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THIRD AMMENDMENT OF
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
JACKSON CREEK RANCH ESTATES SUBDIVISION

THIS SUPERCEDES ALL PRIOR RECORDED
COVENANTS, CONDITIONS AND RESTRICTIONS

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

JACKSON CREEK RANCH ESTATES SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 24th day of May, 2001, by THE JERALD R. JACKSON 1975 TRUST as amended 8-11-92, Jerald R. Jackson, Trustee; and THE IRENE M. WINDHOLZ TRUST DATED 8-11-92, Irene M. Windholz, Trustee, and their successors and assigns (hereinafter collectively referred to as "Declarant").

RECITALS

Declarant is the owner of that certain real property located in Douglas County, Nevada, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, and which is hereinafter referred to as "the RANCH."

The RANCH consists of a maximum of twelve (12) newly developed residential Lots and Parcel A (per the Easement for Conservation recorded as Document No. 433586 in the Official Records of Douglas County, Nevada, on February 27, 1998) and is located along the foothills of the Sierra Nevada mountains. The RANCH is in the environs of several rural ranches as well as many significant residential estates.

The Declarant intends by this Declaration to impose upon the RANCH mutually beneficial conditions and restrictions for the benefit of all Owners of Lots within the RANCH and to create a community and environment in which the aesthetic features and beauty of the property and surrounding area will be substantially

preserved for the enjoyment and benefit of all persons living within the RANCH

All owners in the RANCH acknowledge and understand that the RANCH is located in an agricultural area of Douglas County, Nevada, and that there are ongoing preexisting agricultural practices which have occurred and will continue to occur in the area within the development. The owners further understand, accept and acknowledge that this Declaration applies to the residential parcels, improvements and activities on lots only and does not apply to any property that is designated as Open Space, Parcel A, RANCH uses, lot 1, lot 2 and lot 6.

In furtherance of such intent, Declarant declares that, except with respect to parcel A, a conservation easement, lot 1, lot 2, and lot 6, all lots described on a final subdivision map or maps recorded on the real property referred to in exhibit A, whether or not created or modified through a record of survey or a phasing of development by the recording of more than one final map, are and shall be owned, held, conveyed, encumbered, leased, improved, used occupied and enjoyed subject to the following covenants, conditions and restrictions. And equitable servitudes and the same shall constitute a general plan for the ownership, improvement, sale, use and occupancy of the RANCH and to enhance the value, desirability and quality of the RANCH. Parcel A, The conservation easement created by mandate of Douglas County under PD 97-001, is conditioned upon and restricted exclusively by the terms of the instrument by which it was created and is specifically exempted from the conditions, covenants and restrictions set forth in this declaration, as well as lot 1, lot 2 and lot 6.

This Declaration shall run with the real property described in Exhibit A and shall be binding on all parties having any right, title or interest in the Exhibit A property and their heirs, successors, successors-in-title, and assigns and shall inure to the benefit of each Owner or member thereof. Each, all and every one of the limitations, easements, uses, obligations, covenants, conditions and restrictions herein imposed shall be construed as equitable servitudes enforceable by the Declarant or any of the Owners of any portion of the property subject to this Declaration against any other Owner, tenant, or occupant or said property or portion thereof similarly restricted by this Declaration. The recording of a final subdivision map or maps or a record of survey creating one or more lots is a condition precedent to encumbering any of the land with the application of provisions of this Declaration.

Because the Declarant and the Douglas County Assessor have at various times labeled the Lots in this subdivision differently, Declarant has elected to use a uniform method of identifying all Lots subject to this Declaration, namely: the street address and assessor's parcel number assigned to each Lot.

ARTICLE I

PERMITTED USES AND GENERAL RESTRICTIONS

All Lots shall be owned, held, conveyed, encumbered, leased, used, occupied, and enjoyed subject to the Design Guidelines, and the following limitations and restrictions:

1.01 Design Control. No construction, alteration, repairs, excavation, grading, landscaping, or other work on a Lot shall be made or done without the prior written approval of the

Architectural and Landscape Committee (hereinafter "ALC"). Once escrow is opened in any prospective purchase of a Lot, the ALC will work with the prospective owner of a Lot in the Ranch and provide its approval or denial of any proposed work on the Lot. The ALC will also serve the same function with all other owners upon being contacted by such owners as set forth hereinafter.

1.02 Residential Use. All Lots within the RANCH shall be improved and used solely for Single Family residential use.

1.03 Improvements and Use.

A. Residences constructed on all Lots must contain at least three thousand (3,000) square feet of interior living space, exclusive of decks, basements, patios, covered walkways and the like, together with an attached garage with a capacity of three (3) or more cars, unless waived by Owner or ALC. Two-story residences must provide at least two-thirds (2/3) of the minimum interior living space on a single-level ground floor. Single level is defined as a level that has a difference between finished floor elevations of three feet (3') or less. The ALC may grant a variance of up to twenty-five percent (25%) of the minimum required square footage if in the opinion of the ALC, the quality of design and materials of the Improvements is not diminished, the intent of this Declaration is not impaired, and other compelling reasons exist for the variance.

B. Improvements as are necessary or customarily incident to a single-family residence including but not limited to guest facilities, employees' quarters, exercise areas, pool houses, recreational areas, workshops, or storage structures may be erected on any Lot provided there is a single visually

connecting architectural element or component combining the residence and all units of the improvement and approved by the ALC in accordance with the Architectural Design Guidelines.

1.04 Building Setback and Building Envelopes. All structures and Improvements on every Lot shall be placed within a designated building envelope to be established during purchase escrow by Declarant after consulting with each prospective lot Owner upon at least ten (10) days' advance written notice to the ALC.

1.05 Maintenance of Lawns, Plantings, and Landscape.

A. Continuity is established and maintained by the type and kind of landscaping and vegetation approved by the ALC. If not otherwise delineated on a Lot, each Owner shall designate all area of his Lot which is outside of the identified or intended building envelope for the planting, cultivating, landscaping, maintaining, and irrigating of transitional vegetation approved by the ALC. Plantings which are low in maintenance and low in water consumption are encouraged.

B. Each Owner shall be responsible for the maintenance of all planted vegetation on his Lot from the date of close of escrow and shall install additional landscaping on his Lot if required by the ALC, including planting lawn, shrubs, trees, or ground cover, within one (1) year of the date of close of escrow to mitigate and eliminate dust, weeds, and unsightly yard areas. Thereafter, within one (1) year of completion of construction as evidenced by a certificate of occupancy, final landscaping shall be completed. 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 plantings and shall replace any that die or become diseased. No Owner shall remove, alter, or injure any tree or shrub placed in any area by Declarant or any tree on the Lot at date of close of escrow without the prior written approval of the ALC. Declarant or his agent shall have the right (without the duty) to enter upon any Lot at any reasonable time for the purpose of planting, replacing, maintaining, or cultivating trees and shrubs within any easement created therefor.

1.06 Fences; Easements Over Certain Lots. The Declarant hereby reserves a ten foot (10') easement along those Lots wherein the property line abuts the roadway, for the construction, maintenance and repair of fences. This easement is reserved regardless of whether or not the Declarant constructs the fence, and whether the Owner is responsible for the maintenance and repair of the fence. Throughout the subdivision, all fences authorized by Declarant shall be of a construction and design provided by Declarant.

Except as may be approved by the ALC for tennis courts, there shall be no cyclone fencing or woven wire fencing. All fences must be approved by the ALC.

1.07 Unsightly Articles. No unsightly article shall be permitted to remain on any Lot to be visible from neighboring property or public or private thoroughfares. No Lot shall be used for the drying or hanging area for laundry of any kind if visible from neighboring property. Without limiting the generality of the foregoing, vehicles being stored, or not capable of daily use shall be kept in an enclosed structure or screen. Refuse,

garbage, and trash shall be kept at all times in a covered container and any such container shall be kept within an area so as not to be visible from neighboring property. Service areas, storage areas, compost piles shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials, or scrap or refuse or trash shall be kept, stored, or allowed to accumulate on any Lot except within an enclosed structure or kept so as not to be visible from neighboring property. All such containers, areas, screens, or structures must be approved by the ALC and none shall be erected unless construction of the primary residential improvement has been mobilized, commenced and diligently pursued. Absent written approval of Declarant or ALC, the certificate of occupancy must be issued within twelve (12) months of delivery of first material or performance of first construction labor upon Lot, barring force majeure. Failure to obtain a certificate of occupancy within the specified time shall subject Lot Owner to penalties payable to Declarant or ALC of \$200 per working day until a certificate of occupancy is issued.

Any Owner who has a bill or a portion of a bill for any such penalty that is sixty (60) days or more past due shall be subject to having a lien for all delinquent sums placed upon the Lot by the Declarant or the ALC recording a lien claim therefor in the Official Records of Douglas County, Nevada. Although Chapter 116 of NRS does not apply to this Declaration, such lien shall nevertheless be created in accordance with NRS 116.3116 and shall be foreclosed in the manner provided in NRS 116.31162, 116.31164, and 116.31168.

Once Declarant no longer owns a Lot within the subdivision, the term "ALC" shall be substituted for "Declarant."

1.08 Parking Restrictions; Use of Garage; Use of Vehicles.

No vehicle shall be stored other than within an enclosed structure or screened area. Parking by commercial vehicles for the purpose of making deliveries shall be permitted. No on-street parking by any Owner, occupant, their family, guests, or invitees, is permitted, other than for parties and special events.

No garages shall be used for or converted to living quarters or recreational areas without the prior review and approval of the ALC.

1.09 Restricted Use of Recreational Vehicles. The ALC shall have the exclusive discretion, if such a use is allowed by the ALC on a given Lot, to determine the number, size, location, and screening of any recreational vehicle or travel trailer located upon any Lot. No vehicle, tent, or other similar item shall be used as a living area.

1.10 No Temporary Structures. No tent, shack, motor home, camper, trailer, vehicle, or other building, improvements, or structure shall be placed upon any Lot as temporary living quarters or temporary improvements. Temporary structures necessary for storage of tools, equipment, and supplies and for office space for architects, builders, and foremen during actual construction must be reviewed by the ALC; such approval to be granted at the sole discretion of the ALC and to include the nature, size, location, and duration of such structure.

1.11 Antennas. Except for any which may, at Declarant's option, be erected by Declarant or Declarant's designated representative, no exterior radio or television antenna or aerial shall be erected or maintained without the prior written approval of the ALC.

1.12 Signs. Except such signs as may be used by Declarant, no sign of any kind shall be displayed on any Lot to the public view without the approval of the ALC except such signs as may be required by legal proceedings or the prohibitions of which is precluded by law. No flashing or moving signs shall be permitted on any Lot or common area. All signage shall be of an architectural style in harmony with the improvements on a Lot as prescribed by the Design Guidelines and approved in writing by the ALC.

1.13 Lights. No spotlights, flood lights 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. All exterior lighting shall be "indirect." No tennis courts may be lighted except as may be permitted by the Design Guidelines and approved by the ALC.

1.14 Roofing. The roofing material placed upon any improvement within the RANCH must be fire retardant, dense, high definition, bulk material which is fire retardant, slate, concrete tile, or other tile meeting the standards set by Douglas County and any regulation of the local fire protection agency. Dark colors and non-reflectivity shall be established in the Design Guidelines.

1.15 Animals. Animals, including but not limited to horses, mules, sheep, bovine, llamas, alpacas, or other domestic farm or agricultural animals, may be kept upon any Lot only with the advance, written approval of Declarant or the ALC, both of whom will determine in their exclusive discretion, if such uses are allowed, the number and type of such animals. It is anticipated that the decision of the Declarant or the ALC will vary from Lot to Lot, depending on the capability of the Lot to sustain such an animal use without constituting a visual annoyance or distraction or a nuisance. A reasonable number of commonly accepted household pets may be kept on any Lot. As set forth hereinabove, Parcel A (the conservation easement) is exempt from this restriction. Additionally, Lots 1, 2, 3, 4, and 5 are exempt from the restrictions against horses, mules, llamas, alpacas, and sheep, provided that Declarant or ALC shall have the exclusive right to determine the maximum number of such animals permissible on any of the referenced Lots. No kennel or other facility for raising or boarding dogs, cats, or other animals for commercial purposes shall be kept on any Lot. 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.

1.16 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any Lot and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive, or detrimental to any other Lot. No noise or other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive

or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, lights, bells, or other sound devices (other than security devices used exclusively for security purposes) shall be located, used, or placed on any lot without the prior written approval of the ALC.

1.17 No Hazardous Activities. No activities shall be conducted on any Lot and no improvements constructed on any Lot which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged on any Lot, and no open fires shall be lit or permitted on any Lot except in a contained barbecue unit while attended and in use for cooking purposes.

1.18 No Dumping. No Owner shall dump any rubbish or refuse on any Lot in the RANCH.

1.19 No Mining and Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, oil, gas, or other hydrocarbons, minerals, of any kind, rocks, stones, sand, gravel, aggregate or earth.

1.20 Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of improvements by any Owner upon a Lot; provided that when completed such improvements shall in all ways conform to this Declaration and the Design Guidelines. Construction activities should be pursued to completion with reasonable diligence, be in compliance with applicable federal, state, and local laws and ordinances and any rules and regulations adopted pursuant thereto, conform to usual

construction practices in the area and conform to the construction rules adopted by the ALC, as amended from time to time.

1.21 Building Permits. Building permits for any structures on a Lot which is subject to this Declaration shall only be issued in accordance with the Douglas County Code and the Design Guidelines and following prior written approval of the Plans and Specifications by the ALC.

1.22 Repair of Building. No improvements upon any Lot shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof.

1.23 Improvements and Alterations. Except for normal and ordinary maintenance and repair, there shall be no modification to improvements which substantially alters the exterior appearance of any improvement, or the removal of any improvement without the prior approval of the ALC. Notwithstanding this or any provision of this Declaration, in the event of an emergency or the sudden occurrence of unanticipated conditions which threaten the health, safety, or physical well-being of persons or property, the ALC or the Declarant shall have the authority, without prior approvals described above, to take whatever remedial action as may be necessary to protect persons and property until such time as applicable approval procedures provided herein can be reasonably applied.

1.24 No Obstruction to Drainage. No Owner shall erect, construct, maintain, permit, or allow any fence or other improvement or obstruction which would interrupt or alter the

normal drainage of the land or the Lot within any drainage easement as shown on the recorded subdivision plat or plats. There shall be no interference with the established drainage patterns over any property, except by Declarant, unless adequate provision is made for proper drainage and approved by the ALC. This shall include the provision of culverts of suitable size and other means of accommodating runoff when constructing a driveway connecting with a roadway.

1.25 Rental of Lots. Any Owner who leases or otherwise grants occupancy rights to his Lot shall be responsible for assuring compliance by any occupant with all the provisions of this Declaration, the Rules and Design Guidelines and shall be jointly and severally responsible for any violations by the occupant thereof. No commune, cooperative or similar type living arrangement shall be permitted.

1.26 No Further Subdividing. No Lot as shown on a final subdivision map or maps and subject to these covenants shall be further divided or subdivided. However, nothing herein shall be deemed to require the approval of the ALC 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 of trust.

ARTICLE II

PERMITTED USES AND RESTRICTIONS

2.01 Lakes, Water Bodies and Wetlands. No lake, pond, stream, or other body of water within the RANCH is common area unless so designated by Declarant or its successors or assigns.

2.02 Use of waterways. With the exception of the Owner and invitees of lots 4 and 5 and their successors, all of whom may use the pond common to lots 4 and 5, no Owner, occupant, or other person shall use any lake, pond, stream or other body of water, for any purposes, including without limitation fishing, swimming, boating, playing, or use of personal flotation devises. No motorized devise may be used upon the pond for any recreational purpose; however, reasonable use of a motorized vessel or instrument may be employed in pond maintenance or improvement.

2.03 Ownership of Water Rights. All water rights appurtenant to the RANCH are the property of the Declarant or it's successors or assigns.

2.04 Dredging and filling. Without the prior written approval of the Declarant or the ALC, no dredging or filling shall be undertaken on any pond, stream drainage or other body of water on any lot except by the Declarant, it's successors or assigns.

2.05 Operation, Control and Maintenance of Water Conveyances and Related Matters. The operation, control and Maintenance of all water conveyances and water conveyance control devises shall reside exclusively in the Declarant, it's successors or assigns, or the ALC. In the sole discretion of the Declarant or the ALC, a revocable license may be given to the Owner of a lot to serve the function set forth in this section 2.05 as to that owners lot; however the entire cost of making, processing and approving the application shall be borne and paid by the applicant, who shall hold Declarant, the ALC, and all other Owners harmless therefrom.

ARTICLE III

ARCHITECTURAL AND LANDSCAPE CONTROL COMMITTEE

3.01 Members of Committee. There shall be an Architectural and Landscape Committee ("ALC") which shall consist of two (2) members, which shall initially be designated by Declarant. There may also be two (2) alternate members, either of whom may be designated by the Committee to act as substitute on the Committee in the event of absence or disability of either member. Each member of the ALC shall hold office until such time as he has resigned or has been removed or his successor has been appointed, as provided herein. Members of the ALC may be removed at any time without cause.

3.02 Declarant's Rights of Appointment. The Declarant, its heirs, successors, and assigns, shall have the sole right to appoint and remove all members of the ALC, including alternates.

3.03 Review of Proposed Construction. Whenever in this Declaration the approval of this ALC is required, it shall have the right to consider all of the plans and specifications for the improvement or proposal in question and all other facts which in its sole discretion are relevant. Except as provided above, prior to commencement of any construction of any improvement, the plans and specifications therefor shall be submitted to the ALC, and construction thereof may not commence unless and until the ALC has approved such plans and specifications in writing. The ALC shall consider and act upon any and all plans and specifications submitted for its approval pursuant to this Declaration, or as from time to time shall be assigned to it by the Board, including

the inspection of construction in progress to assure its conformance with plans and specifications approved by the ALC.

The ALC shall approve plans and specifications submitted for its approval only if it deems that the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the surrounding area, and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The ALC may condition its approval of plans and specifications on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving the material submitted. Until receipt by the ALC of all required plans and specifications and other information, the ALC may postpone review of anything submitted for approval.

3.04 Architectural Design Guidelines. The ALC shall from time to time, and in its sole discretion, adopt, amend, and repeal by unanimous vote rules and regulations to be known as "Architectural Design Guidelines" interpreting and implementing the provisions of this Declaration, setting procedures for submittal and design and construction criteria to be followed in submitting proposals to the ALC.

3.05 Meetings of the ALC. The ALC shall meet from time to time as necessary to perform its duties hereunder. The ALC may, from time to time by resolution unanimously adopted in writing, designate one of its members to take any action or perform any duties for and on behalf of the ALC, by unanimously adopting written resolutions. In the absence of such designation, the vote or written consent of a majority of all of the members of the ALC

shall constitute an act of the ALC as to all matters except the adoption, amendment, or repeal of Design Guidelines.

3.06 No Waiver of Future Approvals. An approval or consent of the ALC shall not be deemed a waiver of any right to withhold future approval or consent on any other matter whatsoever subsequently or additionally submitted for approval or consent by the same or a different person.

3.07 Inspection of Work.

A. Completed Work. Inspection of completed work and correction of defects therein shall proceed as follows:

(i) Not more than three (3) days after the completion of any improvement for which approved plans or specifications are required under this Declaration, the Owner shall give written notice to the ALC of completion of any improvement for which approval of plans and specifications by the ALC is required.

(ii) Within the time period set forth in its Rules but not to exceed fifteen (15) days thereafter, the ALC or its duly authorized representative may inspect such improvement. If the ALC finds that such work was not done in strict compliance with all ALC approved plans and specifications submitted or required to be submitted for its prior approval, it shall, within seven (7) business days thereafter, notify the Owner in writing of such noncompliance, specifying in reasonable detail the particulars of noncompliance, and it shall require the Owner to remedy the same.

(iii) If the Owner fails to remedy such noncompliance within thirty (30) days after the ALC sends such notification to the Owner, the ALC shall notify the Owner in writing of such failure. The ALC shall include with such notice a notice of hearing to be held not later than one hundred twenty (120) days after issuance of notice. At the hearing, the Owner, the ALC, and any other Owner in the subdivision may appear and, personally or through counsel, present evidence and examine and cross-examine witnesses. After the hearing concludes, the ALC, within ten (10) days, shall issue a ruling determining whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. The Owner shall remedy or remove the noncomplying improvement within forty-five (45) days after the date of announcement of the ALC's ruling. If the Owner does not timely comply with the ALC's ruling, the ALC, at its option, may either remove the noncomplying improvement or remedy the noncompliance, and the Owner shall reimburse ALC upon demand for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner, legal enforcement may be sought and Owner shall also pay all costs and fees of enforcement.

B. Work in Progress. The ALC may inspect all work in progress and give notice of noncompliance as provided above in subparagraph (ii) of Section 3.07.A. If the Owner denies that such noncompliance exists, the procedures set out in subparagraph

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(iii) of Section 3.07.A shall be followed, except that no further work shall be done, pending resolution of the dispute.

3.08 Nonliability of ALC Members. Neither the ALC nor any member thereof shall be liable to any Owner or to any other person for any loss, damage or injury arising out of or in any way connected with the performance of the ALC's respective duties under this Declaration unless due to the willful misconduct or bad faith of the ALC or its members. Except as provided in this Declaration, the ALC shall review and approve or disapprove all plans and specifications submitted to it for any proposed improvement, including the construction of, alteration, or addition to improvements, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the surrounding area. The ALC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials, and similar features, but shall not be responsible for reviewing, nor shall its approval of any plans or specifications be deemed approval thereof, from the standpoint of structural safety, engineering soundness, or conformance with building or other codes which may be applicable to the planned construction.

3.09 Variances. The ALC may authorize variances from compliance with any of the architectural provisions of this Declaration or any supplemental declaration, including restrictions upon height, bulk, size, shape, floor area, land area, placement of structures, setbacks, building envelopes, colors, materials, or similar restrictions.

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Such as topography, natural obstructions, hardship, or aesthetic or environmental considerations may, in its sole and absolute discretion, warrant. Such variances must be evidenced in writing and must be signed by at least a majority of all of the members of the ALC. If such a variance is granted, no violation of the covenants, conditions or restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to wave any of the terms and provisions of this Declaration, the architectural design guidelines, or any supplemental declaration for any purpose except as to the particular property and particular provision and in the particular instance covered by the variance.

3.10 Obligations With Respect to Zoning and Subdivisions. All persons shall comply fully with the zoning and master plan designations approved for Jackson Creek Ranch Estates by the Board of Commissioners of Douglas County, Nevada, and with all applicable federal, state, and local laws, regulations, and ordinances, insofar as the same is applicable and as the same may hereafter be amended from time to time.

ARTICLE IV

Maintenance, Funds, and Assessments

4.01 Maintenance. For the benefit of the Owners and Declarant, Declarant shall keep, repair and maintain the interior roads, landscaping, grass and ditches in the NDOT right of way west of the pavement, entry gate, fences, water conveyances and water conveyance devices, irrigation system, Parcel A (such maintenance may include the use of animals), lighting and liability

insurance. The cost for such obligation shall be paid and collected as set forth in this Article IV.

The surface of the pond shall be maintained in a moss- and weed-free condition by the Owners of Lots 4 and 5. The area surrounding the pond will also be maintained in a weed-free, groomed condition. The Owners of Lots 4 and 5 may apply to the Declarant for permission to develop a tule or tall-grass environment for the cultivation of game fish or for decorative purposes.

4.02 Future Obligation. At such time as Declarant terminates its existence or divests itself of all interest in all the Lots and Parcel A in the RANCH, and Jerald R. Jackson and Irene M. Windholz, or the survivor thereof, waives the right to perform such duties, the Owners may form an association to perform the maintenance, repair, and insurance payment functions. In the absence of such an association, and after the Declarant's existence is terminated or it has divested itself of all interest in the Lots and Parcel A, a majority of the Owners may simply 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 IV.

4.03 Agreement to Pay. Each Owner of a Lot, evidenced by the recording of a deed in his name, covenants and agrees to pay to Declarant such regular and special assessments as are established, made, and collected as provided in this Declaration. Parcel A (conservation easement) is exempt from this Declaration.

Each lot in the subdivision other than those owned by the Declarant shall pay its estimated share of common expenses. Each lot shall be required to pay on an annual estimate, payable quarterly, its prorata share of annual assessments for maintenance, insurance and repair. Each lot shall be responsible for the payment of 1/10th of the common expense.

4.04 Regular Annual Assessments. Prior to the beginning of each fiscal year, Declarant shall estimate the expense to be incurred during such year in performing its functions under this Declaration, including a reasonable amount for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior years fund. Uniform and equal assessments sufficient to pay such estimated net charges shall then be levied and collected as provided in this Article IV. If the sums collected prove inadequate for any reason, including nonpayment of any individual assessment, the Declarant may at any time and from time to time levy further assessments as provided above. 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.

Upon the purchase of any lot which has not been improved with a residence, the Owner will be required to pay a fifty percent (50%) assessment. Upon issuance of a building permit, the Owner will be required to pay a full assessment as established and provided in this Declaration.

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

4.06 Unpaid Assessments as Liens. 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, shall be a lien upon such Lot and the improvements thereon. Such lien shall be prior to any declaration of homestead. Although Chapter 116 of NRS does not apply to this Declaration, such lien shall nevertheless be created in accordance with NRS 116.3116 and shall be foreclosed in the manner provided in NRS 116.31162, 116.31164, and 116.31168.

4.07 Mortgage Protection. Notwithstanding any other provision of this Declaration, no lien created under this Article IV 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 of 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 perfected before the date on which the assessment sought to be enforced became 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 all regular and special assessments levied prior to completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery.

4.08 Effect of Amendments on Mortgages. Notwithstanding the provisions of Section 5.02 below, no amendment of this Declaration 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 prior to the recording of the amendment and who does not join in the execution of the amendment. However, after foreclosure or conveyance in lieu of foreclosure, the Lot which was subject to such mortgage or deed of trust shall be subject to such amendment.

ARTICLE V

MISCELLANEOUS

5.01 Term. This Declaration, including all of the covenants, conditions, and restrictions hereof, shall run until 31 December 2093, unless amended as herein provided. After 31 December 2093, this Declaration, including all such covenants, conditions, and restrictions, shall be automatically extended for successive periods of ten (10) years each, unless amended or extinguished by a written instrument executed by at least a majority of the Owners and recorded in the Douglas County real property records.

5.02 Amendment.

A. Special Provisions. No amendment of Article IV shall be effective as to any beneficiary who does not join in the execution thereof provided that its mortgage or deed of trust is recorded in the real property records of the county prior to the recordation of such amendment. No amendment of this Declaration shall be effective until executed and recorded in Douglas County in the manner herein provided.

B. By Declarant. Except as provided in Section 5.02.A, this Declaration may be amended only by the Declarant, its successors, and assigns, until 31 December 2020, including the unilateral right to encumber additional property with these covenants.

C. By Owners. After 31 December 2020, this Declaration may be amended by recording in the official records of Douglas County an instrument setting forth the amendment and certifying that such amendment has been approved by fifty-one percent (51%) of the Owners. These amendments may include new or different maintenance agreements, Owners' rights, etc.

5.03 Notices. Any notices permitted or required to be given by this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid.

5.04 Enforcement and Nonwaiver.

A. Right of Enforcement. Except as otherwise provided herein, any Owner, or Declarant, shall have the right to enforce

all of the provisions of this Declaration against any Lot and the Owners thereof. Such right of enforcement shall include both damages for and injunctive relief against the breach of any such provision.

B. Violation a Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner, or by Declarant, whether or not the relief sought is for negative or affirmative action. However, only Declarant may enforce by self-help any of the provisions of this Declaration, and then only if such self-help is preceded by reasonable notice to the Owner in question.

C. Violation of Law. Any violation of any federal, state, or local law, ordinance, or regulation pertaining to the ownership, occupancy, or use of any Lot hereby is declared to be a violation of this Declaration and subject to all of the enforcement procedures set forth in said restrictions.

D. Remedies Cumulative. Each remedy provided by this Declaration is cumulative and not exclusive.

E. Nonwaiver. The failure to enforce any provision of this Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Declaration.

5.05 Construction.

A. Restrictions Severable. Each of the provisions 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.

B. Singular Includes Plural. Unless the context require a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter.

C. Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit, or otherwise affect that which is set forth in any of the paragraphs, sections, or articles hereof.

D. Liberal Construction. It is the intention of Declarant that this Declaration be liberally construed to promote the purpose of a well-planned community, reserving to the Declarant the rights necessary to complete the project and to ensure the integrity of the interrelated land uses.

E. Successors and Assigns. The benefits and burdens created by this agreement shall inure to the heirs, successors, and assigns of the Declarant, Owners, and lenders, as applicable.

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

The Jerald R. Jackson 1975 Trust as amended 8-11-92

Jackson trustee
Jerald R. Jackson, Trustee

THE JERALD R. JACKSON 1975 TRUST as amended 8-11-92

By Jackson
Jerald R. Jackson, Trustee

The Irene M. Windholz Trust Dated 8-11-92

Irene M. Windholz, Trustee
Irene M. Windholz, Trustee

THE IRENE M. WINDHOLZ TRUST DATED 8-11-92

By Irene M. Windholz, Trustee
Irene M. Windholz, Trustee

0544096

BK 0602 PG 2/69

State of Nevada
County of Douglas

This instrument was acknowledged before me on JUNE 7 2002.
By SERALD R. JACKSON & IRENE M. WINDHOLZ

Terry Lundergreen
Notary



COPY

0544096

BK0602PG02170

EXHIBIT A

LEGAL DESCRIPTION

Lot 1, Block B as set forth on that certain Final Map PDA 97-001 for Jackson Creek Ranch Estates, A Planned Development recorded in the Office of the County Recorder, State of Nevada, on February 23, 1998, Book 298 at Page 4120 as Document No. 433187 of Official Records. APN 19-450-010;

Parcel A; Lots 8-12 in Block A; and Lots 2-5 in Block B, all as set forth on the FINAL MAP PDA 97-01, entitled JACKSON CREEK RANCH ESTATES, a Planned Development, filed for record in the office of the County Recorder of Douglas County, State of Nevada on February 23, 1998, as Document No 433187 of Official Records of Douglas County, Nevada. APNs 19-450-020, -030, -040, -050, -080, -090, -100, -110, -120, -130;

Lot 6, Block A as set forth on that certain Final Map PDA 97-001 for Jackson Creek Ranch Estates, A Planned Development recorded in the Office of the County Recorder, State of Nevada, on February 23, 1998, Book 298 at Page 4120 as Document No. 433187 of Official Records. APN 19-450-060;

Lot 7 in Block A, as set forth on the FINAL MAP PDA 97-01, entitled JACKSON CREEK RANCH ESTATES, a Planned Development, filed for record in the Office of the County Recorder of Douglas County, State of Nevada on February 23, 1998, as Document No 433187 of Official Records of Douglas County, Nevada. APN 19-450-070, all as more fully explained and illustrated on Exhibit A-1, attached hereto and made a part hereof by this reference.

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COPY

REQUESTED BY
JR Jackson
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 JUN -7 AM 11: 52

LINDA SLATER
RECORDER

\$ ^{48.00} PAID KJ DEPUTY

0544096

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