DOUGLAS COUNTY, NV

Rec:\$40.00

2020-952053

Pgs=58

09/04/2020 01:30 PM

\$40.00 LEACH KERN GRUCHOW ANDERSON SONG

KAREN ELLISON, RECORDER

APN Nos.: 1420-07-215-001 through 1420-07-215-036

When Recorded Return to:

Randy Bling Reno Sun, LLC 1701 West March Lane, Suite D Stockton, CA 95207

> DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS **FOR**

VALLEY VISTA ESTATES UNIT 7 LANDSCAPE MAINTENANCE ASSOCIATION, A LIMITED PURPOSE ASSOCIATION

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

### TABLE OF CONTENTS

ARTIC	LE I DEFINITIONS	. 2
1.01	Act	
1.02	Allocated Interests	. 2
1.03	Articles of Incorporation or Articles	. 2
1.04	Assessment	. 2
1.05	Assessment, Capital Improvement	. 2
1.06	Assessment, Annual	. 2
1.07	Assessment, Special	. 2
1.08	Association	. 2
1.09	Association Dyonapty	2
1.10	Board of Directors or Board	. 3
1.11	Budget Business Day	. 3
1.12	Business Day	. 3
1.13	Bylaws	. 3
1.14	Common Elements	. 3
1.15	Common Expenses	3
1.16	Community	. 4
1.17	County	. 4
1.18	Declarant	. 4
1.19	Declarant Control Period	
1.20	Declaration	
1.21	Developmental Rights	
1.22	Director	. 4
1.23	Eligible Mortgagee	. 5
1.24	Emergency	. 5
1.25	Family	
1.26	Final Map	
1.27	First Security Interest	
1.28	Fiscal Year	
1.29	Governing Documents	. 5
1.30	Improvements	. 5
1.31	Invitee	. 6
1.32	Law	. 6
1.33	Lot	
1.34	Manager	
1.35	Member	. 6
1.36	Membership	
1.37	NRS	
1.38	Owner	
1.39	Participating Builder	. 6
1.40	Person	
1.41	Property	
1.42	Record. Recording, Recorded, or Recordation	

1.43	Residence	7
1.44	Rules	7
1.45	Security Interest	7
1.46	Special Declarant Rights	7
1.47	Subsidy Agreement	7
ARTIC		
2.01	Association Duties and Powers	7
2.02	Professional Management	7
2.03	Delivery of Property Held or Controlled by Declarant	7
2.04	Declarant Conveyance of Common Elements	8
2.05	Nature of the Common Elements	8
2.06	Use of Common Elements	8
ARTIC	LE III PERSONS AND LOTS SUBJECT TO GOVERNING DOCUMENTS	
3.01	Compliance with Governing Documents	9
3.02	No Separate Conveyance	9
3.03	No Separate Conveyance	9
3.04	Responsibility for Violations	9
3.05	Adoption of Rules	9
3.06	No Further Subdivision or Merger of a Lot	9
3.07	Other Applicable Covenants Not Enforced By The Association	9
ARTIC	LE IV EASEMENTS AND LICENSES	10
4.01	Easements of Record	10
4.02	Encroachment Easement	10
4.03	Association Easement	10
4.04	Member's Easement in Common Element	10
4.05	Delegation of Use	10
4.06	Drainage	10
4.07	Light, Air and View	11
4.08	Easement to Declarant	
ARTIC	LE V MAINTENANCE	11
5.01	Duty to Maintain Includes Duty to Repair and Replace	11
5.02	Common Elements	11
5.03	Lots	12
5.04	Home Builder's Limited Warranty; No Additional Representation or Warran	nties
	Trong Builder & Emilian St.	12
5.05	Right of Access	12
5.06	Repairs Resulting From Negligence	12
ARTIC	LE VI RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY	12
6.01	Use Restrictions	12
6.02	Single Family Residence	
6.03	Nuisances	
6.04	Animals	
6.05	Garbage	
6.06	Laws and Insurance Requirements	
6.07	Mineral Exploration	
6.08	Slope Control, Use and Maintenance	14

6.09	Lighting	14
6.10	Fencing.	14
6.11	Recreational Vehicles	14
6.12	Unsightly Items.	15
6.13	Front Yard Landscaping.	15
6.14	Not Binding on Declarant	15
	E VII ARCHITECTURAL REVIEW BY DECLARANT	15
7.01	Purpose and Scope	. 15
7.02	No Liability.	. 15
7.03	Termination of Architectural Review	16
ARTICL	E VIII ASSESSMENT AND COLLECTION OF COMMON EXPENSES	16
8.01	Liability for Common Expenses	16
8.02	Common Expenses Attributable to Fewer than all Lots; Exempt Property:	16
8.03	Model Lots	16
8.04	Lien	17
8.05	Budget Adoption	18
8.06	Special Assessments	19
8.07	Enforcement Assessments	19
8.08	Capital Improvement Assessments	19
8.09	Certificate of Payment of Annual Assessments	19
8.10	Assessment Due Dates	19
8.11	Acceleration of Annual Assessments and Imposition of Late Fee	19
8.12	Commencement of Annual Assessments	20
8.13	No Waiver of Liability for Common Expenses	20
8.14	Personal Liability of Owners	20
8.15	Capitalization of Association	20
8.16	Subsidy Agreements	21
ARTICL	E IX AMENDMENTS TO DECLARATION	21
9.01	In General	21
9.02	Limitation of Challenges	21
9.03	Recordation of Amendments	21
9.04	Execution of Amendments	21
9.05	Special Declarant Rights	21
9.06	Consent of DeclarantE X TERMINATION	21
ARTICL	E X TERMINATION	22
10.01	Public or Quasi-Public.	22
10.02	Pursuant to the Act	22
	E XI RIGHT TO ASSIGN FUTURE INCOME	
	LE XII INSURANCE	
12.01	Coverage	
12.02	Property Insurance Coverage	
12.03	Liability Insurance	
12.04	Crime Insurance	
12.05	Owner Policies	
12.06	Workers' Compensation Insurance	25
12.07	Directors' and Officers' Liability Insurance	25

12.08	Other Insurance	25
12.09	Premiums and Deductibles	25
12.10	Insurer Ratings	25
12.11	Compliance with Federal Regulations	26
ARTICL	E XIII DAMAGE TO OR DESTRUCTION OF PROPERTY	26
13.01	Damage and Destruction to the Common Elements	26
13.02		26
	E XIV CONDEMNATION	26
ARTICL	E XIV CONDEMNATIONE XV MORTGAGEE PROTECTIONS	27
15.01	Introduction	27
15.02	Percentage of Eligible Mortgagees	27
15.03	Notice of Actions	27
15.04	Consent and Notice Required	27
15.05	Inspection of Books	29
15.06	Inspection of Books Financial Statements	29
15.07	Enforcement	30
15.08	Appointment of Trustee	30
ARTICI	Æ XVI	
DEVEL	OPMENTAL RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS	30
16.01	Reservation of Developmental Rights	30
16.02	Special Declarant Rights	31
16.03	Models, Sales Offices and Management Offices	32
16.04	Signs and Marketing	32
16.05	Declarant's Personal Property	32
16.06	Limitations on Special Declarant Rights	32
16.07	Interference with Special Declarant Rights	32
16.08	Priority of Declarant's Rights and Reservations	32
16.09	Assignment of Declarant's Rights	33
ARTICI	LE XVII MISCELLANEOUS PROVISIONS	33
17.01	Views	33
17.02	Neighboring Properties	33
17.03	Enforcement	33
17.04	Captions	33
	Gender	
17.06	Waiver	34
17.07	Invalidity	34
17.08		
17.09	Notification of Sale of Lot	34
17.10	Notices	34
17.12	Term	35
17.13	Savings Clause o.	35
	BIT "A" PROPERTY	
EXHI	BIT "B" EASEMENT	2
EXHI	BIT "C" LMA MAINTENANCE EXHIBIT	3

# DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS

#### **FOR**

#### VALLEY VISTA ESTATES UNIT 7 LANDSCAPE MAINTENANCE ASSOCIATION,

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATIONS OF EASEMENTS FOR VALLEY VISTA ESTATES UNIT 7, A LIMITED PURPOSE ASSOCIATION is made as of this 10 day of 30, 2020, by RENO SUN, LLC, a Nevada limited liability company ("Declarant").

#### RECITALS

WHEREAS, Declarant is the owner of or may hereafter acquire that certain real property located in the County of Douglas, State of Nevada described in <a href="Exhibit "A" attached hereto ("Property")">Exhibit "A"</a> attached hereto ("Property"); and

WHEREAS, it is the desire and intention of Declarant to create a limited purpose association pursuant to NRS 116.1201(2)(a)(1) for the purpose of maintaining certain open space landscaping and drainage facilities for the Property ("Limited Purpose Association Association"), consisting of up to a maximum of thirty-six (36) single-family residential Lots, as hereinafter defined, and to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all the Lots in the common-interest community created pursuant to the applicable provisions of the Act, as hereinafter defined. There is no representation or warranty made or implied that all Lots will be developed, and this is merely a statement of the maximum number of Lots that is presently anticipated, except that the foregoing shall not be interpreted as limiting any power of the Declarant or Association to annex additional real property and create additional Lots if and as may be permitted by the Act; and

NOW, THEREFORE, Declarant hereby declares that all of the Property is to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the limitations, restrictions, reservations, rights, easements, conditions, and covenants contained in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the protection, maintenance, improvement, and sale of the Property and for the purpose of enhancing the value, desirability and attractiveness of the Property. All provisions of this Declaration, including, without limitation, the easements, uses, obligations, covenants, conditions, and restrictions hereof, are hereby imposed as equitable servitudes upon the Property. All of the limitations, restrictions, reservations, rights, easements, conditions and covenants herein shall run with and burden the Property and shall be binding on and for the benefit of all of the Property and all Persons, as hereinafter defined, having or acquiring any right, title, or interest in the Property, or any part thereof, and their successors in interest and assigns. To the extent the Property is deemed to be a common interest community under NRS 116, the Property shall be deemed to be created for the limited purpose of maintaining the Common Element landscape/open space and drainage facilities of the Association Property under NRS 116.1201 and shall not be subject to NRS 116 except to the extent expressly stated in this Declaration or the Bylaws. To the fullest extent permitted by Law, the Property shall cease to be a common interest community upon the date that the County or other public or quasi-public entity assumes the responsibility for maintenance of the Association Property.

# ARTICLE I DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Declaration shall have the meanings herein specified.

- 1.01 Act: "Act" shall mean and refer to the State of Nevada's version of the Uniform Common Interest Ownership Act, codified in NRS Chapter 116, as it may be amended from time to time, or any portion or provision thereof.
- 1.02 Allocated Interests: "Allocated Interests" shall mean the fraction or percentage of the Common Expenses and ownership interest and the portion of the votes in the Association allocated to each Lot as set forth in this Declaration.
- 1.03 Articles of Incorporation or Articles: "Articles of Incorporation" or "Articles" shall mean the articles of incorporation of the Association, as they may be amended from time to time.
- **1.04** Assessment: "Assessment" shall mean Capital Improvement Assessments, Annual Assessments, Enforcement Assessments and Special Assessments or other assessments that may be charged against each Owner and Owner's Lot in accordance with the provisions of this Declaration or the Act.
- 1.05 Assessment, Capital Improvement: "<u>Capital Improvement Assessment</u>" shall mean a charge against each Owner and the Owner's Lot representing a portion of the costs to the Association for installation or construction of any Improvements on any portion of the Common Elements which the Association may from time to time authorize, pursuant to this Declaration.
- 1.06 Assessment, Annual: "Annual Assessment" shall mean the annual charge against each Owner and the Owner's Lot of this Declaration, representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing and operating the Common Elements or any Improvements thereon or other Common Expenses, which are to be paid by each Owner to the Association as provided in this Declaration, or as otherwise authorized by the Act or the Governing Documents.
- 1.07 Assessment, Special: "Special Assessment" shall mean a charge assessed against all Owners or a subset of Owners for unforeseen or emergency expenditures plus interest and other charges on such Special Assessment that will be imposed in the manner described in this Declaration.
- **1.08** Association: "Association" shall mean Valley Vista Estates Unit 7 Landscape Maintenance Association, a Nevada nonprofit corporation, organized under NRS Chapter 82 as the association of Owners pursuant to the Act.

- 1.09 Association Property: "Association Property" means APN 1420-07-201-005, the real property over which the Association has an easement for use and maintenance pursuant to the Open Space Easement Agreement Recorded on October 27, 2011 in the Office of the Douglas County Recorder as Document No. 791545 ("Easement Agreement"). Such real property shall cease to be Association Property at such time as any offer of dedication is accepted by Douglas County and/or Indian Hills General Improvement District ("IHGID").
- **1.10** Board of Directors or Board: "Board of Directors" or "Board" shall mean the board of directors of the Association.
- **1.11** Budget: "Budget" shall mean the Operating Budget and the Reserve Budget for the Association as defined in this Declaration.
- **1.12** Business Day: "Business Day" shall mean a Monday, Tuesday, Wednesday, Thursday, or Friday, on which banking institutions are open for business in Douglas County, Nevada.
- 1.13 Bylaws: "Bylaws" shall mean the Bylaws for Valley Vista Estates Unit 7 as they may be amended from time to time.
- 1.14 Common Elements: "Common Elements" shall have the meaning ascribed to such term in NRS 116.017; that is: any real estate which is owned or leased by the Association, other than a Lot and any other interests in real estate for the benefit of the Owners which are subject to the Declaration. The Common Elements include various easement interests.
- 1.15 Common Expenses: "Common Expenses" shall have the meaning ascribed to such term in NRS 116.019 and shall include the expenses or financial liabilities for the operation of the Property and the Association, together with any allocations to reserves and shall include but may not be limited to:
  - (a) Expenses of administration, insurance, operation, maintenance, repair and replacement of the Common Elements except to the extent such repairs and replacements are the responsibility of a particular Owner pursuant to the terms of this Declaration, and except to the extent certain Lots are exempt from paying such costs pursuant to the terms of this Declaration:
  - (b) Expenses declared to be Common Expenses under the Governing Documents or applicable provisions of the Act;
  - (c) Expenses agreed upon as Common Expenses by the Members of the Association by majority vote of the Owners;
  - (d) Allocation for reserves established by the Association for repair, replacement and restoration of the major components of the Common Elements pursuant to the Act;
  - (e) Costs of management and administration of the Association, including but not limited to insurance and compensation paid to managers, accountants, attorneys, agents and employees;

- (f) Fees required pursuant to NRS 116.31155;
- (g) Taxes paid by the Association;
- (h) Any unpaid share of Common Expenses extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure;
- (i) Amounts paid by the Association for the discharge of any lien or encumbrance against the Common Elements; and
- (j) Any litigation or administrative procedure to which the Association is a party and any judgments against the Association;
- (k) Any lease payments required under leases for equipment, supplies, and the like, if the same are leased by the Association rather than being owned by it; and
- (l) Any other item or items incurred by the Association, for any reason whatsoever in connection with the Association or the Association Property.
- 1.16 Community: "Community" shall mean the Valley Vista Estates Unit 7 community and the Property and Improvements thereupon as may be annexed and made part of the Property from time to time
- 1.17 County: "County" shall mean Douglas County, Nevada and its various departments, divisions, employees and representatives.
- 1.18 Declarant: "Declarant" shall mean Reno Sun, LLC, a Nevada limited liability company and any person or entity acquiring all or any portion of Declarant's interest in the Property (including all or any portion of Declarant's rights and obligations as created and established herein) pursuant to NRS 116.3104. A successor Declarant shall also be deemed to include the beneficiary under any deed of trust securing an obligation from a then existing Declarant encumbering all or any portion of the Property, which beneficiary has acquired any such Property by foreclosure, power of sale or deed in lieu of such foreclosure or sale.
- 1.19 Declarant Control Period: "Declarant Control Period" shall mean the period of time during which the Declarant is entitled to appoint a majority of the members of the Board of Directors as set forth more specifically in the Bylaws.
- **1.20 Declaration**: "<u>Declaration</u>" shall mean this Declaration of Covenants, Conditions, and Restrictions and Reservations of Easements for Valley Vista Estates Unit 7 Landscape Maintenance Association, Recorded in the Office of the County Recorder, Douglas County, Nevada, as may be amended from time to time.
- **1.21 Developmental Rights**: "<u>Developmental Rights</u>" shall mean those rights reserved by Declarant in this Declaration.
- 1.22 Director: "Director" shall mean and refer to a member of the Board of Directors.

- 1.23 Eligible Mortgagee: "Eligible Mortgagee" shall mean the holder of a First Security Interest in a Lot, which has notified the Association in writing of its name and address and that it holds a first Security Interest in a Lot, has provided the Association with the Lot number and address of the Lot on which it is the holder of a first Security Interest, and has requested that the Eligible Mortgagee be given the notices and other rights described in this Declaration.
- **1.24 Emergency**: "Emergency" means any situation, condition or event which threatens substantial imminent damage or injury to person or property. Notwithstanding the foregoing, when used in the context of a Board or Membership meeting, the term "emergency" shall have the definition prescribe in the Act.
- 1.25 Family: "Family" shall mean one or more natural Persons related to each other by blood, marriage or adoption, or one or more natural Persons not all so related, but who maintain a common household in a Residence
- 1.26 Final Map: "Final Map" shall mean the Final Map LDA-97-1007-8 for Valley Vista Estates Phase 7 Recorded on October 20, 2006 in Book 1006, Page 7712, as Document No. 686969, Official Records Douglas County Nevada, and as amended by that Certificate of Amendment, Recorded on January 2, 2007 in Book 107, Page 26 as Document No. 691901 or any other map pertaining to the Annexed Property, or any of them individually, as the context may require.
- 1.27 First Security Interest: "First Security Interest" means a Security Interest which has priority under the Laws over all other Security Interests encumbering a specific Lot.
- **1.28** Fiscal Year: "Fiscal Year" shall mean the twelve (12) month period used by the Association for preparing its annual financial reports. Unless otherwise specified by the Board of Directors, the Fiscal Year for the Association shall commence on January 1st and end on December 31st.
- **1.29** Governing Documents: "Governing Documents" shall mean this Declaration, the Articles, the Bylaws, Rules, and any other document governing the Association that may be adopted or approved by the Board, as they may be amended from time to time, including any exhibits, schedules or certifications attached thereto.
- 1.30 Improvements: "Improvements" shall mean as applicable (i) all buildings and structures and appurtenances thereto of every type and kind, including without limitation, Residences and other buildings, outbuildings, walkways, trails, utility installations, swimming pools and other recreational facilities, garages, roads, sidewalks, walkways, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, patio and balcony covers, stairs, decks, balconies, trellises, landscaping, irrigation systems, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, paintings, planted trees and shrubs, antennae, poles, signs, solar or wind powered energy systems or equipment, and water softener, heater or air conditioning and heating fixtures or equipment; (ii) the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and (iii) change or alteration of any previously installed

Improvement including any change of exterior appearance color or texture. None of the foregoing shall constitute an express or implied representation that such Improvements shall exist or be constructed.

- 1.31 Invitee: "Invitee" shall mean a tenant, guest, contractor, occupant, employee, family member, agent, or any other Person on the Property at the request of, with the consent or approval of, or for the benefit of Owner.
- **1.32** Law: "Law" means any statutes, regulations, case law, and other legal authority to which the Property or any Person or Owner may be subject.
- 1.33 Lot: "Lot" shall mean the real property within the Property, excluding the Common Elements, shown on the Final Map as individual numbered separate legal parcels, and including any Residence and any other Improvements erected, constructed or located thereon. The boundaries of each Lot created by this Declaration are the lot lines depicted on the Final Map.
- 1.34 Manager: "Manager" shall mean a Person, firm or corporation possessing all pertinent licenses and certifications required to engage in management work on the Association's behalf, including all permits and/or certifications required by NRS 116A, as may be amended from time to time.
- **1.35** Member: "Member" shall mean a Person entitled to membership in the Association as provided in the Governing Documents.
- 1.36 Membership: "Membership" shall mean the Members of the Association.
- 1.37 NRS: "NRS" shall mean the Nevada Revised Statutes, as it may be amended from time to time. Any reference to any particular section of the NRS shall be deemed to include that section of the NRS, as well as any amendment and any successor statute.
- **1.38** Owner: "Owner" shall mean the Declarant or other Person who owns a Lot, as evidenced by a deed, but does not include a Person merely having a Security Interest in a Lot.
- 1.39 Participating Builder: "Participating Builder" shall mean any Person which acquired or has entered into a purchase agreement to acquire from Declarant a portion of the Property for the purpose of improving such portion of the Property with Residences and conveying such Residences to purchasers.
- **1.40 Person**: "Person" shall include an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency or other legal or commercial entity.
- **1.41 Property**: "Property" shall refer to the Property as a whole, including the Lots and Common Elements, which are made subject to this Declaration, as restricted by and marketed and sold to third parties in accordance with this Declaration.
- 1.42 Record, Recording, Recorded, or Recordation: "Record," "Recording," "Recorded," or "Recordation" (including any derivation or tense thereof), unless otherwise specifically

provided, shall mean or signify to file or have filed with the Official Records, Douglas County, Nevada.

- **1.43** Residence: "Residence" shall mean a single-family dwelling and related Improvements located upon a Lot.
- **1.44** Rules: "Rules" shall mean the rules and regulations adopted by the Board of Directors from time to time pursuant to this Declaration and the Bylaws.
- 1.45 Security Interest: "Security Interest" shall mean an interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien on a Lot created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, or any other consensual lien or title retention contract intended as security for any obligation.
- **1.46** Special Declarant Rights: "Special Declarant Rights" shall mean those rights reserved for the benefit of Declarant as described in this Declaration.
- **1.47** Subsidy Agreement: "Subsidy Agreement" shall mean an agreement between Declarant and the Association of the type described in this Declaration.

# ARTICLE II ASSOCIATION AND ASSOCIATION PROPERTY

- 2.01 Association Duties and Powers. The purpose of the Association is to provide for the maintenance, repair, improvement, upkeep, replacement, preservation and day to day operation of the Association Property, which consists of open space and drainage facilities. The Association is charged with the duties and vested with all the powers prescribed by the Act and by Law, including the applicable non-profit corporation statute, and set forth in the Governing Documents necessary to carry out its purpose. Except as specifically provided in the Act or this Declaration, the Board acts on behalf of the Association. None of the Governing Documents shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration.
- **2.02** Professional Management. The Board of Directors, on behalf of the Association, may contract with one or more Managers to conduct certain activities on behalf of the Association, as may be determined by the Board. Each such contract shall provide for the termination by the Association without cause and without payment of a termination fee upon at least thirty (30) days' written notice to the Manager.
- 2.03 Delivery of Property Held or Controlled by Declarant: Within 30 days after Owners other than the Declarant may elect a majority of the members of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, including those items specified in NRS 116.31038.

- **2.04 Declarant Conveyance of Common Elements:** Declarant hereby covenants for itself, its successors, and assigns, that no later than the time that Declarant has no further right to appoint any member of the Board of Directors under the Act and the Bylaws, that it will assign its easement rights in the Association Property to the Association.
- 2.05 Nature of the Common Elements: The Common Elements shall be that portion of certain Lots and APN 1420-07-201-005 over which the Association holds easement rights for the purpose of maintaining the drainage facilities and its associated open space, if any. The Common Elements shall be held, maintained and repaired for the benefit of the Lots, the Owners, and each of them.
- **2.06** Use of Common Elements: Use of the Common Elements is subject to such rights of use and encumbrances that may exist of Record, including the terms and conditions of the Easement Agreement and the Final Map. Consistent with those terms, the Association has the right to:
  - (a) Prohibit the operation or use of motorized vehicles on the Common Elements, except for emergency vehicles, utility service vehicles or vehicles involved in Association maintenance and repair of the Common Elements;
  - (b) Limit access to those Common Element drainage facilities located on Lots to the Lot Owner and such Owner's Invitees;
  - (c) The right of the Association to establish reasonable Rules for the operation and use of the Common Elements and the conduct of Persons thereon, and to limit access to portions of the Common Elements for the benefit of, the health, safety and welfare of the Property or any Persons, or in order to comply with the requirements of Law;
  - (d) The right of the Association to maintain, repair, refurnish, reconstruct, replace or modify Improvements located in the Common Elements, to remove without replacing trees or other vegetation which may be damaging either a Lot or Common Elements, and the right of the Association to close or limit the use of all or a portion of the Common Elements, while maintaining and repairing the same;
  - (e) The right of the Association to establish with the County or a General Improvement District ("GID"), a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association;
  - (f) The right of the Association subject to the approval rights of Eligible Mortgagees pursuant this Declaration, to dedicate or transfer all or any part of the Common Element to any public agency, authority or utility or other entity including a GID. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Common Elements to a special tax assessment district or to a GID or the County, shall be effective unless an instrument signed by Members entitled to cast a majority of the voting power of the Membership has been recorded, agreeing to such dedication or transfer. The certificate of the President and the Secretary of the Association attached to such instrument certifying that the Members signing such

instrument represent a majority of the voting power of the Association shall be deemed conclusive proof thereof;

(g) The right of Declarant to use the Common Elements or some of them for sales, development, and related activities pertaining to the Property or neighboring projects.

# ARTICLE III PERSONS AND LOTS SUBJECT TO GOVERNING DOCUMENTS

- 3.01 Compliance with Governing Documents: All Owners and Invitees of Lots shall comply with the Governing Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Lot constitutes agreement that the provisions of the Governing Documents are accepted and ratified by that Owner or Invitee. All provisions of the Governing Documents that are Recorded are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Lot.
- 3.02 No Separate Conveyance: The interest of each Owner in the use and benefit of the Association Property shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the right to use the Association Property. Any conveyance of any Lot shall automatically transfer the interest in the Owner's right to use the Association Property and vote as well as the Owner's responsibilities and liabilities as provided in this Declaration without the necessity of express reference in the instrument of conveyance.
- 3.03 Voting Rights of Members: The Owners of a Lot shall be entitled to cast one (1) vote per Lot which is subject to Assessments as set forth more specifically in the Bylaws.
- **3.04** Responsibility for Violations: Consistent with the Governing Documents and the Act, an Owner is responsible for the actions and conduct of his or her Invitees. Violations of the Governing Documents by an Owner or any Invitees shall subject the Owner and the Lot to fines and penalties in accordance with the Governing Documents.
- **3.05** Adoption of Rules: The Board of Directors may adopt reasonable Rules regarding the Common Elements as well the activities of Owners and Invitees within and thereupon.
- 3.06 No Further Subdivision or Merger of a Lot: No Lot may be further subdivided or merged with another Lot, except by the Declarant.
- 3.07 Other Applicable Covenants Not Enforced By The Association. Owners are hereby notified that the Property is also subject to those certain Covenants, Conditions and Restrictions of Valley Vista Estates Recorded on May 6, 1994 in the Office of the Douglas County Recorder as Document No. 336863 ("CC&Rs"). The Association does not enforce these CC&Rs, but pursuant to its terms, these CC&Rs may be enforced by the Valley Vista Estates Declarant, the architectural committee, or any owner.

## ARTICLE IV EASEMENTS AND LICENSES

- **4.01** Easements of Record: The Property is presently subject to all easements and licenses of Record, including those shown on the Final Map and the Easement Agreement as shown on Exhibit B or otherwise contained herein, which may have some restricting effect on the use of the Common Elements within the Property. Known easements of this sort as of the date of Recordation of the Final Map are referenced on the same. In addition, the Property may be subject to other easements or licenses granted by Declarant or the Association and liens created under this Declaration.
- 4.02 Encroachment Easement: The Property, and all portions thereof, shall be subject to an easement from the Lot's or Common Element's boundaries for the actual extent of encroachments created by construction as designed or constructed by Declarant and for settling, shifting, and movement of any portion of the Property, except that no such easement is created for an encroachment which is the result of willful conduct on the part of Declarant, an Owner, Owner's Invitee, the Association, or any other Person. A valid easement for said encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Property. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of Improvements constructed on any Lot, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvements on the Property.
- **4.03** Association Easement: The Association shall have an easement over the Common Elements for performing its duties and exercising its powers described in this Declaration. In addition, the Association shall have an easement over each Lot for the purpose of maintaining or repairing the private drainage easements located on certain Lots as shown on the Final Map, and/or the Common Elements, including any portion of the Common Elements that may encroach upon a Lot as shown on Exhibit C.
- **4.04 Member's Easement in Common Element:** Subject to the provisions of this Declaration, including without limitation, <u>Article II, Section 2.06</u>, every Owner shall have a non-exclusive easement of access, ingress, egress, use and enjoyment of, in and to the Common Element.
- **4.05 Delegation of Use:** Any Owner holding an easement for the use and enjoyment of the Common Elements may delegate his right and easement to his tenants, contract purchasers, or subtenants who reside in the Lot, subject to reasonable regulation by the Board. Any Owner who has so delegated his easement rights shall not be entitled to the use and enjoyment of any Common Elements including any recreational facilities for so long as the delegation shall remain in effect other than such access rights as are directly related to the Owner's rights and duties as landlord.
- **4.06 Drainage and Runoff:** Each Lot shall have an easement for drainage through the established drainage pipes and facilities and an easement for runoff of surface water on, over, through and across the other Lots and the Common Elements. No planting or other material or structure (including patios or other hardscape) shall be constructed, altered, placed or permitted

to remain upon a Lot which (a) is located on a private drainage easement as shown on the Final Map; (b) may change the direction or flow of the established drainage on the Lot; or (c) may damage or alter any drainage system installed by Declarant and serving the Lot or may obstruct, interfere or retard the flow of water through such system.

- 4.07 Light, Air and View: No Owner shall have an easement for light, air or view over the Lot of another Owner or over the Common Element and no diminution of light, air or view by any Improvement now existing or hereafter erected shall entitle the Owner or any Invitee to claim any easement for light, air or view within the Property.
- **4.08 Easement to Declarant:** Declarant shall have and hereby expressly reserves the easements necessary for Declarant and its agents, employees and independent contractors, to exercise Declarant's rights and to perform its obligations under any warranty provided by Declarant to an Owner and/or to exercise any repair rights. In addition to the foregoing, Declarant hereby reserves an easement for maintenance purposes on, over through and across the Association Property, as may be necessary to satisfy any Laws related to Declarant's maintenance responsibilities.

### ARTICLE V MAINTENANCE

- 5.01 Duty to Maintain Includes Duty to Repair and Replace. Unless otherwise specified herein, the duty to maintain includes the duty to repair, replace and restore.
- **5.02** Common Elements. The Association shall maintain all of the Common Elements and other areas for which Association is responsible (see Exhibit C). The Common Elements include: open space and storm water drainage facilities some of which are located on a private easement affecting certain Lots. All maintenance shall be performed in accordance with the standard established by the Board. Such duty to maintain includes, but is not limited to, the following:
  - (a) Inspection of drainage facilities twice per year and after any major storm event;
  - (b) Defensible space maintenance on the open space Common Element;
  - (c) Modification of the Common Elements to the extent that the Board, in its sole and absolute discretion, deems necessary for the conservation of water and soil, and for aesthetic purposes;
  - (d) Periodic maintenance of any non-exclusive use and/or utility easements designated on the Final Map or granted by this Declaration or a Supplemental Declaration;
  - (e) Maintenance of any Improvements located on the Common Elements;
  - (f) Removal of all papers, debris, and refuse from the Common Elements; and

- (g) Compliance with any other maintenance obligations for which Association is responsible.
- **5.03** Lots: Each Owner shall, at Owner's sole cost and expense and subject to the limitations set forth in this Declaration, maintain the Residence and any landscaping and Improvements located on the Owner's Lot in a neat, sanitary, and attractive condition and in accordance with all restrictions contained in this Declaration.
- 5.04 Home Builder's Limited Warranty; No Additional Representation or Warranties: It is recognized that Declarant, as part of the sale of a Lot, will include an express limited warranty known as and referred to herein as the "Home Builder's Limited Warranty." The Association and each Owner of a Lot developed by Declarant have agreed and/or hereby agree to register for and be bound by the terms of the Home Builder's Limited Warranty. Nothing herein is intended, nor shall be applied to limit the Association's or an Owner's right to enforce the terms of such Home Builder's Limited Warranty. Except for the Home Builder's Limited Warranty, no representations or warranties of any kind, express or implied, have been given or made by Declarant, or its agents or employees in connection with the Property and Lot, or any portion thereof, its physical condition, zoning, compliance with Laws, fitness for intended use or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a residential project, except as specifically and expressly set forth in this Declaration.
- **5.05** Right of Access: In addition to all other easements reserved or granted herein, there is hereby reserved to the Association an easement across each Lot (but not within a Residence) as is necessary to permit a reasonable right of entry onto each Lot (but not within any Residence) for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Property, or any other work that the Association is authorized to perform pursuant to this Declaration.
- **5.06** Repairs Resulting From Negligence: Each Owner will reimburse the Association for any damages to the Common Elements caused intentionally, negligently or by the Owner's or the Owner's Invitee's failure to properly maintain his or her Lot or any property. If such damage is caused by misconduct, it will be imposed as an Enforcement Assessment to the Association account of the Owner deemed to be responsible for such misconduct, following Notice and hearing, and may include attorneys' fees and costs.

### ARTICLE VI RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY

6.01 Use Restrictions: The following use restrictions set forth in this Article apply to all Lots and to the Common Elements. The Association may enforce restrictions pertaining to the Common Elements, but it may not enforce any restrictions concerning the use of Lots by the Lots' Owners. Owners may enforce restrictions pertaining to the Lots as more fully provided in Article XVII, Section 17.03.

- 6.02 Single Family Residence. The use of each Lot and Residence is restricted to that of a single-family Residence, including attached private garages, and accessory uses as permitted herein. Except for those activities conducted as a part of the marketing and development activities of Declarant, no industry, business, trade or commercial activities shall be conducted, maintained or permitted on a Lot. The provisions of this Section shall not preclude any of the above-described activities so long as such activities cannot be observed from the Common Elements and provided that all of the following conditions are fulfilled:
  - (a) Such activities are conducted in conformance with all applicable Law;
  - (b) The patrons or clientele of such activities do not park automobiles or other vehicles within the Property, except during brief and limited drop-off and pick-up periods and within areas specified for that purpose;
  - (c) No such activity increases the liability or casualty insurance obligation or premium of the Association;
  - (d) Such activities are consistent with the residential character of the Property and conform with all provisions of the Governing Documents; and
  - (e) There shall be no externally visible evidence of the carrying on of a business, including but not limited to the existence of any external commercial signage or similar Improvements.
  - (f) The intent of the foregoing, in all respects, is that the Property must retain its residential character and appearance, and the provisions above shall be interpreted toward those ends.
- 6.03 Nuisances: No noxious, offensive, dangerous or unsafe activity shall be conducted anywhere in the Property, nor shall anything be done, either willfully or negligently, which may, in the sole discretion of the Board, be or become an annoyance or nuisance to, or poses a threat to the health, safety, and/or welfare of the other Owners or Invitees of Lots. No Owner or Invitee of a Lot shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, quiet use and enjoyment of other Owners or Invitees. Nothing shall be done or kept in or on the Property which would be in violation of any Law, Ordinance or this Declaration. No Owner shall allow any grass, weeds, undergrowth, uncultivated, diseased or infected vegetation of any kind or character to be placed or permitted to grow on a Lot. Each Owner shall maintain at all times a defensible space against fire on the Lot pursuant to the standards recommended or required by the State of Nevada and/or local fire department.
- 6.04 Animals: Only domestic animals that are kept as household pets and are not kept, bred, or raised for commercial purposes are permitted to be maintained within the Lots. No livestock or fowl, including but not limited to, horses, cows, sheep, goats, chickens and geese, may be kept on any Lot. No Person may keep more than the number of pets permitted by County ordinance on a Lot and all pets shall be housed or kept indoors. Each Owner shall clean up after such animals that have deposited droppings or otherwise used any portion of the Community. When on the Common Elements, animals belonging to Owners or Invitees of any Owner must be kept

on a leash held by a person capable of controlling the animal. Nothing contained herein shall constitute a restriction on service animals.

- 6.05 Garbage and Recycling: All Owners must subscribe to weekly garbage and recycling pickup with company holding the County franchise for such services in the Community. No rubbish, trash, garbage, recycling or other waste shall be kept on any Lot except in sanitary containers. All garbage bags must be placed in receptacles with lids. No rubbish, trash, garbage, recycling or other waste shall be permitted to accumulate on any Lot in a manner which may permit the spread of fire, odors, seepage or encouragement of vermin. All equipment for the storage or disposal of waste materials and recycling shall be kept in a clean and sanitary condition and shall be stored so as not to be visible from any street, any other Lot, or the Common Elements.
- 6.06 Laws and Insurance Requirements: Nothing shall be done to or kept on the Property that might increase the rate of, or cause the cancellation of, insurance for the Property, or any portion of the Property, without the prior written consent of the Association.
- 6.07 Mineral Exploration: No Property within the Community shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance or other mineral of any kind. No well for the production of, or from which there is produced, water, oil or gas shall be operated within the Property, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business. No slant drilling shall be permitted.
- 6.08 Slope Control, Use and Maintenance: Each Owner shall keep, maintain, water, plant and replant all slopes located on such Owner's Lot, so as to prevent erosion, flooding, sliding, or similar problems, and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on such slopes that may (i) damage or interfere with established slope ratios, create erosion, flooding, or sliding problems; or (ii) change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.
- **6.09** Lighting: All lighting installed on a Lot or the exterior of a Residence shall be down shielded.
- 6.10 Fencing: Any Owner installed fence and any replacement fencing shall be compatible in materials, finish and location with the original Declarant installed fencing. Fences shall either be (i) redwood or cedar wood split two (2) rail fence; or (ii) six (6) foot tall three (3) rail fence with 1x6x5 redwood or cedar pickets with 2x12 pressure treated grass board and 4x6 pressure treated posts; or six (6) foot tall three (3) rail fence with 1x6x5 redwood or cedar pickets with 2x12 pressure treated grass board and metal posts when constructed on top of an existing block retaining wall. No fence shall be installed closer than thirty (30) feet from the front lot line, which is the lot line abutting the street.
- **6.11** Recreational Vehicles: No recreational vehicle may be parked or stored in the Property unless behind a fence or within an enclosure so as to be screened from street view. Recreational

vehicles include, but are not limited to: boats (including canoes and kayaks), trailers, campers, toy haulers, truck campers, caravan tops, all-terrain vehicles, livestock trailers, and motorhomes.

- **6.12** Unsightly Items: No junk or abandoned vehicles shall be parked or kept within the Property. A junk vehicle is (i) any motor vehicle without a vehicle license or with an expired license or which is no longer registered; (ii) a motor vehicle which is missing critical parts required for the normal and legal operation of the vehicle; or (iii) a wrecked motor vehicle, that is one which is dismantled or partially dismantled, having a broken or missing window or windshield, or lacking a wheel or tire. No discarded personal property, construction materials, refuse or debris may be allowed to accumulate on any Lot.
- 6.13 Front Yard Landscaping: Each Owner shall maintain landscaping in the front yard of the Lot. Such landscaping shall include, but is not limited to, at least three (3) trees, seven (7) shrubs, three (3) boulders and a combination, including sod/grass, decomposed granite and river rock which covers all bare dirt.
- **6.14** Not Binding on Declarant: The restrictions set forth in this Article shall not apply to Declarant so long as Declarant is exercising any rights or powers or easements reserved to Declarant under this Declaration.

# ARTICLE VII ARCHITECTURAL REVIEW BY DECLARANT

- Purpose and Scope: Each Owner acknowledges that the Declarant, as developer and initial owner of the Property, has a material interest in ensuring that the Improvements within the Property enhance the Property and do not adversely impact the Declarant's ability to market, sell or lease any portion of the Property. Each Owner agrees that for so long as Declarant owns a Lot, no construction, addition, removal, alteration, grading, filling, excavation, modification, or reconstruction (collectively "Work") shall be commenced or maintained by any Owner (except Declarant) until the Owner has submitted the plans and specifications showing the nature, kind, shape, height, width, color, materials and location of the same to the Declarant and obtained the Declarant's written approval for the Work. The Declarant may grant or withhold approval in its sole discretion. The Declarant's decision on Work shall be final. In reviewing and acting upon any request for approval, the Declarant shall be acting in its own interest and shall owe no duty to any other Person or to the Association or its Members. All Work shall be completed in compliance with the approved plans and specifications. The Declarant shall have the authority to require that an Owner take all actions necessary, at the Owner's expense, to remedy any noncompliance. Any Owner who violates this provision shall reimburse the Declarant for any expenses incurred by the Declarant in correcting any noncompliance.
- **7.02** No Liability. Neither the Declarant nor any employee, agent or representative of the Declarant shall be liable to any Owner for any loss or damage 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) its failure to approve or disapprove any Work, or (c) the construction or performance of any Work, whether or not pursuant to approved plans,

drawings, and specifications. The Declarant's approval of Work shall not constitute any representation or guarantee that such Work complies with any relevant Law or regulation and does not relieve the Owner of his responsibility to obtain any required governmental approvals or permits.

7.03 Termination of Architectural Review: The Declarant's architectural review rights under this Article shall terminate on the date that the Declarant no longer owns any Lots subject to this Declaration.

# ARTICLE VIII ASSESSMENT AND COLLECTION OF COMMON EXPENSES

**8.01** Liability for Common Expenses: The percentage of liability for Common Expenses allocated to each Lot (except as otherwise set forth herein, including without limitation, Article VIII, Section 8.02) is a fraction, the numerator being one (1) and the denominator being the total number of Lots subject to Assessments pursuant to Section 8.12 below. Nothing contained in this Section shall prohibit certain Common Expenses from being apportioned to particular Lots under this Declaration.

#### 8.02 Common Expenses Attributable to Fewer than all Lots; Exempt Property:

- (a) Any Common Expense or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefited. Notwithstanding that only certain Lots are burdened with an easement for drainage facilities, such drainage facilities benefit the Community as a whole and shall be a Common Expense applicable to all Lots and their Owners.
- (b) The costs of insurance and shall be assessed equally amongst all Lots.
- (c) An Assessment to pay a judgment against the Association may be made only against the Lots in the Property at the time the judgment was entered, in proportion to the respective Liability for Common Expense.
- (d) If a Common Expense is caused by the misconduct of an Owner, the Association may assess that expense exclusively against that Owner's Lot.
- (e) If the Liability for Common Expenses is reallocated, Common Expenses Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

#### 8.03 Model Lots.

Assessments shall not commence on any Lot being used as a model home, sales office, design center, construction office or other similar purpose even though the Lot has been sold to an Owner other than the Declarant or Participating Builder until the first day of the month following

the date on which seventy-five percent (75%) of the Lots within the Community which may be built have been conveyed to an Owner other than the Declarant or a Participating Builder.

#### 8.04 Lien:

- (a) The Association has a lien on a Lot for any Assessment levied against the Lot and construction penalty or fines imposed against its Owner from the time the Assessment or fine becomes due. Fees, charges, late charges, fines, attorneys' fees, and interest charged pursuant to the Act and the Governing Documents and any costs of collection charged pursuant to the Act are enforceable as Assessments under this Section; provided, however, that unless otherwise permitted by law, the Association may not foreclose upon a lien for unpaid Assessments which is comprised solely of fines levied against an Owner for violation of the Governing Documents unless the violation is of a type that poses an imminent threat of causing a substantial adverse effect on the health, safety and/or welfare of the Owners or Invitees of the Property. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment becomes due.
- (b) Except to the extent permitted under the Act, a lien under this Section is prior to all other liens and encumbrances on a Lot except: (1) liens and encumbrances Recorded before the Recordation of this Declaration; (2) a first Security Interest on the Lot Recorded before the date on which the Assessment sought to be enforced became delinquent, except that a lien under this Section is prior to all such Security Interests as set for in the Act; (3) liens for real estate taxes and other governmental assessments or charges against the Lot; and (4) liens for fees or charges levied pursuant to NRS 444.520(1). This subsection does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other Assessments made by the Association.
- (c) Recording of the Declaration constitutes Record notice and perfection of the lien. Further Recording of a claim of lien for Assessment under this Section is not required.
- (d) A lien for an unpaid Assessment is extinguished unless a notice of default and election to sell is recorded or judicial proceedings to enforce the line are instituted within three (3) years after the full amount of the Assessment becomes due, except that if an Owner of a Lot subject to a lien under this section files a petition for relief under the United States Bankruptcy Code ("Bankruptcy Code"), the time period for instituting proceedings to enforce the Association's lien shall be tolled until the later of the time period allowed hereunder or thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- (e) This section does not prohibit an action to recover sums for which subsection (a) of this section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.
- (f) A judgment or decree in any action brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.

- (g) The Association's lien may be foreclosed by the same procedure set forth in the Act, including NRS 116.31162 through NRS 116.31168.
- (h) In any action by the Association to collect Assessments or to foreclose a lien for unpaid Assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due to that Owner from third parties prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Annual Assessments, based on a periodic budget adopted by the Association pursuant to Section 8.05 below.
- (i) If a holder of a First Security Interest in a Lot forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid Assessments against that Lot which became due before the sale, other than the Assessments which are prior to that Security Interest under <u>Subsection (b)</u> of this section of this Declaration and as provided in the Act. Any unpaid Assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.
- (j) Any payments received by the Association in the discharge of an Owner's obligation may be applied to the oldest balance due; provided, however, that the Association may not apply any Assessment, fee or other charge that is paid by an Owner toward a fine imposed against the Owner by the Association unless otherwise directed by the Owner or as permitted by law.
- **8.05** Budget Adoption Prior to the commencement of each Fiscal Year, the Board shall determine the Budget for the Association for such Fiscal Year in the following manner:
  - (a) Not less than ninety (90) days before the beginning of the Fiscal Year, the Board shall meet for the purpose of preparing and approving a Budget for the next Fiscal Year and establishing the requisite Annual Assessment. The Budget and the corresponding Annual Assessment shall be deemed approved if a majority of the Board votes in favor. If the Board fails to approve a budget and an Annual Assessment, the last approved Budget and Annual Assessments shall continue until such time as the Board approves a new budget and Annual Assessment. Within thirty (30) days after approving a budget, and corresponding Annual Assessment, the Association shall deliver notice to all Owners of the Annual Assessment and where copies of the budget may be reviewed or obtained. The Budget must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve fund established by this Article VIII.
  - (b) The Association shall also establish adequate reserves, funded upon a reasonable basis, for the repair, replacement, and restoration of the major components of the Common Elements based on a study of reserves conducted pursuant to NRS 116.31152. The reserve funds may be used only for those purposes and not for daily maintenance.

- (c) The Annual Assessment based on the approved Budget shall not increase more than 200% over the prior year without the approval of a majority of Lot Owners entitled to vote.
- **8.06** Special Assessments. If the Association determines that the estimated total amount of funds necessary to defray the Common Expenses of the Association for a given Fiscal Year is or will become inadequate to meet expenses for any reason, including, without limitation, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on, damage and destruction or condemnation of, the Association Property or Common Elements, the Board may levy a special assessment ("Special Assessment"). The Board may, in its discretion, prorate such Special Assessment over the remaining months of the Fiscal Year or levy the Assessment immediately against each Lot.
- **8.07** Enforcement Assessments. The Association may levy an Enforcement Assessment against any Owner to collect fines levied by the Association pursuant to the terms of this Declaration and any and all attorney's fees and costs including but not limited to, a violation of Association Rules pertaining to the use of the Common Elements or damage to the Common Elements caused by the Owner or his Invitees.
- 8.08 Capital Improvement Assessments: If the Board of Directors votes to levy a Capital Improvement Assessment, the Owners shall be provided with written notice of a meeting at which the Capital Improvement Assessment is to be considered or action is to be taken on such Assessment at least twenty-one (21) days before the date of the meeting. A Capital Improvement is defined the installation or construction of a new, additional major component of or upon the Common Elements. The Board, by majority vote, may approve a Capital Improvement Assessment that is reasonably anticipated to cost five percent (5%) or less of the Association's budgeted gross expenses for that Fiscal Year. If the cost of the proposed Capital Improvement is reasonably anticipated to cost more than five percent (5%) of the Association's budgeted gross expenses for that Fiscal Year, the Capital Improvement Assessment must be approved by a majority of the Members.
- **8.09** Certificate of Payment of Annual Assessments: The Association, upon written request, shall furnish an Owner with a statement, in Recordable form, setting out the amount of unpaid Assessments against the Lot. The statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Board of Directors and each Owner.
- **8.10** Assessment Due Dates: Subject to Board decision, all Annual Assessments assessed under Sections 8.01 and 8.02 of this Declaration shall be due and payable on the first day of each month, at 1/12th of the annual total (in cases where an annual total is applicable). Other Assessments are due on the date established by the Board or as approved by the Members.
- 8.11 Acceleration of Annual Assessments and Imposition of Late Fee: In the event of default in which any Owner does not make the payment of any Assessment levied against his or her Lot within thirty (30) days after the date due, the Board of Directors shall have the right to declare all unpaid Assessments for the pertinent Fiscal Year immediately due and payable. A late fee and other charges along with assessment and collection procedures, which shall be

established by the Board through resolution, will be imposed against the Owner's account if an Annual or Special Allocation Assessment is not received by 5:00 PM on the thirtieth (30<sup>th</sup>) calendar day of the month. Past due Assessments for Common Expenses shall bear interest as provided in the Act.

- **8.12** Commencement of Annual Assessments: The Annual Assessments provided for herein shall begin as to a Lot on the first day of the month following the date on which a certificate of occupancy has been issued for that Lot. The first assessment shall be adjusted according to the number of months remaining in the calendar year.
- **8.13** No Waiver of Liability for Common Expenses: No Owner may be exempt from the personal liability for any Assessments described in this Declaration, nor release the Lot owned by the Owner from the liens and charges thereof by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Owner's Lot.
- 8.14 Personal Liability of Owners: The Owner of a Lot, at the time an Assessment or portion thereof is due and payable, is personally liable for the Assessment. Additionally, the Owner of a Lot, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or such other instrument, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments; (b) Capital Improvement Assessments; (c) Special Assessments; and (d) Special Allocation Assessments, if any, such Assessments to be established and collected as herein provided. All Assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Lot against which such Assessment is made. Personal liability for the Assessment shall not pass to a successor in title to the Lot unless the successor agrees to assume the obligation. The successor in title shall be personally liable for any Assessments thereafter due.
- Capitalization of Association: A working capital fund is to be established. A mandatory contribution to the working capital fund in the amount of two (2) months' worth of ordinary Annual Assessments then applicable as to each Lot shall be collected from the Owner of each Lot upon the time of Closing of the sale of that Lot by Declarant to Owner. Similarly, upon the closing of any subsequent sale or conveyance of the Lot by the then-Owner to any new Owner shall also trigger a mandatory contribution to the working capital fund, payable upon closing of that subsequent transaction, in the amount of two (2) months' worth of ordinary Annual Assessments then applicable to each Lot. Such amounts may be increased or adjusted as to initial Owners by Declarant providing notice to same from time to time in conjunction with Any transaction or series of transactions having the practical effect of their purchase. transferring ownership or beneficial use of a Lot from one person to another shall trigger this requirement, including by way of illustration but not of limitation, any transfer of equitable interests or control in any business or corporate entity holding Record title a Lot. Notwithstanding the foregoing, a transfer of property by a trust settler into a revocable trust for estate planning purposes shall not, in and of itself, trigger the payment requirement. Any amounts paid into the working capital fund shall not be considered as advance payment of Each Lot's share of the working capital fund may be collected and then Assessments. contributed to the Association by Initial Declarant, as to each initial sale to an Owner, or at the time the sale of the Lot is closed as to each subsequent change in ownership. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Annual

Assessment, with a lien on Declarant's unsold Lots pursuant to the Act. Until termination of the Declarant Control Period, the working capital fund shall be deposited without interest in a segregated fund. During the Declarant Control Period, Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions, or construction costs or to make up budget deficits. Each capital contribution owing upon a subsequent sale shall be due and payable immediately to the Association, and until paid shall be a lien upon the Lot to which the capital contribution payment relates.

**8.16** Subsidy Agreements: The Association is specifically authorized and empowered to enter into a Subsidy Agreement or other similar agreement with the Declarant whereby Assessments otherwise payable by the Declarant on Lots owned by the Declarant are suspended in exchange for the payment by the Declarant of shortfalls in the Association's operating expenses or the provision of maintenance of the Common Elements and/or the performance of certain other services which are Common Expenses of the Association. Any such agreement shall automatically terminate at the end of the Declarant Control Period.

## ARTICLE IX AMENDMENTS TO DECLARATION

- 9.01 In General: Except in cases of amendments that may be executed by Declarant under this Declaration this Declaration, including the Final Map, may be amended only by vote or agreement of a majority of Owners and Eligible Mortgagees, if such vote is required. The procedure for amendment must follow the procedures set forth in NRS 116.2117. Notwithstanding the foregoing, any amendment that touches and concerns the Association's obligation to maintain the open space and drainage facilities as set forth in this Declaration shall not be valid without the written approval of IHGID.
- **9.02** Limitation of Challenges: An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is Recorded.
- **9.03** Recordation of Amendments: Each amendment to this Declaration must be Recorded and the amendment is effective only upon being Recorded.
- **9.04** Execution of Amendments: An amendment to this Declaration must be prepared, executed, Recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.
- 9.05 Special Declarant Rights: Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of Declarant.
- **9.06** Consent of Declarant: For so long as Declarant owns any Lot, and to the fullest extent permitted by Law, no amendment to this Declaration shall be permitted without the prior written consent of Declarant.

## ARTICLE X TERMINATION

10.01 Public or Quasi-Public. The Property shall cease to be a common interest community upon the date that the County or other public or quasi-public entity, including but not limited to a General Improvement District, assumes the responsibility for maintenance of the Association Property and the Board shall Record such notice and take all necessary steps to terminate the Association and distribute any remaining assets.

10.02 Pursuant to the Act. Termination of the Property may also be accomplished upon the approval of the Owners of One Hundred Percent (100%) of the total number of Lots within the Property, and then in accordance with the provisions of the Act. Notwithstanding the foregoing, any vote to terminate the Property shall not be valid without the written approval of IHGID which shall not be unreasonably withheld so long as the termination provides for the obligation to maintain the drainage facilities and open space. Additionally, if substantially all of the Lots in the Association have been destroyed or are uninhabitable, the Board or any person holding an interest in Property or any portion thereof may commence an appropriate action in the Nevada State District Court seeking to terminate the Community, pursuant to the requirements of Nevada law.

# ARTICLE XI RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Annual Assessments, only upon the approval Owners representing 24 of the 36 Lots, at a meeting called for that purpose, and, as applicable, with Eligible Mortgagees' consent described in this Declaration.

### ARTICLE XII INSURANCE

12.01 Coverage: To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described in this Article will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners and Eligible Mortgagees at their respective last known addresses at which time each Owner shall become responsible for obtaining and maintaining such insurance coverage.

### 12.02 Property Insurance Coverage:

- (a) Coverage. Property insurance will cover:
  - (i) The Common Elements, and Improvements thereon, insuring against all risks of direct physical loss commonly insured against. Property insurance

coverage specifically excludes the Lots for which an Owner is required to obtain insurance pursuant to Section 12.06 below.

- (ii) All personal property owned by the Association.
- (b) Amounts. The insurance will be for an amount (after application of any deductions) equal to one hundred percent (100%) of the actual replacement value of the covered items at the time the insurance is purchased and at each renewal date, excluding the cost of land, foundations, or excavations.

The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the insured items, and the cost of such appraisals shall be a Common Expense.

- (c) <u>Risks Insured Against</u>. The insurance shall afford protection against "all risks" of direct physical loss commonly insured.
- (d) <u>Other Provisions</u>. Insurance policies required by this Section and to the extent available shall provide that:
  - (i) Each Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.
  - (ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.
  - (iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.
  - (iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance.
  - (v) Losses must be adjusted with the Association.
  - (vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.
  - (vii) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Owner and to each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

- (viii) The name of the insured shall be substantially as follows: Valley Vista Unit 7 for the use and benefit of the individual Owners.
- (ix) Such policy of insurance shall contain a standard mortgage clause, or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area in which the Property is located.
- (x) Such policy of insurance shall be unacceptable where: (a) under the terms of the insurance carrier's charter, by-laws, or policy, contributions or assessments may be made against borrowers, FNMA, FHLMC, or the designee of FNMA or FHLMC; (b) by the terms of the carrier's charter, loss payments are contingent on action by the carrier's board of directors, policy holders, or members; or (c) the policy includes any limiting clauses (other than insurance conditions) that could prevent FNMA, FHLMC or the borrowers from collecting insurance proceeds.
- (xi) Such policy of insurance shall include "agreed amount endorsements" and, if available, an "inflation guard endorsement."
- (xii) Such policy of insurance shall include coverage for losses or perils by fire or other perils covered by the standard extended coverage endorsement.
- 12.03 Liability Insurance: Liability insurance, including medical payments insurance, will be maintained as determined by the Board of Directors. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association.

Insurance policies carried pursuant to this Section shall provide that:

- (a) Each Owner is an insured Person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;
- (b) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.
- (c) An act or omission by an Owner or the Association will not void the policy or be a condition to recovery under the policy.
- (d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.
- (e) Losses must be adjusted with the Association.
- (f) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

- (g) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.
- (h) Legal fees shall be outside the limits.
- 12.04 Crime Insurance: The Board shall maintain crime insurance which includes coverage for dishonest acts by Board Members and the officers, employees, agents, directors, and volunteers of the Association and which extends coverage to any business entity that acts as Manager of the Association and the employees of that entity. Such insurance may not contain a conviction requirement, and the minimum amount of the policy must not be less than an amount equal to three (3) months of aggregate assessments on all Lots plus reserve funds or \$5,000,000, whichever is less.
- **12.05 Owner Policies**: An Owner should obtain a separate insurance policy to provide coverage for the Owner's Lot. The amount of insurance coverage obtained should be sufficient to repair or replace any Residence or Improvements located on the Lot.
- **12.06** Workers' Compensation Insurance: The Board of Directors shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Nevada.
- 12.07 Directors' and Officers' Liability Insurance: To the extent reasonably available and subject to reasonable deductibles, the Board of Directors shall obtain and maintain directors' and officers' liability insurance in a minimum aggregate amount of not less than \$1,000,000 naming the Association as the owner and the named insured. The coverage shall extend to the directors and officers, employees, agents and volunteers of the Association (including committee members), and to the Manager and any employees of the Manager while acting as agents.
- **12.08** Other Insurance: The Association may carry other insurance, including cyber theft liability, which the Board of Directors considers appropriate to protect the Association and/or the Owners, and any insurance necessary to comply with minimum HUD requirements.
- 12.09 Premiums and Deductibles: Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense. Any policy to be maintained hereunder may be subject to reasonable deductibles. To the extent permitted under the Act, the deductible shall be an expense of the affected Lot(s).
- 12.10 Insurer Ratings: With regard to any insurance policy for the Common Elements or any master or blanket insurance coverage described hereunder, an insurer shall have a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports, International Edition, an "A" or better rating in Demotech, Inc's Hazard Insurance Stability Ratings, a "BBB" quality rating in Standard and Poor's Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service.

**12.11 Compliance with Federal Regulations**: Notwithstanding any other provisions contained herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the minimum insurance and fidelity bond requirements established by the Federal National Mortgage Association ("FNMA"), the Government National Mortgage Association ("GNMA"), and the Federal Home Loan Mortgage Corporation ("FHLMC"), or any successor to those entities, if any, so long as any of the above is a Mortgagee or an Owner of a Lot, except to the extent such coverage is not available or has been waived in writing by the FNMA, GNMA, and FHLMC as applicable. If the FNMA or FHLMC requirements conflict, the more stringent requirements shall be met.

# ARTICLE XIII DAMAGE TO OR DESTRUCTION OF PROPERTY

- 13.01 Damage and Destruction to the Common Elements: In the case of destruction of or damage to the Common Elements, including any Improvements thereon, by fire or other casualty, the Association shall proceed pursuant to NRS 116.31135.
  - (a) <u>Damage During Declarant Control Period.</u> Should any Common Elements become destroyed or damaged before Declarant has conveyed the Common Elements to the Association, the Declarant shall be responsible for the cost of rebuilding or repair. Should any Common Elements become destroyed or damaged before Declarant has sold all of the Lots, but after the Declarant has conveyed the Common Elements to the Association, the Association shall rebuild or repair such Common Elements in a manner consistent with its original condition as constructed by Declarant.
  - (b) <u>Damage or Destruction by Owner</u>. In the event any portion of the Common Elements is damaged or destroyed by an Owner or by Owner's Invitee(s), the Board may repair said damaged area. In the event the Board determines to repair said damage, the amount necessary for such repairs shall be paid by the Owner or Owner's Invitee, upon demand, to the Board. If said amounts are not immediately paid, they shall be deemed to be Assessments, and the Board may enforce collection of same in the same manner as provided in Article VIII hereof for collection and enforcement of Assessments.
- 13.02 Certificates by Title Insurance Companies: If payments are to be made to Owners or mortgagees, then the Board of Directors and the Trustee, if any, shall obtain and may rely on a title insurance company's certificate or a title insurance policy based on a search of the Records in the Office of the County Recorder, Clark County, Nevada, from the date of the Recording of the original Declaration, stating the names of the Owners and the mortgagees.

## ARTICLE XIV CONDEMNATION

If part or all of the Property is taken by any Person or entity having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in

accordance with the Act. The Association shall represent the Owners in any such proceeding or negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof, by the condemning authority. Each Owner appoints the Association as attorney-in-fact for such purpose. The Association may appoint a trustee to act on behalf of the Association to carry out the Associations functions under this Article. Except as otherwise provided herein, in the event of a taking or acquisition of part or all of the Common Elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, to be held in trust for the Owners and their first mortgage holders, as their interests may appear.

### ARTICLE XV MORTGAGEE PROTECTIONS

- 15.01 Introduction: This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, and not a substitution for, any other provisions of the Governing Documents, but in the case of conflict, this Article shall control.
- 15.02 Percentage of Eligible Mortgagees: Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding First Security Interests in Lots which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Lots in the Association then subject to Security Interests held by all Eligible Mortgagees.
- **15.03** Notice of Actions: The Association shall give prompt written notice to each Eligible Mortgagee of:
  - (a) Any condemnation loss or any casualty loss which affects a material portion of the Property or any Lot in which there is a First Security Interest held, insured or guaranteed by that Eligible Mortgagee, as applicable;
  - (b) Any delinquency in the payment of Annual Assessments owed by an Owner which remains uncured for a period of sixty (60) days and whose Lot is subject to a First Security Interest held, insured or guaranteed by that Eligible Mortgagee, as applicable;
  - (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and
  - (d) Any proposed action which would require the approval of a specified percentage of Eligible Mortgagees as specified in <u>Section 15.04</u> below.

#### 15.04 Consent and Notice Required:

(a) <u>Document Changes</u>: Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any material provision of this Declaration by the Association or Owners described in this Section may be effective without notice to all

Eligible Mortgagees, as required by Section 15.03 above, without the vote of at least the majority of Owners and without approval by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any Developmental Right. A change to or attempted addition of any of the following would be considered material:

- (i) Any provision of this Declaration pertaining to voting rights;
- (ii) Any provision of this Declaration pertaining to Assessments, assessment liens or priority of assessment liens;
- (iii) Any provision of this Declaration pertaining to reserves for maintenance, repair and replacement of Common Elements;
- (iv) Any provision of this Declaration pertaining to responsibility for maintenance and repairs;
- (v) Any provision of this Declaration pertaining to expansion or contraction of the Property, the addition, annexation or withdrawal of property to or from the Property, or the allocation of interests in the Property;
- (vi) Any provision of this Declaration pertaining to the amount or type of insurance or fidelity bonds to be maintained;
- (vii) Any provision of this Declaration pertaining to leasing of Lots;
- (viii) Any provision of this Declaration conditioning or limiting rights to use the Common Elements;
- (ix) Any provision of this Declaration that expressly benefits holders, insurers or guarantors of Security Interests;
- (x) Any provision of this Declaration pertaining to the convertibility of Lots into Common Elements;
- (xi) Any provision of this Declaration pertaining to the imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Lot;
- (xii) Any provision of this Declaration pertaining to the establishment of selfmanagement where professional management has previously been required;
- (xiii) Any changes to the boundaries of any Lot;
- (xiv) Any provision of this Declaration pertaining to the restoration or repair of the Property;

- (xv) Any provision regarding the termination of the Property;
- (xvi) Any provision requiring a holder of a Security Interest who acquires a Lot through foreclosure to pay more than its proportionate share of any unpaid Assessments accruing after foreclosure;
- (xvii) Any provision which could result in a mortgage being canceled by forfeiture or in a Lot not being assessed separately for tax purposes; or
- (xviii) Any provision which could result in a partition or subdivision in a manner not consistent with this Declaration.
- (b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to Declarant as Special Declarant Rights, without notice to all Eligible Mortgagees, as required by Section 15.03 above, and approval of at least a majority (or the indicated percentage, if higher) of the Eligible Mortgagees:
  - (i) Any restoration or repair of any part of the Property after partial condemnation or damage due to an insurable hazard in a manner not in substantial compliance with this Declaration and the original Subdivision Map;
  - (ii) Any election to terminate the Property after occurrence of substantial destruction or condemnation:
  - (iii) Any reallocation of Allocated Interests resulting from partial destruction or condemnation; or
  - (iv) The termination of the Property, for which approval of at least Sixty-Seven Percent (67%) of Eligible Mortgagees is required.
- (c) <u>Implied Approval</u>. The failure of an Eligible Mortgagee or Insurer to respond within sixty (60) days to any written request for approval of an addition or amendment to the Document wherever Eligible Mortgagee or Insurer approval is required, or any other matter pursuant to this Declaration, when such request is delivered by certified or registered mail, return receipt requested, shall conclusively constitute an implied approval of the addition or amendment. If any holder, insurer or guarantor of any First Security Interest has not requested, in writing, notice of any proposed amendment or matter, the approval of such holder, insurer or guarantor shall be deemed given.
- 15.05 Inspection of Books: The Association must maintain current copies of the Governing Documents, books, records, and financial statements of the Association. The Association shall permit any Eligible Mortgagee or other first mortgagee of Lots to inspect the books and records of the Association during normal business hours and subject to the provisions of the Act.
- 15.06 Financial Statements: The Association shall provide any Eligible Mortgagee, or any agency or corporation that has a prospective interest in the Property, with a copy of a financial statement, prepared in accordance with the requirements of the Act. The financial statement

shall be for the preceding Fiscal Year and will be provided within a reasonable amount of time to any Eligible Mortgagee upon written request to the Association.

- **15.07** Enforcement: The provisions of this Article are for the benefit of Eligible Mortgagees and their successors and may be enforced by any of them by any available means, at law or in equity.
- 15.08 Appointment of Trustee: In the event of damage or destruction under Article XIII of this Declaration or condemnation of all or a portion of the Property, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to this Declaration. This Trustee may be required to be a corporate trustee licensed by the State of Nevada. Proceeds will then be distributed pursuant to Article XIII of this Declaration or pursuant to a condemnation award. Unless otherwise required, the members of the Board of Directors, acting by majority vote through the president, may act as Trustee.

### ARTICLE XVI DEVELOPMENTAL RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

- **16.01 Reservation of Developmental Rights**: Declarant reserves the following Developmental Rights:
  - (a) <u>Improvements</u>. The right, but not the obligation, to construct Improvements on the Common Elements and complete the Lots and Residences and associated Improvements.
  - (b) <u>Utilities</u>. The right, but not the obligation, to construct underground utility lines, pipes, wires, ducts, conduits and other facilities upon the real property in the Property, for the purpose of furnishing utility and other services to buildings and Improvements to be constructed in the Property. Declarant also reserves the right to withdraw and grant easements to public utility companies and to convey Improvements within those easements anywhere in the Property not occupied by buildings, for the purposes mentioned above. If Declarant grants any such easements, the Final Map will be amended to include reference to the Recorded easement.
  - (c) <u>Amendment</u>. The right, but not the obligation, to unilaterally amend this Declaration at any time prior to the close of the first sale of a Lot and to further amend thereafter pursuant to this Declaration.
  - (d) <u>Annexation</u>. The right, but not the obligation, to add additional property to the Property and create Common Elements as follows:
    - (i) <u>Property Subject to Annexation</u>: Declarant hereby reserves unto itself for a period of twelve (12) years after this Declaration has been Recorded (or to the extent it is less, for such period that may be permitted under Law), the right to cause to be annexed to this Declaration as part of the Property from time to time all or a portion of the Annexable Property, provided that, if required by Law, a

subdivision map shall have been Recorded for the real property to be annexed. No assurances are made by Declarant prior to the annexation of any Annexable Property as to the size or configurations of such portion, or the order in which any such portion may be annexed. If any portion of the Annexable Property is annexed to the Property, there are no assurances that any other portion or all of such Annexable Property will be annexed.

- (ii) Manner of Annexation: The Annexable Property shall be annexed by Recording a Supplemental Declaration executed by Declarant describing the real property to be so annexed and declaring that such property shall thereafter be deemed to be Annexed Property as defined in this Declaration and declaring that such Annexed Property shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved or otherwise affected in any manner subject to the provisions of this Declaration. Such Supplemental Declaration may set forth any additional restrictions or covenants which may be applicable to such Annexed Property, provided that such additional restrictions shall not be in any manner inconsistent with the provisions of this Declaration.
- (iii) <u>Effect of Annexation</u>: Upon Recordation of any Supplemental Declaration, the real property described in the Supplemental Declaration shall become Annexed Property as defined herein and shall be subject to all of the provisions of this Declaration.
- (e) Other. The right to exercise any other Developmental Rights set forth in NRS 116.039.
- **16.02** Special Declarant Rights: Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by Law, which may be exercised, where applicable, anywhere within the Property and Additional Property:
  - (a) <u>Complete Improvements</u>. The right to complete any Improvements indicated on the Final Map, including the Lots, Residences, and any Improvements;
  - (b) <u>Developmental Rights</u>. The right to exercise any Developmental Right reserved in this Declaration or allowed by the Act;
  - (c) <u>Sales Offices</u>. The right to maintain sales offices, management offices, signs advertising the Property and models which are reasonably necessary to market the Residences or any other real property owned by Declarant regardless of whether such real property is part of the Property or Additional Property;
  - (d) <u>Easements</u>. The right to use easements through the Common Elements for the purpose of making Improvements within the Property or any other real property owned by Declarant regardless of whether such real property is part of the Property;
  - (e) <u>Appointment</u>. Subject to the limitations in the Governing Documents, the right to appoint or remove any officer of the Association or a Board of Directors member during the Declarant Control Period;

- (f) Specified Rights. The right to exercise rights identified in this Declaration for the benefit of the Declarant; and
- (g) Other. The right to exercise any other Special Declarant Rights set forth or contemplated in NRS 116.089.
- 16.03 Models, Sales Offices and Management Offices: For so long as Declarant is an Owner, Declarant, its duly authorized agents, representatives and employees reserve the right to use a portion of any Lot, including but not limited to any model Lot, for sales offices and/or management offices for Lots in the Property or other properties. Declarant further reserves the right to maintain any Lot owned by Declarant or any portion of the Common Elements as a model, sales office, construction or management office.
- 16.04 Signs and Marketing: For so long as Declarant is an Owner, Declarant reserves the right to post signs and displays and related items (e.g., banners, balloons, flyers) on the Common Elements in order to promote sales of Lots or of any Property. Declarant also reserves the right to conduct general sales activities in a manner which Declarant reasonably determines will not unreasonably disturb the rights of Owners.
- 16.05 Declarant's Personal Property: Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Property that has not been represented in this Declaration as becoming property of the Association. Declarant reserves the right to remove from the Property (promptly after the sale and close of escrow of the last Lot) any and all such goods and improvements used in development, marketing and construction, whether or not they have become fixtures.
- 16.06 Limitations on Special Declarant Rights: Unless terminated earlier by an amendment to this Declaration executed by Declarant, and subject to applicable Law, any Special Declarant Right, including any exercise of a Developmental Right, may be exercised by Declarant so long as any of the following conditions are satisfied: Declarant holds a Developmental Right to create additional Lots or Common Elements; Declarant owns any Lot; or Declarant holds any Security Interest in any Lot.
- 16.07 Interference with Special Declarant Rights: Neither the Association nor any Owner may take any action or adopt any rule, or enforce any restriction contained herein in such manner that will interfere with or diminish any Special Declarant Right without the prior written consent of Declarant. While any Special Declarant Right remains unexercised, this Article cannot be amended without the written consent of Declarant.
- 16.08 Priority of Declarant's Rights and Reservations: Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association and the Property. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each Recorded Supplemental Declaration or annexation amendment, in each conveyance of property by Declarant in each deed or other instrument by which any property encumbered hereby is conveyed by Declarant, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration and may not, without

Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration, including any amendment of this Section. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

16.09 Assignment of Declarant's Rights: Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any Person as defined in this Declaration, who will assume any or all of the duties of Declarant hereunder, if any, and upon any such Person evidencing his consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, if any, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein, if any. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations, and duties hereunder, if any.

# ARTICLE XVII MISCELLANEOUS PROVISIONS

- 17.01 Views: Declarant makes no representation or warranty with respect to any existing views from any Lot, and by purchasing any Lot an Owner shall have no claim or right of recovery from Declarant or Association relating to or arising out of any claimed change in views, and agrees to waive and release any such claims.
- 17.02 Neighboring Properties: Declarant makes no representation or warranty that any nearby property adjacent to the Property will be used for any particular purpose or purposes, or will be constructed or reconstructed with any particular appearance.
- 17.03 Enforcement: The Association shall not enforce any restrictions concerning the use of the Lots. However, the Association may institute litigation or alternative dispute resolution to enforce any provision of this Declaration pertaining to the Common Elements. Any Owner shall have the right but not the duty to enforce any and all of the covenants, conditions and restrictions now or hereafter imposed by this Declaration upon the Owners or any of the Lots. Every act or omission whereby a covenant, condition or restrictions of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated. In the event the Association or Owner shall commence litigation or arbitration to enforce any of the covenants, conditions, restrictions or reservations contained in the Governing Documents, the prevailing party in such litigation or arbitration shall be entitled to costs of suit and such attorney's fees as the Court or arbitrator may adjudge reasonable and proper.
- 17.04 Captions: The captions contained in this Declaration are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision thereof.
- 17.05 Gender: The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of this Declaration so requires.

- 17.06 Waiver: No provision contained in this Declaration is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- 17.07 Invalidity: The invalidity of any provision of this Declaration does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of this Declaration shall continue in full force and effect.
- 17.08 Conflict: This Declaration is intended to comply with the requirements of the Act applicable to limited purpose common-interest communities and the Declaration shall be interpreted, if at all possible, so as to be consistent with the Act. If there is any conflict between this Declaration and the provisions of the Act, the provisions of the Act shall control, without any requirement express or implied to amend or modify this Declaration (though amendment for purposes of making the Declaration match the Act is not hereby limited or prohibited). In the event of any conflict between this Declaration and any of the Governing Documents, this Declaration shall control. The hierarchy of the Governing Documents shall be the following order: Declaration, Articles, Bylaws and then Rules, resolutions and policies.
- 17.09 Notification of Sale of Lot: Concurrently with the consummation of the sale of any Lot under circumstances whereby the transferee becomes an Owner thereof, or within five (5) business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth the name of the transferee and its Mortgagee and transferor, the common address of the Lot purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Prior to the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.
- 17.10 Notices: Any notice permitted or required to be given under the provisions of this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third (3<sup>rd</sup>) day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Association for the purpose of service of notices, or to the residence of such Person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such Person to the Association.
- 17.11 Unilateral Amendment by Declarant: Declarant may unilaterally amend this Declaration if such amendment is: (a) required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on the Lots; (b) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots; or (c) otherwise necessary to satisfy the requirements of any governmental agency. No such amendment shall adversely affect the title to any Lot. Prior to the closing on the sale of any Lot to an Owner other than a Participating Builder, Declarant may unilaterally amend this Declaration.

17.12 Term: This Declaration, including all of the covenants, conditions and restrictions hereof, shall run with and bind the Property for a term of fifty (50) years from the date this Declaration is recorded. After such time, the covenants, conditions and restrictions contained herein, shall be automatically extended for successive periods of ten (10) years, unless an instrument is signed by the Owner(s) of one hundred percent (100%) of the total number of Residences in the Property and recorded in the Office of the County Recorder, Douglas County, Nevada, within the year preceding the beginning of each successive period of ten (10) years, agreeing to change the terms of this Declaration, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein. Notwithstanding the foregoing, any vote to terminate the Property shall not be valid without the written approval of IHGID which shall not be unreasonably withheld so long as the termination provides for the obligation to maintain the drainage facilities and open space.

17.13 Savings Clause: To the extent of the non-allowable inconsistency between any term or provision of this Declaration or the Bylaws and the requirements or prohibitions of (i) applicable Law or (ii) rules, regulations directives, announcements, statutes or laws governing or promulgated by the Federal National Mortgage Association, HUD, the United States Department of Veteran's Affairs or any other agency or entity with which the Community is qualified for the purpose of providing financing or the insurance or enhancement of such financing to buyers of Units ((i) and (ii) collectively, "Applicable Law and Regulation") at any given time, the Applicable Law and Regulation shall control over such inconsistent term or provision; and such term or provision, and this Declaration, shall be deemed amended automatically to the extent, but only to the extent, necessary to comply fully with such Applicable Law and Regulation; and in each such instance the Board shall prepare, execute and record an actual amendment to this Declaration in a manner reasonably appropriate to reflect and evidence such amendment, notice of which shall be sent to all Owners within the time and in the manner required by the Act for amendments to declarations; provided, however, that the Board shall be responsible for the foregoing only upon being actually informed in writing of the subject inconsistency between this Declaration and Applicable Law and Regulation. In the event and to the extent of any inconsistency between Applicable Law and regulation under (i) and (ii) above, the Applicable Law and Regulation under (i) shall prevail. To the extent that any provision set forth in this Declaration and Bylaws regarding leasing and a right of first refusal is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in chapter 37 of title 38, United States Code, or part 36 of title 38, Code of Federal Regulations ("DVA Financing"), such provision shall not apply to any Unit that is: (i) encumbered by DVA Financing or (ii) owned by the Department of Veterans Affairs.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of this 10 th day of 10 th 2020.

**DECLARANT:** 

RENO SUN, LLC

Manager

State of California
County of Jan Joaquin

On Juy 10, 2020 before me,

Date

Date

Date

Description of Sandeep Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document

Signature

Place Notary Seal and/or Stamp Above

San Joaquin County California - Notary Public

omm. Expires Sept. 21, 2021

Signature of Notary Public

laws of the State of California that the foregoing

paragraph is true and correct.

WITNESS my hand and official seal.

	OPTIC	ONAL
į	Completing this information can d	deter alteration of the document or
	travaulent reattachment of this t	form to an unintended document.
	Description of Attached Document	
d	Title or Type of Document:	
	Document Date:	Number of Pages:
	Signer(s) Other Than Named Above:	
	Capacity(ies) Claimed by Signer(s)	
	Signer's Name:	Signer's Name:
١	□ Corporate Officer – Title(s):	□ Corporate Officer – Title(s):
	☐ Partner — ☐ Limited ☐ General	□ Partner – □ Limited □ General
	□ Individual □ Attorney in Fact	☐ Individual ☐ Attorney in Fact
ı	☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
1	□ Other:	□ Other:
Ì	Signer is Representing:	Signer is Representing:
ľ		

#### **EXHIBIT "A"**

#### **PROPERTY**

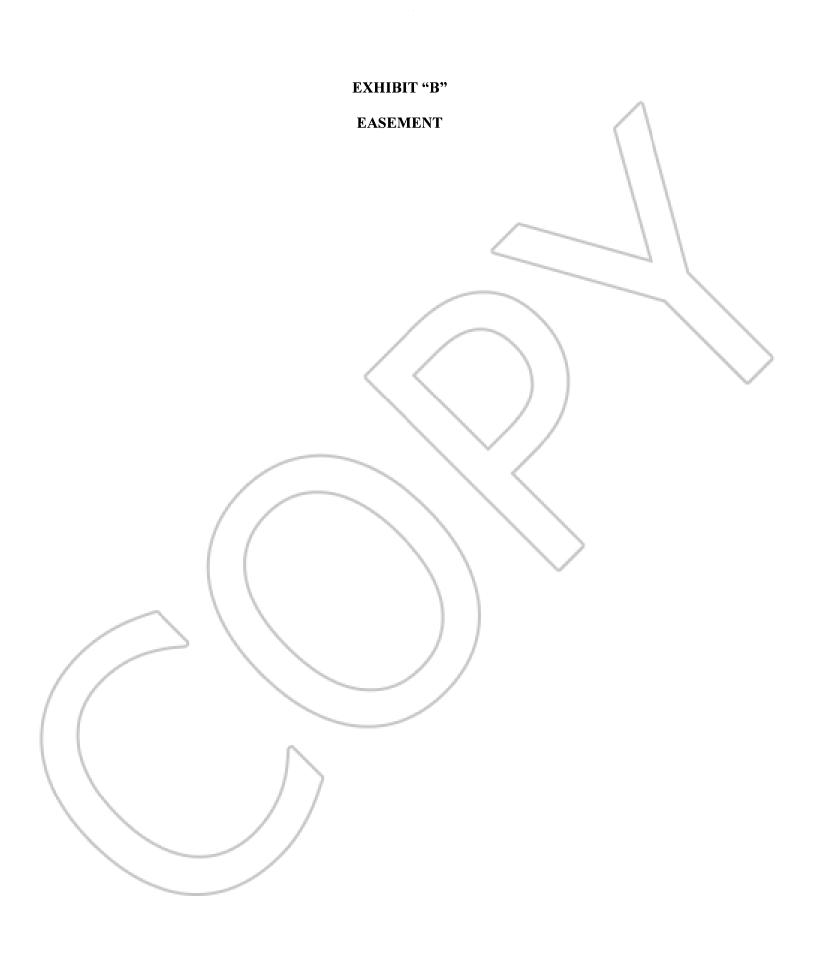
#### PARCEL 1:

LOTS 1 THROUGH 36, INCLUSIVE AS SET FORTH ON THE FINAL: MAP LPA 97-1007-8 FOR VALLEY VISTA ESTATES PHASE 7 RECORDED I N THE OFFICE OF THE DOUGLAS COUNTY RECORDER, STATE OF NEVADA, ON OCTOBER 20, 2006 IN BOOK 1006, PAGE 7712 AS DOCUMENT NO. 686969 AND CERTIFICATE OF AMENDMENT RECORDED ON JANUARY 02, 2007 IN BOOK 107, PAGE 26 AS I NSTRUMENT NO. 691901, OFFICIAL RECORDS.

#### PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR OPEN SPACE IMPROVEMENTS, FACILITIES AND ACCESS AS GRANTED BY AN OPEN SPACE EASEMENT AGREEMENT RECORDED OCTOBER 27, 2011 IN BOOK 1011, PAGE 4784 AS INSTRUMENT NO. 791545, OFFICIAL RECORDS.





RECORDING REQUESTED BY FIRST AMERICAN TITLE COMPANY NATIONAL/COMMERCIAL SERVICES COMMERCIAL/INDUSTRIAL DIVISION NCB-390060 LW

RECORDING REQUESTED BY, AND WHEN RECORDED, RETURN TO:

Wells Fargo Bank, N.A. 333 Market Street, 17th Floor MAC #A0119-170/Tom Farber San Francisco, CA 94105

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

DOC # 791545

10/27/2011 10:37AM Deputy: SG
 OFFICIAL RECORD
 Requested By:
First American NCS Califon
 Douglas County - NV
 Karen Ellison - Recorder
Page: 1 of 9 Fee: \$22.00
BK-1011 PG-4784 RPTT: 0.00



# **OPEN SPACE EASEMENT AGREEMENT**

This Open Space Easement Agreement (this "Easement Agreement") is made and entered into as of the date of its recordation in the Official Records of Douglas County, Nevada (the "Effective Date"), by and between VALLEY VISTA 7, LLC, a Nevada limited liability company ("Grantor"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Grantee"). Grantor and Grantee are sometimes individually referred to as "Party" and collectively referred to as the "Parties."

#### RECITALS

- A. Grantor is the owner of that certain real property located in Douglas County, Nevada that is more particularly described in **Exhibit** "A" attached hereto and incorporated herein by this reference (the "Servient Property").
- B. Grantee is the owner of that certain real property located in Douglas County, Nevada that is more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference (the "Development Property"). The Development Property is presently subdivided into thirty-six (36) single-family residential building lots, together with areas designed for related subdivision improvements.
- C. In connection with potential future development of the Development Property in the manner described in Recital B, Grantee desires to obtain, for the benefit of the Development Property, certain perpetual, non-exclusive easement rights over the Servient Property for the construction and installation of such improvements as may be required of Grantee by applicable governmental authorities in connection with the development of the Development Property.

PG-4785 791545 Page: 2 of 9 10/27/2011

Grantor is willing to grant to Grantee the above-referenced easement rights D. over the Servient Property, pursuant to the terms of that certain Settlement Agreement dated July 27, 2011, by and between Grantee, Grantor, and the following affiliates of Grantor: Leo A. Hanly; Brian L. Hanly; Donald I. Hanly; Syncon Homes, a Nevada corporation; Monterra 270, LLC, a Nevada limited liability company; and Hanser Investments, LLC, a Nevada limited liability company.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

#### **AGREEMENT**

- Recitals. The Recitals are true and correct and are incorporated herein. I.
- Grant of Easements. Grantor hereby grants and conveys to Grantee over the Π. Servient Property, for the benefit of the Development Property, the following rights: (a) a non-exclusive easement in gross for the construction, installation, use, maintenance, replacement and repair of such open space improvements, utility facilities, landscaping improvements and any other facilities or improvements that may be necessary or useful in connection with the development of the Development Property as a residential subdivision, including without limitation all improvements and facilities required by the development plans for the Development Property and/or the Servient Property approved by Douglas County and/or Indian Hills General Improvement District; and (b) a perpetual, appurtenant, non-exclusive easement over and upon the Servient Property for access as may be needed to enjoy the foregoing rights.
- Term. The easements granted under Section II above shall automatically Ш. expire at such time as any offer of dedication for the Servient Property is accepted by Douglas County and/or Indian Hills General Improvement District (the "Easement Termination Date").
- Property Taxes and Assessments. Nothing in this Easement Agreement shall be deemed to create in Grantee an obligation to pay any property taxes or assessments charged against any portion of the Servient Property.
- Breach Shall Not Permit Termination. No breach of this Easement Agreement shall entitle either Party to cancel, rescind or otherwise terminate this Easement Agreement, but such limitation shall not affect in any manner any other rights or remedies which may be available to such Party at law or in equity.
- Grantor's Use. Grantor shall not alter, maintain, replace, remove, modify, or place any item upon any portion of the Servient Property in such a manner as to interfere with In the event Grantor causes any damage or Grantee's easement rights hereunder.

791545 Page: 3 of 9 10/27/2011

modification to the Servient Property or the facilities and/or improvements thereon as a result of its activities on the Servient Property, Grantor shall promptly repair and restore the Servient Property (and the relevant facilities and/or improvements) to its condition prior to such damage or modification.

VII. No Obligation to Construct. Nothing herein shall obligate Grantor to construct or install any improvements upon any portion of the Servient Property.

#### VIII. General Provisions.

- Easement in Gross; Covenants and Equitable Servitudes. The A. easements granted under this Easement Agreement shall be easements in gross for the benefit of Grantee and its successors and assigns, and are fully assignable by Grantee without the need for any further notice to or consent from Grantor. All provisions of this Agreement shall be binding upon the respective successors and assigns of the Parties and shall, until the Easement Termination Date, be deemed to run with the Servient Property as covenants running with the land or as equitable servitudes, as the case may be.
- Modification and Waiver. No claim of waiver, modification, consent В. or acquiescence with respect to any provision of this Easement Agreement shall be made against either Party except on the basis of a written instrument executed by or on behalf of such Party.
- Construction and Interpretation. Wherever possible, each provision of this Easement Agreement shall be interpreted in such manner as to be valid under applicable law, but, if any provision of this Easement Agreement shall be invalid or prohibited thereunder, such provision shall be ineffective to the extent of such prohibition without invalidating the remainder of such provision or the remaining provisions of this Easement Agreement. This Easement Agreement shall be construed as if both Parties jointly prepared this Easement Agreement and any uncertainty and ambiguity shall not be interpreted against any one Party. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and vice versa
- Paragraph Headings. The headings of the several paragraphs of this Easement Agreement are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision hereof.
- Attorneys' Fees. Should any Party hereto employ an attorney for the purpose of enforcing or constraing this Easement Agreement, or any judgment based on this Easement Agreement, in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, including appeals or rehearing, the prevailing Party shall be entitled to receive from the other Party thereto reimbursement for all attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court



reporter costs, investigative costs, expert witness fees, and the cost of any bonds, whether taxable or not. Should any judgment or final order be issued in that proceeding, said reimbursement shall be specified therein.

- F. Governing Law. This Easement Agreement shall be construed and enforced in accordance with the laws of the State of Nevada, without giving effect to the choice of law principles of said State.
- G. <u>Counterparts</u>. This Easement Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original; such counterparts shall together constitute but one agreement.
- H. <u>Time of the Essence</u>. Time is of the essence for the performance of all obligations and the satisfaction of all conditions of this Essement Agreement.
- I. <u>Entire Agreement</u>. This Easement Agreement contains the entire agreement between the Parties relating to the transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged herein.
- J. <u>Additional Actions and Documents</u>. The Parties agree to take such additional actions and execute such additional documents as may be necessary or proper to carry out the transactions contemplated by this Easement Agreement.
- L. <u>Limitation of Liability</u>. As used in this Easement Agreement, the term "Grantee" means only the current holder of the easement rights granted herein. Each Grantee is obligated to perform the obligations of Grantee under this Easement Agreement only during the time such Grantee holds such easement rights. Any Grantee who transfers and assigns all of its rights under this Easement Agreement is relieved of all liability with respect to the obligations of Grantee under this Easement Agreement to be performed on or after the date of transfer and assignment.

[signatures follow on next page]

BK 101 PG-478 791545 Page: 5 of 9 10/27/2011

BK 1011 PG-4788

IN WITNESS WHEREOF, the Parties hereto have caused this Easement Agreement to be executed as of the Effective Date.

### **GRANTOR:**

VALLEY VISTA 7, LLC, a Nevada limited liability company

By:

A. HANLY SYNCON HOMES, MANAGER PRESIDENT.

Its:

**GRANTEE:** 

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: Name:

By: Name:

5

BK 1011 PG-4789 791545 Page: 6 of 9 10/27/2011

OTHER OF A TWILL BA	
STATE OF NEVADA ) ) ss.	\ \
COUNTY OF COUNTY OF	\ \
This instrument was acknowledged before	ore me on 9/29 ,2011,
by LOA Manh a Valley Vista 7, LIE, a Nevada limited liability	s President of company.
•	
The state of the s	Notary Public My Commission Expires 4110/15
RISHELE L THOMPSON  Notary Public - State of Nevada	My Commission Expires 410/15
Appointment Recorded in Douglas County No: 99-54931-5 - Expires April 10, 2015	
	< ) )
	\ \ / /
	\
/ /	
\ \	\ \
	/ /
	/ /
_	
/ /	
	•
	,

BK 1011 PG-4790 791545 Page: 7 of 9 10/27/2011

STATE OF CALIFORNIA )
) ss.
COUNTY OF SAN FRANCISCO)
on crossed 24 , 2011, before me, Notary Public, personally appeared person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct
WITNESS my hand and official seal.  Commission # 1942575 Notary Public - California San Francisco County My Comm. Expires Jun 30, 2015
Signature of Notary (Affix seal here)
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \

791545 Page: 8 of 9 10/27/2011

#### Exhibit "A"

## Legal Description of the Servient Property

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

REMAINDER PARCEL B, AS SHOWN ON THE FINAL MAP #97-1007-7 OF VALLEY VISTA ESTATES, PHASE 6 RECORDED IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER, STATE OF NEVADA, ON APRIL 24, 2002, IN BOOK 0402, AT PAGE 7191, AS DOCUMENT NO. 540408, OFFICIAL RECORDS;

EXCEPTING THEREFROM ALL THAT LAND LYING WITHIN THE PERIMETER OF FINAL MAP LDA 97-1007-8 FOR VALLEY VISTA ESTATES, PHASE 7 RECORDED IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER, STATE OF NEVADA, ON OCTOBER 20, 2006 IN BOOK 1006, PAGE 7712 AS DOCUMENT NO. 686969, OFFICIAL RECORDS; AND

FURTHER EXCEPTING THEREFROM THAT PORTION CONVEYED BY THAT CERTAIN DOCUMENT RECORDED MAY 24, 2004 AS DOCUMENT NO. 614008 OF OFFICIAL RECORDS.

APN: 1420-07-201-005

BK 1011 PG-4792

791545 Page: 9 of 9 10/27/2011

#### Exhibit "B"

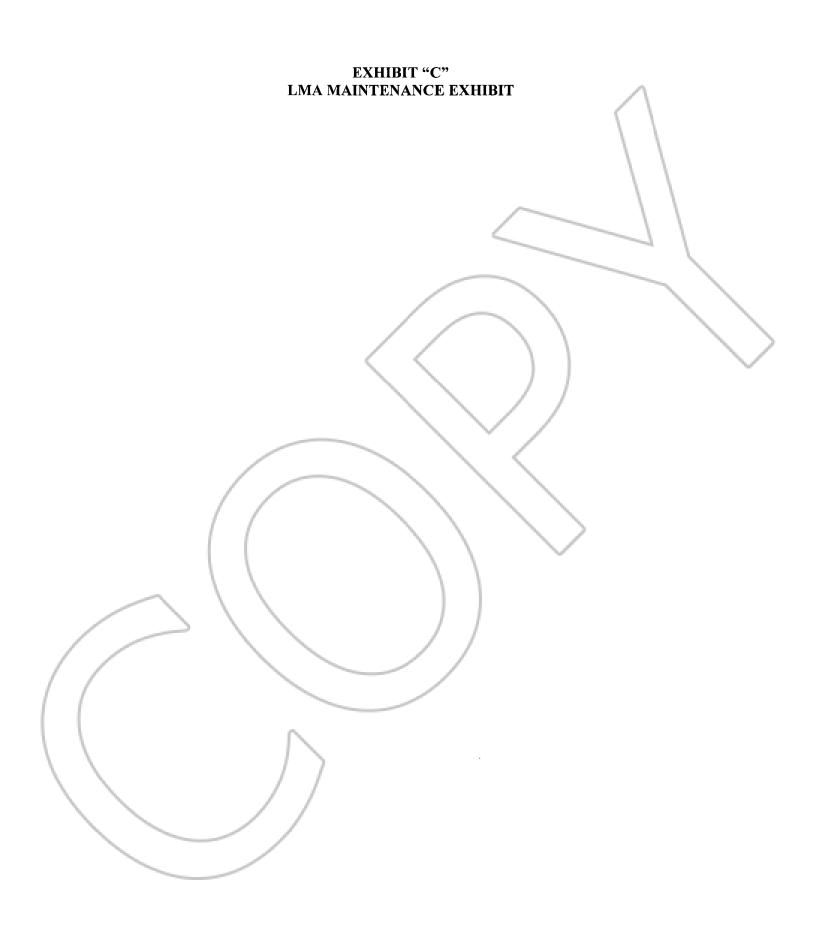
## Legal Description of the Development Property

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 36, INCLUSIVE, AS SHOWN ON THE FINAL MAP LDA 97-1007-8 FOR VALLEY VISTA ESTATES, PHASE 7 RECORDED IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER, STATE OF NEVADA, ON OCTOBER 20, 2006 IN BOOK 1006, PAGE 7712 AS DOCUMENT NO. 686969, OFFICIAL RECORDS.

APNs: 1420-07-215-001 through 036, inclusive





## VALLEY VISTA ESTATES UNIT 7 LANDSCAPE MAINTENANCE ASSOCIATION (LMA)

#### INITIAL RECOMMENDED MAINTENANCE SCHEDULE

THE PURPOSE OF THIS RECOMMENDED MAINTENANCE SCHDEULE IS TO PROVIDE THE LMA WITH INITIAL GUIDELINES ON HOW TO EFFECTIVELY MAINTAIN THE STORM DRAINAGE FACILITIES WITHIN THE LMA.

#### **DRAINAGE SWALE**

LOCATION: Back of Lots 2 through 8, side of Lots 9 & 10 and side of Lots 18 & 22.

- MOW & RAKE VEGETATION WITHIN EASEMENT AND CLEAN & HAUL-OFF DEBRIS, SEDIMENT, WEEDS, ETC. A
  MINIMUM OF TWO TIMES A YEAR IN APRIL/MAY AND SEPTEMBER/OCTOBER.
- AT LOCATIONS OF STORM DRAIN OUTLETS, ENSURE THAT OUTLET OPENING IS CLEAR FROM DEBRIS AND RIP-RAP/ROCK IS ADEQUATE AND NOT BLOCKING WATER FLOW AT A MINIMUM OF TWO TIMES A YEAR IN APRIL/MAY AND SEPTEMBER/OCTOBER.
- AFTER FIRST RAIN EVENT ENSURE DRAINAGE SWALE HAS PROPER SLOPE/FLOW FROM LOT 2 TOWARDS LOT 8
   INTO DETENTION POND, FROM END OF TOURMALINE CT. TOWARDS DETENTION POND AND FROM LOT 22
   TOWARDS LOT 18 TO THE STORM DRAIN INLET.

#### CONCRETE/COBBLE CUTOFF DITCH

LOCATION: Side of Lot 23, In open space behind Lots 23 through 34, in open space above side of Lot 36, end of Tourmaline Dr. and side of Lots 29 & 30.

- MOW & RAKE VEGETATION APPROX. 1' TO 5' ON BOTH SIDES OF CONCRETE/COBBLE CUTOFF DITCH, CLEAN &
  HAUL-OFF DEBRIS, SEDIMENT, WEEDS, ETC. A MINIMUM OF TWO TIMES A YEAR IN APRIL/MAY AND
  SEPTEMBER/OCTOBER.
- CLEAN & HAUL-OFF DEBRIS, SEDIMENT, WEEDS, ETC. AFTER FIRST MAJOR RAIN EVENT (0.5 IN. OF RAIN IN A 24 HOUR PERIOD).
- MAINTAIN ACCESS ROAD AT END OF TOURMALINE DRIVE.

#### STORM DRAIN INLETS

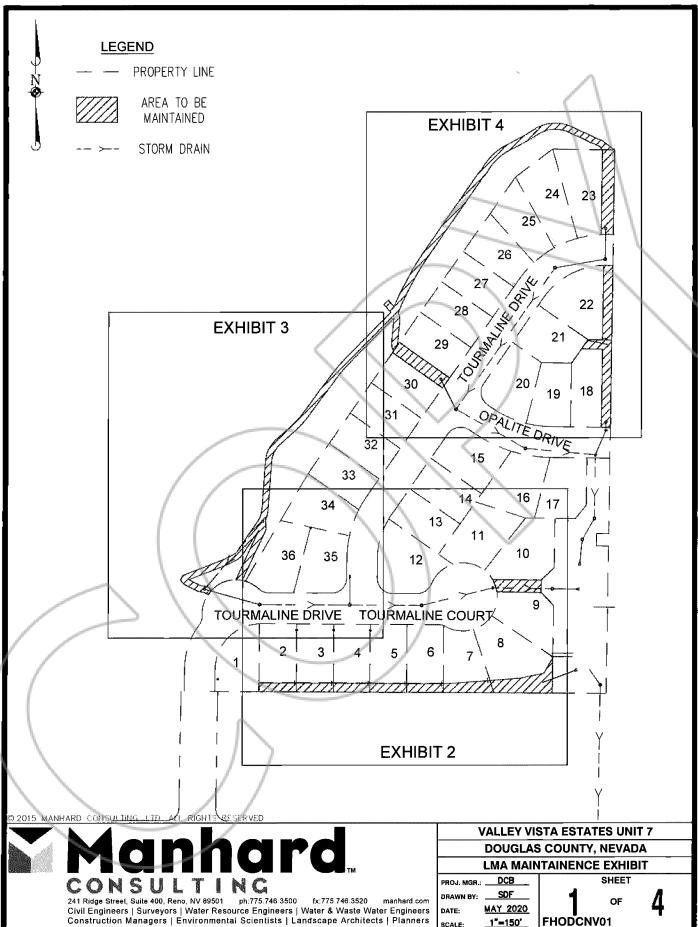
LOCATION: Back of Lot 8, side of Lots 18, 23, 29/30 & 36 and end of Tourmaline Dr.

- REMOVE STORM DRAIN GRATES & CLEAR OF ALL DEBRIS & SEDIMENT AND JET/FLUSH STORM DRAIN LINES TO CLEAR ANY OBSTRUCTIONS A MINIMUM OF THREE TIMES A YEAR IN APRIL/MAY & SEPTEMBER/OCTOBER AND AFTER FIRST MAJOR RAIN EVENT (0.5 IN. OF RAIN IN A 24 HOUR PERIOD).
- INSPECT STORM DRAIN INLET GRATES A MINIMUM OF TWO TIMES A YEAR IN APRIL/MAY & SEPTEMBER/OCTOBER FOR DAMAGE AND REPLACE AS NEEDED.
- INSPECT CONCRETE/COBBLE AROUND DRAIN INLET OPENINGS TO REDUCE "WASH-OUT" A MINIMUM OF TWO TIMES A YEAR IN APRIL/MAY & SEPTEMBER/OCTOBER FOR DAMAGE AND REPLACE AS NEEDED.

## **OPEN SPACE**

LOCATION: APN 1420-07-201-005

LEAVE NATIVE VEGETATION TO INHIBIT/REDUCE STORM WATER RUNOFF AND CONTROL DUST.



Dwg Name: P. F

