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KAREN ELLISON, RECORDER

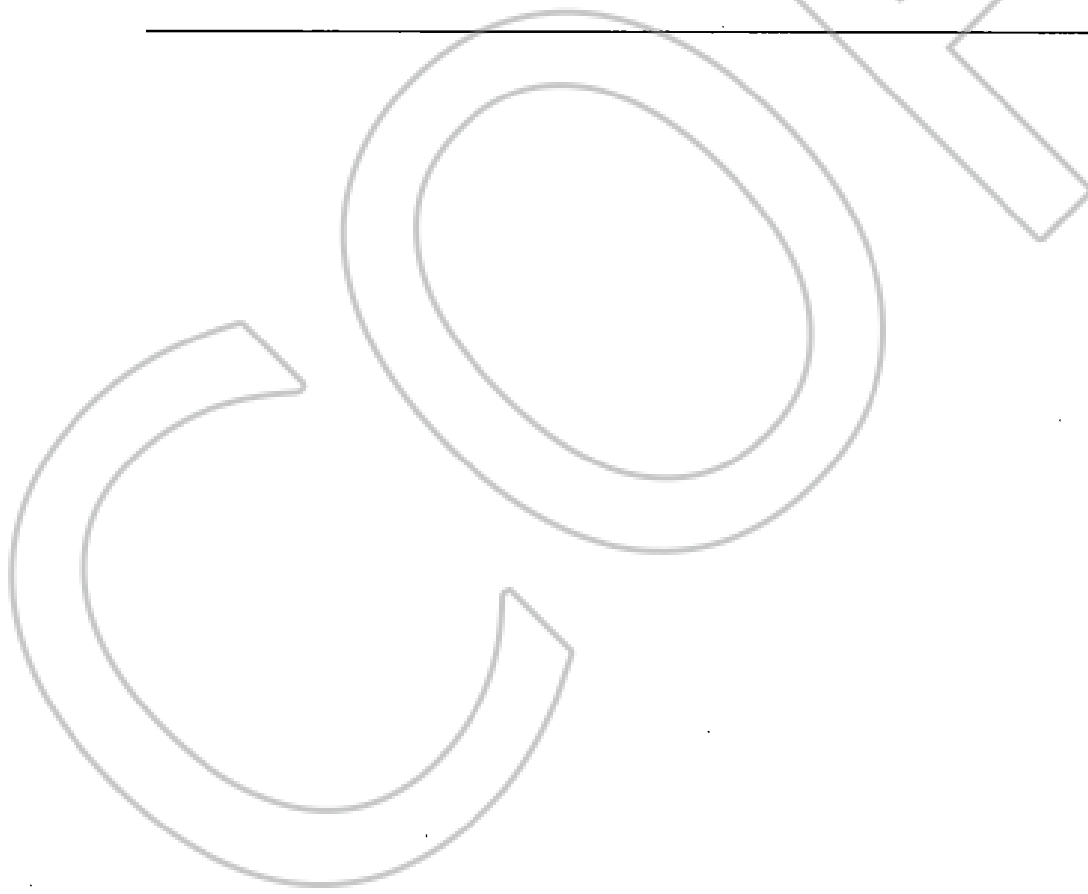
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Glenbrook Homeowners' Association  
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Roseville, CA 95661

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**SECOND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS & RESTRICTIONS OF  
GLENBROOK HOMEOWNERS' ASSOCIATION**

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**SECOND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS & RESTRICTIONS OF  
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SECOND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS OF  
GLENBROOK HOMEOWNERS' ASSOCIATION

**RECITALS**

R1. Whereas, the community of Glenbrook, Nevada, is unique in its history, its location on the shores of Lake Tahoe, and its exceptional quality among other communities at Lake Tahoe due to its planning and the thoughtful preservation of open spaces within the community and the recreational opportunities provided for its inhabitants;

R2. Whereas, the planned unit subdivision that is the Association represents over seventy-five percent (75%) of the residential properties located in Glenbrook and consists of a substantially greater amount of real property that comprises Glenbrook;

R3. Whereas, it is the desire and intent of the Owners who are Members of the Association to preserve and protect their property values, their life style, and the present and future welfare of their families by preserving the uniqueness and character of Glenbrook, the Members of the Association hereby adopt this Second Restated Declaration of Covenants, Conditions and Restrictions;

R4. Whereas, Glenbrook Homeowners' Association is a successor to Glenbrook Properties, a Nevada corporation, hereinafter, "Declarant";

R5. Whereas, Declarant executed the Declaration of Covenants, Conditions and Restrictions of Glenbrook, (hereinafter, the "Community Declaration") recorded on June 17, 1977, as Instrument No. 10264, in Book 677, at Page 1119, et seq., in the Official Records of the County of Douglas, State of Nevada;

R6. Whereas, Declarant executed the Rules and Regulations for Use of Recreational and General Forest Areas at Glenbrook, Nevada, (hereinafter, the "Rules and Regulations of Recreational and General Forest Areas at Glenbrook") recorded on June 23, 1977, as Instrument No. 10405, in Book 677, at Page 1463, et seq., in the Official Records of the County of Douglas, State of Nevada;

R7. Whereas, Declarant executed the Amendment of Declaration of Covenants, Conditions and Restrictions of Glenbrook, (hereinafter, the "Amendment to Community Declaration") recorded on July 6, 1977, as Instrument No. 10826, in Book 777, at Page 234, et seq., in the Official Records of the County of Douglas, State of Nevada, which amended Section 2.16 of the Community Declaration;

R8. Whereas Declarant executed the following supplemental declarations of annexation of the Community Declaration, in the Official Records of the County of Douglas, State of Nevada, which among other things, annexed property so that it became subject to the Community Declaration:

(1) Supplemental Declaration of Annexation of Covenants, Conditions and Restrictions of Glenbrook, recorded on May 26, 1978, at Book 578, Pages 2320 et seq., as Instrument No. 21219;



(2) Second Supplemental Declaration of Annexation of Covenants, Conditions and Restrictions of Glenbrook, recorded on March 27, 1979, at Book 379, Pages 1306 et seq., as Instrument No. 31033;

(3) Third Supplemental Declaration of Annexation of Covenants, Conditions and Restrictions of Glenbrook, recorded on January 31, 1980, at Book 180, Page 1602 et seq., as Instrument No. 41079;

(4) Fourth Supplemental Declaration of Annexation of Covenants, Conditions and Restrictions of Glenbrook, recorded on June 13, 1980, at Book 680, Page 1266 et seq., as Instrument No. 45298;

(5) Fifth Supplemental Declaration of Annexation of Covenants, Conditions, and Restrictions of Glenbrook, recorded on September 17, 1980, as Instrument No.48656, at Book 980, Pages 1390, et seq.;

(6) [Further] Supplemental Declaration of Annexation of Covenants, Conditions, and Restrictions Glenbrook, recorded on April 8, 1996, as Instrument No.384989, at Book 496, Pages 1255, et seq.;

R9. Whereas, Declarant executed the First Amendment to Declaration of Covenants, Condition, and Restrictions of Glenbrook, (hereinafter, the "First Amendment to Community Declaration") recorded on October 13, 1982, as Instrument No. 71650, in Book 1082, at Page 562, et seq., in the Official Records of the County of Douglas, State of Nevada, which added Section 2.38 and amended Section 4.1 of the Community Declaration;

R10. Whereas, the Community Declaration and the above-referenced declarations of annexation, amendments, and rules and regulations, established a plan of common interest ownership with certain limitations, easements, covenants, restrictions, conditions, the Lien and charges which run with and are binding upon all parties having or acquiring any right, title or interest in that certain parcel of real property consisting of two hundred twenty-eight (228) Lots and various Common Areas located in the Town of Glenbrook, County of Douglas, State of Nevada, and more particularly described as the following, plus any annexations thereto:

(1) the property described in Exhibit A, attached hereto, and is shown as Parcel I, on the Map attached hereto as Exhibit B;

(2) the property described in Exhibit C, attached hereto, and is shown as a portion of Parcel II;

(3) the property described in Exhibit D, attached hereto, and is shown as a portion of Parcel II;

(4) the property described in Exhibit E, attached hereto, and is shown as a portion of Parcel II;

(5) the property described in Exhibit F, attached hereto, and is shown as a portion of Parcel II;

(6) the property described in Exhibit G, attached hereto, and is shown as a portion of Parcel II;

(7) the property described in Exhibit H, attached hereto, and shown as a portion Parcel II; and

(8) the property described as follows:

General Forest Lots A, B, C and D as shown on the Map of Glenbrook Units 3, 3-A and 3-B, recorded June 13, 1980, as Instrument No. 45299, Book 680, Page 1269, Official Records of Douglas County, Nevada.

R11. Whereas, Glenbrook Homeowners' Association had recorded the First Restated Declaration of Covenants, Conditions and Restrictions of Glenbrook Homeowners' Association (hereinafter, the "First Restated Community Declaration") with the Official Records of the County of Douglas, State of Nevada on February 7, 2007 as Document # 0694461 at Book 0207 and Page 01796, et seq.;

R12. Whereas, the Owners of Glenbrook Homeowners' Association, constituting at least fifty-one percent (51%) of all eligible Members, desire to restate the limitations, easements, covenants, restrictions, conditions, and the Lien and charges set forth in the First Restated Community Declaration, which run with and are binding upon all parties having or acquiring any right, title or interest in the real properties which comprise the Development;

R13. Therefore, the Owners of Glenbrook Homeowners' Association, constituting at least fifty-one percent (51%) of all eligible Members do hereby declare that the above-referenced limitations, easements, covenants, restrictions, conditions, and the Lien and charges set forth in the First Restated Community Declaration are hereby restated in their entirety. In the place and stead of the limitations, easements, covenants, restrictions, conditions, and the Lien and charges set forth in the First Restated Community Declaration, the Owners hereby adopt and substitute this Second Restated Declaration of Covenants, Conditions and Restrictions of Glenbrook;

R14. It is further hereby declared that all of the real property described herein constitutes a "Planned Community" within the meaning of NRS 116.075;

R15. It is further hereby declared that all of the real property described herein is held and owned and shall be held, owned, operated, managed, conveyed, assigned, rented, hypothecated, encumbered, leased, used, occupied and improved subject to the following Declaration of Covenants, Conditions and Restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving and enhancing the value, desirability and attractiveness of the said real property and every part thereof and of fostering the development, management, improvement, enjoyment, use and sale of the said real property and any part thereof;

R16. It is further hereby declared that all of the Covenants, Conditions and Restrictions herein set forth shall constitute enforceable equitable servitudes as defined in Nevada law and shall constitute covenants that shall run with the real property and shall be binding upon and inure to the benefit of each Owner of any portion of the real property or of any interest therein, each party having or acquiring any right, title or interest in and to the real property or any part thereof and their heirs, successors and assigns; and

R17. It is further hereby declared that each Owner, by acceptance of a deed to a Lot, shall be deemed to have agreed, for any and all purposes, for Owner and for the members of Owner's family, Owner's contract purchasers, tenants or lessees, guests, invitees and/or licensees to abide by, and to be bound by, each and every provision of this Declaration of Covenants, Conditions and Restrictions which

subjects such Owner or other person to a contractual, fiduciary or other duty, obligation or agreement for the benefit of other Owners or occupants of the Development, either individually or as a class, Glenbrook Homeowners' Association or the public generally, regardless of whether the deed refers specifically to this Declaration of Covenants, Conditions and Restrictions or to any such duty, obligation or agreement.

## **ARTICLE 1: DEFINITIONS.**

**Section 1.1. "Annexed Properties"** means those Lots and/or Common Elements which are subsequently made subject to this Declaration as provided by Article 19 of this Declaration.

**Section 1.2. "Architect"** means a Person duly licensed by any State of the United States to practice architecture within such state.

**Section 1.3. "Articles"** means the Articles of Incorporation of Glenbrook Homeowners' Association, which are filed in the Office of the Secretary of State of Nevada, as such Articles may be amended.

**Section 1.4. "Assessment"** means a Regular, Special, or Special Individual Assessment assessed by the Association against an Owner and their Lot in accordance with Article 5 of this Declaration.

**Section 1.5. "Association", also known as "Community Association,"** means Glenbrook Homeowners' Association, a Nevada non-stock not-for-profit corporation also known as "GHOA." Glenbrook Homeowners' Association is an "Association" as defined in NRS 116.011.

**Section 1.6. "Association Rules" or "Rules"** means the rules and policies adopted by the Board, pursuant to Section 4.4(a)(ii)(E) of this Declaration, as the such may be amended.

**Section 1.7. "Board of Directors" or "Board"** means the body designated in this Declaration to act on behalf of the Association.

**Section 1.8. "Bylaws"** means the Bylaws of the Association, as such may be amended.

**Section 1.9. "Common Elements", also known as Property Common Area,** means the real property described in the Maps other than Lots, to the extent such property is designated on the Maps as "Common Area," General Forest Area, and Recreational Common Area, and that which is available for the common use and enjoyment of Owners, and all easements, rights of use or access, licenses, and rights granted to or reserved for use by or for the benefit of the Owners. Common Elements include driveways, walkways, paths, parking areas, open spaces, planted and landscaped areas, buildings, utility facilities, hiking paths, beaches, property subject to recreational use by the Owners, buoy fields, piers, and all other properties available for use by Owners.

**Section 1.10. "Common Expense"** means any use of Common Funds authorized by Article 5 hereof and Section 6.1 of the Bylaws and includes, without limitation: (a) all expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Common Elements, Common Facilities, or any portion of any Lot that the Association becomes obligated to maintain or repair, (b) all expenses or charges reasonably incurred to procure insurance for the protection of the Association and its Board, (c) any amounts reasonably necessary for reserves for maintenance, repair and replacement of the Common

Elements and Common Facilities or any portion of Lots that the Association is obligated to maintain, and (d) the use of such funds to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board and the Design Review Committee as provided in the Governing Documents.

**Section 1.11. "Common Facilities"** means landscaping, fences, utilities, berms, pipes, lines, irrigation systems, lighting fixtures, buildings, structures, and other facilities constructed or installed, to be constructed or installed, or currently located within the Common Elements.

**Section 1.12. "Cottage Association"** means the Glenbrook Cottage Owners Association or its successors and assigns. The Cottage Association administers obligations with respect to Townhome Lots, Cottage Lots, and Cottage Common Elements, as defined and described in the Cottage Declaration.

**Section 1.13. "Cottage Declaration"** means the Second Restated Declaration of Covenants, Conditions and Restrictions of Glenbrook Cottage & Townhome Association, recorded in the Office of the County Recorder of Douglas, State of Nevada, as such may be restated or amended. The Cottage Declaration relates solely to the use, maintenance, occupancy, and administration of the Cottage Association and Townhome Lots, Cottage Lots, and Cottage Common Elements, as defined and described in the Cottage Declaration.

Owners of Lots subject to the Community Declaration that are not subject to the Cottage Declaration shall have no independent or individual right to enforce the Cottage Declaration. However, the Board may enforce the Cottage Declaration if the Board of Directors of the Cottage Association fails to enforce the Cottage Declaration.

**Section 1.14. "Declaration"** means this Second Restated Declaration of Covenants, Conditions and Restrictions of Glenbrook Homeowners' Association, recorded in the Office of the County Recorder of Douglas, State of Nevada.

**Section 1.15. "Design Review Committee"** means the committee created pursuant to Article 8 herein.

**Section 1.16. "Design Review Committee Rules"** means the rules adopted by the Design Review Committee pursuant to Article 8 herein.

**Section 1.17. "Development"** means all real property and the improvements located thereon which comprise the Glenbrook development, including all property describe in the Recitals of this Declaration, all Common Elements, and all Lots, which are intended to create a common-interest community as defined in NRS 116.019.

**Section 1.18. "Director"** means a member of the Association's Board of Directors.

**Section 1.19. "Excavation"** means any disturbance of the surface of the land which results in the removal of the materials comprising the land to depth of eighteen (18) inches or more below the surface of the land prior to the disturbance.

**Section 1.20. "Family", or "Single Family"** means one (1) or more persons each related to the other by blood, marriage or legal adoption or a group of persons who live together and maintain a common household on a Lot whether or not they are all related to each other by birth, marriage or legal adoption.

**Section 1.21. "Fill"** means the addition of any materials comprising land to the surface of land which increases the elevation of the surface of the land to a height of 18 (eighteen) inches or more above the surface of the land prior to the addition.

**Section 1.22. "General Forest Area"** means the property described as follows, including any annexations thereto:

General Forest Area Lot X as shown on the Official Plat of Glenbrook Unit 2, recorded on May 26, 1978 in the Official Records of Douglas County, Nevada as Instrument 21216, Book 578, at Page 2285.

General Forest Lots A, B, C and D as shown on the Map of Glenbrook Units 3, 3-A and 3-B, recorded June 13, 1980, as Instrument No. 45299, Book 680, Page 1269, Official Records of Douglas County, Nevada; and

**Section 1.23. "Governing Documents"** is a collective term that means and refers to this Declaration, the Articles, Bylaws, Association Rules, and the policies and resolutions adopted by the Board and distributed to the Members.

**Section 1.24. "Improvement"** means an addition to or alteration of the real property comprising the Development and includes, but is not restricted to, any building, structure, shed, outbuilding, road, driveway, parking space or parking area, paving, walk, fence, wall, screening wall, retaining wall, wind break, stair, arbor, court, deck, balcony, patio, bridge, hole, pole, sign, tank, ditch, landscaping (including trees, hedges, plantings, lawns, shrubs), landscape structures, berms, fencing, pond, solar heating equipment, antennas, utilities, utility lines, gates, statues, markers, pipes, lines, lighting fixtures, landscaping, planting, planted tree, planted shrub, and any structure of any kind. In no event shall the term "Improvement" be interpreted to include projects which are restricted to the interior of a Residence and which do not involve the roof or any load-bearing wall thereof.

**Section 1.25. The "Lien"** means the Community Declaration.

**Section 1.26. "Lot"** means the portion of the Development designated for separate ownership or occupancy, the boundaries of which are described pursuant to paragraph (e) of subsection 1 of NRS 116.2105, pursuant to NRS 116.093.

**Section 1.27. "Map"** means the Map attached hereto as Exhibit A, and which was originally attached as Exhibit B to the Community Declaration which was filed on June 17, 1977, as Instrument No. 10264, in Book 677, at Page 1119, et seq., in the Official Records of the County of Douglas, State of Nevada.

**Section 1.28. "Member"** means an "Owner" as defined in Section 1.31 below. When more than one (1) Person is an Owner of a Lot, all such persons shall be Members, although in no event shall more than one (1) vote be cast with respect to any Lot. Member rights may be temporarily suspended as described in Section 15.6, below and Section 4.3 of the Bylaws.

**Section 1.29. "Mortgage"** means any security device encumbering all or any portion of the Development, including any deed of trust. The terms mortgage and deed of trust may be used interchangeably. "First Mortgage" means a mortgage having priority over all other Mortgages (except as



provided by Section 5.11). "Mortgage Lien" means the lien or charge or equivalent security interest of any mortgage or deed of trust. "Mortgagor" shall refer to the trustor under a deed of trust, as well as a mortgagee. "Mortgagee" shall refer to a beneficiary under a deed of trust as well as to a mortgagee in the conventional sense. "First Mortgagee" means any person or entity, including, but not limited to, banks, savings and loan associations, insurance companies and other financial institutions, holding a recorded mortgage which constitutes an encumbrance upon one or more Lots first in priority of lien (except as provided by Section 5.11) over all other encumbrances upon said Lots securing payment of money other than this Declaration and liens for real estate taxes and assessments.

**Section 1.30. "Outside Owned Parcels"** means those properties owned by Persons other than the Association or Owners, the approximate location is shown on the Map attached hereto as Exhibit A. Some Outside Owned Parcels may be subservient to easements and/or reservations of rights or other interests in favor of Owners.

**Section 1.31. "Owner"** means a "Unit's Owner" as defined in NRS 116.095. "Owner of Record" and/or "Member of the Association" includes an Owner and means any person, firm, corporation or other entity in which title to a Lot is vested according to Association records.

The term "Owner" includes, except where the context otherwise requires, the Owner's family, contract purchasers, lessees, tenants, servants, employees, guests, invitees, licensees, and contract purchasers only with respect to the obligation for Assessments. Owners exclude contract sellers with respect to the right to the use and enjoy the Common Elements, and includes contract purchasers, only with respect to the obligation for Assessments.

**Section 1.32. "Parcel I"** means that property described in Exhibit B, attached hereto, and is shown as Parcel I, on the Map attached hereto as Exhibit A.

**Section 1.33. "Parcel II"** means that property described in Exhibits C through G, inclusive, attached hereto, and is shown as Parcel II, on the Map attached hereto as Exhibit A.

**Section 1.34. "Person"** means any individual, corporation, partnership, association, or other entity recognized by the laws of the State of Nevada.

**Section 1.35. "Recreational Common Area"** means the property within Parcel II generally known and described as 'Recreational Areas' that are more particularly described in Exhibit C to that certain Deed from the Glenbrook Company to Declarant dated April 27, 1977, recorded May 9, 1977, at Book 577, Page 416, as Instrument No. 09022, in the Official Records of Douglas County, Nevada, to the extent that the right to use portions thereof was or is hereafter granted by Declarant to the Association for use by Owners. Such areas include, but are not limited to, all areas on which Owners have easement or equitable servitude rights to use for recreation or any other use.

**Section 1.36. "Regular Assessment"** means an Assessment levied on an Owner and their Lot in accordance with Section 5.2.

**Section 1.37. "Residence"** means a private dwelling for Residential Use, garages, carports, and guest houses constructed on any Lot. "Resident" means any Person who resides in a Residence. "Residential Use" means occupation and use of a Lot for residential dwelling purposes in conformity with

this Declaration and the requirements imposed by applicable zoning or other applicable laws or governmental regulations limiting the number of Persons who may occupy residential dwellings.

**Section 1.38. "Rules", also known as "Association Rules,"** means the rules that the Board adopts pursuant to Section 4.4(a)(ii)(E) of this Declaration.

**Section 1.39. "Special Assessment"** means an Assessment levied on an Owner and their Lot in accordance with Sections 5.3 hereof.

**Section 1.40. "Special Individual Assessment"** means an Assessment made against an Owner and their Lot in accordance with Section 5.4 hereof.

**Section 1.41. "Violation of the Governing Documents"** means a violation of the Governing Documents that is a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days will justify cumulative imposition of disciplinary measures.

**Section 1.42. "Visible from Neighboring Property"** means with respect to any given object, such object is or would be visible to a person six (6) feet tall standing on an assumed floor elevation two (2) feet above the surface of any neighboring property in the area, assuming that the property had an elevation equal to the highest elevation of the ground surface of that portion of the area upon which the object is located.

## **ARTICLE 2: OWNERS' PROPERTY RIGHTS & OBLIGATIONS.**

**Section 2.1. Elements of Separate Interest.** Ownership of each separate interest within the Development includes:

(a) **Lot.** A separate Lot as described herein and identified by number on the Maps.

(b) **Nonexclusive Easements.** Nonexclusive easements appurtenant to the Lot for the use and enjoyment of the Common Elements and as more particularly described in Section 2.2.

**Section 2.2. Owners' Nonexclusive Easements of Enjoyment to Common Elements.** Subject to the provisions of this Declaration, the Common Elements shall be held, maintained and used to meet the common interests of the Owners as provided in the Governing Documents.

(a) **Limitations on Nonexclusive Easements.** Every Owner has a nonexclusive right and easement of enjoyment in and to the Common Elements, including ingress and egress to and from the Owner's Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights and restrictions:

(i) The right of the Association to adopt Rules as provided in Section 4.4(a)(ii)(E) hereof, regulating the use and enjoyment of the Development for the benefit of the Owners in common, and, in the event of the breach of such rules or any provision of any Governing Document by any Owner, to temporarily suspend the voting rights and/or right to use the Common Facilities, by any Owner, subject to compliance with the due process requirements of Section 15.6 hereof.

(ii) The right of the Association to borrow money for the purpose of improving, restoring or maintaining the Common Elements and Common Facilities and/or the interests of the Owners and/or for the benefit of the Association, and in aid thereof, to mortgage said property; provided, however, that the rights of any such Mortgagee in said property shall be subordinate to the rights of the Owners hereunder; and further provided that any such indebtedness shall be considered an expense of the Association for purposes of the Special Assessment provisions of Section 5.3 hereof.

(iii) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Owners; provided, however, that no such dedication or transfer shall be effective unless an instrument, approved by at least two thirds (2/3's) of the voting power of the Members, consenting to such dedication or transfer has been recorded. Furthermore, no dedication shall be permitted that impairs the ingress and egress to any Lot.

(iv) The nonexclusive easements granted herein shall be subordinate to and shall not interfere with exclusive easements, if any.

(v) The Owner of each Lot served by utility or service connections shall be entitled to the full use and enjoyment of such portions of said connections within the Common Elements as service the Owners' Lots.

(vi) The right of the Association to charge reasonable admission, use and/or other fees for the use of the Common Elements or any portion thereof.

(vii) The right of the members of the Community Association to walk and use the central path system to the beach and other paths, roads, and trails within the Development, including its Common Elements.

**(b) Waiver of Right to Sever.** No Owner, or other person, may by conveyance, transfer or any other action, including an action at law for partition, sever any Lot or Lots from the Common Elements or from the Association. Each Owner, by acceptance of a deed to a Lot hereby expressly waives all rights to do so.

**Section 2.3. Persons Subject to Governing Documents.** All Owners shall be subject to, and shall comply with, each and every provision of the Governing Documents unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e., Owners, tenants, invitees, etc.).

The mere accepting of a deed to any Lot; the entering into a lease, sublease or contract of sale with respect to any Lot; the occupancy of any Lot; and/or the acceptance of any guest pass shall constitute the consent and agreement of such Owner that the provisions of this Declaration shall be binding upon said person and that said person will observe and comply with the Governing Documents.

The liability and obligation of any Owner for performance of the provisions of the Governing Documents shall terminate upon the sale, transfer, or other divestiture of such Owner's entire interest in a Lot.

## **Section 2.4. Delegation of Use.**

### **(a) Delegation of Use and Ownership Rights and the Leasing or Sale of Lots.**

**(i) Assignment of Rights to Family Members.** Any Owner may delegate their rights to use and enjoy the Common Elements and Common Facilities to members of the Owner's Family residing at the Development.

**(ii) Use by Invitees and Guests.** The invitees and guests of an Owner shall have the right to use and enjoy the Common Elements and Common Facilities. Any such guests or invitees shall be subject to the same obligations imposed on the Owner to observe the Rules, restrictions, and regulations of the Association.

**(iii) Assignment of Rights to Lessees.** Any Owner who has leased their Lot to another person or persons is deemed to have delegated to their lessees the rights of use and enjoyment of the Common Elements.

**(iv) Assignment of Rights to Contract Purchasers.** Any Owner who has sold that Owner's Lot to a contract purchaser may delegate to such contract purchaser the Owner's rights and privileges of membership in the Association. Such Owner shall be deemed to have delegated all rights to use and enjoyment of the Common Elements to a contract purchaser who has assumed occupancy of a Lot. No delegation of any membership rights or privileges to a non-Resident contract purchaser shall be binding, however, until the Board of Directors has been notified in writing pursuant to Section 2.5, below.

Notwithstanding any delegation, until fee title to the Lot has been transferred of record, a contract seller shall remain liable for all assessments, fines and other charges imposed by the Board and for compliance with the Governing Documents by all Residents of the Owner's Lot.

**(b) Discipline of Lessees.** An Owner who leases their Lot to any person or entity shall be responsible for assuring compliance by the lessee with the provisions of the Governing Documents.

In the event that any lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances, which may include suspension of the Lessee's privileges to use any recreational Common Facilities, or the imposition of fines and penalties, except that any such action shall be taken only after such Owner has been afforded the notice and hearing rights described in Article 15 of the Declaration. Where a lessee has engaged in repeated violations the corrective action may include initiation of an eviction proceeding, suspension of the lessee's privileges to use Common Facilities, or the imposition of fines and penalties against the Owner.

Any fine or penalty levied pursuant to this Section 2.4 shall be considered a Special Individual Assessment as defined in Section 5.4, below.

Whether or not such right is stated in any lease agreement, every Owner who leases their Lot automatically grants to the Association the right to determine a lessee's default under the lease and Governing Documents and of terminating the tenancy and evicting the lessee for such default. If the Association brings such eviction action, either in its own name or in the Owner's name, the Owner shall be responsible for all costs thereof, including reasonable attorney's fees, and shall reimburse the Association

upon demand for the entire amount of such costs. If the Owner refuses to make such reimbursement, the sums shall constitute a Special Individual Assessment.

**(c) Association Rules.** The right of any person to use and enjoy the Common Elements and Common Facilities shall at all times be subject to the Governing Documents. With the exception of the right of use of any vehicular or pedestrian ingress or egress to go to and from the Lot, including any area used for parking, the Association may impose monetary penalties or to suspend the use and enjoyment of any Common Elements and Common Facilities for the failure of an Owner to pay any Assessments when due, or to comply with any other rule imposed upon such Owner pursuant to the Governing Documents; provided, however, that any such suspension shall be imposed only after such person has been afforded the notice and hearing rights described in Article 15 of the Declaration.

**Section 2.5. Obligations of Owners. Owners of Lots shall be subject to the following:**

**(a) Owner's Duty to Notify Association of Contract Purchasers.**

At least ten (10) days prior to the consummation of any sale or other transaction which will result in a change in the record ownership of the fee interest in a Lot, the transferring Owner shall provide the following information to the Association:

- (i) The name of each transferor and transferee;
- (ii) The street address of the Lot to be transferred;
- (iii) The mailing address of each transferee;
- (iv) The name and address of the escrow holder, if any, for such transfer and the escrow number; and
- (v) The proposed date for consummation of the transfer.

**(b) Effect of Failure to Notify.** Until such time as the Association receives the notification required in Subsection (a), above, a transferee shall be deemed to have received any and all notices or other communications required or permitted to be given by the Association hereunder which are duly provided to the transferor.

Pursuant to Section 4.4(a)(ii)(E), the Board has the power to adopt Association Rules consistent with this Declaration relating to enforcement of these notice requirements and/or to impose penalties, including fines, for failures to give timely notice.

**(c) Delegation of Rights to Contract Purchasers.** A contract seller may delegate the seller's Member rights, including voting rights, pursuant to Subsection 2.4(a)(iv), above. Notwithstanding any delegation of rights to the contract purchaser, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold has been transferred to the purchaser.



**(d) Notification Regarding Governing Documents.**

(i) As more particularly provided in NRS 116.4109, and except as provided by NRS 116.4101, an Owner must furnish a purchaser before execution of any contract for sale of a Lot:

(a) A copy of Governing Documents, and the information statement required by NRS 116.41095;

(b) A statement setting forth the amount of the Regular Assessments and any unpaid assessment of any kind currently due from the selling Owner;

(c) The current operating budget of the Association and a financial statement for the Association; and

(d) A statement of any unsatisfied judgments or pending legal actions against the Association and the status of any pending legal actions relating to the Association of which the selling Owner has actual knowledge.

(ii) The Association must within ten (10) days after a request by an Owner, furnish a certificate containing the information set forth in Subsection (d)(i), above. The Association may impose a fee for providing copies of those documents equal to the reasonable cost of preparing and reproducing the requested materials. In addition, the Association may impose a reasonable fee to cover its reasonable costs incurred to change its records in connection with a change of ownership of a Lot.

**(e) Payment of Assessments and Compliance with Governing Documents.** Each Owner shall pay when due each Regular, Special and Special Individual Assessment levied against the Owner and their Lot and shall observe, comply with and abide by any and all Governing Documents.

**(f) Responsibility for Conduct of Others.** Owners are fully responsible for informing members of their Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees of the provisions of the Governing Documents and shall be fully responsible for any violation of the provisions of the Governing Documents by members of Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees. Each Owner shall further be fully responsible for the conduct and activities of Owner's pets and the pets of Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees and/or licensees.

**(g) Indemnification for Damage & Injury.** Owners are liable to the remaining Owners and the Association for any damage to the Common Elements that result by reason of the willful misconduct, negligent act or omission of the Owner, Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees, or licensees (to the extent any such damage is not covered by insurance). Each Owner, Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees, and licensees, shall indemnify each and every other Owner and/or the Association against, and hold them harmless from, and defend them against, any claim of any person for personal injury or property damage occurring within the Development due to the willful misconduct, negligent act or omission of the Owner, Owner's Family, contract purchasers, lessees, tenants, servants, employees, guests, invitees, or licensees, unless the injury or damage incurred is fully covered by insurance.

Each Owner, by acceptance of his or her deed, agrees personally and for Family members, contract purchasers, tenants, guests, and invitees, to indemnify each and every other Owner, and to hold such Owner(s) harmless from, and to defend them against, any claim of any person for personal injury or property damage occurring within the Lot of that particular Owner, including Limited Common Elements, if any, except to the extent (i) that such injury or damage is covered by liability insurance in favor of the Association or other Owner or (ii) the injury or damage occurred by reason of the willful or negligent act or omission of the Association or another Owner.

**(h) Discharge of Assessments.** Each Owner shall promptly discharge any Assessments.

**(i) Joint Ownership of Lots.** In the event of joint ownership of any Lot, the obligations and liabilities of the multiple Owners are joint and several.

**(j) Prohibition on Avoidance of Obligations.** No Owner, by nonuse of the Common Elements or Common Facilities, renunciation or abandonment of the Owner's Lot, any other act of renunciation or abandonment or otherwise, may avoid the burdens and obligations imposed on such Owner (by virtue of being an Owner or Association Member) by the Governing Documents, including, without limitation, the payment of Assessments levied against the Owner and their Lot. Nor may any Owner divest itself of any such burden or obligation by attempting to assign responsibility therefore to any third person.

**(k) Obligation to Permit Entry by Association and/or Adjacent Owners.** Each Owner shall be obligated to permit the Owners of adjacent Lots to enter the Owner's Lot for purposes of performing installations, alterations or repairs to mechanical or electrical services which are reasonably necessary for the use and enjoyment of their Lot, provided that the adjacent Owner furnishes the Owner whose Lot is being entered upon with at least twenty-four (24) hours written notice of their intent to enter the Lot, specifying the purpose and scheduled time of such entry and shall make every reasonable effort to perform the use and schedule the entry in a manner that respects the privacy of the Residents of the Lot and the convenience of the Owner of the Lot. Each Owner shall also honor the right of the Association and its agents to enter Lots as provided in Section 4.3(b) of this Declaration.

**(l) Termination of Obligations.** Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any Assessments levied with respect to such Lot which become due after the date of recording of the deed evidencing said transfer and, upon such recording, all Association membership rights possessed by the transferor by virtue of the ownership of said Lot shall cease.

**Section 2.6. Transfer or Conveyance of Lot Terminates Obligations.** Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any Assessments levied with respect to such Lot after the date of recording of the deed evidencing said transfer. No person, after the termination of said person's status as an Owner and prior to said person again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration. The voluntary conveyance of a Lot to a new Owner will not extinguish any obligations of the transferring Owner for unpaid Assessments that were levied against the Lot prior to the subject transfer.

### **ARTICLE 3: RESTRICTIONS & USE OF PROPERTY.**

**Section 3.1. Residential Use.** Each Lot shall be used exclusively for Residential purposes by a Single Family and their guests, lessees, employees, and invitees, except as provided in Section 3.2, below.

A Lot may not be occupied by more individuals than permitted by applicable zoning laws or governmental regulations.

No Lot may be used for any form of Timesharing as defined in this section. Any attempt to sell, convey, transfer, contract or make another type of transaction involving a timeshare interest in a Lot shall be set aside upon the Association's application to a court of competent jurisdiction.

Timesharing is defined as any ownership, occupancy, use, interest, right, and/or privileges of, in, or related to, a Lot by more than four (4) Families. Ordinary and customary non-recurring leases or guest usage are not within this definition. Ownership interests or rights in a Lot in the following or similar form are within this definition:

- (a) Timesharing ownership of a fee simple estate transferred by deed;
- (b) Interval ownership involving the purchase of ownership rights in a recurring estate for years;
- (c) Leasehold timesharing involving the right to use for a specific time period each year for a designated period of years;
- (d) Vacation licenses involving the privilege or license to use a Lot for a specific number years provided for by contract; and
- (e) Club memberships involving a certificate of membership in a club for a specific number of years which entitles the member to use a Lot.

**Section 3.2. Restriction on Businesses.** No business of any kind or commercial use shall be established, maintained, operated, permitted or conducted within the Development except home offices or similar businesses (as may be permitted by applicable statutes and/or ordinances); provided, however, that there shall be no posted external evidence of such business/home office, including, but not limited to, the following: increased pedestrian and/or vehicular traffic; activities which are apparent or detectable by sight, sound, or smell from outside of the Lot; activities which increase the Association's insurance obligations and/or premiums; and/or activities which are inconsistent with the residential nature of the Development. For the purposes of this section, the terms "business" and "commercial use" shall include, but not be limited to, activities relating to the sale or promotion of any goods or services, or fund raising activities for the benefit of any business, charity, or political candidate, party, or cause where such activity relates to, is sponsored (in whole or in part) by, or promotes a business or commercial activity.

**Section 3.3. Offensive Conduct, Nuisance, Obstructions, or Hazards.** The following activities are prohibited and shall not be performed on, upon or within the Development:

- (a) Activities which are noxious, harmful, offensive, nuisances, harassment, unreasonable disturbances, unreasonable annoyances, and/or interferences with Residents' use and enjoyment of the Development;
- (b) Activities which will increase the rate of insurance or result in the cancellation of insurance under any insurance policy obtained by the Association;
- (c) Activities which are in violation of any governmental statute, ordinance, rule and/or regulation;

(d) Use or storage of machinery or equipment, except such machinery or equipment as is usual or customary on a temporary basis in connection with the maintenance or repair of a private Residence;

(e) Activities which obstruct the Common Elements, including entranceways, streets, and/or vehicular driveways, except such obstruction as may reasonably be required in connection with repairs;

(f) Activities which interfere with the drainage patterns or facilities through the Development, without the prior written consent of the Association;

(g) Activities or conditions which would induce, breed, or harbor infectious plant diseases, noxious insects, rodents and/or vermin;

(h) Any Excavation, Fill, or Improvement which in any way alters any Common Elements or Common Facility, without the prior written consent of the Design Review Committee;

(i) Emission of unreasonable levels of exhaust fumes and/or noise and/or the parking, keeping and/or storage of dilapidated, unlicensed, non-operational and/or disabled vehicles;

(j) Division of Lots in any manner;

(k) Use of any substance for the removal of ice or snow within the streets that may cause damage to the vegetation within the Development;

(l) Outside clothes drying, except where not Visible from Neighboring Property;

(m) Fences, hedges, or walls, other than those initially installed by the Declarant or approved by the Design Review Committee;

(n) Any exterior fires, except (1) barbecue fires contained within receptacles designed for such purpose, (2) fire pits, or (3) fireplaces, all of which must have spark arrestors. Owners must obtain the Design Review Committee's approval before permanent installation of barbecue fire receptacles, fire pits, or fireplaces. Only fire pits that are propane-powered may be installed in a Lot subsequent to the date that the Declaration is filed with the Douglas County Recorder; and

(o) Any exterior newspaper tubes or free-standing mailboxes except those approved by the Design Review Committee.

Without limiting any of the foregoing, no Owner or other Resident shall cause and/or permit noise, sound(s) or sight(s) which would unreasonably disturb another's enjoyment of the Development.

**Section 3.4. Regulation of Owner Activity.** In order to promote the Owners' use and enjoyment of the Development and the esthetic and recreational purposes thereof, the Association shall be entitled to set forth reasonable provisions in its Rules that, subject to legal limitations, regulate or limit activities within the Development, including any of the following:

(a) The rights of Owners (and Owner's Family, contract purchasers, lessees, tenants and/or guests) to use portions of the Common Elements;

(b) The number of guests each Owner may allow to use the Common Elements, including, but not limited to, recreational facilities and the number of persons who occupy a Residence;

(c) The color and type of all doors, screen doors, and drapes, blinds, curtains, shades, shutters or other window coverings Visible from Neighboring Property;

(d) The decoration, furnishing, landscaping or embellishment of Lots;

(e) The display or flying of flags, windsocks and/or similar items within the public view from any portion of the Development, except that this limitation shall not prohibit or prevent the flying of a flag of the United States;

(f) The erection, construction, maintenance or placement of any radio and/or electronic receiving and/or broadcasting service, including antennas, wiring or other means and/or any electrical, telephone or other wiring or similar items on the exterior of any Lot or any part thereof, except to the extent allowed by state or federal law;

(g) The erection, construction, maintenance or placement of any television service and/or wireless internet service, including multipoint video distribution service, antennas, masts, towers, poles, satellite dishes and/or wiring, except to the extent allowed by the Design Review Committee;

(h) The erection, placement or maintenance of outbuildings, tents, shacks, sheds, trailer or other temporary building of any kind; and

(i) The placement and type of garbage container allowed, within the requirements of law, and specifically within the requirements of NRS 116.332.

(j) Window-mounted air conditioners.

**Section 3.5. Pets.** No animals, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any Lot. No animal may be kept, bred, or raised for commercial purposes. No animal or fowl is permitted to make an unreasonable amount of noise or to otherwise be a nuisance. No animal is permitted in the driveways, roads, streets, walkways, paths, parking areas, hiking paths roads, and parks within the Common Elements unless is it on a leash under the control of a responsible person, and no animal is permitted in any other Common Elements, including, but not limited to, the beaches, unless it is under the control of a responsible person by means of a leash, except animals need not be on leashes when they are in lake. Pet owners are responsible for the removal and/or proper disposal of their pets' bodily wastes.

The Association has the right to prohibit the maintenance or presence of any animal within the Development which, after notice and hearing in compliance with Article 15, is found to be a nuisance to and/or threat to the safety of other Owners/Residents.

No structure for the care, housing, or confinement of any animal is permitted on a Lot if it is Visible from Neighboring Property except as permitted by the Design Review Committee.



Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in Article 15 hereof.

**Section 3.6. Vehicles.** As long as applicable ordinances and laws are observed, including but not limited to NRS 487.038, NRS 116.3102, and NRS 116.350, or comparable superseding statutes, the Association may cause the removal of any vehicle which is in violation of the Governing Documents.

Traffic laws imposed by the State of Nevada and/or Douglas County shall apply on all roads within the Development and may be enforced by the Association by the imposition of reasonable fines and penalties for the violation for said traffic laws. The Association may enter into agreement with Douglas County for enforcement of traffic laws in the Development.

No vehicle may be parked within the Development except within parking areas designated by the Association. Only Owners, and their families, contract purchasers, lessees, tenants, servants, employees, guests, invitees, licensees may park in the Common Elements.

Owners may not park mobile homes, non-passenger vehicles, campers, trailers (of any kind), boats, recreational vehicles, truck or truck camper larger than a one-ton pick-up truck, or commercial vehicles, except if (i) they are not Visible from Neighboring Property, and/or (ii) where required temporarily for deliveries, or the construction, repair, refinishing, or maintenance of any part of the Development or for moving furnishing, equipment, or supplies into or out of the Development.

No vehicles are permitted on any Common Elements other than on paved streets. No snowmobiles may be operated within the Development. The Board may, by rule, impose reasonable limitations on the size and weight of vehicles using roads within the Development.

**Section 3.7. Garages.** Each Owner must maintain their garage areas in a neat, orderly condition with all storage areas completely enclosed. Garages may only be used for the purposes of parking motor vehicles, and, so long as they are not Visible from Neighboring Property, mobile homes, golf carts, campers, trailers, boats, recreational vehicles, and for other storage and workshop purposes pursuant to the Association Rules.

**Section 3.8. Mineral Exploration.** No Lot may be used in any manner to explore for or to remove any oil, other hydrocarbon, mineral of any kind, gravel, or earth substance. The following may not be performed on any Lot: drilling; exploration; refining, quarrying; mining; or the installation of wells, tanks, tunnels, mineral excavation, shafts, derricks, or pumps used to drill or mine. Drilling for water or the installation of water wells is permitted as approved by the Design Review Committee.

**Section 3.9. Signs.** Except as otherwise provided by law, no signs whatsoever that are Visible from Neighboring Property shall be kept on Lots, except:

- (a) political signs, to the extent authorized by the provisions of NRS 116.325;
- (b) such signs as be required by law or by legal proceedings;
- (c) residential identification signs, subject to the approval of the Design Review Committee;

(d) reasonable job identification signs during the time of construction of a Residence or other Improvement;

(e) not more than one (1) "For Sale" or "For Rent" sign having a maximum size as provided by the Rules; and

(f) signs placed by the Association.

**Section 3.10. Antennas.** Except as otherwise provided by law or as permitted by the Design Review Committee, no antennas or satellite dishes may be installed if they are Visible from Neighboring Property.

**Section 3.11. Utility Services.** Except as otherwise provided by law or as permitted by the Design Review Committee, no lines, wires, or devices for transmission of electric current or telephone, television, radio, or computer signals shall be constructed, placed, or maintained within a Lot unless they are not Visible from Neighboring Property.

**Section 3.12. Temporary Occupancy and Temporary Structures.** No temporary building or structure or any kind such as a tent, house trailer, portable living unit, shack, garage, or barn and no incomplete building shall be used at any time for a Residence, either temporarily or permanent. Owners must obtain the prior written approval of the Design Review Committee in order to install temporary buildings and structures used during the construction of a Residence or Improvement on a Lot, and such buildings and structures must be removed immediately after the completion of the construction.

**Section 3.13. Owner Improvements.** Owners may make Improvements on their Lots which are Visible from Neighboring Property or from the Common Elements only with the prior written consent of the Design Review Committee in compliance with Article 8, herein. Owners may not make Improvements that will impair the noise-carrying capacity, structural soundness or integrity of the Common Elements and/or another Lot.

**Section 3.14. Termination of Mechanics' Lien Rights and Indemnification.** No labor performed or materials furnished to and incorporated on a Lot with the consent or at the request of the Lot's Owner or their agents, contractors, or subcontractors, shall be the basis for filing a lien against the Lot of any other Owner if said Owner has not expressly consented to or requested the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against all liability arising from the claim of any lien against the Lot of any other Owner or against the Common Elements for construction performed, or for labor, materials, services, equipment, or other products incorporated onto the Owner's Lot, at such Owner's request or with its consent. The provisions of this section shall not apply to any labor performed or materials furnished at the request of the Association. At the written request of any Owner, the Association shall enforce such indemnity by collecting from the Owner of the Lot on which the labor was performed or to which materials were furnished, through Special Individual Assessments against the Lot, the amount necessary to discharge any such lien, including all costs incident thereto.

**Section 3.15. Trash Disposal.** In accordance with NRS 116.332, no Owner or Resident shall permit or cause garbage, trash or other waste to be kept upon any portion of the Development, except in suitable containers as reasonably determined by the Design Review Committee. With the exception of bear-proof trash containers authorized by the Design Review Committee, trash containers may not be

maintained so as to be Visible from Neighboring Property except to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the construction of modifications and Improvements) may be removed from the Development to a public dump or trash collection area by the Owner at the Owner's expense. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in a manner inconsistent with this section.

**Section 3.16. Variances.** The Board may grant reasonable variances from the restrictions set forth in this Article 3, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration. In considering and acting upon any request for a variance, the Board shall follow the procedures set forth in Section 8.11 for the granting of architectural variances.

**Section 3.17. Enforcement of Property Use Restrictions.** The objective of this Declaration shall be to promote and seek voluntary compliance by Owners with the environmental standards, traffic laws, and property use restrictions contained herein. If the Association becomes aware of a use infraction that does not necessitate immediate corrective action under Section 15.6 hereof, the Owner responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provisions. The Board shall have the discretion to decide whether or not it is in the Association's best interest to pursue any enforcement action, including taking into consideration the potential benefits to the Association resulting from any such enforcement action as compared with anticipated financial costs.

#### **ARTICLE 4: HOMEOWNERS ASSOCIATION.**

**Section 4.1. Association Membership.** Every record Owner of a Lot is a Member of the Association. The Owners of a Lot will hold jointly one membership in the Association for each Lot owned. The membership will be appurtenant to each Lot and may not be separated from ownership of the Lot to which it relates. Persons who hold an interest in a Lot merely as security for performance of an obligation are not Members until such time as the security holder comes into title to the Lot through foreclosure or deed. Lessees who are delegated rights of use do not thereby become Members, although the lessee and other Residents are subject to the restrictions within the Governing Documents.

Each Owner will remain a Member of the Association until the Member's ownership in a Lot ceases, at which time their membership in the Association will automatically cease. Membership in the Association will not be transferred, encumbered, pledged or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant and then only to the purchaser. In the case of a sale, membership passes automatically to the purchaser upon recording of a deed evidencing transfer of title to the Lot.

Any attempt to make a prohibited transfer is void. In the event the Owner of a Lot fails or refuses to transfer the membership registered in the Owner's name to the purchaser of their Lot, the Association will have the right to record the transfer upon its books and thereupon any other membership outstanding in the name of the seller will be null and void.

**Section 4.2. Voting.** Members' voting rights are set forth in the Bylaws.

**Section 4.3. Powers and Authority of the Association.**

**(a) Powers Generally.** The Association has the responsibility of managing and maintaining the Common Elements and Common Facilities and must discharge all duties and responsibilities imposed on the Association by the Governing Documents and applicable law. In the discharge of such responsibilities and duties, the Association will have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of Nevada, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

The Association has the power to do any and all lawful things which may be authorized, required, or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. The specific powers of the Association and the limitations thereon will be as set forth in this Declaration and the Bylaws.

**(b) Association's Limited Right of Entry.** The Association has the right, when necessary, to enter any Lot or Residence, to perform the Association's obligations under this Declaration, including (i) exterior maintenance or repair obligations; (ii) obligations to enforce the architectural and land use restrictions of Article 3 and Article 8 hereof; (iii) obligations with respect to construction, maintenance and repair of adjacent Common Elements, Common Facilities, utilities and/or other services; or (iv) to make necessary repairs that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, Association property or the Owners in common.

The Association's rights of entry under this subsection (b) is immediate in case of an emergency originating in or threatening the Lot or Residence where entry is required, or any adjoining Lots or Common Elements, and the Association's work may be performed under such circumstances whether or not the Owner or Owner's lessee is present. In all non-emergency situations, the Association must furnish the Owner or Owner's lessee with at least twenty-four (24) hours written notice of the Association's intent to enter the Lot or Residence, specifying the purpose and scheduled time of such entry and will make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing within the Lot.

The Association's rights of entry under this subsection (b) expressly include the right to transfer said rights of entry to others (including, but not limited to employees, contractors and/or service providers retained by the Association) by permit, license, easement, or otherwise, for the benefit of the Development and the Owners of Lots.

**(c) Association as Attorney in Fact for Owners.** Without limiting the generality of the foregoing, the Association is hereby irrevocably appointed as the attorney in fact for the Owners of each and every Lot to (i) manage, control, and deal with the interest of the Owners in the Common Elements so as to permit the Association to fulfill all of its duties and obligations and to exercise all of its rights; (ii) deal with the Development upon its destruction or obsolescence as hereinafter provided; and (iii) deal with and handle insurance and insurance proceeds, as provided in Articles 9 and 10 hereof, and condemnation and condemnation awards, as provided in Article 12 hereof. The acceptance by any person or entity of any

interest in any Lot constitutes an appointment of the Association as the Owner's attorney in fact as provided above.

**Section 4.4. Board of Directors.** The affairs of the Association will be managed by or under the direction of the Board. The number and qualifications of the Directors will be as established in the Bylaws.

**(a) Powers of the Board.** The Board will have all of the powers and duties set forth in the Governing Documents:

**(i) Exclusive Power.** Except as expressly otherwise provided herein, the powers and duties of the Association which the Governing Documents do not reserve to the Members are exclusively delegated to the Board (or such Committees or officers as the Board may establish, elect or appoint). Except as otherwise provided herein, any power to be exercised or duty to be performed which are reserved to the Board, may not be exercised or performed by any Owner without the written consent of the Board.

**(ii) General Powers of the Board.** Without limiting any powers of the Board conferred elsewhere in the Governing Documents, the Board has the following powers:

(A) To call meetings of the Members.

(B) To appoint and remove all officers, committees, agents, and employees of the Association, prescribe their duties, fix their compensation, and acquire such fidelity bonds as it may deem expedient.

(C) To establish, fix, levy, assess and collect assessments against the Owners and to enforce payment of such Assessments in accordance with Article 5 of this Declaration.

(D) To authorize and cause the Association, subject to Section 4.5, to: (1) enter into management contracts and contracts for the day to day operation of the Association and the discharge of its responsibilities and obligations; or (2) enter into lease, license or other agreements for the use of property or facilities not a part of the Common Elements. No contract for management may have a term of more than three (3) years and each such contract will be subject to all the other provisions hereof and may be terminable by either party without cause or payment of a termination fee on sixty (60) days written notice.

Any reference to the "term" of a contract as used in this Section 4.4(a)(ii)(D) will not include any option or automatic renewal or extension period so long as the term of the contract may not be renewed or extended if notice is given by the Association pursuant to the contract.

(E) To adopt, amend, and repeal Association Rules consistent with this Declaration relating to (1) the maintenance, repair, management and use of the Common Elements and all facilities thereon by Owners, their lessees, guests and invitees or any other persons who have rights of use and enjoyment of such Common Elements and Common Facilities, including the right to restrict the use of certain land, facilities, air space, or structures to the Association or its officers, agents or employees; (2) regulation of parking, pet ownership and other matters subject to regulation and restriction under Article 3 hereof; (3) the conduct of an Owner and its Family, contract purchasers, lessees, and their guests, invitees or licensees, with respect to the Development and the other Owners or occupants of the Development; (4)



the conduct of disciplinary proceedings in accordance with Section 15.6 hereof; (5) reasonable charges for labor, services, or expenditures incurred at the request of an Owner or as a result of the actions of an Owner; (6) collection and disposal of refuse; (7) the interpretation of provisions of, and terms used in, this Declaration (said interpretation will be conclusively presumed to be correct so long as it is consistent with this Declaration); and (8) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents, except as limited as provided in Section 8.4 herein with respect to Design Review Committee Rules.

The Association Rules may not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences and privileges of Owners thereunder. In the event of any material conflict between any Association Rule and any provision of the other Governing Documents, the conflicting provisions contained in the other Governing Documents will be deemed to prevail over those in the Association's Rules.

(F) To delegate its powers to committees, officers, or employees of the Association.

(G) To incur debt for the purpose of maintaining and improving the Common Elements, and to encumber the Development, including specifically member assessments, of the Association as security for the repayment of such debt.

(H) To grant easements on, over, under, across, and through the Development for public utility and other purposes consistent with the provisions of this Declaration and the intended use of the Development as a planned community.

(I) Except as expressly otherwise provided herein, the Board will have the exclusive right and obligation to manage and administer the Common Elements and to contract for all goods, services, and insurance, payment for which is to be made from the assessments.

(J) Open bank accounts on behalf of the Association and designate the signatories to such bank accounts.

(K) Bring and defend actions on behalf of the Association to protect the interests of the Owners or the Association, and to assess the Owners for the costs of such litigation. However, the Board will have the discretion to decide whether or not it is in the Association's best interest to pursue any such enforcement action, including taking into consideration the potential benefits to the Association (and/or its Owners) resulting from any such enforcement action as compared with the anticipated financial costs. Prior to filing litigation regarding any disciplinary action against a Member, the Board must comply with the requirements set forth in Section 15.6.

(L) All other powers permitted by Nevada law.

**(iii) No Active Business.** The Board may not conduct an active commercial business for profit on behalf of the Association or the Owners. However, the Association may acquire, own, lease and/or sell any property within the Development or the community of Glenbrook, Nevada.

**(b) Duties of the Board.** The Board must:

**(i) Association Duties.** Cause all duties imposed on the Association by Governing Documents to be properly performed.

**(ii) Records.** Cause a record of all its acts and corporate affairs to be kept, and to prepare budgets and financial statements for the Association.

**(iii) Supervise.** Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

**(iv) Assessments.**

(A) Fix, levy and collect assessments pursuant to the provisions of Article 5 of this Declaration.

(B) Approve the annual budget and fix the amount of the assessment against each Owner for each assessment period in compliance with Nevada law;

(C) Prepare a roster of the Owners and assessments applicable thereto that will be available for inspection by any Owner, pursuant to Section 12.1 of the Bylaws regarding Owner's inspection rights;

(D) Send written notice of each assessment to every Owner subject thereto; and

(E) Issue certificates as required by Sections 5.12 and 8.18.

**(v) Insurance.** Contract for casualty, liability and other insurance, sureties and/or bonds (including indemnity bonds) on behalf of the Association with such coverages and in such amounts as required by this Declaration and as deemed necessary by the Board.

**(vi) Vacancies.** Fill a vacancy or vacancies on the Board except for a vacancy created by the removal of a Board Member by a Member recall.

**(vii) Discharge of Liens.** Pay any amount necessary to bond or discharge any claim which may be or become a lien or encumbrance levied against the Development as a whole or any part thereof which constitutes a lien against the Common Elements, rather than merely against the interest therein of particular Owners; provided, however, that where one or more Owners are responsible for the existence of such lien, they will jointly and severally be liable for the cost of discharging it, and any costs incurred by the Association by reason of said lien or liens will be assessed against each such Owner and its Lot as provided in Section 5.4. No decision resulting in such liability or assessment may be reached before providing the Owner or Owners with notice and hearing satisfying the requirements of Section 15.6 of this Declaration.

**(viii) Enforcement.** Maintain actions for damages arising from, or to restrain and enjoin, or to take any reasonable action necessary to prevent, any actual or threatened violation of the

provisions of the Governing Documents, the orders and awards of arbitration, or resolutions of the Board, or to enforce, by injunction or otherwise, the provisions of the foregoing.

The Board has the discretion to decide whether or not it is in the Association's best interest to pursue any such enforcement action, including taking into consideration the potential benefits to the Association (and/or its Owners) resulting from any such enforcement action as compared with the anticipated financial costs.

The Board may suspend the voting rights of an Owner or suspend the privileges of an Owner to use the Common Elements (with the exception of the right of use of any vehicular or pedestrian ingress or egress to go to and from the Lot, including any area used for parking), or assess monetary penalties against any Owner or other person entitled to exercise such privileges for any violations of the provisions of the foregoing; provided that the accused Owner or other person is given fair notice and the opportunity to be heard (in satisfaction of the minimum requirements of Section 15.6 of this Declaration) with respect to the alleged violation before a decision to impose discipline is made. The Board may delegate some or all of its enforcement rights to a disciplinary committee.

Notwithstanding anything to the contrary herein contained, neither the Board nor the Association will have the power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of the Owner's Lot, including access thereto over and across the Common Elements, except when such loss or forfeiture is the result of (A) a judgment of a court, (B) a decision arising out of arbitration, (C) on account of a foreclosure (judicial or under the power of sale herein granted) for failure of the Owner to pay the assessments.

If legal action is instituted by the Board pursuant to this section, any judgment rendered in any such action will include all costs of collection, court costs, and reasonable attorneys' fees incurred by the Association.

**(ix) Operating Requirements.** Obtain any other material, supplies, furniture, property, labor, services, maintenance, repairs, construction, reconstruction, structural alterations, insurance, taxes, or assessments which the Association is required to secure or pay by law, local requirement, or pursuant to the terms of this Declaration, or as is necessary for the operation of the Development, or for the enforcement of this Declaration; provided, however, that if any such materials, labor, services, maintenance, repairs, structural alterations, insurance, taxes, or assessments are provided for particular Lots, the costs thereof will, as is reasonable, be assessed to such Lots and the Owners thereof as provided in Section 6.3 or as provided in the Bylaws.

**Section 4.5. Limitations on Powers of the Association.** Neither the Board nor the Association will have the power to take, and both are hereby expressly prohibited from taking, any of the following actions without the vote or written assent of a majority of the voting power of the Association's Members:

(a) Entering into a contract with a third person to furnish goods or services for the Common Elements, the Lots or the Association for a term longer than one (1) year with the following exceptions:

(i) A management contract as long as such contract contains provisions that allow the Association to terminate the management services under the contract upon a notice period that does not exceed sixty (60) days.

(ii) A contract or lease with a public utility company regulated by the State (including utility districts, sanitary services providers, energy providers, telephone service providers and/or cable, internet, or satellite dish or comparable service provider).

(iii) Prepaid casualty and/or liability insurance policies not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured.

(iv) Lease agreements for equipment not to exceed five (5) years' duration.

(v) Agreements for sale or lease of security systems, burglar alarms, and fire alarm equipment, installation and related services not to exceed five (5) years' duration.

For purposes of this subsection, the one (1) year maximum "term" of a contract does not include any option period(s), renewal period(s) and/or extension(s) of time to the contract term so long as the contract contains provisions allowing the Association to non-renew and/or cancel the contract upon the expiration of the term.

(b) Reciprocal use agreements concerning the reciprocal rights and obligations of the respective parties in properties subject to easements where the Association is either the owner of the dominant tenement or the servient tenement. Such agreements are limited to those (a) relating to the allocation of payment of costs of maintenance of the easements between the Association and other affected parties, or (b) defining the respective rights and obligations of the parties in the various properties. This provision does not allow the Board to sell or otherwise convey rights in, or abandon, an existing easement, without compliance with all provisions within the Governing Documents and the law.

(c) Selling, during any fiscal year, property of the Association having an aggregate fair market value greater than ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

The Board shall not convey, exchange, lease, mortgage, encumber, transfer upon trust or otherwise dispose of any of the real property of the Association without the affirmative vote or written consent of three-fourths (3/4) of the Members. No proxy vote shall be counted upon such issue at either an annual or special meeting unless the meeting notice shall have stated specifically that such a transaction would be considered and shall set forth the details thereof.

(d) Paying compensation to Directors or officers of the Association for services performed, except that the Board may authorize reimbursement to a Director or officer for reasonable expenses incurred in carrying on the business of the Association.

(e) Filling a vacancy on the Board caused by the removal of a Director by the Members.

(f) Making capital improvements except pursuant to Section 6.5 herein.

**Section 4.6. Nonliability of Officials.** To the fullest extent permitted by law, neither a Director, officer, Committee of the Association, member of a Committee of the Association, the Board, nor any person who formerly served in any such capacities (collectively and individually referred to as the "Released Party"), shall be liable to any Member, Owner, the Association or any other party for any damage, loss, claim, liability or prejudice suffered or claimed on account of any decision, approval, disapproval, course of action, act, inaction, omission, error, negligence or the like made in good faith and which such

person or entity reasonably believed to be with a view to the interests of the Association when serving in such capacities.

No Released Party will be personally liable to any of the Association's Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or under the Bylaws, provided that such Released Party has, upon the basis of such information as may be possessed by the Released Party, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Without limiting the generality of the foregoing, this standard of care and limitation of liability will extend to such matters as the establishment of the Association's annual financial budget, the funding of Association capital replacement and reserve accounts, repair and maintenance of Common Elements and Common Facilities and enforcement of the Governing Documents.

The indemnification rights (including the right to advancement of expenses) of Directors, Officers, employees and/or agents will be governed by Nevada law. The Association shall indemnify such Persons to the fullest extent provided by law including reimbursement upon demand of reasonable legal fees and costs incurred in connection with a claim relating to the Person's service to the Association.

As set forth in Article 9, the Association has the right to purchase and maintain insurance on behalf of its Directors, officers, employees and/or agents against liability asserted against or incurred by any Director, officer, employee and/or agent in its capacity or status as such.

The provisions of this section are intended to reflect the protections accorded to volunteer directors and officers of common interest communities under Nevada law. In the event that Nevada law is amended, this section will be deemed amended, without the necessity of further Member approval, to correspond to the amended or successor code provision.

## **ARTICLE 5: ASSESSMENTS.**

### **Section 5.1. Assessments Generally.**

**(a) Covenant to Pay Assessments.** Each Owner of one (1) or more Lots, by acceptance of a deed or other conveyance therefor (whether or not it will be so expressed in such deed or conveyance), covenants and agrees to pay to the Association (i) Regular Assessments, (ii) Special Assessments, and (iii) Special Individual Assessments levied by the Association as hereinafter provided, together with all additional charges. Such deed or conveyance will be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board may deem necessary or appropriate for the collection of such assessments and charges and for the enforcement of the Liens hereinafter provided for. Each such Assessment will be established and collected as hereinafter provided. No Owner may waive or otherwise escape liability for any assessment provided for herein by nonuse of the Common Elements or by abandonment.

**(b) Extent of Owner's Personal Obligation for Assessments.** The obligation to pay Assessments and charges and the right and power of the Association to initiate all actions and procedures for collection will run with the land, so that each successive Owner or Owners of record of any Lot will, in turn, become liable to pay all Assessments and charges assessed during the time they are record Owner of



such Lot. All Assessments permitted or required herein, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, will be a separate, distinct and personal debt and a personal obligation of the Person who was the Owner of the Lot at the time the Assessment was levied.

Any Owner who acquires title to a Lot (whether at judicial sale, trustee's sale or otherwise) will be personally liable only for Assessments attributable to the Lot so purchased which become due and payable after the date of such sale, and will not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability.

After a record Owner transfers, of record, any Lot they own, they will not be liable for any Assessments levied after the transfer with respect to that Lot. Any unpaid Assessment of a previous Owner will remain the debt of such previous Owner against whom assessed and the previous Owner will remain personally liable. A contract seller of any Lot will continue to be liable for all Assessments and charges until a conveyance by deed of such Lot is recorded in the Office of the County Recorder of Douglas County.

**(c) Authority of Board.** The Board has the power, duty and authority to levy Regular and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law. The Board may not levy or collect an Assessment or fee that exceeds the amount necessary to defray the costs for which it is levied. In the event, however, that an Assessment exceeds the amount necessary to defray the costs for which it is levied, the Board may reasonably allocate the Assessment toward other costs and reserves required to be maintained by law. The Board will also have the power and authority to levy Special Individual Assessments against Owners.

**(d) Creation of Assessment Lien.** Since June 17, 1977, when the Community Declaration was filed in the Official Records of the County of Douglas, State of Nevada, all Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, have been, and continue to be, charges on the Lots and the Community Declaration, including all amendments, such as the Declaration, has been, and continues to be, a continuing lien (the "Lien") upon the Lot against which such Assessment is made. The Lien is subject to foreclosure as provided in Section 5.9(b) hereof. The Lien will continue to secure all Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, made on any Lot notwithstanding the transfer of record title to such Lot, and any such transfer will be subject to the Lien.

**(e) No Avoidance of Assessment Obligations** No Owner may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Lot or other property owned by them from the Lien and charges hereof, by waiver of the use and enjoyment of the Common Elements or any facilities thereon or by abandonment or nonuse of their Lot or any other portion of the Development.

**(f) Offsets.** All Assessments levied by the Association will be payable in the full amount specified, including any additional charges imposed as provided for by the Governing Documents. No offsets against any such Assessment will be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Governing Documents.

## **Section 5.2. Regular Assessments.**

**(a) Purpose of Regular Assessments.** All Regular Assessments levied by the Association will be used exclusively for the purpose of promoting the health, safety and welfare of the residents of the Development and, in particular, for the maintenance, operation, improvement, protection, and preservation of the Common Elements, and any real or personal property in which the Association holds an interest.

**(b) Annual Budget.** In accord with the timing provisions of NRS 116.31151 (or comparable superseding statute), if any, the Board must estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the Common Facilities), prepare, and then distribute to all Members a proposed budget satisfying the requirements of Section 11.2 of the Bylaws.

**(c) Budget Ratification/Rejection.** Within thirty (30) days after adoption of the proposed budget, the Board must provide a summary of the budget to all Owners, and must set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Owners reject 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.

Except as provided in subsection (d) below, the Board may not impose a total aggregate Regular Assessment that is more than twenty percent (20%) greater than the total aggregate Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of Members casting a majority of a quorum of the votes at a duly called meeting or election of the Association. For purposes of this subsection, the phrase "total aggregate Regular Assessment" means the amount of Regular Assessment assessed to and due from all Lots for that particular year.

**(d) Assessments to Address Emergency Situations or Requirements Mandated by Law.** The requirement of a membership vote to approve Regular Assessment increases in excess of twenty percent (20%) of the previous year's Regular Assessment will not apply to Assessment increases necessary to address emergency situations or requirements mandated by law. For purposes of this subsection (d), an emergency situation or requirement mandated by law is any of the following:

- (i) An extraordinary expense required by an order of a court.
- (ii) An extraordinary expense necessary to repair or maintain the Common Elements which the Association is obligated to maintain where a threat to personal safety is discovered.
- (iii) An extraordinary expense necessary to repair or maintain the Common Elements which the Association is obligated to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to subsection (a), above.
- (iv) In order to adequately fund the Association's reserve accounts in compliance with this Declaration or NRS 116.3115 and any superseding statute.

(v) In order to adequately fund the Association's operating accounts in compliance with this Declaration or NRS 116.3115 and any superseding statute.

(vi) In order to comply with governmental requirements imposed on the Association or Board.

Prior to the imposition or collection of an assessment under this subsection, the Board shall pass a resolution containing written findings as to the necessity of the expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of assessment.

**(e) Allocation of Regular Assessment.** The total estimated Common Expenses, determined in accordance with subsections 5.2(a) and (b), above, will be divided and then allocated equally among, assessed against, and charged to each Owner/Lot.

**(f) Failure to Make Estimate.** If, for any reason, the Board fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year will be automatically assessed against each Owner and their Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment will be payable on the regular payment dates established by the Association.

The failure of the Board to fix Regular Assessments hereunder before the expiration of any year, for that or the next year, is not a waiver or modification in any respect of the provisions of this Declaration or a release of the Owner from the obligation to pay the Assessments, or any installment thereof for that or any subsequent year. Failure to provide a copy of the budget to any Owner will not affect the validity of Assessments based thereon so long as that Owner receives reasonable notice before the Association commences any action or proceeding to enforce collection thereof.

**(g) Regular Assessment Due Date, Installment Payments & Delinquency.** The Regular Assessments levied against each Owner and their Lot for the current fiscal year may be divided into four (4) equal quarterly installments so long as the respective Owner is not in default (i.e., current on all assessments). Each quarterly installment is due and payable on the first day of the first, fourth, seventh, and tenth month of each fiscal year or in such other manner and/or on such other date or dates as may be established from time to time by the Association.

Installments of Regular Assessments will be delinquent if not actually received by the Association or its designated agent by the thirtieth (30th) day of the month in which the Assessment is due (or the next business day thereafter). In the event of a default in the payment of any installment, the Association may pursue the remedies set forth in Section 5.9, below, as to the delinquency.

### **Section 5.3. Special Assessments.**

**(a) Purposes for which Special Assessments may be Levied.** Subject to the membership approval requirements set forth in subsection 5.3(b), below, the Board may levy Special Assessments against the Owners and their Lots for the following purposes:

**(i) Regular Assessment Insufficient in Amount.** If, at any time, the Regular Assessment for any fiscal year is insufficient due to extraordinary expenses not contemplated in the budget

prepared for said fiscal year, then, except as prohibited by Section 5.3(c), the Board may levy and collect a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder. The Board's assessment authority pursuant to this Section 5.3(a)(i) will be subject to the budget ratification/rejection process described in Section 5.2(c).

**(ii) Capital Improvements.** Pursuant to Sections 6.1 and 6.5, the Board may also levy Special Assessments for additional Capital Improvements within the Common Elements (i.e., improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities; see Section 6.5(a) herein for the definition of "capital improvement."). The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, replacement, and repair of the Common Elements or existing Common Facilities through Regular Assessments (including the funding of reasonable reserves) and to maintain adequate insurance on the Common Elements and existing Common Facilities in accordance with Article 9 hereof.

The Association shall provide written notice to each Owner of a meeting at which an Assessment for a capital improvement (see Section 6.5(a) herein for the definition of capital improvement) is to be considered or action is to be taken on such an Assessment at least twenty-one (21) days before the meeting.

**(b) Budget Ratification/Rejection.** In order for the Board to levy Special Assessments described in Section 5.3(a)(i) hereof, the Board must adopt a proposed budget, and within thirty (30) days after adoption of the proposed budget, the Board must provide a summary of the budget to all Owners, and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Owners reject 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.

No Special Assessments described in Section 5.3(a)(i) hereof, which in the aggregate when added to the total Regular Assessment causes the total Regular Assessment for said calendar year to be more than twenty percent (20%) higher than the Regular Assessment for the prior year for the fiscal year in which the Special Assessment(s) is levied may be made without the vote or written approval of a majority of a quorum of the Owners pursuant to Section 5.7 hereof. This Owner approval requirement will not apply to any Assessment levied to address "emergency situations or requirements mandated by law" as defined in Section 5.2(d).

**(c) Allocation and Payment of Special Assessments.** When levied by the Board or approved by the Members as provided above, the Special Assessment will be divided among, assessed against and charged to each Owner and their Lot in the same manner prescribed for the allocation of Regular Assessments pursuant to Section 5.2(e), above. Notice of the Special Assessment so levied must be mailed to each Owner.

Unless the time for payment is extended by the Board, payment of all Special Assessments will be due no sooner than fifteen (15) days after the Association gives the Owners written notice thereof.

The Board may, in its discretion, prorate on a quarterly basis the amount of any Special Assessment. If prorated, the prorated amount of any Special Assessment will be due and payable at the same time as the Regular Assessment quarterly installments.

Installments of Special Assessments will be delinquent if not actually received by the Association or its designated agent by the thirtieth (30th) day of the month in which the Assessment is due. In the event of a default in the payment of any Special Assessment, the Association may pursue the remedies set forth in Section 5.9, below, as to the delinquency.

#### **Section 5.4. Special Individual Assessments.**

**(a) Circumstances Giving Rise to Special Individual Assessments.** The Board may impose Special Individual Assessments against an Owner in any of the circumstances described in subsections (i) through (v), below or as otherwise provided in the Governing Documents, provided that no Special Individual Assessments may be imposed against an Owner pursuant to this section until the Owner has been afforded the notice and hearing rights to which the Owner is entitled. Subject to the foregoing, the acts and circumstances giving rise to liability for Special Individual Assessments include the following:

**(i) Damage to Common Elements or Common Facilities.** If any damage to, or destruction of, any portion of the Common Elements or the Common Facilities, including any portion of a Lot which the Association is obligated to repair and maintain is caused by the willful misconduct and/or negligent act or omission of any Owner, the Board may cause the same to be repaired or replaced, and all costs and expenses, including but not limited to any costs or expenses incurred in deterring, apprehending and/or identifying those persons causing damage, incurred in connection therewith (to the extent not compensated by insurance proceeds) may be assessed and charged solely to and against such Owner as a Special Individual Assessment.

**(ii) Expenses Incurred in Gaining Member Compliance.** If the Association incurs any costs or expenses, to accomplish (A) the payment of delinquent Assessments, (B) any repair, maintenance or replacement to any portion of the Development that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion, or (C) to otherwise bring the Owner and/or their Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, court costs and reasonable attorneys' fees) may be assessed and charged solely to and against such Owner as a Special Individual Assessment.

**(iii) Required Maintenance on Lots.** As more particularly provided in Section 4.3(b) and 6.3(b) (and without limiting the generality of those sections), if the Board, in its discretion, determines that any Lot is maintained so as to become a nuisance, fire or safety hazard for any reason, including without limitation, the accumulation of trash or improper vegetation control, the Association will have the right to enter the Lot, correct the offensive or hazardous condition, and recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner.

**(iv) Diminution in Insurance Proceeds.** As more particularly provided in Section 9.5, the Association may levy a Special Individual Assessment for the amount of the loss in insurance proceeds against any Owner who, in violation of Sections 3.3(b) and 9.5, caused any diminution in the insurance proceeds otherwise payable to the Association due to the Owner's individual casualty insurance.



**(v) Increase in Insurance Burden.** The Association may levy a Special Individual Assessment for the amount of the increased insurance premium against any Owner who, in violation of Sections 3.3(b) and/or 6.3, caused any increase in the rate of insurance paid by the Association to reimburse the Association for any such increase in the rate of insurance.

**(b) Levy of Special Individual Assessment and Payment.** Once a Special Individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in Section 5.4(a), notice thereof will be mailed to the affected Owner and the Special Individual Assessment will thereafter be due as a separate debt of the Owner payable in full to the Association within fifteen (15) days after the mailing of notice of the Assessment.

Installments of Special Individual Assessments will be delinquent if not received by the Association or its designated agent within fifteen (15) days from the due date. In the event of a default in the payment of any Special Individual Assessment, the Association may declare that Owner's Special Individual Assessment to be in default and pursue the remedies set forth in Section 5.9, below, as to the delinquency.

**Section 5.5. Reasonableness of Assessments.** Each and every Assessment levied hereunder is further declared and agreed to be a reasonable Assessment, and to constitute a separate, distinct and personal obligation of the Owner of the Lot against which the Assessment is imposed that will be binding on the Owner's heirs, successors and assigns, provided that the personal obligation of each Owner for delinquent Assessments will not pass to the Owner's successors in title unless expressly assumed by them.

**Section 5.6. Exemption of Certain Parts of the Development from Assessments.** The following real property subject to this Declaration will, unless used as a Residence, be exempt from the Assessments: (a) Any portion of the Development dedicated and accepted by a local public authority; (b) The Common Elements and Common Facilities; and (c) Any Lot owned by the Association.

**Section 5.7. Notice and Procedure for Member Approval.** If Member approval is required in connection with any increase or imposition of Assessments pursuant to Sections 5.2, or 5.3, approval of the requisite percentage of the Members must be solicited either by written ballot conducted in accordance with Section 4.6 of the Bylaws, by solicitation of written consents, or at a meeting of the Members called for that purpose, duly noticed in accordance with Section 5.4 of the Bylaws. The quorum required for such membership action will be the percentage required by the Bylaws.

**Section 5.8. Maintenance of Assessment Funds.**

**(a) Bank Accounts.** All sums received or collected by the Association from Assessments, together with any interest or other charges thereon, must be promptly deposited in insured checking, savings or money market accounts in a bank, savings and loan association or other financial institution selected by the Board that:

- (i) (a) is located in Nevada;
- (b) is qualified to conduct business in Nevada; or
- (c) has consented to be subject to the jurisdiction, including the power to subpoena, of the courts of Nevada and the Nevada Division of Real Estate; and

- (ii)(a) is insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or the Securities Investor Protection Corporation;
- (b) with a private insurer approved pursuant to NRS 678.755; or
- (c) in a government security backed by the full faith and credit of the Government of the United States.

The accounts will be clearly designated as either an "operating" or "reserve" account.

The Association must establish and maintain cash deposit accounts into which will be deposited all Assessments. Disbursements from such account will be for the general operation of the Association including, but not limited to, wages, repairs, betterments, maintenance, and other operating expenses of the Development. The Association will maintain other accounts necessary to carry out its purposes, including (at minimum) a reserve account for replacement of components as set forth in this Article 5. In addition, the Board will be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board, and such officers or agents of the Association as the Board may designate, will have exclusive control of the accounts and investments and will be responsible to the Owners for the maintenance at all times of accurate records thereof. To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. Any interest received on such deposits will be credited proportionately to the balances of the various Assessment fund accounts maintained on the books of the Association as provided in subsection (b), below.

**(b) Separate Accounts & Commingling of Funds.** Except as provided below, the proceeds of each Assessment will be used only for the purpose for which such Assessment was made, and such funds will be received and held in trust by the Association for such purpose. Notwithstanding the foregoing, the Board, in its discretion, may make appropriate adjustments among the various line items in the Board's approved general operating budget if the Board determines that it is prudent and in the best interest of the Association and its Members to make such adjustments. If the proceeds of any Special Assessment exceed the amount required to accomplish the purpose for which such Assessment was levied or if the project for which the Assessment was made is otherwise completed and excess funds are remaining or, in the opinion of the Board, is determined as not being capable of being completed within a reasonable time after the funds for the project were raised, such surplus or previously raised funds may, in the Board's discretion, be returned proportionately to the contributors thereof, reallocated among the Association's reserve accounts if any such account is, in the Board's opinion, underfunded or credited proportionately on account of the Owners' future Regular Assessment obligations.

For purposes of accounting, but without requiring any physical segregation of assets, the Association must maintain a separate accounting of all funds received by it in payment of each Assessment and of all disbursements made therefrom, provided that receipts and disbursements of Special Assessments made pursuant to Section 5.3 will be accounted for together with the receipts and disbursements of Regular Assessments.

Unless the Association is exempt from federal taxes, all sums allocated to capital replacement funds will be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or

regulations of the Internal Revenue Service that will prevent such funds from being taxed as income of the Association.

**(c) Checks.** All checks (or other demands for payments of Association money) and/or notes of the Association must be signed by the President or by such other Directors and/or officers or such other person or persons as the Board may from time to time designate. Notwithstanding the foregoing, any withdrawal of funds from Association reserve accounts will require the signatures of two (2) Directors or an Officer (who is not a Director) and a Director.

#### **Section 5.9. Collection of Assessments; Enforcement of the Lien.**

**(a) Delinquent Assessments.** If any payment of a Regular Assessment, Special Assessment, or Special Individual Assessment assessed to any Owner is not received by the Association or its designated agent within thirty (30) days after the same becomes due, such payment will be delinquent and the amount thereof may, at the Board's election, bear interest at the maximum rate allowed by law beginning thirty (30) days after the due date until the same is paid, and be subject to a late charge not in excess of twenty-five percent (25%) for any delinquent Assessments.

#### **(b) Effect of Nonpayment of Assessments.**

**(i) Remedies Available to the Association to Collect Assessments.** In the event of default in payment of any Assessment, the Association may commence any procedure for collection. In addition to any other remedies herein or by law provided, the Association may enforce each such obligation by doing both or either of the following: initiating a legal action against the Owner personally obligated to pay the delinquent Assessment and/or foreclosing the Lien against the subject Lot (or accepting a deed in lieu of foreclosure). The Association may proceed by judicial or nonjudicial foreclosure.

**(ii) Nonjudicial Foreclosure.** Each of the Owners does, by acceptance of a deed to a Lot, gives the Association the power to appoint a trustee and attorney in fact by special power of attorney to enforce and to foreclose the Lien by private power of sale and further grants to the Association the authority and power to sell the subject Lot of such defaulting Owner, or any part thereof to satisfy the Lien, for lawful money of the United States to the highest bidder. The Association may assign its right and obligation as trustee in any nonjudicial foreclosure proceedings to the same extent as a trustee designated under a deed of trust and the Association will be deemed to be the sole beneficiary of the delinquent Assessment obligation. Furthermore, in lieu of an assignment of trusteeship, the Association may employ the services of a title insurance company or other responsible company authorized to serve as a trustee in nonjudicial foreclosure proceedings to act as an agent on behalf of the Association in commencing and prosecuting any nonjudicial foreclosure hereunder. So long as the law so provides, the Association may not foreclose a Lien based on a fine for violation of the Governing Documents unless the violation threatens the health, safety, or welfare of the Residents of the Development.

**(iii) Judicial Foreclosure.** In the event that judicial foreclosure is pursued, the Association will be entitled to reimbursement of its reasonable costs, including attorneys' fees, in addition to foreclosure on the subject property.

**(iv) Actions for Money Judgment.** In the event of a default in payment of any Assessment, the Association, in its name but acting for and on behalf of all other Owners, may initiate legal

action, in addition to any other remedy provided herein or by law, to recover a money judgment or judgments for unpaid Assessments, costs and attorneys' fees without foreclosure or waiver of Assessments.

**Section 5.10. Transfer of Lot by Sale or Foreclosure.** The following will govern the Association's rights to enforce its Assessment collection remedies following the sale or foreclosure of a Lot.

(a) Except as provided in subsection (b), below, the sale or transfer of any Lot will not affect the requirement and obligation with respect to the Lot of the payment of Assessments that accrue before the sale or transfer, and the Association can continue to foreclose the Lien in spite of the change in ownership.

(b) No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, will relieve the new Owner of that Lot (whether it be the former beneficiary of the First Mortgage or other prior encumbrance, or a third party acquiring an interest in the Lot) from liability for any assessments thereafter becoming due.

(c) No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, will affect the Association's right to maintain an action against the foreclosed previous Owner of the Lot to collect the delinquent assessments, late charges, interest, and associated costs of collection incurred by that prior Owner prior to the sale or transfer.

**Section 5.11. Priorities.** Assessments are prior to all other liens and encumbrances on a Lot except: (a) liens and encumbrances recorded before the recordation of the Declaration and liens and encumbrances which the Association creates, assumes or takes subject to; (b) A first security interest on the Lot recorded before the date on which the assessment sought to be enforced became delinquent, except that Assessments are prior to all such first security interests to the extent of the amount of Regular Assessments which would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to enforce the Lien; and (c) liens for real estate taxes and other governmental assessments or charges against the Lot. This section does not affect the priority of mechanics' or material men's liens, or the priority of other Assessments made by the Association.

**Section 5.12. Estoppel Certificate.** A certificate executed by the Association setting forth the amount of any due and unpaid assessments with respect to a Lot (or the fact that all Assessments due are paid, if such is the case) will be conclusive against the Association, and/or the Owners in favor of any and all persons who rely thereon in good faith. Any Owner will be entitled to such a certificate within ten (10) days after demand therefore and upon payment of a reasonable fee.

**Section 5.13. Unallocated Taxes.** In the event that any taxes are assessed against the Common Elements or the personal property of the Association, rather than being assessed to the Lots, such taxes may be included in the Regular Assessments and, if necessary, a Special Assessment may be levied against the Lots in an amount equal to such taxes to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

**Section 5.14. Assignment of Rents.** Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupation of any or all parts of any Lot owned by the Owner, now existing or hereafter made for the purpose of collecting all Assessments due the Association pursuant to this Declaration which are in default. The Association hereby confers on each

Owner the authority to collect and retain the rents and other monies derived from any such lease or agreement as they become due and payable. Upon Owner's default, the Association after providing written notice to the defaulting Owner may, in its discretion, revoke the authority allowing the defaulting Owner to collect and retain rents and other monies.

Upon revocation of such authority the Association may, pursuant to court order or by court appointed receiver, collect and retain such monies, whether past due and unpaid or current. The Association's rights under this Section 5.14 will be subordinate to the rights of any First Mortgagee.

**Section 5.15. Waiver of Exemptions.** Each Owner, to the extent permitted by law, waives, to the extent of the Lien, the benefit of any homestead or exemption law of Nevada in effect at the time any Assessment or installment thereof becomes delinquent.

## **ARTICLE 6: MAINTENANCE RESPONSIBILITIES.**

### **Section 6.1. Association Maintenance Responsibility.**

**(a) Common Elements.** Except as is provided in Section 6.2(a), the Association is solely responsible for all maintenance, repair, and replacement within the Common Elements, including all Improvements, facilities, buildings, streets, parking areas, driveways, landscaping, fences, gates, walkways, paths, pathway lights, sidewalks, signs, maintenance facilities, irrigation facilities, utility facilities (excluding those utility facilities maintained by utility companies or agencies), but excluding those areas and components that the Cottage & Townhome Association maintains. The Association shall perform the following within the Common Elements:

(i) Maintain any road Improvement, landscaping, surface, street lights, upon any area used as a road, street, walk, or parking area;

(ii) Keep the roadways, including Property Common Areas, parkways, and pathways reasonably free from snow and ice, to the extent weather and other conditions permit;

(iii) Remove injured or diseased trees or other vegetation, and plant trees, shrubs, and ground cover to the extent the Board deems necessary for the conservation of water and soil and/or for aesthetic purposes;

(iv) Place and maintain any signs as the Board deems appropriate for the proper identification, use, and regulation thereof; and

(v) Maintain at its expense in a clean and orderly manner and in a good state of repair all Common Elements and all Improvements located thereon.

The Association may perform maintenance, repair, and replacement within Parcel II Common Area, General Forest Area, and Recreational Common Area. Such maintenance, repair, and replacement may include piers, buoys, landscaping, snow removal, beach cleaning, and fire prevention measures. With approval of a majority of the Owners, the Association may construct Improvements in such areas whether or not the Association owns such areas, and may impose Special Assessments in accordance with Article 5 herein with respect to such matters.



No one may use any material for the removal of snow or ice from streets which may cause damage to any landscaping on Common Elements or on Lots.

The Association shall periodically review the condition of the forests and meadows located on the Common Area with the primary intent of mitigating potential fire risk to the Development. The Association shall conduct such reviews as often as necessary but at least every ten (10) years. The Association shall engage a qualified consultant to conduct the reviews. The Association shall adhere to its best efforts to implement and maintain the condition of the forests and meadows located on the Common Area in safe conditions, with the primary objective of reasonably mitigating fire risk.

Only the Association may construct, reconstruct, refinish, alter or maintain any Improvement upon, or will create any excavation or fill or change the natural or existing drainage of any portion of the Common Elements. No person may remove or install any landscaping upon the Common Elements without the Association's express written approval.

The Cottage & Townhome Association, rather than the Community Association, is responsible to maintain, repair, and replace the Cottage Common Elements as defined and set forth in the Cottage Declaration.

**(b) Lots.** Pursuant to Sections 4.3(b) and 5.4(a)(iii), above, and subject to the Cottage Declaration, the Association may, when necessary, enter any Lot to make necessary repairs that an Owner has failed to perform under Section 6.2, below, and/or perform work because a Lot or any part thereof has become a nuisance, fire or safety hazard and then recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner and their Lot.

## **Section 6.2. Owner Maintenance Responsibilities.**

**(a) Common Elements.** Each Owner is solely responsible and liable for the costs incurred in order to repair or replace any portion of the Common Elements that is due to or caused by the willful or negligent act/omission of an Owner, unless such repair or replacement is covered by insurance carried by the Association. If the repair or replacement is covered by insurance carried by the Association, then the Association is only responsible to the extent of such insurance coverage, and the Owner whose willful or negligent act/omission caused the repair or replacement is responsible to pay the insurance deductible and the amount in excess of insurance coverage.

**(b) Lots.** Except as provided in the Cottage Declaration or by governmental regulation, each Owner of a Lot is responsible to maintain and repair all Improvements, all landscaping, and the Residence located on the Lot as follows: Owners must maintain, repair, and replace their Lots in a clean and orderly manner, in good condition and state of repair, and adequately painted and finished, at the Owner's sole cost and expense. No building, Improvement or structure on a Lot is permitted to fall into disrepair. Prior written consent from the Design Review Committee is necessary in order to change the exterior color or appearance of a Residence. No Owner may do anything which impairs the structural soundness or safety of any Improvement located on a Lot. Each Owner must keep their Lot free from trash, weeds, and other unsightly material. Each Owner must remove any tree on their Lot that dies. No Owner may remove, alter, or injure any tree or shrub installed by the Association or which is in excess of six (6) inches in diameter without the prior written approval of the Design Review Committee.

### **Section 6.3. Recovery of Costs of Certain Repairs and Maintenance.**

(a) In the event that the need for maintenance or repair, which would otherwise be the Association's responsibility hereunder is caused through the willful or negligent acts or omissions of an Owner and is not covered or paid for by Association insurance policies or any liability insurance maintained by the responsible Owner, the cost of such maintenance or repairs will be subject to recovery by the Association through the imposition of a Special Individual Assessment against the offending Owner in accordance with Section 5.4 and the procedural requirements of Section 15.6.

(b) In the event that an Owner fails to perform any maintenance, repairs, or replacement for which the Owner is responsible, the Association may give written notice to the offending Owner with a request to correct the failure within thirty (30) days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance within the allotted time, the Association may exercise its rights under Sections 4.3(b) and 5.4(a)(iii) to enter the Owner's Lot and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing in accordance with Section 15.6, hereof.

**Section 6.4. Cooperative Maintenance Obligations.** To the extent necessary or desirable to accomplish the maintenance obligations hereunder, individual Owners and the Association will cooperate in the performance of maintenance work.

**Section 6.5. Capital Improvements.** Upon the approval by the Owners as set forth in this section, the Association may construct, install, or acquire capital improvements on or to the Common Area. As used herein, "capital improvements" means new capital assets and does not mean the replacement of an existing improvement (i.e., improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities), and no approval is required to replace an existing capital improvement or to make an expenditure from any capital replacement reserve.

If during the fiscal year aggregate expenditures for capital improvements not otherwise approved by vote of the Owners exceed fifty thousand dollars (\$50,000.00), the Association will present the proposed capital improvements and the estimated total cost thereof to all Owners for approval. The necessary approval is fifty percent of the Owners plus one Owner (50% plus 1). Upon approval by the Owners, a Special Assessment for Capital Improvement may be levied as provided in Section 5.3.

The fifty thousand dollar (\$50,000.00) amount set forth above shall be adjusted over time by multiplying the fifty thousand dollar (\$50,000.00) amount by a fraction, which fraction shall have (i) as its numerator the Annual Average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised) (All Items), for the San Francisco/Oakland/San Jose area (Base Period 1982-1984=100) (the "Consumer Price Index"), as published by the U.S. Department of Labor, for the year in which the expenditure is intended to be made, and (ii) as its denominator the Consumer Price Index for the year in which this Declaration was filed with the County Recorder.

## **ARTICLE 7: EASEMENTS & RESERVATIONS.**

**Section 7.1. Encroachment Easements.** If any portion of the Common Elements encroaches on any Lot or if any portion of a Lot encroaches on the Common Elements, regardless of the cause, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Lots and the Common Elements are made subject to such easements. If the dimensions or location of a Lot or other

Improvement differs from that shown and depicted on the Maps, the actual dimensions and location will prevail over that shown and depicted on the Maps for any and all purposes.

If any structure containing a Lot is partially or totally destroyed and then rebuilt and any encroachment on the Common Elements results, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Lots and the Common Elements are made subject to such easements.

In no event will a valid easement for encroachment be created in favor of an Owner, if the encroachment occurred due to the willful conduct of the Owner. However, the Board may grant reasonable variances to allow insignificant encroachments.

**Section 7.2. Blanket Utility Easement.** There is hereby created a blanket easement upon, across, over and under all of the Development for ingress, egress, installation, replacing, repairing, operating and maintaining all utilities, including but not limited to water, sewer, storm water drains and pipes, sprinkling systems, heating and gas lines or pipes, gas, telephones, drainage, electricity, cable television systems, and similar public or quasi-public Improvements or facilities.

By virtue of this easement, it will be expressly permissible for a providing utility company and/or service provider to erect and maintain the necessary equipment and underground facilities on the Common Elements. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated except as initially designed and approved by the Declarant or thereafter approved by the Association, whereby the Association's approval may not be unreasonably withheld. The easements provided for in this Section 7.2 will in no way affect any other recorded easement on the Development.

**Section 7.3. Maintenance Easements.** An easement is hereby granted to the Association, its officers, agents, employees, and to any management company or contractor selected by the Association to enter in or to cross over the Common Elements, and any Lot, to perform the duties of maintenance and repair of the Lots, Common Elements and/or Common Facilities provided that any entry by any Member, the Association or its agents into any Lot may only be undertaken in strict compliance with Section 4.3(b).

**Section 7.4. Other Easements.** Each Lot and its Owner, and the Association as to the Common Elements, are hereby declared to be subject to all the easements, dedications and rights of way granted or reserved in, on, over and under the Development and each Lot, Common Elements, and other properties as shown on the Maps, including but not limited to driveways now or hereafter located upon the Common Elements for ingress, egress and utility purposes.

An easement is reserved to the Association in order for it to perform the duties or exercise the rights set forth in the Governing Documents.

Any enforcement action by the Association regarding easements is deemed to be an enforcement of this Declaration so that approval of the Owners is not necessary to comply with any legal requirement, including NRS 116.31088, or any superseding statute, that the Association obtains the Owners' approval in order to take such an action.

## **ARTICLE 8: DESIGN REVIEW OF IMPROVEMENTS.**

**Section 8.1. Improvements Generally & Approval by Design Review Committee.** No Improvement of any kind may be commenced, constructed, or made within the Development, nor may any addition to or alteration be made in or to the exterior of any Lot or Residence or which would affect the common utility services or installations until plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same have been submitted to and approved in writing by the Design Review Committee as to quality of workmanship and materials, harmony of external design and location in relation to surrounding structures, setback lines, topography, finish grade elevations, and similar characteristics.

**Section 8.2. Appointment of Design Review Committee and Terms of Office.** There shall be a Design Review Committee which shall consist of three (3) members. There may be two (2) alternate members to act as substitutes on the Design Review Committee in the event of absence or disability of any member. Only Owners may be Design Review Committee members and alternates. Members serve for staggered terms of three (3) years so that one (1) member is appointed each year. The alternate members serve for terms of three (3) years. The Board must appoint the Design Review Committee members. If the Board fails to appoint the members of the Design Review Committee, the Board shall perform the duties of the Design Review Committee until its members are otherwise appointed.

**Section 8.3. Duties of Design Review Committee.** The Design Review Committee has the following duties:

(a) **Consider and act upon the proposals and plans submitted to it pursuant to this Declaration.** Upon its own initiative or upon the written request of the Design Review Committee or any Owner, the Board may review (and affirm or alter) any decision of the Design Review Committee, provided that any such request is presented to the Board within thirty (30) days after submission of the Design Review Committee's decision to the Board and submitting Owner; and

(b) **Meet as necessary in order to properly perform its duties.** The vote or written consent of any two (2) Design Review Committee members shall constitute an act by the Design Review Committee unless a unanimous decision by its members is otherwise required by this Declaration or the Design Review Committee Rules. The Association may reimburse Design Review Committee members for reasonable expenses incurred by them in the performance of their duties on the Design Review Committee.

**Section 8.4. Design Review Committee Rules.** The Design Review Committee may from time to time amend and repeal Design Review Committee Rules. The Design Review Committee Rules may interpret and implement the provisions of this Declaration by setting forth the standards and procedures for the review and approval of proposed Improvements and guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Development, provided that the Design Review Committee Rules shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Design Review Committee Rules and this Declaration, the Declaration will prevail.

The Design Review Committee Rules in existence as of the date of the filing of this Declaration with the Douglas County Recorder shall remain in effect until otherwise amended or terminated.

In order for any amendments or repeal of the Design Review Committee Rules to be valid, the Design Review Committee must submit them in writing to the Board and obtain the Board's written approval of the amendments or repeal. If the Board fails to send to the Design Review Committee its approval of any submitted amendments or repeal within ninety (90) after the Design Review Committee had submitted them to the Board, then they are deemed disapproved.

So long as the Cottage Declaration exists, any deviation from, exception to, or amendment of the Design Review Committee Rules which relates to property within the Cottage Lots as defined in the Cottage Declaration shall not be effective or binding unless or until such matters are also approved by a majority of the Board of Directors of the Cottage & Townhome Association.

**Section 8.5. Minimum Standards and Restrictions for any Construction.** The following minimum standards and restrictions shall apply to any Improvements made by Owners to their Lots:

(a) No more than one (1) Residence shall be constructed on any Lot. However, if the size of the Lot permits, a single detached guest house for guests or domestic employees shall be considered as part of the Residence;

(b) All Improvements shall be constructed in full compliance with all applicable zoning laws, building codes and other laws, ordinances, and regulations applicable to the construction, use and occupancy of Improvements;

(c) Each Lot shall provide for the parking of at least two (2) vehicles which are each at least eighteen (18) feet long by the means of one or more of the following: a garage attached or detached from the main structure of the Residence or an exterior parking area, and meets other requirements imposed by the Design Review Committee; and

(d) The placement of the Improvements on a Lot, the type of roofs, exterior materials, and building shapes shall be established in such a manner as may be determined reasonable by the Design Review Committee.

**Section 8.6. Basis for Approval of Improvements.** The Design Review Committee shall grant the requested approval only if it finds that all of the following provisions have been satisfied:

(a) The Owner has complied with this Declaration and the Design Review Committee Rules;

(b) The Owner's plans and specifications (i) conform to this Declaration and to the Design Review Committee Rules, in effect at the time such plans are submitted to the Design Review Committee; and (ii) will not interfere with the reasonable enjoyment of any other Owner of their property;

(c) The proposed Improvement(s), if approved, will otherwise be consistent with the architectural, landscape and aesthetic standards prevailing within the Development, in harmony with the external structures and/or landscaping within the Development and are consistent with the overall plan and scheme of development and the purposes of this Declaration.

The Design Review Committee may determine that a proposed Improvement or component thereof is unacceptable when proposed on a particular Lot, even if the same or a similar improvement or component has previously been approved for use at another location within the Development if factors such as drainage,



topography or visibility from roads, Common Elements or other Lots or prior adverse experience with the product or components used in construction of the Improvement, design of the Improvement, or its use at other locations within the Development mitigate against erection of the Improvement or use of a particular component thereof on the Lot involved in the Owner's submittal.

It is expressly agreed that the Design Review Committee will be entitled to make subjective judgments and to consider the aesthetics of a proposal when considering an Owner's request so long as the Design Review Committee acts reasonably and in good faith.

In approving a request for construction of an Improvement, the Design Review Committee may condition approval upon the adoption of modifications in the plans and specifications or observance of restrictions as to location, noise abatement, color or materials modifications or similar mitigating conditions.

If an Owner receives an unfavorable decision from the Design Review Committee, the Owner may appeal the Design Review Committee's decision to the Board, as provided in Section 8.12 herein.

**Section 8.7. Form of Approval.** All approvals given by the Design Review Committee shall be in writing; provided, however, that any request for approval which has not been approved within forty-five (45) days from the date of submission thereof to the Design Review Committee shall be deemed disapproved. Under such circumstances, a written request may be resubmitted by the affected Owner. If the Design Review Committee fails to approve or disapprove such resubmitted application within forty (40) days of its resubmittal, the request will be deemed approved.

The Design Review Committee may condition approvals upon the deposit by the Owner of a performance bond, cash deposit, or other undertaking to assure completion of the approved Improvements in accordance with the terms of the approval once construction thereof is commenced, and payment of reasonable costs incurred by the Design Review Committee in having the Owner's application reviewed, including costs of an independent contractor or consultant hired by the Design Review Committee to consult with it regarding the Owner's application and related plans.

**Section 8.8. Application for Preliminary Approval.** Any Owner proposing to perform any work that requires the prior approval of the Design Review Committee may apply to the Design Review Committee for preliminary approval by submission of preliminary drawings of the proposed improvements in accordance with the Design Review Committee Rules. The purpose of the preliminary approval procedure is to allow an Owner proposing to make substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Applications for preliminary approval shall be considered and disposed of as follows:

(a) Within forty-five (45) days after proper application for preliminary approval, the Design Review Committee shall use its best efforts to act upon such request. The Design Review Committee shall grant the approval only if the proposed Improvement, to the extent its nature and characteristics are shown by the application, would be entitled to a final approval on the basis of a full and complete application. Failure of the Design Review Committee to act within said forty-five (45) day period shall constitute an disapproval. Under such circumstances, the written request may be resubmitted by the affected Owner. The Design Review Committee may give the applicant such directions concerning the form and substance of the final application for approval as it may deem proper or desirable for the guidance of the applicant.

(b) Any preliminary approval granted by the Design Review Committee shall be effective for a period of one-hundred-twenty (120) days from the date of the issuance thereof. During said period, an application for final approval of plans for proposed improvements in accordance with the provisions of the preliminary approval and which is otherwise acceptable under the terms of the Governing Documents shall be approved by the Design Review Committee.

(c) In no event shall any preliminary approval be deemed to be an approval authorizing construction of the subject Improvements.

**Section 8.9. Application for Final Approval.** Whether or not preliminary approval was applied for or granted, any Owner proposing to perform any work that requires the prior approval of the Design Review Committee shall apply to the committee for approval by notifying the Design Review Committee of the nature of the proposed work with such information as the Committee may require, including but not limited to: (1) a plot plan of the Lot showing the location of all existing and proposed improvements; (2) floor plans; (3) elevation drawings; (4) a description of exterior materials and colors and (5) the Owner's proposed construction schedule. If deemed necessary by the Design Review Committee, the plot plan, floor plan and elevation drawings shall be prepared by an Architect and shall be submitted in a form reasonably satisfactory to the Design Review Committee. The Design Review Committee may require that the application for approval in connection with any Improvement to be constructed be accompanied by an inspection fee. No building permit shall be implemented by an Owner without obtaining the prior final approval of the Design Review Committee as described herein.

**Section 8.10. Non-Waiver.** Any approval by the Design Review Committee of any plans, drawings or specifications for any work done or proposed or for any other matter requiring the approval of the Board under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

**Section 8.11. Variances.** The Design Review Committee or the Board may allow reasonable variances with respect to this Article 8 or any restrictions in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided that the following conditions are met:

(a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise apply under this Declaration, the Design Review Committee or the Board must conduct a hearing on the proposed variance after giving at least forty-five (45) days prior written notice to all Owners of Lots within three hundred (300) feet of the Lot for which the variance applies. The Owners receiving notice of the proposed variance will have thirty (30) days in which to submit to the Board written comments or objections with respect to the variance. No decision will be made with respect to the proposed variance until the thirty (30) day comment period has expired.

(b) The Design Review Committee or the Board, as the case may be, must make a good faith determination that (i) the requested variance does not constitute a substantial deviation from the overall plan and scheme of development within the Development or from any restriction contained herein or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not detrimentally effect, or create an unreasonable nuisance, with respect to any other Lot, Common Elements or Owner within the Development.

(c) If the variance concerns property within the Cottage Lots as defined in the Cottage Declaration, then the Board of Directors of the Glenbrook Cottage & Townhome Association must approve the variance.

(d) The grant of a variance to an Owner of a Lot does not create any rights in the Owner of any other Lot, and does not constitute a waiver of any rights or authority of the Association to enforce its requirements against other Owners.

**Section 8.12. Appeal of Design Review Committee Decisions to the Board.** Any Owner or any member of the Board may appeal any determination, action, or omission of the Design Review Committee to the Board. In order for an Owner to appeal such a determination, action, or omission, the Owner must, within thirty (30) days of the determination, action, or omission by the Design Review Committee, deliver to the Association a written notice of appeal setting forth a detailed statement of the grounds for such appeal. The Board's decision, by a majority of the Board Members, will be final and binding.

**Section 8.13. Compliance with Governmental Requirements.** The application to the Association and the review and approval of any proposal, plans or other submittals shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements. The Owner bears sole responsibility for obtaining all necessary governmental permits/authorizations and/or complying with all governmental requirements including specifically applicable building codes.

**Section 8.14. Commencement.** Upon receipt of approval pursuant to this Article 8, the Owner must, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction pursuant to the approval. Commencement must occur within one (1) year from the date of the approval or lesser time as reasonably determined by the Design Review Committee.

If the Owner fails to comply with this section, any approval previously given shall expire unless the Design Review Committee, upon written request of the Owner made prior to the expiration of the commencement period, extends the time for the commencement.

**Section 8.15. Completion.** Unless otherwise permitted by the Design Review Committee, the Owner must complete the construction, reconstruction, refinishing or alteration of any such improvement within two (2) years after commencing construction thereof, except and for as long as such completion is rendered impossible due to fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his agents. If an Owner fails to comply with this Section 8.15, and does not apply for and obtain an extension of time from the Design Review Committee, the Board may proceed in accordance with the provisions of Sections 8.16 and 8.17, below, as though the failure to complete the improvements was a non-compliance with approved plans.

**Section 8.16. Inspection.** Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any construction of an Improvement, the Owner must deliver written notice thereof to the Association.

(b) Within sixty (60) days thereafter, the Design Review Committee, or its duly authorized representative, may (but shall not be obligated to) inspect such improvement to determine whether it was

constructed, reconstructed, altered or refinished to substantial compliance with the approved plans. If the Design Review Committee finds that such construction was not done in substantial compliance with the approved plans, it will notify the Owner in writing of such non-compliance specifying the particulars of noncompliance and will require the Owner to remedy such noncompliance.

(c) If the Owner fails to remedy such noncompliance upon the expiration of sixty (60) days from the date of such notification, the Board will then set a date on which a hearing before the Board will be held regarding the alleged noncompliance.

The hearing date will be not more than sixty (60) nor less than ten (10) days after the Board determines the existence of the noncompliance. Notice of the hearing date will be given to the Owner and, in the discretion of the Board, to any other party, including the Design Review Committee, at least ten (10) days in advance of the hearing.

(d) At the hearing, the Owner and, in the Board's discretion, any other person, including the Design Review Committee, may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board will determine whether there is a noncompliance, and, if so, the nature thereof.

If noncompliance exists, the Board may require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance. All expenses incurred in connection therewith will be assessed against the Owner as a Special Individual Assessment.

(e) If the Board fails to notify an Owner of any noncompliance within sixty (60) days after receipt of the notice of completion, the improvement shall be deemed to be in accordance with approved plans.

(f) The grant of a variance to an Owner of a Lot does not create any rights in the Owner of any other Lot, and does not constitute a waiver of any rights or authority of the Association to enforce its requirements against other Owners.

**Section 8.17. Enforcement.** If it comes to the attention of the Association that a work of Improvement is proceeding without proper approval and/or in noncompliance with approved plans (and without the Owner notifying the Board of completion), the Association will be entitled to exercise enforcement remedies specified in Article 15, including, without limitation, ordering an immediate cessation and abatement of all aspects of the work of Improvement until such time as proper Board review and approval is obtained.

**Section 8.18. Estoppel Certificate.** Within thirty (30) days after written demand is delivered to the Board by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board or its authorized representative shall execute an estoppel certificate, certifying (with respect to any Lot owned by the applicant Owner) that as of the date thereof, either (i) all Improvements made and other work completed by said Owner with respect to the Lot comply with this Declaration; or (ii) that such Improvements or work do not so comply, in which event the certificate will also identify the noncomplying Improvements or work and set forth with particularity the bases of such noncompliance. Any purchaser from the Owner, or anyone deriving any interest in said Lot through the



Owner, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, all Owners and any persons deriving any interest through them.

**Section 8.19. Liability.** Neither the Design Review Committee nor any Member thereof or any Director will be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (c) the development of any property within the Development; and/or (d) the execution and filing of an estoppel certificate pursuant to Section 8.20, whether or not the facts therein are correct; provided, however, that the Board or such member has acted in good faith on the basis of such information as may be possessed by it or them. Without in any way limiting the generality of the foregoing, the Design Review Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications or any other proposal submitted to the Design Review Committee.

## **ARTICLE 9: INSURANCE.**

**Section 9.1. Types of Insurance Coverage.** The Association must purchase, obtain, and maintain, with the premiums therefor being paid out of Association funds, the following types of insurance with the coverages described below to the extent that they are available:

**(a) Fire and Casualty Insurance.** The Association shall obtain and maintain a master or blanket policy of fire and casualty insurance, written on an all risk, replacement cost basis, on all real property and Improvements within the Common Elements. The insurance must be kept in full force and effect and the full replacement value of the insured property must be redetermined on an annual basis.

Depending on the nature of the insured property and the requirements, if any, imposed by institutional Mortgagees having an interest in such property, the policies maintained by the Association pursuant to this section must contain (1) an agreed amount endorsement or its equivalent, (2) replacement cost, (3) an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or the equivalent.

The policies required hereunder will provide amounts of coverage as may be determined by the Board and, if practical, will be in amounts necessary to provide for full replacement (one hundred percent (100%) of current replacement cost, including amounts to be in compliance with the Douglas County building codes at the time of the repairs or replacement.) The Board will have the power and authority to have an insurance appraisal and/or yearly insurance appraisal updates performed to aid the Board in determining the amounts of coverage needed.

**(b) Public Liability & Property Damage Insurance.** The Association must obtain and maintain a policy of comprehensive public liability and property damage insurance naming as parties insured the Association, each Director, the members of the Design Review Committee, any manager, the Owners of Lots (as a class), and such other persons as the Board may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Elements and any other Association owned or maintained real or personal property including, if obtainable, a cross liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance will not be less than three million dollars (\$3,000,000.00) for claims for death,



personal injury and property damage arising out of a single occurrence. The insurance must include coverage against water damage liability, liability for non-owned and hired vehicles, liability for property of others, and any other liability customarily covered with respect to similar developments.

**(c) Directors & Officers Insurance.** The Association must obtain and maintain a policy of directors' and officers' errors & omissions insurance naming the Association's directors and officers, and Design Review Committee members and any Members of any committee of the Association as insured parties. The limits of such insurance will not be less than one million dollars (\$1,000,000.00). If obtained, directors' and officers' errors & omissions insurance must insure against claims arising out of or based upon negligent acts, errors, omissions, or alleged breaches of duty of any Director or officer, while acting in their capacity as such.

**(d) Personal Property Insurance.** The Board must purchase and maintain such insurance on personal property owned by the Association and any other insurance, including directors and officers liability insurance, that it deems necessary or desirable, or that is required by any institutional First Mortgagee, subject to Section 9.3.

**(e) Fidelity Insurance.** The Association may purchase blanket fidelity insurance for such employees, agents, independent contractors, or other persons who either handle, or are responsible for, funds held or administered by the Association, whether or not such persons receive compensation for their services.

**Section 9.2. Owners Right to Copies of Policies & Notice of Significant Changes in Coverage.** Copies of all insurance policies (or certificates thereof showing the premiums thereon have been paid) will be retained by the Association and will be available for inspection by Owners at any reasonable time.

**Section 9.3. First Mortgagees' Minimum Coverage Requirements & Right to Obtain Copies of Policies.** A First Mortgagee for a Lot may supply the Association with its minimum insurance requirements. If the Association's insurance policies do not currently meet the minimum requirements of those First Mortgagees who have provided a minimum requirements to the Association, the First Mortgagees can request that the Association increase its coverage to match those minimum insurance requirements. The requesting First Mortgagees must pay any increase in the Association's insurance premiums due to the request. All First Mortgagees for any Lot in the Development have the right, upon written request, to obtain copies of current insurance policies and/or satisfactory evidence of the Association's payment of premiums.

**Section 9.4. Coverage Not Available.** If any insurance policy, or any endorsement thereof, required by Section 9.1 is for any reason not available, then the Association will obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Board will notify the Owners of any material adverse changes in the Association's insurance coverage.

**Section 9.5. Adjustment of Losses.** The Board is appointed attorney in fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 9.1. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

### **Section 9.6. Owner's Liability Insurance.**

Each Owner may carry whatever personal liability and property liability insurance with respect to their Lot that they desire.

### **Section 9.7. Deductibles/Costs in Excess of Insurance Proceeds.**

(a) An Owner responsible for causing an insurable loss will be obligated to contribute the Owner's proportional share of the insurance deductible, and/or costs in excess of insurance proceeds if any, corresponding to the insurance covering the loss. The proportional share (as determined by the Board) of each Owner responsible for causing the insurable loss under this subsection will be based upon the ratio that the responsibility of each Owner responsible for causing the insurable loss bears to the total responsibility of the total of Owners responsible for causing the insurable loss.

(b) If, within thirty (30) days of notice by the Association to an Owner regarding that Owner's proportionate share under subsection (a) of Section 9.10, any Owner fails or refuses to pay his proportionate share, the Association may, in accordance with Section 15.6, levy a Special Individual Assessment against the Lot of such Owner which may be enforced in any manner provided in this Declaration.

(c) Within fifteen (15) days of the date that the notice to the Owner of his share of the liability is mailed, any Owner may contest the amount of his proportionate liability under subsection (a) of Section 9.10 by submitting to the Association written objections supported by cost estimates or other information that the Owner deems to be material. Upon receipt of said written objections, the Board will set a hearing date on the matter. Following such hearing, the Board will give written notice of its decision to all affected Owners, including any recommendation that adjustments be made with respect to the liability of any Owner(s). The Board's decision will be final and binding.

## **ARTICLE 10: DAMAGE OR DESTRUCTION OF COMMON ELEMENTS.**

**Section 10.1. General Provisions.** In the event of damage to or destruction of the Common Elements and/or Common Facilities, the Association shall promptly repair and/or replace any damaged or destroyed Common Elements and/or Common Facilities. The Association shall utilize any available insurance proceeds to accomplish the repair and/or replacement. If the insurance proceeds are insufficient to cover the costs for the repair and/or replacement, then the Association may levy a Special Assessment to cover the insufficiency. If the cost of the repair and/or replacement exceeds the available insurance by more than seventy-five thousand dollars (\$75,000.00), then the Association shall prepare a report ("alternative repair/replacement plan") which shows the extent of repair and replacement which is reasonably possible solely utilizing the available insurance proceeds and seventy-five thousand dollars (\$75,000.00). As soon as possible, but no later than one-hundred-and-twenty (120) days after the damage or destruction, the Association shall send a report which describes the costs to fully repair and replace the Common Elements and Common Facilities and the alternative repair/replacement plan to the Members in order for them to determine whether to (i) impose a Special Assessment greater than seventy-five thousand dollars (\$75,000.00) to fully repair and/or replace the damaged or destroyed Common Elements and/or Common Facilities, or to (ii) utilize solely the insurance proceeds and the seventy-five thousand dollars (\$75,000.00) to make the repair and/or replacement pursuant to the alternative repair/replacement plan. In order for the Association to impose a Special Assessment greater than seventy-five thousand dollars (\$75,000.00), a majority of the Owners must vote for its approval.

## **ARTICLE 11: DAMAGE OR DESTRUCTION OF LOTS**

**Section 11.1. General Provisions.** In the event of damage or destruction of Improvements on a Lot, the Owner of the Lot shall, within sixty (60) days after the date of such damage or destruction or within thirty (30) days the amount of the insurance payment initially offered becomes known, which is later, do at their sole expense either of the following alternatives:

(a) Replace the Improvements on the Lot. The Owner of the Lot must obtain approval of the Design Review Committee in order to make any modifications to the Improvements that are not the same as their condition immediately before the damage or destruction; or

(b) Remove from the Lot all debris and remains of the Improvements, so that the Lot is level, clean, and landscaped.

Also, regardless of which alternative above that the Owner does, the Owner must promptly remove all debris from the Lot and put the Lot in a safe condition and clean appearance as soon as reasonably possible, but no later than thirty (30) days after the date of such damage or destruction.

## **ARTICLE 12: CONDEMNATION**

**Section 12.1. Condemnation of Common Elements.** The term "taking" as used herein shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Common Elements, the Owners of Lots hereby appoint the Board to represent all Owners in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Subject to the prior rights of beneficiaries of deeds of trust, if any, any awards received on account of the taking shall be paid to the Association. In the event of taking of less than all of the Common Elements, the rules as to restoration and replacement of Common Elements shall apply as in the case of destruction of Common Elements. In the event of a total taking, the Board shall retain or allocate any award in the general or other fund of the Association or distribute all or part thereof as provided in the Association's Articles, as determined by the Board.

## **ARTICLE 13: PARTITION OF COMMON ELEMENTS**

**Section 13.1. Suspension of Right of Partition.** Except as expressly provided in this article, an Owner will have no right to partition or divide their ownership of the Common Elements. Partition of the Common Elements can be had on a showing that the conditions to such partition as stated in Articles 10 and 11 (relating to damage or destruction) or in Article 12 (relating to condemnation) have been met. Nothing in this Declaration may prevent partition of a cotenancy in a Lot.

**Section 13.2. Distribution of Proceeds Upon Partition.** Proceeds of property resulting from a partition will be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owner's Lot bears to the fair market value of all Owners' Lots determined by appraisal, but as of a date immediately prior to the event giving rise to the right of Owners to partition the Common Elements.

**Section 13.3. Power of Attorney.** Each of the Owners irrevocably appoints the Association as attorney in fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Development, and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Development may be had and under the circumstances authorizing partition under this Declaration. The power of attorney will (a) be binding on all Owners, whether they assume the obligations under this Declaration or not; (b) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of eighty percent (80%) of the Owners; and (c) be exercisable only after recordation with the County Recorder of a certificate executed by those who have power to exercise the power of attorney that the power of attorney is properly exercisable. This certificate will be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

#### **ARTICLE 14: NONSEVERABILITY OF COMPONENT INTERESTS**

**Section 14.1. Severance Prohibited.** An Owner will not be entitled to sever its Lot from membership in the Association for any purpose. None of the component interests in a Lot can be severally sold, conveyed, encumbered, hypothecated, or otherwise dealt with; and any violation or attempted violation of this provision will be void. Similarly, no Owner can sever any exclusive easement appurtenant to their Lot over the Common Elements from the Owner's Lot and any attempt to do so will be void. The suspension of such right of severability will not extend beyond the period set forth in Article 13 respecting the suspension of partition.

#### **ARTICLE 15: BREACH & DEFAULT:**

**Section 15.1. Remedy at Law Inadequate.** Any Owner or the Association may enforce, by any proceeding at law or in equity, the provisions of the Governing Documents against any Owner if the Board refuses or fails to take action pursuant to Section 15.6 within ninety (90) days after receipt of written notice of the Owner's intent to take action under the provisions of this Section 15.1. The failure of any Owner to strictly comply with any provision of the Governing Documents will be grounds for (1) an action to recover sums due for damages and/or (2) an action to enjoin by appropriate legal proceedings instituted by any Owner or the Association.

Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights of way, liens, charges or equitable servitudes contained in the Governing Documents is inadequate.

**Section 15.2. Nuisance.** Without limiting the generality of Section 15.1, the result of every act or omission whereby any covenant contained in the Governing Documents is violated, in whole or in part, is hereby declared to be a nuisance. In addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association or any Owner. Every remedy against nuisance, either public or private, will be applicable against every such act or omission. The Board will not be obligated to take action to abate or enjoin a violation if, in the discretion of the Board, the Board determines that acting to abate or enjoin the violation is not likely to protect the interests of the Association and its Members.

**Section 15.3. Violation of Law.** Any violation of any governmental law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of its enforcement procedures.

**Section 15.4. Cumulative Remedies.** The respective rights and remedies provided by this Declaration or by law will be cumulative, and not exclusive. The exercise of any one or more of such rights or remedies will not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration or the Governing Documents.

**Section 15.5. Failure Not a Waiver.** The failure of any Owner or the Association to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights of way, liens, charges or equitable servitudes contained in the Association's Governing Documents will not constitute a waiver of the right to enforce the same thereafter, nor will such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

**Section 15.6. Rights and Remedies of the Association.**

**(a) Rights Generally.** In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Governing Document by an Owner, the Board may enforce the obligations of each Owner to obey such Rules or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, the suspension of the Owner's right to use recreational Common Elements, including, but not limited to, General Forest Area, and Recreational Common Area, and/or suspension of the Owner's voting rights as a Member. The Association's right to undertake disciplinary action against its Members will be subject to the conditions set forth in this Section 15.6. The initiation of legal action will be subject to Section 15.7, below.

The decision of whether it is appropriate or necessary for the Association to initiate enforcement or disciplinary action in any particular instance will be within the sole discretion of the Board. If the Association declines to take action in any instance, any Owner will have such rights of enforcement as may exist by virtue of Nevada law.

Upon the Board's determination, after prior notice to the affected Member and an opportunity for a hearing pursuant to Sections 15.6(e) and (f), that the Member has violated any provision of the Governing Documents, including but not limited to a failure to pay any Assessment when due, the Member is deemed to be a Member not in good standing. Such Member will be deemed to be a Member not in good standing until the Board determines in writing that the violation which resulted in the Board's determination that the Member was not in good standing has been remedied or, on some other basis as in the judgment of the Board is just and proper, that such Member may again be deemed to be a Member in good standing.

**(b) Schedule of Fines.** The Board may implement a schedule of reasonable fines and penalties for particular offenses for which a uniform fine schedule is appropriate (such as fines for late payment of Assessments or illegally parked vehicles). Once imposed, a fine or penalty may be collected as a Special Individual Assessment and will be enforceable as a Special Individual Assessment pursuant to Section 5.4. If the Association adopts a policy imposing fines, the Association must give written notice of the policy to each Owner.



**(c) Definition of "Violation" and "General Record of Violations".** A violation of the Governing Documents will be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days will justify cumulative imposition of disciplinary measures.

The Association may take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Elements at the cost of the responsible Owner.

The Board must do as follows as long as the law so requires. The Board must maintain a general record concerning each violation of the Governing Documents, other than a violation involving a failure to pay an Assessment, for which the Board has imposed a fine or any other sanction. The general record:

(i) Must contain a general description of the nature of the violation and the type of the sanction imposed. If the sanction imposed was a fine, the general record must specify the amount of the fine.

(ii) Must not contain the name or address of the person against whom the sanction was imposed or any other personal information which may be used to identify the person or the location of the Lot, if any, that is associated with the violation.

(iii) Must be maintained in an organized and convenient filing system or data system that allows an Owner to search and review the general records concerning violations of the Governing Documents.

**(d) Limitations of Disciplinary Rights.**

**(i) Loss of Rights: Forfeitures.** The Association will have no power to cause a forfeiture or abridgment of an Owner's right to the use and enjoyment of the Owner's Lot due to the failure by the Owner to comply with any provision of the Governing Documents, including, but not limited to any duly enacted Rule, except where the loss or forfeiture is the result of (A) the judgment of a court of competent jurisdiction, (B) a decision arising out of arbitration, (C) a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association, or (D) where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Association's actions satisfy the due process requirements of Sections 15.6(e) and (f).

**(ii) Special Individual Assessments.** A monetary fine or penalty imposed by the Association is a Special Individual Assessment enforceable by the sale of the Lot.

**(e) Hearings.** No penalty or temporary suspension of rights will be imposed pursuant to this Article 15 unless the Owner alleged to be in violation is given prior notice of the proposed penalty or temporary suspension, and is given an opportunity to be heard before the Board or appropriate committee established by the Board with respect to the alleged violation(s) as provided in Association Rules adopted

by the Board pursuant to Section 15.6(g), and not less than thirty (30) days before the hearing, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the Governing Documents that form the basis of the violation.

**(f) Notice of Hearing and Disciplinary Decision.** The notice of hearing required by this article will, at a minimum, set forth the date, time, and place for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision alleged to have been violated, the amount of any potential fine or penalty, and a statement that the Member has a right to attend and may address the Board or committee at the hearing. The notice must be sent by either personal delivery or first-class mail to the Member at least ten (10) days prior to the hearing. If the Board or committee decides to discipline the Member, the Association must notify the Member of the disciplinary action by either personal delivery or first-class mail within fifteen (15) days following the decision. The discipline will not be effective until five (5) days after the notification of the decision.

The Board must hold a hearing before it may impose the fine, unless the person against whom the fine will be imposed: (a) Pays the fine; (b) Executes a written waiver of the right to the hearing; or (c) Fails to appear at the hearing after being provided with proper notice of the hearing.

If a fine is imposed and the violation is not cured within fourteen (14) days, or within any longer period that may be established by the Board, the violation shall be deemed a continuing violation. Thereafter, the Board may impose an additional fine for the violation for each seven (7)-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

The Board may appoint a committee with not less than three (3) members, to conduct hearings on violations and to impose fines. While acting on behalf of the Board for those limited purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the Board and its members.

**(g) Rules Regarding Disciplinary Proceedings.** The Board may adopt rules that set forth the procedures for conducting disciplinary proceedings. The rules, when approved and adopted by the Board, will become a part of the Association Rules and may provide for notices and procedures satisfying the alternative dispute resolution requirements of Nevada law.

**Section 15.7. Court Actions; Mediation.** As long as Nevada law requires alternative dispute resolution, this Section 15.7 will control the initiation of a legal action by the Association and/or its Members. This Section 15.7 will automatically be repealed from this Declaration should Nevada law no longer require alternative dispute resolution.

(a) Court actions to enforce the Governing Documents may only be initiated on behalf of the Association upon Board approval. Before initiating any court action to enforce the Governing Documents, the Association and/or Members must first comply with the provisions of NRS 38.300 to 38.360, inclusive, relating to alternative dispute resolution. The provisions of this section are intended to satisfy the alternative dispute resolution requirements. All notices issued and procedures followed in the mediation process must comply with the specific requirements imposed by NRS 38.300 to 38.360, inclusive.

**Section 15.8. Joint and Several Liability of Co-Owners.** If a Lot is owned jointly by two (2) or more persons, the liability of each Owner thereof in connection with the obligations of Owners imposed by this Declaration will be joint and several.

**Section 15.9. Costs and Attorneys' Fees.** If the Association takes any action because of any alleged breach or default of any Owner or other party hereto under the Governing Documents (whether or not any legal proceeding, including an arbitration, is initiated) the Association will be entitled to recover from that Owner (or other party) the costs, including attorneys' fees, the Association incurred as a result of the alleged breach or default. The Association's remedies to recover its costs and attorneys' fees will include, but are not limited to, the imposition of a Special Individual Assessment pursuant to Section 5.4.

If an action (including an arbitration) is brought by an Owner because of any alleged breach or default by any party hereto under the Governing Documents other than the Association, the court may award to the prevailing party in any such action attorneys' fees and other costs, including, but not limited to, court costs and experts' fees, incurred in connection therewith as the court deems just and reasonable.

#### **ARTICLE 16: NO PUBLIC RIGHTS IN THE DEVELOPMENT.**

**Section 16.1. Dedication of Development.** Nothing contained in this Declaration may be deemed to be a gift or a dedication of all or any portion of the Development to the general public or for any public use or purpose whatsoever.

#### **ARTICLE 17: NOTICES.**

**Section 17.1. Mailing Addresses.** Any communication or notice of any kind permitted or required pursuant to any provision of the Governing Documents will be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

(a) **Owners.** To the street address of the Owner's Lot or to such other address as the Owner may from time to time designate in writing to the Association. For these purposes, any address provided by the Owner for inclusion in the Association's annual "Directory" shall be a sufficient address for such mailings.

(b) **The Association.** The mailing address of the Association is P.O. Box 447, Glenbrook, NV 89413, or such other address as the Association may from time to time designate in writing to the Owners.

(c) **Directors/Officers.** To the street address as the Director and/or officer may from time to time designate in writing to the Association. The foregoing addresses may be changed by written notice given as herein provided. Unless so changed, the last address provided for each party, whether herein or pursuant to notice hereunder, will be deemed to be the address of such party for any and all purposes.

**Section 17.2. Personal Service upon Co Owners & Others.** Personal service of a notice to one of the co-Owners of any Lot, to any general partner of a partnership which is the Owner of Record of a Lot, or to any officer or agent for service of process of a corporation which is the Owner of Record of a Lot, will be deemed delivered to all such co owners, to such partnership, or to such corporation, as the case may be.

**Section 17.3. Deemed Delivered.** All notices and demands served by mail will be by first class or certified mail, with postage prepaid, and will be deemed delivered seventy-two (72) hours after deposit in the United States mail unless specified otherwise by this document. All notices and demands served by personal delivery are delivered upon service.

#### **ARTICLE 18: AMENDMENT OF DECLARATION.**

**Section 18.1. Amendment in General.** This Declaration may be amended or revoked in any respect by the vote or assent by written ballot of Members representing at least fifty-one percent (51%) of all eligible Members, pursuant to the Bylaws. Notwithstanding the foregoing, the percentage of the Members necessary to amend a specific clause or provision of this Declaration shall be at least the percentage of affirmative votes prescribed in said clause or provision.

**Section 18.2. Effective Date of Amendments.** Any amendment to this Declaration will be effective upon the recording in the Office of the Recorder of Douglas County a Certificate of Amendment, duly executed and certified by the president and secretary of the Association setting forth in full the amendment so approved and that the approval requirements of Section 19.1, above, have been duly met.

Notwithstanding anything to the contrary herein contained, no such amendment will affect the rights of the holder of any first deed of trust or Mortgage recorded prior to the recording of such amendment.

If the consent or approval of any governmental authority, Mortgagee or other entity is required under this Declaration to amend or revoke any provision of this Declaration, no such amendment or revocation may become effective unless such consent or approval is obtained.

**Section 18.3. Reliance on Amendments.** Any amendments made in accordance with the terms of this Declaration will be presumed valid by anyone relying on them in good faith.

#### **ARTICLE 19: ANNEXATION.**

**Section 19.1. Annexation.** Any real property which consists of a parcel or parcels shown on a final subdivision, parcel, or condominium map of Record may be annexed to the Development in accordance with this article, and shall thereupon become subject to this Declaration with the consent of the Owner of the property.

The Association may annex real property to the Development provided that such annexation is approved by a vote or written consent of a majority of the Owners.

**Section 19.2. Method of Annexation.** Any annexation undertaken in accordance with this section shall be effective when a Declaration of Annexation executed by the annexing party and the owner of the interest to be annexed covering the property to be annexed, and includes the following information.

(a) A description of the property to be annexed.

(b) A description of any parcel of the property to be annexed which is Common Elements, and of any property to be annexed which is designated for maintenance in accordance with Section 6.1.

**Section 19.3. Effect of Declaration of Annexation.** Upon any annexation becoming effective, the Declaration of Annexation shall become a part of this Declaration, and shall be deemed amended by any amendment to this Declaration.

**Section 19.4. Adjustment for Capital Improvements.** Where annexation of a Phase occurs after existing Lots within the Development have been assessed for capital improvements to Common Elements, the Association may adjust the assessment on the annexed Lots so that the annexed Lots pay their proportionate share of the Improvement minus reasonable depreciation of the Improvement if it has been in use for one year or more at the time of annexation.

## **ARTICLE 20: RIGHTS AND DUTIES OF FIRST MORTGAGEES.**

**Section 20.1. General.** Holders of First Mortgages on the Development and the Lots made for value and in good faith shall be entitled to the rights and privileges set forth in this Article.

**Section 20.2. Notice of Default.** Any mortgagee, and/or their successors and assigns of a First Mortgage on a Lot who has requested in writing to the Association of notice from the Association of any default by the mortgagor of any Lot in the performance of such mortgagor's obligations under the Governing Documents that is not cured within thirty (30) days, shall be entitled to such notice.

**Section 20.3. Non-Liability of Unpaid Assessments.** Any First Mortgagee or who comes into possession of a Lot pursuant to the remedies provided in the Mortgage, through foreclosure of the Mortgage shall take the property free of any claims for unpaid Assessments or charges against the Lot that accrue prior to the time such holder comes into possession of the Lot.

**Section 20.4. Mortgagee's Approval.** Unless at least seventy-five percent (75%) of the First Mortgagees, based upon one (1) vote for each Mortgage owned, of Lots have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or Improvements thereon which are owned, directly or indirectly, by the Association for the benefit of the Lots and the Owners thereof. The granting of easements for public utilities or other public purposes consistent with the intended use of such property by the Association and Owners shall not be deemed a transfer within the meaning of this clause;

(b) By act or omission, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to architectural design, or exterior appearance or Improvements located on Lots, the exterior maintenance of Lots, the maintenance of fences and driveways or the upkeep of lawns, plantings or other landscaping in the Development.

(c) Fail to maintain fire and extended coverage insurance on insurable Common Elements owned by the Association in an amount not less than ninety percent (90%) of the replacement cost.

(d) Use hazard insurance proceeds for losses to any Common Elements and Improvements owned by the Association for other than the repair, replacement or reconstruction of such property and Improvements.



**Section 20.5. Examination of Records.** First Mortgagees shall have the right to examine the books and records of the Association.

**Section 20.6. Insurance Proceeds and Condemnation Awards.** No provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of the First Mortgagees of Lots pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the Common Elements or otherwise.

## **ARTICLE 21: GENERAL PROVISIONS.**

**Section 21.1. Effective Date.** This Declaration will become effective upon its recordation in the Official Records of the County of Douglas, State of Nevada.

### **Section 21.2. Term, Dissolution, and Mergers.**

(a) **Term.** The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights of way, the Lien, charges and equitable servitudes contained in this Declaration will run with, and will benefit and burden the Lots and the Common Elements as herein provided, and will inure to the benefit of and be binding upon the Owners, the Association, its Board, and its officers and agents, and their respective successors in interest, for the term of sixty (60) years from the date of the recording of this Declaration, after which time the same will be automatically extended for successive terms of ten (10) years each unless, within six (6) months prior to the expiration of any term (initial or successive), a recordable written instrument, approved by a majority of all Owners terminating the effectiveness of this Declaration will be filed for recording in the Office of the County Recorder of Douglas County, Nevada.

(b) **Dissolution.** If the Association as a corporate entity is dissolved, then a non-profit unincorporated association shall immediately and automatically, without further action or notice be formed to succeed to all the rights and duties of the Association, herein. The affairs of the unincorporated association shall be governed by the laws of the State of Nevada and, to the extent not inconsistent therewith, by the Articles and Bylaws, as if they were created for the purpose of governing the affairs of an unincorporated association.

In the event of dissolution of the Association and the formation of an unincorporated association, each member of the unincorporated association shall have the underlying beneficial interest in all of the property of the Association transferred to or for the account or benefit of the unincorporated association. Such interest shall be in direct proportion to the number of Lots owned by such member. However, each member and their successors waive the right to judicial partition of such property or of any part thereof.

Immediately prior to any dissolution of the Association as a corporate entity, the Association shall convey all real property vested in it to an independent institutional corporate trustee, to hold such real property in trust for the benefit of the unincorporated association formed pursuant to this section.

(c) **Mergers.** The Association shall have the power to the extent permitted by law, to participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Association, provided that any such merger or consolidation shall have the approval by affirmative vote or written consent of eighty percent (80%) of all Owners.

**Section 21.3. Construction of Declaration.**

**(a) Restrictions Construed Together.** All of the covenants, conditions, and restrictions of this Declaration will be liberally construed together to promote and effectuate the fundamental concepts of the development of the Development as set forth in the Recitals of this Declaration.

Failure to enforce any provision hereof will not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

**(b) Restrictions Severable.** Notwithstanding the provisions of subsection (a) above, the covenants, conditions, and restrictions of this Declaration will be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof will not affect the validity or enforceability of any other provision which will remain in full force and effect.

**(c) Singular Includes Plural/Gender.** The singular will include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter will each include the masculine, feminine and neuter, as the context requires.

**(d) Captions.** All captions, titles or headings used in this Declaration are intended solely for convenience of reference and will not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.

**(e) Conflicts.** In the event of any conflict between any of the provisions of this article and any other provisions of this Declaration, the provisions of this article will control. In the event of any conflict between any of the provisions of this Declaration and any other provisions of the Governing Documents, the provisions of this Declaration will control.

Further, neither the Articles nor the Bylaws will be restated so as to be inconsistent with this Declaration; and, in the event of any inconsistency, the provisions of this Declaration will control.

**(f) Exhibits.** All exhibits to which reference is made herein are deemed to be incorporated herein by reference, whether or not actually attached.

**Section 21.4. Power of Attorney.** To the extent necessary to carry out and enforce the provisions of this Declaration and the Governing Documents in general, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners.

**CERTIFICATION**

We, the undersigned hereby certify, under penalty of perjury, that this Declaration of Covenants, Conditions and Restrictions set for herein was duly adopted with the vote or written consent of at least fifty-one percent (51%) of the Membership of the Association.

**GLENBROOK HOMEOWNERS' ASSOCIATION**

Dated: 5/10/2017

By President: Richard J. Stuart, Pres.  
(sign name)

Richard J. Stuart, President  
(print name)

Dated: 4-14-17

By Secretary: [Signature]  
(sign name)

Sonia Rupp  
(print name)

# NEVADA INDIVIDUAL ACKNOWLEDGMENT

NRS 240.166

State of Nevada

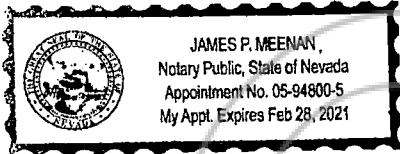
County of DOUGLAS

This instrument was acknowledged  
before me on:

3/14, 2017, by  
(Date)

[Signature]  
(Signer No. 1)

and



Place Notary Seal and/or Stamp Above

\_\_\_\_\_  
(Signer No. 2)

[Signature]  
Signature of Notarial Officer

## DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT:

Second Restated Declaration of Covenants, Conditions & Restrictions of  
Cedarbrook Homeowners' Association

DOCUMENT DATE: 5/10/17 NO. of PAGES: 90

# NEVADA INDIVIDUAL ACKNOWLEDGMENT

NRS 240.166

State of Nevada

County of DOUGLAS

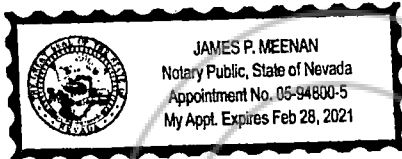
This instrument was acknowledged  
before me on:

MAY 10, 2017, by  
(Date)

\_\_\_\_\_  
(Signer No. 1)

and

Place Notary Seal and/or Stamp Above



Richard J. Stuart  
(Signer No. 2)

[Signature]  
Signature of Notarial Officer

## DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT:

GHQA DOCUMENTS

DOCUMENT DATE: 5/10/17 NO. of PAGES: 90



COPY

**EXHIBIT A**

DESCRIPTION

EXHIBIT A, PARCEL 1

All that real property situate in the County of Douglas, State of Nevada, being a portion of Sections 10, 11, 14 and 15, Township 14 North, Range 18 East, N08E, that is described as follows:

COMMENCING at the section corner common to Sections 10, 11, 14 and 15, T14N, R18E, N08E; thence North  $00^{\circ} 22' 39''$  East 495.95 feet to the true point of beginning; thence from said true point of beginning North  $77^{\circ} 30' 00''$  East 110.00 feet to a point; thence South  $75^{\circ} 00' 01''$  East 248.50 feet to a point; thence North  $41^{\circ} 34' 59''$  East 474.35 feet to a point; thence North  $65^{\circ} 05' 00''$  East 266.00 feet to a point; thence South  $27^{\circ} 57' 43''$  East 250.00 feet to a point; thence South  $65^{\circ} 05' 00''$  West 220.00 feet to a point; thence South  $41^{\circ} 34' 59''$  West 365.00 feet to a point; thence South  $29^{\circ} 08' 48''$  East 248.97 feet to a point; said point being on the Northerly right-of-way of U.S. Highway 50 as recorded in Book 59, Page 287, Douglas County, Nevada records; thence along said right-of-way South  $58^{\circ} 21' 00''$  West 69.01 feet to a point; thence along said right-of-way South  $56^{\circ} 47' 00''$  West 175.49 feet to a point; thence along said right-of-way North  $31^{\circ} 33' 00''$  West 50.00 feet to a point; thence from a tangent that bears South  $58^{\circ} 27' 00''$  West curving to the right along said right-of-way with a radius of 1850.00 feet and a central angle of  $9^{\circ} 17' 05''$ , an arc distance of 259.79 feet to a point; thence along said right-of-way South  $22^{\circ} 15' 56''$  East 50.00 feet to a point; thence from a tangent that bears South  $67^{\circ} 44' 05''$  West curving to the right along said right-of-way with a radius of 1900.00 feet and a central angle of  $12^{\circ} 53' 30''$ , an arc distance of 427.50 feet to a point; thence along said right-of-way North  $09^{\circ} 22' 24''$  West 75.00 feet to a point; thence from a tangent that bears South  $80^{\circ} 37' 36''$  West curving to the right along said right-of-way with a

EXHIBIT "A"

EXHIBIT A

radius of 1825.00 feet and a central angle of  $5^{\circ} 41' 47''$ , an arc distance of 182.51 feet to a point; thence along said right-of-way South  $03^{\circ} 39' 39''$  East 75.00 feet to a point; thence from a tangent that bears South  $85^{\circ} 21' 21''$  West curving to the right along said right-of-way with a radius of 1900.00 feet and a central angle of  $1^{\circ} 42' 38''$ , an arc distance of 56.72 feet to a point; thence along said right-of-way South  $89^{\circ} 44' 51''$  West 170.89 feet to a point; thence along said right-of-way North  $89^{\circ} 26'$  West 453.66 feet to a point; thence along said right-of-way South  $85^{\circ} 04' 00''$  West 215.70 feet to a point; thence from a tangent that bears South  $83^{\circ} 20' 10''$  West curving to the left along said right-of-way with a radius of 900.00 feet and a central angle of  $50^{\circ} 47' 39''$ , an arc distance of 797.87 feet to a point; thence leaving said right-of-way North  $06^{\circ} 09' 05''$  East 1110.27 feet to a point, said point being the Southeast corner of the Suverkrup land as recorded in Book "X", Page 256, Douglas County, Nevada, records; thence along the East line of the Suverkrup land North  $19^{\circ} 30' 00''$  West 141.56 feet to a point; thence along said property line North  $45^{\circ} 35' 01''$  West 27.35 feet to a point, said point being on the South line of the Thom land as recorded in Book "V", Page 532, Douglas County, Nevada, records; thence along the South line of the Thom land South  $88^{\circ} 12' 00''$  East 194.10 feet to a point, said point being the Southeast corner of the Thom land; thence along the East line of the Thom land North  $00^{\circ} 38' 00''$  East 262.00 feet to a point, said point being the Southwest corner of the Huntington land as recorded in Book 67, Page 583, Douglas County, Nevada, records; thence along the South line of said land North  $45^{\circ} 27' 45''$  East 238.05 feet to a point, said point being the Southeast property corner of said land; thence leaving said land South  $66^{\circ} 46' 23''$  East 138.15 feet to a point; thence South  $20^{\circ} 34' 34''$  West 367.15 feet to a point;

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EXHIBIT "A"

EXHIBIT A

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thence South  $67^{\circ} 45' 46''$  East 373.83 feet to a point; thence  
South  $77^{\circ} 15' 00''$  East 380.00 feet to a point; thence  
North  $73^{\circ} 55' 00''$  East 420.00 feet to a point; thence  
South  $82^{\circ} 25' 00''$  East 160.00 feet to a point; thence  
North  $77^{\circ} 30' 00''$  East 240.00 feet to the true point of beginning.

EXCLUDING THEREFROM, the above description the lands conveyed to the  
California Interstate Telephone Company, April 7, 1961, as recorded  
in Book 5, Page 661, Douglas County, Nevada, records,

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EXHIBIT A - PARCEL 2

All that real property situate in the County of Douglas, State of Nevada, being  
a portion of the Southeast 1/4 of Section 10, Township 14 North, Range 18, East,  
NDBEM:

BEGINNING at the section corner common to Sections 10, 11, 14, and 15, T14N, R18E  
NDBEM; thence North  $55^{\circ} 03' 35''$  West 1607.73 feet to the TRUE POINT OF BEGINNING;  
thence from said TRUE POINT OF BEGINNING North  $66^{\circ} 46' 23''$  West 51.17 feet to  
a point along the North line of Parcel 1 thence continuing along said line  
North  $66^{\circ} 46' 23''$  West 138.15 feet to the Southeast corner of the Huntington  
Property as recorded in Book 67, Page 583, Douglas County, Nevada, records; thence  
North  $07^{\circ} 31' 00''$  East 169.31 feet to the Northeast corner of said property;  
thence South  $72^{\circ} 55' 15''$  East 227.80 feet ~~to the TRUE POINT OF BEGINNING;~~  
~~thence~~ thence South  $26^{\circ} 34' 33''$  West 187.58 feet to the TRUE POINT OF BEGINNING;  
said area containing 0.84 acres (more or less).

-3-

EXHIBIT "A"

EXHIBIT A

Page 3  
Exhibit A

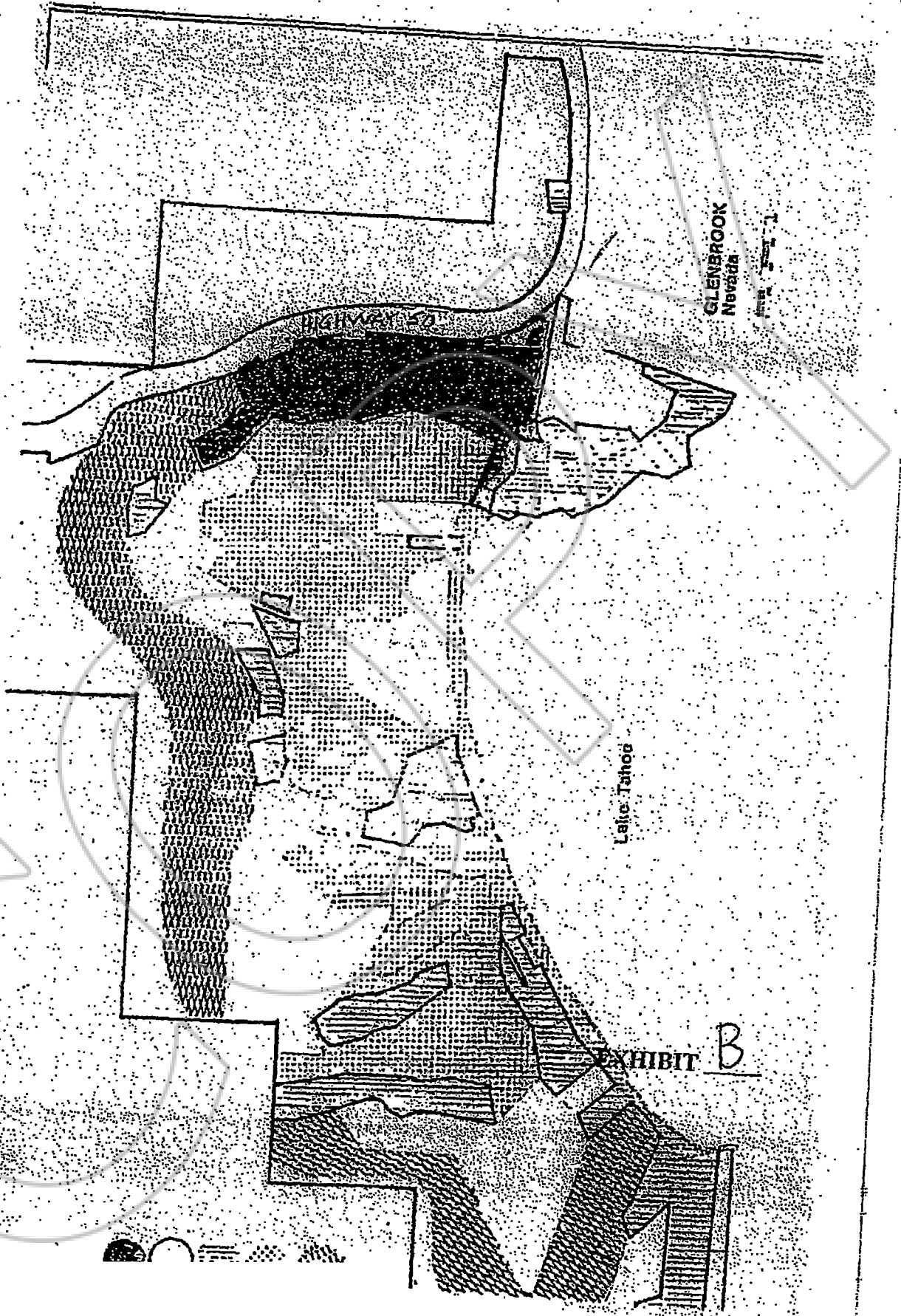
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COPY

**EXHIBIT B**







GLENBROOK  
Nevada

Lafayette

EXHIBIT B

COPY

**EXHIBIT C**

DESCRIPTION

EXHIBIT C

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Parcel 1 TOWNSHIP 14 NORTH, RANGE 18 EAST, M.D.B. & M.

Section 3: E 1/2 of SW 1/4, W 1/2 of S 1/2, SE 1/4 of SE 1/4

Section 10: ALL

Section 11: W 1/2 of W 1/2, E 1/2 of SW 1/4

Section 14: NW 1/4 of NW 1/4

Section 15: E 1/2 of NW 1/4, N 1/2 of NE 1/4, SW 1/4 of NE 1/4

SAVING AND EXCEPTING from the above described lands the following parcels:

1. Parcels conveyed to W. J. Harris by deeds recorded August 5, 1925, in Book U of Deeds, page 67 and page 69, Douglas County, Nevada, records.
2. Parcels conveyed to Henry S. Russell, et ux, by deeds recorded March 26, 1941 in Book W of Deeds, page 28 and page 30, Douglas County, Nevada, records.
3. Parcels conveyed to Ralph D. Brooke, et ux, by deeds recorded July 31, 1936 in Book U of Deeds, page 253 and page 290, Douglas County, Nevada, records.
4. Parcel conveyed to Winfred W. Potter, et ux, by Deed recorded December 31, 1938 in Book V of Deeds, page 133, Douglas County, Nevada, records.
5. Parcels conveyed to Maryly Krusi Taylor by Deeds recorded April 1, 1940 in Book V of Deeds, page 398 and page 401, Douglas County, Nevada, records.
6. Parcels conveyed to John R. Hooker by Deed recorded May 22, 1940 in Book V of Deeds, page 447 and page 450, Douglas County, Nevada, records.
7. Parcels conveyed to Charles C. Derby, et ux, by deeds recorded July 22, 1940 in Book V, page 492, and page 495, Douglas County, Nevada, records.
8. Parcel conveyed to James Thom, et ux, by Deed recorded September 9, 1940 in Book V of Deeds, page 532, Douglas County, Nevada, records.
9. Parcel conveyed to Alfred R. Matthews et ux, by deed recorded November 6, 1940 in Book V of Deeds, page 551, Douglas County, Nevada, records.
10. Parcel conveyed to Priscilla Alden Simmons by deed recorded December 15, 1944, in Book X of Deeds, page 61, Douglas County, Nevada, records.

10281

EXHIBIT C



DESCRIPTION

EXHIBIT C

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Parcel 1 TOWNSHIP 14 NORTH, RANGE 18 EAST, M.D.B. & M.

Section 3: E 1/2 of SW 1/4, W 1/2 of E 1/2, SE 1/4 of SE 1/4

Section 10: ALL

Section 11: W 1/2 of W 1/2, E 1/2 of SW 1/4

Section 14: NW 1/4 of NW 1/4

Section 15: E 1/2 of NW 1/4, N 1/2 of NE 1/4, SW 1/4 of NE 1/4

SAVING AND EXCEPTING from the above described lands the following parcels:

1. Parcels conveyed to W. J. Harris by deeds recorded August 5, 1935, in Book U of Deeds, page 67 and page 69, Douglas County, Nevada, records.
2. Parcels conveyed to Henry S. Russell, et ux, by deeds recorded March 26, 1941 in Book W of Deeds, page 28 and page 30, Douglas County, Nevada, records.
3. Parcels conveyed to Ralph D. Brooke, et ux, by deeds recorded July 31, 1936 in Book U of Deeds, page 253 and page 290, Douglas County, Nevada, records.
4. Parcel conveyed to Winfred W. Potter, et ux, by Deed recorded December 31, 1938 in Book V of Deeds, page 133, Douglas County, Nevada, records.
5. Parcels conveyed to Maryly Krusi Taylor by Deeds recorded April 1, 1940 in Book V of Deeds, page 398 and page 401, Douglas County, Nevada, records.
6. Parcels conveyed to John R. Hooker by Deed recorded May 22, 1940 in Book V, of Deeds, page 447 and page 450, Douglas County, Nevada, records.
7. Parcels conveyed to Charles C. Derby, et ux, by deeds recorded July 21, 1940 in Book V, page 492, and page 495, Douglas County, Nevada, records.
8. Parcel conveyed to James Thom, et ux, by Deed recorded September 9, 1940 in Book V of Deeds, page 532, Douglas County, Nevada, records.
9. Parcel conveyed to Alfred R. Matthews et ux, by deed recorded November 6, 1940 in Book V of Deeds, page 551, Douglas County, Nevada, records.
10. Parcel conveyed to Priscilla Helen Simpson by Deed recorded December 15, 1944, in Book X of Deeds, page 61, Douglas County, Nevada, records.

10284

EXHIBIT C



DESCRIPTION, cont'd.

11. Parcel conveyed to Catharine L. Knight by deed recorded July 21, 1945 in Book X of Deeds, page 248, Douglas County, Nevada records.
12. Parcel conveyed to Ada G. Fraser and Rebecca G. Soule by deed recorded March 6, 1946 in Book X of Deeds, page 437, Douglas County, Nevada, records.
13. Parcel conveyed to Margarita Morgan by deed recorded October 7, 1946 in Book Y of Deeds, page 25, Douglas County, Nevada, records.
14. Parcel conveyed to Grover L. Krick et ux, by deed recorded December 12, 1946, in Book Y of Deeds, page 84, Douglas County, Nevada, records.
15. Parcel conveyed to Martha W. Hurd et al, by deed recorded January 7, 1947 in Book Y of Deeds, page 103, Douglas County, Nevada, records.
16. Parcel conveyed to Amy Russell by deed recorded December 1, 1947 in Book Y of Deeds, page 306, Douglas County, Nevada, records.
17. Parcel conveyed to Anthon S. Robertson et ux, by deed recorded December 7, 1950 in Book Z of Deeds, page 350, Douglas County, Nevada, records.
18. Parcel conveyed to Alfred R. Matthews by deed recorded August 12, 1952 in Book A-1 of Deeds, page 265, Douglas County, Nevada, records.
19. Parcel conveyed to James A. Babinger et ux, by deed recorded August 25, 1955, in Book B-1 of Deeds, page 421, Douglas County, Nevada, records.
20. Parcel conveyed to Everett H. Rankin et ux, by deed recorded November 9, 1939 in Book V of Deeds, page 315, Douglas County, Nevada, records.
21. Parcel conveyed to Walter D. Bliss by deed recorded January 13, 1945 in Book X of Deeds, page 131, Douglas County, Nevada, records.
22. Parcels conveyed to Elizabeth W. Crozer Campbell et ux, by deeds recorded August 16, 1945 in Book X of Deeds, page 270 and page 272, Douglas County, Nevada, records.
23. Parcels conveyed to James G. Koyles et ux, by deeds recorded May 17, 1943 in Book W of Deeds, page 443, page 457 and page 459, Douglas County, Nevada, records.
24. Parcels conveyed to J. E. Cook by deeds recorded September 7, 1945 in Book X of Deeds, page 291 and page 292, Douglas County, Nevada, records.

10264

EXHIBIT C

BOOK 677 PAGE 11

DESCRIPTION, cont'd.

25. Parcel conveyed to Claude E. Saylor, et ux, by deed recorded September 18, 1945 in Book X of Deeds, page 304, Douglas County, Nevada, records.
26. Parcel conveyed to Edward Taylor Young et ux, by deed recorded September 20, 1945 in Book X of Deeds, page 308, Douglas County, Nevada, records.
27. Parcel conveyed to Arthur N. Suvarkrup et ux, by deed recorded July 31, 1945 in Book X of Deeds, page 256, Douglas County, Nevada, records.
28. Parcel conveyed to W. F. Ham et ux, by deed recorded May 25, 1946, in Book X of Deeds, page 489, Douglas County, Nevada, records.
29. Parcel conveyed to Clifton H. Kroll by deed recorded August 23, 1946, in Book X of Deeds, page 566, Douglas County, Nevada, records.
30. Parcels conveyed to Edward S. Clark et ux, by deeds recorded October 3, 1946 in Book Y of Deeds, page 21 and page 23, Douglas County, Nevada, records.
31. Parcel conveyed to Elizabeth W. Crozer Campbell by deed recorded January 13, 1948 in Book Y of Deeds, page 331, Douglas County, Nevada, records.
32. Parcels conveyed to Otto Barkan et ux, by deeds recorded November 3, 1951 in Book A-1 of Deeds, page 4 and page 7, Douglas County, Nevada, records.
33. Parcel conveyed to Doris L. Resalik by deed recorded July 31, 1959 in Book Z-1 of Deeds, page 368, Douglas County, Nevada, records.
34. Parcels conveyed to Kenneth W. Yeates et ux, by deed recorded April 19, 1961 in Book 6 of Official records, page 70 and page 74, Douglas County, Nevada, records.
35. Parcels conveyed to Edward S. Clark et ux, by deeds recorded March 9, 1965, in Book 29 of Official Records, page 618, and page 622, Douglas County, Nevada, records.
36. Parcels conveyed to Edmund A. Ruth et ux, by deeds recorded April 19, 1961 in Book 6 of Official Records, page 85 and page 89, Douglas County, Nevada, records.
37. Parcels conveyed to Bryce Kilcox et ux, by deeds recorded March 9, 1965 in Book 29, Official records, page 613 and page 619, Douglas County, Nevada, records.

10264

BOOK 677 PAGE 1175

EXHIBIT C

DESCRIPTION, cont'd.

38. Parcels conveyed to Edmund A. Math, et ux, by deeds recorded October 6, 1961 in Book 9 of Official Records, page 20 and page 24, Douglas County, Nevada, records.
39. Parcel conveyed to James P. Craigs et ux, by deed recorded January 14, 1963 in Book 15 of Official Records, page 292, Douglas County, Nevada, records.
40. Parcels conveyed to Estate of Wilfred G. Austin by deeds recorded March 9, 1965, in Book 27 of Official records, page 625 and page 628, Douglas County, Nevada, records.
41. Parcel conveyed to David Huntington et ux, by deed recorded July 8, 1969 in Book 67 of Official Records, page 584, Douglas County, Nevada, records.
42. Parcel conveyed to William S. Bliss by deed recorded January 9, 1943 in Book V of Deeds, page 353, Douglas County, Nevada, records.
43. Parcels conveyed to Charlotte E. Shannon by deeds recorded August 22, 1940 in Book V of Deeds, page 521, Douglas County, Nevada, records.
44. Parcels conveyed to Sierra Pacific Power Company by deeds recorded July 22, 1941 in Book W, page 110 and page 111, Douglas County, Nevada, records.
45. Parcel conveyed to Gene Heck Murce and Katherine T. Manning, by deed recorded December 19, 1941 in Book W of Deeds, page 176, Douglas County, Nevada, records.
46. Parcel conveyed to Frank Schneider et ux, by deed recorded September 8, 1942 in Book W of Deeds, page 314, Douglas County, Nevada, records.
47. Parcel conveyed to Nile P. Nord et ux, by deed recorded September 19, 1944, in Book X of Deeds, page 64, Douglas County, Nevada, records.
48. Parcel conveyed to Lora H. and Kathleen H. Riceout by deed recorded September 20, 1944, in Book X of Deeds, page 70, Douglas County, Nevada, records.

Continued.....

10264  
BOOK 677 PAGE 176

EXHIBIT C

DESCRIPTION CONT'D

NAV. 9581-05

9. Parcel conveyed to William Howard Smith et ux, by Deed recorded May 16, 1956 in Book C-1 of Deeds, page 1, Douglas County, Nevada, records.
8. Parcel conveyed to C.R. Lewis and Richard Kirman Sr. by deed recorded April 9, 1927 in Book 3 of Deeds, page 210, Douglas County, Nevada, records.
1. Parcel conveyed to Hans Lisser by Deed recorded October 9, 1935 in Book U of Deeds, page 105, Douglas County, Nevada, records.
2. Parcels conveyed to Max C. Fleischman et ux, by deeds recorded August 19, 1935 in Book U, page 77, and page 82, Douglas County, Nevada, records.
3. Parcels conveyed to Max X. Fleischman by deeds recorded August 4, 1936 in Book U of Deeds, page 249, and page 250, Douglas County, Nevada, records.
4. Parcel conveyed to William Walter Hawkins by deed recorded September 3, 1946 in Book X of Deeds, page 578, Douglas County, Nevada, records.
5. Parcel conveyed to Glenbrook Properties, a Nevada corporation by deed recorded September 3, 1976 in Book 976, page 247, Official Records of Douglas County, Nevada, together with waters and water rights therein described.
6. Parcel conveyed to Tahoe-Douglas District by deed recorded February 26, 1974 in Book 274, page 788, Official Records of Douglas County, Nevada.

EXCISED BY  
[Signature]  
IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA  
1577 JUN 17 PM 4:40

Continued. PATRICIA J. WILLIAMS  
RECORDER

*Patricia Williams* 10264  
*deputy*

BOOK 677 PAGE 1177

EXHIBIT C



DESCRIPTION OF CONVEY

REV. 0561-DS

45. Parcel conveyed to William Howard Smith et ux, by Deed recorded May 16, 1956 in Book C-1 of Deeds, page 1, Douglas County, Nevada, records.
50. Parcel conveyed to C.R. Lewis and Richard Rixman Sr. by Deed recorded April 9, 1927 in Book 3 of Deeds, page 210, Douglas County, Nevada, records.
51. Parcel conveyed to Hans Lissner by Deed recorded October 9, 1935 in Book U of Deeds, page 105, Douglas County, Nevada, records.
52. Parcels conveyed to Max C. Fleischman et ux, by deeds recorded August 19, 1935 in Book U, page 77, and page 82, Douglas County, Nevada, records.
53. Parcels conveyed to Max X. Fleischman by deeds recorded August 4, 1926 in Book U of Deeds, page 249, and page 250, Douglas County, Nevada, records.
54. Parcel conveyed to William Walter Hawkins by deed recorded September 3, 1946 in Book X of Deeds, page 578, Douglas County, Nevada, records.
55. Parcel conveyed to Glenbrook Properties, a Nevada corporation by deed recorded September 3, 1976 in Book 076, page 247, Official Records of Douglas County, Nevada, together with waters and water rights therein described.
56. Parcel conveyed to Tahoe-Douglas District by deed recorded February 26, 1974 in Book 274, page 788, Official Records of Douglas County, Nevada.

RECORDED BY  
SHERA LANE TULLI CLERK  
OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA  
\$ 21.00 Fee  
1977 JUN 17 PM 4:40

Continued by: TRICIA J. WILLIAMS  
RECORDER

*Tricia Williams* 10264  
*J. Murphy*

BOOK 677 PAGE 177

EXHIBIT C



DESCRIPTION, CONT'D.

38. Parcels conveyed to Edmund A. Mann, et ux, by deeds recorded October 6, 1961 in Book 9 of Official Records, page 20 and page 24, Douglas County, Nevada, records.
39. Parcel conveyed to James F. Craft et ux, by deed recorded January 17, 1963 in Book 15 of Official Records, page 292, Douglas County, Nevada, records.
40. Parcels conveyed to Estate of Wilfred G. Austin by deeds recorded March 9, 1965, in Book 7, of Official Records, page 625 and page 628, Douglas County, Nevada, records.
41. Parcel conveyed to David Huntington et ux, by deed recorded July 9, 1969 in Book 67 of Official Records, page 584, Douglas County, Nevada, records.
42. Parcel conveyed to William S. Bliss by deed recorded January 9, 1940 in Book V of Deeds, page 353, Douglas County, Nevada, records.
43. Parcels conveyed to Charlotte H. Shannon by deeds recorded August 22, 1940 in Book V, of Deeds, page 521, Douglas County, Nevada, records.
44. Parcels conveyed to Sierra Pacific Power Company by deeds recorded July 22, 1941 in Book W, page 110 and page 111, Douglas County, Nevada, records.
45. Parcel conveyed to Gene Heck Murce and Katherine T. Manning, by deed recorded December 19, 1941 in Book W of Deeds, page 176, Douglas County, Nevada, records.
46. Parcel conveyed to Frank Schneider et ux, by deed recorded September 8, 1942 in Book W of Deeds, page 314, Douglas County, Nevada, records.
47. Parcel conveyed to Nils F. Nord et ux, by deed recorded September 19, 1944, in Book X of Deeds, page 64, Douglas County, Nevada, records.
48. Parcel conveyed to Lora H. and Kathleen H. Riceout by deed recorded September 20, 1944, in Book X of Deeds, page 70, Douglas County, Nevada, records.

Continued.....

10264  
BOOK 677 PAGE 176

EXHIBIT C

DESCRIPTION

25. Parcel conveyed to Claude E. Saviers, et ux, by deed recorded September 18, 1945 in Book X of Deeds, page 307, Douglas County, Nevada, records.
26. Parcel conveyed to Edward Taylor Young et ux, by deed recorded September 20, 1945 in Book X of Deeds, page 308, Douglas County, Nevada, records.
27. Parcel conveyed to Arthur N. Svanstrup et ux, by deed recorded July 31, 1945 in Book X of Deeds, page 256, Douglas County, Nevada, records.
28. Parcel conveyed to W. P. Han et ux, by deed recorded May 29, 1946, in Book X of Deeds, page 369, Douglas County, Nevada, records.
29. Parcel conveyed to Clifton H. Kroll by deed recorded August 23, 1946, in Book X of Deeds, page 566, Douglas County, Nevada, records.
30. Parcels conveyed to Edward S. Clark et ux, by deeds recorded October 3, 1946 in Book Y of Deeds, page 21 and page 23, Douglas County, Nevada, records.
31. Parcel conveyed to Elizabeth W. Crozer Campbell by deed recorded January 13, 1948 in Book Y of Deeds, page 331, Douglas County, Nevada, records.
32. Parcels conveyed to Otto Barkan et ux; by deeds recorded November 3, 1951 in Book A-1 of Deeds, page 4 and page 7, Douglas County, Nevada, records.
33. Parcel conveyed to Doris L. Kacolik by deed recorded July 31, 1959 in Book E-1 of Deeds, page 368, Douglas County, Nevada, records.
34. Parcels conveyed to Kenneth W. Yates et ux, by deed recorded April 19, 1961 in Book 6 of Official records, page 70 and page 74, Douglas County, Nevada, records.
35. Parcels conveyed to Edward S. Clark et ux, by deeds recorded March 9, 1965, in Book 29 of Official Records, page 618, and page 622, Douglas County, Nevada, records.
36. Parcels conveyed to Edmund A. Kuth et ux, by deeds recorded April 19, 1961 in Book 6 of Official Records, page 85 and page 89, Douglas County, Nevada, records.
37. Parcels conveyed to Bryce Wilson et ux, by deeds recorded March 9, 1965 in Book 29. Official Records, page 613 and page 616, Douglas County, Nevada, records.

10264

BOOK 677 PAGE 175

EXHIBIT C

DESCRIPTORS

11. Parcel conveyed to Catharine L. Knight by Deed recorded July 21, 1945 in Book X of Deeds, page 248, Douglas County, Nevada, records.
12. Parcel conveyed to Ada G. Fraser and Rebecca G. Soule by deed recorded March 6, 1946 in Book X of Deeds, page 437, Douglas County, Nevada, records.
13. Parcel conveyed to Marguerite Morgan by Deed recorded October 2, 1946 in Book Y of Deeds, page 15, Douglas County, Nevada, records.
14. Parcel conveyed to Grover L. Kline et ux, by deed recorded December 12, 1946, in Book Y of Deeds, page 84, Douglas County, Nevada, records.
15. Parcel conveyed to Martha W. Hurd et al, by deed recorded January 7, 1947 in Book Y of Deeds, page 103, Douglas County, Nevada, records.
16. Parcel conveyed to Amy Russell by deed recorded December 1, 1947 in Book Y of Deeds, page 306, Douglas County, Nevada, records.
17. Parcel conveyed to Anthon B. Robertson et ux, by deed recorded December 7, 1950 in Book Z of Deeds, page 350, Douglas County, Nevada, records.
18. Parcel conveyed to Alfred R. Matthews by Deed recorded August 12, 1952 in Book A-1 of Deeds, page 265, Douglas County, Nevada, records.
19. Parcel conveyed to James H. Habegger et ux, by deed recorded August 25, 1955, in Book B-1 of Deeds, page 421, Douglas County, Nevada, records.
20. Parcel conveyed to Everett H. Rankin et ux, by deed recorded November 9, 1959 in Book V of Deeds, page 315, Douglas County, Nevada, records.
21. Parcel conveyed to Walter D. Bliss by deed recorded January 13, 1945 in Book X of Deeds, page 131, Douglas County, Nevada, records.
22. Parcels conveyed to Elizabeth W. Crozer Campbell et ux, by deeds recorded August 16, 1945 in Book X of Deeds, page 270 and page 272, Douglas County, Nevada, records.
23. Parcels conveyed to James G. Noyles et ux, by deeds recorded May 17, 1943 in Book W of Deeds, page 443, page 457 and page 459, Douglas County, Nevada, records.
24. Parcels conveyed to J. E. Cook by deeds recorded September 7, 1945 in Book X of Deeds, page 291 and page 292, Douglas County, Nevada, records.

10264

BOOK 677 TAB 117

EXHIBIT C

DESCRIPTION

EXHIBIT C

All that certain lot, block or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

TOWNSHIP 14 NORTH, RANGE 18 EAST, N.D.B. & M.

Section 3: E 1/2 of SW 1/4, W 1/2 of E 1/2, SE 1/4 of SE 1/4

Section 10: ALL

Section 11: W 1/2 of W 1/2, E 1/2 of SW 1/4

Section 14: NW 1/4 of NW 1/4

Section 15: E 1/2 of NW 1/4, N 1/2 of NE 1/4, SW 1/4 of NE 1/4

SAVING AND EXCEPTING from the above described lands the following parcels:

1. Parcels conveyed to W. J. Harris by deeds recorded August 5, 1935, in Book U of Deeds, page 67 and page 69, Douglas County, Nevada, records.
2. Parcels conveyed to Henry S. Russell, et ux, by deeds recorded March 26, 1941 in Book W of Deeds, page 28 and page 30, Douglas County, Nevada, records.
3. Parcels conveyed to Ralph D. Brooke, et ux, by deeds recorded July 31, 1938 in Book U of Deeds, page 253 and page 260, Douglas County, Nevada, records.
4. Parcel conveyed to Winifred W. Potter, et ux, by Deed recorded December 31, 1938 in Book V of Deeds, page 133, Douglas County, Nevada, records.
5. Parcels conveyed to Maryly Krusi Taylor by Deeds recorded April 1, 1940 in Book V of Deeds, page 398 and page 401, Douglas County, Nevada, records.
6. Parcels conveyed to John R. Hooker by Deed recorded May 23, 1940 in Book V of Deeds, page 447 and page 450, Douglas County, Nevada, records.
7. Parcels conveyed to Charles C. Derby, et ux, by deeds recorded July 21, 1940 in Book V, page 492, and page 495, Douglas County, Nevada, records.
8. Parcel conveyed to James Thom, et ux, by Deed recorded September 9, 1940 in Book V of Deeds, page 532, Douglas County, Nevada, records.
9. Parcel conveyed to Alfred R. Matthews et ux, by deed recorded November 6, 1940 in Book V of Deeds, page 511, Douglas County, Nevada, records.
10. Parcel conveyed to Priscilla Aileen Simmons by deed recorded May 15, 1944, in Book X of Deeds, page 61, Douglas County, Nevada, records.

10284

AMR 877 6-1-47

EXHIBIT C

COPY

**EXHIBIT D**



EXHIBIT B

SUPPLEMENTAL DECLARATION AND ANNEXATION - GLENBROOK UNIT 2

DESCRIPTION OF SUBJECT PROPERTY

All that real property situated in the County of Douglas, State of Nevada that is described as follows:

- Private Lots 1 through and including 78;
- General Forest Area Lot A;
- Recreational Common Area Lots V, W and Z;
- Property Common Area Lots A, B, C, D, E, F, and G;
- Cottage Common Area Lots I, J, K, L, M, N, O, P and Q;

as shown on the Official Plat of Glenbrook Unit 2, recorded on May 26, 1978 in the Official Records of Douglas County, Nevada as Instrument 22216, Book 578, at Page 2185.

RECORDED BY  
MAY 26 1978

JUN 26 AM 8:39

RECORDED BY  
*Donna J. Fisher*  
1219  
578 22216

EXHIBIT D

COPY

**EXHIBIT E**

EXHIBIT C

SECOND SUPPLEMENTAL DECLARATION AND ANNEXATION - GLENBROOK UNIT 2

DESCRIPTION OF SUBJECT PROPERTY

All that real property situated in the County of Douglas,  
State of Nevada that is described as follows:

Private Lots 94 through and including 103;  
Cottage Common Area Lots S and T

as shown on the Official Plat of Glenbrook Unit 2, recorded on  
May 26, 1978 in the Official Records of Douglas County, Nevada  
as Instrument 21216, Book 578, at Page 2285 as amended. Said  
amendment was recorded on October 13, 1978 in the official  
Records of Douglas County, Nevada as Instrument 25250, Book 3078,  
at Page 999.

W. WESLEY  
REAL ESTATE TITLE CO.

1100 W. WASHINGTON ST.

SPRINGFIELD, NEVADA

1978 MAR 27 PM 1:33

115-00-0

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EXHIBIT

E

COPY

**EXHIBIT F**

EXHIBIT "D"

THIRD SUPPLEMENTAL DECLARATION AND ANNEXATION - GLENBROOK UNIT 2

DESCRIPTION OF SUBJECT PROPERTY

All that real property situated in the County of Douglas, State of Nevada that is described as follows:

Private Lots 79 through and including 93,  
104 and 105, but excluding Lot 85.

as shown on the Official Plat of Glenbrook Unit 2, recorded on May 26, 1978 in the Official Records of Douglas County, Nevada as Instrument 21216, Book 578, at Page 2285 as twice amended. Said first amendment was recorded on October 13, 1978 in the Official Records of Douglas County, Nevada as Instrument 25250, Book 1078, at Page 999. Said second amendment was recorded on January 30, 1980 in the Official Records of Douglas County, Nevada as Instrument 40135, Book 180 at Page 1517.

RECORDING OFFICE

CLERK

#130000

1980 JUN 31 PM 1:23

41079

*Deborah L. Smith*  
1000

EXHIBIT F



COPY

**EXHIBIT G**

CONFIDENTIAL - For Internal Use Only - Not to be Distributed Outside the Organization - All Rights Reserved

EXHIBIT "A"

Exception No. 3 Cabana Parcel

All that certain parcel of land situate in the State of Nevada, County of Douglas, being a portion of the Southeast 1/4 of the Southwest 1/4 of Section 3, T. 14 N., R. 18 E., M.D.B. & M., and a portion of the Southwest 1/4 of the Southeast 1/4 of said Section 3 and being more particularly described as follows: Commencing at a point on the meandor line of Lake Tahoe, marked by a 5/8" rebar which bears N. 85° 50' 20" W., 2662.08 feet from the Southeast corner of said Section 3, said point being the Northwesterly corner of the Lambie property and the TRUE POINT OF BEGINNING; thence N. 45° 33' 20" E., 450.04 feet along the Northerly line of said Lambie property to a point; thence leaving said Northerly line N. 53° 04' 04" W., 252.35 feet to the Southeasterly corner of the Leefeldt and Henshaw property; thence S. 45° 37' 41" W., 411.94 feet along the Southerly line of the Leefeldt and Henshaw property to a point on said meandor line; thence leaving said Southerly line S. 44° 23' 00" E., 250.02 feet along said meandor line, returning to the TRUE POINT OF BEGINNING.

SIERRA LAND TITLE CORP.

\$5.0000  
E: JUN 13 P: 12:46

Donald J. Curtis 45798  
(R) 100 500 100260

EXHIBIT G

COPY

**EXHIBIT H**

All that certain real property situate in the County of Douglas, State of Nevada described as follows:

Private Lots 38 through and including 77;  
Recreational Common Area Lot E, G and I and  
Property Common Area Lots B, O, P, Q, R, S,  
T and U.

as shown on the Official Map of Glenbrook, Unit 3, recorded on June 13, 1980 in the Official Records of Douglas County, Nevada, as Document No. 43299, in Book 680, Page 1269.

-000-

SIERRA LAND TITLE CORP.

SEP 11 1980

48656  
BOOK 680 PAGE 1395

EXHIBIT H