

DECLARATION OF
PROTECTIVE COVENANTS
BENTLY SCIENCE PARK

COPY

TABLE OF CONTENTS

	<u>Page</u>
I. DEFINITIONS	2
II. LAND USE	4
A. Plan	4
B. Performance Requirements	6
III. RESTRICTIONS	9
A. Nuisances	9
B. Signs	9
C. Animals	9
D. Garbage and Refuse Disposal	9
E. Concealment of Fuel Storage Tanks and Trash Receptacles	10
F. Air Conditioning Units and Antennae	10
G. Defacing or Removing of Common Area Improvement	11
H. Limited Access	11
I. Operation of Motor Vehicles	11
J. Utility Lines	11
K. Temporary Structures	11
L. Peaceful Enjoyment	12
M. Excavation	12
N. Certificate of Occupancy	12
O. Erosion Control	12
P. Unnatural Drainage	12
Q. Use, Storage and Disposal of Hazardous Materials	13
IV. THE ARCHITECTURAL CONTROL COMMITTEE	14
A. General Powers	14
B. Committee Membership	15
C. Grounds for Disapproval	16
D. Rules and Regulations	16
E. Variances	17
F. Certification of Compliance	17
G. Liability	17
H. Principal Office	17
I. Enforcement	18
V. PROPERTY RIGHTS	18
A. Owner's Easements of Enjoyment	18
B. Delegation of Use	19
VI. MEMBERSHIP AND VOTING RIGHTS	19

207191

VII.	COVENANT FOR ASSESSMENTS	20
	A. Creation of Lien and Personal Obligation of Assessments	20
	B. Purpose of Assessments	21
	C. Maximum Annual Assessments	21
	D. Special Assessments for Capital Improvements	21
	E. Notice in Quorum for any Action Authorized under Paragraphs C and D	22
	F. Uniform Rate of Assessment	22
	G. Setting of Annual Assessments; Due Dates	22
	H. Effect of Nonpayment of Assessments; Remedies of the Association	23
	I. Subordination of the Lien to Mortgages	23
VIII.	GENERAL PROVISIONS	23
	A. Enforcement	23
	B. Severability	24
	C. Amendment	24
	D. Declarant Right to Amend	24
IX.	INSURANCE	25
	A. Insurance for Common Area	25
X.	REPAIR AND RESTORATION	25
	A. General	25
	B. Completion of Construction	26
	C. Maintenance of Lots	26
	D. The Association	26
	E. Liens	27
	F. Approval of Plans	27
	G. Waiver of Approval	27
	H. Non-Liability	28
XI.	EASEMENTS	28
	A. Ingress, Egress and Support	28
	B. Rights of Association	28
	C. Utilities	28
XII.	MISCELLANEOUS	29
	A. Acceptance of Provisions by Grantees	29
	B. Conclusiveness of Records	29
	C. Interpretation of Restrictions	29
	D. Construction and Validity of Restrictions	30
	E. Assignment of Powers	30
	F. Waiver and Exemption	31
	G. Titles	31
	H. Arbitration	31
	I. Right to Annex	31

207191

DECLARATION OF
PROTECTIVE COVENANTS
BENTLY SCIENCE PARK

THIS DECLARATION, made on the date hereinafter set forth, by Bently Nevada Corporation, a Nevada corporation, hereinafter referred to as "DECLARANT,"

RECITALS

Declarant is the owner and developer of that certain real property located in Douglas County, State of Nevada, known as Bently Science Park and described in Exhibit "A" attached hereto and made a part hereof.

Declarant intends to lease, sell and convey lots and parcels situated within Bently Science Park and before doing so, desires to impose upon them mutual and beneficial restrictions, covenants, equitable servitudes and charges under a general plan or scheme of improvement for the benefit of all of the lots and parcels therein and the uses and owners and future users and owners thereof.

NOW, THEREFORE, Declarant declares that all of the lots and parcels in Bently Science Park, as hereinafter defined are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the provisions of this Declaration, all of which are declared and agreed to be in furtherance of a plan for the development, improvement and sale of said lots and parcels and are established and agreed upon for the purpose of enhancing and protecting the

value, desirability and attractiveness thereof. The provisions of this Declaration are intended to create mutual equitable servitudes upon each of said lots and parcels in favor of each and all other lots and parcels; to create reciprocal rights between the respective owners of all such lots and parcels; to create a privity of contract and estate between the grantees of such lots and parcels, their heirs, successors and assigns; and shall, as to the owner of each such lot or parcel, his heirs, successors or assigns operate as covenants running with the land for the benefit of each and all other such lots and parcels in the development as hereinafter defined and their respective owners, present and future.

I.

DEFINITIONS

The following terms as used in this Declaration are defined as follows:

A. "Articles" means the Articles of Incorporation of the Association.

B. "Association" shall mean Bently Science Park Owners Association, a Nevada nonprofit corporation, its successors and assigns.

C. "Board" means the Board of Directors of the Association.

D. "By-Laws" means the By-Laws of the Association.

E. "Committee" means the Bently Science Park Architectural Committee.

F. "Common Area" means all real property acquired by the Association, whether from Declarant or otherwise, together in each instance with all improvements which may at any time be constructed thereon and owned by the Association, including but not limited to jogging paths and interior roads in the development.

G. "Declarant" means Bently Nevada Corporation, a Nevada corporation, its successors and assigns.

H. "Declaration" means this Declaration of Protective Covenants and any supplements or amendments thereto.

I. "Improvements" means all buildings, outbuildings, streets, roads, driveways, parking areas, fences, trails, retaining and other walls, landscaping, light standards, antenna and other structures of any type or kind.

J. "Lot" means and refers to any plot of land shown upon any map of the development with the exception of the common Area.

K. "Map" means the maps of the development as they are from time to time recorded.

L. "Owner" means:

1. Any person or legal entity, including Declarant, who holds fee simple title to any lot within the development; or

2. Any person or legal entity who has contracted to purchase fee title to a lot pursuant to a written agreement recorded in the Douglas County, Nevada Recorder's Office in which case the seller under said agreement shall cease to be the owner while said agreement is in effect; or

3. A lessee of a lot under a recorded lease from the owner of a fee simple title to said lot for a term of not less than twenty (20) years, in which case for these purposes the lessor under said lease shall cease to be the owner while said lease is in effect.

4. Owner does not include the Association.

M. "Parcel" means any portion of the development other than a lot or Common Area, and includes that portion of the property still held by Declarant for farming, ranching or livestock uses, until recorded as a lot on a map, and declared to be available for IP zone uses.

II.

LAND USE

Purpose. It is the intent and purpose of these covenants to provide for those business/industrial uses of a professional office, wholesale, and manufacturing nature which are capable of being constructed, maintained, and operated in a manner uniquely designed to be compatible with adjoining residential, retail commercial or other less intensive land use, existing or planned. To accomplish this end, strict controls must be applied in conjunction with unified control of land. Many business/industrial uses will not be suited to the Business Park Zone due to an inability to comply with its provisions and achieve compatibility with surrounding uses.

A. Plan. Concurrent with an application for use, the Owner shall submit to the Committee a preliminary development plan which shall contain at a minimum the following:

1. General Information.

a. Name and address of developer, land surveyor, engineer, architect, planner and other professionals involved.

b. Where there is multiple ownership, a document satisfactorily assuring unified control through the final plan approval stage for the total Industrial Park zone.

c. Description of intended type of uses and of operation, including timing, management control, growth prospects, community need, and other pertinent information.

d. Statement of intention to formally subdivide the property, if applicable.

e. Statement of proposed building design, including probable exterior finish.

f. Statement of proposed method to control storm drainage.

g. Statement of type and amount of utility needs and demands.

h. Any proposed development plan for a site must contain provision for phasing out nonconforming uses and must also show how existing conforming structures will be incorporated into the overall development scheme.

2. Graphic Material. Prints of drawings, the number and scale determined by the Committee, drawn in compliance with the performance standards showing all the following information:

a. A vicinity sketch locating the development.

b. Property boundary outline of the development.

c. Topography sufficient to show direction of drainage and site development suitability with contour intervals of from five to twenty feet depending upon slope characteristics, extending not less than one hundred fifty feet beyond the boundaries of the development area.

d. All existing structures and improvements within the development area which are remain.

e. Existing streets bounding and/or within the development area.

f. Tentative traffic and pedestrian circulation pattern within the development area, showing intended street widths.

g. Tentative location of building lots and/or building areas and major areas intended for open space.

h. Phasing plan depicting development divisions, if applicable.

i. General landscape plan showing areas to be landscaped, proposed plant height, treatment of existing vegetation and maintenance provisions.

j. Parking plan and lighting and illumination plan depicting parking layout.

B. Performance Requirements. Each Industrial Park lot shall comply with the following requirements:

1. Outside Storage. No uncovered outside storage shall be allowed of any products produced or items used in the operation

of the business, except vehicles used to transport either raw materials or finished products of the businesses.

2. Process and Equipment. Processes and equipment employed and goods processed or sold shall be limited to those which are not objectionable beyond the boundaries of the lot upon which the use is located by reason of offensive odors, dust, smoke, gas, electronic interference, or industrial waste requirements.

3. Noise Control. Noise levels generated within the development shall not exceed those as set forth in present or future state and local noise regulations.

4. Development Phases. Where the proposal contains more than one phase, all development shall occur in a sequence consistent with the phasing plan which shall be presented as an element of the preliminary plan.

5. Utilities. All utilities shall be located underground.

6. Building Design. Buildings shall be designed to be compatible with their surroundings, both within and adjacent to the Business Park Zone. Building design and exterior building materials shall be in harmony with the surrounding natural and man-made environment.

7. Landscaping, Buffering and Open Space. Landscaping and buffering shall be installed and maintained in conformance with the following requirements:

a. Landscaping materials, design, and the maintenance thereof shall conform to and be installed in accordance with the final landscape plan approved by the Committee.

207191

b. Where a lot has substantial numbers of trees, site development shall be sensitive to the preservation of such vegetation.

c. Outside storage areas shall be concealed from view by a sight-obscuring fence, screen or plantings.

d. Employee and public parking and loading dock areas shall be developed within the overall scheme of landscape treatments, berms and other means to minimize the visual impact of these areas.

8. Signing. Signs for business identification or advertising of products shall conform to the approved sign design scheme submitted with the final plan. Signing shall be developed in accordance with the following guidelines:

a. Each business establishment shall have no more than one (1) business identification sign per building face and in no event more than two (2) identification signs per establishment.

b. No business identification sign shall have a surface area greater than (100) square feet per face. All business identification signs shall comply to Douglas County code, Chapter 15.28 regarding signs. All signance shall conform to the maximum area tables in Chapter 15.28 of the Douglas County code.

c. Business identification signs shall be attached to the principal building unless other approved by the Committee in the sign design scheme. The uppermost portion of the sign shall not extend higher than the principal building at its highest point, subject further to the overall height regulations of this zone.

d. Signs shall not be animated, audible or illuminated by any intermittent, flashing or scintillating source of light.

III.

RESTRICTIONS

A. Nuisances. No noxious or offensive activities or nuisances shall be permitted on any lot in the development. No refuse, unsightly or abandoned vehicles, debris, noxious materials, discarded personal effects, construction materials not for immediate use, compost materials and similar matter shall be permitted on any lot or portion thereof. It is incumbent upon all owners to maintain their lots in a neat, orderly and well-groomed manner, whether said lots are vacant or improved.

B. Signs. Other than during construction, no signs, billboards or advertising structures of any kind may be displayed on any lot except upon application to and written permission from the Committee. The Committee shall not unreasonably withhold permission with respect to signs advertising a lot for sale, however, the Committee may provide such signs of a standard size and color with space provided for the name and telephone number of the seller or seller's agent, which signs only shall be used if provided.

C. Animals. No animals shall be kept or maintained on any lot except for guard dogs in controlled and secured areas.

D. Garbage and Refuse Disposal. There shall be no exterior burning of trash, garbage or other refuse without a permit

from the Committee, nor shall any owner accumulate on his lot junked or unsightly vehicles or litter, refuse or garbage, except in receptacles provided for such purposes. Disposal shall be accomplished by individual owners or by contract with a disposal company.

E. Concealment of Fuel Storage Tanks and Trash Receptacles. Liquid storage tanks on any lot shall not be buried below the surface of the ground. Every receptacle for ashes, trash, rubbish or garbage shall be so placed and kept as not to be visible from any street, lot, parcel or common area within the development except at the times when refuse collections are made.

F. Air Conditioning Units and Antennae. No air conditioning unit, evaporative cooler, or other object other than a normal television antenna shall be placed upon or above the roof of any building except and unless the same is architecturally concealed from view pursuant to plans submitted to and approved by the Committee, and then only where in the sole determination of the Committee the same is not aesthetically objectionable, and is otherwise in conformity with the over-all development of the community. Radio transmitting and receiving antennae for short wave, microwave or ham radio installations will not be installed on any lot without the express written permission of the Committee. Television antennae will be allowed, however, if the height does not exceed ten (10) feet above highest point of the roof line. There will not be television antennae allowed when cable TV is available.

G. Defacing or Removing of Common Area Improvements. No tree, shrub, bush or improvement within a common area shall be defaced or removed except at the express direction of the Committee.

H. Limited Access. There shall be no access to any lot or parcel on the perimeter of the development except from designated streets or roads as shown on recorded maps of the development.

I. Operation of Motor Vehicles. Except as to authorized maintenance, farm or security vehicles, no motorized vehicle shall be operated in any area within the development except on a street or driveway. No dirt bikes, ATVs or other similar vehicles are to be operated in area of development. All speed limit and other traffic control signs erected within the development shall be observed at all times.

J. Utility Lines. All utility lines and connections within the development shall be placed underground. No light shall be suspended from a pole in excess of ten (10) feet from the ground within the development except those owned and maintained by Declarant or the Association or as expressly approved in writing by the Committee.

K. Temporary Structures. No temporary structure of any form or type shall be permitted on any lot except during construction of improvements on that lot.

L. Peaceful Enjoyment. No use of any lot or structure within the development shall annoy or adversely affect the use, value, occupation or enjoyment of adjoining property or the general neighborhood. Final determination within these bounds shall be left to the decision of the association.

M. Excavation. No excavation for minerals, stone, gravel or earth shall be made upon any lot other than excavation for necessary construction purposes relating to retaining walls, outbuildings and pools, and for the purpose of contouring, shaping, landscaping, or erection of permitted fencing generally improving any lot. Land clearing shall occur only at the time of excavation and be limited to the specific building sites and drive way easement maintaining as much of the natural environment as possible.

N. Certificate of Occupancy. A certificate of occupancy must be issued by the Building Department prior to occupancy of any unit, except for move-in purposes approved by the County in writing.

O. Erosion Control. Landscaping plans which include extensive removal of natural vegetation shall be implemented as soon as possible, after clearing, to prevent erosion from wind and water.

P. Unnatural Drainage. Under no circumstances shall any owner of any lot deliberately alter the topographic conditions of his lot in any way that would change the natural course of drainage to the detriment of any adjoining property or public right-of-way.

Q. Use, Storage and Disposal of Hazardous Materials.

Many industrial processes require the use, storage and disposal of hazardous or toxic materials. The use, storage and disposal of these materials are regulated by state, local and federal laws and regulations.

If permitted at all, any use, storage or disposal of hazardous or toxic materials within the property covered hereby shall be in complete and continuing compliance with all such laws and regulations as from time to time implemented, and any such uses shall be further subject to compliance with the following requirements:

1. The continuing demonstration of current permits for use, storage or disposal.
2. Inspection by the Architectural Control Committee, which inspection shall be without obligation on behalf of the Committee to ascertain or be aware of any dangers, or violations of law or regulations.
3. Continuous insurance coverage naming other lot owners as additional insureds, and indemnity on behalf of any such user, to the benefit of other property owners within the Science Park, from liability for such uses.
4. Proper storage facilities and safety precautions such as dikes, drains, and warning systems.

IV.

THE ARCHITECTURAL CONTROL COMMITTEE

A. General Powers. All improvements constructed or placed on any lot must first have the written approval of the Committee. Such approval shall be granted only after written application has been made to the Committee in the manner and form prescribed by it. The application, to be accompanied by not less than two (2) sets of plans and specifications, shall show the location of all improvements, if any, existing upon said lot, the location of the improvement proposed to be constructed, the existing topography to two foot contours and finished grades on the entire lot to two foot contours; front, rear and all side elevations, all cuts and fills, the color and composition of all exterior materials to be used, landscape plan, lighting and illumination plan, and any other information which the Committee may require. In the event a lot owner desires to redecorate the exterior of any existing structure, it shall only be necessary to submit the new proposed color scheme to the Committee for its approval. Remodeling or adding to existing structures or making structural changes shall require the lot owner to submit complete plans therefor to the Committee as in the case of erecting new structures. Failure of the Committee to comment on any application, properly submitted, within forty-five (45) days of receipt by the Committee at its office shall be deemed approval of such application by the Committee. The Committee shall have the power to render decisions on such other matters as are referred to the Committee under this Declaration, or as may be referred to the

Committee by the Association with the Committee's consent, with applications for such decisions and the rendering thereof to be in accordance with such rules and regulations as may from time to time be adopted by the Committee. Committee comments with respect to any application shall be strictly followed. If requested by the Committee, applications must be resubmitted to the Committee, in which case the Committee shall have forty-five (45) days after the resubmission to comment thereon.

B. Committee Membership. The Committee shall be composed of not less than three (3) nor more than seven (7) members, to be appointed by Declarant, with the first Committee to consist of the following:

1. Donald E. Bently
2. Roger G. Harker
3. William Jac Shaw
- 4.
- 5.

Committee members shall be subject to removal by Declarant and any vacancies from time to time existing shall be filled by appointment of Declarant, except that the Committee need have no more than three (3) members. The power to appoint or remove Committee members shall be transferred permanently to the Association upon the sale by Declarant of all lots or parcels within the development, or at any time prior thereto at the discretion of the Declarant. No member of any Architectural Committee, however selected, shall receive any compensation or make

any charges for his services as such, unless otherwise agreed by the Association Board.

C. Grounds for Disapproval. The Committee may disapprove any application:

1. If such application does not comply with this Declaration;

2. Because of the reasonable dissatisfaction of the Committee with grading plans, location of the proposed improvement on a lot, finished ground elevation, color scheme, finish, design, proportions, architecture, shape, height or style of the proposed improvement, the materials used therein, the kind, pitch or type of roof proposed to be placed thereon; or

3. If, in the judgment of a majority of the Committee reasonably exercised, the proposed improvement will be inharmonious with the development or with the improvements erected on other lots.

D. Rules and Regulations. The Committee may from time to time adopt written rules and regulations of general application governing its procedures and approval criteria which may include, among other things, provisions for the form and contents of applications; required number of copies of plans and specifications; provisions for notice of approval or disapproval, and various approval criteria. Copies of such rules shall, if adopted, be available to each buyer of a lot or parcel within the development at the time of close of escrow and shall be maintained at the office of the Committee.

207191

E. Variances. The Committee may grant reasonable variances or adjustments from the provisions in this Declaration where literal application thereof results in unnecessary hardship and if the granting thereof in the opinion of the Committee will not be materially detrimental or injurious to owners of other lots.

F. Certificate of Compliance. At any time prior to completion of construction of an improvement, the Committee may require a certification, upon such form as it shall furnish, from the contractor, owner or a licensed surveyor that such improvement does not violate any set-back rule, ordinance or statute, nor encroach upon any easement or right-of-way of record.

G. Liability. Notwithstanding the approval by the Committee of plans and specifications neither it, Declarant, the Association nor any person acting on behalf of any of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the Committee, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. No member of the Committee shall be held liable to any person, whether an owner of a lot or parcel within the development or not, on account of any action or decision of the Committee or failure of the Committee to take any action or make any decision.

H. Principal Office. The principal office of the Committee shall be at Minden, Nevada or at such other address as the Committee shall notify the Association in writing from time to time.

207191

I. Enforcement. In the event any improvement shall be commenced without Committee approval as herein required or in the event any improvement is constructed not in conformance with plans therefor approved by the Committee, the same shall constitute a violation of this Declaration. In addition to the remedies for violation of any portions of this Declaration, the Committee shall also have the power and authority to institute legal or other appropriate proceedings to enjoin or otherwise prevent a violation of the provisions of this article provided, however, that no suit or other proceedings shall be commenced by the Committee after the expiration of sixty (60) days from such violation coming to the attention of the Committee in writing.

V.

PROPERTY RIGHTS

A. Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

1. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area;

2. The right of the Association after notice to the owner and a hearing before the Board of the Association, to suspend the voting rights and right to use the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

3. The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by seventy percent (70%) of the lot owners has been recorded. During the period of control of the Association by Declarant, Declarant shall not offer for dedication any of the common areas of the Association.

B. Delegation of Use. Any owner may delegate, in accordance with the by-laws, his right of enjoyment to the common area and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

VI.

MEMBERSHIP AND VOTING RIGHT

A. Every owner of a lot within that portion of the development described in Exhibit "A" which is subject to assessments shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

B. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners with the exception of the declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot

shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to five (5) votes for each lot or parcel owned in that portion of the development described in Exhibit "A". The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or

(b) Twenty (20) years from the date of conveyance of the first lot to an owner in a deed from Declarant, or

(c) At any time subject to the provisions of paragraphs (a) and (b) above, at the option of the declarant.

VII.

COVENANT FOR ASSESSMENTS

A. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the subdivision, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall

be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligations for the assessments provided herein shall begin to accrue upon the close of escrow for the purchase of a lot or lots the subject of this Declaration.

B. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, welfare, and economic well being of the owners, and for the improvement and maintenance of the common area.

C. Maximum Annual Assessments.

(1) Until January 1st of 1990, the maximum annual assessment shall be Twenty-Five Dollars (\$25) per acre or portion thereof.

(2) Thereafter, the maximum annual assessment may be increased each year, not more than 10% above the maximum assessment for the previous year, by the Board of Directors.

(3) From and after January 1, 1990, the maximum annual assessment may be increased greater than 10% only by an affirmative vote exceeding 75% of the total available votes.

D. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair

or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessments shall have the consent of 80% of the total available votes.

E. Notice in Quorum For Any Action Authorized Under Paragraphs C and D. Written notice of any meeting called for the purpose of taking any action authorized under Paragraphs C and D shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all of the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

F. Uniform Rate of Assessment. Both annual and special assessments must be fixed on a uniform rate for all lots and may be collected on a monthly basis.

G. Setting of Annual Assessments; Due Dates. The Board of Directors shall fix the amount of the annual assessments against each lot at least thirty (30) days in advance of each annual assessment. Written notice of the annual assessments shall be sent to every owner subject thereto. The due dates shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of

the Association setting forth whether the assessments on a specified lot have been paid.

H. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclosure on the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common are or abandonment of his lot.

I. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any lot shall not effect the assessment lien, however, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall release such lot from liability for any assessments thereafter becoming due or from the lien thereof.

VIII.

GENERAL PROVISIONS

A. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce

any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

B. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

C. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of fifteen (15) years from the date this Declaration is recorded, after which time they may be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by owners of not less than seventy-five percent (75%) of the lots. Any amendment must be recorded. The Association shall give written notice to all mortgagees of lots within the subdivision and/or beneficiaries under any deeds of trust affecting said lots no less than thirty (30) days prior to the effective date of any such amendment.

D. Declarant Right to Amend. Notwithstanding the above provisions, or limitations elsewhere in this agreement, Declarant reserves for itself and assigns, the unilateral right to amend this agreement, in whole or in part, for a period of five (5) years from the date of recordation for good or no cause. Such amendments may not materially effect the rights of any members/owners which are vested, but is reserved so that Declarant may quickly and efficiently respond to market or development changes which may occur during the earlier stages of development in such a large scale project.

207191

IX.

INSURANCE

A. Insurance for Common Area. The Association shall have the duty to purchase, carry and at all times to maintain in force, insurance covering all physical loss to the common area in an amount equal to the full insurable value of the common area, insurance to protect against any liability to the public or to the owner incident to the ownership or use of the common area, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage and protection, a fidelity bond or bonds for all officers and employees of the Association having control over the receipt or disbursement of funds in such penal sums as shall be determined by the Association, and workman's compensation insurance to the extent necessary to comply with any applicable laws.

X.

REPAIR AND RESTORATION

A. General. The Association and the owners are and shall be under the obligations of maintenance, repair and restoration hereinafter set forth.

B. Completion of Construction. Construction of any improvement, once commenced, shall be pursued diligently to completion. Improvements not so completed or upon which construction has ceased for ninety (90) consecutive days or which have been partially or totally destroyed and not rebuilt within a reasonable period shall be deemed nuisances. Declarant or the Association may remove any such nuisance or repair or complete the

same at the cost of the owner provided the owner has not commenced required work within thirty (30) days after written notice thereof is given to the owner or if such owner cannot be found, after a lapse of thirty (30) days from posting a notice to commence such work upon the property. Such notice shall state the steps to be taken to eliminate the nuisance.

C. Maintenance of Lots. All lots and parcels, whether vacant or improved, occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly, a fire hazard, unsanitary, a hazard to health, or causing unnatural erosion. If not so maintained, the Association shall have the right, after giving thirty (30) days written notice in like manner as above set forth through its agents and employees, to undertake such work as may be necessary and desirable to remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be added to and become a part of the annual assessment to which such lot is subject. The Board of Directors has sole discretion as to what is unsightly or unsanitary. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work as performed nor shall the Association or any of its agents or employees be liable for any failure to exercise its right to so maintain any parcel or lot.

D. The Association. The Association shall have the obligation to maintain at its expense, and in the case of damage or destruction shall replace, repair or restore at its expense, the common area and all improvements thereon. The expense of any

extraordinary maintenance or any repair or restoration caused by the negligent wilful acts of an owner or a member of his family or a person occupying or invited upon his residence lot shall all be paid by such owner.

E. Liens. If the Association undertakes any work which Paragraph B hereof requires an owner to undertake, or any work which Paragraph C hereof requires the Association to undertake at the expense of the owner, the Association shall assess the unit ownership of the owner for such work and shall so inform the owner thereof in writing; provided, however, that the assessment shall be reduced by the amount of any insurance proceeds paid to the Association as a result of damage to or destruction of the residence lot involved. Such assessment shall be a lien upon the unit ownership of the owner, and such lien may be foreclosed as set forth in Article VII above.

F. Approval of Plans. No work provided for in this article or elsewhere in this Declaration shall be commenced, and no structure shall be painted or repainted on the exterior thereof or constructed, altered or repaired until complete plans and specifications for the work, including color schemes, shall have been approved by the Committee.

G. Waiver of Approval. Neither approval nor disapproval by the Committee of any plan or specification shall prevent the Committee from granting or withholding its approval of an identical plan or specification, or part thereof, when subsequently or additionally submitted for approval by the same or any other owner.

207191

H. Non-Liability. Approval by the Committee of any plan or specification submitted to it for approval shall not cause the Association or its members to be liable in any way to any person.

XI.

EASEMENTS

A. Ingress, Egress and support. an easement for ingress, egress and support through the common area is appurtenant to each separate lot, and the common area is subject to such easements.

B. Rights of Association. There is reserved to the Association an easement, to which the entire project shall be subject, of the right of access for the performance generally of its rights and duties as provided in this Declaration. Entry into the property of an owner pursuant to this easement shall be restricted to reasonable times and must be preceded by reasonable notice to the occupant, unless entry is required by an emergency.

C. Utilities. There is reserved an easement over, under and through each lot and the common area for installation, maintenance, and repair of each and every utility service, including but not limited to sewage, water, electricity, gas, telephone and cable television service for this project; provided, however, that the creation of the easements reserved by this Paragraph C shall not create damage to existing improvements including lawns, shrubbery or improvements unless adequate compensation is made for any such damage. Unless service upgrading is required by lot owner for additional or new services, lot owner shall pay for this.

207191

XII.

MISCELLANEOUS.

A. Acceptance of Provisions by Grantees. The

Association, the grantee hereafter of any lot, and any purchaser thereof under any grant or contract of sale, and any lessee under any lease covering any portion of or interest in the project, shall accept the same subject to all of the restrictions, conditions, covenants, liens and charges, and subject to the jurisdiction and powers of the Association and Declarant provided for in this Declaration.

B. Conclusiveness of Records. A certificate of the

Secretary of the Association or in his absence, of any officer of the Association shall be conclusive proof of all matters contained in the certificate when the certificate shall relate to acts or non-acts of the Association, IRS Board, or any committee or agent of the Association, and shall be prepared for or delivered to any title insurer or land abstractor for use in a search, in preparing an abstract or in insuring title of any unit ownership or other interest therein or lien thereon.

C. Interpretation of Restrictions. The provisions of

this Declaration shall be minimum requirements adopted for the promotion of the health, safety, comfort, convenience and general welfare of the owners and occupants of the property affected by this Declaration. It is not the intent of this Declaration to interfere with any provisions of any law or ordinance or any rules, regulations or permits previously adopted or issued, or which may be adopted or issued pursuant to law relating to the use of

207191

buildings or premises; nor is it the intent of this Declaration to interfere with or abrogate or annul easements, covenants or other agreements between parties; provided, however, that where this Declaration imposes a greater restriction upon the use or occupancy of any residence lot, or upon the construction of buildings or structures, or in connection with any other matters, that are imposed or required by such provisions of law or ordinances or by such rules, regulations or permits, or by such easements, covenants and agreements, then in that case the provisions of this Declaration shall control.

D. Construction and Validity of Restrictions. All of said restrictions, conditions, covenants, reservations, liens and charges contained in this Declaration shall be construed together; but if it shall at any time be held that any one or more of such restrictions, conditions, covenants, reservations, liens or charges, or any part thereof, is invalid or for any reason becomes unenforceable, no other restrictions, condition, covenant, reservation, lien or charge, or any part thereof, shall be thereby affected or impaired.

E. Assignment of Powers. Any and all rights and powers of Declarant provided for in this Declaration, and any modification or amendment hereof, may be delegated, transferred, assigned, conveyed or released by Declarant to the Association, and the Association shall accept the same upon the recording of a notice thereof by Declarant, and the same shall be effective for the period and to the extent stated therein.

207191

F. Waiver and Exemptions. The failure by the Association or Declarant or of any other person, to enforce any of the restrictions, conditions, covenants, reservations, liens or charges to which a unit ownership or any part thereof is subject, shall in no manner be deemed a waiver of the right to do so thereafter or to enforce any other restriction, condition, covenant, reservation or charge.

G. Titles. All titles used in this Declaration, including articles, sections and subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such article, section or subsection, nor any of the terms or provisions of this Declaration, nor the meaning thereof.

H. Arbitration. If the Association and one or more owners is unable to agree on the meaning or effect of any part of this Declaration, the dispute shall be conclusively settled by arbitration. The Association shall name one arbitrator; the owner or owners shall name one arbitrator. The two arbitrators so named shall name a third and these three shall resolve the dispute in accordance with Chapter 38 of the Nevada Revised Statutes, Uniform Arbitration Act.

I. Right to Annex. Declarant is or may become the owner of additional property contiguous to the subject property. Declarant may ultimately develop this property. In order to maintain an orderly development, Declarant hereby puts purchasers on notice that it reserves to itself the unilateral right to annex contiguous property under the jurisdiction of these Restrictive

Covenants, to make its owners members of the Association, and to amend these Covenants only as relates to additional property, in its complete discretion, for a period of ten (10) years from the date set forth below.

IN WITNESS WHEREOF, Declarant executes this Declaration of Protective Covenants on the 20th day of July, 1989.

BENTLY NEVADA CORPORATION, Declarant

By *Roger G. Harker*
Roger G. Harker, President

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On this 20th day of July, 1989, before me,
MARY E. DAVIS, a notary public, personally appeared
ROGER G. HARKER, known to me to be the President of such
corporation, and authorized by such corporation to execute the
foregoing instrument.

Mary E. Davis
Notary Public



COPIES

EXHIBIT "A"

Parcel No. 2, 3 & 4 as set forth on that certain Parcel Map for BENTLY NEVADA CORPORATION, filed in the office of the County Recorder of Douglas County, Nevada on February 28, 1989, as Document No. 197193.

WHEN RECORDED MAIL TO

Brooke & Shaw
P.O. Box 2860
Minden, NV 89412

COPY

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'89 JUL 21 P3:46

SUZANNE BEAUDREAU
RECORDER

\$41⁰⁰ PAID *Lo* DEPUTY
BOOK

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