

1419-26-301-001

This instrument prepared by,
and after recording return to:

Joseph S. Rupkey, Esq.
Foley & Lardner LLP
777 E. Wisconsin Avenue
Milwaukee, Wisconsin 53202-5306
Q40701091 LH

REQUESTED BY
Stewart Title of Douglas County
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2004 AUG 12 PM 1:50

WERNER CHRISTEN
RECORDER

\$ 19.00 PAID *AL* DEPUTY

Above Space Reserved for Recording Information

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

(Tourist Commercial Parcel)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made and effective as of this 10th day of August, 2004, by **LITTLE MONDEAUX LIMOUSIN CORPORATION**, a Nevada corporation ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of fee title to a certain tract of real property and the improvements thereon, including, without limitation, a golf course clubhouse (the "**Clubhouse**") used in connection with the operation of that certain 18-hole golf course currently known as the "Sierra Nevada Golf Ranch" (the "**Golf Course**"), situated in the County of Douglas, State of Nevada, as such tract is more particularly described in **EXHIBIT A** attached hereto and incorporated herein (the "**TC Parcel**");

WHEREAS, James Canyon, LLC, a Nevada limited liability company ("**James Canyon**"), is the developer of that certain residential development located west of, and in close proximity to, the TC Parcel, which development is commonly referred to as "Canyon Creek Estates" and is more particularly described in **EXHIBIT B** attached hereto and incorporated herein ("**Canyon Creek Estates**");

WHEREAS, Declarant hereby desires to place certain restrictions upon the use and development of the TC Parcel for the benefit of James Canyon, as developer of Canyon Creek Estates.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant declares as follows:

1. **Restrictions.** The TC Parcel, and each and every lot, parcel or portion thereof, whether now or hereafter existing through subdivision or otherwise (each, a "**Lot**"), shall be and hereby is subject to the following restrictions relating to the use and development thereof:

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a. Use. Excepting the Golf Course Support Facilities (as hereinafter defined), and further excepting any facilities in the nature of a recreation center, health club, fitness center, exercise room, lap pool, family pool, spa with hot tubs, tennis courts, meditation and yoga facilities and similar "amenity facilities," the TC Parcel shall be developed, used and occupied primarily as a fractional-interest, time-share or similar shared-ownership residential community. Each individual residence unit comprising a part of the fractional-interest, time-share or similar shared-ownership community, regardless of the extent to which it is further subdivided into shared ownership interests, is referred to in this Declaration as a "Unit".

b. Architectural Theme. Each and every Unit, or the buildings containing one or more Units, on the TC Parcel shall be designed and constructed in a style that is consistent and harmonious with the architectural style of the Clubhouse.

c. Density. There shall be no more than an aggregate of seventy (70) Units developed on the TC Parcel.

d. Unit Size. No single Unit shall contain less than one thousand two hundred fifty (1,250) square feet of floor area, excluding floor area designated for garage purposes.

Provided James Canyon or a Simek Ownership Entity (as hereinafter defined), having succeeded to James Canyon, shall consent in writing, which consent James Canyon or such Simek Ownership Entity shall not unreasonably withhold, the unit density for the TC Parcel and/or the unit size for any Unit may be increased or decreased even though the Restrictions are still in effect.

2. Term. The term of this Declaration shall commence on the date first set forth above and shall automatically terminate upon the earliest to occur of the following:

a. The date upon which neither Ronald L. Simek nor any Family Member of Ronald L. Simek (as hereinafter defined) owns a controlling interest in James Canyon or any successor entity to James Canyon responsible for the development of Canyon Creek Estates (a "Simek Ownership Entity");

b. The date upon which James Canyon or a Simek Ownership Entity no longer owns a fee simple interest in any of Canyon Creek Estates other than one or more residences owned for personal use by Ronald L. Simek or a Family Member of Ronald L. Simek; or

c. June 25, 2009.

For purposes of this Declaration, a "Family Member of Ronald L. Simek" shall mean and include Ronald L. Simek, anyone married or formerly married to Ronald L. Simek, the direct lineal descendants of Ronald L. Simek, the full siblings and the half-siblings of Ronald L. Simek, and the

nieces and nephews of Ronald L. Simek. Upon termination of this Declaration, and following written request from the then owner of the TC Parcel, James Canyon or the then current Simek Ownership Entity (or the natural and legal person(s) constituting the same, as applicable) shall execute a quitclaim deed in recordable form legally sufficient to extinguish this Declaration in the relevant public records.

3. **Reconfiguration of TC Parcel; Partial Release.** In the event that either (i) the TC Parcel is subdivided such that the Clubhouse and other improved areas of the TC Parcel used in connection with the operation of the Golf Course, including the land upon which the same are located (collectively, and including such land, the “**Golf Course Support Facilities**”), comprise their own Lot, separate and apart from the balance of the TC Parcel, or (ii) a lot line or similar adjustment is effected to incorporate into a parcel comprising a part of the Golf Course the Golf Course Support Facilities, then and in either event the Golf Course Support Facilities shall automatically be released from, and shall no longer be subject to, the Restrictions.

4. **Binding Nature; Enforcement.** This Declaration shall be binding upon Declarant, its successors and assigns, as owner of the TC Parcel, it being the intent that all of the restrictions set forth herein shall be “covenants running with the land” and, as such, shall run with, be binding upon and constitute an encumbrance upon the TC Parcel, and shall inure personally to the benefit of James Canyon and any successor Simek Ownership Entity in its capacity as developer of Canyon Creek Estates during the term hereof. No party other than James Canyon or any successor Simek Ownership Entity shall be entitled to enforce the above restrictions, which may be enforced by those parties in any proceeding at law or in equity. Such action may be either to restrain violation or to recover damages. The prevailing party shall be awarded all costs of enforcement, including actual attorneys’ fees, in the event of a breach of this Declaration.

5. **Amendment or Modification.** This Declaration may be amended or modified only by a written instrument in recordable form signed by all of the record owners of the TC Parcel and James Canyon or any successor Simek Ownership Entity.

6. **Waiver.** No waiver of, acquiescence in or consent to any breach or default of any term or condition hereof shall constitute or be construed as a waiver of, acquiescence in or consent to any other, further or succeeding breach or default of the same or any other term or condition.

7. **Severability.** If any term, covenant or restriction set forth above or the applicability thereof to any person or circumstance shall, to any extent, be invalid or unenforceable under applicable law, then the remainder thereof, as to the application of such term, covenant or condition to any person or circumstance other than those as to which it is invalid or unenforceable, shall not be affected thereby.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, Declarant has executed and delivered this Declaration as of the date first set forth above.

DECLARANT:

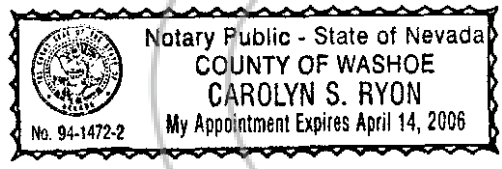
LITTLE MONDEAUX LIMOUSIN CORPORATION,
a Nevada corporation

By: *Ronald L. Simek*
Name: Ronald L. Simek
Title: President

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on August 10th, 2004 by Ronald L. Simek as President of Little Mondeaux Limousin Corporation, a Nevada corporation.

Carolyn S. Ryon
Notary Public,
My Commission Expires: 4/14/06



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EXHIBIT A

Legal Description of the TC Parcel

All that real property located within a portion of Section 26, Township 14 North, Range 19 East, Mount Diablo Meridian, Douglas County, Nevada, described as follows:

Adjusted Parcel 14 of the Record of Survey to Support a Boundary Line Adjustment for Ronald L. Simek, Little Mondeaux Limousin Corporation, and The Pivot Limited Partnership recorded December 31, 1996 in the office of Recorder, Douglas County, Nevada as Document No. 403935.

EXHIBIT B

Legal Description of Canyon Creek Estates

All that real property situate within portions of Sections 26 and 27, Township 14 North, Range 19 East, Mount Diablo Meridian, County of Douglas, State of Nevada, described as follows:

Lots 15, 16, 19, Open Space A, D, E, F, and G, Block 'A', and Roadways known as James Canyon Loop and Childs Canyon Drive of the Final Subdivision Map and Planned Development PD 00-16 for Mountain Meadow Estates Phase 1 recorded March 6, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 536360;

Open Space B and C, Block 'A', and Adjusted Lot 34, Block 'D', of the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 6, 2002 in the office of Recorder, Douglas County, Nevada as Document No. 560049;

Adjusted Remainder of the Record of Survey to Support a Boundary Line Adjustment for James Canyon, LLC recorded December 9, 2003 in the office of Recorder, Douglas County, Nevada as Document No. 599028.