

ORIGINAL

Escrow No. 205061-LM

After Recording Mail To:

MANOUKIAN, SCARPELLO & ALLING, LTD.
Post Office Box 3390
Stateline, Nevada 89449

COOPERATIVE WATER SYSTEM DECLARATION

THIS DECLARATION is made this 28th day of DECEMBER,
1989, by Thomas and Paula Yturbide ("Declarants").

W I T N E S S E T H:

WHEREAS, Declarants are the owners of certain real property hereinafter defined as the Service Area for the Water System contemplated and described herein; and

WHEREAS, Declarants desire to create a cooperative water system which will both benefit and burden the real property described herein, will bind the owners thereof, their heirs, personal representatives, successors and assigns and will run with the land described and defined herein;

NOW THEREFORE, it is hereby declared as follows:

I

DEFINITIONS

1.1 "Intake Line" shall mean and refer to that portion of line(s) or water pipe(s) extending from the pump house to the point of diversion in Lake Tahoe.

1.2 "Main Distribution Line" shall mean and refer to that portion of line(s) or water pipe(s) extending from the pump house to a single connection point per lot within the service area.

1.3 "Pump House" shall mean and refer to the pump house currently situate on or associated with lot number 7 and/or 8 as well as all of the pumping and other equipment presently or

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subsequently maintained therein.

1.4 "Service Area" shall mean and refer to lot numbers 4, 5, 6, 7, 8, and 23 & 24 - if 23 and 24 become buildable of subdivision number 1, CAVEROCK COVE, LTD., TRACT, according to the official map thereof approved by the Board of County Commissioners of Douglas County, Nevada, on August 5, 1936, and filed in the Office of the County Recorder of Douglas County, State of Nevada on the 26th day of September, 1936 and identified on the map of the Service Area attached hereto as Exhibit "A" and by this reference incorporated herein.

1.5 "Storage Tank(s)" shall mean and refer to any and all tanks used to store quantities of water to be used within the Service Area.

1.6 "User" shall mean and refer to the owner of each lot within the Service Area, their his, personal representatives, successors and assigns. However, an owner of multiple lots within the Service Area shall be considered a single User for purposes of this Declaration.

1.7 "Water Source" shall mean and refer to those water rights defined in the State of Nevada Certificate of Appropriation of Water Number 3959 recorded in Book 12, Page 3959, Official Records of the State Engineer of the State of Nevada and/or those water rights which may hereafter be acquired, including, but not limited to, those water rights which are the subject of a pending application to acquire rights to an additional 2,500 gallons of water per day for the Service Area.

1.8 "Water System" shall mean and refer to the Intake Line(s), Pump House, Storage Tank(s) and Main Distribution Line(s) currently in existence and presently associated with lot//

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number 7 and/or 8 and which may hereafter be constructed.

II

EASEMENTS

Eastments shall be and hereby are created over (1) a strip of land ten feet in width centered over all existing Intake or Main Distribution Lines: (2) that portion of land upon which the Pump House is situate, all of which is more particularly described and identified by the description and map attached hereto as Exhibit "B" and by this reference incorporated herein. The easements created by this Agreement are superior and paramount to any rights in the servient estates so created and covenants that shall run with the land.

III

ALLOCATION, USES AND QUALITY OF WATER

Each User shall be entitled to use an amount of water from the Water Source up to 500 gallons per lot owned per day. Any and all water so obtained may only be used for domestic purposes. The quality of such water and whether minimum water quality standards must be met prior to water leaving the Pump House or by each User individually shall be determined by a majority vote of the Users.

IV

INSTALLATION OF WATER SYSTEM

The installation of the Water System described herein shall be at the direction, supervision and control of Declarants. All costs incurred in the original installation shall be at Declarants expense. Future operation maintenance and required capitol outlay of the Water System described herein shall be divided equally amongst the Users in existence at the time any such expenses are incurred. Any costs and expenses so allocated to a User shall be //

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set forth in writing and must be paid within 10 days after notice thereof. Any allocated costs and expenses not paid within 10 days, together with an 18% late charge and interest at the rate of 18% per annum, costs and attorney's fees, if any, shall be a charge and a continuing lien upon User's lot(s), the lien to be effective upon recordation of a Notice of Delinquency.

V

VOTING RIGHTS

Any and all decisions regarding the installation, operation and/or maintenance of the Water System described herein, as well as the allowance of additional Users of said Water System, shall be decided by a majority vote of the Users. Each User shall be entitled to one vote for each ^{improved} lot owned in the Service Area. Such voting by the Users may occur with or without a special meeting therefor and shall occur within a reasonable time following the receipt of written notice of the matter to be voted upon.

VI

NOTICES

Any notice permitted or required to be given hereunder may be delivered by certified mail, postage prepaid and return receipt requested, to the addresses set forth herein and/or as supplemented according to the terms hereof. A User may change his address for notice purposes, or addresses of additional Users may be added hereto, by delivering written notice thereof to all of the then existing Users. For purposes of this provision, notice to Declarants shall be effective if such mailing is addressed and mailed to:

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THOMAS AND PAULA UTURBIDE
c/o Harveys Resort Hotel
Post Office Box 855
Zephyr Cove, Nevada 89448

With a copy to:

MANOUKIAN, SCARPELLO & ALLING, LTD.
Post Office Box 3390
Stateline, Nevada 89449

VII

ADDITIONAL USERS

Access to and use of the Water System and water described herein may be made available to additional users within the Service Area only upon majority vote of the then existing Users.

VIII

MISCELLANEOUS

7.1 Upon execution, this Declaration shall be recorded in the Office of the Recorder for Douglas County, State of Nevada.

7.2 In the event of any controversy, claim or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

7.3 This Declaration shall be governed and controlled by the laws of the State of Nevada and venue shall be in the courts of Douglas County, State of Nevada.

IX

AMENDMENTS

Neither this Declaration, nor any term or provision hereof, may be changed, waived, discharged, or terminated orally, but//

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only by an instrument in writing referencing this document and signed by a majority of the Users then in existence.

IN WITNESS WHEREOF, the Declarants have executed this Agreement the day and year first above written.

Thomas Yturbe
THOMAS YTURBIDE

Paula Yturbe
PAULA YTURBIDE

Approved

Mark P. Mitchell
MARK P MITCHELL



(General)

State of NEVADA }
County of DOUGLAS } ss.

On DECEMBER 28th, 1989, before me, the undersigned, a Notary Public in and for said State, personally appeared THOMAS YTURBIDE & PAULA YTURBIDE

who proved to me on the basis of satisfactory evidence to be the person S, whose name S subscribed to the within instrument and acknowledged that THEY executed the same.

WITNESS my hand and official seal.

Laura E. Murray
NOTARY PUBLIC for said County and State
FNT 9-88/006

REQUESTED BY
FIRST NEVADA TITLE COMPANY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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SUZANNE DE AUBREAU
RECORDER **217503**

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