circ}58'58''$  West, a distance of 177.52 feet;  
South  $74^{\circ}12'08''$  West, a distance of 28.54 feet;  
North  $67^{\circ}36'18''$  West, a distance of 825.67 feet;  
North  $65^{\circ}21'26''$  West, a distance of 17.90 feet;

thence North  $11^{\circ}17'26''$  East, a distance of 159.57 feet; thence from a tangent which bears North  $78^{\circ}42'34''$  West, along a circular curve to the left with a radius of 679.00 feet and a central angle of  $04^{\circ}53'44''$ , an arc length of 58.02 feet; thence North  $83^{\circ}36'18''$  West, a distance of 212.16 feet; thence from a tangent which bears North  $83^{\circ}36'18''$  West, along a circular curve to the left with a radius of 639.00 feet and a central angle of  $08^{\circ}21'26''$ , an arc length of 93.21 feet; thence North  $02^{\circ}40'26''$  West, a distance of 62.00 feet; thence North  $10^{\circ}16'38''$  East, a distance of 201.88 feet; thence North  $01^{\circ}17'01''$  West, a distance of 361.00 feet; thence North  $88^{\circ}42'59''$  East, a distance of 116.40 feet; thence North  $01^{\circ}17'01''$  West, a distance of 150.00 feet; thence North  $88^{\circ}42'59''$  East, a distance of 1279.60 feet; thence South  $22^{\circ}45'33''$  East, a distance of 738.67 feet; thence South  $81^{\circ}51'20''$  East, a distance of 390.71 feet; thence North  $53^{\circ}05'12''$  East, a distance of 129.60 feet; thence South  $54^{\circ}25'00''$  East, a distance of 132.50 feet; thence South  $17^{\circ}52'20''$  East, a distance of 270.83 feet; thence South  $55^{\circ}58'14''$  East, a distance of 444.45 feet; thence South  $05^{\circ}49'07''$  East, a distance of 1002.12 feet; thence South  $30^{\circ}27'10''$  West, a distance of 323.93 feet; thence South  $18^{\circ}42'37''$  East, a distance of 575.27 feet; thence from a tangent which bears North  $47^{\circ}21'40''$  West, along a circular curve

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to the left with a radius of 250.00 feet and a central angle of  $30^{\circ}13'09''$ , an arc length of 131.86 feet; thence North  $77^{\circ}34'40''$  West, a distance of 121.93 feet; thence from a tangent which bears North  $77^{\circ}34'49''$  West, along a circular curve to the left with a radius of 314.31 feet and a central angle of  $53^{\circ}53'12''$ , an arc length of 295.61 feet; thence from a tangent which bears South  $48^{\circ}31'59''$  West, along a circular curve to the right with a radius of 160.00 feet and a central angle of  $124^{\circ}50'50''$ , an arc length of 348.64 feet; thence North  $06^{\circ}37'11''$  West, a distance of 35.67 feet; thence North  $81^{\circ}22'01''$  West, a distance of 43.62 feet to the Point of Beginning.

Said parcel contains an area of approximately 91.283 acres.

BASIS OF BEARINGS: U.S.C.& G.S. stations "HUNTER" to "CHEALK BLUFF", taken as North  $27^{\circ}02'21''$  East.

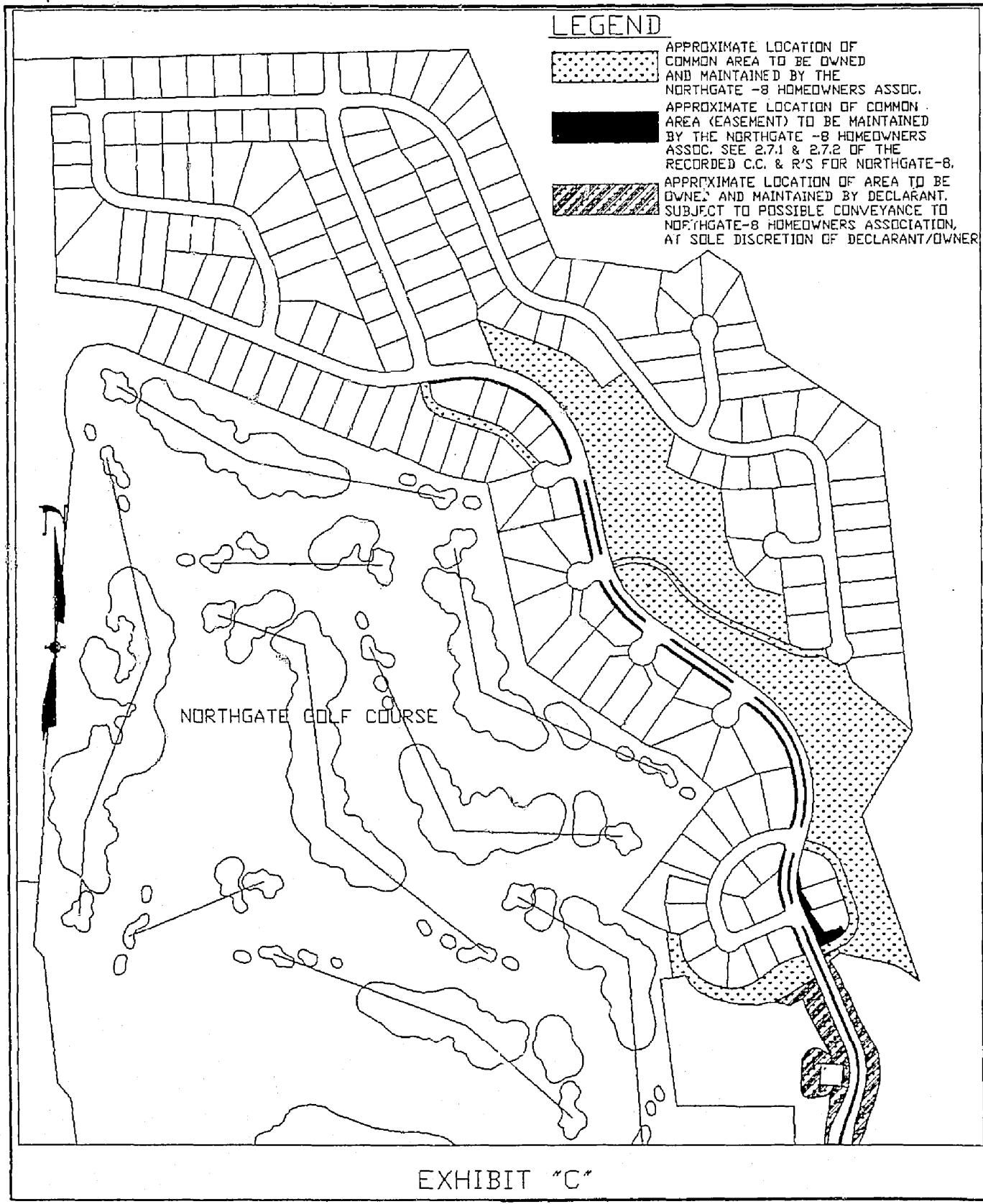
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EXHIBIT B

Lots 1 through 50 together with all common area shown in the Subdivision Map of Northgate Unit 8(a), filed in the office of the County Recorder of Washoe County, Nevada, as Document No. 1492055, recorded the 5th day of July, 1991.

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LEGAL DESCRIPTION  
LOT 1 BLOCK A  
NORTHGATE UNIT NO. 8A

EXHIBIT D-1

An easement for landscape purposes over a portion of Lot 1 of Block A as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

Beginning at the Northwest corner of said Lot 1; thence South  $22^{\circ}49'25''$  East a distance of 123.72 feet; thence North  $67^{\circ}10'35''$  East a distance of 51.31 feet; thence along a tangent circular curve to the left with a radius of 80.00 feet and a central angle of  $28^{\circ}33'48''$  an arc length of 39.88 feet; thence North  $21^{\circ}04'41''$  West a distance of 24.64 feet; thence South  $58^{\circ}05'09''$  West a distance of 23.49 feet; thence South  $75^{\circ}41'48''$  West a distance of 37.23 feet; thence North  $33^{\circ}57'08''$  West a distance of 88.25 feet; thence South  $71^{\circ}17'23''$  West a distance of 13 30 feet to the Point of Beginning.

LEGAL DESCRIPTION  
LOT 2 BLOCK A  
NORTHGATE UNIT NO. 8A

EXHIBIT D-2

An easement for landscape purposes over a portion of Lot 2 of Block A as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

Beginning at the Southwest corner of said Lot 2; thence North  $22^{\circ}49'25''$  West a distance of 28.23 feet; thence along a tangent circular curve to the right with a radius of 203.00 feet and a central angle of  $12^{\circ}58'38''$  an arc length of 45.98 feet; thence North  $71^{\circ}17'23''$  East a distance of 9.23 feet; thence South  $27^{\circ}42'27''$  East a distance of 25.21 feet; thence South  $32^{\circ}28'58''$  East a distance of 50.55 feet; thence South  $71^{\circ}17'23''$  West a distance of 25.08 feet to the Point of Beginning.

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**LEGAL DESCRIPTION**

LOT 3 BLOCK A  
NORTHGATE UNIT NO. 8A

**EXHIBIT D-3**

An easement for landscape purposes over a portion of Lot 3 of Block A as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

Beginning at the Southwest corner of Lot 3; thence from a tangent which bears North 09°50'47" West, along a circular curve to the right with a radius of 203.00 feet and a central angle of 19°39'34" an arc length of 69.65 feet; thence South 09°25'54" East a distance of 30.02 feet; thence South 16°34'12" East a distance of 36.05 feet; thence South 71°17'23" West a distance of 16.03 feet to the Point of Beginning.

**LEGAL DESCRIPTION**

LOT 8 BLOCK C  
NORTHGATE UNIT NO. 8A

**EXHIBIT D-4**

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 8 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 8 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

**LEGAL DESCRIPTION**

LOT 4 BLOCK B  
NORTHGATE UNIT NO. 8A

**EXHIBIT D-5**

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 4 of Block B as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 4 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

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LEGAL DESCRIPTION  
LOT 7 BLOCK B  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-6

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 7 of Block B as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 7 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION  
LOT 20 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-7

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 20 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 20 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION  
LOT 21 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-8

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 21 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 21 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

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LEGAL DESCRIPTION  
LOT 25 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-9

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 25 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 25 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION  
LOT 26 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-10

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 26 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 26 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION  
LOT 31 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-11

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 31 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 31 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

BK1419PG0807

BK 419 PG 0808

**LEGAL DESCRIPTION**

LOT 32 BLOCK C  
NORTHGATE UNIT NO. 8A

EXHIBIT D-12

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 32 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 32 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

**LEGAL DESCRIPTION**

LOT 37 BLOCK C  
NORTHGATE UNIT NO. 8A

EXHIBIT D-13

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 37 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 37 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

**LEGAL DESCRIPTION**

LOT 38 BLOCK C  
NORTHGATE UNIT NO. 8A

EXHIBIT D-14

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 38 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 38 lying Easterly of a line drawn 32.00 feet Westerly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION

LOT 47 BLOCK C  
NORTHGATE UNIT NO. 8A

EXHIBIT D-15

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 47 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 47 lying Northeasterly of a line drawn 30.00 feet Southwesterly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION

LOT 46 BLOCK C  
NORTHGATE UNIT NO. 8A

EXHIBIT D-16

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 46 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 46 lying Northeasterly of a line drawn 30.00 feet Southwesterly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

BK4419PG0809

LEGAL DESCRIPTION

LOT 50 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-17

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 50 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 50 lying Northeasterly of a line drawn 30.00 feet Southwesterly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION

LOT 49 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-18

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 49 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 49 lying Northeasterly of a line drawn 30.00 feet Southwesterly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

LEGAL DESCRIPTION

LOT 48 BLOCK C  
NORTHGATE UNIT NO. 8A  
EXHIBIT D-19

An easement, 5.00 feet in width, for landscape purposes over a portion of Lot 48 of Block C as shown on the Official Plat of Northgate Unit No. 8A, Subdivision Tract Map No. 2791, File No. 1492055 of the Official Records of Washoe County, Nevada, and more particularly described as follows:

That portion of said Lot 48 lying Northeasterly of a line drawn 30.00 feet Southwesterly of and parallel to the centerline of Beaumont Parkway as shown on said Subdivision Tract Map No. 2791.

1937678

OFFICIAL RECORDS  
WASHOE COUNTY, NEV  
RECORD REQUESTED BY  
STEWART TITLE

OCT 27 1995

4:42  
Pm

COUNTY RECORDER  
FEE 48.00 DEP 0.00