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RECORDING REQUESTED BY, AND  
WHEN RECORDED, MAIL TO:

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***AMENDED***  
DECLARATIONS OF  
COVENANTS, CONDITIONS, RESTRICTIONS  
AND RESERVATIONS OF EASEMENTS  
FOR  
1231 SERVICE DRIVE

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DECLARATION OF  
COVENANTS, CONDITIONS, RESTRICTIONS  
AND RESERVATIONS OF EASEMENTS  
FOR  
1231 SERVICE DRIVE

THIS DECLARATION is made on June 28, 2017 ~~2016~~

PREAMBLE:

- A. Declarant is the Owner of certain real property (the "Properties located in Douglas County, Nevada described as follows:

See Exhibit A attached hereto and incorporated herein by this reference.

Subject to Covenants, Conditions, Reservations, Restrictions, Right-of-Way, and Easements, if any, of record.

- B. Declarant will convey the Properties subject to certain protective covenants, Conditions, restrictions, and easements as hereinafter set forth.
- C. Declarant hereby declares that all of the Properties shall be held, leased, occupied, sold, and conveyed subject to the following Covenants, Conditions, Restrictions, and Easements. All and each of which are for the purposes of handing and perfecting the value, desirability, and attractiveness of the Properties as an Industrial Park, in furtherance of a general plan for the protection of the Properties, or any part thereof. All and each of these covenants, conditions, restrictions, and easements are hereby imposed as equitable servitudes upon the Properties, shall run with the Properties or in any part therefore, and their successors and assigns.

ARTICLE I  
DEFINITIONS

The following word, when used in this Declaration and in any Declaration of Amendment, unless otherwise provided, shall have the following meanings:

Section 1. "Association" shall mean Brushwolf Business Building Association, 1231 Service Drive, a not for profit general partnership, consisting of that group of four holding ownership in Parcels A, B, C and D of 1231 Service Drive, their successors and assigns.

Section 2. "Board of Directors" or "Board" shall mean the Association.

Section 3. "By-Laws" shall mean the By-Laws of the Association as such

By-Laws may be amended from time to time. This Declaration shall serve as preliminary By-Laws of the Association

Section 4. "Capital Improvement Assessment" shall mean a charge against each Owner and his real property, representing the pro rata portion of the cost of the Association for installation or construction of any Capital Improvements on any of the Common Areas, which the Association may from anytime to time authorize an accordance with Article III, Section 5, of this Declaration.

Section 5. "Close of Escrow" shall mean the date on which a deed conveying any portion of the Properties is recorded in the office of the County Recorder of Douglas County, Nevada.

Section 6. "Committee" or "Board of Directors" or "Association" shall mean the single Architectural, Development, and Landscaping Committee formed pursuant to Article VII hereof.

Section 7. "Common Areas" shall mean all of the Properties, including the Improvements thereon, which are owned by the Association for the common use of all of the Owners.

Section 8. "Common Assessments" shall remain the annual charge, payable semi-annually, against each Owner and his Parcel, representing the pro rate portion of the total, ordinary costs of maintaining, operating, repairing, replacing, and managing the Common Areas, which shall be paid by cash Owner to the Association, to satisfy Common Expenses as further provided.

Section 9. "Common Expenses" shall mean the actual and estimated costs of the maintenance, management, operation, repair, and replacement of the Common Areas (including unpaid Special Assessments, Capital Improvements Assessments, and those costs not paid by the Owner responsible for the payment); the costs of all commonly metered utilities, and other commonly metered or unmetered charges of the Association (e.g. water, sewer), including but not limited to, compensation by the Association to managers, accountants, attorneys, and other employees, the costs of all services benefiting the Common Areas, insurance, bonding of the members of the management body, taxes paid by the Association, and amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Areas; and the costs of any other item or items designated by the Association for any reason in connection with the Properties for the benefit of all the Owners.

Section 10. "Declarant" shall mean Frederick C. Maida & Veronica R Maida, their successors and assigns, provided that Declarant assigns such rights of Declarant hereunder to any such person by an express written agreement.

Section 11. "Declaration" shall mean this Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements, as may be amended from time to time as provided herein.

Section 12. "Improvement" shall mean all structures and appurtenances thereto of every kind, whether above or below the land surface, including, but not limited to, buildings, utility systems, walkways, driveways, parking area, loading areas, landscaping items, fences, walls, decks, stairs, poles, landscaping vegetation, signs, exterior fixtures, private street sewers, storm drains, street lights, and any other structure of any kind.

Section 13. "Parcel" shall mean any numbered parcel shown upon a recorded subdivision map, recorded condominium map, or recorded parcel map of the Properties.

Section 14. "Member" shall mean every person or entity who or which holds a membership in the Association, as provided in Article II, Section I, hereof.

Section 15. "Mortgage" – "Mortgagee" – "Mortgagor." A Mortgage shall mean any mortgage or deed of trust other conveyance of a Parcel to secure the performance of an obligation, which will be void and reconvened upon completion of such performance. Reference in this Declaration to a Mortgagee shall be deemed to include the beneficiary of a deed of trust. Reference to Mortgagor shall be deemed to include the trustor of deed of trust.

Section 16. "Owner" shall mean the person, including Declarant, holding fee simple interest of record to any parcel, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation. For the purposes of article VII only, unless the context otherwise requires, Owner shall also include the guest, invitees, licensees, and lessees of any Owners.

Section 17. "Person" shall mean a natural individual or any entity with legal right to hold title to real property.

Section 18. "Properties" shall mean all the real property described in Paragraph A of the Preamble to this Declaration and such additions thereto as may hereafter be brought within the jurisdiction of the Association, but shall not mean any portion of the Properties thereafter acquired by any public entity, to all intents and purposes as though never subject thereto.

Section 19. "Pro Rata" shall mean the percentage of a Unit's square footage as a portion of the total of all Units. See Association Assessments.

Section 20. "Special Assessment" shall mean a charge against a particular Owner and his real property, directly attributable to, or reimbursable by, the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest and other charges thereon as provided for in this Declaration.

## ARTICLE II MEMBERSHIP

Section 1. Membership. Every Owner shall automatically, upon becoming Owner of a Parcel, be a Member of the Association, and shall remain a Member thereof until such time as his Ownership ceases for any reason, at which time his membership in the Association shall automatically cease. All memberships shall be appurtenant to a Parcel. Except as may otherwise be provided herein, the rights, duties, privileges, and obligations of all Members of the Association shall be set forth in this Declaration and By-Laws of the Association, and the rules and regulations of the Association adopted in accordance with the By-Laws of the Association.

Section 2. Transfer. The Membership held by any Owner shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of such Owner's Parcel, and then only to the purchaser or Mortgagee of such interest in such Parcel. Any attempt to make a prohibited transfer is void and will not be reflected upon the books or records of the Association.

Section 3. Voting Rights. The Association shall have one (1) class voting membership. Each unit (A,B,C,D) shall have one vote for any Association determination. In the event of a tie vote that cannot be negotiated to a resolution, the Association shall hire an unbiased arbitrator to weigh the issues, submit an opinion and break the tie.

## ARTICLE III COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments  
Declarant, for each Parcel Owned by Declarant, hereby Covenants and agrees to pay, and each Parcel Owner, by acceptance of a deed to a Parcel, whether or not it shall be expressed in any such deed, is deemed to Covenant and agree to pay to the Association all Common Assessments for the Common Expenses, and applicable Special Assessments, Reconstruction Assessments, and Capital Improvement Assessments. All such Assessments, together with interest, cost, and reasonable attorneys' fees shall be separate, distinct, and personal obligation of the Owner at the time the Assessment fell due, and shall bind his heirs, successors in interest, devisees, personal representatives, and assigns. This personal obligation cannot be avoided by abandonment of the Parcel or Improvements thereon, or by an offer to waive the use of the Common Area's.

Section 2. Purpose of Assessments. The assessments levied by the Board of Directors on behalf of the Association shall be used exclusively to promote the health, safety, and welfare of the Owners and their employees, and for the operation, replacement, improvement, and maintenance of the Common Areas. All assessments must be used solely for the common benefit of all of the Owners for purposes authorized by the Declaration, as may be amended from time to time. Disbursements from the maintenance fund of the Association shall be made by the Board for such purposes as may be necessary for the discharge of its responsibilities herein for the common benefit of all Owners. Nothing in this Declaration shall be construed in such a way as to limit the right of the Board to use any Common Assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the Properties.



Section 3. Determination of Common Assessments. The Board of Directors shall authorize and levy the amount of the annual Common Assessment upon each Owner and the interest of such Owner in a Parcel, as provided herein, by majority vote of the Board. The initial Common Assessment shall commence on the first day of the calendar month following the first Close of Escrow for the sale of a Parcel on the Properties. Common Assessment shall be borne by the Owners in the Proportions as set forth in Exhibit "B" attached hereto

Not later than sixty (60) days prior to the beginning of each fiscal year, the Board of Directors shall prepare and distribute to the Members of the Association a written, itemized, estimate (budget) of the total income and common Expenses of the Association during such year in performing its functions under this Declaration (including a reasonable provision for contingencies and reserves for infrequently recurring expenditures). Written notice of the common Assessments shall be sent to every Member subject there. Without first receiving the approval of the Members, the Board may increase the annual Common Assessment against each Member and the interest of such Member in a Parcel in any fiscal year by an amount not in excess of twenty percent (20%) of the annual Common Assessment levied in the preceding fiscal year. Any such increase in excess of twenty percent (20%) shall require the prior approval of a majority of the voting power of the Association.

Each member shall pay to the Association his annual Common Assessment semi-annually in advance of the fiscal year for which such Common Assessment has been levied or at such frequency and in such amounts as may be hereafter established by the Board of Directors. In the event that the Board of Directors shall determine that the estimate of total charges for the current year is, or will become inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy. The Board of Directors shall have the authority to levy at any time by a majority vote of the Board, a supplemental Common Assessment reflecting a revision of the total charges to be assessed against each Member and the interest of such Member in a Parcel which shall not exceed five percent (5%) of the budgeted gross expense of the Association for its current fiscal year. To the extent that any supplemental Common Assessment or the aggregate of any supplemental Common Assessments and Capital Improvement Assessments in any fiscal year of the Association exceeds the foregoing, such access shall require the prior approval by the vote or written consent of a majority of the voting power of the Association. Written notice of any change in the amount of the Common Assessments levied by the Association through the Board of Directors shall be given to all Members not less than thirty (30) days prior to the effective date if such change.

Section 4. Collection of Common Assessments. From and after the time specified in Section 3 as the commencement of the initial Common Assessment, the Board shall fix and collect from each Owner of a Parcel his pro-rata-share of the Common Assessments. At the end of any fiscal year of the Association, the membership may determine that all excess assessment funds may be returned to the members proportionately, or any be retained by the Association and used to reduce the following year's Common Assessments. In any voluntary or involuntary conveyance of a Parcel or the improvement thereon, the new Owner ("Purchaser") shall be jointly and severally liable with the previous Owner ("Seller") for all unpaid installments of assessments levied by the Board of Directors against the Seller for his share of the Common Expenses up to the date of the Close of Escrow of the grant or conveyance, without prejudice to the right of any Purchaser to collect from Seller therefore. However, any such Purchaser shall be entitled to a statement from the Board of Directors or the Management agent of the Association, as the case may be, setting forth the amount of the unpaid assessments against the Seller due the Association, and such Purchaser shall not be liable for, nor shall the Parcel conveyed be liable for, any

unpaid assessments levied by the Board of Directors against the Seller in excess of the amount set forth in the statement, provided, however, that the Purchaser shall be personally liable for any and all assessments and other charges becoming due after the close of Escrow. Notwithstanding the foregoing, any first mortgagee for value who obtains title to a Parcel or to such improvements pursuant to the remedies provide in the Mortgage, or foreclosure of the Mortgage, shall not be liable for unpaid assessments or charges against the mortgaged Parcel which accrue prior to the time such Mortgage acquires title to that Parcel or such Improvements.

Section 5. Capital Improvement Assessments. Should the Board of Directors determine the need for the Capital Improvement or replacement expenditure, then a vote of at least a majority of the voting power of the Association shall be required to approve and render effective a Capital Improvement Assessment levied by the Board of Directors to cover the cost of such expenditure if the aggregate of such assessment and any prior Capital Improvement Assessments and/or Supplemental Common Assessments exceeds five percent (5%) of the budgeted gross expense of the Association for its current fiscal year. Any Capital Improvement Assessment shall be borne by the Owners in the proportions set forth in Exhibit "B" attached hereto.

#### ARTICLE IV NONPAYMENT OF ASSESSMENTS

Section 1. Delinquency. Any installment of an assessment provided for in this Declaration shall become delinquent if not paid on the due date as established by the Association. With respect to each installment of an assessment not paid within twenty (20) days after its due date, the Board of Directors may, after giving the delinquent Owner written notice and an opportunity to have a hearing before the Board of Directors, require the delinquent Owner to pay a late charge of ten percent (10%) of the amount due on such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any of a Common Assessment is not paid within thirty(30) days after it is due, the Board may mail notice to the Owner and to the first Mortgagee of such Owner. The notice shall specify (1) the fact that the installment is delinquent; (2) the action required to cure the default; (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured; and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Common Assessment for the then current fiscal year and sale of Owner's interest in the Parcel. The notice shall further inform the Owner of his right to cure after acceleration and of his right to a hearing before the Board of Directors. If the Member waives his right to a hearing and the delinquent installments of the Common Assessment and any charges thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the annual Common Assessment for the then current fiscal year, attributable to that owner and his Parcel, or interest therein, to be immediately due and payable without further demand, and may enforce the collection of the full Common Assessment and all charges thereon in any manner authorized by law and this Declaration.

Section 2. Notice of Lien. The Association may cause to be recorded in the office of the County Recorder of Douglas County a notice or assessment ("Notice of Lien") securing the payment of an assessment or installment thereof, levied by the Association against any Owner. Such Notice of Lien shall state the amount of such assessment or installment, as the cause may be, and other authorized charges and interest, including the cost of preparing and recording such Notice of Lien, the expenses of collection in connection with any delinquent installments, reasonable attorney's fees, a sufficient description of the

Parcel of interest therein against which the same has been assessed, the name of the Owner thereof, and the name and address of the Association. An authorized representative of the association shall sign such Notice of Lien. Upon payment to the Association of the full amount claimed in the Notice of Lien, or other satisfaction there, the Board of Directors shall cause to be recorded a notice of satisfaction and release Lien (“Notice of Release”) stating the satisfaction and release of such amount claimed. The Board of Directors may demand and receive from the applicable Owner a reasonable charge for the preparation and recordation of such Notice of Release before recording the same. Any purchaser or encumbrancer, which has acted in good faith and extended value, may rely upon such Notice of Release, as conclusive evidence of the full satisfaction of the sums stated in the Notice of Lien.

Section 3. Liens, Enforcement. All sums assessed in accordance with the provision of this Declaration shall constitute a lien on the respective parcel prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage or deed of trust with first priority or seniority over that Mortgage or deed of trust), made in good faith and for value, and recorded prior to the date on which the assessment lien become effective, subject to the provisions of Article III, Section 4, and Article XII of the Declaration. Assessment liens shall become effective upon recordation of the notice of Lien in the manner provided in Section 2 of this Article. It shall be the duty of the Board of Directors to enforce the collection of any amounts due under this Declaration by one or more of the alternative means of relief afforded by this Declaration. Assessment liens may be forced by sale of interest of such Owner in the Parcel by the Association, its attorney or other Person authorized to make the sale, after failure of the Owner to pay assessment, or installation thereof, as provided herein. Such sale shall be conducted in accordance with the provision of the Nevada law applicable to the exercise of powers of sale in Mortgages and deed of trust, or in any manner permitted by law. An action may be brought to foreclose the lien of the Association by the Board, or by any Owner if the Board fails or refused to act, after affording the delinquent Owner an opportunity to have a hearing before the Board of Directors and after the explanation of at least thirty (30) days from the date on which the Notice of Lien was recorded, provided that at least ten (10) days have expired since a copy of the Notice of Lien was recorded, provided that at least ten (10) days have expired since a copy of the Notice of Lien was mailed to the Owner affected thereby, and subject to the provisions of Section 1 of this Article in the event that the Board accelerates the due date of any Common Assessment installment. In any foreclosure, the Owner shall be required to pay a reasonable rental for the Parcel and any Improvements thereon, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Association, through its agent, shall have the power to bid on the Parcel and Improvements at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. Suit to recover a money judgment for unpaid Common Assessment shall be maintainable without foreclosing or waiving the lien securing the same, but this provision or any institution of suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from a suit in law or equity initiated pursuant to this Section may include reasonable attorney’s fee as fixed by the court.

ARTICLE V  
THE ASSOCIATION

Section 1. Formation and Membership. The Association shall be formed under the name of Brushwolf Business Building Association, as a not for profit partnership under the laws of the State of Nevada.

Section 2. Duties and Powers. The Duties and Powers of the Association are those set forth herein, generally to do any and all things that a partnership under the laws of the State of Nevada may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety, and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration. Transfer of control over the Common Areas to the Association shall take place upon Close of Escrow for the sale of the first Parcel in the Properties. The Association further shall have the right to install or construct reasonable Capital Improvements on the Common Areas, for the Benefit of all of the Owners of the Properties. The Association may, at any time, and from time to time, reconstruct, replace, or refurbish any Improvement or portion thereof upon the Common Areas, and the Association may construct, reconstruct, and replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon the Common Areas. The Association may employ personal necessary for the effective operation and maintenance of the Common Areas, including the employment of legal and accounting services. The Board shall not enter into any management service contract for a term in excess of one (1) year, without the vote or written assent of the Membership.

Section 3. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration or the By-Laws of the Association, the terms and provisions of this Declaration shall prevail.

ARTICLE VI  
EASEMENTS AND RIGHTS OF ENTRY

Section 1. Easements

(a) Access and Parking. Declarant expressly reserves for the benefit of the Owners in the Properties reciprocal, nonexclusive, easements for access, ingress, and egress and of such Parcels, as necessary, which easements may be conveyed by Declarant to Owners and to the Association for so long as Declarant owns any interest in the Properties. Subject to the provisions of this Declaration governing use and enjoyment thereof, such easements may be used by Declarant, its successors, purchasers and all Owners, their guests, tenants, and invitees, transacting business on or temporarily visiting the Properties, for purposes reasonably necessary for use and enjoyment of a Parcel in the Properties. No Owner shall utilize his Parcel so as to interfere with such easements; provided, however, that each owner shall, with the approval of the Board of Directors, be entitled to install specialized equipment on its Parcel. The Board of Directors of the Association shall have the right to grant necessary easements and rights-of-way over the Common Areas to any Person after the Close of Escrow for the sale of the first Parcel from the Declarant.

(b) Maintenance and Repair. Declarant expressly reserves for the benefit of the



Board of Directors and all agents, officers, and employees of the Association nonexclusive easements over the Common Areas as necessary to maintain and repair the Common Areas and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Areas shall be appurtenant to and shall pass with the title to every Parcel conveyed. There are specifically reserved for the benefit of the Owner's easements and reciprocal negative easements for utility services and repairs, replacement, and maintenance of the same over all of the Common Areas. Such easements shall be as not to unreasonably interfere with the use and enjoyment by the Owners of adjoining Parcels.

- (c) Encroachment. Declarant, the Association, and the Owners of contiguous Parcels shall have reciprocal easements appurtenant to each of the Parcels and the Common Areas for the purposes of (1) accommodating any existing encroachment of any wall of the building thereon. (2) maintaining the same and accommodating authorized construction, reconstruction, repair, shifting, movement or natural settling of the Improvements, or any portion thereof, and (3) maintaining drainage in accordance with the drainage pattern existing at the time of conveyance of the respective Parcel to a purchaser from Declarant or in accordance with such drainage pattern as altered with the prior consent of the Board of Directors.

Section 2. Right of Entry. The Board of Directors, the Committee, and the Declarant, shall have a limited right of entry in and upon the exterior of all buildings and structures located on any Parcel for the purpose of inspecting the Properties, and taking whatever corrective action may be deemed necessary or proper, consistent with the provisions of this Declaration. However, nothing herein shall be construed to impose any obligation upon the Association, the Board of Directors, or Declarant, to maintain or repair any portion of any Parcel, which is to be maintained or repaired by the Owner. Nothing in this Article VI shall in any manner limit the right of any Owner to the exclusive occupancy and control over the building located upon any Parcel. However, an Owner shall permit access to the Owner's Parcel or Improvements thereon by any Person authorized by the Board of Directors, the Committee, or Declarant as reasonably necessary such as in case of any emergency originating on or threatening such Parcel or Improvements, whether the Owner is present or not. All Owners shall maintain right of entry to the utility room adjacent to Parcels (Units) B & C for the purposes of meter reading, repairs and maintenance.

## ARTICLE VII USE RESTRICTIONS

Section 1. Permitted Uses. All Parcels in the Properties shall be used for industrial or business purposes, except for the Common Areas, on which shall ever be used, or caused to be used, or allowed or authorized in any way, directly or indirectly, for any residential or other non-business or non-industrial purpose. All business operations shall be performed and carried out entirely within a building in such manner that the enclosed operations and uses do not cause or provide a nuisance to other portions of the Properties, such as, but not limited to, vibration, sound, electro-mechanical disturbance and radiation, air or water pollution, dust or emissions of odors, toxic or non-toxic matter, or parking lot and passage obstructions. New or changed uses must be approved by the Board of Directors. Uses shall be subject to the applicable Zoning Ordinance of Douglas County.

Section 2. Nuisances. No rubbish or debris of any kind shall be permitted to accumulate upon or adjacent to any site other than normal accumulation and storage of trash in connection with a confined and reasonably prompt trash disposal or pick-up program, and no odors may be permitted to arise there from so as to render any site or portion thereof unsanitary, unsightly, offensive, or detrimental to any of the property in the vicinity thereof, or to the occupants thereof. No nuisance shall be permitted to exist or operate upon any site so as to be offensive or detrimental to any property in the vicinity thereof, or to its occupants. No outdoor work tasks or temporary or permanent storage shall be permitted.

Section 3. Antennae. No telephone, radio, or other electronic antenna or device of any type shall be erected, constructed, placed or permitted to remain on any of the building, structures, or other improvements constructed on the parcel, unless and until the same shall have been approved in writing by the Board of Directors.

Section 4. Drainage. There shall be no interference with the established drainage pattern over any portion of the Properties unless adequate provision is made for the proper drainage and is approved by the Board of Directors. For the purpose here, "established" drainage is defined as the drainage which exists at the time of this declaration.

Section 5. Storage and Waste. All rubbish, trash, garbage, and other waste shall be regularly removed from each Parcel, and shall not be allowed to accumulate thereon. No refuse contained shall be maintained on the Common Areas other than in the location and manner provided for by Declarant, and no storage area, machinery, or equipment shall be kept or maintained on any Parcel so as to be visible from the Common Areas of the Properties. Each Owner shall be responsible for the cost of their refuse storage and collection. No vehicles of any sort shall be left in parking stalls over 24 consecutive hours.

Section 6. Temporary Structures and Obstructions. No structures of a temporary character, trailer, camper, boat, or similar equipment shall be permitted to remain upon any Parcel so as to be visible from the Common Areas, without prior written approval of the Board of Directors. There shall be no obstruction of any walkway or driveway in the Properties, which would interfere with the circulation of foot, or automobile traffic except obstruction as may be reasonably required with repairs of such driveways or walkways.

Section 7. Leases. This declaration is intended to be binding upon lessee or tenant of any Parcel or any portion thereof. In order to ensure the binding effect on tenants and lessees, each Owner agrees, by acceptance of a deed by which he acquires title to a Parcel, not to rent or lease all or any portion of his Parcel to any person, partnership, corporation, trust, or other entity, except pursuant to a written lease or rental agreement that (a) expressly refers to this Declaration and (b) contains either a covenant that the lessee or tenant agrees to perform or comply with the restriction herein, or adequate provisions to permit entry and other actions by the lessor for the purpose of performing and complying with these restrictions.

Section 8. Parking Areas. The Association shall have the right and obligation to establish reasonable rules and regulations governing use of the streets and parking in the Common Areas, after first reaching consensus. No vehicles of any type shall be left in Common Area parking stalls over 24 hours. Owners of Parcels shall only permit their licensees, employees, tenants, or invitees to park in Common Area. All parking areas shall be maintained by the Association. There exist 32 total parking spaces, 2 of which are handicap spaces. The 30 remaining parking spaces are designated as follows: 7 for A Unit

including 3 on North wall, 4 behind Unit; 7 for and behind B Unit; 8 for and behind C Unit; 8 for D Unit including 4 behind and 4 on South wall.

Section 9. Signs. Signage is limited to office windows/doors or attached to building below the bottom of the front shade roof over the entry doors. No attached sign therein will exceed (3) three feet in width or (2) two feet in height. No signs shall be installed above the height of the aforementioned front shade roof.

Section 10. Roof Installations No heating, air conditioning, electrical or other equipment shall be installed on the roof of the building within fifteen (15) feet of roof exterior parapets nor within twenty-five (25) feet of the rear roof edge. No attachments to exterior walls shall occur without approval of the Association.

Section 11. Prohibited Uses. No Parcel shall be used for any purpose or business which is considered dangerous or unsafe or which constitutes a nuisance, or is noxious or offensive by reason of emission of dust, odor, gas, smoke, fumes, or noise. All Parcels are subject to the applicable Douglas County Zoning Ordinance applying to 1231 Service Drive. In addition, the following uses are specifically prohibited:

- (a) Any residential use of any kind
- (b) Theaters
- (c) Churches, schools and other similar public uses
- (d) Outdoor manufacturing or fabrication
- (e) Meat packing plants, commercial dog kennels, junk or wrecking yards, dumps or refuse disposal yards
- (f) Other uses which the Association Board may determine to be detrimental to the Properties

Section 12 Refuse, Collection. All outdoor refuse areas must remain screened. No refuse is permitted otherwise outside in the Common Area. All Owners shall enter into a shared use condition or authorize the Board to pay for services and add cost to Common expenses.

Section 13 Sewer & Water. There exists one sewer lateral which is shared by all units. Maintenance, repairs, payment of fees and billing by the Sewer District are the shared responsibilities of the Association. Likewise there exist two water meters, one for landscape watering and one shared by all units. Maintenance, repairs, payment of fees and billing by the Water District are the shared responsibilities of the Association. It is recommended that all units observe water saving measures and control use of same by Owners, tenants and guests.

Section 14 Penalties. Should any Owner or Tenant cause another Owner to formally complain about any of the above sections being violated, that formal complaint, in writing, to the offending tenant and Owner, both, dated as date of notice shall give the offending units Owner 24 hours to mitigate. After the twenty-fourth hour, should complaint not be resolved, a \$50 per day penalty shall be assessed to the offending unit and be paid to the Association. Should no action be taken by offender, a lien may be recorded against the offending Unit, Lot, Parcel by the Association for the value of the penalty's accrual and per Article IV Sections 2 and 3

ARTICLE VIII  
ARCHITECTURAL, DEVELOPMENT,  
AND LANDSCAPING PROVISIONS

Section 1. The Board of Directors. Shall have the right and duty to promulgate reasonable standards against which to examine any request made pursuant to this Article, in order to ensure that the proposed plan conforms harmoniously to the exterior design and existing materials of the Improvements on the Properties.

Section 2. Mechanics of Operations.

- (a) Required Approvals. Subject to the provisions of Article XVI, Section 4, of this Declaration, no improvement shall be commenced, erected, or maintained upon the Properties, no change in the window covering shall be made, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the Board of Directors as to harmony of external design, color, and location in relation to surrounding structure and topography. All replacement glass used on the Properties shall be of the same specifications as the original glass, unless a waiver is obtained from the Board of Directors. No alteration or remodel to the roof, including but not limited to installation of a sun roof or solar panels may commence until all plans and specifications regarding any type of roof alteration or remodel is submitted to and approved by the Board of Directors.
- (b) Preparations and Submissions of Plans. All plans and specifications prepared by an architect, engineer, said person to be employed by and at the expense of the Owner making the application. The Owner shall obtain a written receipt for the plans and specifications from the Board of Director member. Plans and re-submittals thereof shall be approved or disapproved within thirty (30) days after receipt by the Board of Directors. Failure of the Board of Directors to respond to a submittal or resubmittal of plans within such period shall be deemed to disapproval of the plans as submitted or resubmitted.
- (c) Discretionary Powers of the Board of Directors. The approval of the plans and specifications may be withheld not only because of noncompliance with any specific conditions, covenants, and restrictions contained in this Declaration, but also by virtue of the reasonable dissatisfaction of the Board of Directors with the location of the modification on the Parcel, the elevation, color scheme, finish, design, proportions, architecture, shape height style, and appropriateness of the proposed altered structures, the material used therein, because of its reasonable dissatisfaction with any or all other matters of things which, in the reasonable judgment of the Board of Directors, will render the proposed item of Improvement inharmonious or out of keeping with the general plan of Improvement of the Properties.



- (d) Violations; Waiver. If, after such plans and specifications have been approved, the Improvements are altered, erected, or maintained upon the Parcel otherwise than as approved by the Board of Directors, such alteration, erection, and maintenance shall be deemed to have been undertaken without the approval of the Board of Directors having been obtained as required by this Declaration. After the expiration of one (1) year from the date of completion of any Improvement, addition, or alteration, said Improvement shall, in favor of purchasers and encumbrances, in good faith and for value, be deemed to comply with all of the provisions hereof, unless a notice of such noncompliance, executed by one (1) member of the Board of Directors, shall appear of record in the Office of the County Recorder of Douglas County, Nevada, or legal proceedings shall have been instituted to enforce compliance with these provisions. Upon approval of the Board of Directors, it shall be conclusively presumed that the location and exterior configuration of any alteration or other Improvement placed or constructed in accordance with the approved plans and specifications does not violate the provisions of this Declaration. The approval of the Board of Directors of any plan or specifications submitted for approval as herein specified shall not be deemed to be waiver by the Board of Directors of its rights to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any plan or design from the standpoint of structural safety or conformance with the building or other codes.
- (e) Non-liability of Board of Directors Members. Neither Declarant, the Board of Directors, nor any Member thereof, nor their duly authorized representatives, shall be liable to any Owner for any loss, damage, or injury arising out of or in any way connected with the negligent performance of the Board of Directors' duties hereunder, unless due to willful misconduct or bad faith. Board of Directors members shall not be entitled to any compensation for services performed pursuant to this Declaration unless expressly agreed to by all Members.

## ARTICLE IX REPAIR AND MAINTENANCE

Section 1. Repair and Maintenance Duties of the Association. The Association shall maintain, repair, replace, resurface, and make necessary Improvements, to assure the maintenance of the Common Areas or shall contract for such maintenance, repairs. Improvements shall include, without limitation, maintenance, and replacement of shrubs, trees, vegetation, irrigation systems and other landscaping Improvements located on the Common Areas, and repair and maintenance of all streets, parking areas, walks and other means of ingress and egress within the Properties, including snow removal. The Association shall further provide for the Building Parcel's exterior maintenance, repairs, and exceptions in Section 4, as necessary. All such maintenance, repairs, and Improvements to the Common Areas shall be paid for as Common Expenses. To the extent not paid by an Owner, The Association shall have the right, but not the obligation, to pay all real and personal property taxes and assessments, which shall constitute a lien upon any portion of the Common areas. All work performed or taxes and assessments paid for and on behalf of an Owner shall be charged to such Owner as a special Assessment, as herein provided. It shall further be the affirmative duty of the Association to require strict compliance with

all provisions of this Declaration and to cause the Properties to be inspected by the Board of Directors for any violations of thereof.

Section 2. Common Area Expenses. The association is responsible for the maintenance and repairs specified in Article IX, and shall be further responsible for the following expenses, pursuant to any limitations or exceptions in Section 4, including but not limited to: general liability insurance for the entire 1231 Service Drive, fire insurance, waste management and garbage removal (only if by consensus), sewer, water, trash enclosure, removal of all papers, debris, filth, snow; maintenance within Common Area of directional signs, gates, markers, lights; repainting of stripping, markers, directional signs, etc. as necessary to maintain in first class condition.

Section 3. Special Powers of the Association. Without in any way limiting the generality of the foregoing, in the event that the Board of Directors determines that an Improvement, the maintenance of which is the responsibility of an Individual Owner, is in need of repair restoration or painting; (e.g. exterior doors & door frames) or the Board of Directors determines that there is a violation of any provision of this Declaration, then the Board of Directors shall give written notice to the Owner of such condition or violation. Unless the Board of Directors has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such period of time as may be determined reasonable by the Committee after it has given said written notice, and such corrective work so approved is completed thereafter within the time allotted by the Committee, shall undertake to remedy such condition or violation, and the cost thereof shall be charged to the Owner and his Parcel which is the subject matter of the corrective work. Such cost shall be deemed to be a Special Assessment to such Owner and his Parcel, and subject to levy, enforcement, and collection by the Board of Directors, in accordance with the Assessment lien procedure provided for in this Declaration.

Section 4. Installation, Repair, and Maintenance Duties of Owners. Subject to the duty of the Association to provide for maintenance as specified in Section 1, each Owner shall construct, maintain, repair, replace, finish, and restore, or cause to be so maintained, repaired, replaced, finished, and restored, at his sole cost and expense, all doors and windows, the interior of the buildings, his roof, as well damage or alteration to the roof due to any penetration, and all structural parts, in a clean sanitary, and attractive condition, and shall maintain and repair as needed all exterior walls, subject to the control and approval of the Board of Directors. To the extent required, the duty to so maintain shall include repair and replacement of paved areas as necessary or desirable resulting from causes other than normal wear and tear, or as required from time to time by the board of Directors. However, notwithstanding any other provision of this Declaration to the contrary, the Association has the exclusive right to make all decisions with respect to the painting of the exterior of all structures on the Properties, including timing and color selection. It further shall be the duty of each Owner to pay when due all charges for all utility services which are separately metered to his Parcel and his Improvement, such as Heating, ventilation, air-conditioning, and cooling. Each Owner shall pay all costs for trash collection and removal in the event that the Association has not contracted for common trash collection and removal.

ARTICLE X  
COMMON AREA PROTECTION

Section 1. Association Control. The Association shall have fee title to/or an exclusive easement over the Common Areas, in order to perform its duties hereunder, which easement shall include, without limitation, the following appurtenant rights and duties:

- (a) The right of the Association to reasonably limit the number of guests, patrons, and invitees of Owner using Common Areas.
- (b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area, including but not limited to, the right and obligation of the Association to enforce all parking restrictions within the Common Areas as set forth in Section 2 of Article X herein.
- (c) The right of the Association, in accordance with the By-Laws of this Declaration, to borrow money, for the purpose of improving the Common Areas and facilities and in aid thereof, and to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such Mortgagee shall be subordinated to the rights of the Owners
- (d) The right of the Association, in accordance with the By-Laws and this Declaration, to dedicate, release alienate, or transfer the Common Areas to any public agency, authority, utility, or other Person for such purposes and subject to conditions as may be agreed to by the Members.
- (e) The right of the Association (by action of the Board) to reconstruct, replace, or refinish any Improvement or portion thereof upon the Common Areas, in accordance with the original design, finish, or standard of construction of such Improvement, or of the general Improvements within the Properties, as the case may be, and not in accordance with such original design, finish, or standard of construction only with the vote or written consent of the Owners holding seventy-five percent (75%) of the voting power of the Association.
- (f) The right of the Association to replace destroyed trees, or other vegetation, and plant trees, shrubs, and ground cover upon any portion of the Common Areas.

Section 2. Regulation of Parking. The Association, through its officers, committees, and agents, is hereby empowered to establish “parking” and “non-parking” areas within the Common Areas, as well as to enforce these parking limitations by all means lawful for such enforcement on County streets, including the removal of any violating vehicles to those so empowered.

Section 3. Easements for Vehicular Traffic. In addition to the general easements for use of the Common Areas reserved therein, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners, within the Properties, non-exclusive easements appurtenant for vehicular traffic over the portions of the Common Areas designated as drive areas, subject to the provisions set forth in Section 2 of Article X hereof.

Section 4. Easements for City and County Public Service Use. In addition to the foregoing easements over the Common Areas, there shall be and Declarant hereby reserves and covenants for itself amid all future Owners, within the Properties, including but not limited to, the right of police to enter upon any part of the Common Areas for the purpose of enforcing the law.

Section 5. Waiver of Use. No Owner may exempt himself from personal liability for assessment annually levied by the Association, nor release the Parcel or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Areas or by abandonment of his Parcel or any other Property in the Properties.

Section 6. Taxes. Each Owner shall execute such instruments and take such action as reasonably may be specified by the Association to obtain separate Real Estate tax assessment of each Parcel. If any taxes or assessments may, in the opinion of the Association, nevertheless be lien on the Common Areas, or any part thereof, they may be paid by the Association, and each Owner shall be obligated to pay or to reimburse the Association of, as the case may be, the taxes and assessments assessed by the County Assessors Office or other taxing authority against the Common Areas and attribute to his own Parcel and interest in the Common Areas.

## ARTICLE XI INSURANCE

Section 1. Duty to obtain Insurances: Types. The Association shall obtain and continue in effect insurance in such amounts and coverage's as it determines. Such insurance shall be maintained by the Association as named insured for the benefit of the Association, the Owners, and encumbrances upon the respective Parcels or any part thereof as their interests may appear, subject, however, to loss payment requirements as forth herein. The Association shall purchase such other insurance, as necessary, including but not limited to Officer/Director Liability insurance error and omissions, medical payments, malicious mischief, and vandalism insurance, fidelity bonds, and worker's compensation, and other risks as shall customarily be covered with respect to business office planned development similar in construction, location, and use of the Properties.

Section 2. Notice of Expiration Requirements. All of the policies of insurance maintained by the Association shall contain a provision that said policy or policies shall not be canceled or terminated, not expire by their terms, without thirty (30) days prior written notice to the Association, Declarant, the Owners and their respective first Mortgagees provide that such Mortgagees have filed written requests with the carrier for such notice), and every other Person in interest who shall have requested such notice of the insurer.

Section 3. Insurance Premiums. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors shall be Common Expense to be included in the Common Assessments levied by the Association and collected from the Owners.

Section 4. Trustee Policies. The Association, acting through its Board of Directors, is hereby appointed and shall be deemed trustee of the interests of all named insured's under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies provided for in Section 1 of this Article shall be paid to the Association as trustees. The Board of Directors shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the Property for which the insurance used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in Article XII of this Declaration. The Board of Directors is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers, with participation to the extent they desire. Any two (2) directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all named insured's.

Section 5. Actions of Trustee. Except as otherwise specifically provided in this Declaration, the Board of Directors, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties in respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance. Duplicate originals or certificates of all policies of fire and causality of premiums, shall be delivered by the Association to all Mortgagees who have requested the same in writing.

Section 6. Annual Insurance Review. The Board of Directors shall review the insurance carried by the Association at least annually, for the purpose of determining the amount of the insurance referred to in Section 1, above. The Board of Directors may, at its opinion, obtain a current appraisal of the full replacement value of the Common Areas and other structural Improvements in the Properties, without deduction for depreciation by a qualified independent insurance appraiser, prior to each such annual review.

Section 7. Required Waiver. All policies of physical damage insurance shall provide, if reasonably possible, for waiver of the following rights, to the extent that the respective insurers would have the rights without such waivers.

- (a) Subrogation of claims against the tenants of the Owners;
- (b) Any defense based on co-insurance;
- (c) Any right of set-off, counterclaim, apportionment, proration, or contribution by reason of other insurance not carried by the Association;
- (d) Any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner, or any tenant of any Owner, or arising from any act, neglect, omission, or any named insured or the respective agents, contractors, and employees of any insured
- (e) Any right of the Insurer, rebuild, or replace, and, in the event the building is not repaired, rebuilt, or replaced following loss any replacement value of the Improvements insured or the fair market value thereof;



- (f) Notice of assignment by any Owner of its interest in the Insurance by virtue of a conveyance of any Parcel; and
- (g) The right to require any assignment of any mortgage to the insurer. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, the manager, Declarant, and the agents and employees of each of the foregoing with respect of any loss covered by such insurance, whether or not caused by negligence or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

## ARTICLE XII DAMAGE OR LOSS IMPROVEMENTS

Section 1. Restoration of Common Areas. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Common Areas and any other Improvements insured by the Association, it shall be the duty of the Association to restore and repair to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article XI hereof shall be used for such purposes, unless otherwise provided herein. The Board of Directors shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Common Area and all other Improvement shall be reconstructed or rebuilt substantially in accordance with the original construction plans, if they are available, with such changes as are recommended by the Board of Directors. In the event the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than the estimated cost of restoration and repair, a Reconstruction Assessment shall be levied by the Board of Directors upon the Owners and their property in order to provide the necessary funds for such reconstruction over and above the amount of any insurance proceeds available for such purpose. Reconstruction over and above the amount of any insurance proceeds available for such purpose. Reconstruction assessments shall be borne by the Owners in the same proportions as Common Assessments. Notwithstanding the foregoing, in the event of total destruction of all of the Improvements in the Properties, and decision of the Owners owning three-fourths (3/4) of the Parcels not to rebuild, the proceeds of the insurance carried by the Association shall be divided proportionately among the Parcel Owners, such proportion to be based upon Exhibit B, provided that the balance then due on any valid mortgage of record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Parcel is so encumbered.

Section 2. Restoration Obligation of Owners. In the event of the damage or destruction of any portion of the Properties which is not insured by the Association (“Destroyed Properties”), then it shall be the duty of such Owner, as soon as practical, to repair and replace the destroyed Properties or such portion thereof as will render such damage or destruction indiscernible from the exterior of the destroyed Properties. Owner of the Parcel shall promptly commence construction of replacement Improvements thereon. Any reconstruction, replacement, or repair required by this Section shall be in accordance with the original plans and specifications of the Properties, or plans and specifications approved by both the Board of Directors and the Mortgagee of the first Mortgage of record, which encumbers the Parcel.

Section 3. Condemnation. In the event of a taking or partial taking of any Parcel, by condemnation proceedings, the Owner of such Parcel together with his Mortgagee shall have exclusive rights to prosecute the proceedings for the respective taking awards and to retain the proceeds thereof.

### ARTICLE XIII PROTECTION OF FIRST MORTGAGEES

A breach of any of the provisions, covenants, restrictions, or limitations hereof, or the recordation of any assessment lien, or the pursuit of any remedy hereunder, shall not defeat or render invalid the lien of any first Mortgage of record (meaning any recorded Mortgage or deed of trust with first priority or security over other Mortgages or deeds of trust) made with an Owner in good faith and for value upon the Parcel of such Owner. The Owners and their first Mortgagees may examine the books and records of the Association at all normal business hours, upon serving written notice of such examination on the Board. All of the provisions herein shall be binding upon and effective against Owner whose title to said Parcel is hereafter acquired through foreclosure or trustee's sale. The Mortgagee of any First Mortgage of record on any Parcel may file with the Board a written request for written notification from the Association in the event of any default by the Mortgagor of such Parcel in the performance of such Mortgagor's obligation under this Declaration which is not cured within thirty (30) days, and the Association shall give each such Mortgagee notice thereof. Each first Mortgagee of a Mortgage encumbering any Parcel in the Properties, which obtains title to such Parcel pursuant to the remedies provided in such Mortgage, by judicial foreclosure or by deed or assignment in lieu of foreclosure, shall take title to such Parcel free and clear of any claims for unpaid assessments or charges against such Parcel which accrued prior to the time such holder acquires title to such Parcel.

### ARTICLE XIV DURATION AND AMENDMENT

Section 1. Duration. This Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for the successive periods of ten (10) years, unless a Declaration of Termination is recorded in the official Records, in Douglas County, Nevada meeting the requirements of an amendment to this Declaration as set forth in Section 2 of this article. There shall be no severance by sale, conveyance, encumbrance, or hypothecation of an interest in any Parcel from the concomitant membership in the Association, as long as this Declaration shall continue in full force or effect.

Section 2. Amendment. Notice of the subject matter of a proposed amendment to this Declaration is reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment by an Owner at a meeting of the Members of this Association. A copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment shall be effective when the Certificate of Amendment is recorded in the official Records, in Douglas County, Nevada. Notwithstanding the foregoing, any of the following amendments, to be effective, must be approved in writing by the record holders of seventy-five percent (75%) of the aggregate value of first Mortgages encumbering the Properties at the time of such amendment:

- (a) Any amendment which effects or purports to affect the validity or priority of encumbrances, or the right or protection granted to encumbrancers as provided in Article III, Section 4, Article IV, Section 3, Article XIII, and Article XIV, Section 2, hereof.
- (b) Any amendment which would necessitate an encumbrancer, after it has acquired a Parcel through foreclosure, to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosures, or
- (c) Any amendment, which would or could result in an encumbrance being cancelled by forfeiture.

A certificate, signed and sworn to by two (2) officers of the Association, that the record Owners holding seventy-five percent (75%) of the voting power of the Association having either voted for or consented in writing to any amendment adopted as above provided, when the recorded, shall be conclusive or evidence of such fact. The certificate reflecting any amendment, which requires the written consent of any of the record holders of first Mortgages, shall be signed and sworn to be such first Mortgagees. When such Certificate is recorded, it shall be noted that such amendment has been so approved.

Section 3. Protection of Declarant. Notwithstanding any other provisions of this Declaration, the prior written approval of Declarant, as developer of the Properties, will be required before any amendment shall become effective which would impair the protection furnished Declarant to complete development including, without limitation, Article XIV, Section 4, of this Declaration.

Section 4. Amendment by Declarant. Notwithstanding any other provisions of this Article XIV, until the Close of Escrow for the sale of the first Parcel in the Properties, Declarant shall have the right to terminate or modify this Declaration by recordation of a supplement hereto setting forth such termination or modification.

## ARTICLE XV PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Improvements upon the Properties and placed on the dividing line between the Parcels shall constitute a party wall and to the extent not inconsistent with the Provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The costs of reasonable repair and maintenance of a party wall shall be shared equally by the Owners of the Improvements connected by such party walls.



Section 3. Destruction by Fire or Other Causality. If a party wall is destructed or damaged by fire or other causality, any Owner whose Improvement is affected thereby may restore it, and the Owner whose Improvement is connected thereto shall contribute equally to the cost of restoration thereof without prejudice, to the right of any such Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes a party to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owners successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, then such dispute shall be submitted to and determined by arbitration. Each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator. The decision shall be by majority of all arbitrators, in accordance with the American Arbitration Association Commercial Rules of Arbitration.

## ARTICLE XVI GENERAL PROVISIONS

Section 1. Local Proceedings. Failure to comply with any of the terms of this Declaration and By-Laws of the Association, or regulations adopted pursuant thereto, by an Owner, his guests, employees, invitees, or tenants (except for the nonpayment of any assessments provided for herein) shall be grounds for relief which may include, without limitation, an action to recover sums due to damages, injunctive relief, foreclosure of lien, or any combination thereof, which relief may be sought to Declarant, the Association, or if appropriate, by an aggrieved Owner. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision, any other provision hereof. The Association, any Owner (not at the time in default hereunder) or Declarant shall be entitled to bring action for damages against any defaulting Owner, and in addition may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant thereto shall include a sum for attorneys' fees in such amount as the court may deem reasonable, in the favor of the prevailing party, as well as the amount of any delinquent payment, together with interest, costs of collection, and court costs. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

Section 2. Severability. The provisions hereof shall be deemed independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any one provision or portion thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

Section 3. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the creation and operation of an industrial and business park development and the maintenance of Common Areas, and any violation of this Declaration shall be deemed to be a nuisance. The article and section headings, titles, and captions have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretations or construction. As used herein, the singular shall include the plural, and the masculine, feminine, and neuter shall mean the same.

Section 4. Hold Harmless and Indemnification. Each Owner shall be liable to the Association for any injury to any person or damage to the Common Areas, or any equipment thereon, which may be sustained by reason of the negligence of said Owner or of his guests, employees, invitees, or tenants, to the extent that any such damage shall not be covered by insurance. The costs incurred by the Association on a result of such damage shall be deemed a Special Assessment to such Owner and his Parcel, and shall be subject to levy, enforcement, and collection by the Board of Directors in accordance with the assessment lien procedure provided for in this Declaration. The Association further reserves the right to charge a Special Assessment equal to the increase, if any, in the insurance premium directly attributed to the damage or injury caused by such Owner, or by the use of the Parcel of such Owner. The Association shall hold each Owner safe and harmless from liability for loss or injuries occurring on the Common Areas to the extent that such loss or injuries are covered insurance to be maintained by the Association.

Section 5. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Properties to the public, for any public use.

Section 6. Non-liability ad Indemnification. No right or power conferred on the Board of Directors or the Board of Directors by virtue of this Declaration or By-Laws of the Association, shall be construed as a duty, obligation, or disability charged upon the Board of Directors or upon any director or member thereof, and except for injuries arising out of their malicious acts, no member of the Board of Directors or the Committee shall be liable to any person for his decisions, or failure to act in making decisions, as a member of the Board of Directors or the Committee. The Association shall pay all expenses incurred by, and satisfy any judgment or fine rendered or levied against any person who is or has been a director, officer, employee, or Committee member of the Association, in any action brought by the third party or by the Association against such person (whether or not the Association is joined as a party defendant), to impose a liability or penalty on such person for action undertaken, while a director, officer, employee, for which the Association determines in good faith within what he reasonably believed to be the scope of his employment or authority, and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. Payments include amounts paid and expenses incurred in settling any such action or threatened action. This Section does not apply to any action instituted or maintained in the right of the Association by a Member. This provision shall be construed to provide for such payments and indemnification to the fullest extent permitted by the provisions of the applicable law. Notwithstanding the foregoing, the Members of the Board of Directors shall receive no compensation for their services performed pursuant to this Declaration or the By-Laws of the Association.

Section 7. Notices. Except as otherwise provided in this Declaration, in each instance in which notice is to be given to an Owner, the same shall be in writing and may be delivered personally to the Owner, in which case personal delivery of such notice to one or more co-Owners of a Parcel, or to any general partner of a partnership owning a Parcel, shall be deemed delivery to all Co-Owners or to the partnership, as the case may be. Personal delivery of such notice to any officer or agent for the service of process on a corporation shall be deemed delivery to the corporation. In lieu of the foregoing, such notice



EXHIBIT "A"  
TO  
CC&Rs

LEGAL DESCRIPTION

One Industrial Condominium previously constructed by the Seller or his agents consisting of a portion of Assessors Parcel No: 1220-03-411-018 , located at 1231 Service Drive-----UNITS # A,B,C,D, as shown on the drawings and described as attached as Exhibit "B" hereto and incorporated herein by reference. The portions, including any recessed entries, consist of approximately:

Unit A having approximately 3705 square feet  
Unit B having approximately 3577 square feet  
Unit C having approximately 4700 square feet  
Unit D having approximately 4670 square feet

(hereafter "the Property").

EXHIBIT "B"  
ASSOCIATION ASSESSMENTS

| <u>Unit</u> | <u>Section</u> | <u>Percentage</u> |
|-------------|----------------|-------------------|
| A           | FCM & VRM      | 22%               |
| B           | FCM & VRM      | 22%               |
| C           | FCM & VRM      | 28%               |
| D           | FCM & VRM      | 28%               |