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SKY BANCH NORTH UNIT 2A

Declaration of Covenants, Conditions and Restrictions

K3700Pc026

Washoe County, Nevada March <u>29</u>, 1993

TABLE OF CONTENTS

RECITALS

ARTICLE I - Definitions

ARTICLE II - Property Description

ARTICLE III - Membership

ARTICLE IV - Voting Rights

ARTICLE V - Property Rights/Easements

ARTICLE VI - Use

ARTICLE VII - Rights of Lenders

ARTICLE VIII - Duties and Fowers of Association

ARTICLE IX - Covenant for Repair and Maintenance

ARTICLE X - Annexation of Additional Properties

ARTICLE XI - Total Development Area

ARTICLE XI - Total Development Are

ARTICLE XII - General Provisions

This Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as "Declaration"), is effective on this day of _______, 1993, by SCOTT B. TUCKER and TIMOTHY O. TUCKER (hereinafter referred to as "Declarant").

RECETALS

- A. Declarant is the fee owner of the real property described in Exhibit "A" attached to this Declaration, which shall be the initial Covered Property under this Declaration;
- B. Declarant will convey all or portions of the property, with or without improvements, in the Covered Property, subject to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth; and
- C. It is desirable for the efficient management of the Covered Property and to preserve the general scheme of the development as well as the use, occupancy and enjoyment thereof and to preserve the value, desirability and attractiveness of the Covered Property to create a corporation to which should be delegated and assigned the powers of managing the Covered Property, maintaining and administering the Common Area and administering and enforcing this Declaration, all in accordance with the requirements of NRS Chapter 116; and
- D. Washoe County ("the County") is expressly made a third party beneficiary to the covenants, conditions and restrictions set forth herein for the purposes of granting to the County limited rights to enforce the provisions of this Declaration in order to:
- (1) Enforce the obligations of the Owners and the Association to maintain such fuel breaks between natural vegetation and the residences as are required by the County in connection with the Final Subdivision Map approvals or the issuance of building permits for the Project Lots;
- (ii) Enforce compliance with applicable health, fire and safety codes as they relate to maintenance of any Improvements (defined below) made to the Project Open Space;
- (iii) Enforce the exercise of assessment lien rights by the Association which are set forth in Article IX hereof in connection with the enforcement powers described in clauses (ii) and (ii) of this paragraph;
- (iv) Enforce the prohibition of fences or permanent structures within sanitary sewer easements, enforce maintenance of stormwater management and groundwater recharge systems;
- (v) Prohibit the protest of the formation of a sewer assessment district and/or the installation of sewers; and

(vi) Prohibit any attempt to further subdivide any parcel or any attempt to divert or alter the platted configuration of any of the common area.

mow THEORER, Declarant hereby covenants, agrees and declares that all of its interest in the Covered Property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, used and improved in accordance with this Declaration, which is hereby declared to be for the benefit of said interests in the Covered Property, and the owners of said interests, their successors or assigns. These covenants, conditions, restrictions and easements shall run with the land or said interests and shall be binding upon all parties having or acquiring any right or title in said interests or any part thereof and shall inure to the benefit of each owner thereof as provided hereinafter.

ARTICLE I

Definitions

Section 1: "Association" shall mean and refer to the Sky Ranch North Homeowners Association, Inc., a non-profit corporation incorporated under the laws of the State of Nevada, its successors and assigns. Notwithstanding the foregoing, Declarant may elect to establish one or more additional "Associations" relative to portions of the Total Development Area not included in the initial Covered Property (Exhibit "A"]. In such event, Declarant shall identify and establish the different Associations with its own members who shall be able to vote only relative to their Associations and the Covered Property as set forth in their Supplementary Declarations, at such time as a Supplemental Declaration is recorded pursuant to ARTICLE X, hereof. Each Association shall be a separate and distinct entity, without authority over or obligation to the other, although each shall be governed and limited by this Declaration and any appropriate amendment thereto set forth in said Supplementary Declaration.

Section 2: "Covered Property" shall mean and refer to that real property contained in and described in Exhibit "A" attached hereto, and such additions or deletions thereto as may hereafter be brought within or removed from the jurisdiction of the Association by way of Supplementary Declaration as provided in ARTICLE X, hereof.

Section 3: "Common Area" shall mean all real property and the improvements thereon, owned or leased from time to time by the Association for the common use and enjoyment of the Members. Common Areas shall be conveyed to the Association by the Declarant concurrently with and generally proportionate to the annexation of the Covered Property, or within a reasonable time thereafter.

Section 4: "Declarant" shall mean and refer to SCOTT B. TUCKER and TIMOTHY O. TUCKER and shall also refer to their suc-

cessors and assigns if such successors or assigns should acquire the then remaining number of Lots from the Declarant for the purposes of development. The voting rights and powers of such successor or assign shall, however, be limited as set forth elsewhere in this Declaration.

Section 5: "Declaration" shall mean and refer to this Declaration and where appropriate, any Exhibit or Supplementary Declaration thereto.

Section 6: "Federal Agencies" shall mean and refer to collectively, one or more of the following agencies, and the following letter designation for such agencies shall mean and refer to respectively the agency specified within the parenthesis following such letter designation: PHA (Federal Housing Lowing such letter designation: PHA (Federal Housing Administration), PHLMC (Federal Home Loan Mortgage Corporation), Administration), PHLMC (Federal Hortgage Association), GRMA (Government PNMA (Federal National Mortgage Association), and VA (Veterans Administration).

Section 7: "Institutional Mortgage" shall mean and refer to a first mortgage or deed of trust beneficiary which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, any federal or state agency, or any other lending institution regulated by federal or state law.

Section 8: "Member" shall mean and refer to every person or entity who qualifies for membership pursuant to this Declaration, including Declarant so long as Declarant so qualifies hereunder. "Member" shall be limited to membership in the Association (Section 1, ARTICLE I) or membership in such other associations as may be established hereunder.

Section 9: "Residence" shall mean and refer to a lot shown on any map filed for record, including any residential building and related improvements thereon, to the extent such are part of the Covered Property and not otherwise excluded by this Declaration; and provided further, "Residence" shall not include any Common Area or other property owned or leased by the Association for the common use and enjoyment of the Members upon which no residential buildings are located.

Section 10: "Supplementary Declaration" or "Supplemental Declaration" shall mean and refer to those declarations recorded hereafter and pursuant to ARTICLE X, hereof.

Section il: "Total Development Area" shall mean and refer to the approximately 352 acres of real property described in Exhibit "B" attached hereto and generally depicted in the map attached thereto; none of which real property (Except that described in Exhibit "A", hereto) is or shall be subject to this Declaration until such time, if ever, as Declarant records a Supplementary annexing said property or a portion thereof to the development, thereby making the property subject to this Declaration and the Association.

ARTICLE II

Property Description

Section 1: The Covered Property (initially only that property described in Exhibit "A") shall be held, transferred, sold, conveyed, used and occupied subject to the terms and conditions of this Declaration, and any lawful amendments hereto. The filing of this Declaration and the subjecting of the Covered Property to the conditions, easements and other restrictions contained herein shall not be construed in any way and shall never inhibit or prohibit the Declarant from conveying the Residences, with or without improvements, within the Covered Property to any person or entity free and clear of any conditions, restrictions or easements except for those specifically provided for in this Declaration.

Section 2: With the exception of the Covered Property, none of the Total Development Area or any improvements thereon (described in Exhibit "B") is subject to this Declaration, nor will such property ever become subject to this Declaration until such time as Supplementary Declaration is recorded by the Declarant. Upon the recordation of such a Supplementary Declaration, the property so described therein shall thereafter be Covered Property within the context of and subject to this Declaration, all as provided in such Supplementary Declaration.

Section 3: Notwithstanding anything to the contrary hereinabove set forth, the real property included in the Total Development Area, irrespective of whether or not additional portions of the Total Development Area are hereafter rendered Covered Property as a result of a recorded Supplementary Declaration, shall not be used for more than FOUR HUNDRED FIFTY (450) dwelling units nor be divided into more than FOUR HUNDRED FIFTY (450) separate residential lots. This limitation shall apply to the Total Development Area for a period of thirty (30) years, unless upon an affirmative vote of eighty percent (80%) of the then existing owners of the Covered Property, this period of limitation (30 years) or the numerical limitation on dwelling units (450) is waived. Such vote shall be calculated on the basis of one vote for each Residence, with a certification of said vote to be made by the Association or Associations and the certification to be duly recorded. For the purpose of this issue, and only this issue, the Declarant shall have only one vote per Residence. Nothing herein contained shall in any way be construed to limit or prohibit the Declarant at any time from redividing or re-designing, or both, the then remaining Total Development Area, irrespective of whether or not such property is hereafter converted into Covered Property; provided, however, the total number of dwelling units or lots in the entire Total Development Area does not exceed FOUR HUNDRED FIFTY (450). In no event shall this restriction on the total number of dwelling Units or Lots be released before the tenth (10) anniversary of the recording of this Declaration.

Section 4: Until the fifteenth (ISth) anniversary of the recording of this Declaration, Declarant may file a Supplementary Declaration to include additional portions or remove portions of the Total Development Area in the Covered Property as set forth in ARTICLE & hereof. Declarant need not own any property in the Covered Property at the time of the filing of such Supplemental Declaration.

ARTICLE III

pembership

Section 1: Every person or entity who is a record owner of a fee or undivided fee interest in any Residence which is subject to the Declaration, including contract buyers and lessees of a term in excess of ten (10) years, is a Member of the Association. Such ownership, contract or leasehold, shall be the sole qualification for membership.

Section 2: Membership is appurtenant to and may not be separated from the interest of the Member in any Residence. Membership may, however, be suspended or otherwise regulated by the Association as provided in this Declaration, or the Association's Bylaws or Rules. Upon a transfer of the Residence and subject to the payment or other satisfaction of any obligation due to the Association, the Membership shall be auto-bligation due to the Association, the Membership shall be auto-matically transferred without any further action or consent by either the transferor or transferee.

Section 3: Persons or entities who hold an interest in a Residence merely as security for the performance of an obligation are not Members and do not have membership in the Association.

ARTICLE IV

Voting Rights

Section 1: Only Members of the Association are entitled to vote.

Section 2: There shall be two (2) classes of voting membership:

The Class "A" voters shall be all Members defined in Article III hereof, excluding Declarant. These Class "A" voters shall be entitled to one (1) and only one (1) vote per Residence, irrespective of the actual number of persons or entities which own (joint tenancy, tenancy in common, etc.), are contract buyers or qualified lesses of a Residence. When more than one person or entity holds such an interest in a Residence, all such persons are Members and their vote shall be as they among themselves determine, but in no event shall more than one (1) vote be cast per Residence.

The Class "B" voter shall be the Declarant. Class "B" voters shall be entitled to ten (10) votes per Residence; provided, however, that Class "B" votes shall cease and be automatically converted to Class "A" votes (1.e., one vote per Residence) on the happening of either of the following events, whichever occurs earlier: earlier:

- (a) When the Declarant owns no Residences and all of the Total Development area has theretofore become Covered Property by Supplementary Declaration(s); or
- (b) The fifteenth (15th) annual anniversary of the recording of this Declaration.
- Section 3: Except as otherwise provided herein or in the By-laws, all matters shall be decided by simple majority vote. The number of votes necessary to constitute a majority shall include the number of all Hembers entitled to vote at such regular or special meeting and not just a majority of those regular present at the meeting. A vote may be cast in person or by written proxy in accordance with Nevada law.
- Section 4: Except as otherwise provided in this peclaration, Class "A" voters and Class "B" voters shall be entitled to vote on all matters subject to a vote as provided in this peclaration. Declaration or in the By-laws.

Section 5: So long as Declarant owns any Residence(s) in the Covered Property or cwns any portion of the then remaining property in the Total Development Area, Declarant shall be the only Class "B" voter. Declarant shall also be entitled to vote all class "B" votes as Declarant of those successors of SCOTT B. TUCKER and TIMOTHY O. TUCKER who purchased or otherwise acquired Residences from SCOTT B. TUCKER and TIMOTHY O. TUCKER, unless and until SCOTT B. TUCKER and TIMOTHY O. TUCKER, in writing, to relinquish said voting right to their transferee.

ARTICLE V

Property Rights/Essements

easement for use and enjoyment in and to the Common Area, if any, and such right shall be appurtenant to and shall pass with the interest required to be a Member as to every Residence, subject to all of the easements, covenants, conditions and restrictions and other provisions contained in this Declaration, including without limitation:

(a) The right of the Association to limit the number of guests of Members and to limit the use of the Common Area by persons not in possession of a Residence, but who are Members due to their interest in all or a portion of a possession o tion of a Residence.

- (b) The reasonable rules and regulations established by the Association, including without limitation, the suspension of Members' rights.
- (c) The right of the Association to borrow money for the purpose of improving, replacing, restoring or expanding the Common Area or adding new Common Area, and in aid thereof, to mortgage said property, provided that the prior affirmative vote of a majority of each of the Class "A" and Class "B" voters has been obtained approving the proposed mortgage, and provided further that the rights of the lender thereunder shall be subordinate to the rights of the Members as herein set forth. In the event of a default upon any such mortgage of the Common Area, the lender's rights shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of the Common Area to a wider public (i.e., non-Members) until the mortgage debt is satisfied, wherempon the possession of such properties shall be returned to the Association and all rights of the Members under this Declaration shall be fully restored.
 - (d) The right of the Association, subject to the approval rights of Institutional Lenders, to sell, lease, dedicate or otherwise transfer all or any part of the Common Area to any public Agency, utility, tax assessment district or any other public or private entity. No such sale, lease, dedication or other transfer of all or any portion of the Common Area shall be effective unless accomplished in accordance with Section 5(c), ARTICLE VII hereof.
 - (e) The right of the Declarant or the Association to establish, from time to time, certain easements, in, over or through the Common Area for utilities, public services and other common services purposes.
 - (f) Existing easements and agreements of record.
 - (g) The easements or types of easements referred to in the following Section or depicted in any final, recorded map.
 - (h) The rights reserved to Declarant.
- Section 2: In addition to any easements or agreements of record and those easements referenced or depicted in any final, recorded map, the Member's property interests and rights are also subject to the easements and rights, including without limitation, the following:
 - (a) Wherever sanitary sewer house connections, water house connections, electricity, gas, telephone, cable

television lines or drainage facilities are installed within the Covered Property or Common Area, the owners or interest holders of any Residence served by said connections, lines or facilities shall have the right, and there is hereby also reserved to the Declarant and the Association, together with the right to grant and transfer the same to the Hember or other appropriate entity an easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service his Residence, and to enter upon the Residences owned by others or upon the common Area, or to have utility companies or other appropriate entities enter upon the Residences owned by others or upon the Common Area, in or upon which said connections, lines or facilities, or any portion thereof be, to repair, replace and generally maintain said connections as and when the same may be necessary, provided that such Member or utility or other entity shall promptly repair at it or their expense any damage to a Residence or the Common Area caused by such entity as promptly as possible after completion of work thereon.

- (b) A non-exclusive easement to Declarant, its successors and assigns, the Association, and the Members for purposes of ingress, egress, pedestrian walkway, and general, appropriate recreational purposes over and upon the Common Area. Such easements, except as to Declarant, shall be subject to the rights of the Association and heretofore set forth.
- (c) The right of ingress and egress upon any Residence at reasonable hours and intervals, but not including access to the interior of any building thereon, of duly authorized representatives of the Association or the Declarant for purposes of architectural control as set forth in this Declaration.
- (d) The non-exclusive visual easement along the front of each residence in the Covered Property extending for a distance of thirty (30) feet back from the edge of the roadway toward which the Residence is faced. The owner of the Residence shall have all rights of enjoyment and duties as to such thirty (30) foot area, including but not limited to the right to enjoy the exclusive physical use and benefit of such area and the obligation to maintain such area to the same extent that such Member would otherwise have such rights and obligations in the absence of such easement. Any structural improvements in the area of this visual easement shall be subject to the approval of the Association or the Declarant in accordance with this Declaration. Each Member, the Association and Declarant shall individually have the right as the owners and holders of a dominant tenement to enforce compliance with the rights, limitations and duties imposed by this visual easement on each Residence

burdened as subservient tenements by these rights, limitations and duties.

- (e) The canals, ditches, waterways and ponds, pathways or equestrian, pedestrian or other trails and any facilities or areas reasonably related to the maintenance thereof or ingress or egress thereto, as depicted on any final recorded map. In the event any equestrian trail within the Covered Property is offered for dedication to the City of Reno, and/or any other governmental entity, and said dedication is declined, such property shall be abandoned to the abutting property owners within the Covered Property in a manner similar to that used by the City or County in abandoning streets and rights of way; provided, however, that the abutting property owners shall not be charged any fee for the abandonment.
- (f) Notwithstanding any other provision contained in this Declaration, in the event any road, home, fence, roof, overhang, or any other structure or improvement of any nature whatsoever constructed by Declarant, its successors or assigns, on a lot encroaches upon another lot or any portion of the Common Area, then a perpetual easement appurtenant to such lot shall exist for the continuance of any such encroachment.
- Section 3: In addition to any easements or agreements of record and those easements referenced or depicted in any final, recorded map, the Declarant, its successors or assignees, also reserves unto itself the certain easements and rights set forth below with respect to the Covered Property and the Common Area. This Declaration cannot be amended to modify or eliminate the easements and rights herein reserved to Declarant without the express, prior written approval of Declarant and any attempt to do so shall be null and void and of no effect whatsoever. Further, Declarant may withhold its consent for any reason or for no reason whatsoever. Any attempt to modify or eliminate this Section of this Declaration shall likewise require the same prior written approval of Declarant. Unless otherwise stated, the easements set forth are non-exclusive.
 - (a) Easements in, over and under the Covered Property and Common Area for the construction, installation, modification and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities as are needed to provide service to the Covered Property, Common Area or to the Total Development Area are reserved to the Declarant, with right of ingress and egress to accomplish the same, together with the right to grant and transfer the same; provided, however, such easements shall not unreasonable interfere with the use and enjoyment by the Members of their Residences and the Common Area.
 - (b) Declarant shall have full rights, together with the power to grant and transfer the same, of ingress and

egress in, over and under the Covered Property and Common Area during such period of time the Declarant is engaged in any construction or improvement work in or within the Covered Property, Common Area or Total Development Area, or so long as there remains any work or improvement which has not been completed on or within the Total Development Area; the Declarant shall further have an easement thereon for the purpose of storage of materials, vehicles, tools, equipment, temporary offices, etc., which are being utilized in such development and construction; the Declarant shall further have the right to place or permit placement of displays, signs, exhibits and related items on the Covered Property and Common Area in connection with the sale, lease or other transfer of Residences within the Covered Property or other property within the Total Development Area. The rights and easements herein reserved to Declarant are subject to the rights of Members such that the use by Declarant or others of the rights and easements hereunder shall not unreasonably restrict the Members in the reasonable use and enjoyment of their Residence or the Common Area.

- (c) The Declarant shall have the right to execute all documents and take such actions and do such acts affecting the Covered Property and Common Area, which in the Declarant's sole discretion, are desirable or necessary to facilitate the Declarant's actual construction or development of the Covered Property, Common Area and Total Development Area: provided, however, that nothing herein contained shall authorize Declarant to do anything that would diminish the rights of any lien holder or the holder of any institutional mortgage on any Residence or the Common Area or take any action that will affect title to any of the Residences after conveyance to a Member other than Declarant.
- (d) Declarant reserves unto itself with full right and power to transfer, assign, use or obtain, any and all water rights or interests in water no matter how acquired by Declarant in connection with respect to the Covered Property and Common Area, whether such water rights be riparian, overlying, appropriative, percolating, prescriptive, permit or contractual, as well as all oil, oil rights, minerals, mineral rights, natural gas rights, and other hydrocarbons by whatsoever name known, geothermal steam, and all products derived from any of the foregoing that may be on, within or under the Covered Property and Common Area together with the perpetual right of entering upon any of such property to acquire the same and including drilling, mining, exploring and operating therefor and storing in or on and removing the same from said property and further including the right to whipstock or directionally drill and mine from lands other than the Covered Property and

Common Area, water, oil or gas wells, tunnels and shafts into, through or across the sub-surface of the Covered property and Common Area and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under, beneath or beyond the exterior limits thereof, and to re-drill, re-tunnel, equip, maintain, repair, deepen, and operate any such wells or mines without, however, except for water, the right to drill, mine, store, explore and operate through the surface of a Residence or the upper two hundred fifty (250) feet of the sub-surface of the Covered Property and Common Area.

Section 4: Any Member may delegate his right of enjoyment of the Common Area to the members of his immediate family, his contract buyers, qualified lessees or to his guests, subject to the rules and regulations of the Association. No other delegation of membership rights is permissible.

Section 5: No Member may exempt himself from liability for Assessments or other charges duly levied by the Association, nor release the Residence owned by him from the liens, charges or other provisions of this Declaration by waiver of the use and enjoyment of the Common Area or the abandonment of his Residence.

Section 6: Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area or any easement to or for any public purpose whatsoever.

ARTICLE VI

Use

Section 1: No residence in the Covered Property shall be used for any commercial business or professional purpose whatsoever, provided, however, the Declarant may utilize a portion of the Common Area or one or more Residences which it owns for models or display purposes related to the selling or marketing on a commercial basis the Residences in the Covered Property or in the Total Development Area. The Association shall have the right to provide or authorize the use of the Common Area as it deems appropriate for the enjoyment of the Members, provided such use is not for single commercial operation of any sort exceeding seventy-two (72) consecutive hours in any calendar month.

Section 2: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used or occupied as a dwelling or residence, or for other use, either temporarily or permanently, except temporary non-residence structures used by contractors during the course of construction which shall be removed forthwith upon completion of the construction work. No trucks over one ton in size, campers, recreation vehicles, motorhomes, trailers, boats, unlicensed

vehicles or equipment, or other vehicles, devices or equipment in excess of fifty (50) feet in length shall be kept, parked in or upon any portion of a Residence between the street and the actual front yard set back line of the dwelling. If kept behind the actual front yard set back line, such items of property shall be obscured from view from the Covered Property to a height of six (6) feet.

Section 3: No dwelling house shall be constructed or maintained upon any lot in the Covered Property which shall have a living area, exclusive of garage, of less than one thousand (1,000) square feet, however, the Declarant's sales office may contain less than one thousand five hundred (1,500) square feet. In addition, no multi-level dwelling house shall have a ground level living area, exclusive of garage, of less than nine hundred (900) square feet. No dwelling house shall be more than two stories in height, with a maximum height of thirty (30) feet from ground to roof top. Every dwelling house must have a private, fully enclosed garage for at least two (2), but not more than four (4) automobiles. Stables, tack rooms and accessory buildings will only be allowed with the approval of the Association. The Association may require that any Lot less than one (1) acre in size have a fence around the rear yard area.

Section 4: All structures erected shall be built in a good, workman-like manner and be maintained in good condition. When the construction of any structure is commenced on any Lot, the owner thereof shall prosecute, with all reasonable diligence, the completion thereof and shall complete the construction thereof within twelve (12) months from the date of the issuance of the building permit or the commencement of the construction, whichever is earlier. Notwithstanding the issuance of a building permit by any governmental authority, no construction shall be commenced without the prior written approval of the Association, which shall have the powers and duties as set forth in this Declaration and the By-laws. This provision does not apply to beclarant.

Section 5: No Lot within the Covered Property shall be sub-divided into smaller lots or parcels to obtain additional building sites. This restriction shall expire upon the thirtieth (30th) anniversary of the recording of this Declaration or upon the majority vote of not less than eighty percent (90%) of the Members, whichever may first occur and the approval of Washoe County; provided, however, such restriction shall in no event be released before the tenth (10th) annual anniversary of the recording of this Declaration.

Section 6: No garbage, refuse, or obnoxious or offensive material shall be permitted to be stored or placed on the Covered Property, nor shall any noxious or offensive trade or activity be carried on upon any Residence or any area of the Covered Property or the Common Area, nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the community, or which shall in any way interfere with the

quiet enjoyment of each of the Members, or which shall result in any way in an increase in insurance rates. Declarant shall abide by this provision subject to standard construction industry standards.

Section 7: No external radio or television antennas, satellite dishes (except with the written approval of the Association), outdoor clotheslines, or wood or other fuel storage are permitted; and further, all refuse containers, woodpiles, storage areas, machinery or other equipment or items are prohibited from being stored outside a garage or dwelling home unless the same are obscured from view of adjoining streets or portions of the Covered Property to a height of six (6) feet. Any fence or other screen required shall be approved by the Association. This provision does not apply to Declarant. This provision does not apply to Declarant.

Section 8: With the exception of the Declarant's signs pertaining to the sale or rental of property within the Covered Property or the Total Development Area, no billboards, signs or advertising of any kind shall be erected or maintained upon any of the Covered Property without the written approval of the Association. However, any Member shall have the right to erect a sign of reasonable dimensions advertising their property for sale or rent.

Section 9: No poultry, goats, rabbits or other creatures of any kind, excepting only a reasonable number of usual household pets not being maintained or bred for commercial purposes shall be permitted in or upon any Residence. Horses and poses shall be permitted in or upon any Residence. Horses and early livestock shall only be permitted on lots in excess of one (1) acre and then only in compliance with all governmental laws, rules and regulations and provided that such horses and laws, rules are well cared for and properly penned so as not to livestock are well cared for and properly penned so as not to become an annoyance to neighbors or the neighborhood in general. Such horses and 4-H livestock shall be limited to horses, donkeys, mules, cattle and sheep, and shall not exceed a total of four (4) animals, in any combination. When not physically confined to the area within the perimeter of any lot, all pets or other animals permitted by this Section shall be on a leash or other suitable restraint.

ARTICLE VII

Rights of Lenders

Section 1: No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provision herein, shall affect, impair, defeat or render invalid the lien or charge of any mortgage made in good faith and for value encumbering a Residence, but all of said covenants, conditions and restrictions, including any obligations as a result of Association liens, shall be binding upon and effective against any such Mortgagee or owner whose title is derived through a foreclosure or trustee's sale, or otherwise, with respect to a Residence. respect to a Residence.

Section 2: A Mortgagee or immediate transferee of such Mortgagee, who acquires title through foreclosure or otherwise, shall not be obligated to cure any breach of the provisions of this Declaration which is non-curable. Curability shall be determined in the good faith judgment of the Association. Further, as to any breaches of this Declaration, such Mortgagee or immediate transferee shall have the obligation and a reasonable time after acquiring title to such a foreclosed Residence to cure other defaults, except then existing Association liens which are junior to the Mortgagee lien. Except as specifically provided hereinabove for senior foreclosing Mortgagees, nothing in this Section shall be construed to release any Member or owner of a Residence from his obligation to pay any fee or assessment, or perform any duty, pursuant to this Declaration.

Section 3: A Mortgagee, whether before or after foreclosure or the immediate transferee of a Mortgagee whose title is derived through a foreclosure proceeding, to protect and preserve their interest in the Residence, shall have the right insofar as the Association is concerned to:

- (a) Cure any default in the provision of this Declaration;
- (b) Pay property or other taxes, and pay any fees or other amounts due to the Association;
- (c) Upon acquiring title, vote and otherwise have all rights of a Member as set forth in this Declaration;
- (d) Inspect the books and records of the Association during normal business hours;
- (e) Receive, upon written request, copies of all notices of annual or special meetings of the Members or the Board of Directors of the Association, and notices of liens, assessments, charges or violations of this or related to this Declaration that have remained uncured for a period of ninety (90) days or more and which notices the Association is required hereunder to give to a Member in the event of a breach of the Member's obligations under this Declaration.

Section 4: Upon request, Mortgagees are hereby authorized by each Member, excluding the Declarant, to furnish information to the Association concerning the status of any mortgage.

Section S: As to any matter hereinafter set forth, the Association shall give written notice of such intended action at least sixty (60) days in advance of the intended action to each first Mortgagee. In the event written objections to such proposed action from more than fifty percent (50%) of the first Mortgagees are not received within that sixty (60) day period, the Association may proceed with the intended action, provided seventy-five percent (75%) of the Members vote in favor of such action.

- (a) Dissolve the Association or abandon or terminate the maintenance of the Common Area by the Association, if allowed by Washoe County;
- (b) Amend a material provision of this Declaration or other rights granted specifically to Mortgagees in this Declaration or any provision of this Declaration which is a requirement of PNMA, GNMA, FHIMC, FHA or VA;
- (c) Abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate, or otherwise encumber the Common Area consistent with the provisions of this Declaration, if allowed by Washoe County;
- (d) Enter into an agreement for professional management of the the Covered Property or the Association or any other contract or obligation which exceeds three (3) years.

In the event fifty percent (50%) or more of the first Mortgagess timely file their written objections with the Association, the Association shell be prohibited from undertaking the proposed

ARTICLE VII

Duties and Powers of Association

Section 1: The Association known as the Sky Ranch North Homeowners Association shall be a non-profit corporation established under the laws of the State of Nevada. The Association shall have the powers emmerated in its Bylaws and Articles, shall have authority to take all action reasonably necessary shall have authority to take all action reasonably necessary although not specifically enumerated for the implementation and although not specifically enumerated for the implementation and enforcement of any provisions of this Declaration, and without limiting the generality thereof, the powers and duties set forth in this ARTICLE.

Section 2: The Association through its Board of Directors, or other representative shall have the following general duties and obligations:

- (a) Implement and enforce the provisions of this Declaration;
- (b) Carry out the obligations and functions of the Association hereunder;
- maintain and protect all real property. (c) Repair, maintain and protect all real property, easements and other real property interest, Common Area facilities, and all personal property or personal property rights in which the Association holds an interest, subject to the terms of any instrument transferring such property to the Association;

- (d) Pay any taxes, insurance premiums, utility bills, or other expenses of the Association relating to the Common Area or to any duty or obligation of the Association;
- (e) Employ a manager or such other persons, subcontract or otherwise provide for such persons, technicians, professionals or other services, as may be deemed necessary or appropriate by the Association to fulfill its duties hereunder;
- (f) Acquire, sell, improve, reconstruct or otherwise deal with the Association's property or property requirements, subject to any limitation elsewhere set forth in this declaration; borrow money, provide services, impose fees, dues or liens, and undertake other actions relating to the Association's duties under this Declaration, subject to any limitation elsewhere set forth herein;
- (g) belegate such of its duties as the Board of Directors of the Association may deem appropriate:
- (h) Adopt, amend and repeal such rules and regulations as the board of Directors of the Association deems reasonable, which may include assessments, fines and penalties, notices, enforcement hearings or other procedures, use of the Common Area, construction and architectural approvals and related matters, use of the Residences, and any such other matters as may be appropriate or necessary for the Association to accomplish its duties and obligations under this beclaration. Such rules shall be made available to each Member; and
- (i) The Association shall have prepared annually an audited statement of its financial transactions for the preceding year and of its current financial condition. Such audited statement shall be promptly furnished to Members, with one copy at the Association's expense to each Residence.

In the event of any conflict between any of the above powers and a limitation set forth elsewhere in this Declaration, the more limiting provision shall apply. Nothing herein shall be construed to place upon the Association the duty or obligation to pay any mortgage, taxes or insurance, or any other expenses or charge, make any repairs or otherwise affirmatively act with respect to the maintenance or preservation of any Residence, any structure or other property on a Residence, or to bring such Residence into compliance with this Declaration in any respect whatsoever.

Section 3: The Association, or its delegate, shall be responsible for all construction and architectural control in or upon the Covered Property. To that end, the following duties and powers apply:

- (a) For the purpose of further insuring the development of the Covered Property as an area of high standard, the power is reserved to control the buildings, structures and other improvements placed on each Lot, as well as to make such exception to these reservations and restrictions as the Association shall deem necessary and proper, whether or not provision therefor is specifically stated in any conveyance of a Lot hereinafter made, and the owner of each and every Lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees that no building, wall or other structure shall be placed upon such Lot unless and until the plans and specifications therefor and plot plan have been approved in writing by the Association. Each such building, wall or structure shall be placed on the premises only in accordance with the plans and specifications and plot plans so approved. Refusal of approval of plans and specifications by the Association may be based on any ground, including any purely esthetic ground, which, in the sole and absolute discretion of the Association, shall seem sufficient. No alteration in the exterior appearance of the buildings or structure shall be made without like approval;
- (b) The Association shall examine and approve or stipulate reasonable changes or alteration in plans for any structure, dwelling unit, outbuilding, pool, hedge, fence, or wall to be constructed on any Lot. Said changes or alterations in plans duly submitted to the Association shall be made only in the best and continuing interest of maintaining a superior tone and quality of architecture through out the subdivision. Further, the Association shall have the power to establish its own internal rules and regulations and procedural details regarding these matter;
- (c) No dwelling unit, garage, outbuilding, fence, wall, retaining wall or any type of construction activity, including grading and/or removal of natural cover, shall be commenced or placed upon any Lot until two (2) complete sets of plans and specifications thereof, including front, side and rear elevations, along with floor plans for each floor and basement, exterior color scheme thereof, and plot plan indicating and establishing topography and the exact location of all structures, including landscape details, shall have first been submitted in writing to the Association for approval, and said approval obtained in writing from the Association. Said approval will be effected by the endorsement of the Association on both sets of plans, one set of which will be retained by the Association and one set returned to the lot owner. A filing fee of \$100.00, or such amount as shall be determined by the Board of Directors, but in no event greater than .5% of the construction costs for said dwelling unit, shall accompany such submittal.

Approval by the Association of any plan or specification shall not prevent the Association from withholding its approval of an identical plan or specification, or part thereof when subsequently or additionally submitted for approval by the same or any other owner. Approval by the Association of any plan or specification submitted to it for approval shall not cause the Association, or its members, to be liable to any person in any way.

- (d) If any redecorating or alterations of the exterior of any existing structure be proposed without remodeling or adding to or effecting structural changes in any existing structure, it shall be necessary only to file an exterior color scheme of such changes and to receive written approval of the Association prior to commencing such work. When exterior redecoration, alteration, additions or remodeling effect structural changes, the provisions of Paragraph (c) must be met, and the submission is further subject to the provisions of Paragraph (e).
- (e) Approval by the Association of any given plan, plans, alterations, or change may be withheld due to noncompliance with any of the specific requirements of this Declaration of Restrictions, or due to reasonable disapproval of the Association as to the location of the building site upon any Lot, appearance, construction materials to be used therein or thereon, the Lot grading plan, the harmony of a proposed structure site with the surrounding area and homes, and the influence or effect any structure may have upon the view or outlook of adjacent and/or neighboring homes.
- (f) No fence, boundary wall, hedge, or hedge-like shrub planting shall be constructed, or planted or permitted until the plans for such fence, boundary wall, hedge, or hedge-like shrub planting have been approved in writing by the Association.
- (g) All utility connections and service lines will be installed underground, including electrical service, water service, gas service, community antenna cable and telephone cable, in accordance with accepted construction and utility standards.
- (h) Within six (6) months of completion of the main dwelling unit, such lot shall be landscaped from the curb line to the front building line in a manner suitable to the character and quality of the development and as set forth on the approved building plan; all landscaping shall be maintained to harmonize with and sustain the attractiveness of the development. Within twelve (12) months, the rear yard areas shall be suitably landscaped. Rear yard landscaping requirements do not apply to lots in excess of one(1) are in size.

- (i) No wall, fence, hedge or shrub plant that obstructs lines at elevations between three (3) and six (5) feet above the street shall be placed or allowed to remain on any corner lot within the triangular area formed by the street property lines and lines connecting them at points twenty-five (25) feet from the intersection of the street property lines extended. No tree shall be permitted to obstruct an intersection unless the foliage line is of such height that it does not obstruct intersection sight lines.
- (j) The exterior woodwork or other covering of all houses, buildings and structures erected or constructed on said property shall be of superior design and quality. At no time will the exterior of any houses, buildings, structures and fences by allowed to approach a state of esthetic deterioration such that they become a visual nuisance to the neighborhood. Exterior coverings and colors shall be approved by the Association.
- (k) The Association or its delegate may at reasonable times enter upon the Residence after notice to the Member, without being deemed guilty of trespass, to ascertain that such improvements are being built in compliance with the plans and specifications approved by the Association.

Section 4. The Association shall provide specifically for the perpetual funding for the maintenance of the common areas, fuel modification, firebreak areas and stormwater management and groundwater techarge systems is such is required by the Engineering Division of Washoe County.

The Declarant is not subject to this ARTICLE or to the Association's rules, regulations, powers or duties relating to construction or architectural control as to any construction or similar activity by Declarant on any Residence or other property in the Covered Property or the Total Development Area.

ARTICLE IX

Covenant For Repair and Maintenance

Section 1: The Association has the duty to maintain and otherwise protect and deal with the Common Area, and may also undertake maintenance or other actions relating to a Member's Residence when the Member is in default of any provision of this Declaration. To accomplish its duties and in addition to its other powers as set forth in this Declaration, the Association may make assessments, perfect liens and undertake other actions related to the same.

Section 2: Not less than thirty (30) days prior to the end of each calendar year, the Association shall estimate the net cash requirements for the ensuing year necessary for the

Association to operate and maintain the Common Area and its other properties; each Hember of commership shall be assessed an equal pro rata share of the amount so estimated. In addition, if the annual assessment is inadequate or anticipated to be inadequate, the Association may from time to time establish a special assessment to remedy such inadequacy and each Lot ownership shall be assessed for an equal pro rata share of any such special assessment. Each increase in the annual assessment shall not exceed ten percent (10%) of the previous year's assessment, however, a special assessment may be made in such amount as is necessary.

Section 3: Each Member shall also be assessed from time to time for all fines and penalties to which its owner is subject as a result of violation of the terms of this Declaration or any rules prescribed by the Association, and for any other liability, indebtedness or other obligation of the owner to the Association arising under any provisions of this Declaration or otherwise. In addition to the foregoing assessments, each Member shall also be assessed as necessary (including reasonable attorney's fees) costs incurred in collecting the foregoing assessments and interest at the rate of ten percent (10%) per year for the late payment of such assessments.

Section 4: The Association shall inform each Member in writing of all assessments against his ownership. The annual assessment shall be payable in equal quarterly installments in advance, on the first day of each quarter of the year to which such assessment pertains or at such times as the Association shall otherwise prescribe. Special and individual assessments shall be payable in full on the first day of the first month next following the date on which the Member is informed of such assessment, unless other provision is made therefor. An assessment upon any Residence shall be a debt of the owner thereof at the time the assessment is made.

Section 5: All assessments shall be payable in the amount specified in the assessment and no off-sets shall be permitted for any reason whatsoever, the assessment being solely independent of any other obligation, right or claim of any Hember. The Association shall also include in its assessment or special assessment a reasonable amount to be collected as reserves for the future periodic maintenance, repair or replacement of all or a portion of the Common Area or other purpose as determined by the Association.

Section 6: The amount of any assessment, plus any other charges thereon, such as interest, costs, attorney's fees, and penalties, as may be provided for in this Declaration, shall be and become a lien upon the unit ownership assessed when the Association causes to be recorded with the County Recorder of Washoe County a Notice of Assessment, which shall state the amount of such assessment and such other charges as may be authorized by this Declaration, a description of the Lot against which the same has been assessed, and the name of the record

owner thereof. Such notice shall be signed by an authorized representative of the Association. Upon payment of said assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien therefor. Lien notices, cure and other procedures shall be set forth generally in the Association's rules.

Such lien shall be prior to all other liens recorded subsequent to the recordation of said notice of assessment, except that such liens shall be subordinate to any valid bona fide first mortgage which has previously been given in good faith and for value on any unit ownership covered by this Declaration. Unless sooner satisfied and released or the enforcement thereof initiated as hereafter provided, said lien shall expire and be of no further force and effect one (1) year from the date of recordation of said notice of assessment, provided, however, that said one (1) year period may be extended by the Association for a period not to exceed one (1) additional year by recording a written extension thereof. Such lien may be enforced by sale by the Association, its attorney or other persons authorized to make the sale, after failure of the Member to pay such an assessment in accordance with its terms; such sale to be conducted in accordance with the notices, periods of time and other provisions of law applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association shall have power to bid for the unit ownership at foreclosure sale and to hold, lease, mortgage and convey the same.

Section 7: The Association shall have the duty to purchase, carry and at all times to maintain in force, insurance to protect the interest of the Association, with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction and use; provided, however, that the Association shall not be obligated to insure any personal property or Members' Residences. Such insurance shall include, but not limited to:

- (a) Insurance against loss or damage by fire and hazards of Common Area facilities covered by a standard extended coverage endorsement in the amount which shall be equal to the maximum insurable replacement value. excluding foundation and excavation costs, as determined annually by the insurance carrier.
- (b) Public liability and property damage insurance on a broad form basis, including insurance against vandalism and malicious mischief.
- (c) A fidelity bond or bonds for all officers and employees of the Association having control over the receipt or disbursement of funds in such penal sums as shall be determined by the Association in accordance with its By-laws.

(d) Workmen's Compensation insurance to the extent necessary to comply with any applicable law.

Section 8: The payment of and the application of the insurance proceeds, if any, from any policy obtained by the Association pursuant to Section 7 hereof, or from any loss payable endorsement, shall be as follows:

- (a) For damage or destruction affecting the Common Area, all insurance proceeds shall be paid to a bank or trust company (hereinafter referred to as the "Insurance Trustee") designated by the Association according to its By-laws to be held in trust for the benefit of the owners, their Mortgagees or the Association, as their interests may appear; provided, however, that proceeds of five thousand and no/100 dollars (\$5,000.00) or less shall be paid to the Association to be used by it for repeir or reconstruction of the demage or destruction which such proceeds relate. The Association is authorized on behalf of the owners to enter into such agreement with the Insurance Trustee relating to the powers and duties of said Trustee as the Association may approve. Said Trustee must apply any proceeds to the repair or reconstruction of the damage or destruction to which the proceeds relate.
- (b) In any case in which proceeds of insurance exceed the cost of repair or reconstruction on account of damage or destruction to which such proceeds relate, the excess shall be turned over to the Members on a prorata basis or retained by the Association and shall be used by the Association to operate and maintain the project in accordance with its duties.

Section 9: Notwithstanding the provisions for insurance in Section 8 above, the Association and the Members are under the obligation of maintenance, repair and restoration set forth as follows:

- (a) The owner of each Residence shall, at his sole expense maintain, and in cases of damage or destruction, repair or restore the premises. All such repair or restoration shall be done substantially in accordance with original plans and specifications, or in accordance with any modifications thereof as approved by the Association.
- (b) The Association shall have the obligation to maintain at its expense, and in case of damage or destruction, shall repair or restore at its expense, the Common Area and all improvements thereon.
- (c) If the entire Common Area is substantially or totally destroyed, the Association shall obtain bids from three (3) contractors to restore the project as

nearly as possible to its condition immediately prior to its destruction. As soon as possible thereafter, the association shall hold a special meeting to consider bids. Unless there is a seventy-five percent (75%) or greater vote of the Association opposed to repair or restoration of the project, the project shall be restored according to the provisions of his ARTICLE. The Association may assess the Members for any difference between the costs of replacement or restoration and the insurance proceeds received, if any.

Section 10: If the Association undertakes any work which a Member is required to undertake pursuant to this Declaration, or any work which the Association may elect to undertake at the expense of the Member, as expressly provided herein, or when the Member fails to perform any obligations hereunder, the Association shall assess the Member for such work and shall so inform the Member thereof in writing; provided, however, that the assessment shall be reduced by the amount of any insurance proceeds paid to the Association as a result of damage to or destruction of the Residence involved. Such assessment shall be a lien upon the Member's Residence and may be foreclosed, as set forth in these covenants. If the amount of work proposed to be undertaken by the Association on a Member's Residence exceeds One Thousand and 00/100 Dollars (\$1,000.00), the Association may elect to proceed with the work and thereafter collect from the Member or the Association may perfect a lien against the Member's residence and upon collection therefrom proceed with the work.

Section 11: Any Residence or other property owned by the Declarant within the Covered Property is not subject to any assessment by the Association whether annual or special, fine, penalty or any other type of assessment until the fifteenth (15th) annual anniversary of the recording of this Declaration. Thereafter, any residence within the Covered Property owned by Declarant is subject to such assessments in the same amounts and manner as every other Residence in the Covered Property.

Section 12: (Insert specific language from condition #4 of use permit re: perpetual funding and maintenance of firebreaks and stormwater, etc.)

ARTICLE X

Annexation of Additional Property

Section 1: Declarant intends to sequentially develop the Total Development Area on a phased basis; however, Declarant may elect not to develop all or any part of such real property, to annex or remove such real property in increments of any size whatsoever from the provisions of this Declaration, or to develop more than one such increment at any given time and in any given order. Although Declarant shall have the ability to annex all or some of the Total Development Area as provided in this Article,

Declarant does not have an obligation to annex any or all of such property, and such property shall not become subject to this Declaration shall have been so executed and recorded.

Section 2: Declarant shall have the right to remove at any time and for any reason whatsoever any or all of the Total Development Area, which has at any time either by this Declaration or by Supplementary Declaration become a part of the Covered Property, from this Declaration. Any or all of such Covered Property, from the application of any provisions of property may be removed from the application of any provisions of this Declaration upon the Declarant executing and recording a Supplementary Declaration to that effect. Notwithstanding any-supplementary Declaration to that effect. Notwithstanding any-thing to the contrary herein, the Declarant shall not have the thing to the contrary herein, the Declarant shall not have the power or authority to remove from the application of this Declaration any increment of lots or Residences in which any Residence was sold to a third party while that particular increment was Covered Property. Thus, as to the initial Covered Property (15 lots), if one of those lots or Residences are sold Property (15 lots), if one of those lots or Residences are sold Property (15 lots) the Declarant may not remove any of the remaining fourteen (14) lots from the purview of this Declaration.

Section 3: Declarant may by Supplemental Declaration, subject to Section 2 of this ARTICLE, annex into or remove from this Declaration any of the Total Development Area property or any of the Covered Property, as the case may be, which Declarant then owns or as to which Declarant is authorized to so act, without any approval or vote of the Members or any other person or entity, provided that such Supplement Declaration is recorded on or before the fifteenth (15th) annual anniversary of the recording of this Declaration.

Section 4: Declarant may by Supplemental Declaration, designate an association, other than Sky Ranch North Homeowners Association, to be the "Association" for any subsequently annexed portion of the Total Development Area. Such property shall thereby be Covered Property within the context of this Declaration although the "Associations" will be two totally separate and distinct entities.

Section 5: The right to annex property into or remove it from this Declaration shall extend only and exclusively to SCOTT B. TUCKER and TIMOTHY O. TUCKER, unless all or a portion of such authority is assigned, in writing, to another person or entity.

ARTICLE XI

Total Development Area

Section 1: The Total Development Area is described in Exhibit "B" attached hereto. This represents the maximum amount of property which, at Declarant's election, may be annexed as part of Sky Ranch North and subject to this Declaration.

Section 2: Although some of the Total Development Area may not ever be annexed as part of Sky Ranch North and subject to this Declaration, in no event shall the Total Development Area be divided into more that a total of FOUR HUNDRED FIFTY (450) Residences, plus any Common Area parcels. This restriction shall expire or may be waived by the Members in accordance with Section 3, ARTICLE II of this Declaration.

ARTICLE XII

General Provisions

Section 1: The Declarant, the County of Washoe, Association or any Member shall have the right to enforce against any other Hember or Members by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendments thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation. The Declarant, Association or any Member shall also have the right to enforce by proceedings at law or in equity the provisions of the ARTICLES or Bylaws and any amendments thereto. However, with respect to architectural control and Association Rules, the Association shall have the exclusive right to the enforcement thereof. Where two or more Associations exist, one Association and its Members shall have no right to enforce this Declaration against another Association or the Members thereof.

Section 2: Pailure by the Declarant, Association or by any Member to enforce any covenant, condition or restriction herein contained, or the ARTICLES, Bylaws or Association Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition or restriction.

Section 3: All rights, options and remedies of Declarant, the Association, the Members or Mortgagees under this Declaration are cumulative and not one of them shall be exclusive of any other and Declarant, the Association, the Members and the Mortgagees shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

Section 4: Invalidation of any one or a portion of these covenants, conditions or restrictions by judgment or Court Order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5: The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Declarant, the Association or any Member, their respective legal representatives, heirs, successors and assigns, until January 1. 2023, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of

five (5) years, except as otherwise provided elsewhere in this Declaration or unless an instrument, signed by a majority of the then Members has been recorded at lease one (1) year prior to the end of any such period, agreeing to change said covenants, conditions and restrictions in whole or in part.

Section 6: The provisions of this Declaration shall liberally construed to effectuate its purpose of creating a plan for the development of a residential community or tract and for the maintenance of the Covered Property. The ARTICLE and Section headings have been inserted for convenience only and shall not be considered or referred to in resolving questions or interpretations or construction.

<u>Section 7</u>: Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 8: The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Declarant, Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

Section 9: In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorney's fees and costs of such suit.

Section 10: Any notice to be given to a Member or a Mortgages or mortgage servicing contractor under the provisions of this Declaration shall be in writing and may be delivered as follows:

- (a) Notice to a Member shall be deemed to have been properly delivered when delivered personally or piaced in the first class United States mail, certified mail, return receipt requested, with postage prepaid, to the most recent address furnished by such Member in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Member's Residence. Any notice so deposited in the mail within the County shall be deemed delivered forty-eight (48) hours after such deposit. In the case of Co-owners, any such notice may be delivered or sent to any one of the Co-owners on behalf of all Co-owners and shall be deemed delivery on all such Co-owners.
- (b) Notice to a Mortgagee or its mortgage servicing contractor shall be deemed to have been properly deliv-

ered when placed in the first class united States mail, certified mail, return receipt requested, with postage prepaid, to the address furnished to the Association by such Mortgagee or such contractor for the purposes of notice or, if no such address is furnished, to any office of the Mortgagee in the County, or if no such Mortgagee.

(c) The Affidavit of an officer or authorized agent of the Association declaring under penalty of perjury that a notice has been mailed to any Member or Co-Owner, to any Mortgagee or Mortgagees, or to all Members or all Mortgagees, to the address or addresses shown on the records of the Association, shall be deemed conclusive proof of such mailing, whether or not such notices are actually received.

Section 11: This Declaration is made for the purposes set forth in the RECITALS to this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 12: To the extent the acceptance of a conveyance of a Residence creates a personal covenant between the Owner of such Residence and Declarant or other Members, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an Owner except to the extent this Declaration may provide otherwise with respect to the payment of money to the Association.

Section 13: To the fullest extent permitted by law, neither the Board or any committee of the Association or any member of such Board or committee or any other authorized representative or Declarant shall be liable to any Member or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees, Declarant or other persons reasonably believed to be within the scope of their duties.

Section 14: Any agreement for the leasing or rental of a Residence (hereinafter in this Section referred to as a ("lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, the ARTICLES, the Bylows, the Association Rules and any applicable agreements between the Association and any of the Federal Agencies. Said lease shall further provide that any failure by the lessees thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. Any Member who shall lease his Residence shall be responsible for assuring compliance by such Member's lessee with

this Declaration, the ARTICLES, the Bylaws and the Association Rules; provided, however, the obligation of the foregoing sentence shall not apply to Declarant in the event Declarant leases a Residence for a term of ten (10) years of more and such lease or memorandum thereof is recorded. No Residence shall be leased for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days or any rental period whatsoever, if the occupants of the Residence are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen or bellboy service.

Section 15: Nothing in this Declaration shall limit the right of Declarant to alter the Common Area, or to construct such additional improvements as Declarant deems advisable prior to completion of improvements upon and sale of the Total Development Area, irrespective of whether all or a portion of the Common Area has been transferred to the Association. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Covered Property such structures and displays as may be reasonably necessary to the conduct of the business of completing the work and disposing of the same by sale, lease or otherwise. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Covered Property additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and sale of the Total Development Area. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. The rights of Declarant hereunder may be assigned to any successor or successors to all or part of said entity's respective interest in the Total Development Area, by an express assignment incorporated in a recorded deed or lease, as the case may be, transferring such interest to such successor. Declarant shall exercise its rights contained in this provision in such a way as not to unreasonably interfere with the Members' rights to use and enjoy the Covered Property.

<u>Section 16:</u> Subject to the other provisions of this Declaration, this Declaration may be amended as follows:

- (a) Until such time as there is a Class "A" Membership pursuant to this Declaration, amendments or modifications shall be effective when executed by Declarant and when recorded in the Official Records of the County. Thereafter any amendments shall require the affirmative written assent or vote of not less than sixty-six and two-thirds percent (66 & 2/3%) of the voting power of the Members.
- (b) An amendment or modification that requires the vote and written assent of the Members as hereinabove provided shall be effective when executed by the President and Secretary of the Association who shall certify that

the amendment or modification has been approved as hereinabove provided, and when recorded in the Official Records of the County.

- (c) Notwithstanding the foregoing, any provision of this Declaration of the ARTICLES, Bylaws or Association's Rules which expressly requires the approval of a specified percentage of the voting power of the Association for action to be taken under said provision can be amended only with the affirmative vote or written assent of not less than the same percentage of the voting power of the Association.
- (d) The provisions hereof to which the County has expressly been made a third party beneficiary shall not be amended without the written consent of the County, which written consent shall be evidenced by a written instrument duly recorded with the office of the County Recorder of Washoe County, Nevada.

Section 17: This Declaration specifically adopts the applicable provisions of NRS Chapter 116. If any conflict arises or exists between the terms of these Declarations and NRS Chapter 116, the provisions of NRS Chapter 116 will prevail.

Section 18: Declarant, member or residence owner shall not protest the formation of a sewer assessment district covering the Covered Property or Development Area for the purpose of installation of sewer systems or improvements.

Section 19: The County of Washoe. State of Nevada, or other political subdivision in which the Property may hereafter be located, ("the County") is hereby expressly made a third party beneficiary to the provisions of this Declaration for the limited purposes stated in portions of this Declaration. In this connection, the County shall have the right to enforce in a court of law the provisions of the paragraphs where its interests appear, and none of such paragraphs shall be amended in any material respect without the express written consent of the County having first been obtained.

Section 20: In the event the Association fails to enforce any of the provisions of this Declaration, then the County shall be entitled to commence an action to enforce such provisions by the levy of a special assessment equally against all of the Owners of the Project Lots, which special assessment shall be secured by a lien against all of the Project Lots. Notwithstanding the foregoing, the County shall be entitled to commence such action only after (i) the County has given reasonable notice (which shall be no less than 30 days) to the Association describing such violation, or if no Association is in existence, by publication of reasonable notice in a newspaper of general circulation in Washoe County, and (ii) the Association or the Owners of the Project Lots shall have failed to cure such violation within a reasonable time thereafter to the reasonable satisfaction of Washoe County.

BK3700PG0291

TIMOTHY O. TUCKER

as attorney in fact for His Ally -no fact
SCOTT B. TUCKER

All that portion of and lying within the exterior boundaries of SKY RANCH NORTH UNIT 2A, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada on March 11. 1992, as File No. 1552945, Tract Map No. 2826.

All lands included under Parcel 2 of DIVISION OF LAND MAP NO. 123, for SPANISH SPRINGS, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on February 14, 1990 as File No. 1380973.

Also known as Parcel No. 76-100-51 and all land included in Sky Ranch North Unit 2-A as recorded Document No. 1552945 on March 11, 1992, Tract Map No. 2826.

	receilly appeared 15 15 15 15 15 15 15 15 15 15 15 15 15	fotary l'ablic in and for said State.
4	and acknowledged to me that the subscribed tire name at Scott B. Tucker thereto as principal and B 118 own against as Attorney to fact.	
1	ITMESS or hape and assid soil,	SPREMENDE SPREMENTAN Monery Public - Santhe of Novembra Appaleural Records of Worker Co and Appaleural Comment of Page 10
~	SHIBERTE SHEEMAN Name (Typed or Printed)	
; 6#	rand (types of France)	allies, area for efficiel pergrapa erails
	STATE OF NEVADA)	
1700Ps0294	COUNTY OF WASHOE)	sonally appeared before me,
BK3700Ps0294	On March 29, 1993 per a Notary Public in and for said State and TINFORM O. TUCKER	ted the above instrument.
BK3700P60294	On March 29, 1993 per a Notary Public in and for said State and TINTONY O. TUCKER who acknowledged to me that he execut	ted the above instrument. SHEWITE SHEALON NEWLY SHEALON N
BK3700Ps0294	On March 29, 1993 per a Notary Public in and for said State and TINFORM O. TUCKER	ted the above instrument. SHEWITE SHEMICH SHEWITE SHEWITE SHEWITE SHEWITE SHEWITE SHEWITE

2100460 Apr 534-341-01-11 534-344-02-04 534-343-01-02

When Recorded Return To:

Tucher -S EN +LO. PO Box 2489 Ratio, NV 89505

THIRD SUPPLEMENTAL DECLARATION ANNEXING PROPERTY

This Third Supplemental Declaration is effective on this 11 day of MA1 1997, by SCOTT B. TUCKER and TINZOTHY O. TUCKER (Declarants).

RECITALS

On 3/29/93, Declaration recorded the Declaration of Covenants, Conditions, and Restrictions (Declaration) of SKY RANCH NORTH UNIT 2A as Document Number 1658900 official records of Washoe County, Nevada.

Pursuant to Article XI of said Declaration, Declarates desires to arrive additional property from Total Development area into the Covered Property.

NOW THEREFORE, Deciments, pursuant to the provisions of the Decimentors, decime as follows:

All property that lies within the boundaries of Sky Ranch North Unit 2C, excepting therefrom Lot 1, Block E, as recorded August 17, 1995 in the official records of Washoe County, Flevada, Document Number 1917094, commining +/- 21.25 scree.

Possess to the provisions of Article XI of the Declaration, Declarants hereby search the property described in Exhibit A from the sotal development area into the covered area of the Declaration.

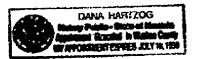
By Timothy O. Tucker, his Attorney-in-Fact

STATE OF NEVADA)
COUNTY OF WASHOE)

On this 21 day of Many.

1997, before me, the undersigned, a Notary Pullic in and for the County of weather, Store of Nevada, day commissioned and sweet, personally appeared TIMOTHY O. TUCKER, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he excluded the samp freely only voluntarily and for the uses and purposes therein mentioned.

Miles Hartson



2100460

OFFICIAL RECORDS
WASHOE CO. NEVADA
RECORD, REQUESTED BY
97 MAY 22 PM 12: 54

JOE MELCHER COUNTY RECORDER FEE DEP CS

BOD 8,-

When Recorded Roturn to:

Sky Ranch North Homeowners As, P.O. Box 2489 Repo. Ny 89505

FOURTH SUPPLEMENTAL DECLARATION ANNEXING PROPERTY

This fourth supplemental Declination is effective on this 5 Day of Fe Brand 1999, By TIMOTHY O. TUCKER (Declarate).

RECITALS

On 3/19/93, Declarants recorded the Declaration of Covenants. Conditions and Restrictions (Declaration) of SKY RANCH NORTH UNIT 2A as Document Number 1658900 official records of Wasters County, Nevada,

Furname to Article XI of said Deciaration, Declarant desires to amore additional property from the Total Development area into the Covered Property.

NOW THEREFORE, Declarate, purposes to the provingors of the Declaration, declare as follows:

EYLETT PA

All property that lies within the boundaries of Sty Ranch North Unit 2D as recorded on 4/8/97 in the official records of Washoe County, Nevada Document Number 2036/960, subdivision tract map #3364 containing 46,448 and excepting therefrom common area 'B' a 5.91 acre purcel..

Pursuant to the provisions of Article XI of the Declaration, Declaration bereby annes the property described in Exhibit A from the from the total desclopancia area into the covered area of the Declaration.

State of Novada

Timothy O. Tooker

County of Washoe

This instrument was acknowledged before the on $\frac{2/12/99}{}$

By Timothy O, Tucker

Dana Derte

DANA HARTZOG Notary Public - State of Nevada Appointment Paccorded in Washoe Course MY APPOINTMENT EXPIRES JULY 18, 1999

2306453

OFFICIAL RECORDS
WASHOE CO. SEVADA
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Timula To all
99 FEB 12 FH 1: 05

RATHRY'S GRAE
COUNTY RECORDER
FEE DEP DEP