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EAGLE RIDGE AT GENOA
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

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EXHIBITS

- A. Subdivision Property Description
- B. Building Envelope Map



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF EAGLE RIDGE AT GENOA

THIS DECLARATION is made on this 18th day of July, 2005 by Eagle Ridge at Genoa, LLC, a Nevada limited liability company, hereinafter referred to as Declarant, with reference to the following facts:

RECITALS:

Whereas, Declarant is the owner of that certain real property situated in Douglas County, Nevada, comprising approximately 276 acres, hereinafter referred to as the Subdivision, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, which Declarant intends to subdivide into not more than 55 residential lots, together with common element improvements including four entry landscaping features, fuel breaks and fire breaks, and two drainage detention basins. A water tank and booster station in the Subdivision will be built by Declarant and dedicated as public facilities. The Final Subdivision Map for Eagle Ridge at Genoa, recorded concurrently with this Declaration, shows the planned location for such common element improvements, water tank and booster station. The Subdivision does not include, and will not include, two additional lots owned by Declarant and located to the west of Subdivision.

Now therefore, Declarant hereby declares that all of the real property in the Subdivision, together with any and all improvements thereon and appurtenances thereunto, shall be held, sold, and conveyed subject to the following covenants, conditions, and restrictions. These covenants, conditions and restrictions ("Declaration") are for the purpose of protecting the value and desirability of the real property in the Subdivision. This Declaration shall inure to the benefit and bind all parties having any right, title or interest in the real property or any part thereof, their heirs, executors, administrators, successors and assigns.

The provisions of this Declaration are intended to create mutual equitable servitudes upon each of the lots and parcels in the Subdivision in favor of each and all other lots and parcels; to create reciprocal rights between the respective owners of all such lots and parcels; to create a privity of contract and estate between the grantees of such lots and parcels, their heirs, successors and assigns; and shall, as to the owner of each lot or parcel, its heirs, successors or assigns operate as covenants running with the land for the benefit of each and all other lots and parcels in the Subdivision and their respective owners, present and future.

ARTICLE I
GENERAL PROVISIONS/COMPLIANCE WITH NRS CHAPTER 116

Section 1. Applicability. This Declaration is made in compliance with the Uniform Common-Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes (the "Act").

Section 2. Definitions and Other Basic Provisions. The following terms as used in this Declaration are defined as follows:

- a. "Assessment Threshold" means the date on which the obligation of each Owner for assessments, as provided in Article III of this Declaration, commences. The Assessment Threshold for each lot shall be the following:

for all lots created by a particular final map within the Subdivision, the Declarant shall be obligated for payment of Assessments upon all lots until the date each lot is acquired by a bona fide third party as deeded to that third party by the Declarant, at which time the Assessment becomes the obligation of the new owner.

- b. "Association" means Eagle Ridge at Genoa Homeowners Association, the property owners' association which is a Nevada nonprofit corporation.
- c. "Board" means the Board of Directors of the Association.
- d. "Bylaws" means the Bylaws of the Association and "Articles" means the Articles of Incorporation of the Association.
- e. "Committee" means the Eagle Ridge at Genoa Design Review Committee.
- f. "Common Element Easement" means all of the real property improvements designated as such in this Declaration or pursuant to final maps recorded within the Subdivision; and all real property interests (fee title or easements) acquired by the Association, whether from Declarant or otherwise, together in each instance with all improvements which may at any time be located or constructed thereon and owned by the Association, including, but not limited to the following types of Common Elements:
landscaping features at entry ways, fencing, signs, drainage ways and drainage facilities, entry lighting, snow removal and storage areas, landscaping, fuel breaks and fire breaks, boundary line berm, and drainage detention basins.
- g. "Declarant", when used herein, means Eagle Ridge at Genoa LLC.
- h. "Declaration" means this Declaration and any future amendments hereto.
- i. "Improvements" means all buildings, outbuildings, garages, streets, roads, trails, pathways, driveways, parking areas, fences, retaining and other walls, decks, exterior air conditioning, signs, landscaping, light standards, antennae/satellite dishes, walls, tennis courts, swimming pools and any other structures of any type or kind.

j. "Lot" means any single family lot shown on a tentative map or final map, and intended for improvement with a single family residence. The configuration of lots may change pursuant to the process of approval of tentative maps and final maps by Douglas County, or as otherwise specified herein.

k. "Owner" means:

1. Any person or legal entity, including Declarant, who holds fee simple title to any Lot within the Subdivision, or

2. Any person or legal entity who has contracted to purchase fee title to a Lot pursuant to a written agreement recorded in the Douglas County, Nevada Recorder's Office, in which the seller under said agreement has transferred possession of the real estate subject to the purchase agreement to the purchaser under said agreement.

"Owner" does not include the Association. The term "Lot Owner" when used herein shall mean specifically the Owners of Lots, and not other Owners.

l. "Eagle Ridge at Genoa" means the Eagle Ridge at Genoa Subdivision.

m. "Single Family Dwelling" means a residential structure, which dwelling is constructed on a Lot designated in this Declaration as a single family residential Lot.

n. "Subdivision" means the real property described in Exhibit "A", development of which is regulated by Douglas County under development approvals (tentative maps) of Douglas County for Eagle Ridge at Genoa (under Chapter 278 of the Nevada Revised Statutes, the Douglas County Development Code and other laws and regulations).

The following are other basic provisions:

o. When not in conflict with a definition specified above in this Article, the terms used herein shall have the same meanings and definitions as are used in NRS Chapter 116.

p. The name of the Subdivision shall be Eagle Ridge at Genoa Subdivision and the name of the association formed under Article II hereof to own and manage Common Element Easements, and perform other functions as set forth herein, shall be Eagle Ridge at Genoa Homeowners Association ("Association"). The Subdivision is a planned community, as defined in NRS Chapter 116.



- q. The Subdivision is located entirely within Douglas County, Nevada.
- r. The real estate included in the Subdivision is described in Exhibit "A".
- s. Declarant reserves all developmental rights and special declarant rights on real estate within the Subdivision, and on other real estate as provided below in this subsection, for a period of thirty (30) years from the date hereof including without limitation, the rights:

- 1. To complete improvements indicated on plats and plans or in this Declaration on all areas described on Exhibit "A" at any time within the term of this Declaration;

- 2. To maintain signs advertising the Subdivision, and to conduct other activities reasonably related to Subdivision development on all areas described on Exhibit "A" at any time within the term of this Declaration. The right of the Declarant to decide the number, size, location and relocation of signage on entry way easements, shall be exercised in its sole discretion;

- 3. To use easements through the Subdivision, including Common Element Easements, for the purpose of making improvements within the Subdivision whether said easements exist now or are hereafter created, within the term of this Declaration;

- 4. To make the Subdivision subject to an association affecting all areas of Exhibit "A" at any time within the term of this Declaration;

- 5. To appoint or remove any officer of the Association or any member of its executive board during any period of Declarant's control (as hereinafter defined), affecting all areas described on Exhibit "A"; and

- t. Each of the 55 Lots shall have the following allocated interests:

One vote in the Association for each Lot, for a total of 55 votes arising from Lots. The withdrawal of Lots by Declarant (election to create fewer than 55 Lots) or other reduction of Lots does not affect the liability for common expenses of each remaining Lot and may increase the proportionate share of responsibility for common expenses of Lots which have reached the Assessment Threshold; the withdrawal of real estate or reduction of Lots shall reduce the

total number of votes in the Association by the number of Lots withdrawn or reduced, thereby changing the proportional voting power of each Lot accordingly.

- u. All restrictions on use and occupancy are stated in Articles IV, V and VI hereof.
- v. The recording data where easements and licenses are recorded are contained in the records of the Douglas County Recorder, State of Nevada.

Section 3. Lot Boundary Relocations. Declarant may relocate boundaries:

- a. For Lots owned by Declarant or owned by another, with his consent, and subject to a recorded final map, by amendment to the final map, by parcel map or by boundary line adjustment pursuant to the procedures prescribed by Douglas County; or
- b. For Lots owned by Declarant and not delineated on a final map, by recordation of a final map delineating the Lots incorporating the boundary relocation.
- c. For Lots delineated on a final map, if two or more adjacent Lots are purchased by a person or developed by Declarant with the intent of constructing only one single family dwelling on the Lots, then upon notice of said intent to Association; said Lots shall continue to be considered as two Lots for the purpose of allocated interests under subsection (t) of Section 2 of this Article.

Section 4. Modification. The provisions of this Article I may not be modified, amended, terminated or abridged without the consent of Declarant, or its successor in interest.

ARTICLE II EAGLE RIDGE AT GENOA HOMEOWNERS ASSOCIATION

Section 1. Purpose. The purpose of the Association shall be to:

- a. Own and maintain all easements and deeded real property for Common Elements within the Subdivision including without limitation the funding, operation and maintenance of the following Common Elements: boundary line berm; fences; landscaping and associated improvements; signs; entry ways; drainage ways and drainage facilities; snow removal and storage areas, fuel breaks and fire breaks, entry lighting, and drainage detention basins.
- b. Once the streets are dedicated and accepted by Douglas County as public streets, Douglas County shall be responsible for maintenance and snow removal of the



public streets, however, to the extent the Association, in its sole discretion, in addition, wishes to provide for removal of ice and snow from roads at any time *when such a condition may restrain access within the Subdivision* the Association shall contract for snow and ice removal to effect the provisions of this subsection. In the event that snow removal operations require exporting of snow or ice from roads, said material may be exported outside the perimeter of the Subdivision to a suitable location. Said material may be deposited within the perimeter of the Subdivision on an appropriate Common Element Easement in such a manner as to not unreasonably restrict access or create an unreasonable hazard to any road.

c. *Enforce and administer any provisions of this Declaration pertaining to Association's rights, obligations, powers and duties as required by Douglas County; including, at a minimum but without limitation, the funding of the maintenance, replacement and perpetuation of the following Subdivision amenities, when constructed:*

- (1) *Common Element Easement lands and lighting.*
- (2) *Snow removal and storage areas.*
- (3) *Fuel breaks and fire breaks.*
- (4) *Detention basins and the accumulated sediment.*

The Association shall have no other purpose than those specified herein, and shall expressly be prohibited from representing the Owners and residents of Lots within the Subdivision on issues of land use, planning, municipal annexation, master plan amendments, growth, area development or similar matters.

The Association shall purchase any and all equipment, materials and supplies necessary to undertake its duties imposed by this Declaration, its Articles and By-Laws. The Association may purchase any equipment, materials and supplies from the Declarant provided the purchase price shall be the fair market value thereof.

The Association may, but shall not be obligated, to maintain or support certain activities within the Subdivision described to make the Subdivision safer than it otherwise might be. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security or fire safety within the Subdivision, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or fire safety or of the effectiveness of security or fire safety measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system, security personnel or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is desired or intended. Each Owner acknowledges, understands and covenants to inform its tenants that the Association and the Declarant, are not insurers or liable to persons living in or visiting the Subdivision for conduct resulting from acts of third parties.

In an effort to educate and keep all Members informed and proactive in fire safety measures, all Owners shall be members of the Nevada Fire Safe Council, or similar fire prevention group, at the expense of the Association.

Section 2. Formation and Management Under Article 3 of NRS Chapter 116. The Association shall be a nonprofit Nevada corporation formed under Chapter 82 of the Nevada Revised Statutes. The Association is not authorized to have and shall not issue any capital stock. Not later than the date of recordation of this Declaration, Declarant shall cause the articles of incorporation to be filed with the Nevada Secretary of State. The Association shall be charged with the duties and invested with the powers set forth in the Articles, Bylaws, and this Declaration.

Section 3. Association Powers and Membership. The Association shall have all powers enumerated in NRS 116.3102 which do not conflict or are not inconsistent with Section 1 of this Article. All Lot Owners in the Subdivision shall be members.

Section 4. Officers and Members of Board. The governing body of the Association shall be called the Executive Board, the Board of Directors or the Board (all of which names shall refer to the same entity). The Board may act in all instances on behalf of the Association, subject to the provisions of this Declaration, the Association Articles, the Bylaws and the applicable provisions of Nevada law.

Section 5. Declarant Control. Subject to the provisions of NRS 116.31032 and during the maximum time period stated in NRS 116.31032, Declarant shall control the Association. During this period, Declarant, or persons designated by it, may appoint or remove the officers and members of the Board.

Section 6. Budget. The Board shall adopt a proposed budget for each calendar year based on the projected common expenses of the Association, which shall include a reasonable reserve. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to the Owners, and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary. Unless at that meeting a majority of all voting power of Owners rejects the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board (NRS 116.3103(3)).

Section 7. Title to Common Elements and Common Element Easements. Within thirty (30) days after Lot Owners other than the Declarant may elect a majority of the members of the Board, the Declarant shall deed to Association all its right, title and interest to the Common Elements and Common Element Easements designated by the final map. All land not within a Lot in the Subdivision and not dedicated to a public entity or utility purveyor shall be Common

Element Easement.

Section 8. Meetings. A meeting of Owners with voting power in the Association must be held at least once each year, or as otherwise specified by law. Special meetings of the Association may be called by the president, a majority of the Board or by Owners having ten (10%) percent, or any lower percentage specified in the Bylaws, of the voting power in the Association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by Owners, or if the Association offers to send notice by electronic mail, sent by electronic mail at the request of the Owner to an electronic mail address designated in writing by the Owner.

The notice of any meeting must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to this Declaration or Bylaws, any fees or assessments to be imposed or increased by the Association, any budgetary changes and any proposal to remove an officer or member of the Executive Board (NRS 116.3108).

Section 9. Quorums and Voting. Quorums and voting at meetings shall be as specified in NRS 116.3109 and 116.311, and as provided in the Bylaws. Only Owners of Lots have voting power. Lessees of Lots may not, except by written proxy as specified in NRS 116.311, exercise voting power.

Section 10. Transfer of Voting Power. Voting power in the Association is vested in each person or entity who owns a Lot, and shall be appurtenant to the Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such real estate, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest shall operate automatically to transfer the appurtenant membership rights and obligations in the Association to the new Owner. Immediately after any transfer of title, either the transferring Owner or the acquiring Owner shall give notice to the Association of such transfer, including the name and address of the acquiring Owner and the date of transfer.

Section 11. Inspection of Association Books and Records. Any membership registers, financial and accounting records, and minutes of meetings of the Association, the Board, and committees of the Board, shall be made available for inspection and copying by any Owner, or his duly appointed representative, or any beneficiary of a deed of trust encumbering real estate in the Subdivision, at any reasonable time and for a purpose reasonably related to the affairs of the Association, at the office of the Association or at such other place as the Board prescribes. The Association may charge a reasonable fee for any copies made at an Owner's request.

Section 12. Ownership of Common Elements and Common Element Easements. Owners

and the Association shall make no attempt to divert or alter the planned configuration of any Common Element or Common Element Easement or change the equal voting power, as defined herein, of Owners, except as otherwise provided herein.

Section 13. Notices. All notices hereunder to the Association or its Board shall be sent by registered or certified mail to the Board at such places as the Board may designate from time to time by notice in writing to all members. All notices to any Owner shall be hand delivered or sent prepaid by mail to Lots improved by single family residences or to such other address as may be designated by an Owner from time to time, in writing, to the Board. All notices to other interested persons shall be mailed to such address as such person shall designate in writing to the Board. All notices shall be deemed to have been given when mailed or hand delivered except notices of change of address, which shall be deemed to have been given when received, unless as otherwise provided herein.

Section 14. Insurance. The insurance requirements and provisions of NRS 116.3113-116.31138 shall be complied with by the Association and shall be common expenses.

Section 15. Fines. The Association shall have the power to levy fines and other charges against Owners, as a monetary penalty and to reimburse the Association for the costs of enforcement of any provisions of this Declaration, for the violation of any provisions of Articles IV, V and VI, including the violation of any rules or regulations promulgated by the Board or the Committee, and violations of Design Guidelines.

Section 16. Rules and Regulations. The Board may promulgate Rules and Regulations which elaborate on the provisions of Article IV without first obtaining membership approval or consent.

ARTICLE III ASSESSMENTS

Section 1. Agreement to Pay. Declarant, for each Lot owned by it in the Subdivision that is expressly made subject to assessment as set forth in this Declaration, and each Owner, by his acceptance of a deed for each Lot owned, covenants and agrees to pay to the Association such regular and special assessments as are established, made and collected as provided in this Declaration. A Lot Owner shall have all voting rights and other rights incident thereto as provided in this Declaration, the Articles and the Bylaws. Transfer fees, fines and all other sums charged or levied by the Association to an Owner pursuant to the provisions of this Declaration shall be deemed assessments for purposes of this Article.

Section 2. Personal Obligations. Each assessment, together with any late charge, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner subject to the assessment at the time such assessment or installment became due and payable. If more than one person or entity was the Owner, the personal obligation to pay such assessment or installment respecting such real estate shall be both joint

and several. Subject to the provisions of Article VIII, Section 2, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the real estate without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by abandonment of this real estate.

Section 3. Purpose and Amount of Assessments. The assessments levied by the Association shall be determined by the Board and shall be the amount estimated to be required, on an annual basis, and shall be used exclusively, to promote the Association purposes specified in Article II, Section 1 for the performance of the duties of the Association as set forth in this Declaration and for the repair, maintenance and upkeep of Association property. Funds held by the Association shall be held, to the extent possible, in interest-bearing accounts.

Section 4. Annual Assessments. Not less than sixty (60) days before the beginning of each calendar year of the Association the Board shall meet for the purpose of preparing the proposed operating statement or budget for the forthcoming calendar year (the calendar year shall be the fiscal year unless the Board specifies otherwise), and establishing the annual assessment for the forthcoming calendar year, subject to the power of disapproval of the Lot Owners, as specified in Section 6 of Article II provided, however, the Board may not establish an annual assessment amount per Lot for any calendar year which increases by more than fifteen (15) percent over the annual assessment per Lot of the prior year (except the first such year if it should be less than twelve (12) months), without the approval by vote or written consent of Owners holding a majority of the voting rights

Section 5. Special Assessments. If the Board of Directors determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, delinquencies in the payment of assessments, then the Board shall determine the approximate amount necessary to defray such expenses; and if the amount is approved by a majority vote of the Board, it shall become a special assessment; provided, however, the Board may not approve one or more special assessments in any calendar year which in the aggregate exceed fifteen (15) percent of the annual assessment per Lot for that calendar year, without the approval by vote or written consent of Owners holding a majority of the voting rights. The Board may, in its discretion prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Lot Owner. Additionally, the Association shall have the power to incur expenses for maintenance and repair of the improvements on any Lot and for other costs of remedying violations of provisions of this Declaration, when an Owner is in violation of provisions of this Declaration, provided the Lot Owner has failed or refused to cure the violation within thirty (30) days after written notice of the necessity of such cure has been delivered by the Board to such Lot Owner, or to commence to cure the violation within such thirty (30) day period, and diligently pursue the same to completion within a reasonable time

thereafter, if more than thirty (30) days is reasonably required to cure. The Board shall levy a special assessment against an Owner to pay for all costs the Association incurs to enforce provisions of the Declaration caused by the conduct of an Owner in violation hereof.

Section 6. Uniform Rate of Assessment. Except as otherwise specifically provided in this Declaration, by law, annual and special assessments of the Association must be fixed at a uniform rate for all real estate subject to assessments.

Section 7. Assessment Period. The annual assessment period shall commence on July 1 of each year and shall terminate on June 30 of such year; and annual assessments shall be payable in advance annually unless the Board adopts some other basis for collection. However, the initial annual assessment for each Lot shall be prorated for the calendar year in which the assessment becomes due and, if possible, shall be paid in escrow on the purchase of the Lot.

Section 8. Notice of Assessments; Time for Payment. The Association may, in its discretion, give written notice of assessments to each Owner, which notice shall specify the amount of the assessment and the date or dates of payment of the same. No payment shall be due fewer than fifteen (15) days after such written notice has been given. Each delinquent assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date it becomes due together with a late charge of ONE HUNDRED DOLLARS AND NO/100 (\$100.00) for each delinquent assessment. An assessment payment is delinquent if not paid within thirty (30) days after its due date. Failure of the Association to give notice of the assessment shall not affect the liability of the Owner for such assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given.

Section 9. Statement of Account. Upon payment of a reasonable fee, and upon written request of any Owner or any beneficiary of a deed of trust, prospective beneficiary, or prospective purchaser of Lots, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such real estate, the amount of the current periodic assessment, transfer fees, and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, including but not limited to, an Owner's share of prepaid insurance premiums, which statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within thirty (30) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a deed of trust of the requesting beneficiary which acquired its interest subsequent to requesting such statement.

Section 10. Collection of Assessments. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board of Directors or its authorized representative, including any manager, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity or the Board may enforce assessments by judicial proceedings or, to the extent permitted, through the exercise of the power of sale granted to the Board. Suit to recover a

money judgment against an Owner for unpaid assessments together with all other amounts allowed by law or described in this Article shall be maintainable without first foreclosing against the real estate subject to the lien for such assessment or waiving the lien rights granted hereby.

Section 11. Lien for Assessments; Priority. All sums assessed pursuant to this Article, together with interest, fees, charges, fines and other expenses allowed by law shall be secured by a lien on Lots in favor of the Association as provided in NRS Chapter 116.

Section 12. Exempt Property. The following property shall be exempt from payment of assessments:

- (a) all Common Elements and Common Element Easements; and
- (b) any property dedicated to and accepted by any government authority or public utility (including easements).

Section 13. Suspension of Owner's Rights. The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership, including voting rights, to any Owner or to any person claiming under said Owner unless or until all assessments due on an Owner's real estate have been brought current provided the Association complies with the provisions of Section 2 of Article XI.

Section 14. Fiscal Year. The Board may adopt a fiscal year other than the calendar year.

Section 15. Transfer Fees. Each time a Lot subject to a final map in the Subdivision transfers ownership, a transfer fee shall be charged to the transferee by the Association. The initial transfer fee for each Lot shall be \$100.00, but the Board may set a different fee of uniform application to all Lots. Those transfers exempted from transfer tax under Nevada Revised Statutes 375.090 shall also be exempt from the Association transfer fee; and bulk transfers of five (5) or more lots at one time to a single entity shall also be exempt from the transfer fee.

ARTICLE IV PROPERTY USAGE

As more particularly specified in Article IX, Section 2, and except for Article IV, Section 31, Declarant is exempted from the provisions of this Article IV. Otherwise, all uses within the Subdivision shall comply with the conditions and restrictions of this Article IV.

Section 1. Single-Family Only. Except as provided in Section 2 of this Article, only single-family dwelling units used solely for residential purposes, including private garages used in connection with said residences together with guest quarters and other outbuildings, only as expressly provided hereinafter, shall be permitted. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption, or marriage living with not

more than two persons who are not so related as a single household unit, or no more than three persons who are not so related living together as a single household unit, and the household employees of either such household unit.

Section 2. Business or Commercial Uses. All business, trade, commercial garage sale, or similar activity is prohibited, except that a Lot Owner or lessee may conduct business activities on a Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements and other applicable laws for the Subdivision; (c) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees, or door-to-door or telephone solicitation of residents of the Subdivision; (d) complies with all laws and regulations for such business in a residential area by Douglas County and (e) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision, as may be determined in the sole discretion of the Board. No day care business is allowed.

Section 3. No Group Homes. No residence in the Subdivision may be used for a public boarding house, home for a group of unrelated persons operated or financed by a public or private institution, sanitarium, hospital, asylum or institution of any kindred nature, or any use not permitted by local law.

Section 4. No Interference with Drainage. Each Lot Owner agrees that he will accept the burden of, and not in any way interfere with, the established drainage pattern over his Lot from adjoining or other Lots in the Subdivision, or, in the event it is necessary to change the established drainage, that he will make adequate provisions for proper drainage over his Lot. No structure or other material shall be placed or permitted to remain which may damage, interfere with, obstruct, or retard the flow of water through drainage channels, or which may change the direction of flow of such channels, except as has been approved in advance by the Committee with the drainage site plans stamped as approved by the Owner's civil engineer for sheet flow protection. Detention basins cannot be altered. The Association has the responsibility to maintain detention basins.

Section 5. Slope Stabilization. Each Lot Owner agrees that in the event any slopes located on his Lot have been planted to comply with local government or Committee requirements for stabilization of said slope or slopes, the Owner shall adequately water and continuously maintain said slope or slopes. No road cut slopes can be altered, except as required for egress which has been approved in advance by the Committee with the egress site plans stamped as approved by the Owner's civil engineer. Any slopes located on Common Element Easements shall be the responsibility of the Association to maintain.

Section 6. Maintenance of Fences and Walls. Each Lot Owner upon which all or a portion of a wall or fence may be located, agrees at all times to maintain, paint or repair said wall

or fence, unless the Association has assumed responsibility for maintenance as provided in Subsection 1(b) of Article VII. All Declarant installed fences and walls shall become the responsibility of the Association to maintain.

Section 7. New Structures Only. No existing, used, constructed, or partially constructed structure of any type or nature shall be moved from another place to the Subdivision for any purpose whatsoever.

Section 8. Square Footage Minimums. No principal residential dwelling shall be constructed or maintained upon any parcel or Lot which shall have a total floor area of less than 3000 square feet, exclusive of porches, patios, attached and detached garages, outbuildings, breezeways or walks. Detached guest quarters, as defined below, shall have a livable space of not more than 700 square feet, and such guest quarters cannot be occupied until the principal residential dwelling is completed and occupied. This Section 8 is subject to Douglas County building codes, and required approvals by the Committee.

Section 9. Restriction on Number of Dwellings. No building, structure or improvements shall be constructed, erected, altered, placed or permitted to remain on any Lot other than one (1) dwelling designed for principal residential occupation for not more than one (1) family, together with such related outbuildings and facilities pertinent to said single family residential use. The words "related outbuildings and facilities" shall include one additional dwelling for guest quarters, subject to approval of the Committee.

Section 10. No Water Pollution. No use on any of the property described herein shall be allowed which in any manner or for any purpose would result the drainage or dumping of any refuse, sewage or other material which might tend to pollute surface or subterranean waters. Some Lots may require the installation of lift stations to connect to the public sewer system, and some Lots may require the installation of a private water booster pump to elevate water pressure, at the expense and maintenance of the individual Lot Owner.

Section 11. No Garage/Trash Receptacles. No garbage, refuse, rubbish or obnoxious or offensive material shall be permitted to accumulate, be dumped or buried on any Lots, and Lot Owners shall cause garbage and other like material to be disposed of by and in accordance with accepted sanitary practice. Trash receptacles shall be kept hidden from public view at all times, except when placed out for collection. Trash for collection may be placed on the street right of way line for a period not to exceed twenty-four (24) hours prior and subsequent to the collection service pick-up time.

Section 12. Repair of Damaged Structures. No building or garage damaged by fire or otherwise damaged so that it becomes unsightly shall be permitted to remain on any Lot. Such structures shall either be promptly rebuilt, refinished, or torn down and removed, and in no case shall the unsightly damage remain longer than three (3) months. Any tear down or removal must have Committee approval.

Section 13. Nuisances. No use of any Lot or structure subject to this Declaration shall annoy or adversely affect the use, value, occupation and enjoyment of any adjoining Lot or of residences in the Subdivision in general. No noxious, offensive or disturbing activity of any kind shall be permitted. No unlicensed vehicles of any type, including ATVs shall be permitted to be driven on any Lot, except for use in maintenance of the Lot, but not for any recreational use.

Section 14. Excavation Restrictions. No excavating or drilling for minerals, stone, gravel, oil or other hydrocarbons, or earth shall be made upon any Lot other than excavation for necessary construction purposes relating to dwelling units, retaining and perimeter walls, landscaping outbuildings and pools, contouring, shaping, fencing or generally improving any Lot.

Section 15. Paints and Finishes. The exterior portions of all houses, buildings, and structures erected or constructed on a Lot shall be painted with an appropriate finish coat approved by the Committee within thirty (30) days after completion or before occupancy. At no time will the exterior of any houses, building structures and fences be allowed to approach a state of aesthetic deterioration such that they become a visual nuisance. Repainting or restaining interior or exterior surfaces with the same color paint or stain shall not require approval of the Committee. No reflective materials shall be allowed on any house, building or structure.

Section 16. Storage Restrictions. The storage of tools, household effects, inoperable vehicles, machinery and machinery parts, empty or filled containers of trash or other materials, boxes or bags, trash, materials, or other items that shall in appearance detract from the aesthetic values of the property shall be so placed and stored to be concealed from public view.

Section 17. Prohibition on Clothes Lines. No exterior clothes line shall be installed on any Lot, or any portion of the Lot, unless completely concealed from public view.

Section 18. Sign and Flag Restrictions. Except as provided in NRS 116.31067 with regard to the right to display the flag of the United States in certain areas, no sign, flag or billboard of any other kind shall be displayed to the public view on any portion of any Lot, except a sign and sign location approved by the Committee. A flag flown at the residence location, but not at the street shall be allowed. One professionally designed sign advertising the residence or Lot for sale shall be allowed, but not to exceed 18 inches by 2 feet. One professionally designed sign designating the contractor constructing a residence shall be allowed during construction, but not to exceed 18 inches by 2 feet.

All residences shall have a designated address that is easily viewable from the road of such design that is consistent with the community and approved by the Committee.

Signs not meeting the standards of size, color and other specifications set forth by the Committee, or signs and flags, other than as set forth in NRS 116.31067, not approved by the Committee may be removed by the Association through the Board or Committee from the

premises where displayed. Removed signs will be held for a reasonable period of time in the management office of the Association to be claimed by the Lot Owner, after which time period they may be destroyed.

Section 19. Garage Requirements. Every single family dwelling unit constructed shall have on the same Lot enough enclosed attached automobile storage space for at least three (3) automobiles. If the attached garage contains only automobile storage space for two cars then at least an additional 2 garage spaces in a detached structure must be also built. Carports are prohibited but a porte cochere at the front entrance will be allowed.

Section 20. Separation of Ownerships. No Lot may be subject to a deed, conveyance, agreement or other document which would effect or cause a separation into different ownerships of surface and subsurface rights, or any portion thereof. Nothing herein shall prevent the dedication or conveyance of all or a portion of any Lot for use by the public utilities or as a street, or as Common Element Easement, in which event the remaining portion of said Lot shall for the purpose of this provision be treated as a whole Lot.

Section 21. No Occupancy Without Certificate of Occupancy. No building, any part of which is designed for dwelling purposes, shall be in any manner occupied while in the course of original construction or until it is completed and the building has received a certificate of occupancy from the applicable government agency.

Section 22. No Violation of Law. Nothing shall be permitted to occur on a Lot which violates any law, ordinance, statute, rule or regulation of any local, county, state or federal entity.

Section 23. Fire Control Maintenance. Each Lot Owner shall be responsible for the maintenance of any fire fuel modification areas and fuelbreak areas added by the Owner or previous Owner, other than Declarant, located on the Lot, such as removal of certain trees, dead limbs and other dead vegetation. The fuel breaks and fire breaks, and the berms, built by Declarant will be maintained by the Association. All high fire danger activities are prohibited. All barbeque appliances must be lidded. Minimum defensible space of 50 feet or not less than the requirements of Douglas County and, if applicable, of the East Fork Fire District, whichever requirement is greater shall be maintained. In an effort to educate and keep all Members informed and proactive in fire safety measures, all Owners shall be members of the Nevada Fire Safe Council, or similar fire prevention group, at the expense of the Association. Controlled burns are not permitted.

Section 24. Subdividing and Land Use. No Lot may be divided, subdivided or resubdivided to a size less than the size of the Lot created by a final map. The zoning and use of any of the Lots in the Subdivision may not be changed and amended to multiple residential use or commercial use.

Section 25. Paved Surface Requirements. All driveways, walkways, parking areas and



other areas of similar nature shall be paved with a suitable "all-weather" material approved by the Committee such as asphalt, concrete, paving stones, brick or other materials approved by the Committee, within thirty (30) days of the completion of construction of the principal residence. Gravel or loose rock is acceptable if approved in advance in writing by the Committee. The required emergency road located on Lot 10 as a 40 foot easement shall remain unpaved, and maintained by the Association; the Owner of Lot 10 may use the road but not in any manner which would impede ingress and egress in times of emergency, however the Owner of Lot 10 may pave that part of the road which the Lot Owner of Lot 10 may use as part of the driveway access to the home for Lot 10. Such paving shall only take place after approval by the Committee and then such paved area must be continually maintained by the Owner of Lot 10.

Section 26. Parking and Storage of Vehicles. Storage of trailers, campers, boats, recreational vehicles, machinery and motor vehicles, whether they are operative, under repair, junk, inoperative, or unlicensed, or other similar type objects, shall only be permitted on Lots if kept in a fully enclosed garage or if completely screened from public view, except that this provision does not preclude operable, licensed passenger vehicles or trucks of up to one (1) ton in capacity which are routinely in use from being parked in private driveways. The intent of this Section is to allow only for the loading and unloading of trailers, campers, boats and recreational vehicles in public view on a Lot and out of a garage. Recreational vehicles belonging to visitors of Lot Owners may be allowed for up to one week, parked in a driveway.

Section 27. Completion of Construction. There is no time limit to begin construction. Construction of any improvement, however, once commenced, shall be pursued diligently to completion. Improvements not so completed or upon which construction has ceased for ninety (90) consecutive days, or which have been partially or totally destroyed and not rebuilt within a reasonable period, shall be deemed nuisances. Declarant or the Association may remove any such nuisance or repair or complete the same at the cost of the Owner provided the Lot Owner has not commenced required work within fourteen (14) days from the date the Association or the Declarant posts a notice to commence such work upon the property and mails a copy of such notice to the Lot Owner at the address appearing on the books of the Association. Such notice shall state the steps to be taken to eliminate the nuisance. Costs of the work shall be added to and become part of the assessments to which the Lot is subject. The Association and Declarant, or any of their agents, employees or contractors, shall not be liable for any damage which may result from any work performed, nor shall the Association or Declarant, or any of their agents or employees, be liable for any failure to exercise the right to so perform such work on any parcel or Lot. The Committee may extend the time for completion of construction if approved in writing, at its sole discretion. The Association may establish construction schedules and construction penalties.

Section 28. Maintenance of Lots. All Lots whether vacant or improved, occupied or unoccupied, shall be maintained in such a manner as to prevent their becoming unsightly, unsanitary or a hazard to health. If not so maintained, the Association or the Declarant shall have the right, after giving thirty (30) days written notice in like manner as above set forth in



Section 27, through their agents and employees, to undertake such work as may be necessary and desirable to remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be added to and become a part of assessment to which such Lot is subject. The Board and the Declarant have sole discretion to determine what is unsightly or unsanitary. Neither the Association nor the Declarant, nor any of their agents, employees or contractors, shall be liable for any damage which may result from any maintenance work so performed nor shall the Association or the Declarant, nor any of their agents or employees be liable for any failure to exercise the right to so maintain any Lot.

Section 29. Dead Vegetation and Dead Limbs. Trees, as used throughout this Declaration, are defined as growth with more than 6 inch diameter as measured from 1 foot above the ground. Except as provided in Section 23 of this Article, within six (6) months of completion of the main single family dwelling, each Lot Owner shall remove all dead trees, dead limbs and any dead vegetation that remain on the Lot Owner created defensible space of the Lot, unless the Committee concurs that some or all of the removal is not necessary. The Association shall remain responsible for Declarant created fuel breaks and fire breaks. In an effort to educate and keep all Members informed and proactive in fire safety measures, all Owners shall be members of the Nevada Fire Safe Council, or similar fire prevention group, at the expense of the Association.

Section 30. Disposal of Sanitary Waste. All permanent plumbing fixtures, including dishwashers, toilets or garbage disposal systems shall be connected to the sanitary sewer system in the Subdivision.

Section 31. Fences and Obstructions. The following general fencing guidelines shall apply. Front yard fencing may be allowed at the discretion of the Committee. Any fencing allowed shall consist of materials determined by the Committee and at locations approved by the Committee. The Declarant may construct a Subdivision boundary fence or Lot boundary fence around all or any part of the Subdivision and any such Declarant constructed fence shall thereafter be maintained by the Association. This perimeter fence shall not be removed, replaced or changed in any way by Lot Owners. Nothing herein contained shall prevent necessary erection of retaining walls required by topography and approved by the Committee. Under no circumstances shall fencing be constructed by the Declarant, Association or any Lot Owner that impedes ingress or egress to the 30 foot pipeline and 100 foot irrigation easements referenced on the final map.

No fence, wall, hedge, tree, plant, shrub, lawn, or foliage shall be placed, kept or maintained by the Lot Owner in such a manner as to create a potential hazard or any aesthetically unsatisfactory appearance on the Lot, as determined by the Committee. No fence, structural improvement, wall, hedge, tree, shrub, planting or other obstruction to vision shall violate Douglas County Code with regard to intersection obstruction.



Section 32. Animals/Equestrian Traffic. No animals (excluding fish) or fowl, including without limitation, horses, cows, sheep, goats, pigs, chickens, and exotic pets, except for usual household pets of a species (e.g. cats, small birds, hamsters, turtles, frogs, lizards, gerbils, nonpoisonous snakes) shall be allowed or maintained on any Lot. No more than three (3) dogs shall be allowed or maintained on any Lot. The permitted pets shall be kept, bred, or raised solely as household pets for private use and not for commercial purposes. No animal shall be allowed to make any unreasonably loud noises or shall otherwise be allowed to be a nuisance. No animal shall be permitted out of a structure on a Lot unless in a fenced enclosure, or the Lot has been encircled with Invisible Fencing, nor permitted off a Lot unless such animal is under the control of a person by means of a leash or other reasonable physical restraint. No pets shall be kept upon a Lot until such time as a certificate of occupancy has been issued for the dwelling on the Lot and adequate provisions approved by the Committee have been made for confining such pets to the Lot. All dog houses and dog runs must be approved by the Committee. Upon request of a Lot Owner, the Committee, in its sole discretion, shall determine for the purposes of this Section whether a particular animal shall be considered as a permitted pet, whether it is a nuisance, or whether the number of animals on any Lot is reasonable.

Section 33. Antennae/Exterior Or Roof-Mounted Equipment. Television antennae and satellite dishes over 18 inches in diameter, and antennae for shortwave or ham radio installations, will not be installed or permitted on any Lot unless totally screened from public view from all neighboring Lots. Solar panels can be allowed by the Committee in its discretion. No air conditioning units, ducting or other equipment (except antennae, solar panels, and satellite dishes as allowed under this Section) shall be mounted on any roof or on the front exterior wall or windows of a dwelling. Any such equipment mounted on side or rear exterior walls or windows must be screened from public view and approved by the Committee.

Section 34. Pools, Sports and Play Equipment. The attachment, installation and placement of pools, sports and play equipment must be approved by the Committee. No unlicensed vehicles of any type, including ATVs shall be permitted to be driven on any Lot, except for use in maintenance of the Lot, but not for any recreational use.

Section 35. Defacing of Common Elements or Common Element Easements. No tree, shrub, other landscaping or improvement within a Common Element Easement shall be defaced or removed except at the express direction of the Association.

Section 36. Limited Access. There shall be no access to any Lot or parcel on the perimeter of the Subdivision except from designated streets or roads as shown on recorded final maps of the Subdivision. No access to any Lot shall be allowed from Centennial Drive and the emergency road easement on Lot 10 shall be used for emergency ingress and egress only, except as provided in Section 25 of this Article.

Section 37. Operation of Motor Vehicles. Except for authorized maintenance vehicles, no motor vehicle shall be operated in any area within the Subdivision except on a street or driveway.



All speed limit and other traffic control signs erected within the Subdivision shall be observed at all times. Motorized vehicles, including but not limited to ATVs and mopeds, except authorized maintenance vehicles or emergency vehicles, are specifically prohibited on all open space, paths, trails, walkways or Common Element Easements (except streets).

Section 38. Landscaping. Each Owner shall be responsible to properly and attractively landscape his Lot pursuant to approved landscape plans in a manner suitable to the character and quality of the Subdivision, and all landscaping shall be maintained to harmonize with and sustain the attractiveness of the Subdivision. Minimum defensible space of 50 feet or not less than the requirements of Douglas County and, if applicable, of the East Fork Fire District, whichever requirement is greater shall be maintained.

Each Lot Owner must establish and maintain Landscaping to the applicable fire protection district, East Fork Fire District, requirements for minimum defensible space and all such landscaping shall be continually maintained consistent with the standards of the development, good husbandry practices and the applicable fire protection districts requirements. In an effort to educate and keep all Members informed and proactive in fire safety measures, all Owners shall be members of the Nevada Fire Safe Council, or similar fire prevention group, at the expense of the Association.

Section 39. No Commercial Leasing. No Lot Owner shall participate in any plan or scheme for the rental of the improvements on such Lot, nor shall any such Lot be operated as a commercial venture. Nothing in this paragraph shall prevent any Lot Owner from renting the Lot and improvements thereon for residential use during periods of such Lot Owner's absence.

Section 40. Use of Water Features. Active use of ponds, waterfalls or other bodies of water within the Common Element Easements in the Subdivision is prohibited. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of ponds, waterfalls or other bodies of water within or adjacent to the Common Element Easements of the Subdivision.

Section 41. Impairment of Wildlife. Capturing, trapping or killing wildlife within the Subdivision is prohibited, except all common rodents (e.g. rats, mice, moles, marmots, gophers), insects and other animals considered pests. No perimeter fencing is allowed so that deer can migrate.

Section 42. Disturbing Activities. Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Subdivision or which result in unreasonable levels of sound or light are prohibited.

Section 43. Discharge of Weapons. The discharge or use of firearms or other weapons within the Subdivision is prohibited. The terms "firearms and weapons" includes without



limitation "B-B" guns, pellet guns, bows and arrows, pistols, rifles, shotguns, sling shots and other firearms and weapons of all types, regardless of size.

Section 44. No Temporary Structures. No temporary structure of any form or type, including self-contained camper trailer units, shall be permitted as a dwelling unit on any Lot or parcel. No garage or outbuilding shall be constructed before commencing construction of the main dwelling unit, and further, no trailer, garage, basement, outbuilding or other structure other than the completed main dwelling unit shall be used for temporary or permanent living quarters, except as provided herein. No covering or tent, if visible from any roadway, is permitted on any Lot for a period longer than 24 hours. Temporary construction-related structures on a Lot for office, storage and other construction uses shall be allowed, subject to approval of the Committee, but only during the period of initial construction of the main dwelling unit on the Lot until issuance of a certificate of occupancy.

Section 45. Variances. The Committee may, in its sole discretion, grant variances to the provisions of this Article IV over which it exercises the power of approval, and the Board may grant variances to any other provisions of this Article IV. No variance granted shall constitute a waiver or restrict enforcement of any other provision hereof or constitute a precedent for granting another variance.

ARTICLE V ARCHITECTURAL STANDARDS

All Builders, Lot Owners and others conducting construction activities within the Subdivision shall comply with the standards specified in Articles V and VI.

Section 1. Building Envelope. As shown on Exhibit "B", Building Envelope Map, a building envelope has been identified for each Lot. This envelope is based upon the topography of the Lots, its relationship to neighboring Lots, and any unique feature that the Lot may have, such as, but not limited to, avalanche and debris flow area, drainage easements, access points and earthquake fault. The size and shape of the building envelope may vary from Lot to Lot. In general, all building construction shall be confined to the building envelope area. It is a design philosophy that all buildings on a given Lot shall be clustered to maintain the open appearance within the Subdivision, and to protect the view corridors and privacy of Owners on adjacent Lots. Therefore, the Committee shall not approve site plans that create large separation between the main living structure and any outbuildings. If in the opinion of the Committee, the building envelope shall cause the Lot Owner undue hardship in locating his home or accessory improvements, variances may be permitted by the Committee. If in the sole opinion of the Committee any building construction will affect the privacy or view corridor of another Lot, the Committee may alter the building envelope. Any modifications to the building envelope shall receive final approval only after the plans are submitted with the stamp of the Owner's civil engineer. An Owner's civil engineer may not approve construction at all locations within a Building Envelope due to the engineer's interpretation of ground drainage patterns. The Owners

of Lots 3, 6, 13, 14, 15, 16, 17, 30 and 53 may remove trees in order to create reasonable building pads within the building envelopes, and these specific Lot Owners may also remove trees to create reasonable view corridors. Committee approval is required prior to the removal of any tree for such building pad or view corridor purpose, and Committee approval shall not be unreasonably withheld. Approval for removal of trees on all other Lots shall be at the sole discretion of the Committee.

Section 2. Design Guidelines. The Committee shall adopt by a majority vote Design Guidelines establishing the architectural standards for construction and uses on all Lots within the Subdivision. Once adopted the Design Guidelines may be amended by a majority vote of the Committee from time to time, in the Committee's sole discretion. All Lot Owners shall comply with and abide by the Design Guidelines. Copies of the Design Guidelines shall be available to each Lot Owner at the time of close of escrow and shall be maintained at the Association management office. Design Guidelines are intended to be minimum requirements. The Committee may, on a case-by-case basis, adopt or impose more stringent design requirements.

Section 3. Views. No representation or warranties, covenants or agreements are made by Declarant or Association or their agents, with respect to the presence or absence of any current or future view, scene or location advantage from any portion of a Lot within the Subdivision. The view, scene or location advantage may be adversely affected currently or in the future by construction or changes to the following, including, without limitation, residential homes or other structures and facilities, utility facilities, landscaping, Common Elements and Common Element Easements, public facilities, streets, and other activities, development or occurrences whether on other land or on adjacent and nearby Lots. No representations, warranties, covenants or agreements are made by Declarant, Association or their agents concerning the preservation or permanence of any view, scene or location advantage for the Lot. Association and Declarant are not responsible or liable for any impairment of such view, scene or location advantage for any perceived or actual loss of value of the Lot resulting from such impairment. Lot Owners are solely responsible for analyzing and determining all risks concerning the current and future value of any view, scene or location advantage and the potential or existing impairment thereof and the risks of preserving the view, scene or location advantage.

Section 4. Limitations On Single Family Dwelling Size. The restrictions described in Article 4, Section 8 shall apply only to size of each affected single family dwelling initially constructed on a Lot at the time a certificate of occupancy is first issued by Douglas County, and shall not prohibit or impede an expansion, renovation or reconstruction of a single family dwelling which varies from the square footage restrictions after initial issuance of a certificate of occupancy by Douglas County, after written approval of the Committee.

Section 5. Setbacks. Any and all setbacks on any Lot shall be in conformance with Douglas County building setback requirements, in conformance with any setback requirements imposed by the final map and as additionally determined by the building envelope for any given Lot.

ARTICLE VI
ARCHITECTURAL CONTROLS AND DESIGN REVIEW COMMITTEE

Section 1. Committee Establishment and Membership. The Eagle Ridge at Genoa Design Review Committee of the Association is hereby established. Each Committee member shall have an indefinite term and serve at the discretion of the Board and, during the period of Declarant Control specified in Article II, Section 5 of this Declaration, shall be subject to approval by Declarant, which approval may be withheld or withdrawn at any time at Declarant's sole discretion.

Section 2. Written Approval of Plans. Before commencing any building operations, written approval must be obtained from the Committee covering building and plot plans for all structures erected, altered, renovated, remodeled, placed, assembled, or permitted to remain on any Lot in the Subdivision, including garages, walks, fences, dog runs, dog fencing, dog houses, landscaping, ditches and walls; except, however, that approval of the Committee shall not be required for building operations conducted by Declarant, its successors and assigns on Common Element Easements. The approval of said Committee shall include style, design, appearance, harmony of external design, building materials, location of the proposed structure with respect to topography, finish grade elevation and the street frontage. No approval shall be construed as modifying, altering, or waiving any of the provisions herein set out unless a variance is issued by the Committee.

Committee approval shall be granted only after written application has been made to the Committee in the manner and form prescribed by it. In the event a Lot Owner desires to redecorate the exterior of any existing structure, it shall only be necessary to submit the new proposed color scheme to the Committee for its approval. Remodeling or adding to existing structures or making structural or architectural changes shall require the Lot Owner to submit complete plans therefore to the Committee, as in the case of erecting new structures.

Each Lot Owner shall be responsible to properly and attractively landscape his Lot, and maintain such landscaping. A landscape plan is to be a part of the house plans and is to be submitted to the Committee for approval. Landscaping must be completed as specified in the landscape plan within 90 days of obtaining a certificate of occupancy of the main dwelling on a Lot, subject to extensions granted by the Committee.

Section 3. Committee Powers. The Committee shall have the power to adopt Design Guidelines as well as rules and regulations, and to render decisions on such matters as are subject to approval, review or consideration of the Committee under this Declaration or as may be referred to the Committee by the Association, in accordance with such rules, Design Guidelines and regulations as may from time to time be adopted by the Committee. Committee comments with respect to any application shall be strictly followed. If requested by the Committee, applications must be resubmitted to the Committee

Section 4. Time of Decision. The decision of a majority of the Committee, acting in good faith in its sole discretion, upon any matters submitted or referred to it, shall be final. It is further provided that if no rejection shall have been sent by the Committee to an applicant within 45 days from the date of receipt of a submittal or as otherwise provided in the Design Guidelines such inaction shall be deemed to constitute approval. Any decision or approval by the Committee shall not relieve an applicant or Lot Owner from complying with any requirement of a public authority having jurisdiction, and shall not constitute any representation or guaranty by the Committee or a member thereof of compliance of the submitted matter with any statute, ordinance, or regulation pertaining thereto.

Section 5. No Improvements without Approval. No building, garage, shed, walkway, satellite dish, fence, wall, retaining wall, dog run, dog fencing, dog houses, drainage ditch or system, landscaping or any other structure shall be commenced, erected, placed or altered on any Lot in the Subdivision until the building plans and specifications thereof have been submitted to and approved in writing as to conformity and harmony of external design with the existing structures or general scheme in the Subdivision, and as to location of the building with respect to topography and finished ground elevation, by the Committee.

Section 6. Grounds for Disapproval. The Committee may disapprove any application for any of the following reasons:

1. If such application does not comply with this Declaration, or any rules or regulations promulgated by the Association or the Committee;
2. Because of the dissatisfaction of the Committee, in the Committee's sole discretion, with grading plans, location of the proposed improvement on a Lot, finished ground elevation, color scheme, exterior finish, design, proportions, architecture, shape, height or style of the proposed improvement, the materials used therein, the kind, pitch or type of roof proposed to be placed thereon, or for purely aesthetic reasons.

Section 7. Rules and Regulations. The Committee may from time to time adopt written rules and regulations of general application governing its procedures and approval criteria, whether as a portion of the Design Guidelines or as separate provisions, which may include, among other things, provisions for the form and content of application; required number of copies of plans and specifications; additional architectural guidelines; provisions for notice of approval or disapproval, and various approval criteria.

Section 8. No Inspection Required. No inspection of construction for which plans and specifications have been or should be approved by the Committee shall be required of the Committee, although all Committee members shall have the right to inspect all improvements to ascertain compliance with the provisions of Articles V and VI. Any member of the Committee also has the right at all reasonable times and places to enter on a Lot and inspect any structure for



purposes of compliance with approved plans and specifications provided such right of entry shall not include the right to enter a dwelling without the consent of the Lot Owner.

Section 9. Conformance to Plans Required. After any plans and specifications and other data submitted have been approved by the Committee, no structure of any kind shall be erected, constructed, placed, altered, or maintained upon a Lot unless the same shall be erected, constructed, or altered in conformity with the plans and specifications, color scheme, and plot plan approved by the Committee. If any structure of any kind shall be erected, constructed, placed, altered, or maintained on a Lot other than in accordance with the plans and specifications, color scheme and plot plan theretofore approved by the Committee, such erection, construction, placing, alterations and maintenance shall be deemed to have been undertaken without the approval of the Committee ever having been obtained.

Section 10. Variances. The Committee may grant reasonable variances or adjustments from the provisions in this Article where literal application thereof results in unnecessary hardship and if the granting thereof in the opinion of the Committee will not be materially detrimental or injurious to other Lot Owners.

Section 11. Certificate of Compliance. At any time prior to or after completion of construction of an improvement, the Committee may require a certification upon such form as it shall furnish from the Builder, contractor, Lot Owner or a licensed surveyor that such improvement does not violate any height restriction, set-back rule, ordinance or statute, nor encroach upon any easement or right-of-way of record and/or that all construction is in strict compliance with plans approved by the Committee.

Section 12. Compensation and Filing Fee. Members of the Committee may be compensated by reasonable fees charged for Committee services to those requesting actions by the Committee, if said fees are approved by the Board. As a means of defraying its expenses, the Committee shall require a filing fee set by the Committee to accompany the submission of plans and specifications for a new single family home and a filing fee for submitting plans for remodeling or additions or exterior redecorating color scheme. In addition, the Committee shall require a deposit to guarantee completion pursuant to approvals, and the Committee shall have the right to fix all construction in violation of approvals and deduct the costs from the deposit.

Section 13. Liability. Notwithstanding the approval by the Committee of plans and specifications, neither it, the Declarant, the Association nor any person acting on behalf of any of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the Committee, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. No member of the Committee shall be held liable to any person, whether a Lot Owner or not, on account of any action or decision of the Committee or failure of the Committee to take any action or make any decision.



Section 14. Enforcement. Construction penalties as set forth in NRS 116.310305 may be imposed. In the event any improvement shall be commenced without Committee approval as herein required, or in the event any improvement is constructed not in conformance with plans therefor approved by the Committee, or not in conformance with this Declaration, the same shall constitute a violation of this Declaration. In addition to the remedies for violation of any portions of this Declaration set forth herein the Committee shall also have the power and authority to institute arbitration, legal or other appropriate proceedings to enjoin or otherwise prevent a violation of the provisions of this Declaration and to recommend fines for levy by the Board. All costs of the dispute resolution, including attorney's fees, shall be charged to and paid by the Lot Owner if the Association prevails. Such charges shall constitute a lien on such Owners Lot as provided in Article III hereof from the date of entry of the judgment therefor in the Judgment docket. In the event the Association is not successful, each party shall pay its own costs and attorney's fees.

ARTICLE VII OTHER EASEMENTS

Section 1. Reservation. The following easements (also constituting irrevocable licenses) over each Lot and all Common Element Easements, and the right of ingress and egress to the extent reasonably necessary to exercise such easements, are reserved to Declarant and are noted for the benefit of the Association and the Declarant:

- a. Utilities. Such easements for the installation, maintenance and operation of all utilities as shown on recorded final maps of the Subdivision together with the right to extend all utility services within such easements to other areas being developed within the Subdivision and the right to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance and operation.
- b. Fencing Facing Common Element Easement Or Street. An easement on all applicable Lots to install or maintain (including repair and reconstruction) Lot fencing which faces Common Element Easements or streets. Any fencing installed by the Declarant or Association shall become the responsibility of the Association to maintain. Any Lot Owner fencing not so maintained by the Association shall be maintained by the Lot Owner.
- c. Common Element Easements. An easement on, over and under all Common Element Easements, in the Subdivision for the purpose of installing, maintaining and operating utilities to serve any portion of the Subdivision; for purposes of drainage control; and for providing access to undeveloped portions of the Subdivision for any and all purposes at any and all times, including, but not by way of limitation, the right to use said Common Element Easements during construction of improvements on undeveloped portions of the Subdivision.

- d. Signs. An easement within ten (10) feet of a street or Common Element Easement for the installation of street and traffic signs (or other signs reasonably related to the regulation or enforcement of provisions of this Declaration) on all Subdivision Lots, together with the right to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance, repair and reconstruction.
- e. Snow Plowing and Snow Placement. An easement within ten (10) feet of any street or Common Element Easement upon all Subdivision Lots for the placement of snow plowed from that adjacent street or Common Element Easement, provided that this easement is not intended to create a snow storage or dumping area on any Subdivision Lot, but only to allow the berming and placement of snow plowed from a street or Common Element Easement immediately adjacent to a Lot in order to clear the street of snow for the safe passage of vehicles and pedestrians on the street or Common Element Easement.
- f. Right of Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons or to perform maintenance allowed or required of Association pursuant to provisions of this Declaration or pursuant to County requirements, as well as for the purpose of insuring or enforcing compliance with this Declaration, which right may be exercised by any member of the Board or the Committee, officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation or as provided in Article VI, Section 8, entry shall only be during reasonable hours and after notice to the Lot Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire or other hazard in the event a Lot Owner fails or refuses to cure the condition within a reasonable time after request by the Board. However, this right shall not authorize entry into any occupied single family dwelling without permission of the occupant, except by emergency personnel acting in their official capacities.

Section 2. Transfer of Easements. A conveyance of Common Elements to the Association shall also transfer to the Association all easements herein reserved to Declarant which are necessary or convenient to the obligation of the Association to carry out its duties prescribed herein, which transfer shall not diminish the rights in and to said easements herein reserved to Declarant. Nothing set forth herein shall be construed to impose on Declarant any duty or obligation of maintenance of Common Elements or Common Element Easements or improvements thereon after conveyance of the Common Element or Common Element Easements to the Association. Easement descriptions are as set forth on The Final Subdivision Map for Eagle Ridge at Genoa, recorded concurrently with this Declaration.

Section 3. Use or Maintenance by Owners. The areas of any Lot affected by the easements reserved in this Article shall not be improved with structures placed or permitted to remain (or other activities undertaken) thereon which may damage or interfere with the use of said easements for the purposes herein set forth.

Section 4. Liability for Use of Easement. No Owner shall have any claim or cause of action against the Declarant, or the Association arising out of the use or nonuse by any person of any easement reserved or created by this Declaration.

Section 5. Modification. None of the easements and rights granted under this Article VII may be modified, terminated or abridged without the written consent of the persons in whose favor such easements run.

ARTICLE VIII PROTECTION OF LENDERS

Section 1. Encumbrance of Lots Permitted. Any Lot may be encumbered with a deed of trust.

Section 2. Breach of Covenants. A breach by an Owner of any of the provisions of this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value; provided, however, the provisions of this Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

Section 3. Notice of Default. Upon written request to the Association, the beneficiary of a first deed of trust encumbering real estate subject to this Declaration shall be entitled to written notification from the Association of any default by the Owner of that real estate in the performance of such Owner's obligations under this Declaration that is not cured within ninety (90) days.

Section 4. Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the Association Articles shall give an Owner, or any other party, priority over any rights of a first deed of trust beneficiary in the case of a distribution to the Owner of insurance proceeds or condemnation awards.

Section 5. Appearance at Meetings. Because of its financial interest in the Subdivision, any beneficiary of a first deed of trust may appear (but cannot vote) at meetings of the members and the Association Executive Board.

Section 6. Examination of Records. Beneficiaries of first deeds of trust shall have the right to examine the books and records of the Association and can require the submission of financial data concerning the Association, including annual reports, audits and operating statements as and when furnished to the Owners.

ARTICLE IX
LIMITATION OF RESTRICTIONS

Section 1. General/Assignment. Declarant and any Successor Declarant may be undertaking the work of constructing improvements to the Subdivision or on Lots. The completion of such construction and the sale or other disposal of the Lots is essential to the establishment and welfare of the Subdivision as a residential community. The rights granted to Declarant which are contained in this Article are personal to Declarant and any Successor Declarant, and may only be transferred by a written, express assignment duly recorded from the Declarant to a Successor Declarant, or from Successor Declarant to another Successor Declarant, and are not assigned merely by the conveyance of title to Lots, without such an express assignment. Declarant may assign its rights as to a portion of the Subdivision, which assignee shall then be the Successor Declarant as to those Lots subject to the assignment. Such a partial assignment may provide for limitations or qualifications of a Successor Declarant's rights, in the sole discretion of Declarant.

Section 2. Limitations on Restrictions. Nothing in this Declaration shall be understood or construed to:

- a. Prevent Declarant, its contractors or subcontractors from doing on the Subdivision or on any Lot whatever is reasonably necessary or advisable in connection with the commencement or completion of the above described work;
- b. Prevent Declarant or its representatives from erecting, constructing, and maintaining on any part of the Subdivision such structures as may be reasonably necessary for the conduct of its business of completing the work, establishing the Subdivision as a residential community, and disposing of the Lots by sale, lease, or otherwise;
- c. Prevent Declarant from maintaining such signs on any part of the Subdivision owned by Declarant or by the Association as may be necessary for the sale, lease, or disposition of Lots; and
- d. Allow any Lot Owners or Association to enforce any provision of Articles IV, V and VI against Declarant, it being the intent of this subsection to exempt Declarant completely from compliance with the provisions of Articles IV, V and VI regarding Declarant's activities and Lots owned by Declarant.

Section 3. Modification. The provisions of this Article may not be amended, terminated or abridged without the written consent of the Declarant.



ARTICLE X
COMPLIANCE WITH COUNTY CONDITIONS

Section 1. Perpetual Funding. The provisions of Article III are intended to establish perpetual funding in interest-bearing accounts for the maintenance of all Common Elements and Common Element Easements.

Section 2. Enforcement of Special Assessment and Lien Provisions by County. In the event the Association fails to enforce the following described provision of this Declaration the obligation of the Association to properly maintain all Common Elements and Common Element Easements in the Subdivision, then County shall be entitled to commence an action to enforce such provisions by any means allowed in law or equity including the levy of a special assessment against all of the Owners, which special assessment shall be secured by a lien in the manner provided in Article III hereof.

Notwithstanding the foregoing, the County shall be entitled to commence such action only after:

- a. the County has given reasonable notice (which shall be not less than thirty (30) days) to the Association, describing such violation, or if no Association is in existence, by publication of reasonable notice in a newspaper of general circulation in Douglas County; and
- b. the Association or the Owners shall have failed to cure such violation within a reasonable time thereafter to the reasonable satisfaction of Douglas County.

Section 3. County as Third Party Beneficiary. The County or other political Subdivision in which the property may be located, is hereby expressly made a third party beneficiary to this Article of this Declaration, and to the following provisions of other Articles:

- a. Article II, Section I. b. and c; and
- b. Article III.

Section 4. Limitation on Amendments. In recognition of the fact that the provisions of this Article are for the benefit of the County, no amendment to this Article may be made without the written approval of the County.

ARTICLE XI
MISCELLANEOUS GENERAL PROVISIONS

Section 1. Enforcement. Except as expressly limited herein, Association, Declarant or any Owner shall have the right to enforce the provisions of this Declaration now or hereafter imposed by arbitration as prescribed by Nevada Revised Statutes 38.300-360, or by any proceeding at law or in equity. Failure by the Association, Declarant or by any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so hereafter. The Association may establish and impose administrative procedures for resolving claims or disputes arising from the interpretation, application or enforcement of any provisions stated herein or specified in the Articles, Bylaws, or rules and regulations adopted by the Association or the Committee.

Section 2. Suspension of Privileges. The Board may, anything herein to the contrary notwithstanding, suspend all voting rights, other membership rights and all rights to use the Association's Common Element Easements of any Owner for any period during which any Association assessment against such Owner's property remains unpaid, or during the period of any continuing violation of the provisions of this Declaration by such Owner after the existence thereof has been declared by the Board, including a violation by virtue of the failure of a member to comply with the rules and regulations of the Association, provided the Association first complies with the following procedures:

- a. Notice: Association must either mail to the Owner by registered mail, return receipt requested, or personally deliver to the Owner a notice that voting rights, other membership rights and rights to use the Common Element Easements will be suspended unless the unpaid assessments are paid or the violation is cured, as the case may be, within fourteen (14) days of delivery of the notice. Notice by registered mail shall be deemed delivered 48 hours after deposit with the U.S. Postal Service or on the date a receipt is signed, whichever is earlier.
- b. Opportunity to be Heard: The notice shall also specify, in the case of a proposed suspension on grounds other than failure to pay an assessment, that the Owner may protest the suspension by written notice to the Board delivered to any Board member in the manner specified above in subsection (a). In the event of a protest the suspension shall not take effect until the Board has held a hearing to consider the protest and made a decision on the merits of the protest.

Section 3. Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Amendment. This Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time it shall be automatically extended for successive periods of ten (10) years, unless at least a majority of the



Owners with voting power agree to terminate this Declaration, effective at the end of the then current term or ten (10) year extension period, in which case a notice signed by said Owners must be executed and recorded. Subject to the provisions of Article I, Section 4, Article VII, Section 5, Article IX, Section 3 and Article X, Section 4 this Declaration may be amended by an instrument signed by at least a majority of the Owners with voting power. Any amendment must be recorded or it has no effect. For purposes of this Section, the signature of one of the Owners, for a Lot with more than one Owner, shall be deemed sufficient.

Section 5. Approval of Declarant. In all circumstances described herein in which Declarant has the right of approval, said approval and any request for approval shall be in writing. Declarant shall have a minimum of thirty (30) days after a request to approve or deny.

Section 6. Liability. Declarant shall have no liability for repairs or maintenance of roads, or other improvements, including utility lines, located within the Common Element Easements of the Subdivision from and after the date of conveyance of such Common Element Easements to the Association or the County. Neither Declarant, County, the Committee, Association, nor any Owner shall be deemed liable in any manner whatsoever to any other Owner in the Subdivision or third party for any claim, cause of action or alleged damages resulting from:

- a. design concepts, aesthetics, latent or patent errors or defects in design or construction relating to improvements constructed on Lots, whether shown or omitted on any plans and specifications which may be approved by the Committee, or any buildings or structures erected therefrom; and
- b. any waiver of or failure to enforce a provision hereof, or failure to inspect or certify compliance with approved plans and specifications.

Section 7. Attorney Fees and Costs. In any action to enforce or administer the provisions hereof the prevailing party shall be entitled to reasonable attorneys fees and costs.

Section 8. Cumulative Rights/Waiver. Remedies specified herein are cumulative and any specification of them herein shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of any aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

Section 9. Grantee's Acceptance. Each grantee or purchaser of real estate subject to this Declaration shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof whether from Declarant or a subsequent Owner, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant and of the Association. By acceptance such grantee or purchaser shall for himself (his heirs, personal representatives,



successors and assigns) covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent Owners to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to continuation and completion of the Subdivision and all parts and projected Lots therein.

Section 10. Captions. Paragraph captions in this Declaration are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

Section 11. Use of the Words "Eagle Ridge at Genoa". No person shall use the words "Eagle Ridge at Genoa" or any derivative, or any other term which Declarant may select to name or identify the Subdivision or any component thereof in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the words "Eagle Ridge at Genoa" in printed or promotional matter solely to specify that particular property is located within the Subdivision, and the Association shall be entitled to use the words "Eagle Ridge at Genoa" in its name and in the normal conduct of its business.

Section 12. Interpretation. The Association shall have sole right and authority to interpret any of the provisions of this Declaration, which interpretation shall, so long as the same is reasonable, be conclusive.

Section 13. Choice Of Law/Venue. This Declaration shall be construed and enforced in accordance with the laws of the State of Nevada, and venue for any action arising from this Declaration shall be in Douglas County, Nevada.

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Section 14. Gender And Number. Unless the contract otherwise requires, when used herein, the singular includes the plural and vice versa, and the masculine includes the feminine and neuter and vice versa.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand.

DECLARANT:
EAGLE RIDGE AT GENOA, LLC

By: Gregory W Painter
Gregory W. Painter,
President of Eagle Ridge Painter, Inc.
Its Managing Member

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on July 18, 2005 by Gregory W. Painter, as Eagle Ridge Painter Inc., Managing Member of Eagle Ridge at Genoa, LLC.

NOTARY Linda M. Biaggi

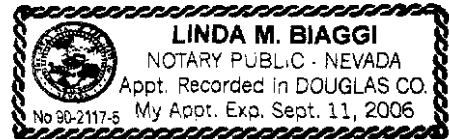


EXHIBIT "A"

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

Parcel A-1 as set forth on Map of Division into Large Parcels LDA 03-019 for Eagle Ridge at Genoa, LLC, filed for record in the office of the County Recorder of Douglas County, State of Nevada on December 13, 2004, Book 1204, Page 5288, Document No. 631680.

APN 1319-00-001-014

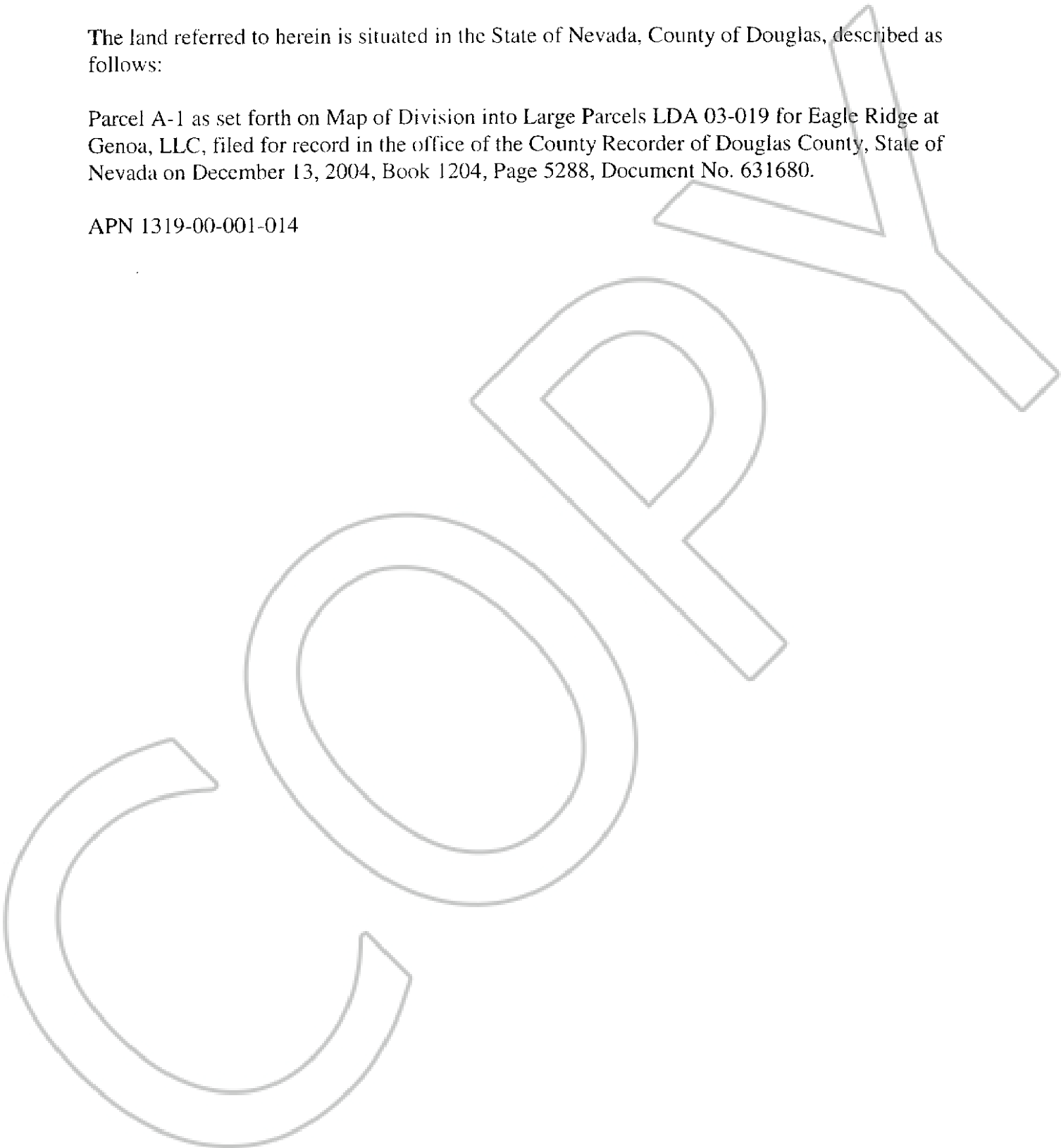
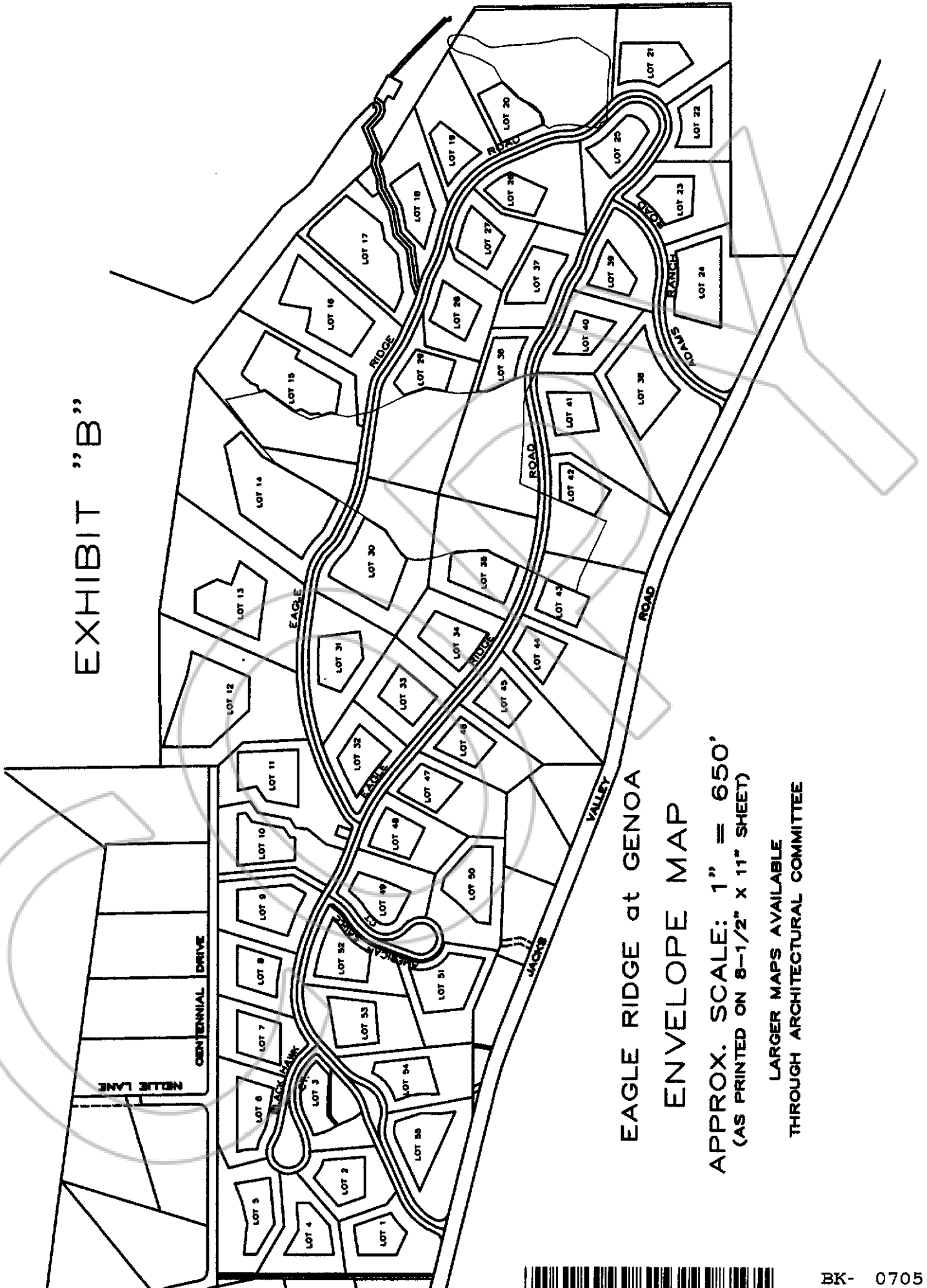


EXHIBIT "B"



EAGLE RIDGE at GENOA
ENVELOPE MAP
APPROX. SCALE: 1" = 650'
(AS PRINTED ON 8-1/2" X 11" SHEET)
LARGER MAPS AVAILABLE
THROUGH ARCHITECTURAL COMMITTEE