

WHEN RECORDED MAIL TO:

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***DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
TAYLOR CREEK SUBDIVISION***

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
TAYLOR CREEK SUBDIVISION**

THIS DECLARATION is made this 11th day of February, 2002, by TAYLOR CREEK ASSOCIATES, LLC, by and through its Manager DANIEL R. HICKEY, hereinafter known as "Declarant".

ARTICLE I

RECITALS AND DECLARATION

1.1 Ownership of Property: Declarant is the Owner of a certain parcel(s) of real property located in Douglas County, Nevada, described in Exhibit "A" attached hereto and incorporated herein by this reference. Declarant's property is approved by Douglas County, Nevada, pursuant to Planned Development (PD) Application 201-017 which, generally, allows a 21 unit, 22 parcel single family residential subdivision on the Exhibit "A" property. Hereinafter, Declarant's real property will be referred to as the "the Property", and Declarant's development will be hereinafter referred to as "the Project" or "the Subdivision".

1.2 Intention of Declarant: The Project is commonly known and referred to as the TAYLOR CREEK SUBDIVISION. The Project consists of lots upon which single family residences will be constructed. By this Declaration, Declarant intends to set forth the common plan for the use, enjoyment, maintenance, repair, restoration and improvement of the Project, and the interests therein conveyed or reserved, and for the payment of any and all expenses pertaining thereto. Declarant also intends to impose upon the Project mutually beneficial restrictions under a general plan or regimen of improvements for the benefit of the Project and the Property and the future Owners thereof, and create a general plan that will

benefit and burden other property in the vicinity of the Project.

1.3 Declaration and Property Subject Thereto: In furtherance of the

intention of the Declarant, as set forth in paragraph 1.2 above, Declarant hereby declares that all of the real property referred to herein as the Project, or the Subdivision, and in Exhibit "A" attached hereto is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of some or all of said real property and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of all of said real property and every part thereof. All of the limitations, covenants, restrictions and conditions shall run with said real property and shall be binding upon and shall inure to the benefit of Declarant, and each and every party having or acquiring any right, title or interest in the real property subject hereto, or any part thereof, and shall inure to the benefit of and shall be binding upon each successor in interest thereto. Each and all of said limitations, easements, uses, obligations, covenants, conditions and restrictions shall be deemed to be and shall be construed as equitable servitudes, enforceable by any of the Owners of any portion of the real property subject hereto as against any other Owner, tenant or occupant of said real property or any portion thereof.

ARTICLE II

DEFINITIONS

General: The words defined in the following paragraphs of this Article II shall have the meaning specified for all purposes in this Declaration unless the context requires otherwise or unless expressly provided to the contrary.

2.1 Beneficiary: A beneficiary under a deed of trust or a mortgagee under a mortgage, and/or the assignee of such beneficiary or mortgagee.

2.2 Declarant: Means and refers to TAYLOR CREEK ASSOCIATES, LLC, its successors and assigns, if such successors or assigns shall acquire one (1) or more undeveloped lot from the Declarant for the purposes of development.

2.3 Declaration: Means and refers to all of the covenants, conditions and restrictions, as amended from time to time as provided herein, set forth in the Declaration of Covenants, Conditions and Restrictions of Taylor Creek Subdivision.

2.4 Design Review Committee: Means and refers to the committee created pursuant to Article V below. The Design Review Committee may be referred to in this Declaration as "the Committee".

2.5 Design Review Committee Rules: The rules adopted by the Design Review Committee pursuant to Article V below.

2.6 Improvement: "Improvement" means and refers to, and includes without limitation, any building, outbuilding, shed, road, driveway, parking area, walk, fence, wall, stair, arbor, deck, pole, sign, pool, tank, ditch, landscaping, court, gate, statue, marker, bridge, hole, pipe, screening wall, retaining wall, hedge, wind break, planting, planted tree and shrub, and any other structure or landscaping improvement of every type and kind.

2.7 Lot: Means and refers to each lot within the Project (Subdivision), as the same may be shown on any tentative or final plat thereof, other than common areas (if any) which may or may not be hereinafter created. Such lots shall consist of the separate lots within the Project. Lot shall include single family type lots, whether created by a tentative or final subdivision map, or by any other final recorded plat, or by any other mapping procedure

provided by the laws of the State of Nevada.

2.8 Mortgage: Any instrument securing monetary obligations including a deed of trust or mortgage where a lot in the Subdivision is encumbered as security for the repayment of amounts owed pursuant to a promissory note or other instrument by an Owner.

2.9 Mortgagee: Means and refers to a beneficiary under, or holder of, a deed of trust or a mortgagee named in a mortgage, or any other beneficiary whose interests are secured by an encumbrance on a lot within the Subdivision.

2.10 Owner: Means and refers to the record Owner of any lot in the Subdivision subject to this Declaration. "Owner" shall include a vendee under an Installment Contract of Sale and shall exclude the vendor thereunder and any other person having an interest in any property that is subject to this Declaration solely for security for the performance of an obligation. An Owner is a purchaser of any lot in the Subdivision except Declarant.

2.11 Purchaser: A purchaser who is unrelated to Declarant or any corporation, partnership, joint venture, or other business entity in which Declarant has no ownership interest or over which Declarant exercises no contractual or other control.

2.12 Residential Unit: The structure or structures situated upon a lot designed or arranged for use and occupancy as a residence on a monthly or annual basis, including any garage, carport and guest house located on such lot.

2.13 Single Family: One (1) or more persons each related to the other by blood, marriage or legal adoption or a group of not more than four (4) persons not all so related together with their domestic employees and servants who maintain a common household in a residential unit and casual guests.

2.14 Subdivision: Means and refers to all of the Project and the Exhibit "A"

property as developed and known as the Taylor Creek Subdivision.

2.15 Visible from Neighboring Property: With respect to any given

object, such object is or would be visible to a person six (6) feet tall standing on an assumed floor elevation of two (2) feet above the surface of any neighboring property in the area involved, assuming that the property had an elevation equal to the highest elevation of the ground surface of that portion of the area upon which the object is located.

ARTICLE III

WAIVER OF PARTITION

There shall be no judicial partition of the property subject to this Declaration.

Each Owner and the successors of each Owner, whether by deed, gift, devise, or operation of law, for their own benefit or for the benefit of their respective lots and for the benefit of all other Owners specifically waive and abandon all rights, interest and causes of action for a judicial partition of the common ownership of the property and do further promise and covenant that no action for such judicial partition shall be instituted, prosecuted or reduced to judgment; provided, however, that if any lot shall be owned by two (2) or more co-tenants as tenants in common, as joint tenants, or as community property, nothing herein contained shall be deemed to prevent a judicial determination of his, her or their ownership as between such co-owners of a lot as to their undivided interests therein and thereto.

ARTICLE IV

RIGHTS AND RESTRICTIONS ON USE OF LOTS

Each lot shall be for the exclusive use and benefit of the Owners thereof, subject, however, to all of the following limitations and restrictions:

4.1 Lot Use: For each and every lot which is the subject of these

restriction provisions there is hereby established a square footage for the residential structures to be built on such lots. The minimum square footage for single family structures shall be a minimum of two thousand two hundred fifty (2,250) square feet of floor area, exclusive of porch, patio, terrace and/or garage area(s). Each residence shall have an attached garage with the capacity of three (3), but not more than five (5) cars.

4.2 Setbacks: Unless waived in writing by the Committee, each residential structure shall have the following setbacks:

Forty (40) feet in the front;
Fifty (50) feet in the back; and
Forty (40) feet on either side.

4.3 Prohibited Materials: No metal roofing, siding or exterior materials shall be used on the exterior of any residence in the Subdivision. Furthermore, no materials shall be used which may reflect sunlight or glare onto any lot in the Subdivision.

4.4 Sprinklers Required: Each residence on a lot in the Subdivision must be equipped with an automatic sprinkler system that conforms, at a minimum, to Section 13D of the standards established by the National Fire Protection Association.

4.5 Outbuildings: All outbuildings, sheds, guest houses or other structures constructed on a lot in the Subdivision in addition to the main residential structure shall be of the same construction methods and materials, and shall be of the same exterior, roof pitch and design as the main residential structure constructed on each lot.

4.6 Height Restrictions: No improvement to a lot shall exceed the total height permitted or required by ordinances adopted within Douglas County, Nevada limiting the height of single family residences and outbuildings.

4.7 Animals: No animals, reptiles, rodents, birds, fish, livestock, or

poultry, except a reasonable number of household pets, shall be kept on any lot or in any structure on the lot without the prior written approval of the Committee. The provisions of the Douglas County Code governing household pets shall be the minimum standard by which the Committee determines whether to approve the keeping of animals; provided, however, that the Committee may establish more restrictive regulations governing the keeping of animals. There shall be no commercial rearing or boarding of animals of any type. No horses shall be permitted within the Project. All pets shall be restrained or confined to the lot and not allowed to run at large. No dog shall be allowed to create an annoyance by loud or incessant barking. As a suggestion, the invisible fence may work to restrain pets.

4.8 Roofing: Any roofing material placed upon any improvement, including, without limitation, residences and outbuildings, within the Subdivision must be non-reflective of glare, fire retardent, dense, high definition, and of bulk material. Three dimensional composition material, slate, concrete tile or other tile is permitted subject to the minimum standards set by Douglas County and any regulation of the applicable fire protection agency, and first approved by the Committee.

4.9 Exterior Colors: All exterior colors proposed to be used on any residence within the subdivision shall be first reviewed and approved by the Committee. Earth tones and warm colors compatible with natural colors in the Carson Valley shall be used. No garish or bright colors shall be permitted as the main color of a residence. Trim colors shall be subject to the Committee's discretion.

4.10 Exterior Lighting: No spotlights, floodlights, or other high intensity lighting shall be placed or utilized upon any lot which, in any manner, will allow light to be directed or reflected on any other lot within the Subdivision. All exterior lighting shall be

"indirect". No tennis courts may be constructed and lighted except as may be permitted by the Committee.

4.11 Signs: No signs of any kind shall be displayed to the public view on or from any lot without the prior written approval of the Committee. Any lot owner, including Declarant, who desires to sell a lot within the subdivision may, without prior written approval of the Committee, display a sign advertising the lot for sale. Such sign advertising a lot for sale shall not be larger than 2' x 4' in size.

4.12 Garage/Yard Sales: Garage or yard type sales, wherein a homeowner may offer for sale to the general public items no longer desired or useful to the Owner, shall be limited to two dates per year, if at all. The dates where garage or yard type sales shall be permitted shall be selected by a majority of the homeowners, if allowed within the subdivision.

4.13 Trailers, Boats and Motor Vehicles: No mobile home, trailer of any kind, truck camper larger than a one (1) ton pick up truck, recreational motor home or boat shall be kept, placed, maintained, constructed, or repaired or permitted to be parked upon any lot or street within the Project or adjacent street and visible from neighboring property unless it is kept in an area suitably screened by material at least six (6) feet in height. No such area shall encroach into any of the setbacks specified by this Declaration.

The foregoing provisions, however, shall not apply to emergency vehicle repairs when such repairs are conducted and completed within forty-eight (48) hours, nor shall they apply to temporary construction shelters or facilities maintained during and used exclusively in connection with the construction of any work or improvement. No commercial vehicles of any nature shall be parked or stored on any lot or on the streets of the Project except for a commercial vehicle providing services to Owners of lots and, in such event, only for the duration

necessary to provide such services.

4.14 Antennas: No antenna or satellite dish shall be erected, used or maintained outdoors whether attached to a building or structure or otherwise, unless such antenna or satellite dish has been approved by the Committee established herein. Attic antennas for the reception of a cable television signal shall be installed, and the Committee may not approve of a satellite dish pursuant to this paragraph unless it is demonstrated that reception from the use of an attic antenna is not satisfactory, or cable television service is not available. No tower type structures shall be placed, constructed or maintained on any lot within the Project.

4.15 Utility Service: No lines, wires, or devices for transmission of electric current or telephone, television and radio signals shall be constructed, placed or maintained anywhere on any lot unless the same shall be contained in conduits or cables placed and maintained underground or concealed in or under buildings or approved structures. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incidental to the construction of improvements and buildings.

4.16 Maintenance of Lawns, Plantings and Landscape: Yard landscaping shall be completed by each Owner as provided in §5.7. Continuity is established and maintained by the type and kind of landscaping and vegetation approved by the Committee. Each Owner shall delineate on the plan submitted to the Committee all areas of Owner's lot outside of the identified or intended building envelope for the planting, cultivating, landscaping and maintaining and irrigating vegetation approved by the Committee. Plantings which are low maintenance and low in water consumption are encouraged.

Each Owner shall keep all shrubs, trees, grass and plantings on his lot neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material. Each Owner shall

maintain all trees on his lot and shall replace any tree that dies or become diseased. The Committee and its respective authorized agent(s) shall have the right, but not the duty, to enter upon any lot at any reasonable time for the purpose of planting, replacing, maintaining or cultivating trees and shrubs should the Owner fail to do so.

4.17 Mineral Exploration: No lot or portion thereof shall be used in any manner to explore for or to remove any oil or other hydrocarbons, minerals of any kind, gravel or other substance. No drilling, exploration, refining, quarrying or mining operations of any kind shall be conducted or permitted to be conducted thereon, nor shall wells, tanks, tunnels, mineral excavations, shafts, derricks, or pumps used to mine or drill for any such substances be located on any lot.

4.18 Machinery and Equipment: No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any lot except such machine and equipment as is usual and customary in connection with the use, maintenance or construction of any improvement then so used, maintained or constructed on such lot.

4.19 Diseases and Insects: No Owner shall permit any thing or condition to exist upon his lot that shall induce, breed or harbor infectious plant or tree diseases, noxious insects or killer bees.

4.20 No Further Subdivision: No lot or common area (if any) shall be further divided or subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Committee and Declarant; provided, however, that when Declarant is the owner thereof, Declarant may further divide and subdivide any lot or common area (if any) and convey without easement or other interest less than the whole, all without the approval of the Committee; and provided, further,

that nothing herein shall be deemed to require the approval of the Committee for the transfer or sale of any lot, including improvements thereon, to more than one (1) person to be held by them as tenants in common or joint tenants, or for the granting of any mortgage or deed or trust.

4.21 Right of Entry: Upon reasonable notice and during reasonable hours Declarant and/or any number of the Committee, or any authorized representative of any of them, shall have the right to enter upon and inspect any lot within the Subdivision and the improvements located thereon for the purposes of ascertaining whether or not the provisions of this Declaration, and/or the regulations established by the Committee, have been or are being violated, and such persons shall not be deemed guilty of trespass by reason of such entry; provided, however, the granting of such right shall not be construed as creating any duty or obligation to determine compliance with this Declaration.

4.22 Exemption of Declarant: Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any of Declarant's activities, particularly those of the Declarant relating to its development of the Subdivision shall be in any way subject to the control of or under the jurisdiction of the Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of the Declarant to excavate and grade, to construct and alter drainage patterns and facilities, to construct any and all other types of improvements, to maintain model homes and construction, sales and leasing offices and similar facilities, and to post signs incidental to construction, sales and leasing anywhere within the Project.

4.23 Assignment by Declarant: Any other provision of this Declaration to the contrary notwithstanding, Declarant may assign in whole or in part any of its privileges, exemptions, rights and duties under this Declaration to any other person, and may permit the

participation in whole or in part by another person in any of its privileges, exemptions, rights and duties hereunder. Without in any way limiting the generality of the preceding sentence, Declarant may exempt any person performing services, labor or duties associated with the development of the Subdivision to its conclusion from the control and jurisdiction of the Committee.

4.24 Declarant's Right to Grant Easements: The Declarant shall have the right prior to the termination of this Declaration to grant and reserve easements and rights of way through, under, over and across the property for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and other utilities.

4.25 Fences: There shall be no chain link, cyclone or other wire fences permitted. All fences shall be constructed solely or in a combination of wood, stone, masonry or wrought iron. All proposed fences shall be constructed to the standards required by the Douglas County Code, unless the Committee shall require a more restrictive standard differing from such requirements.

4.26 Elevation Facades: A minimum of thirty percent (30%) of front elevations (those facing the street) shall contain a facade of brick, rock, stone, stucco, or other building material acceptable to the Committee.

ARTICLE V

DESIGN REVIEW COMMITTEE

5.1 Appointment of Design Review Committee: The Design Review Committee ("Committee") shall consist of not less than three (3) nor more than five (5) persons. The Declarant shall initially appoint the Committee. The Declarant shall retain the right to

appoint, augment or replace all members of the Committee until such time as ninety percent (90%) of the lots within the Project have been conveyed by Declarant. Until such time as otherwise established by the Committee, and only after ninety percent (90%) of the lots within the Subdivision have been conveyed by the Declarant, the address for the Committee for all purposes shall be 1456 Foothill Road, Gardnerville, Nevada, 89410.

5.2 Meetings: The Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of its members shall constitute an act by the Committee.

5.3 General Provisions:

A. The Committee shall require a preliminary and final review of all house, landscaping, outbuilding and/or improvement plans, either initially on construction of such improvements, or upon remodeling, additions, change of paint schemes or exteriors, or additional remodeled or new uses of the property, whether or not a building permit is required, and whether or not a plan(s) is prepared by a professional consultant. All improvements require Committee approval when the cost of such improvements exceeds \$500.00.

B. The Committee may assess a fee not to exceed Five Hundred Dollars (\$500.00) per submission of final plans in connection with review of plans and specifications. Two complete sets of plans shall be submitted to the Committee. On completion of review, one set shall be returned to the Owner.

C. The establishment of the Committee and the systems herein for architectural approval shall not be construed as changing any rights or restrictions of Owners to maintain, repair, alter or modify or otherwise have control over the lots as may otherwise be specified in this Declaration.

D. In the event the Committee fails to approve or disapprove such final plans and specifications within thirty (30) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Committee, such plans and specifications will be deemed approved.

E. The Committee, at its preliminary review, will receive plans from an Owner. The plans need not be architectural or working drawings, but must set forth the intentions of the Owner. The Committee will make comments on and give preliminary approval or disapproval of the preliminary plans.

F. Prior to any act of construction, improvement or change of scheme, final plans will be submitted for review and approval by the Committee. Comments and approval or denial will be granted pursuant to the final plans as submitted. No construction shall take place without the written approval of the Committee. The Committee may approve, or conditionally approve, or deny approval of any plan(s) submitted. All actions of the Committee are binding on the Owner. The actions of the Committee shall be reduced to writing, and specify all conditions to be satisfied by the Owner prior to or during construction. Satisfaction of conditions shall be in the sole discretion of the Committee, and shall be evidenced by the Committee's later written approval of the conditions. Any writings issued by the Committee shall be on a form as established by the Committee. The Committee may authorize or designate an authorized representative(s) to approve or disapprove performance of any condition(s) of approval.

G. In the event an Owner proceeds with a change in paint scheme, or exterior, remodel, new or additional construction without the final approval of the Committee, Owner agrees that either the Committee or any other Owner of a lot within the Subdivision may

bring action at law or in equity to restrain or prevent the activity, and/or restore the premises as against the Owner. The prevailing party shall be entitled to recovery of its reasonable costs and attorney's fees incurred in such action, together with such other damages which may be proven to be the result of the Owner's conduct.

H. The Committee, by way of illustration and not by way of limitation, shall review minimum roof pitch of all structures, including outbuildings, constructed on a lot. Unless otherwise approved by the Committee, roof pitch is expected to be 6:12; minimum fascia expected to be 2" x 8"; and the Committee shall review and approve all exterior materials, color schemes, roof materials, minimum veneer percentages, fence materials, fence height, trash storage and landscaping.

I. In addition to plan review, the Committee is granted legal authority to enforce lot maintenance on empty lots. After notice to the Owner of a nuisance, the Committee is authorized, among other remedies, to expend the necessary funds to abate the nuisance and to bill and recover from the Owner the cost plus any other charges or expenses incurred.

J. The Committee may adopt reasonable rules and regulations which address any other matter over which the Committee may have jurisdiction pursuant to this Declaration. If adopted, such rules and regulations shall be in writing and maintained at the office of the Committee for review by a person.

5.4 Nonliability for Approval of Plans:

Plans and specifications are not approved for engineering design, and by approval of such plans and specifications neither the Committee, the members thereof, nor the Declarant assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

5.5 Reconstruction After Destruction: The reconstruction after destruction by casualty or otherwise of any improvements shall be accomplished in compliance with this Declaration.

5.6 Subterranean Improvements: No improvement which will extend beneath the surface of the ground for a distance of more than eighteen (18) inches shall be commenced unless plans and specifications therefor have been approved by the Committee. Without limiting the generality of the foregoing, the Committee shall not approve plans or specifications for any such subterranean improvement which interferes with drainage unless adequate provisions have been made to relocate the drainage flow to the satisfaction of the Committee. The procedures used by the Committee may be set forth in its rules for submitting such plans and specifications, time limitations for completion of improvements in compliance with approved plans and specifications, and determining when such plans and specifications shall be approved.

5.7 Yard Landscaping: The Committee shall have the right to require the Owner of any lot to remove, trim, top or prune any tree, shrub, bush or plant which in the reasonable belief of the Committee impedes or detracts from the view of any lot. Further, each Owner agrees to landscape within six (6) months of the issuance of a Certificate of Occupancy by the Community Development Department of Douglas County, Nevada, and, if the Owner fails to do so, grants such authority to the Committee and agrees to reimburse the Committee for all costs incurred. The Committee may extend the time within which such landscaping shall be completed upon good cause shown by the Owner.

5.8 Fill and Top Soil Obligation: Owner is placed on notice that any particular lot may require fill dirt and top soil importation, which shall be the sole obligation of

the Owner.

5.9 Conformity of Design: The Committee shall exercise its best judgment to see that all improvements, construction methods and materials, landscaping, fencing, and alterations on each lot in the Project are in conformance with the Committee's established quality and standards, and are harmonious with the exterior design, materials, color, siding, height, typography, grade, landscaping, and fencing of existing structures located on other lots in the Subdivision.

5.10 Nonapplicability to Declarant: The provisions of this Article shall not apply to any property owned by Declarant prior to its conveyance of a lot to an Owner.

5.11 Preservation of View: Declarant declares that the Project and the Subdivision to be constructed by Declarant are located on property which is possessed of unique views of Carson Valley. Each lot's view is a unique asset to each lot. The Committee shall ensure that the placement of improvements on each lot constitutes the least amount of interference with the view enjoyed by neighboring lots.

ARTICLE VI

MAINTENANCE, FUNDS AND ASSESSMENTS

6.1 Maintenance: For the benefit of all of the Owners of lots within the Subdivision and the Declarant, and until such time as Declarant has conveyed fifty-one percent (51%) of the developed lots in the Subdivision, Declarant shall keep, repair and maintain the interior road(s), landscaping, entry gate, ponds, landscaping (if any) of any area not contained within a lot conveyed by Declarant, lighting, irrigation system(s) and liability insurance. The costs for such obligations shall be paid and collected as set forth in this Article.

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6.2 Initial Maintenance Fee: An initial maintenance fee of \$750.00 per lot shall be charged by the Declarant for each lot sold within the subdivision, and shall be collected from a purchaser of a lot within the subdivision at the close of the lot purchaser's escrow. At close of escrow, the regular annual assessment due for the year in which the lot is purchased shall be pro-rated over a 12 month period to determine the amount of the purchaser's remaining annual assessment to be paid by the purchaser for the balance of the fiscal year in which the purchaser acquires a lot. The regular annual assessment shall be divided into twelfths, assessed *pro-rata* to the purchaser's lot, and paid quarterly thereafter by the purchaser for the balance of the fiscal year then remaining at purchaser's close of escrow.

6.3 Present and Future Obligations:

A. The obligation for maintenance specified in this Article shall be paid by the Declarant and each lot Owner, *pro rata*. Declarant has attached as Exhibit "B" hereto a proposed budget for the costs of the first year's required maintenance. At the time of this Declaration, actual costs of maintenance are unknown to Declarant, and Declarant reserves the right to modify or amend the budget reflecting the costs of maintenance. Declarant and each Owner agree that each Owner and the Declarant will pay a share(s) of the maintenance costs. Each lot Owner will pay 1/21 of the annual costs of maintenance. Declarant shall pay its *pro rata* share of the costs of maintenance based on the number of lots owned by the Declarant, which Owner recognizes is a declining contribution reduced as lots are sold.

B. At such time as Declarant has sold fifty-one percent (51%) of the lots, terminates its existence, or waives the right to assume such obligation, the Owners may form an association to perform the maintenance, repair and insurance payment functions. If formed, the Association shall not perform the functions of the Design Review Committee which

shall remain a separate committee, constituted as set forth in this declaration, which shall continue to function as a Design Review Committee until Declarant has sold ninety percent (90%) of the lots. In the absence of such an association, a majority of the Owners may simply and informally contract for the performance of such services with whomever they choose, and that informal group shall have the authority to collect funds and place and collect assessments, along with all additional authority provided pursuant to this Article VI.

6.4 Agreement to Pay: Each Owner of a lot, evidenced by the recordation of deed in his and/or her name(s), covenants and agrees to pay to Declarant such regular and special assessments as are established, made and collected as provided in this Declaration. Each Owner of a lot in the Subdivision, other than those owned by Declarant, shall pay its estimated share of common expenses. A list of services and an estimated budget containing an initial projected cost of maintenance is attached hereto as Exhibit "B" and incorporated herein by reference. Each lot Owner shall be required to pay an annual estimate, payable quarterly.

6.5 Regular Annual Assessments: Prior to the beginning of each fiscal year, Declarant, for so long as it owns 51% of the Subdivision lots, shall estimate the expenses to be incurred during such year in performing maintenance functions pursuant to this Article, including a reasonable amount for contingencies and appropriate replacement reserve, less any expected income and any surplus from the prior year's fund. Uniform and equal assessment, *pro rata* (1/21 each), sufficient to pay such estimated net charges shall be levied and collected as provided in this Article. If the sums collected prove to be inadequate for any reason, including non-payment of any individual Owner's assessment, Declarant may at any time and from time to time, levy further assessments as provided herein. All such regular assessments shall be due and payable during the fiscal year in equal quarterly installments or in such other manner as the

Declarant may designate in its sole and absolute discretion.

6.6 Late Charges: If any assessment, whether regular or special, is not paid within fifteen (15) days after it is due, Owner may be required to pay a late charge at such rate as Declarant may designate from time to time not to exceed eighteen percent (18%) simple interest per annum.

6.7 Unpaid Assessment as Lien: The amount of any delinquent assessment, whether regular or special, assessed against any lot and any late payment charge attributable thereto, plus interest on such assessment and charge at a rate not to exceed eighteen percent (18%) per annum, simple interest, and the costs of collecting the same, including reasonable attorney's fees and costs, shall be a lien upon such lot and the improvements thereon. Such lien shall be prior to any declaration of homestead. Such lien shall be created in accordance with NRS 116.3116 and shall be foreclosed in the manner provided in NRS 116.31162 through 116.31168, inclusive. No lien collection action shall be subject to the provisions of NRS 38 requiring arbitration through the Nevada Real Estate Division.

6.8 Mortgage Protection: Notwithstanding any other provision of this Declaration, no lien created under this Article or under any other Article of this Declaration, nor any lien arising by reason of any breach of this declaration, nor the enforcement of any provision of this Declaration, or any supplemental Declaration, shall defeat or render invalid the rights of the Beneficiary under any recorded mortgage or deed of trust of first and senior priority now or hereafter upon a lot made in good faith and for value, and perfected before the date on which the assessment sought to be enforced becomes delinquent. However, after the foreclosure of any such first mortgage or deed of trust or after any conveyance in lieu of foreclosure, such lot shall remain subject to this Declaration and shall be liable for all regular and special assessments

levied subsequent to completion of such foreclosure or delivery of such conveyance in lieu of foreclosure, and to all installments of regular and special assessments prior to completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery.

ARTICLE VII

LIMITATION OF RESTRICTIONS

7.1 Limitations of Restrictions: Declarant is undertaking the work of constructing lots for the location of residential units within the Project. In order that said work may be completed and that the Project be established as a fully occupied community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

- A. Prevent Declarant or its contractors, or subcontractors, from performing any and all work in or on the Project, whatever is reasonably necessary or advisable, in connection with the commencement or completion of said work; or
- B. Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Project such structures as may be reasonably necessary for the conduct of its business of completing said work and establishing said Project as a residential community and disposing of the same in parcels by sale, lease or otherwise; or
- C. Prevent Declarant from conducting on any part of the Project its business of completing said work and of establishing said Project as a residential community and of disposing of said lots by sale, lease or otherwise; or
- D. Prevent Declarant from maintaining such sign or signs on any of the Project as may be necessary for the sale, lease or dispositions thereof; or
- E. Require Declarant to comply with the restrictions herein contained

relating to the Design Review Committee, or any of the procedures herein described in respect to structures to be constructed by Declarant, providing such structures are consistent with the Declarant's intentions as stated within this Declaration. The provisions of this paragraph (E) shall only be effective for the period in which Declarant maintains the right to appoint a majority of the Committee.

ARTICLE VIII

RIGHTS OR MORTGAGEES AND TRUST DEED BENEFICIARIES

Notwithstanding the provisions of this Declaration, or any amendment to this Declaration, no provision of this Declaration, as amended, shall affect the rights of any beneficiary whose mortgage or deed of trust has the first and senior priority and whose mortgage or deed of trust is recorded to secure a lender's loan of monies to a person to purchase a lot within the Subdivision. Any amendment to this Declaration shall not be effective against a mortgage or deed of trust recorded prior to the effective date of amendment. However, after foreclosure or conveyance in lieu of foreclosure, or sale of the lot by the Owner and pay off of the encumbrance recorded prior to an amendment, the lot which was subject to such mortgage or deed of trust shall be subject to all of the provisions of this Declaration as amended. Holders of first mortgages and trust deeds on the Project and lots made for value and in good faith shall be entitled to the rights and privileges set forth in this Declaration.

ARTICLE IX

MISCELLANEOUS PROVISIONS

9.1 Amendment and Duration:

A. **Amendment:** Except as otherwise provided herein, the provisions hereof may be amended by an instrument in writing signed and acknowledged by not less than

seventy-five percent (75%) of the Owners, which amendment shall be effective upon recordation in the Office of the Recorder of Douglas County, Nevada.

B. Duration: The provisions of this Declaration, including the covenants, conditions and restrictions contained herein, shall continue and be effective for a period of fifty (50) years from the date of recordation and shall be automatically extended for successive periods of ten (10) years until a seventy-five percent (75%) vote of the Owners of all the lots within the Subdivision shall determine that they shall terminate and notice thereof is recorded in the Office of the Recorder of Douglas County, Nevada.

9.2 Enforcement and Nonwaiver:

A. Right of Enforcement: Except as otherwise provided herein, Declarant, and any Owner shall have the right (but not the duty) to enforce any and 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 an obligation to enforce these covenants, conditions and restrictions. The covenants, conditions and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the Project as set forth in this Declaration.

B. Restriction Severable: Notwithstanding the provisions of subparagraph (A) above, the Covenants, Conditions and Restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

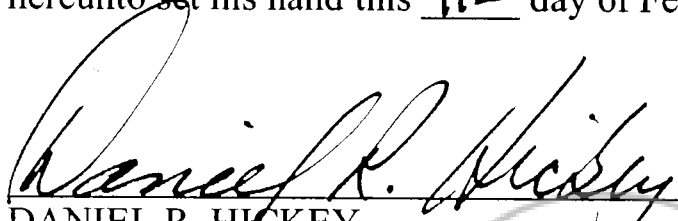
C. Singular Includes Plural: The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

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

E. Governing Law: This Declaration shall be governed by and construed in accordance with the laws of the State of Nevada as amended from time to time.

F. Binding Effect: This Declaration shall be construed as a covenant running with the land, and the provisions hereof shall bind any Owner of any lot within the Subdivision.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set his hand this 11th day of February, 2002.


DANIEL R. HICKEY
Manager, Taylor Creek Associates, LLC

ACKNOWLEDGEMENT

STATE OF NEVADA)
) :SS.
COUNTY OF DOUGLAS)

On February 11th, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared DANIEL R. HICKEY, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.


NOTARY PUBLIC



COPY

Exhibit "A"
Declarations of Covenants, Conditions and Restrictions
Taylor Creek Subdivision

0534603
BK 0202 PG 4154

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

A parcel of land located within the Northeast one-quarter of the Northeast one-quarter of Section 4, Township 12 North, Range 19 East, MDM, Douglas County, Nevada, being New Parcel 1 as shown on the Record of Survey to Support a Lot Line Adjustment for Donald A. Toussau, Document No. 337280 of the Douglas County Recorder's Office, and a portion of Parcel 2-E as shown on Parcel Map #2 for Itildo, Inc., Document No. 337280 of the Douglas County Recorder's Office, and being more particularly described as follows:

BEGINNING at a point on the Northerly line of said Section 4, said point bears N. $89^{\circ}55'14''$ W., 600.44 feet from the Northeast corner of said Section 4, being a G.L.O. brass cap; thence S. $00^{\circ}04'46''$ W., 450.00 feet to the Northwest corner of said Parcel 2-E; thence S. $10^{\circ}03'39''$ W., along the Westerly line of said Parcel 2-E, 229.76 feet; thence S. $66^{\circ}57'56''$ E., 60.89 feet; thence S. $16^{\circ}59'08''$ E., 37.62 feet; thence S. $11^{\circ}08'32''$ W., 23.65 feet; thence S. $31^{\circ}54'03''$ W., 54.39 feet; thence S. $81^{\circ}29'00''$ W., 58.83 feet to a point on said Westerly line; thence S. $10^{\circ}03'39''$ W., along said Westerly line, 113.62 feet; thence N. $86^{\circ}58'42''$ E., 430.00 feet; thence N. $71^{\circ}15'56''$ E., 518.00 feet to a point on the Westerly right-of-way line of Foothill Road as recorded in Book Z of Deeds, Page 543, of the Douglas County Recorder's Office; thence S. $18^{\circ}44'04''$ E., along said Westerly right-of-way line, 617.75 feet to the Northeast corner of Parcel C as shown on the Murray G. Alstott and James C. Dykes Parcel Map, Document No. 14673 of the Douglas County Recorder's Office; thence N. $89^{\circ}52'22''$ W., along the North line of Parcel C and Parcel B of said Parcel Map, 436.31 feet to the Northwest corner of said Parcel B; thence S. $00^{\circ}09'00''$ W., along the West line of Parcel B and Parcel A of said Parcel Map, 1059.73 feet to the Southwest corner of the Toussau Parcel as recorded on Document No. 81388 of the Douglas County Recorder's Office; thence S. $89^{\circ}47'04''$ W., along the South line of said Toussau Parcel, 685.18 feet to a point on the Easterly right-of-way line of State Route 207 (Kingsbury Grade); thence along said Easterly right-of-way line the following 8 courses:

1. 806.21 feet along the arc of a curve to the right having a central angle of $41^{\circ}07'14''$ and a radius of 1123.34 feet, (chord bears N. $19^{\circ}27'36''$ W., 789.02 feet);

Continued on next page

-1-

2. N. $01^{\circ}06'01''$ E., 345.43 feet;
 3. S. $89^{\circ}02'06''$ E., 75.00 feet;
 4. 249.17 feet along the arc of a curve to the left having a central angle of $14^{\circ}09'15''$ and a radius of 1008.62 feet, (chord bears N. $06^{\circ}06'43''$ W., 248.53);
 5. N. $13^{\circ}11'20''$ W., 215.02 feet;
 6. 315.69 feet along the arc of a curve to the right having a central angle of $23^{\circ}45'28''$ and a radius of 761.34 feet, (chord bears N. $01^{\circ}18'36''$ W., 313.43 feet);
 7. N. $10^{\circ}34'08''$ E., 300.25 feet;
 8. 231.88 feet along the arc of a curve to the left having a central angle of $11^{\circ}33'10''$ and a radius of 1150.00 feet, (chord bears N. $04^{\circ}47'33''$ E., 231.48 feet), to a point on said Northerly line of Section 4;
- thence S. $89^{\circ}55'14''$ E., along said Northerly line, 280.48 feet to the POINT OF BEGINNING.

APN 1219-04-001-007

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED MAY 31, 2001, BOOK 501, PAGE 9683, AS FILE NO. 515482, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

COPY

Exhibit "B"
Declarations of Covenants, Conditions and Restrictions
Taylor Creek Subdivision

0534603
BK0202PG4157

EXHIBIT "B"

Declaration of Covenants, Conditions and Restrictions
of Taylor Creek Subdivision

Taylor Creek Estates Maintenance Program

First Year's Proposed Budget of Expenses/Costs

Maintenance Man incl. truck and equipment: 15 hrs/mo; 180 hrs/yr. @ \$27.50/hr	\$4,950.00
Snow Plowing: 30 hours @ \$66.50/hr	\$2,000.00
Maintenance: Gate, fence, ponds, plants Flowers, electricity/electrical	\$7,450.00
Road - maintain & seal every 5 years	\$1,500.00
Insurance:	\$3,000.00
Total Per Year (Estimated):	\$18,900.00

Estimated Per Lot Payments:

Annually:	\$900.00
Quarterly:	\$225.00
Monthly:	\$ 75.00

Initial Maintenance Fee of \$750.00 to be paid in full at owner's lot purchase close of escrow. Regular annual assessment to be pro-rated (12 month year) and billed monthly or quarterly thereafter.

REQUESTED BY
Rowe + Hales
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 FEB 12 PM 2:23

LINDA SLATER
RECORDER

\$46⁰⁰ PAID *[Signature]* DEPUTY

0534603

BK0202PG4158