

✓ R.O. Anderson Engineering, Inc.
1603 Esmeralda Ave
Minden, NV 89423

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR STONEGATE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS IS MADE THIS THIRD DAY OF JULY, 2002, FOR STONEGATE, DOUGLAS COUNTY, NEVADA, BY JAMES M. HICKEY AND KIM POSNIEN, THEIR HEIRS OR ASSSIGNS, HEREIN AFTER CALLED THE DECLARANT.

WITNESSETH

WHEREAS SUCH COVENANTS, CONDITIONS, AND RESTRICTIONS ARE INTENDED TO BE PART OF A GENERAL PROGRAM FOR THE IMPROVEMENT OF THE DEVELOPMENT, WHICH PROGRAM CONTEMPLATES THAT EACH LOT IN THE DEVELOPMENT SHALL BE USED FOR RESIDENTIAL PURPOSES OF HIGH QUALITY ONLY: THE PROGRAM IS FOR THE BENEFIT OF STONEGATE AND ALL OF THE LOTS THEREIN. THE PROGRAM CONTEMPLATES THAT THE COVENANTS, CONDITIONS, AND RESTRICTIONS SHALL AFFECT EACH LOT IN STONEGATE AND SHALL RUN WITH THE LAND, BEING BINDING UPON EACH SUBSEQUENT OWNER WITH EACH CONVEYANCE OF A LOT OR LOTS IN STONEGATE;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND FOR THE USE AND PURPOSES HEREIN SET FORTH, THE ABOVE DECLARANT DOES HEREBY DECLARE THAT ALL CONVEYANCES OF LOTS WITHIN STONEGATE SHALL BE MADE AND ACCEPTED UPON THE FOLLOWING COVENANTS, CONDITIONS, AND RESTRICTIONS WHICH SHALL APPLY TO AND BIND THE PARTIES THERETO, THEIR HEIRS, SUCCESSORS, AND ASSIGNS, AND ARE DESIGNATED FOR THE MUTUAL BENEFIT OF THE OWNERS OF THE LOTS ABOVE DESCRIBED, SUCH COVENANTS, CONDITIONS, AND RESTRICTIONS BEING AS FOLLOWS, TO WIT:

SECTION I ADOPTION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

1.1 PURPOSE OF COVENANTS, CONDITIONS, AND RESTRICTIONS.

STONEGATE IS AND SHALL BE SUBJECT OF THE PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS, AND CHARGES HEREIN CONTAINED TO PROVIDE A WELL PLANNED AND CONTROLLED RESIDENTIAL AREA, TO SET QUALITY STANDARD FOR ALL IMPROVEMENTS TO BE CONSTRUCTED ON EACH LOT IN THE DEVELOPMENT, TO PROVIDE THAT EACH LOT IS TO BE USED FOR RESIDENTIAL PURPOSES ONLY, AND FOR THE PRESERVATION OF VALUE FOR THE BENEFIT OF EACH AND EVERY PROPERTY OWNER OF A LOT IN STONEGATE.

1.2 DURATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS SHALL RUN WITH THE LAND AND SHALL BIND THE DECLARANT, HEIRS, EXECUTORS AND ADMINISTRATORS, AND ALL FUTURE ASSIGNS OF THE LOTS IN STONEGATE, OR ANY PARTS THEREOF, FOR AND DURING THE PERIOD FROM THE DATE OF RECORDING OF THE DEVELOPMENT FINAL MAP, TO THIRTY (30) YEARS FROM THE DATE OF RECORDING THEREOF, SUBJECT TO THE PROVISIONS OF SECTION 1.3, 1.4, 1.5, AND 1.6 OF THIS DECLARATION.

1.3 AMENDMENTS TO COVENANTS, CONDITIONS, AND RESTRICTIONS.

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, OR ANY PART OF THEM, MAY BE CHANGED, SUPPLEMENTED, OR ABOLISHED IN ANY AND ALL PARTICULARS BY THE RECORDATION IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA OF A REVOCATION OF OR AN AMENDMENT TO THESE COVENANTS, CONDITIONS, AND RESTRICTIONS, BOTH WHICH SHALL BE DULY EXECUTED BY THE OWNERS OF RECORD OF NOT LESS THAN TWO THIRDS (2/3) OF THE LOTS IN STONEGATE.

1.4 EXTENSION OF DURATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS.

ANY OR ALL OF SAID COVENANTS, CONDITIONS, AND RESTRICTIONS MAY BE EXTENDED FOR A FURTHER TIME THROUGH SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR STONEGATE DULY EXECUTED BY THE OWNERS OF RECORD OF NOT LESS THAN A MAJORITY OF THE LOTS IN STONEGATE, AND RECORDED IN DOUGLAS COUNTY, NEVADA.

1.5 INVALIDATION OF A COVENANT, CONDITION, OR RESTRICTION.

ANY INVALIDATION OF A SPECIFIC COVENANT, CONDITION, OR RESTRICTION BY THE JUDGEMENT OR ORDER OF ANY COURT OF COMPETENT JURISDICTION SHALL NOT AFFECT THE VALIDITY OF THE REMAINING COVENANTS, CONDITIONS, AND RESTRICTIONS WHICH SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT. ANY COVENANT, CONDITION, OR RESTRICTION SO DEEMED INVALIDATED SHALL BE DEEMED SEPARABLE FROM THE REMAINING COVENANTS, CONDITIONS, AND RESTRICTIONS HEREIN SET FORTH.

1.6 DECLARANT EXEMPTED.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN ANY OTHER PROVISION HEREOF, THE DECLARANT SHALL NOT BE BOUND BY THESE COVENANTS, CONDITIONS, AND RESTRICTIONS AS TO EACH OF THE LOTS IN STONEGATE UNTIL THE DECLARANT HAS CONVEYED TITLE TO THE LOT TO A SECOND PARTY.

SECTION II ARCHITECTURAL STANDARDS

2.1 BUILDING LOCATION

2.1.1 BUILDING SETBACK LINES REQUIRED BY COUNTY CODE.

NO BUILDING SHALL BE LOCATED ON ANY LOT IN STONEGATE NEARER TO THE FRONT, SIDE, OR REAR PROPERTY LINE, THAN THE MINIMUM BUILDING SETBACK CODES SET FORTH BY DOUGLAS COUNTY CODE IN EFFECT AT THE TIME CONSTRUCTION IS COMMENCED. ANY BUILDING VIOLATING THIS PROVISION MUST BE REMOVED AT THE SOLE EXPENSE OF THE OWNER OF THE LOT.

2.1.2 BUILDING SETBACK LINES.

IN ADDITION TO THE BUILDING SETBACK LINE OF SECTION 2.1.1, BUILDING SETBACK LINES AND EASMENTS SHOWN ON THE FINAL PLANS MUST BE STRICTLY OBSERVED. ANY BUILDING VIOLATING THIS PROVISION MUST BE REMOVED AT THE SOLE EXPENSE OF THE OWNER OF THAT LOT.

2.2 SINGLE FAMILY RESIDENTIAL USE ONLY

2.2.1 SINGLE FAMILY USE ONLY.

EACH LOT IN STONEGATE MAY BE USED FOR ONE, AND ONLY ONE, SINGLE FAMILY RESIDENCE, AND FOR NO OTHER PURPOSE. MOBILE HOMES FACTORY BUILT HOUSING OR MANUFACTURED HOUSING OF ANY KIND ARE NOT PERMISSIBLE ON ANY PARCEL.

2.2.2 NUISANCES PROHIBITED.

NO ACTIVITY WHICH CONSTITUTES OR WHICH COULD COSTITUTE AN ANNOYANCE OR A NUISANCE TO THE NEIGHBORHOOD WILL NOT BE PERMITTED ON ANY LOT IN STONEGATE OR IN ANY STRUCTURE ON ANY SUCH LOT.

2.2.3 CONFORMING OUTBUILDINGS.

THE ARCHITECTURAL STYLE AND FINISH MATERIALS OF ALL OUTBUILDINGS SHALL CONFORM TO THE ARCHITECTURAL STYLE OF AND THE FINISH MATERIALS USED IN THE PRIMARY RESIDENCE.

2.2.4 BUSINESS USE PROHIBITED.

NO BUSINESS OR PROFESSION SHALL BE CARRIED ON OR CONDUCTED WITHIN ANY LOT IN STONEGATE OR WITHIN ANY IMPROVEMENT ON ANY LOT IN STONEGATE, WITH THE EXCEPTION OF OFFICE USAGES PERMITTED BY DOUGLAS COUNTY.

2.2.5 COMMERCIAL USE PROHIBITED.

NO STORE OR OTHER PLACE OF COMMERCIAL OR PROFESSIONAL BUSINESS OF ANY KIND, NOR ANY HOSPITAL, SANITARIUM, OR OTHER FACILITY FOR THE CARE OF THE SICK OR DISABLED, PHYSICALLY OR MENTALLY, NOR ANY PLACE OF PUBLIC ENTERTAINMENT SHALL BE PERMITTED ON ANY LOT IN STONEGATE.

2.2.6 OCCUPANCY PROHIBITED.

NO GARAGE, SHED, TENT, TMLER, BARN, OR OTHER BUILDING OR STRUCTURE ON ANY LOT IN STONEGATE, EXCEPT GUEST HOUSES AND/OR MOTHER-IN-LAW QUARTERS, SHALL BE USED FOR PERMANENT OR TEMPORARY RESIDENTIAL 2.2.7 PURPOSES AT ANY TIME.

2.2.7 TEMPORARY STRUCTURES PROHIBITED.

NO TEMPORARY STRUCTURE OF ANY KIND SHALL BE CREATED, CONSTRUCTED, PERMITTED OR MAINTAINED ON ANY LOT IN STONEGATE.

2.2.8 WRECKED AUTOMOBILES OR APPLIANCES.

STORAGE OF WRECKED, JUNKED, UNLICENSED, OR INOPERABLE AUTOMOBILES, APPLIANCES, OR SIMILAR MACHINERY SHALL NOT BE PERMITTED ON ANY LOT IN STONEGATE, EXCEPT IN AN ENCLOSED STRUCTURE.

2.3 RESIDENCE SIZE.

2.3.1 SINGLE AND TWO STORY RESIDENCES

A RESIDENCE HAVING A HEATED FLOOR AREA OF LESS THAN THREE THOUSAND (3,000) SQUARE FEET, EXCLUSIVE OF PORCHES, PATIOS, TERRACES, AND GARAGE SHALL NOT BE PERMITTED. THE ARCHITECTURE COMMITTEE ON A CASE-BY- CASE BASIS MAY APPROVE A VARIANCE.

2.3.2 ARCHITECTURAL STANDARDS

30 YEAR ROOF, TILE, SHAKE OR COMPOSITION, MINIMUM 6:12 PITCH ROOF, 2 X 8 MINIMUM FACIA OR COMPARABLE, NO VERTICAL SIDING ON ANY ELEVATION, DECORATIVE WINDOWS ON GARAGE DOORS. ANY VARIANCE MUST BE APPROVED BY THE ARCHITECTURAL COMMITTEE.

2.4 AUTOMOBILE AND VEHICLE STORAGE.

2.4.1 COVERED AND ENCLOSED GARAGES.

EVERY RESIDENCE CONSTRUCTED ON ANY LOT IN STONEGATE SHALL HAVE AT LEAST A (3) CAR GARAGE OR MORE.

2.4.2 TRUCK, TRAILER, RV AND BOAT STORAGE.

NO TRAILER, BUS, BOAT OR RECREATIONAL VEHICLE OF ANY KIND SHALL BE PERMITTED OR MAINTAINED ON ANY PORTION OF SAID PROPERTY UNLESS SAID VEHICLES ARE PROVIDED WITH SUITABLE ENCLOSURES SO AS TO RENDER THEM INVISIBLE FROM ADJOINING PROPERTIES.

2.4.3 STREET PARKING.

THE STREET KNOWN AS STONEGATE COURT SHALL NOT BE USED FOR THE PERMANENT PARKING OF AUTOMOBILES, TRAILERS, RECREATIONAL VEHICLES, OR ANY UNLICENSED VEHICLE; BUT SHALL REMAIN CLEAR TO ALLOW FLOW OF ACCESS TO ALL PARCELS. VEHICLES THAT ARE IN COMPLIANCE WITH DOUGLAS COUNTY CODE MAY BE PARKED ON A TEMPORARY BASIS.

2.5 EASEMENTS.

2.5.1 EXISTING EASEMENTS.

THE DECLARANT HAS RESERVED, FOR THE PURPOSE OF INSTALLING AND MAINTAINING PUBLIC UTILITY FACILITIES FOR SUCH OTHER PURPOSES INCIDENT TO THE DEVELOPMENT OF EACH LOT IN STONEGATE.

2.5.2 STRUCTURES PROHIBITED IN EASEMENT AREAS.

WITHIN ANY EASEMENT ON ANY LOT IN STONEGATE, NO STRUCTURE OR OTHER IMPROVEMENT SHALL BE PLACED OR PERMITTED TO REMAIN WHICH MAY DAMAGE OR INTERFERE WITH THE INSTALLATION AND MAINTENANCE OF UTILITIES.

2.5.3 EASEMENTS AND ROAD MAINTENANCE.

THE EASEMENT AREA OF EACH LOT IN STONEGATE AND ALL IMPROVEMENTS ON IT SHALL BE MAINTAINED CONTINUALLY BY THE OWNER OF THE LOT, EXCEPT FOR THOSE IMPROVEMENTS FOR WHICH ANY PUBLIC AUTHORITY OR UTILITY COMPANY IS RESPONSIBLE. EACH LOT OWNER IN STONEGATE SHALL MAINTAIN THE LANDSCAPING ON THE MEDIAN IN FRONT OF THEIR HOME. MAINTENANCE OF PRIVATE ACCESS ROADS ARE THE RESPONSIBILITY OF THE OWNER OF THE LOT ACCESSED BY THE PRIVATE ROAD.

2.6 UTILITIES.

2.6.1 UNDERGROUND UTILITIES.

ALL UTILITY CONNECTIONS AND SERVICE LINES INSTALLED TO EACH INDIVIDUAL LOT SHALL BE INSTALLED UNDERGROUND, INCLUDING ELECTRICAL POWER, TELEPHONE, GAS, AND CABLE TV, IN ACCORDANCE WITH ACCEPTED CONSTRUCTION AND UTILITY STANDARDS.

2.6.2 WELL AND SEPTIC SYSTEM

EACH OWNER OF EACH LOT IN STONEGATE SHALL BE RESPONSIBLE FOR THE CONSTRUCTION, AND MAINTENANCE OF WELL AND SEPTIC SYSTEM.

2.7 LANDSCAPING AND GROUNDS.

2.7.1 TREES ENCOURAGED.

TO THE MAXIMUM EXTENT CONSISTENT WITH SOUND LANDSCAPING PRACTICES, THE PLANTING OF TREES IN LOCATIONS NOT OBSTRUCTING VIEWS FROM ADJACENT LOTS SHALL BE ENCOURAGED.

2.7.2 LANDSCAPE TIME REQUIREMENTS.

WITHIN ONE YEAR OF COMPLETION OF THE MAIN DWELLING UNIT, EACH LOT OR PARCEL SHALL BE LANDSCAPED FROM THE FRONT PROPERTY LINE TO THE FRONT BUILDING LINE IN A MANNER SUITABLE TO THE CHARACTER AND QUALITY OF THE DEVELOPMENT AS SET FORTH ON THE APPROVED BUILDING PLAN, AND ALL LANDSCAPING SHALL BE MAINTAINED TO HARMONIZE WITH AND SUSTAIN THE ATTRACTIVENESS OF THE DEVELOPMENT.

2.8 FENCES.

2.8.1 FENCE HEIGHTS.

FENCE HEIGHTS SHALL COMPLY WITH DOUGLAS COUNTY CODE. ALL PERIMETER FENCES SHALL BE THREE (3) RAIL VINYL, FIVE (5) FEET HIGH, CONSISTENT WITH

EXISTING SUBDIVISION FENCING. ALL PRIVACY FENCING SHALL BE APPROVED BY THE ARCHITECTURAL COMMITTEE. NO BARBED WIRE OR CHAIN LINK FENCING WILL BE PERMITTED.

2.9 SANITATION

2.9.1 SANITATION STANDARDS

NO GARBAGE, REFUSE, OBNOXIOUS OR OFFENSIVE MATERIALS SHALL BE PERMITTED TO ACCUMULATE ON ANY LOT IN STONEGATE, AND THE OWNER OF EACH LOT SHALL CAUSE SUCH MATERIAL TO BE DISPOSED OF WITH MANDATORY TRASH SERVICE, AND OTHER ACCEPTED SANITARY PRACTICES. ALL GARBAGE OR TRASH CONTAINERS AND OTHER SUCH FACILITIES SHALL BE PLACED IN ENCLOSED AREAS SO THAT THEY ARE NOT VISIBLE FROM ADJOINING LOTS OR ROADS.

2.10 RELOCATION OF BUILDINGS.

NO BUILDING OR STRUCTURE SHALL BE RELOCATED FROM ANY OTHER LOCATION ONTO ANY LOT IN STONEGATE WITHOUT PRIOR APPROVAL FROM THE DECLARANT. ANY STRUCTURE VIOLATING THIS PROVISION MUST BE REMOVED AT THE SOLE EXPENSE OF THE OWNER OF THE LOT.

2.11 RESTRICTION OF VIEW.

2.11.1 STRUCTURES.

IN NO EVENT SHALL EITHER THE LOCATION OF ANY STRUCTURE OR ITS HEIGHT AFFECT ADJOINING PROPERTIES SO AS TO UNREASONABLY DIMINISH OR RESTRICT VIEWS IN ANY DIRECTION.

2.12 DILIGENT PROSECUTION OF CONSTRUCTION.

WHEN THE CONSTRUCTION OF ANY STRUCTURE IS COMMENCED UPON ANY LOT IN STONEGATE, THE OWNER OR THE CONTRACTOR THEREOF SHALL PROSECUTE, WITH REASONABLE DILIGENCE, THE COMPLETION THEREOF AND SHALL COMPLETE THE CONSTRUCTION WITHIN A NINE (9) MONTH PERIOD FROM THE DATE OF ISSUANCE OF BUILDING PERMIT FROM DOUGLAS COUNTY, FORCE MAJEURE EXCEPTED.

2.13 ANTENNAS.

INSTALLATION OF ANY RADIO ANTENNA IS NOT ALLOWED. ANY TELEVISION DISC THAT EXCEEDS 24" IN DIAMETER IS NOT ALLOWED.

2.14 BARRIERS.

NOTHING WHICH CONSTITUTES A BARRIER TO SAFE DRIVING, BY IMPACTING SIGHT DISTANCE, PARTICULARLY AT DRIVEWAYS OR STREET CORNERS OR INTERSECTIONS, MAY BE ERECTED OR ALLOWED TO GROW ON OR ADJACENT TO ANY LOT IN STONEGATE. ANY SUCH CONDITION MUST BE ABATED WITHIN FIVE (5) DAYS OF DEMAND, AT THE SOLE EXPENSE OF THE OWNER OF THE OFFENDING LOT.

2.15 COMMITTEE OR ARCHITECTURE.

2.15.1 COMMITTEE MEMBERS.

THE COMMITTEE OF ARCHITECTURE SHALL INITIALLY BE COMPOSED OF JAMES M. HICKEY, KIM POSNIEN AND COLLEEN CAMPBELL. ANY VACANCY ON SUCH COMMITTEE CAUSED BY DEATH, RESIGNATION, OR INABILITY TO SERVE SHALL BE FILLED BY NOMINATION OF THE DECLARANT. WHEN LAST LOT IS SOLD IN STONEGATE COMMITTEE MEMBERS TO RESIGN.

2.15.2 PURPOSE.

IT SHALL BE THE PURPOSE OF THE COMMITTEE TO PROVIDE FOR THE MAINTENANCE OF A HIGH STANDARD OF ARCHITECTURE AND CONSTRUCTION IN SUCH A MANNER AS TO ENHANCE THE ASTHETIC PROPERTIES OF THE DEVELOPMENT.

2.15.3 DESIGN.

THE DESIGN OF ALL STRUCTURES AND BUILDINGS, INCLUDING HEIGHT, ELEVATIONS, COLOR, TEXTURE, AND OTHER IMPROVEMENTS, SHALL BE SUBJECT TO APPROVAL BY THE COMMITTEE OF ARCHITECTURE PRIOR TO OBTAINING A BUILDING PERMIT FROM DOUGLAS COUNTY.

2.15.4 PLANS.

ALL PLANS SUBMITTED TO THE COMMITTEE OF ARCHITECTURE MUST BE INCLUSIVE OF EXTERIOR DESIGN, FLOOR AREA, AND PLOT PLAN. BUILDING ENVELOPES ON ALL LOTS ARE RESTRICTED AND MUST BE APPROVED BY THE COMMITTEE. ALL PLANS MUST BE SUBMITTED IN DUPLICATE AND ALLOW FOR A SEVEN DAY REVIEW PROCESS. PLANS SUBMITTED IN THIS FASHION WILL NOT BE UNREASONABLY WITHELD.

SECTION III ANIMALS

3.1 HOUSEHOLD PETS.

DOGS, CATS, OR OTHER HOUSEHOLD PETS MAY BE KEPT, PROVIDED THEY ARE NOT KEPT, BRED, OR MAINTAINED FOR ANY COMMERCIAL PURPOSES AND PROVIDED THEY DO NOT BECOME A NUISANCE TO OTHER PROPERTY OWNERS. THERE SHALL BE NO MORE THAN THREE (3) DOGS ON ANY ONE LOT IN STONEGATE. REASONABLE EXCEPTIONS TO THIS PROVISION WILL BE ALLOWED FOLLOWING BIRTHS OF LITTERS, PENDING DISPOSITION OF SUCH LITTERS WITHIN TWO MONTHS.

3.2 CONTROL OF HOUSEHOLD PETS.

ALL PETS SHALL BE CONTROLLED AND RESTRAINED SO AS NOT TO RUN AT LARGE OR BECOME A NUISANCE OR ANNOYANCE TO THE OWNERS OF ANY RESIDENCE IN STONEGATE.

3.3 OTHER ANIMALS

HORSES, LLAMAS AND SHEEP MAY BE KEPT, PROVIDED THEY ARE NOT KEPT, BRED, OR MAINTAINED FOR ANY COMMERCIAL PURPOSES AND PROVIDED THEY DO NOT BECOME A NUISANCE TO OTHER PROPERTY OWNERS. EACH OWNER OF A LOT OR PARCEL IN STONEGATE IS PERMITTED TO HAVE A MAXIMUM OF TWO (2) HORSES OR TWO (2) LLAMAS PER PARCEL, WITH A MAXIMUM OF THREE (3) OF THESE ANIMALS IN COMBINATION. IF THE OWNER CHOOSES TO HAVE SHEEP, A MAXIMUM OF SIX (6) AND ONE (1) LLAMA AND NO HORSES PER PARCEL MAY BE KEPT.

SECTION IV EXCAVATION

4.1 EXCAVATIONS.

NO EXCAVATION SHALL BE PERMITTED ON ANY LOT IN STONEGATE EXCEPT IN CONNECTION WITH GRADING AND PREPARING OF BUILDING SITE, DRIVEWAYS, UTILITY SERVICES, LANDSCAPING.

SECTION V ENFORCEABILITY

5.1 ENFORCEMENT OF COVENANTS, CONDITIONS, AND RESTRICTIONS.

THE COVENANTS, CONDITIONS, AND RESTRICTIONS HEREIN CONTAINED SHALL BIND AND INURE TO THE BENEFIT OF, AND BE ENFORCEABLE BY, THE DECLARANT, HIS HEIRS, EXECUTORS, ADMINISTRATORS, AND ASSIGNS, AND BY THE FUTURE OWNER OR OWNERS OF ANY LOT OR LOTS IN STONEGATE.

5.2 VIOLATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS.

ANY OWNER OR OWNERS OF ANY LOT OR LOTS IN STONEGATE MAY INSTITUTE AND PROSECUTE ANY PROCEEDING AT LAW OR IN EQUITY AGAINST ANY PERSON, FIRM OR OTHER ENTITY VIOLATING, OR THREATENING TO VIOLATE, ANY OF THE COVENANTS, CONDITIONS, AND RESTRICTIONS HEREIN CONTAINED. ANY SUCH ACTION MAY BE MAINTAINED FOR THE PURPOSE OF STOPPING AND/OR PREVENTING VIOLATION, TO RECOVER DAMAGES FOR A VIOLATION, OR FOR BOTH SUCH PURPOSES.

5.3 FAILURE TO ENFORCE.

THE FAILURE OF THE DECLARANT, HIS SUCCESSORS OR ASSIGNS, OR OF ANY OWNER OF ANY LOT IN STONEGATE TO ENFORCE ANY OF THE COVENANTS, CONDITIONS, AND RESTRICTIONS HEREIN CONTAINED SHALL NOT BE DEEMED A WAIVER OF A RIGHT TO ENFORCE THEM THEREAFTER.

5.4 APPLICATION OF REMEDY.

NOTHING HEREIN SHALL BE CONSTRUED AS PREVENTING THE APPLICATION OF ANY REMEDY GIVEN BY LAW AGAINST A NUISANCE, PUBLIC OR PRIVATE, THE APPLICATION OF WHICH SHALL BE IN ADDITION TO ANY OTHER REMEDY OR REMEDIES NOW OR HEREAFTER PROVIDED BY LAW.

SECTION VI BREACHES AND REMEDIES

6.1 MORTGAGE RIGHTS

A BREACH OF ANY OF THE FOREGOING COVENANTS, CONDITIONS, AND RESTRICTIONS, OR THE RE-ENTRY BY REASON OF ANY SUCH BREACH, SHALL NOT DEFEAT OR RENDER INVALID THE LEIN OF ANY MORTGAGE OR DEED OF TRUST MADE IN GOOD FAITH AND FOR VALUE FOR SAID PREMISES, OR ANY PART THEREOF, BUT THESE COVENANTS, CONDITIONS, AND RESTRICTIONS SHALL BE BINDING UPON THE OWNER WHOSE TITLE TO A LOT IN STONEGATE IS ACQUIRED UNDER FORECLOSURE, TRUSTEE'S SALE, OR OTHERWISE, AND SHALL BE BINDING UPON THE PARTY SO ACQUIRING TITLE.

6.2 REMEDIES.

6.2.1 LEGAL ACTIONS PERMITTED.

IF ANY OWNER OF A LOT IN STONEGATE SHALL FAIL TO COMPLY WITH ANY OF THE PROVISIONS OF THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, THE OWNER OF ANY LOT SHALL HAVE FULL POWER AND AUTHORITY TO ENFORCE COMPLIANCE WITH THIS DECLARATION IN ANY MANNER PROVIDED FOR HEREIN AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, BRINGING (a) AN ACTION FOR DAMAGES, (b) AN ACTION TO ENJOIN ANY VIOLATION OR SPECIFICALLY ENFORCE THE PROVISIONS OF THIS DECLARATION, AND (c) AN ACTION TO ENFORCE ANY LEIN PROVIDED FOR HEREIN OR PROVIDED BY LAW.

6.2.2 ATTORNEY'S FEES AND COSTS.

IN THE EVENT ANY LOT OWNER SHALL EMPLOY AN ATTORNEY TO ENFORCE ANY PROVISION (S) OF THIS DECLARATION, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEY'S FEES AND COSTS.

6.2.3 REMEDIES CUMULATIVE.

ALL ENFORCEMENT POWERS OF A LOT OWNER SHALL BE CUMULATIVE.

6.2.4 CONSENT TO REMEDIES.

EACH PERSON WHO ENTERS INTO A PURCHASE AGREEMENT FOR A LOT IN STONEGATE, OR WHO ACCEPTS THE CONVEYANCE OF TITLE TO A LOT IN STONEGATE, SHALL BE DEEMED TO HAVE AGREED THAT ANY OWNER OF A LOT IN STONEGATE SHALL HAVE ALL OF THE RIGHTS, POWERS, AND REMEDIES AS SET FORTH IN THIS DECLARATION.

6.2.5 LITIGATION FOR BREACH OF COVENANTS, CONDITIONS, AND RESTRICTIONS.

IT SHALL BE LAWFUL, NOT ONLY FOR THE DECLARANT, HIS HEIRS, SUCESSORS, AND ASSIGNS, BUT ALSO FOR THE OWNER OR OWNERS OF ANY LOT OR LOTS IN STONEGATE, WHO HAVE DERIVED OR SHALL HEREINAFTER DERIVE TITLE FROM OR THROUGH THE DECLARANT, TO INSTITUTE AND PROSECUTE LEGAL PROCEEDINGS AGAINST ANY PERSON OR PERSONS VIOLATING OR THREATNING TO VIOLATE THESE COVENANTS, CONDITIONS, AND RESTRICTIONS.

6.2.6 PROPER NOTICE BEFORE INSTITUTING LEGAL PROCEEDINGS.

PRIOR TO INSTITUTING LEGAL ACTION, THE INSTITUTING PARTY MUST GIVE NOT LESS THAN SIXTY (60) DAYS WRITTEN NOTICE BY REGISTERED MAIL TO THE VIOLATING PARTY, AND SAID NOTICE SHALL SPECIFY IN WHAT RESPECTS THESE COVENANTS, CONDITIONS, AND RESTRICTIONS HAVE BEEN VIOLATED. IN THE EVENT THE VIOLATING PARTY CORRECTS AND CURES ANY SUCH VIOLATION WITHIN SIXTY (60) DAYS FROM THE MAILING OF SUCH NOTICE, THEN SUCH VIOLATION WILL BE TREATED AS THOUGH IT HAD NOT HAPPENED.

6.2.7 FAILURE TO INSTITUTE ACTION.

FAILURE, HOWEVER, ON THE PART OF THE DECLARANT, HIS HEIRS, SUCESSORS, AND ASSIGNS, OR ANY LOT OWNERS TO CLAIM HIS OR THEIR RIGHTS HEREUNDER, OR TO INSTITUTE LEGAL ACTION, SHALL NOT BE DEEMED AS AN AMENDMENT OR ALTERATION OF THESE COVENANTS, CONDITIONS, AND RESTRICTIONS, OR A RATIFICATION OF PAST BREACHES, VIOLATIONS, OR MISCONDUCT, OR CONDONATION OF ANY FUTURE, SIMILAR BREACHES OR VIOLATIONS OF THESE COVENANTS, CONDITIONS, AND RESTRICTIONS.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS EXECUTED THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS THE DAY AND YEAR FIRST ABOVE WRITTEN.

KIM POSNIEN, DECLARANT

BY: [Signature]
KIM POSNIEN

STATE OF Nevada

COUNTY OF Douglas

JAMES MICHAEL HICKEY, DECLARANT

BY: [Signature]
JAMES MICHAEL HICKEY

STATE OF Nevada

COUNTY OF Douglas

ON THIS 3rd DAY OF July IN THE YEAR 2002 BEFORE ME
Kristy Nuzum NOTARY PERSONAL

APPEARED Kim Posnien & James Michael Hickey PERSONALLY KNOW TO ME OR PROVED TO ME THE BASIS OF SATISFACTORY EVIDENCE TO BE PERSON (S) WHOSE NAME IS SUBSCRIBED TO THIS INSTRUMENT AND ACKNOWLEDGED THAT HE/SHE EXECUTED.

KIM POSNIEN

JAMES MICHAEL HICKEY

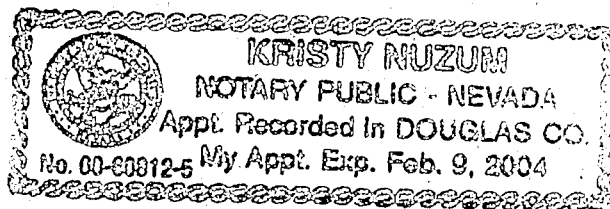
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MY COMMISSION EXPIRES Feb. 9, 2004

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STONEGATE LOTS

**DESCRIPTION
LOTS 1 - 11**

All that real property situate within the Southwest one-quarter of Section 34, Township 13 North, Range 20 East, Mount Diablo Meridian, County of Douglas, State of Nevada, described as follows:

Lots 1 through 3 as shown on Parcel Map #1 for Mikim Development Company, LLC recorded May 1, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 541138;

Lots 4 through 6 as shown on Parcel Map #2 for Mikim Development Company, LLC recorded May 1, 2002 in said office of Recorder as Document No. 541139;

Lots 7 through 9 as shown on Parcel Map #3 for Mikim Development Company, LLC recorded May 1, 2002 in said office of Recorder as Document No. 541140;

Lots 10 and 11 as shown on Parcel Map #4 for Mikim Development Company, LLC recorded May 1, 2002 in said office of Recorder as Document No. 541141.

Prepared By: R.O. ANDERSON ENGINEERING, INC.
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REQUESTED BY
Anderson Engineering
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 JUL -9 AM 9:17

LINDA SLATER
RECORDER

\$24 PAID *K2* DEPUTY

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