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Dressler Flats, LLC
P.O. Box 489
Minden, Nevada 89423

The undersigned hereby affirm(s) 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)

**DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
AND
RESERVATION OF EASEMENTS
FOR
DRESSLER CROSSING**

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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND
RESERVATION OF EASEMENTS
FOR
DRESSLER CROSSING**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR DRESSLER CROSSING is made by Declarant as of the Effective Date. Capitalized terms used herein shall have the meanings set forth in Article 2.

Declarant is the developer of Dressler Crossing, a residential subdivision located at the northeast corner of Dresslerville Road and Centerville Lane in Douglas County, Nevada. Declarant intends to develop Dressler Crossing as a quality residential community, complete with single-family homes and related residential subdivision improvements.

Development of Dressler Crossing will be conducted pursuant to applicable government standards. These standards include, potentially, (i) the Development Agreements, (ii) the Plans, and (iii) the Design Standards.

Development of Dressler Crossing will also be conducted pursuant to the terms and conditions of this Declaration and the Governing Documents. This Declaration and the Governing Documents, among other things, (i) create community standards for the use and maintenance of property within Dressler Crossing, (ii) enable the orderly development of Dressler Crossing by allowing development to proceed according to the dictates of community need and market demands, and (iii) allow flexibility in responding to future changes in circumstances surrounding the development and use of properties within Dressler Crossing.

It is Declarant's intent that this Declaration and the Governing Documents work in harmony with the Development Agreements, Plans, and Design Standards so as to secure the orderly and efficient development of Dressler Crossing. However, in the interest of clarity, this Declaration and the Governing Documents shall at all times remain subordinate and subject to the Development Agreements, Plans, and Design Standards.

PART ONE: CREATION OF THE COMMUNITY; GENERAL CONCEPTS

Article 1 Creation of the Community

1.1 Creation of Dressler Crossing Community. Declarant hereby declares the creation of a residential community comprised of the Property. The name of such community is “Dressler Crossing Community.” Declarant intends that this Declaration, in conjunction with the Development Agreements, Plans, and Design Standards, create a general plan of development and community standards for all portions of Dressler Crossing Community now or hereafter made subject to this Declaration.

1.2 Subject Property; Binding Effect. Initially, the Property of which Dressler Crossing Community is comprised shall consist of the Phase One Property. In the future, additional real property may be added to the Property, and thus made a part of Dressler Crossing Community, by Recording one or more Supplemental Declarations in accordance with the terms and provisions of this Declaration.

The Phase One Property, and any additional real property that is added to the Property and thereby made a part of Dressler Crossing Community in the future by Recording one or more Supplemental Declarations, shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to all of the provisions of this Declaration, which shall be deemed to run with the land as covenants running with the land or as equitable servitudes, as the case may be. This Declaration shall be binding upon all persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns.

Unless otherwise provided by Nevada law, this Declaration shall run with the land and have perpetual duration. This Declaration may be terminated only by a Recorded instrument to that effect signed by Owners of at least eighty percent (80%) of the Voting Power of the Owners and the Declarant, so long as Declarant or any affiliate of Declarant owns any land described on **Exhibits “A” and/or Exhibit “B”**. Such an instrument may be executed in counterparts. Nothing in this Section shall be construed to permit termination of any easement or similar right created in this Declaration all of which shall survive termination of this Declaration absent the written consent to termination of the holder of such easement or right. Termination of this Declaration is also subject to any provisions limiting such termination in any Development Agreements, Plans, or Design Standards.

1.3 Governing Documents. This Declaration constitutes the primary document governing the creation and operation of Dressler Crossing Community. Other documents may supplement and support the concepts, standards, and provisions set forth herein. Taken together, the Governing Documents of Dressler Crossing Community are as follows:

- this Declaration, which creates Dressler Crossing Community and generally establishes standards for its development, use, operation, and maintenance;

- each Supplemental Declaration, if any, which may, among other things, add real property to the Property and/or create additional use restrictions and development standards for certain portions of the Property; and
- the Architectural Guidelines, if any, which establish particular architectural standards and procedures governing improvements and modifications to Units and the structures and landscaping located thereon.

The Governing Documents shall be construed to be consistent with one another to the extent possible. If there exists any irreconcilable conflicts or inconsistencies among the Governing Documents, then terms and provisions of this Declaration shall prevail.

Article 2 **Definitions**

The terms used in the Governing Documents shall generally be given their natural, commonly accepted definitions unless otherwise specified. As used herein, the numeric designation of a Unit corresponds to the lot bearing the identical numeric designation on the Plat pursuant to which such Unit is created. Thus, by way of example only, Unit 8 correspond solely to Lot 8, as shown on the relevant Plat.

Capitalized terms shall be defined as set forth below, and shall incorporate the concepts set forth in each definition.

“**AAA**”: As defined in Section 9.5(b).

“**Act**”: Collectively, NRS Chapter 116 and NRS Chapter 116A, as they may be amended from time to time.

“**Annexable Property**”: That certain real property described in **Exhibit “B”** which may hereafter be brought within the terms of this Declaration as part of the Property pursuant to Section 6.3.

“**Applicant**”: The Owner of a Unit under an application seeking any approval required from the ARC pursuant to Article 4 of this Declaration.

“**Architectural Guidelines**”: Rules and regulations adopted by the Architectural Review Committee from time to time, in its sole discretion, establishing the architectural, design, and construction guidelines and application and review procedures applicable to improvement and development of the real property comprising Dressler Crossing Community (other than any real property owned by Declarant, which is exempt from the Architectural Guidelines). The Architectural Guidelines promulgated by the Architectural Review Committee may be adopted, amended, and repealed by majority vote of the Architectural Review Committee. Subject to restrictions in any Development Agreement, set of Plans, or Design Standards, Architectural Guidelines may be different for different areas within Dressler Crossing Community. The

Architectural Guidelines will establish architectural standards and guidelines for improvements and modifications to Units, including structures, landscaping, and other items located thereon.

“Architectural Review Committee” or “ARC”: The architectural review committee for Dressler Crossing Community created pursuant to Section 4.1.

“Beneficiary”: A beneficiary, mortgagee, or holder of a Deed of Trust, and/or the assignee of such beneficiary, mortgagee, or holder.

“Bound Parties”: Collectively Declarant, each Owner, and each other party bound by this Declaration, each of which may be individually referred to herein as a “Bound Party.”

“Claim” or “Claims”: As defined in Section 9.5(a).

“Claimant”: All Owners (excluding Declarant and each Participating Builder), and their respective successors, heirs, assigns, subsequent Owners, and any third party claiming any right or interest in the Property through the foregoing.

“Construction”: As defined in Section 7.2(d).

“Construction Industry Rules”: As defined in Section 9.5(b).

“County”: Douglas County, Nevada, a political subdivision of the State of Nevada.

“Declarant”: Dressler Flats, LLC, a Nevada limited liability company, which has made and executed this Declaration, or any successor, successor-in-title, or assign who takes title to any portion of the real property described in **Exhibits “A” or “B”** for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument executed by the immediately preceding Declarant.

“Declaration”: This Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements for Dressler Crossing, as amended and supplemented from time to time, including, without limitation, as amended and supplemented by each Supplemental Declaration.

“Deed of Trust”: Any form of security instrument encumbering title to a Unit as security for an obligation, including a mortgage, deed of trust, trust deed, security deed, or other consensual lien or title retention contract intended as security for an obligation.

“Design Standards”: Collectively, any “design standards” contained in any Development Agreements and/or Plans or otherwise approved by relevant governmental authorities, each as amended from time to time.

“Developing Party”: Declarant, each Participating Builder, any contractor, supplier, subcontractor, or design professional (in each case as defined in NRS 40.600 to NRS 40.695, as amended from time to time), and their respective predecessors, successors, subsidiaries, and/or

affiliated corporations, parent companies, sister companies, divisions, or other entities, partners, joint venturers, affiliates, owners, officers, directors, employees, shareholders, agents, and assigns.

“Development Agreements”: Collectively, any development agreements now or hereafter entered into between the County and Declarant, each as amended from time to time.

“Development Rights”: Collectively, the rights reserved to Declarant pursuant to Section 6.3 below.

“Dressler Crossing Community”: The residential community comprised of the Property and created by this Declaration, as described in Section 1.1.

“Effective Date”: The date this Declaration is Recorded.

“Governing Documents”: This Declaration (inclusive of the Plats, as provided under the Act), any Supplemental Declaration, and any Architectural Guidelines, as each may be amended from time to time. Any exhibit, schedule or certification accompanying any Governing Document shall be deemed a part thereof.

“Impacts”: As defined in Section 7.2(d).

“Improvement”: All structures, and works of improvement and appurtenances thereto, of every type and kind, including but not limited to buildings, outbuildings, garages, carports, roads, driveways, parking areas, trails, fences, screening walls, retaining walls, stairs, decks, landscaping, utility lines, drainage facilities, ponds, hedges, windbreaks, planting, planted trees, shrubs, poles, animal pens, signs, exterior air conditioning, water softener, satellite dishes, antennae, fixtures or equipment.

“NRCP”: As defined in Section 9.5(b).

“Notice” and “Notify”: The giving of any notice required by this Declaration or the notice itself. Notice may be given in any manner permitted under the Governing Documents, including, if so permitted: U.S. mail; electronic telecommunication (fax or “e-mail”) with confirmation of receipt; publication in the community newsletter delivered or mailed to each Owner (provided that such notice is clearly identified under a separate headline in the newsletter) or posting.

“NRS”: The Nevada Revised Statutes.

“Owner”: Any person or entity, including Declarant, holding record title in a Unit, but excluding in all cases any person or entity holding an interest merely as security for the performance of an obligation. If a Unit is sold under a Recorded contract of sale, and such contract specifically so provides, the purchaser thereunder will be considered the Owner.

“Participating Builder”: Any person or entity designated as such in writing by Declarant and who holds a Unit or Units in the Property for the purpose of constructing Improvements thereon for later sale to third-party buyers in the ordinary course of such person’s/entity’s business.

“Phase One Property”: That certain real property described in **Exhibit “A”** attached hereto and incorporated herein by this reference, which real property is the initial Property subject to this Declaration and comprising Dressler Crossing Community.

“Plans”: Collectively, the plans, handbooks, schedules, development applications, Plats, and associated conditions approved by the County for the establishment of Dressler Crossing as a planned development, each as amended from time to time.

“Plat”: A Subdivision Map for any portion of the Property and to the extent related to the Property, together with such other information regarding the Property as may be required by applicable laws, or included in the discretion of Declarant.

“Property”: The Phase One Property, together with such additional real property as is made subject to this Declaration in accordance with Section 6.3.

“Record”, “Recording”, or “Recorded”: To file, the filing, or filed of record with the Office of the County Recorder of Douglas County, Nevada. The date of Recording shall refer to that time at which a document, map, or Plat is Recorded.

“Residence”: Each building or structure situated upon a Unit that is intended for use and occupancy as an attached or detached residence for a single family. Notwithstanding the above, an ancillary “guest house,” “casita,” or “in-law suite” on a Unit shall not be a separate Residence but, instead, shall be deemed a part of the structure serving primarily as the Residence on the Unit.

“Subdivision Map”: A final subdivision map, parcel map, or record of survey approved by the County and Recorded, each as may be amended and supplemented from time to time.

“Supplemental Declaration”: A Recorded document executed by Declarant that amends this Declaration pursuant to Sections 6.2 and 6.3, and/or that serves for (i) the exercise of any Development Right, and/or (ii) sets forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such Supplemental Declaration.

“Unit”: A physical portion of the Property depicted as a lot or parcel on the Plats and intended for improvement with a residence for a single family (whether or not so improved), but expressly excluding, for clarification, real property dedicated to the public on the Plats. The term shall refer to the land, if any, that is part of the Unit as well as any Improvements thereon. The boundaries and identifying number of each Unit shall be as delineated on the Plat creating such Unit.

“Voting Power of the Owners”: At any particular time, the total votes allocated to Owners in accordance with Section 7.2(g), inclusive of all Units.

PART TWO: COMMUNITY STANDARDS

The Governing Documents establish, as part of the general plan of development for the Property, community standards governing the use and improvement of the Property. The

community standards governing the use and improvement of any particular portion of the Property shall be the general community standards set forth in this Declaration, together with any Architectural Guidelines, and any Supplemental Declaration applicable to such portion of the Property. These community standards are in addition to any that may be set forth in the Development Agreements, Plans, Design Standards, the NRS, applicable provisions of the Douglas County Code (including, without limitation, the Consolidated Development Code set forth in Title 20 of the Douglas County Code), and the various approvals, entitlements, and permits issued by applicable governmental authorities in connection with development of the Property. In the event standards and restrictions are addressed in both this Declaration and any of the preceding, the more restrictive standard shall apply.

Article 3 **General Use Restrictions**

3.1 Compliance Generally.

(a) **Compliance With Governing Documents.** An Owner shall comply, and shall cause such Owner's family, tenants, agents, contractors, guests and invitees to comply, with the Governing Documents to the extent applicable to such Owner's Unit.

(b) **Compliance With Applicable Law.** Declarant, each Owner, and every other person or entity bound by or subject to this Declaration shall comply with the Development Agreements, Plans, Design Standards, and each state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, and/or use of any portion of the Property, including, without limitation, applicable provisions of the Douglas County Code (including, without limitation, the Consolidated Development Code set forth in Title 20 of the Douglas County Code).

3.2 Community-Wide Development Restrictions. The following development provisions and restrictions shall apply to all Units within the Property, and to each Unit's Owner, and such Owner's family, tenants, guests or invitees:

(a) **General Compliance With the Plans.** Without limiting the generality of any other provision herein related to compliance with the Plans, and notwithstanding any other provision herein to the contrary, each Owner shall at all times comply with the design standards for the Property set forth in the Plans, including, without limitation, provisions set forth therein related to building heights, setbacks, screening of certain Improvements and areas on a Unit, driveway design, fencing, slope grades, and maximum building coverage limitations.

(b) **Construction Procedures.** Prior to commencement of any construction activity within the Property, the relevant Owner, and/or its contractor shall take appropriate precautions to protect the site from unnecessary damage and to reduce erosion and dust problems. The site shall be kept in a clean and orderly fashion at all times and the contractor shall have approved sanitary facilities on site as well as a garbage dumpster or other suitable device for

regular disposal of trash. Except as to construction materials belonging to Declarant or its agents, no construction materials shall be dumped or stored on roadways.

(c) **Single-Family Residences.** Each Unit shall be used as a residence for a single family (including private garages, guest or servants' quarters, and other outbuildings used in connection with said residences) and for no other purpose, and no Unit shall ever be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purpose, including without limitation any activity for which the provider is compensated in any way or receives any form of consideration, regardless of whether the activity is engaged in full or part-time, generates or does not generate a profit, or requires or does not require a license. This restriction is subject to the following exceptions:

(i) An Owner may rent his Unit and the Improvements thereon to a single family; provided, however, that any such lease is (A) for a term of not less than six (6) months, (B) solely for residential use during periods of such Owner's absence, (C) not part of any commercial venture, and (D) entered into pursuant to rental agreement, in writing, that specifies that failure to abide by the provisions of the Governing Documents shall be a default under the lease or rental agreement. Whether or not the written lease or rental agreement so provides, all tenants of Units are subject to and are required to abide by the provisions of the Governing Documents.

(ii) This Section shall not apply to any activity conducted by Declarant or a Participating Builder with respect to its development and sale of Units within Dressler Crossing Community, or its use of any Units which it owns within Dressler Crossing Community.

(iii) The provisions of this Section shall not preclude any commercial activities that are conducted without external evidence thereof provided that all of the following conditions are fulfilled: (A) such activities are conducted in conformance with all applicable governmental ordinances; (B) the patrons or clientele of such activities do not routinely or in significant numbers visit the Unit or park automobiles or other vehicles within the Property; (C) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the residence on such Unit; and (D) such activities are consistent with the residential character of the Property and otherwise conform with the provisions of this Declaration.

Notwithstanding the foregoing, unless prohibited by law, no Residence in the Property may be used for a public boarding house, home for a group of unrelated persons operated or financed by a public or private institution, sanitarium, hospital, asylum, or institution of any kindred nature, or any other use not permitted by local law. Moreover, no Owner shall rent or lease his or her Unit for transient or hotel purposes, nor shall any Unit be time shared or subjected to a fractional ownership or other interval use plan.

(d) **Parking.** Except as to Declarant, a Participating Builder, and/or their respective agents during the construction of Improvements within the Property, no Owner of a Unit shall engage in, or permit such Owner's family, tenants, guests or invitees to engage in, the

parking of automobiles, vehicles or equipment, motor homes, recreational vehicles (including recreational vehicles designed for off-road use), golf carts, boats and other watercraft, trailers, or inoperable vehicles anywhere within the Property other than enclosed garages; provided, however, that (i) personal, operable, non-commercial cars and trucks may be parked in the driveway of a Unit and along the streets within the Property, (ii) operable motor homes, recreational vehicles, and/or watercraft may be parked on the driveway of a Unit for the purpose of loading and/or unloading such vehicle, and for no more than twenty-four (24) consecutive hours, (iii) operable motor homes, recreational vehicles, and/or watercraft may be parked on the street adjacent to a Unit for the purpose of loading and/or unloading such vehicle, for no more than 8 consecutive hours, provided that overnight on-street parking is prohibited, (iv) operable motor homes, recreational vehicles, and/or watercraft may be parked behind a gated area on the exterior of a Unit, provided such area has been designed and screened in a manner approved by the Architectural Review Committee; and (v) operable commercial vehicles may be parked on the street adjacent to a Unit in connection with repairs, maintenance or construction work on the Unit, for no more than eight (8) consecutive hours, provided that overnight on-street parking is prohibited.

(e) **Prohibited Activities.** The following activities are prohibited within and as to the Units, and as to each Unit's Owner, and such Owner's family, tenants, guests or invitees:

(i) **Height of Yard Items.** Keeping doghouses, storage sheds, play structures, yard ornamentation, or other detached structures or items in the rear yard area of a Unit unless such items (1) do not exceed the height of the wall or fence surrounding the Unit, (2) conform to the architecture of the residence on such Unit, and (3) comply with all local building code and applicable set back requirements;

(ii) **Animals, Generally.** Raising, breeding, or keeping any animal, fowl, reptile, poultry, fish or insects of any kind ("animals") within the Property, except that a reasonable number of dogs, cats or other household pets may be kept within a Residence, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities, nor in violation of any applicable local ordinance or the Governing Documents (as used herein "unreasonable quantities" shall mean more than three (3) pets per household);

(iii) **Large Animals.** Without in any way limiting the foregoing Section 3.2(e)(ii), keeping large animals within the Property, including, without limitation, horses, llamas, goats, or sheep;

(iv) **Tethering Animals.** Tethering and leaving an animal unattended in any front yard area of a Unit;

(v) **Unsafe Exterior Activities.** Any activity that tends to cause an unclean, unhealthy, or unsafe condition to exist outside of enclosed structures on the Unit, and any activity that might increase the rate of, or cause the cancellation of, insurance for any portion of the Property;

(vi) **Exterior Sounds and Smells.** Any activity that emits foul or obnoxious odors, fumes, dust, smoke, or pollution outside the Unit, or that creates noise, unreasonable risk of fire or explosion, or other conditions that area a nuisance;

(vii) **Nuisance.** Any activity that violates local, state or federal laws or regulations, or that would constitute a public or private nuisance;

(viii) **Exterior Fires.** Exterior fires (including, without limitation, outside burning of trash, dead vegetation, or debris), except barbecue fires contained within receptacles designed therefor or fire pits consistent with applicable government regulations;

(ix) **Unsightly Articles.** The keeping of unsightly articles, such as clotheslines, outside of enclosed structures on the Unit;

(x) **Unit Access.** Accessing any Unit within the Property except from designated streets as shown on the Plats;

(xi) **Storage Materials.** Outdoor storage of materials, tools, toys, sporting goods, household effects, equipment, machinery, or other items that shall in appearance detract from the aesthetic values of the Property, except that outdoor storage of building materials shall be permitted during construction on the Unit on which such materials are being stored;

(xii) **Loud Noises, Alarms.** The use or discharge of speakers, horns, whistles, bells or other sound devices, noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably disturb other Owners or residents or their guests; provided, however, that alarm devices used exclusively to protect the security of a vehicle or a Unit and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms;

(xiii) **Dumping.** Any activity that would result in the drainage or dumping of any refuse, sewage or other material which might tend to pollute surface or subterranean waters within the Property; provided that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff;

(xiv) **Plants and Insects.** Any activity within the Property that shall induce, breed, or harbor infectious plant or tree diseases or noxious insects;

(xv) **Destructive or Excessive Maintenance Activities.** Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Property, or which use excessive amounts of water, or which result in unreasonable levels of sound or light pollution within the Property;

(xvi) **Wildlife.** Capturing, trapping or killing wildlife within the Property; provided such prohibition shall not apply to common rodents on a Unit (e.g. rats, mice, moles, marmots, gophers);

(xvii) **Discharge of Weapons.** The discharge or use of firecrackers and other fireworks, or of firearms or other weapons within the Property, including, without limitation, "BB" guns, pellet guns, bows and arrows, pistols, rifles, shotguns, sling shots, and firearms and weapons of all types, regardless of size;

(xviii) **Refuse and Offensive Materials.** Dumping, disposing of, or causing the accumulation of ashes, trash, garbage, refuse, hazardous or toxic wastes and materials, debris, inoperative vehicles or equipment, or any other unsightly or offensive materials within the Property;

(xix) **Electronic Interference.** Operating any short-wave radio or any other kind of electronic device within the Property that in any way interferes with radio, television, or other electronic signal reception within the Property;

(xx) **Signage.** The placement or display on a Unit of signs, billboards or advertising structures, except as expressly allowed under Section 4.2(b) below;

(xxi) **Window Coverings.** Placement or utilization of plastics, aluminum foil, bedroom sheets or other unsuitable coverings in or on the windows of any structure on a Unit; and

(xxii) **Waste Disposal.** Keeping refuse, garbage or trash on the exterior portions of a Unit, except when kept at all times in covered, sanitary containers or enclosed areas designed for such purpose and removed from the Unit on a regular basis pursuant to such Owner's separate service agreement with a local solid waste disposal service (e.g. Waste Management). In no event shall waste containers be kept where they are visible from any neighboring Unit unless such containers are less than six feet (6') in height and are enclosed by a fence, screen or wall which is not less than six feet (6') in height and, notwithstanding such enclosure, such containers remain visible from a neighboring Unit. Notwithstanding the foregoing, trash kept in covered, sanitary fly-proof containers may be brought to the front of a Unit no earlier than the day before the next scheduled day for trash pick-up, provided that such containers are removed by the end of such pick-up date.

3.3 Subdivision and Relocation of Boundaries. Except as to Units owned by Declarant, (i) no Unit may be further subdivided beyond the physical dimensions of that Unit as shown on the Plat pursuant to which such Unit was created, (ii) no boundary line between Units may be relocated if the effect of such relocation would be to change the number of Units within the Property, and (iii) the zoning and use of any Unit shall not be changed to allow for multi-family or commercial use.

Article 4 **Architectural Guidelines**

4.1 Creation of Architectural Review Committee. There is hereby established an architectural review committee within Dressler Crossing Community. This Architectural Review

Committee shall be comprised of persons appointed by Declarant until the earlier of (i) such time as Declarant no longer holds Development Rights pursuant to Section 6.3, (ii) Declarant's Recordation of written notice expressly stating Declarant's election to terminate its rights under this Section. Thereafter, the ARC shall be operative, from time to time, during each twelve (12) month calendar period following Recordation of a notice of operation executed by Owners representing a majority of Voting Power of the Owners, and shall be comprised of the Owners named therein for such twelve (12) month period (provided any such Owner who sells its Unit during such period shall be deemed automatically removed from the ARC).

4.2 Requirement of ARC Approval. Except as to any portion of the Property owned by Declarant, there shall be no temporary or permanent construction, erection, installation, or modification of anything on any outside portions of the Property (including, without limitation, the outside portion of each Unit), nor shall the exterior appearance of a Unit (or any Improvement thereon) be temporarily or permanently modified, except with the prior approval of the ARC and in strict compliance with the provisions of this Article 4. For clarification, and without limitation, the foregoing requirement applies to the initial construction of a Residence on a Unit, the modification of the exterior of any such Residence, the landscaping of any and the construction, erection, installation, or modification of any of the following on a Unit: garages, porches, patios, guest quarters, breezeways, walks, outbuildings, window coverings visible from the exterior of a structure, signs, basketball hoops, swing sets and similar sports and play equipment, garbage cans, woodpiles, flag poles, solar panels, swimming pools, hedges, walls, drainage facilities, dog runs, animal pens, and fences of any kind.

Each of the following items is exempt from the requirements set forth in Section 4.2, except as provided in the subsection discussing such item:

(a) Antennae and satellite dishes less than one meter in diameter, provided any such device is placed in the least conspicuous location on a Unit in which an acceptable quality signal can be received and is screened from the view of adjacent Units, and streets (both within and outside of the Property) in a manner consistent with the Architectural Guidelines;

(b) The following signage shall be permitted on a Unit: (i) signs utilized by Declarant in any sales, construction, or marketing program, (ii) those approved in writing by the Architectural Review Committee, (iii) a single political sign (that is, a sign that expresses support for or opposition to a candidate, political party, or ballot question) per candidate, political party, or ballot question in a given election, each such sign to be not larger than 24 inches by 36 inches, and each of which may be placed upon the Unit no earlier than the first day of filing for such election, and must be removed no later than seven (7) days after such election (provided, however, that signs for successful primary candidates may be retained until seven days after the subsequent general election); and (iv) one sign on such Owner's Unit to advertise such Unit for sale or lease, provided that such sign shall be in a design and size acceptable to the Architectural Review Committee during such time as the ARC is operational hereunder;

(c) Holiday decorations, provided that such decorations shall be installed in such manner as not to compromise or damage unreasonably the surface or item to which installed

or attached. All decorations must be installed and removed in a reasonably seasonal manner, and, during the appropriate period of display, shall be maintained in a neat and orderly manner. Without limiting the generality of the foregoing, decorations for the holiday season beginning each year on the day on which Thanksgiving is to be observed pursuant to federal law (“Thanksgiving Day”) and ending on the second day of January of the following year, may be put up no earlier than one week in advance of Thanksgiving Day, and must be taken down no later than January 17 of the following year; provided, however, that the foregoing restriction shall not apply to any holiday decorations which are not readily visible from the exterior of a Unit;

(d) Covered, sanitary trash containers; provided, however, that in no event shall such containers be kept where they are visible from any neighboring Unit, unless such containers are less than six feet (6’) in height and are enclosed in a manner consistent with the Architectural Guidelines by a fence, screen or wall which is not less than six feet (6’) in height and, notwithstanding such enclosure, such containers remain visible from a neighboring Unit. Notwithstanding the foregoing, trash kept in covered, sanitary containers may be brought to the front of a Unit no earlier than the morning of the day scheduled for trash pick-up, provided that such containers are removed from the front of the Unit by the end of such pick up date;

(e) Repainting the exterior of a structure in accordance with the originally approved color scheme or rebuilding in accordance with originally approved drawings and specifications, and replacing any exterior landscaping in accordance with the original design and materials of such landscaping. Any Owner of a Unit may remodel, paint, or redecorate the interior of his or her Residence without the ARC’s approval; provided, however, that modifications to the interior of screened porches, patios, windows, and similar portions of a Residence visible from outside the structure shall be subject to the approval process set forth in this Article 4; and

(f) Any other item expressly exempted in the Architectural Guidelines.

4.3 Architectural Guidelines. The Architectural Review Committee is authorized to adopt, amend, and repeal by majority vote the Architectural Guidelines; provided, however, that any amendments to the Architectural Guidelines shall be prospective only and shall not require modifications to or removal of Improvements previously approved once the approved construction or modification has commenced. The Architectural Guidelines shall at all times be consistent with the Development Agreements, Plans, Design Standards, and all other entitlements for the Property issued by the County. The ARC may, with the express prior written approval of Declarant (until expiration of Declarant’s right to appoint the ARC under Section 4.1), seek modifications to the design review requirements set forth in the Development Agreements, Plans, Design Standards, and other entitlements for the Property issued by the County, which modifications must be submitted to and approved by the County before taking effect.

A copy of the Architectural Guidelines, as they may from time to time be adopted, amended, or repealed, certified by any member of the ARC, shall be delivered to each Owner at that Owner’s Unit upon adoption, amendment, or repeal, as applicable.

4.4 Review Procedures.

(a) **Applications.** Prior to undertaking any activity that requires the prior approval of the ARC under Section 4.2, the Owner of the relevant Unit shall apply to the ARC for such approval if the ARC is operating at the time in question. Such application shall include plans and specification showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, other features of proposed construction, and such other information and materials as the ARC in the exercise of its reasonable discretion deems necessary for it to be adequately informed with respect to the application.

(b) **ARC Deliberations.** In reviewing each application, the ARC may consider any factors it deems relevant in its sole and absolute discretion, including, without limitation, harmony of external design with surrounding structures and environment, compliance with the Development Agreements, Plans, Design Standards, and applicable laws (including the Act), and compliance with the Architectural Guidelines. Each Applicant acknowledges and agrees that (i) the Architectural Guidelines are not the exclusive basis for decisions by the ARC, and compliance with the Architectural Guidelines does not guarantee approval of any application, and (ii) certain considerations the ARC will be purely subjective and matters of opinion.

Notwithstanding the foregoing paragraph, in reviewing any application related to landscaping, the ARC shall consider the Act's provisions relating to the approval of drought tolerant landscaping, and shall not render a decision inconsistent therewith.

(c) **ARC Decisions.** The vote or written consent of a majority of members of the ARC on an application shall constitute the ARC's decision on that application. The ARC shall render its decision on an application within forty-five (45) days after receipt of a completed application and all required information. The decision shall be communicated by written Notice to the Applicant within five (5) days after being rendered, and, subject to Section 4.4(b), may be (i) approval of the application, with or without conditions (such as the posting of a performance bond or cash deposit), (ii) approval of a portion of the application (with or without conditions, such as the posting of a performance bond or cash deposit) and disapproval of other portions, or (iii) disapproval of the application.

In the event the ARC fails to timely render its decision on an application, such application shall be deemed approved; provided, however, that no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Architectural Guidelines unless a variance has been granted pursuant to Section 4.7 below.

(d) **Compliance With ARC Decisions.** Each Applicant shall strictly comply, and shall cause such Applicant's family, tenants, agents, contractors, employees, guests and invitees to strictly comply, with the terms and conditions of any decision issued to such Applicant by the ARC pursuant to this Section 4.4.

(e) **Fees.** The ARC may charge filing fees to be used to pay administrative expenses, architects, engineers, landscaping consultants, and/or other design professionals, who may or may not be members of the ARC, to review submitted plans, specifications, and materials;

and the ARC may require that such fees be paid in advance of any review, in which case the related application shall not be deemed complete until such fees are paid.

(f) **Other Approvals.** For clarification, the ARC's approval of any item for which its consent is required is in addition to, and not in lieu of, any approval that may be required by governmental entities having jurisdiction over the Property. Similarly, approval of an Improvement or other modification by a governmental entity is in addition to, and not in lieu of, any approval of the ARC required hereunder.

4.5 Performing the Work.

(a) **Proceeding With the Work.** Upon receipt of approval of an application from the ARC, the Applicant shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all related construction, reconstruction, refinishing, alterations, and excavations pursuant to the approval. Work shall commence, in all cases, within one year from the date of such approval. If the Applicant fails to comply with this Section, any approval of the ARC shall be deemed revoked unless the ARC, upon written request of the applicant made prior to the expiration of the one (1)-year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the ARC that there has been no change in the circumstances upon which the original approval was granted.

(b) **Pursuit and Completion of the Work.** An Applicant shall complete the relevant construction, reconstruction, refinishing, or alteration under its approval within eight (8) months after commencement thereof, and, once work has commenced, no cessation of work of more than forty-five (45) consecutive days shall be allowed. The timelines of this Section shall be tolled for so long as performance is rendered impossible or would result in great hardship to the Applicant due to strikes, fires, national emergencies, natural calamities, unusually inclement weather, or other supervening forces beyond the control of the Applicant or its agents.

4.6 No Waiver. The approval by the ARC of any application and/or the plans, drawings, or specifications associated therewith for any work done or proposed or for any other matter requiring the approval of the ARC shall not be deemed to constitute a waiver of any right to withhold approval of any similar application, plan, drawing, specification, or matter subsequently submitted for approval.

4.7 Variances. The ARC may grant reasonable variances or adjustments from the provisions in this Article and the Architectural Guidelines where literal application thereof results in unnecessary hardship and if the granting thereof, in the sole and absolute discretion of the ARC, will not be materially detrimental or injurious to other Owners. Any variance, to be valid, must be in writing. No variance granted shall constitute a waiver or restrict enforcement of any other provision hereof, or constitute a precedent for granting another variance, nor shall the denial of any request for a variance constitute a prohibition on the grant, with or without conditions, of any future request for a variance.

4.8 Liability. Provided that the ARC or a particular member of the ARC has acted in good faith on the basis of the information as may be possessed by the ARC or the member, as the case may be, then neither the ARC nor any member thereof shall be liable to any Owner, or any other person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any application or the plans, drawings, and specifications associated therewith, whether or not defective; (b) the construction or performance of any work, whether or not such performance complied with the approved application and/or the plans, drawings, specifications, or conditions associated therewith, or was rendered in a good and workmanlike manner; or (c) the development of any portion of the Property. Without limiting the generality of the foregoing, the ARC and any member thereof may, but it is not required to, consult with or hear the views of any Owner with respect to any application, plans, drawings, specifications, materials, or any proposal submitted to the ARC.

Article 5 **Maintenance Guidelines**

5.1 Maintenance of Units Generally. Subject to the requirements of Article 4, the Owner of a Unit shall be responsible for maintaining such Unit, and all landscaping and Improvements thereon in a clean, orderly, safe, and structurally sound manner, in a good condition and state of repair, adequately painted or otherwise finished, in accordance with the terms of the Governing Documents, the Development Agreements, Plans, and Design Standards, all at such Owner's sole cost and expense. Compliance with the foregoing standard includes, without limitation, the following activities as to each portion of the Unit:

- (a) Prompt removal from the Unit of debris, junk, and abandoned or inoperable vehicles, machinery, and equipment, and keeping all landscaping on such Unit appropriately irrigated, mowed, and pruned, as applicable;
- (b) In the event Improvements on the Unit are damaged or destroyed by fire or other calamity, prompt repair or re-construction of such Improvements, or restoration of the Unit to a state that is not offensive to the general appearance of Dressler Crossing Community, in each instance in compliance with the applicable terms and provisions of Article 4 of this Declaration;
- (c) Continuing maintenance of any slopes located on such Unit as necessary to comply with local government or ARC requirements for stabilization of said slope or slopes; and
- (d) Continuing maintenance of the established drainage on the Unit as necessary to comply with local government and/or ARC approvals and requirements for drainage upon, over, and across such Unit.

5.2 Landscaping of Units. Without limiting the generality of Section 5.1, and subject to the requirements of Article 4, the Owner of a Unit shall comply with the following standards and requirements as to the yard areas of such Unit and all landscaping thereon:

(a) All landscaping shall be planted, installed, cultivated, maintained, repaired, and replaced in a manner consistent with the Plans and applicable provisions of the Douglas County Code (including, without limitation, the Consolidated Development Code set forth in Title 20 of the Douglas County Code);

(b) Automatic sprinkler and irrigation systems shall be used for all non-native landscaping;

(c) No weeds or diseased/infected vegetation of any kind or character shall be placed or permitted to grow upon any Unit, and Owner shall promptly replace of any dead grass and promptly remove any dead trees or tree limbs on such Unit; and

(d) Vegetation on a Unit growing along any roadway in the Property shall be cleared in accordance with applicable provisions of the Uniform Fire Code.

5.3 Walls Adjoining Public Spaces. Without limiting the generality of Section 5.1, and subject to the requirements of Article 4, the Owner of a Unit bounded by a wall or fence dividing such Unit from any public area shall have the obligation to, and be responsible for, repair and maintenance of the interior side (i.e., the side facing the Unit) of such wall or fence, regardless of whether the repair or maintenance is required by any act or omission of any public agency or any other party, and by acceptance of a deed to such Unit, the Owner covenants and agrees to so perform.

5.4 Party Walls.

(a) **General Rules of Law to Apply.** Each wall, fence, driveway, or similar structure built as a part of the original construction on a Unit which serves and/or separates such Unit from an adjoining Unit shall constitute a party wall structure. To the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) **Sharing of Repair and Maintenance.** Without limiting the generality of Section 5.1, and subject to the requirements of Article 4 and the provisions of Section 5.3 above, all Owners who make use of a party wall structure shall equally share the responsibility of maintaining such party wall structure in accordance with the standard set forth in Section 5.1, and shall share equally the cost of reasonable repair and maintenance of such structure.

(c) **Damage and Destruction.** If a party wall or structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners subsequently use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users or other persons under any rule of law regarding liability for negligent or willful acts or omissions which caused or contributed to the damage.

(d) **Right to Contribution Runs with Land.** The right of an Owner to contribution from any other owner under this section shall be appurtenant to the land and shall pass to such Owners' successors in title.

PART THREE: COMMUNITY DEVELOPMENT

Successful development of an integrated, high-quality community requires coordination of the property rights of the owners within that community, as well as flexibility to initiate, respond to, and adapt to changes as the community grows and matures. The Articles in this Part Three attempt to provide such coordination, and reserve to Declarant and Participating Builders such rights and privileges as may be necessary or useful in fostering positive change during the development of Dressler Crossing Community.

Article 6 **Declarant Rights**

6.1 General. Declarant and Participating Builders may be undertaking the work of constructing Improvements to and upon the Property and adding real property to the Property in accordance with the terms and provisions of this Article 6. The completion of such construction and the sale or other disposition of Units within the Property is essential to the establishment and welfare of Dressler Crossing Community.

6.2 Special Declarant's Rights.

(a) **Reservation in Favor of Declarant.** Declarant hereby reserves unto itself the rights to:

(i) Complete Improvements within the Property, including, but not limited to, those indicated on a Plat or in the Development Agreements, the Plans, and/or the Design Standards, or otherwise described in this Declaration;

(ii) Maintain model residences within the Property for use in Declarant's sales activities, and maintain sales offices/trailers and construction offices/trailers within the Property which may be relocated from time to time;

(iii) Maintain signs and flags advertising the Property, which signs and flags may be maintained anywhere on the Property, excluding Units owned by Owners other than Declarant;

(iv) Maintain storage facilities and parking facilities within the Property for its materials, equipment, staff, and contractors; and

(v) Create and Record Supplemental Declarations against any portion of the Property owned by Declarant, or, in Declarant's sole and absolute discretion, against any other portion of the Property upon the request of the owner thereof, which Supplemental Declarations may, among other things, (i) exercise any Development Right, and/or (ii) set forth

additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such Supplemental Declaration.

(b) **Reservation in Favor of Participating Builders.** Declarant hereby reserves unto each Participating Builder (subject to Article 4) the rights to:

(i) Complete Improvements within the portion of the Property owned by such Participating Builder, including, but not limited to, those indicated on a Plat or in the Development Agreements, the Plans, and/or the Design Standards, or otherwise described in this Declaration;

(ii) Maintain model residences upon such Participating Builder's Units for use in such Participating Builder's sales activities, and maintain sales offices/trailers and construction offices/trailers upon such Participating Builder's Units which may be relocated from time to time;

(iii) Maintain signs and flags advertising the Property, which signs and flags may be maintained anywhere on the Property, excluding Units owned by Owners other than the Participating Builder; and

(iv) Maintain storage facilities upon such Participating Builder's Units.

6.3 Declarant's Development Rights. Declarant hereby reserves unto itself the following Development Rights:

(a) The right to add real estate to the Property and to create Units within such real estate as follows:

(i) **Property Subject to Annexation.** Declarant hereby reserves unto itself 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, and to create within the real property so annexed additional Units, for a maximum total of thirty two (32) Units in the Property. No assurances are made by Declarant prior to the annexation of any portion of a parcel of such real property as to the size or configuration of such portion, or the order in which any such portion may be annexed. If any portion of a parcel of such real property is annexed to the Property, there are no assurances that any other portion or all of such parcel will be annexed.

(ii) **Manner of Annexation.** Annexation shall be accomplished by Recordation of a Supplemental Declaration, executed by Declarant and any owner of the real property being annexed, describing the real property to be so annexed, identifying each Unit therein (which may be accomplished by an identifying number for each such Unit on the Plat creating such annexed Units), and declaring that such property shall thereafter be deemed to be part of the Property, and shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved or otherwise affected in any manner subject to the provisions of this Declaration. Any such Supplemental Declaration may, among other things, set forth additional restrictions, easements, or covenants that may be applicable to some or all of the Units subject to such

Supplemental Declaration; provided, however, that any additional restrictions or other provisions contained in such Supplemental Declaration shall not be in any manner inconsistent with the provisions of this Declaration. In the event of any inconsistency between the provisions of this Declaration and those of any Supplemental Declaration, the provisions of this Declaration shall control.

(iii) **Effect of Annexation.** Upon recordation of a Supplemental Declaration described in subsection (ii) above, the real property described in such Supplemental Declaration shall become part of the Property, as defined herein, and shall be subject to all of the provisions of this Declaration. Without limiting the generality and effect of the foregoing, all Units created in such real property shall have voting rights in accordance with the provisions of this Declaration.

(b) The right, but not the obligation, to subdivide Units owned by Declarant;

(c) As to each portion of the Property that is not a Unit, the right, but not the obligation, to withdraw such portion of the Property from this Declaration at any time prior to the sale or conveyance of a Unit created by a Plat covering that portion of the Property; and as to each portion of the Property that is a Unit, the right, but not the obligation, to withdraw such Unit from this Declaration at any time prior to the sale or conveyance of such Unit; and

(d) The right, but not the obligation, to unilaterally amend this Declaration at any time prior to the close of the first sale of a Unit.

The Development Rights reserved in this Section may be exercised by means of a Supplemental Declaration at any time within thirty (30) years after the recording of the initial Declaration. The Development Rights reserved in this Section may be exercised with respect to different parcels of real estate at different times, and no assurances are made as to the boundaries of such parcels or the order in which they may be subjected to the exercise of a development right, nor is any representation made that a development right must be exercised as to an entire parcel if such right is exercised as to a portion of that parcel.

6.4 Declarant's Right to Complete. No provision of this Declaration (including, without limitation, any Supplemental Declaration) shall be construed to prevent or limit Declarant's rights to complete the development, construction, promotion, maintenance, marketing, and sale of properties within the Property; to construct or alter Improvements on any property owned by Declarant; to maintain construction equipment, model homes, offices and trailers for construction, sales or leasing purposes or similar facilities on any property owned by Declarant; or to post signs incidental to the development, construction, promotion, marketing, sale and leasing of property. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approval to: (a) excavate, cut, fill or grade any property owned by Declarant or to construct, alter, remodel, demolish or replace any Improvements on any part of the Property or any property owned by Declarant; (b) use any structure on any part of the Property or any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within such boundaries; or (c) require Declarant to seek

or obtain the approval of the ARC for any such activity or Improvement to property by Declarant on any part of the Property or any property owned by Declarant. Nothing in this Section shall limit or impair the reserved rights of Declarant or a Participating Builder as elsewhere provided in this Declaration.

6.5 Right to Approve Additional Covenants. No person or entity shall Record any declaration (as defined in the Act) or similar instrument affecting any portion of the Property without Declarant's review and consent. The granting or withholding of such consent shall be within Declarant's sole discretion. Any Recording without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by Recorded consent signed by Declarant. Once approved by Declarant and Recorded, any declaration (as defined in the Act) or similar instrument affecting any portion of the Property shall be in addition to and not in limitation of, the provisions of this Declaration. In the event of any conflict between the Governing Documents and any such declaration (as defined in the Act) or similar instrument affecting any portion of the Property which is Recorded, the terms of the Governing Documents shall control.

6.6 Priority of Declarant's Rights. Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Property. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each recorded amendment and supplement to this Declaration, in each deed or other instrument by which any property encumbered hereby is conveyed, 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.

6.7 Assignment of Declarant's Rights. Any and all of the rights, powers and reservations of Declarant herein contained may be fully or partially assigned by Declarant to any person or entity that will assume any or all of the duties of Declarant hereunder, and upon any such assignee's evidencing consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder.

6.8 Limitations on Rights. Nothing in this Article shall give Declarant or a Participating Builder the right to damage any Unit or Improvement not owned by Declarant or such Participating Builder. Declarant's and each Participating Builder's rights under this Article 6 shall terminate thirty (30) years from the recordation of this Declaration, except as required for maintenance and repair obligations conducted by Declarant which may continue after such date. No Owner may take any action or adopt any rule that will interfere with or diminish any of Declarant's rights, including special declarant's rights and Development Rights, or any Participating Builder's rights without the prior written consent of Declarant or such Participating Builder, as applicable.

Article 7
Miscellaneous Property Rights and Disclosures

7.1 Miscellaneous Rights.

(a) **ARC's Right to Inspect.** Any member or authorized consultant of the ARC may enter upon any Unit at any reasonable time after notice to the relevant Applicant, without being deemed guilty of trespass, in order to inspect any structural addition, alteration or Improvement constructed or under construction thereon to determine whether the work has been or is being built in compliance with the ARC's approval (including all terms and conditions thereof).

(b) **Right to Indemnification For Roads.** Each Owner (including, without limitation, each Participating Builder) shall indemnify, protect, defend and hold harmless Declarant, without limitation, on any claims arising from any damage caused by such Owner to any right-of-way owned and/or maintained by the County, or any other public agency.

(c) **Reservation of Rights to Name and Marks.** Notwithstanding anything else herein to the contrary, no Owner may use the name "Dressler Crossing" or "Dressler Flats" or "Santa Ynez Valley Construction Co." or the logo or mark of any of these, in any advertisement or promotional material of any kind or nature whatsoever without first obtaining the prior written consent of Declarant. Declarant hereby reserves all rights associated with the names "Dressler Crossing" or "Dressler Flats" or "Santa Ynez Valley Construction Co.", and the logo and/or mark of each, and expressly reserves the right to use such names in relation to other real estate developments undertaken by Declarant, its subsidiaries, and its affiliates.

(d) **Voting by Owners.** Regarding the various items in the Governing Documents subject to approval or action by the Owners, one (1) vote is hereby allocated to each Unit, and the Owner of a Unit may cast such vote; provided, however, that if a Unit is owned by more than one Owner, the voting rights allocated to that Unit shall be cast by only one of them, and the first to cast such vote on any particular matter shall be deemed the party entitled to cast the vote of such Unit on that particular matter. The voting rights of a Unit may not be exercised by proxy, nor may they be severed from a Unit, and any attempt to do either shall be void.

(e) **Rights to Stormwater Runoff, Effluent and Water Reclamation.** Declarant hereby reserves for itself and its designees all rights to ground water and surface water within the Property, as well as storm water runoff and effluent located or produced within the Property and not located on a Unit, and each Owner of a Unit agrees, by acceptance of a deed to real property within the Property, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Property for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. The rights created in this Section shall survive termination of this Declaration.

(f) **Covenant Not to Object to Development.** Each person or entity that acquires any interest in the Property acknowledges that Dressler Crossing Community is a planned

community, the development of which is likely to extend over several years, and that changes in the Development Agreements, the Plans, the Design Standards, and other governmental approvals for the Property may occur as the development of Dressler Crossing Community proceeds. Each such person or entity therefore agrees not to protest, challenge or otherwise object to changes made or proposed by Declarant in the Development Agreements, the Plans, the Design Standards, and other governmental approvals or allowed uses for the Property, except to the extent such changes relate specifically to the Plat pursuant to which such Owner's Unit was created.

7.2 Additional Easement Rights.

(a) **Construction Access Easement.** Declarant hereby reserves for itself a temporary, non-exclusive easement over the Property for such access, ingress and egress as may be necessary for Declarant to complete or inspect any work or Improvement on the Property, or to make any repair or replacement Declarant deems necessary or appropriate to any Improvement on the Property, or to modify any completed Improvement on the Property to correct any defect therein or to make such Improvement conform to Declarant's governmentally approved plans for such Improvement; provided that, in exercising the rights reserved under this Section, Declarant shall (i) except in the event of emergency, provide reasonable notice to the Owner, (ii) not unreasonably interfere with any non-Declarant Owner's use and enjoyment of his or her Unit, and (iii) promptly repair, at Declarant's expense, any damage resulting from such entry. The easement reserved by Declarant in this Section shall permanently expire one (1) year from the date Declarant's Development Rights expire under Section 6.3.

(b) **Encroachment Easements.** Declarant hereby reserves over each Unit reciprocal easements for the purpose of accommodating and maintaining any encroachment which occurs due to engineering errors, errors in original construction, settlement, or shifting of structures, or any other cause as long as the encroachment remains. In the event a Unit or any Improvement thereon is partially or totally destroyed, and then repaired and rebuilt, minor encroachments over adjoining Units shall be permitted and there shall be valid easements for the maintenance of the encroachments as long as they shall exist. Notwithstanding the preceding sentence, in no event shall a valid easement exist pursuant to this Section in favor of Declarant or an Owner if the encroachment occurred due to the willful misconduct of such party.

(c) **Drainage and Support Easements.** Declarant hereby reserves over each Unit reciprocal easements for drainage, and sublateral and subjacent support, according to the drainage patterns and grading requirements created or required by the grading plans for the Property approved by the County, as well as the actual, natural, and existing patterns for drainage.

(d) **Construction Impacts Easement.** During development of the Property, the construction of streets, utilities, homes, structures and other Improvements (generally, the "Construction") will produce substantial dust, noise, light (during nighttime hours) and other adverse impacts ("Impacts") within the Property to Owners and their guests, invitees and licensees which may be alleged in the future to constitute a nuisance or otherwise impair the use and enjoyment of Units and Improvements thereon. The term "Impacts" is intended to be construed liberally to include all adverse consequences of Construction activity which might be an annoyance

or nuisance, particularly without limitation dust and noise. An easement is hereby reserved by Declarant, from each Unit, for itself and each Participating Builder, and their respective agents, to cause such Impacts to occur.

(e) **Snow Berm Easement.** Declarant hereby reserves over the portion of each Unit within five (5) feet of any street, for itself and the County, an easement for the placement of snow plowed from the adjacent street; provided that this easement is not intended to create a snow storage or dumping area on any Unit, but only to allow the berming of snow plowed from a street adjacent to a Unit in order to clear such area of snow for the safe passage of vehicles and pedestrians on the street.

(f) **Party Wall Easements.** Declarant hereby reserves over each Unit reciprocal easements for each neighboring Unit as necessary to discharge the maintenance obligations or otherwise exercise the rights set forth in Section 5.4 hereof.

(g) **Easements Created By Plat.** Without limiting any other easement rights created herein, each Unit within the Property shall be subject to any easement which is identified and described as encumbering that Unit on the Plat pursuant to which such Unit was created.

7.3 Self-Operative Provisions. The rights and easements granted or reserved herein for Units shall be deemed automatically created, modified, or terminated, as applicable, as such Units are added to, converted under, or withdrawn from the jurisdiction of this Declaration.

7.4 Disclosures. The informed acquisition of real estate requires the consideration of a number of factors. These include, without limitation, the physical condition of the relevant property and any improvements thereon, matters on title to the real property, surrounding land uses and the likelihood of certain types of future development, availability and proximity of public and private amenities, and the suitability of the property for a buyer's intended use. Each person or entity planning to acquire real property within Dressler Crossing Community should consider these factors, as well as any other factors that such party may deem important to making a purchase within the Property. If a buyer is uncertain about what factors may be important, or has difficulty understanding information or materials related to such factors, the buyer should retain the services of qualified real estate professionals to assist with the buyer's considerations.

In addition to the above-described factors, Declarant believes that any party contemplating a purchase of real property within Dressler Crossing Community should be aware of and take into account the matters set forth in this Section 7.4.

(a) **Security Disclaimer.** Declarant shall in no way be considered insurer or guarantor of security within the Property, nor shall it be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection or security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken, if any, will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to

inform its occupants that Declarant is not insurer or liable to persons living in or visiting the Property for conduct resulting from acts of third parties.

(b) **Public Facilities and Schools.** Each Owner, by acceptance of a deed to a Unit, acknowledges that there is no assurance made by Declarant, any affiliate of Declarant, or the County that any public facility not in existence will ever be built. Parks and schools are under the control of governmental agencies that have the power to change their plans, including selling or exchanging sites. Neither Declarant nor any of its affiliates has the power to fix sites for public facilities such as parks or schools or to stop sites from being moved from one location to another. Furthermore, it must be emphasized that the Douglas County School District (“DCSD”), which operates public schools near the Property, is solely responsible for the timing of any new public school construction and whether or not new schools are built. No representation or warranty is given by Declarant that the DCSD will construct new schools in the future in the vicinity of the Property. Additionally, the DCSD controls the attendance zoning for all public schools, and DCSD may elect to assign children living in Dressler Crossing Community to the nearest school with available capacity, rather than the nearest school or the zoned school, if schools closer to Dressler Crossing Community cannot accommodate additional students. Neither Declarant nor any of its affiliates makes any representation, warranty or guaranty that the children living in Dressler Crossing Community will be allowed to attend any particular school. All potential buyers should contact the DCSD for the latest attendance zoning information before purchasing a Unit within the Property.

(c) **Rockery Wall Rodent Disclosure.** Each Owner, by acceptance of a deed to a Unit, acknowledges that rockery walls provide a favorable habitat for wild rodents such as ground squirrels, chipmunks, and others that can acquire plague through the bite of an infected flea. The rock surface provides an urban interface with these wild rodents. There is a risk of disease transmission to humans and domestic animals, especially cats. For this reason the public should not handle any wild rodents. An awareness of this risk by residents moving into developments having rockery walls will reduce the risk of disease transmission.

(d) **View Obstructions.** Each Owner, by accepting a deed to a Unit, hereby acknowledges that any construction or installation by Declarant or a Participating Builder may impair the view of such Owner, and hereby consents to such impairment. No representation or warranties, covenants or agreements are made by Declarant or its agents, with respect to the presence or absence of any current or future view, scene or location advantage from any portion of a Unit within the Property. The view, scene or location advantage may be adversely affected currently or in the future by construction or changes to the following, including, without limitation, residential homes or other structures and facilities, utility facilities, landscaping, public facilities, streets, neighborhood amenities and other activities, development or occurrences whether on other land, including without limitation, on adjacent and nearby Units. No representations, warranties, covenants or agreements are made by Declarant or its agents concerning the preservation or permanence of any view, scene or location advantage for a Unit. Declarant is not responsible or liable for any impairment of such view, scene or location advantage for any perceived or actual loss of value of the lot resulting from such impairment. Owners are solely responsible for analyzing and determining all risks concerning the current and future value of any view, scene or

location advantage and the potential or existing impairment thereof and the risks of preserving the view, scene or location advantage.

(e) **Surrounding Uses.** Each Owner, by acceptance of a deed to a Unit, acknowledges that other properties located within the vicinity of the Property may be developed in the future with alternative land uses, and that existing land uses are always subject to change. Such future development may cause negative impacts in and around the Property, including, without limitation, increases in noise, light, odors, air-pollutants, and traffic.

Declarant has no obligation to provide insurance, indemnity or other protection to homeowners or residents within the Property, or their guests and pets, from any of the aforementioned negative impacts. Furthermore, no representations or warranties of any kind have been or are being made with respect to the continued existence, use, physical condition, operation or regulation of any properties located within the vicinity of the Property. Each Owner, by acceptance of a deed to a Unit, expressly assumes the risk of damage from activities conducted on properties located with the vicinity of the Property, including activities detrimental to the use and enjoyment of Owner's property.

Each Owner agrees to hold harmless Declarant and its officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused to Owner and Owner's family, guests, tenants, property and pets by any activity on or in connection with the current or future use and/or development of any property located in the vicinity of the Property.

(f) **No Obligation of County to Maintain.** Each Owner, by acceptance of a deed to a Unit, acknowledges that the County has no responsibility, and shall not assume any responsibility, for the maintenance of any private streets located within the Project. Furthermore, the County shall not accept for dedication as public any streets within the Project unless those streets meet the County standards in effect at the time of the offer of dedication.

(g) **Air Traffic.** Each Owner, by acceptance of a deed to a Unit, acknowledges that such Owner is aware of (i) the proximity of airports in the northern Nevada area, and (ii) that the Property may be located directly underneath the flight path of airplanes taking off from and landing at such airports. Each Owner understands that the foregoing facts may have an effect on the livability, value, and suitability of the Property for residential use, and at a minimum will result in greater noise impacts (including, without limitation, jet noise and small aircraft noise) and air quality impacts (including, without limitation, through diffusion of jet fuel burn-off) for the Property than might otherwise be experienced in locations not in close proximity to airports or within flight paths for airports. Neither Declarant nor any of its affiliates makes any representation, warranty or guaranty regarding impacts to the Property given its proximity to airports or air traffic, and each Owner agrees to hold harmless Declarant and its officers, directors, employees and agents or any of them, from any liability for all injury, damage, costs or expenses caused to Owner and Owner's family, guests, tenants, property and pets by impacts related to the Property's proximity to airports and/or air traffic.

(h) **AGRICULTURAL USE DISCLOSURE.** Douglas County has declared it a policy to protect and encourage agricultural operations. If your property is located near an agricultural operation, you may at some time be subject to inconvenience or discomfort arising from agricultural operations. If conducted in a manner consistent with proper and accepted standards, these inconveniences and discomforts do not constitute a nuisance for purposes of the Douglas County Code.

(i) **Mold.** Each Owner, by acceptance of a deed or otherwise acquiring title to a Unit, acknowledges and agrees that there is, and will always be, the presence of certain biological organisms within the Unit. Most typically, this will include the common occurrence of mold, fungi, mildew or other mycotoxins, and each Owner understands and agrees that there is no method for completely eliminating the development of molds, fungi, mildew or other mycotoxins. Mold and other mycotoxins tend to proliferate in warm, wet areas, and, as such, it is each Owner's responsibility to maintain its Unit so as to avoid the accumulation of moisture and/or mold and other mycotoxins within the Unit. Such mitigation matters should include, without limitation, the frequent ventilation of the Unit, removal of standing water on any balcony areas, if any, prompt repair of any leaks which permit water intrusion into the Unit, and prompt repair of plumbing leaks within the Unit (irrespective of who may have caused any such leaks). Each Owner also understands that the presence of indoor plants may also increase moisture and/or mold and other mycotoxins. Also, the propping of large pieces of furniture against wall surfaces may lead to mold or other mycotoxin accumulation. It is the responsibility of each Owner to monitor and maintain its Unit so as to mitigate and avoid the conditions which are likely to lead to the existence and/or growth of mold and/or other mycotoxins. In the event that mold or other mycotoxins do appear and/or grow within the Unit, it is also the Owner's responsibility to promptly and properly treat such mold and mycotoxins to minimize the spreading thereof and/or unhealthy conditions likely to arise as a result thereof. Such measures frequently include, but are not limited to, cleaning mold-affected surfaces with chlorine bleach. Each Owner is responsible to learn how to clean any affected Improvements.

Further, each Owner is hereby advised that certain molds, mildew, mycotoxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Unit, each Owner shall be deemed to have assumed the risk associated with molds, mildew, mycotoxins and/or fungi and to have released Declarant from any and all liability resulting from same, including, without limitation, any liability for incidental or consequential damages (which may result from, without limitation, the inability to possess the Unit, inconvenience, moving costs, costs of temporary lodging, storage costs, loss of time, lost wages, lost opportunities and/or personal injury). Without limiting the generality of the foregoing, leaks, wet flooring and moisture will contribute to the growth of mold, mildew, fungus or spores. EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHERWISE ACQUIRING TITLE TO A UNIT, SHALL BE DEEMED TO HAVE AGREED THAT DECLARANT IS NOT RESPONSIBLE, AND HEREBY DISCLAIMS ANY RESPONSIBILITY FOR, ANY ILLNESS OR ALLERGIC REACTIONS WHICH MAY BE EXPERIENCED BY THE OWNER, ITS FAMILY MEMBERS AND/OR ITS OR THEIR GUESTS, TENANTS AND INVITEES AS A RESULT OF MOLD, MILDEW, FUNGUS,

SPORES OR OTHER MYCOTOXINS. IT IS THE OWNER'S RESPONSIBILITY TO KEEP ITS UNIT CLEAN, DRY, WELL-VENTILATED AND FREE OF CONTAMINATION.

PART FOUR: COMMUNITY RELATIONSHIPS

Creating a neighborhood, as opposed to a mere subdivision, requires that those within a neighborhood work together to resolve disputes amicably. It also requires a commitment to respect the rights of those outside the community who have regular interactions with the neighborhood. The Articles in this Part Four establish rules and rights for facilitating positive interactions for those within Dressler Crossing Community, as well as those who have regular dealings with Dressler Crossing Community.

Article 8 Rights of Lenders

8.1 Encumbrance of Units Permitted. Any Owner may encumber such Owner's Unit and the Improvements thereon with a Deed of Trust.

8.2 Priority Issues. A breach by an Owner of any of the provisions of this Declaration, shall not defeat or render invalid the lien of any Deed of Trust made in good faith and for value as to the Property or any portion thereof; provided, however, that any party who acquires title to a Unit pursuant to the judicial or non-judicial foreclosure remedies provided in a Deed of Trust on that Unit shall take the Unit, and such Unit shall remain, subject to this Declaration.

8.3 Insurance Proceeds and Condemnation Awards. No provision of this Declaration shall give an Owner, or any other party, priority over any rights of the Beneficiaries of Deeds of Trust in the case of a distribution to Owners of insurance proceeds or condemnation awards.

Article 9 Dispute Resolution and Enforcement of Governing Documents

9.1 General. The failure of a Bound Party to perform its obligations under the Governing Documents, as and when due, shall constitute a default by such Bound Party under this Declaration.

9.2 Remedies. In the event of a Bound Party's default under Section 9.1, each other Bound Party shall have, on its own behalf, the power and authority to pursue any remedy available at law or in equity against such defaulting Bound Party, all of which shall be cumulative; provided, however, that prior to commencing any civil action, such enforcing Bound Party shall comply with the applicable provisions of NRS Chapter 38.

9.3 Expenses and Attorneys' Fees. The prevailing party in any legal proceeding relating to a claim under Section 9.1 shall be entitled to receive from each non-prevailing opposing party reimbursement for such prevailing party's reasonable expenses in prosecuting such action, including reasonable attorneys' fees.

9.4 No Implied Waiver. The failure to enforce or delay in enforcement of the provisions of any covenant, condition, or restriction contained in the Governing Documents shall not constitute a waiver of any right to enforce any such provisions or any other provisions of the Governing Documents.

9.5 Mandatory Arbitration Provisions.

(a) **Arbitration of Disputes.** Notwithstanding any other provision herein to the contrary, each Owner and Declarant hereby covenant and agree that any claim, controversy, cause of action, claim for relief, liability or dispute between any Claimant or Claimants, on the one hand, and a Developing Party or Developing Parties, on the other hand, arising out of or relating in any way to the Property, including, without limitation, claims for breach of contract, express or implied, breach of warranty, strict liability, negligence, nuisance, statutory violation, misrepresentation and fraud (including claims in any manner relating to or arising out of a constructional defect as defined in NRS 40.615, or otherwise subject to the provisions of NRS 40.600 to NRS 40.695, as amended from time to time) (each, a “Claim” and collectively, the “Claims”), shall first be submitted to mediation (including mediation under NRS 40.680 in the event such claim involves a constructional defect subject to NRS Chapter 40, but only to the extent such provisions of NRS 40.680 do not conflict with the terms of this Section 9.5) and, if not settled during mediation, shall thereafter be resolved, as such Claimant’s sole and exclusive remedy, by submitting such Claim to binding arbitration pursuant to (i) the Federal Arbitration Act (9 U.S.C. § 1, *et seq.*), and (ii) only to the extent not inconsistent with the Federal Arbitration Act, the Uniform Arbitration Act of 2000 as adopted in Nevada as NRS 38.206 through 38.248, inclusive. Each Claimant hereby waives any right such Claimant may have to bring an action in court on any Claim, including, but not limited to, any such right of Claimant under NRS 40.680, and any right Claimant may have to become a party to a class action claim.

(b) **Rules For the Arbitration Proceeding.** Claims shall be resolved in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (“AAA”), the AAA’s supplementary procedures for consumer/residential construction disputes (collectively, the “**Construction Industry Rules**”) and the terms of this Section 9.5. In the event the provisions of this Section 9.5 are inconsistent with the Construction Industry Rules, the Construction Industry Rules shall control. If the matter proceeds to arbitration, discovery shall be allowed pursuant to the Nevada Rules of Civil Procedure (“**NRCP**”). In the event any provision of NRCP pertaining to discovery is inconsistent with the Construction Industry Rules, such provisions of NRCP shall prevail. Arbitration of any matter pursuant to this Section 9.5 shall not be deemed a waiver of the attorney/client or attorney/work product privilege in any manner.

(c) **Right to Repair.** Nothing set forth in this Section 9.5 is intended to affect or limit a Developing Party’s rights under NRS Chapter 40 to repair any constructional defect.

(d) **Arbitrator.** The dispute constituting a Claim shall be heard and determined by a single neutral arbitrator who has expertise in the area of the dispute. The arbitrator shall be appointed within sixty (60) days from the date one party receives a request from the other party to

arbitrate the Claim. In selecting the arbitrator, the provisions of the Construction Industry Rules shall apply.

(e) **Joinder of Parties.** The parties may join other parties as provided in the Construction Industry Rules. For example, a Developing Party may include other Developing Parties, such as its contractor and any and all subcontractors and suppliers, in the arbitration.

(f) **Location of Arbitration.** The venue of the arbitration shall be in a location in Carson City, Douglas County, or Washoe County, Nevada. Unless the parties agree otherwise, the arbitration shall commence, be conducted, and conclude promptly in accordance with the Construction Industry Rules.

(g) **Award.** The arbitrator is authorized to provide all recognized remedies available in law or in equity for the Claims, except that the arbitrator shall have no authority to award punitive or consequential damages. The award of the arbitrator shall be accompanied by detailed written findings of fact and conclusions of law, and shall include a written summary of the issues in controversy, a description of the award and an explanation of the reasons for the award. The arbitrator's award shall be final and judgment and may be confirmed, entered and enforced in any court having jurisdiction over the matter.

(h) **Strict Confidentiality.** Except as may be required by law or for confirmation of the award, neither of the parties nor the arbitrator may disclose the existence, content or results of the arbitration hearing without the prior written consent of both parties and such content and results are strictly confidential.

(i) **Arbitration Costs and Attorneys' Fees.** Any costs to initiate arbitration shall be advanced by the party initiating the arbitration, but the costs of arbitration shall ultimately be borne by the losing party and, if there is more than one losing party, in such proportions as the arbitrator may determine. The prevailing party or parties in such arbitration shall be entitled to recover reasonable attorneys' fees from the losing party or parties in such amounts as the arbitrator shall determine.

(j) **Statute of Limitations.** The arbitration must be filed within the statute of limitations applicable to the relevant Claim.

(k) **Covenant Running With the Land.** The arbitration provisions set forth in this Section 9.5, as with all other terms and provisions of this Declaration, shall run with the Property and every portion thereof or interest therein as a covenant running with the land and an equitable servitude and shall benefit and be binding upon the Owners, Declarant, and their successors and assigns.

(l) **Third-Party Beneficiaries.** Notwithstanding anything else herein to the contrary, each Developing Party not otherwise bound by this Declaration shall be deemed an intended third-party beneficiary of the terms of this Section 9.5.

(m) **Notice.** Each Claimant, by agreeing to have any Claim decided by arbitration as provided by in this Section 9.5 is giving up any rights such Claimant might possess to have the Claim litigated in a court, including a jury trial, as well as rights to appeal and to join with others Claimants in a class action. If a Claimant refuses to submit to arbitration, such Claimant may be compelled to arbitrate under applicable law. Each Claimant, by acceptance of ownership of a portion of the Property, agrees for such Claimant and such Claimant's heirs, personal representatives, successors and assigns, to keep, observe, comply with and perform all of the provisions of this Declaration, including this Section 9.5, and specifically authorizes this Section 9.5, and acknowledges its agreement thereto, in accordance with NRS 597.995 (as amended, and to the extent applicable).

PART FIVE: GENERAL PROVISIONS

Article 10 General Provisions

10.1 Amendment. This Declaration may be amended by vote or agreement of not less than a majority of the Voting Power of the Owners, but subject to the following:

(a) Declarant shall have the right to amend this Declaration unilaterally prior to the close of the first sale of a Unit;

(b) Declarant shall have the right to amend this Declaration unilaterally through recordation of Supplemental Declarations, as allowed pursuant to the terms hereof;

(c) Declarant shall have the right to amend a Supplemental Declaration unilaterally prior to the close of the first sale of a Unit covered by that Supplemental Declaration;

(d) Following the close of the first sale of a Unit covered by a Supplemental Declaration, the provisions of that Supplemental Declaration may be amended only by the vote or agreement of (i) a majority of the Voting Power of the Owners, (ii) a majority of the votes allocated under the Declaration to the Units covered by such Supplemental Declaration, (iii) Declarant, until Declarant's Development Rights expire under Section 6.3, Declarant, which consent must be evidenced in writing, and (iv) if such amendment relates to the use or development restrictions specific to a particular Unit covered by such Supplemental Declaration, the Owner of that Unit, evidenced in writing;

(e) Section 9.5 may not be amended or deleted at any time without the express prior written approval of both: (1) Owners representing not less than seventy-five percent (75%) of the Voting Power of the Owners, and (2) Declarant; and any purported amendment or deletion of said Section, or any portion hereof, without both of such express prior written approvals shall be void; and

(f) No amendment to this Declaration may remove, revoke, or modify any right or privilege of Declarant or a Participating Builder without the respective prior written consent of Declarant or the Participating Builder, as applicable.

All amendments shall be executed by the number of Owners required for approval of such amendment, and shall be Recorded. No action to challenge the validity of an amendment may be brought more than one year after the amendment is Recorded, unless the challenge is brought under Section 10.1(e), in which case the limitation period shall be five (5) years after the amendment is Recorded. If an Owner consents to any amendment, it will be conclusively presumed that such Owner has the authority to consent and no contrary provision in any Deed of Trust or contract between such Owner and any third party will affect the validity of such amendment.

10.2 Notices. All notices to any Owner shall be provided in writing by delivery to such Owner's Unit. All notices delivered by hand shall be deemed received upon delivery, and all notices by mail shall be deemed to have been received within seventy-two (72) hours after the mailing thereof.

10.3 Approvals. Any consents or approvals by the ARC shall be in writing.

10.4 Construction and Severability; Singular and Plural; Titles.

(a) **Restrictions and Easements Construed Together.** All of the covenants, conditions, restrictions and easements of this Declaration shall be liberally construed together to promote the purposes of this Declaration as set forth herein.

(b) **Restrictions and Easements Severable.** The covenants, conditions, restrictions and easements contained in this Declaration shall be deemed independent and severable; and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

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

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

10.5 Grantee's Acceptance. Each grantee or purchaser of any Unit within the Property shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such Unit, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant. By acceptance, such grantee or purchaser shall for himself (his heirs, personal representatives, successors and assigns) covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the other Units in the Property, to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to the continuation to completion of the Property and all parts and projected Units therein in substantially the manner heretofore approved by the County.

IN WITNESS WHEREOF, Declarant, has executed this Declaration as of the Effective Date.

DECLARANT:

DRESSLER FLATS, LLC,
a Nevada limited liability company

By: SANTA YNEZ VALLEY
CONSTRUCTION CO.,
a California corporation

Its: Managing Member

By:

Name:

Its:

[Signature]
Leo A. Hanly
Pres

STATE OF Nevada)
)
COUNTY OF Douglas)

This instrument was acknowledged before me on July 18, 2022, by Leo A. Hanly as President of Santa Ynez Valley Construction Co., a California corporation, as Managing Member of Dressler Flats, LLC, a Nevada limited liability company.

[Signature]
Notary Public
My Commission Expires: August 21, 2023

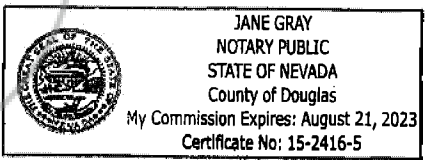


EXHIBIT "A"
LEGAL DESCRIPTION OF PHASE ONE PROPERTY

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

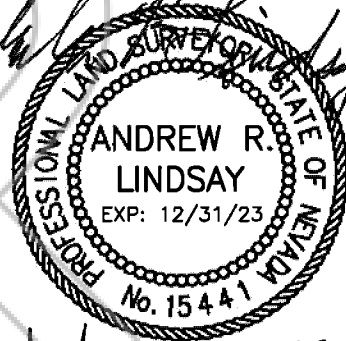
A parcel of land located within a portion of Section 9, Township 12 North, Range 20 East, Douglas County, Nevada, described as follows:

Lots 1 through 22 as shown on the Final Subdivision map for Dressler Crossing Phase

1 filed for record August 18, 2022, in the office of Recorder, Douglas

County, Nevada as Document No. 2022-988598

Prepared By: R.O. ANDERSON ENGINEERING, INC.
Andrew R. Lindsay, P.L.S. 15441
P.O. Box 2229
Minden, Nevada 89423



July 22, 2022

EXHIBIT "B"
LEGAL DESCRIPTION OF THE ANNEXABLE PROPERTY

Any real property located in Douglas County, Nevada, lying within a 2-mile radius of the perimeter boundaries of the property described on Exhibit "A" of this Declaration.

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