

Amendment of Conditions & Special Use Permit **Broken Hills Subdivision**

Submitted to Washoe County

December 8, 2020

ORIGINAL

Prepared for

Toll Brothers

9433 Double Diamond Parkway

Reno, NV 89521

Prepared by



WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS

1361 Corporate Blvd • Reno, NV 89502 • Tel: 775.823.4068

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Section 1

Washoe County Development Application

Your entire application is a public record. If you have a concern about releasing personal information, please contact Planning and Building staff at 775.328.6100.

Project Information		Staff Assigned Case No.: _____	
Project Name: Broken Hills Subdivision			
Project Description: Request for a condition amendment to allow a density limit of 1 du/ac in accordance with the underlying Low Density Suburban (LDS) zoning district which requires a change to the Broken Hills development Conditions of Approval. This request also includes a Special Use Permit request to allow Detached Accessory Dwelling Units (DADUs) on up to 79 lots.			
Project Address: 0 Kinglet Drive, Washoe County, NV 89441			
Project Area (acres or square feet): 249.84 acres			
Project Location (with point of reference to major cross streets AND area locator): West of Kinglet Drive and W Calle De La Plata (directly west of Spanish Springs Airport property)			
Assessor's Parcel No.(s):	Parcel Acreage:	Assessor's Parcel No.(s):	Parcel Acreage:
089-621-01	249.84		
Indicate any previous Washoe County approvals associated with this application: Case No.(s). TM05-012 (Broken Hill Subdivision)			
Applicant Information (attach additional sheets if necessary)			
Property Owner:		Professional Consultant:	
Name: Barker-Coleman Investments/Broken Hill Ltd.		Name: Wood Rodgers, Inc.	
Address: 4785 Caughlin Parkway		Address: 1361 Corporate Blvd.	
Reno, NV	Zip: 89519	Reno, NV	Zip: 89502
Phone:	Fax:	Phone: 775-823-5258	Fax:
Email:		Email: shuggins@woodrodgers.com	
Cell:	Other:	Cell:	Other:
Contact Person: Rob Winkel		Contact Person: Stacie Huggins	
Applicant/Developer:		Other Persons to be Contacted:	
Name: Toll Brothers		Name:	
Address: 9433 Double Diamond Parkway		Address:	
Reno, NV	Zip: 89521		Zip:
Phone: 775-997-3055	Fax:	Phone:	Fax:
Email: llord@tollbrothers.com		Email:	
Cell:	Other:	Cell:	Other:
Contact Person: Laura Shedd		Contact Person:	
For Office Use Only			
Date Received:	Initial:	Planning Area:	
County Commission District:		Master Plan Designation(s):	
CAB(s):		Regulatory Zoning(s):	

Amendment of Conditions Application Supplemental Information

(All required Information may be separately attached)

Required Information

1. The following information is required for an Amendment of Conditions:
 - a. Provide a written explanation of the proposed amendment, why you are asking for the amendment, and how the amendment will modify the approval.
 - b. Identify the specific Condition or Conditions that you are requesting to amend.
 - c. Provide the requested amendment language to each Condition or Conditions, and provide both the **existing** and **proposed condition(s)**.

a. This request proposes to allow a density limit of 1 du/ac in accordance with the underlying Low Density Suburban (LDS) zoning district which requires a change to the Broken Hills development Conditions of Approval. Based on project acreage and proposed lot count, the original Tentative Map was approved with a density of 0.67 du/ac. Granting this request will not change the total number of lots but rather modify the density limit to 1 du/ac.

b. The Staff Report and/or Conditions of Approval do not specifically address the project density; therefore, no specific condition is requested to be amended. It should be noted that in accordance with the current LDS zoning, the maximum allowable density for this site is 1 dwelling unit per acre.

c. There is no specific amendment language to be modified as noted above.

2. Describe any potential impacts to public health, safety, or welfare that could result from granting the amendment. Describe how the amendment affects the required findings as approved.

The proposed Condition Amendment to modify the maximum allowed density within the Broken Hills development. In an effort to provide additional housing options to homebuyers and also maximize the density of the site, the developer is seeking to modify the original approval to increase the density up to 1 dwelling unit per acre (1du/ac) in accordance with the LDS zoning in place.

The request to increase the allowable density will not result in additional single family lots, but rather will allow, in conjunction with a special use permit, detached accessory dwelling units (DADUs) to be constructed on previously approved lots. The applicant understands that even with the additional DADU's, the maximum density cannot exceed 1 dwelling unit per acre.

Approval of this request will not affect the required findings as approved, as the project will remain consistent with the Washoe County Comprehensive Plan, Spanish Springs Area Plan and the Washoe County Development Code (refer to Section 2/Condition Amendment Findings in the Project Description of this application for a specific address to each finding), as well as meeting all conditions noted in the Final Action Order dated September 9, 2005.

Special Use Permit Application Supplemental Information

(All required information may be separately attached)

1. What is the project being requested?

A request to allow for Detached Accessory Dwelling Units (DADUs) on up to 79 lots within the approved Broken Hills development, per Allowable Land Use Requirements of the Spanish Springs Area Plan (SSAP).

2. Provide a site plan with all existing and proposed structures (e.g. new structures, roadway improvements, utilities, sanitation, water supply, drainage, parking, signs, etc.)

Provided with application.

3. What is the intended phasing schedule for the construction and completion of the project?

Per the original Tentative Map approval, the Broken Hills subdivision is proposed to be developed in two phases.

4. What physical characteristics of your location and/or premises are especially suited to deal with the impacts and the intensity of your proposed use?

Development of the site was previously approved under TM05-012 which addressed all utilities, roadway improvements, sanitation, water supply, drainage and other necessary facilities of which will remain unchanged as a result of this SUP. While the additional DADU's will increase the gross density, they will not result in any additional lots and all setback and lot standards previously approved with TM05-012 will remain in place.

5. What are the anticipated beneficial aspects or affects your project will have on adjacent properties and the community?

The primary benefit associated with allowing detached accessory dwelling units within the Broken Hills development is an additional opportunity for residents to provide additional space for aging parents or adult family members that desire to live at home but want their own space. An additional benefit to the DADU is that it doesn't require additional lots to be mapped; the unit is constructed on previously approved lots and therefore does not require services above what was previously approved.

6. What are the anticipated negative impacts or affect your project will have on adjacent properties? How will you mitigate these impacts?

No negative impacts or affects on adjacent properties are anticipated with approval of this request, as it will not result in additional lots. No changes are planned to the overall development area and all setbacks and lot standards previously approved will be maintained in accordance with the Final Action Order dated September 9, 2005.

7. Provide specific information on landscaping, parking, type of signs and lighting, and all other code requirements pertinent to the type of use being purposed. Show and indicate these requirements on submitted drawings with the application.

Design and construction of DADUs within the Broken Hills Subdivision will comply with all development standards within the Washoe County Development Code and the Conditions of Approval for the original Tentative map, including density/intensity standards, lot standards, building placement standards, parking requirements, landscaping and all other standards applicable to DADU development. This compliance is further demonstrated in the site and elevation drawings submitted with this request

8. Are there any restrictive covenants, recorded conditions, or deed restrictions (CC&Rs) that apply to the area subject to the special use permit request? (If so, please attach a copy.)

<input checked="" type="checkbox"/> Yes <i>Refer to Section 4 for Copy</i>	<input type="checkbox"/> No
--	-----------------------------

9. Utilities:

a. Sewer Service	Washoe County
b. Electrical Service	NV Energy
c. Telephone Service	AT&T or Charter Communications
d. LPG or Natural Gas Service	NV Energy
e. Solid Waste Disposal Service	Waste Management
f. Cable Television Service	Charter Communications
g. Water Service	Truckee Meadows Water Authority (TMWA)

For most uses, Washoe County Code, Chapter 110, Article 422, Water and Sewer Resource Requirements, requires the dedication of water rights to Washoe County. Please indicate the type and quantity of water rights you have available should dedication be required.

h. Permit #		acre-feet per year	
i. Certificate #		acre-feet per year	
j. Surface Claim #		acre-feet per year	
k. Other #		acre-feet per year	

Title of those rights (as filed with the State Engineer in the Division of Water Resources of the Department of Conservation and Natural Resources).

--

10. Community Services (provided and nearest facility):

a. Fire Station	Truckee Meadows Fire Station #46; 3 miles SE
b. Health Care Facility	Renown Medical Group - Los Altos Parkway; 5.5 miles south
c. Elementary School	Alyce Taylor Elementary School; 4 miles SE
d. Middle School	Yvonne Shaw Middle School; 2 miles SE
e. High School	Spanish Springs High School; 1.5 miles south
f. Parks	Eagle Canyon Park; 2 miles SE
g. Library	Spanish Springs Library; 5 miles south
h. Citifare Bus Stop	RTC Route 2; 7 miles south

Property Owner Affidavit

Applicant Name: Toll Brothers

The receipt of this application at the time of submittal does not guarantee the application complies with all requirements of the Washoe County Development Code, the Washoe County Master Plan or the applicable area plan, the applicable regulatory zoning, or that the application is deemed complete and will be processed.

STATE OF NEVADA)
)
COUNTY OF WASHOE)

I, Rob Winkel, as Manager of Barker-Coleman Investments Broken Hill, Ltd.
(please print name)

being duly sworn, depose and say that I am the owner* of the property or properties involved in this application as listed below and that the foregoing statements and answers herein contained and the information herewith submitted are in all respects complete, true, and correct to the best of my knowledge and belief. I understand that no assurance or guarantee can be given by members of Planning and Building.

(A separate Affidavit must be provided by each property owner named in the title report.)

Assessor Parcel Number(s): 089-621-01

Barker-Coleman Investments
Printed Name Broken Hill, Ltd.

Signed By: [Signature]

Address 4785 Caughlin Parkway
Reno, NV 89519

Subscribed and sworn to before me this
10TH day of NOVEMBER, 2020

(Notary Stamp)

[Signature]
Notary Public in and for said county and state



My commission expires: July 13, 2021

*Owner refers to the following: (Please mark appropriate box.)

- Owner
- Corporate Officer/Partner (Provide copy of record document indicating authority to sign.)
- Power of Attorney (Provide copy of Power of Attorney.)
- Owner Agent (Provide notarized letter from property owner giving legal authority to agent.)
- Property Agent (Provide copy of record document indicating authority to sign.)
- Letter from Government Agency with Stewardship

BARBARA K. CEGAVSKE
Secretary of State

KIMBERLEY PERONDI
Deputy Secretary for
Commercial Recordings

STATE OF NEVADA



**OFFICE OF THE
SECRETARY OF STATE**

Commercial Recordings Division
202 N. Carson Street
Carson City, NV 89701
Telephone (775) 684-5708
Fax (775) 684-7138

North Las Vegas City Hall
2250 Las Vegas Blvd North, Suite 400
North Las Vegas, NV 89030
Telephone (702) 486-2880
Fax (702) 486-2888

Business Entity - Filing Acknowledgement

09/17/2020

Work Order Item Number: W2020091702285 - 825729
Filing Number: 20200917712
Filing Type: Annual List
Filing Date/Time: 09/17/2020 15:21:32 PM
Filing Page(s): 2

Indexed Entity Information:

Entity ID: LLC18700-2004

Entity Name: BARKER-COLEMAN
INVESTMENTS BROKEN HILL, LTD.

Entity Status: Active

Expiration Date: 08/18/2504

Non-Commercial Registered Agent
ROBERT A WINKEL
4785 CAUGHLIN PARKWAY, RENO, NV 89519, USA

The attached document(s) were filed with the Nevada Secretary of State, Commercial Recording Division. The filing date and time have been affixed to each document, indicating the date and time of filing. A filing number is also affixed and can be used to reference this document in the future.

Respectfully,

A handwritten signature in black ink that reads "Barbara K. Cegavske".

BARBARA K. CEGAVSKE
Secretary of State



BARBARA K. CEGAVSKE
 Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov
www.nvsilverflume.gov

Annual or Amended List and State Business License Application

ANNUAL **AMENDED** (check one)

List of Officers, Managers, Members, General Partners, Managing Partners, Trustees or Subscribers:

BARKER-COLEMAN INVESTMENTS BROKEN HILL, LTD.

NAME OF ENTITY

NV20041189647

Entity or Nevada Business
Identification Number (NVID)

TYPE OR PRINT ONLY - USE DARK INK ONLY - DO NOT HIGHLIGHT

IMPORTANT: Read instructions before completing and returning this form.

Please indicate the entity type (check only one):

- Corporation
 - This corporation is publicly traded, the Central Index Key number is:

- Nonprofit Corporation (see nonprofit sections below)
- Limited-Liability Company
- Limited Partnership
- Limited-Liability Partnership
- Limited-Liability Limited Partnership
- Business Trust
- Corporation Sole

Additional Officers, Managers, Members, General Partners, Managing Partners, Trustees or Subscribers, may be listed on a supplemental page.

CHECK ONLY IF APPLICABLE

Pursuant to NRS Chapter 76, this entity is exempt from the business license fee.

- 001 - Governmental Entity
- 006 - NRS 680B.020 Insurance Co, provide license or certificate of authority number

For nonprofit entities formed under NRS chapter 80: entities without 501(c) nonprofit designation are required to maintain a state business license, the fee is \$200.00. Those claiming an exemption under 501(c) designation must indicate by checking box below.

- Pursuant to NRS Chapter 76, this entity is a 501(c) nonprofit entity and is exempt from the business license fee. Exemption Code 002

For nonprofit entities formed under NRS Chapter 81: entities which are Unit-owners' association or Religious, Charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C § 501(c) are excluded from the requirement to obtain a state business license. Please indicate below if this entity falls under one of these categories by marking the appropriate box. If the entity does not fall under either of these categories please submit \$200.00 for the state business license.

- Unit-owners' Association
- Religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. §501(c)

For nonprofit entities formed under NRS Chapter 82 and 80: Charitable Solicitation Information - check applicable box

Does the Organization intend to solicit charitable or tax deductible contributions?

- No - no additional form is required
- Yes - the "Charitable Solicitation Registration Statement" is required.
- The Organization claims exemption pursuant to NRS 82A 210 - the "Exemption From Charitable Solicitation Registration Statement" is required

****Failure to include the required statement form will result in rejection of the filing and could result in late fees.****



BARBARA K. CEGAVSKE
 Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov
www.nvsilverflume.gov

Annual or Amended List and State Business License Application - Continued

Officers, Managers, Members, General Partners, Managing Partners, Trustees or Subscribers:

CORPORATION, INDICATE THE <u>MANAGER</u> :			
BRETT D BARKER	USA		
Name	Country		
539 RIVERSIDE DRIVE	RENO	NV	89503
Address	City	State	Zip/Postal Code
CORPORATION, INDICATE THE <u>MANAGER</u> :			
BRETT E COLEMAN	USA		
Name	Country		
539 RIVERSIDE DRIVE	RENO	NV	89503
Address	City	State	Zip/Postal Code
CORPORATION, INDICATE THE <u>MANAGER</u> :			
KEITH RUSH	USA		
Name	Country		
3675 LAKESIDE DRIVE SUITE B	RENO	NV	89509
Address	City	State	Zip/Postal Code
CORPORATION, INDICATE THE <u>MANAGER</u> :			
ROBERT A WINKEL	USA		
Name	Country		
4785 CAUGHLIN PKWY	RENO	NV	89519
Address	City	State	Zip/Postal Code

None of the officers and directors identified in the list of officers has been identified with the fraudulent intent of concealing the identity of any person or persons exercising the power or authority of an officer or director in furtherance of any unlawful conduct.

I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X Brett Barker
 Signature of Officer, Manager, Managing Member,
 General Partner, Managing Partner, Trustee,
 Subscriber, Member, Owner of Business,
 Partner or Authorized Signer FORM WILL BE RETURNED IF

Manager	09/17/2020
Title	Date

UNSIGNED

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

BARKER-COLEMAN INVESTMENTS BROKEN HILL,
LTD.

Nevada Business Identification # NV20041189647

Expiration Date: 08/31/2021

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.

License must be cancelled on or before its expiration date if business activity ceases. Failure to do so will result in late fees or penalties which, by law, cannot be waived.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on 09/17/2020.

Barbara K. Cegavske

Certificate Number: B202009171082550

You may verify this certificate
online at <http://www.nvsos.gov>

BARBARA K. CEGAVSKE
Secretary of State

Washoe County Treasurer
 Tammi Davis

Bill Detail

[Back to Account Detail](#)
[Change of Address](#)
[Print this Page](#)

Pay By Check

Please make checks payable to:
WASHOE COUNTY TREASURER

Mailing Address:
 P.O. Box 30039
 Reno, NV 89520-3039

Overnight Address:
 1001 E. Ninth St., Ste D140
 Reno, NV 89512-2845

Change of Address

All requests for a mailing address change must be submitted in writing, including a signature (unless using the online form).

To submit your address change online [click here](#)

Address change requests may also be faxed to: (775) 328-3642

Address change requests may also be mailed to:
 Washoe County Assessor
 1001 E 9th Street
 Reno, NV 89512-2845

Washoe County Parcel Information		
Parcel ID	Status	Last Update
08962101	Active	11/25/2020 1:40:50 AM
Current Owner: BARKER-COLEMAN INVESTMENTS 3675 LAKESIDE DR STE B RENO, NV 89509		SITUS: 0 KINGLET DR WCTY NV
Taxing District 4000	Geo CD:	
Legal Description		
Range 20 Block Lot 2-A SubdivisionName BROKEN HILLS VILLAGE 1A Section Township 21		

Installments						
Period	Due Date	Tax Year	Tax	Penalty/Fee	Interest	Total Due
INST 1	8/17/2020	2020	\$0.00	\$0.00	\$0.00	\$0.00
INST 2	10/5/2020	2020	\$0.00	\$0.00	\$0.00	\$0.00
INST 3	1/4/2021	2020	\$0.00	\$0.00	\$0.00	\$0.00
INST 4	3/1/2021	2020	\$0.00	\$0.00	\$0.00	\$0.00
Total Due:			\$0.00	\$0.00	\$0.00	\$0.00

Tax Detail			
	Gross Tax	Credit	Net Tax
<u>State of Nevada</u>	\$624.35	\$0.00	\$624.35
<u>Truckee Meadows Fire Dist</u>	\$1,983.23	\$0.00	\$1,983.23
<u>Washoe County</u>	\$5,111.24	\$0.00	\$5,111.24
<u>Washoe County Sc</u>	\$4,181.31	\$0.00	\$4,181.31
<u>SPANISH SPRINGS WATER BASIN</u>	\$0.14	\$0.00	\$0.14
Total Tax	\$11,900.27	\$0.00	\$11,900.27

Payment History				
Tax Year	Bill Number	Receipt Number	Amount Paid	Last Paid
2020	2020525882	B20.43222	\$11,900.27	8/12/2020

The Washoe County Treasurer's Office makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. If you have any questions, please contact us at (775) 328-2510 or tax@washoecounty.us

This site is best viewed using Google Chrome, Internet Explorer 11, Mozilla Firefox or Safari.

Section 2

Project Description

Background

The Broken Hills development (TM05-12) was originally approved by Washoe County in September 2005 as a 170-lot common open space, single-family residential subdivision on a 243-acre portion of a 640-acre parcel. The first (5-lot) final map was recorded in September 2007 (Doc. 3573072), and an Extension of Time was granted in May 2008. A Development Agreement was entered in September 2009 (Doc 3801547) and subsequently amended in August 2019 (Doc. 4390547). Subsequently, in April 2019 an extension to the Development Agreement to August 2021 was granted. This request associated with the Broken Hills development are in conformance and consistent with the above entitlements and approvals.

Location

The project site is located within unincorporated Washoe County, in the Spanish Springs area. The 249.84±-acre site includes Washoe County Assessor Parcel Number (APN) 089-621-01. The site is located approximately 0.5 miles west of the intersection of W Calle De La Plata and Kinglet Drive, within the Spanish Springs Area Plan/Suburban Character Management Area.

The site is bounded by vacant land to the north, west and south. It is directly adjacent to Spanish Springs Airport property to the east, and existing residential development within the Eagle Canyon Subdivision to the southeast. (*refer to Vicinity Map, Assessor's Parcel Map and Site Aerial in Section 3 of this submittal packet*).

Project Request

This request includes:

- **An Amendment of Conditions** to allow a density limit of 1 du/acre in accordance with the underlying Low Density Suburban (LDS) zoning district which requires a change to the Broken Hills development Conditions of Approval, and;
- **A Special Use Permit** to allow Detached Accessory Dwelling Units (DADUs) on up to 79 lots within the approved Broken Hills development, per the Allowable Land Use Requirements of the Spanish Springs Area Plan (SSAP).

These concurrent requests are being made to allow the developer to construct DADUs on up to 79 lots of the 170 lots previously approved within the subdivision. The original tentative map included a number of lots that are large enough to accommodate DADUs with minimal impacts on the overall area. Additionally, DADUs offer homebuyers another option for housing without increasing the overall development area.

Washoe County Master Plan and Zoning

According to Washoe County mapping, the current master plan designation is Suburban Residential (SR) which conforms with the current zoning designation of Low Density Suburban (LDS) and General Rural (GR). The project site is bounded by vacant land to the north, west and south. It is directly adjacent to Spanish Springs Airport property to the east, and existing single family residential development within the Eagle Canyon Subdivision to the southeast (*refer to Section 3 of the submittal packet for Zoning and Master Plan Maps*). The site is within the Spanish Springs Planning Area/Suburban Character Management Area.

It should be noted that the Broken Hills development was approved as a common open space tentative map using setback standards that match those outlined for Medium Density Suburban (MDS) zoning districts. Any

Broken Hills Amendment of Conditions & Special Use Permit

new buildings associated with this request will meet the standards in accordance with the previously approved Tentative Map.

Project Details

As noted previously, the Broken Hills development was approved as a 170-lot common open space, single family residential development. The approved project included varying lot sizes ranging from 12,115 to 37,588 square feet, with an average lot size of 15,144 square feet. All of the lots within Broken Hills were designed and approved based on the MDS standards in terms of lot sizes and setbacks, which are consistent with nearby developments.

Condition Amendment

Although the Staff Report and/or Conditions of Approval do not specifically address the project density, as designed, the Tentative Map was approved with a density of 0.67 du/acre, which is below the maximum allowable density of 1 dwelling unit per acre in the LDS district.

In an effort to provide additional housing options to homebuyers and also maximize the density of the site, the developer is seeking to modify the original approval to increase the density up to 1 dwelling unit per acre (1du/ac) in accordance with the LDS zoning in place. The request to increase the allowable density will not result in additional single family lots, but rather will allow, in conjunction with a special use permit, up to 79 detached accessory dwelling units (DADUs). The additional DADUs will allow the site to be developed in accordance with the LDS standard of 1 du/acre, which is compatible with the surrounding area.

Special Use Permit

At the time of the original approval, the Broken Hills development was limited to traditional single family detached homes. In recent years, there has been an increased interest in detached accessory dwelling units (a.k.a. casitas) offering homebuyers additional options for family members living close together. To address this market trend, the developer is seeking approval to include DADUs on 79 of the 170 lots previously approved. By limiting the number of DADUs allowed, the subdivision will be in conformance with the density allowed per the underlying LDS zoning (1 du/ac). The proposed DADUs are permitted with approval of a SUP in the Spanish Springs Area Plan, and since this area has been planned (and approved) for residential uses for many years, necessary infrastructure was approved with the original Tentative Map.

As approved with the Broken Hills development (TM05-12), the lot pattern was prepared to be sensitive to project site slopes and respectful of the existing land use designations of the site. The addition of DADUs to the overall project will not have a detrimental impact on the approved lot pattern since the DADUs will be located behind or on the rear portion of the lot. The DADUs have been located behind the primary residence in an effort to minimize the visual appearance and make sure they blend with the overall environment.

In terms of setbacks, lot sizes and widths, as previously approved, the standards for lot size, lot width and setbacks were modified to meet the Medium Density Suburban (MDS) standards as allowed under the Common Open Space Development section of the Washoe County Code. With the exception of this request to increase the density and allow DADUs within the previously approved subdivision, the setbacks previously approved and noted in the Final Action Order dated September 9, 2005, will be applicable.

As indicated on the building elevations and floor plans included with this application, the DADU will be approximately 530 square feet in size and will include both a kitchenette and a bathroom. In terms of

architecture, the units will be designed using colors and materials that are consistent with the primary residence.

Note that these requests do not change the overall layout of the project, nor does it alter the site plan as approved. Granting these requests will not change the development intensity or magnitude of the approved project. If this request is granted, the project will be built as shown on the approved plans.

Findings

Condition Amendment

Granting this request will not impact the required findings as approved. Granting the amendment to allow the project to meet the underlying density as noted for LDS zoning will not result in additional single family houses or houses being built closer to other developments. The setback and lot standards previously approved with the project will remain in place as noted in the original conditions of approval.

Below is a summary of the required findings, as taken from the Action Order dated September 9, 2005 (*refer to Section 4*), with comments relevant to support the tentative map condition amendment.

Finding 1 Plan Consistency

Response: *This request to increase density in accordance with the underlying LDS zoning will have no impact on the County's Master Plan or the Spanish Springs Area Plan.*

Finding 2 Design or Improvements

Response: *This request to increase the density in accordance with the underlying LDS zoning will have no impact on the County's Master Plan or the Spanish Springs Area Plan.*

Finding 3 Type of Development

Response: *This request to increase the density in accordance with the underlying LDS Zoning will not change the use, type of housing, or the layout proposed for the site. The proposed increase to density will not result in additional lots and will only allow DADUs on 79 of the 170 approved lots. It should be noted that no changes are planned to the overall development area and all setbacks and lot standards previously approved will be maintained in accordance with the Final Action Order dated September 9, 2005.*

Finding 4 Availability of Services

Response: *Services were found to be available with the original Broken Hills development and this request to increase the density in accordance with the underlying LDS Zoning will have no impact on services for the area.*

Finding 5 Fish or Wildlife

Response: *This request to increase the density in accordance with the underlying LDS zoning will have no impact on wildlife or other environmental considerations.*

Finding 6 Public Health

Response: *This request to increase the density in accordance with the underlying LDS zoning will have no impact on public health. The proposed increase to density will not result in additional lots and will only allow DADUs on 79 of the 170 approved lots. It should be noted that no changes are planned to the overall*

development area and all setbacks and lot standards previously approved will be maintained in accordance with the Final Action Order dated September 9, 2005.

Finding 7 Easements

Response: This request to increase the density in accordance with the underlying LDS zoning will have no impact on existing or planned easements.

Finding 8 Access

Response: This request to increase the density in accordance with the underlying LDS zoning will have no impact on site access or access to surrounding property, including public lands.

Finding 9 Dedications

Response: This request to increase the density in accordance with the underlying LDS zoning will have no impact on any dedications planned or previously approved.

Finding 10 Energy

Response: This request to increase the density in accordance with the underlying LDS zoning will have no impact on energy usage, including passive or natural heating or cooling opportunities in the subdivision.

Special Use Permit

Granting this request to allow Detached Accessory Dwelling Units (DADUs) will not impact the previously approved Tentative Map or the surrounding area. Granting the special use permit to allow the developer to construct up to 79 DADUs as permitted in the Spanish Springs Area Plan will not result in additional lots. All setback and lot standards previously approved with the project will remain in place as noted in the original conditions of approval.

Below is a summary of the required findings for a special use permit, the Planning Commission, Board of Adjustment or a hearing examiner shall find that all of the following are true:

Finding (a) Consistency. The proposed use is consistent with the action programs, policies, standards and maps of the Master Plan and the applicable area plan;

Response: The request to allow DADUs is consistent with the current Master Plan designation of Suburban Residential and meets all applicable goals and policies of the Washoe County Master Plan and the Spanish Springs Area Plan.

Finding (b) Improvements. Adequate utilities, roadway improvements, sanitation, water supply, drainage, and other necessary facilities have been provided, the proposed improvements are properly related to existing and proposed roadways, and an adequate public facilities determination has been made in accordance with Division Seven;

Response: The original Broken Hills development addressed all utilities, roadway improvements, sanitation, water supply, drainage, and other necessary facilities of which will remain unchanged from the original approval. Surrounding infrastructure and public facilities are already adequately sized to handle the proposed density change as the request will not result in additional lots. The proposed addition of 79 DADUs will conform to the allowable density standards for Low Density Suburban land use (1 du/acre), and will not affect any of the abovementioned project attributes.

Finding (c) Site Suitability. The site is physically suitable for the type of development and for the intensity of development;

Response: The addition of DADUs to the project will be based on conformance with setback and lot standards that determine when and where DADUs will be located. Therefore, only sites with suitable conforming layout conditions will be utilized for the proposed changes.

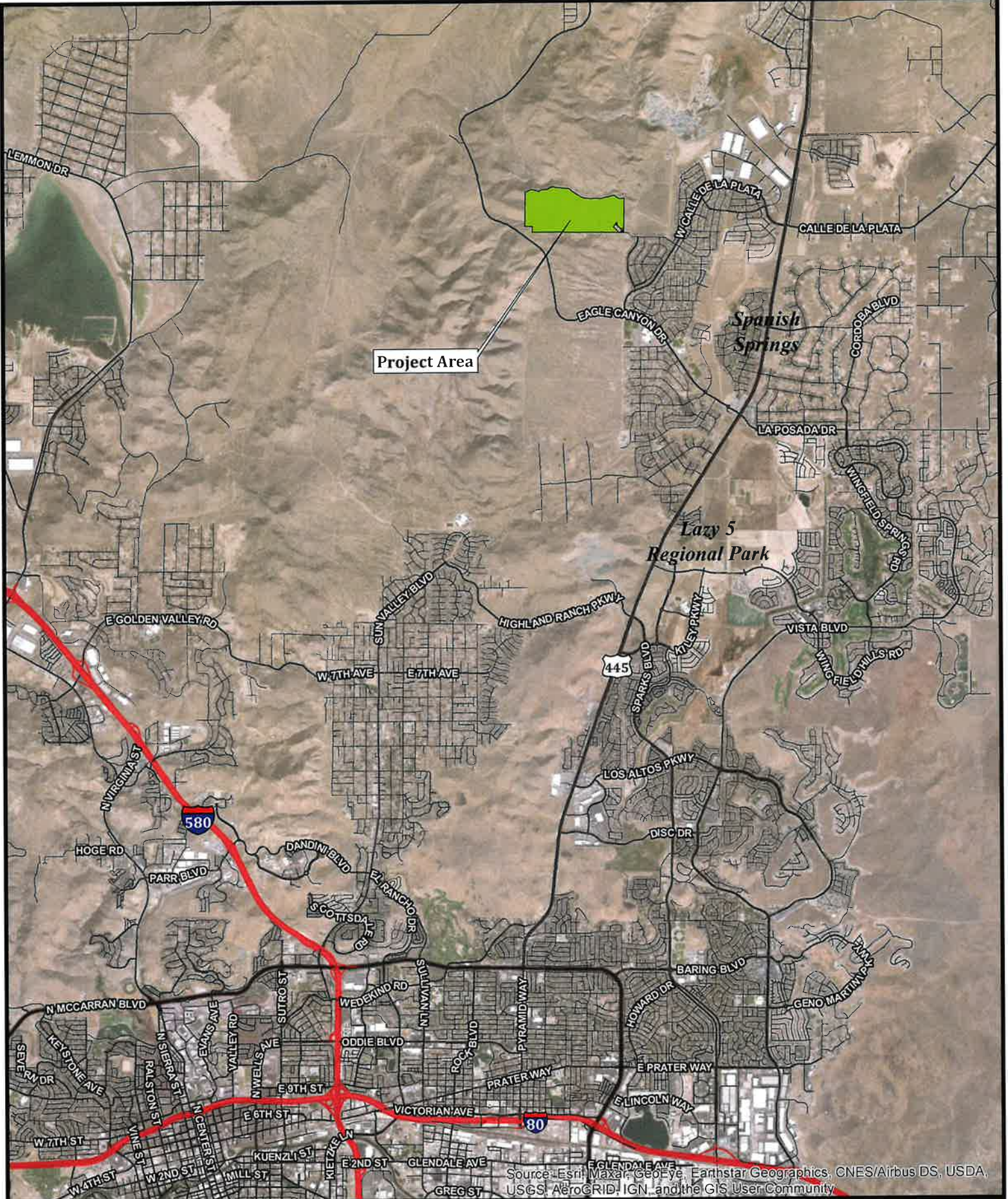
Finding (d) Issuance Not Detrimental. Issuance of the permit will not be significantly detrimental to the public health, safety or welfare; injurious to the property or improvements of adjacent properties; or detrimental to the character of the surrounding area; and

Response: The proposed DADUs will not be detrimental to public health, safety or welfare; injurious to the property or improvements of adjacent properties; or detrimental to the character of the surrounding area. As approved, the addition of DADUs in the Broken Hills development will provide additional housing options in an area that has been planned for residential development for many years. The site is characteristically suited for such development; as extensive residential development is already established in the area. The addition of allowances for up to 79 DADUs will not have a significant impact on the original planned outcome for the project.

Finding (e) Effect on a Military Installation. Issuance of the permit will not have a detrimental effect on the location, purpose or mission of the military installation.

Response: Not applicable to the project.

Section 3



Project Area

Spanish Springs

Lazy 5 Regional Park

580

445

80

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



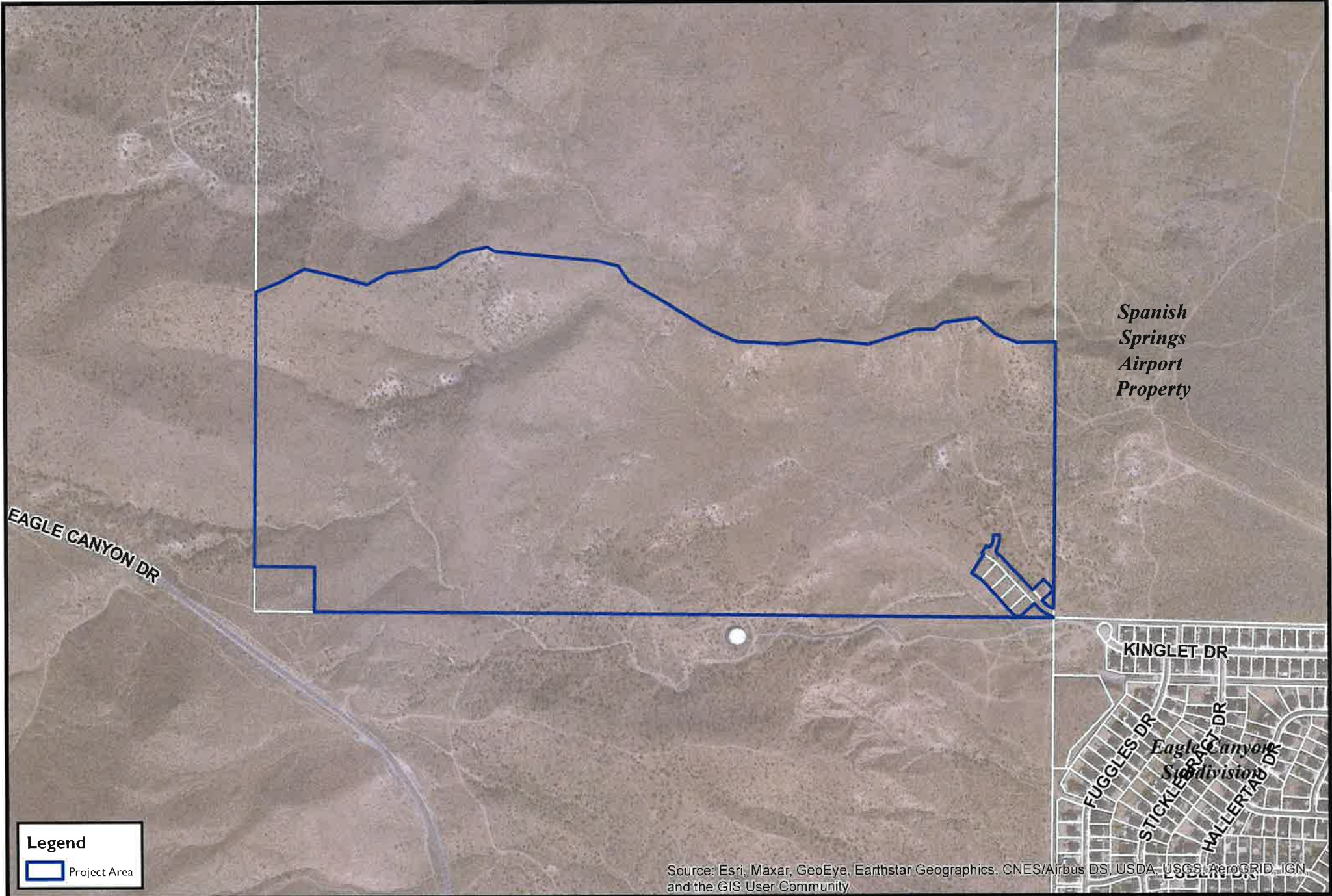
Vicinity Map

Broken Hills Amendment of Conditions & SUP

December 2020



WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1361 Corporate Boulevard Tel: 775.823.4068
 Reno, NV 89502 Fax: 775.823.4068



Legend

 Project Area

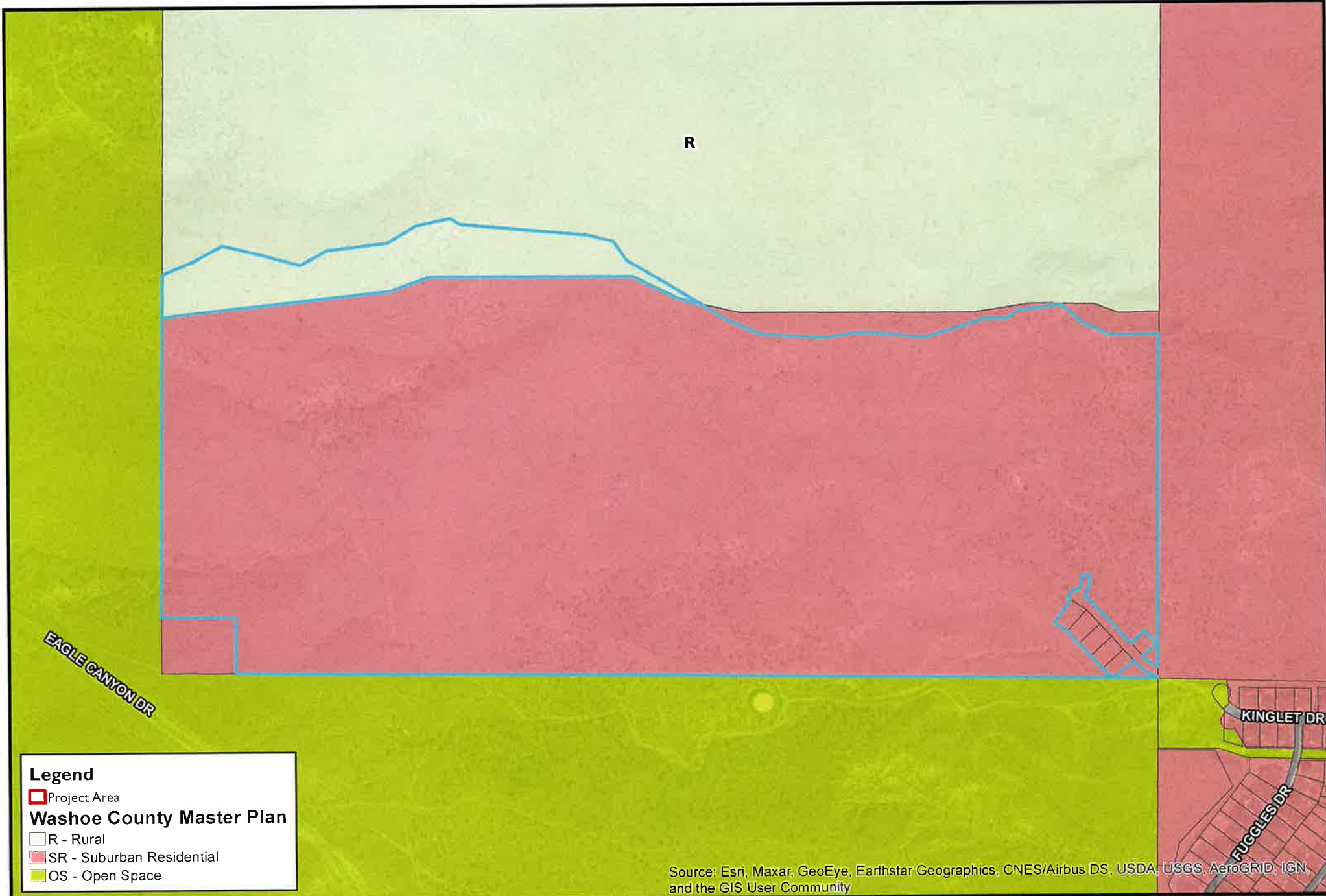
Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Aerial Map
Broken Hills Amendment of Conditions & SUP
 December 2020



WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1361 Corporate Boulevard Tel: 775.823.4068
 Reno, NV 89502 Fax: 775.823.4066



Legend

- Project Area
- Washoe County Master Plan**
- R - Rural
- SR - Suburban Residential
- OS - Open Space

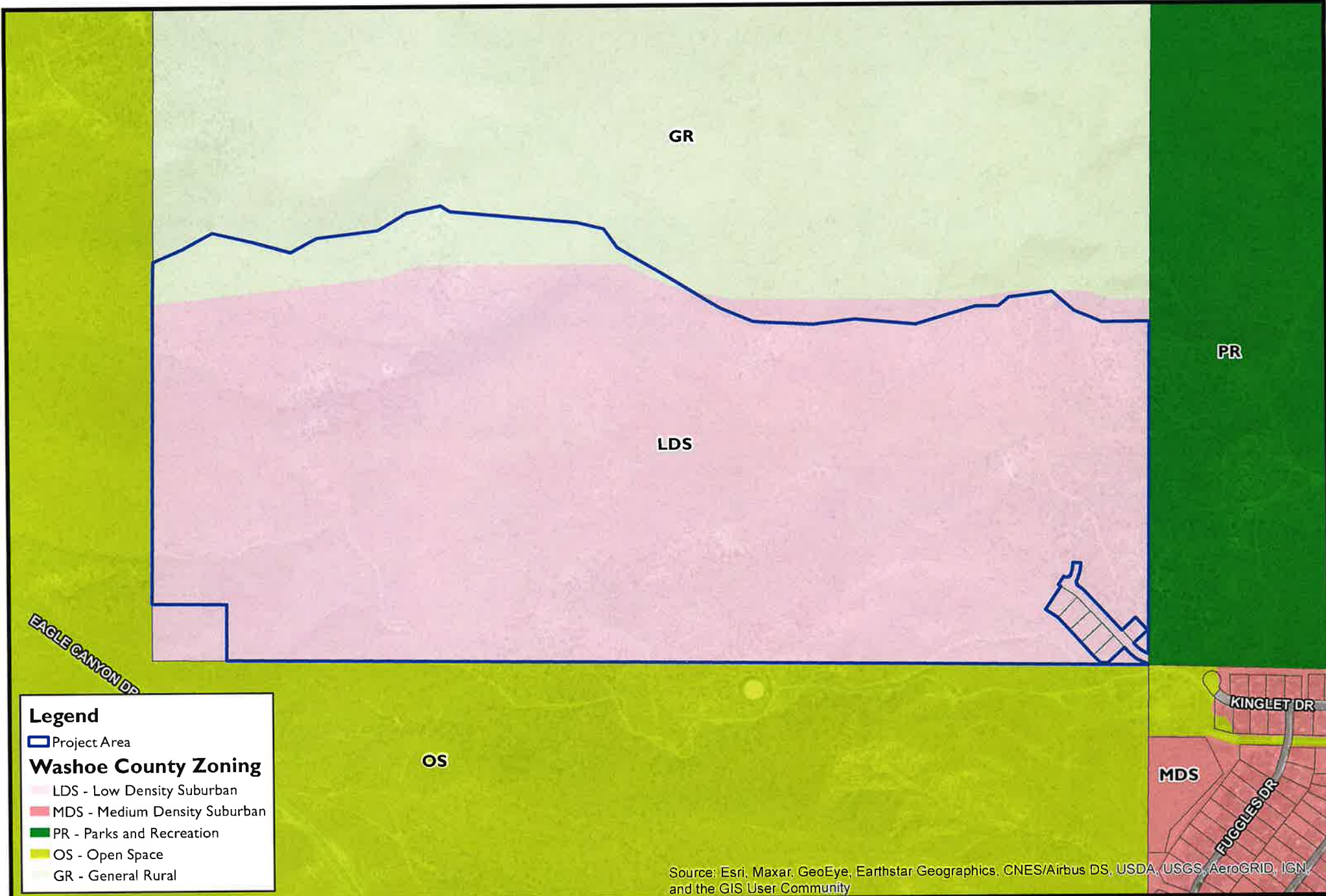
Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Master Plan/Land Use
Broken Hills Amendment of Conditions & SUP
 December 2020



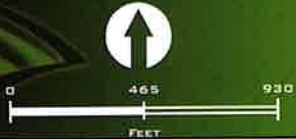
WOOD RODGERS
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 1361 Corporate Boulevard Tel: 775.823.4068
 Reno, NV 89502 Fax: 775.823.4066



Zoning

Broken Hills Amendment of Conditions & SUP

December 2020



WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1361 Corporate Boulevard Reno, NV 89502
 Tel: 775.823.4068 Fax: 775.823.4066

Assessor's Map Number
089-62

STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Joshua G. Wilson, Assessor
1001 East Ninth Street
Building D
Reno, Nevada 89512
(775) 328-2231



Feet
0 100 200 300 400

1 inch = 400 feet

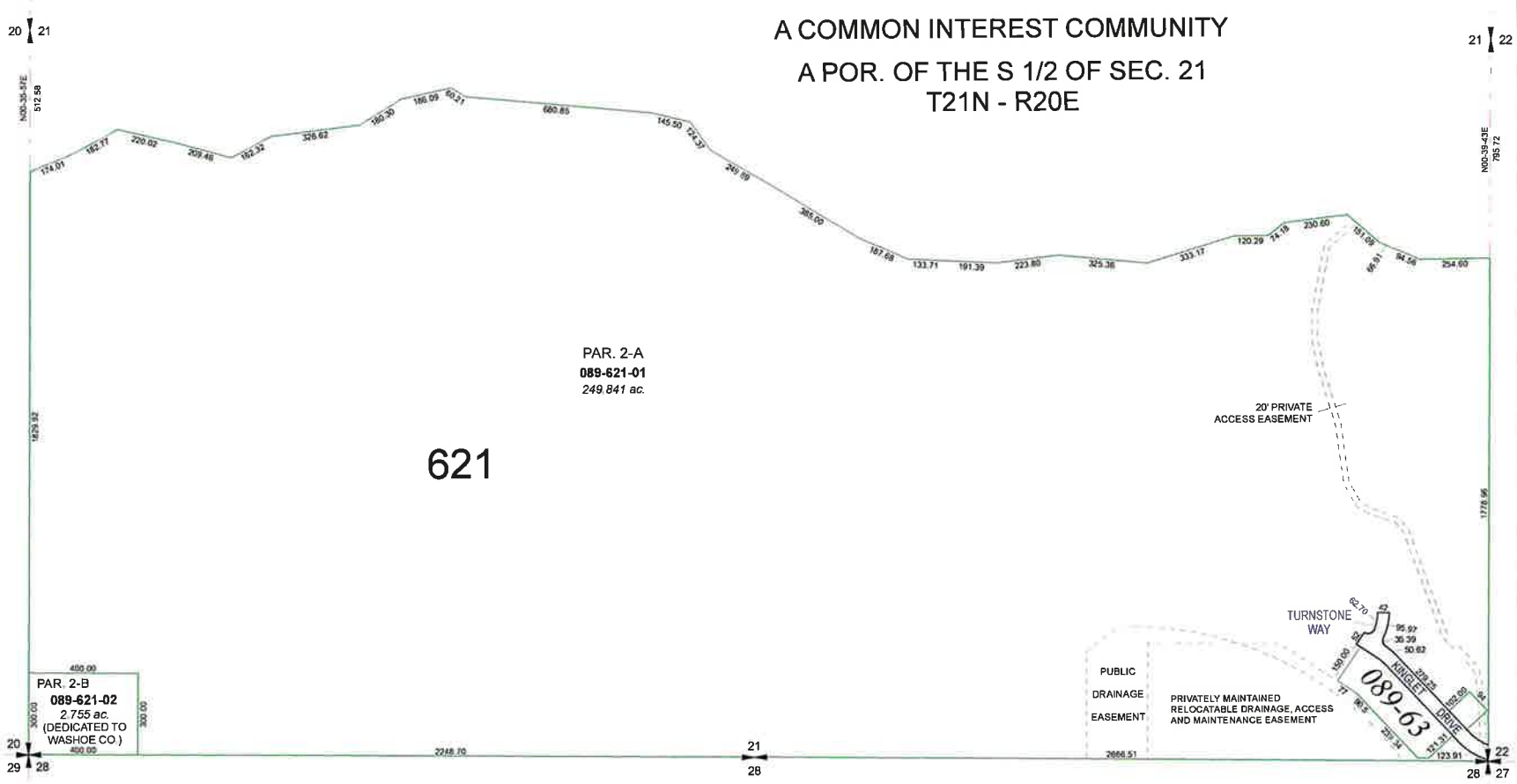


created by: TWT 11/30/2011
last updated:
area previously shown on map(s)
089-16

NOTE: This map was prepared for the use of the Washoe County Assessor for assessment and illustrative purposes only. It does not represent a survey of the premises. No liability is assumed as to the sufficiency or accuracy of the data delineated hereon.

(#4821) BROKEN HILLS VILLAGE 1A

A COMMON INTEREST COMMUNITY
A POR. OF THE S 1/2 OF SEC. 21
T21N - R20E



621

PAR. 2-A
089-621-01
249,841 ac.

PAR. 2-B
089-621-02
2,755 ac.
(DEDICATED TO
WASHOE CO.)

PUBLIC
DRAINAGE
EASEMENT

PRIVATELY MAINTAINED
RELOCATABLE DRAINAGE, ACCESS
AND MAINTENANCE EASEMENT

TURNSTONE
WAY

089-03

20

21

21

22

20

28

21

28

28

27

EXHIBIT FOR SPECIAL USE PERMIT FOR ACCESSORY STRUCTURES

BROKEN HILLS

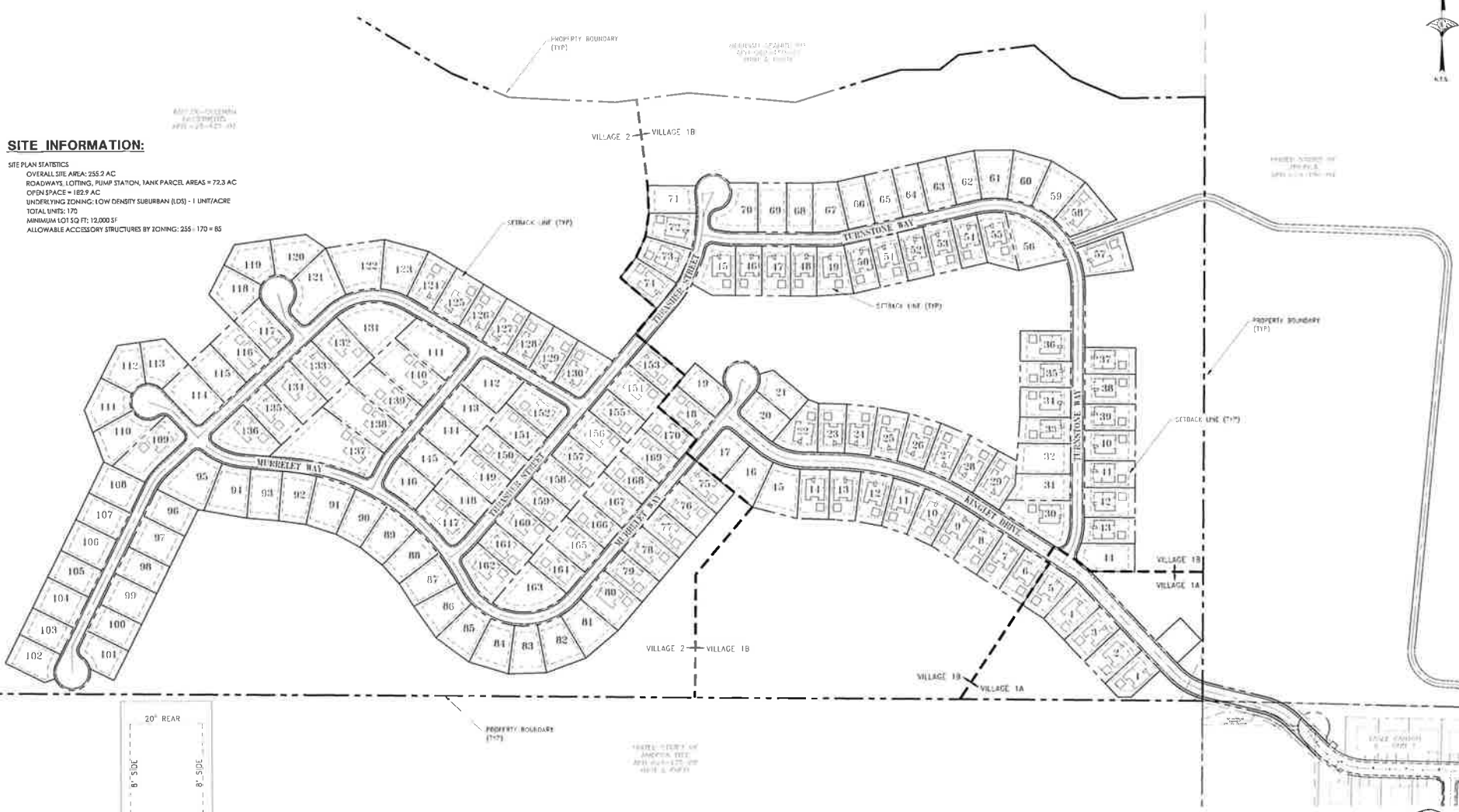
WASHOE COUNTY NEVADA

DECEMBER, 2020

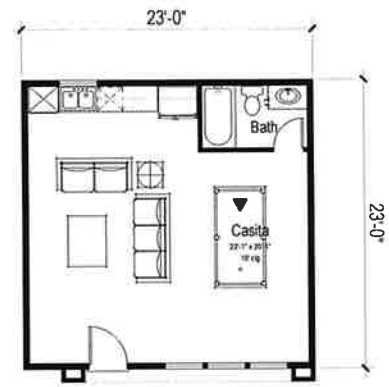
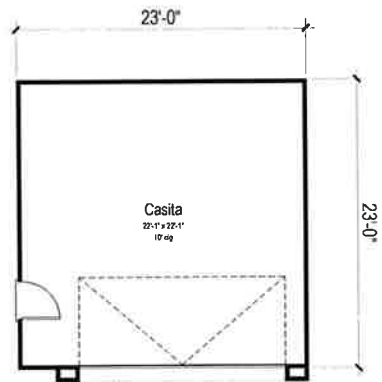


SITE INFORMATION:

SITE PLAN STATISTICS
 OVERALL SITE AREA: 355.2 AC
 ROADWAYS, LOTTING, PUMP STATION, TANK PARCEL AREAS = 72.3 AC
 OPEN SPACE = 182.9 AC
 UNDERLYING ZONING: LOW DENSITY SUBURBAN (LDS) - 1 UNIT/ACRE
 TOTAL UNITS: 170
 MINIMUM LOT SQ. FT.: 12,000 SF
 ALLOWABLE ACCESSORY STRUCTURES BY ZONING: 356 - 170 = 85

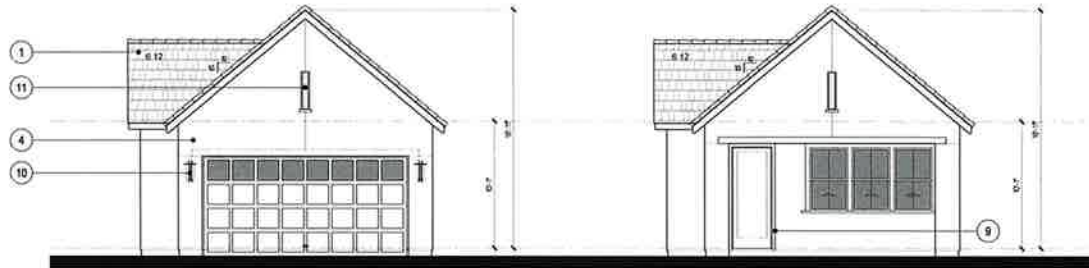


BROKEN HILLS - ACCESSORY STRUCTURE SUB

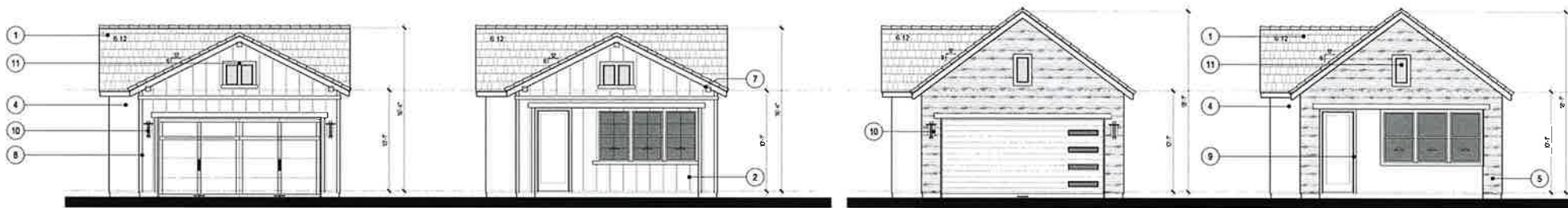


Building Materials List

- ① Asphalt Roof Shingles With Stucco Fascia
- ② Fiber Cement Board and Batten Siding
- ③ Fiber Cement Vertical Siding
- ④ Stucco
- ⑤ Wood Look Porcelain Tile
- ⑥ Shutters
- ⑦ Corbel
- ⑧ Fiber Cement Trim
- ⑨ Foam Trim
- ⑩ Exterior Lighting
- ⑪ Faux Gable End Vent



ELEVATION A - DESERT TERRITORIAL RANCH



ELEVATION B - TAHOE RANCH

ELEVATION C - DESERT CONTEMPORARY

Section 4



Community Development

"Dedicated to Excellence in Public Service"
Adrian P. Freund, AICP, Community Development Director



ACTION ORDER

September 9, 2005

Rob Winkel
Barker Coleman Development, LLC
4741 Caughlin Parkway
Reno, NV 89509

Broken Hill, LLC
Attn: Pierre Hascheff
1029 Riverside Drive
Reno, NV 89504

Dear Applicant and Property Owner:

As filed with the Department of Community Development, the Washoe County Planning Commission, at its regular meeting of September 6, 2005, approved the following, with seventy-three (73) conditions:

TENTATIVE SUBDIVISION MAP CASE NO. TM05-012 (BROKEN HILL SUBDIVISION) – To develop a 170-lot common open space, single-family residential subdivision on a 243-acre portion of a 640-acre parcel as authorized in Articles 608 and 408 of the Washoe County Development Code. The lots will range in size from 12,115 square feet to 37,588 square feet. The project is located west of Kinglet Drive and Calle De La Plata and directly west of the Spanish Springs Airport property. The ±640-acre parcel is designated Low Density Suburban (LDS) and General Rural (GR) in the Spanish Springs Area Plan, and is situated in a portion of Section 21, T21N, R20E, MDM, Washoe County, Nevada. The property is located in the Spanish Springs Citizen Advisory Board boundary and Washoe County Commission District No. 4. (APN 089-160-03)

The approval of the tentative subdivision map was based on the following findings:

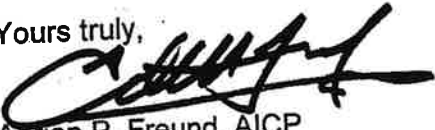
1. Plan Consistency. That the proposed map is consistent with the Comprehensive Plan and the Spanish Springs Area Plan;
2. Design or Improvement. That the design or improvement of the proposed subdivision is consistent with the Comprehensive Plan and the Spanish Springs Area Plan;
3. Type of Development. That the site is physically suited for the type of development proposed;

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 2

4. Availability of Services. That the subdivision will meet the requirements of Article 702, Adequate Public Facilities Management System;
5. Fish or Wildlife. That neither the design of the subdivision nor any proposed improvements is likely to cause substantial environmental damage, or substantial and avoidable injury to any endangered plant, wildlife or their habitat;
6. Public Health. That the design of the subdivision or type of improvement is not likely to cause significant public health problems;
7. Easements. That the design of the subdivision or the type of improvements will not conflict with easements acquired by the public at large for access through, or use of property within, the proposed subdivision;
8. Access. That the design of the subdivision provides any necessary access to surrounding, adjacent lands and provides appropriate secondary access for emergency vehicles;
9. Dedications. That any land or improvements to be dedicated to the County is consistent with the Comprehensive Plan;
10. Energy. That the design of the subdivision provides, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision; and
11. Reasoned Consideration. That the Planning Commissioners gave reasoned consideration to the information contained within the staff report and information received during the meeting.

Unless appeals are filed in the time period stipulated in the Washoe County Development Code, the decision by the Planning Commission is final.

Yours truly,



Adrian P. Freund, AICP
Director and Secretary to the Planning Commission

APF/TAL/cm (TM05-012f1)

xc: Melissa Lindell, Wood Rodgers, Inc. 6774 S. McCarran Blvd. Reno, NV 89509

Blaine Cartledge, District Attorney's Office; Marge Claussen, Assessor's Office; Steve Churchfield, Chief Appraiser, Assessor's Office; Walt West, Engineering; J.L. Shaffer, Vector Control, Environmental Health Division; Bryan W. Tyre, Environmental Health Division; Nevada Division of Environmental Protection, 333 West Nye Lane, Suite 138, Carson City, NV 89706; Chair, Spanish Springs Citizen Advisory Board

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
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STANDARD CONSIDERATIONS FOR SUBDIVISIONS
Nevada Revised Statutes 278.349

Pursuant to NRS 278.349, when contemplating action on a tentative subdivision map, the governing body, or the planning commission if it is authorized to take final action on a tentative map, shall consider:

- (a) Environmental and health laws and regulations concerning water and air pollution, the disposal of solid waste, facilities to supply water, community or public sewage disposal and, where applicable, individual systems for sewage disposal;
- (b) The availability of water which meets applicable health standards and is sufficient for the reasonably foreseeable needs of the subdivision;
- (c) The availability and accessibility of utilities;
- (d) The availability and accessibility of public services such as schools, police and fire protection, transportation, recreation and parks;
- (e) Conformity with the zoning ordinances and master plan, except that if any existing zoning ordinance is inconsistent with the master plan, the zoning ordinance takes precedence;
- (f) General conformity with the governing body's master plan of streets and highways;
- (g) The effect of the proposed subdivision on existing public streets and the need for new streets and highways to serve the subdivision;
- (h) Physical characteristics of the land such as floodplain, slope and soil; and
- (i) The recommendations and comments of those entities reviewing the tentative map pursuant to NRS 278.330 and 278.335.

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 4

**CONDITIONS FOR
TENTATIVE SUBDIVISION MAP CASE NUMBER TM05-012
BROKEN HILL SUBDIVISION**

(As approved by the Washoe County Planning Commission on September 6, 2005)

THE TENTATIVE MAP APPROVAL ALLOWS THE SUBDIVIDER TO PROCEED WITH FULFILLING THE CONDITIONS OF APPROVAL AND RECORD A FINAL MAP FOR ALL, OR PORTIONS OF, THE DEVELOPMENT WITHIN TWO (2) YEARS FROM THE DATE OF THE PLANNING COMMISSION ACTION. FAILURE TO RECORD THE FIRST FINAL MAP WITHIN TWO (2) YEARS OF THE PLANNING COMMISSION ACTION, OR FAILURE TO RECORD THE LATEST MAP IN A SERIES WITHIN ONE (1) YEAR AFTER THE DATE OF THE MOST RECENTLY RECORDED MAP, SHALL TERMINATE ALL PROCEEDINGS CONCERNING THE SUBDIVISION.

UNLESS OTHERWISE STATED, PRIOR TO FINALIZATION OF ANY PORTION OF THE TENTATIVE SUBDIVISION MAP, ALL CONDITIONS MUST BE MET OR FINANCIAL ASSURANCES TO ENSURE COMPLETION OF THE CONDITIONS MUST BE PROVIDED. THE AGENCY RESPONSIBLE FOR DETERMINING COMPLIANCE WITH A SPECIFIC CONDITION SHALL DETERMINE WHETHER THE CONDITION MUST BE FULLY COMPLETED OR WHETHER THE APPLICANT SHALL BE OFFERED THE OPTION OF PROVIDING FINANCIAL ASSURANCES.

A COPY OF ALL AGREEMENTS, EASEMENTS OR OTHER DOCUMENTATION REQUIRED BY THESE CONDITIONS SHALL BE FILED WITH THE DEPARTMENT OF PUBLIC WORKS AND/OR THE DEPARTMENT OF COMMUNITY DEVELOPMENT.

THE DEVELOPER SHALL MEET WITH THE ENGINEERING DIVISION, DEPARTMENT OF WATER RESOURCES AND THE DEPARTMENT OF COMMUNITY DEVELOPMENT STAFF AT LEAST SIXTY (60) DAYS BEFORE THE ANTICIPATED DATE OF THE FINAL MAP RECORDATION TO REVIEW SCHEDULING, REQUIREMENTS, FINAL CONSTRUCTION DRAWINGS, AND DOCUMENTATION NECESSARY TO ADEQUATELY COMPLY WITH THE CONDITIONS OF APPROVAL AND THE APPLICABLE STATUTES, ORDINANCES, RULES, REGULATIONS AND POLICIES.

REQUESTS FOR EXTENSION OF TIME FOR SUBSEQUENT FINAL MAPS MUST BE SUBMITTED TO THE DEPARTMENT OF COMMUNITY DEVELOPMENT AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRATION DATE OF THE TENTATIVE SUBDIVISION MAP.

COMPLIANCE WITH THE APPLICABLE STATUTES, ORDINANCES, RULES, REGULATIONS AND POLICIES AND WITH THE CONDITIONS OF APPROVAL OF THIS TENTATIVE MAP IS THE RESPONSIBILITY OF THE DEVELOPER, ITS SUCCESSOR IN INTEREST, AND ALL OWNERS, ASSIGNEES AND OCCUPANTS OF THE PROPERTY, AND THEIR SUCCESSORS IN INTEREST.

A COPY OF THE FINAL ORDER FOR THE APPROVAL OF THE TENTATIVE MAP SHALL BE ATTACHED TO ALL PHASES/UNITS SUBMITTALS FOR FINAL MAP REVIEW SIXTY (60) DAYS PRIOR TO RECORDATION.

Letter to: Broken Hill Subdivision
 Subject: Tentative Subdivision Map No. TM05-012
 Date: September 9, 2005
 Page: 5

GENERAL CONDITIONS

1. The subdivision shall be in substantial compliance with the provisions of Washoe County Development Code Article 604, Design Requirements, and Article 608, Tentative Subdivision Maps.

Regulatory Zone for Review Purposes	Land Use Designations (Max. 1 unit/acre)
Minimum Lot Area Required	12,000 square feet
Minimum Lot Width	80 feet
Minimum Front Yard	20 feet
Minimum Side Yard	8 feet
Minimum Rear Yard	20 feet
Maximum Building Height	35 feet

Notes: Variances to these standards may be processed per Washoe County Code. The Department of Community Development shall determine compliance with this condition.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
 Where/How Condition is Satisfied: _____

2. Final maps and final construction drawings shall comply with all applicable statutes, ordinances, rules, regulations and policies in effect at the time of submittal of the tentative map or, if requested by the developer and approved by the applicable agency, those in effect at the time of approval of the final map.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
 Where/How Condition is Satisfied: _____

3. The subdivider shall present to Washoe County, a final map, prepared in accordance with the tentative map, for the entire area for which a tentative map has been approved, or one of a series of final maps, each covering a portion of the approved tentative map, within two years after the date of approval of the tentative map or within one year of the date of approval for subsequent final maps. On subsequent final maps, that date may be extended by one year if the extension request is received prior to the expiration date.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
 Where/How Condition is Satisfied: _____

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 6

4. Final maps shall be in substantial compliance with all plans and documents submitted with and made part of this tentative map request, as may be amended by action of the final approving authority. Substantial compliance shall be determined by the applicable agency and the Department of Community Development.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

5. Prior to acceptance of public improvements and release of any financial assurances, the developer shall furnish to the water and sewer provider(s) and the Engineering Division a complete set of reproducible as-built construction drawings prepared by a civil engineer registered in the State of Nevada.
6. The developer shall be required to participate in any applicable General Improvement District or Special Assessment District formed by Washoe County. The applicable division of the Department of Public Works shall determine compliance with this condition.
7. A note shall be placed on all grading plans and construction drawings stating:

NOTE

Should any prehistoric or historic remains/artifacts be discovered during site development, work shall temporarily be halted at the specific site and the State Historic Preservation Office of the Department of Museums, Library and Arts, shall be notified to record and photograph the site. The period of temporary delay shall be limited to a maximum of two (2) working days from the date of notification.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

8. The final map shall designate faults that have been active during the Holocene epoch of geological time and the final map shall contain the following note:

NOTE

No habitable structures shall be located on a fault that has been active during the Holocene epoch of geological time.

The Department of Community Development shall determine compliance with this condition.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 7

9. The developer shall provide written approval from the U.S. Postal Service concerning the installation and type of mail delivery facilities. The system, other than individual mailboxes, must be shown on the project construction plans and installed as part of the on-site improvements. The County Engineer shall determine compliance with this condition.
10. The developer and all successors shall direct any potential purchaser of the site to meet with the Department of Community Development to review conditions of approval prior to the final sale of the site. Any subsequent purchasers of the site shall notify the Department of Community Development of the name, address, telephone number and contact person of the new purchaser within thirty (30) days of the final sale.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

11. Any existing easements or utilities that conflict with the development shall be relocated, quitclaimed, and/or abandoned, as appropriate. The County Engineer shall determine compliance with this condition.
12. Any easement documents recorded for the project shall include an exhibit map that shows the location and limits of the easement in relationship to the project. The County Engineer shall determine compliance with this condition.
13. All lots shall maintain the minimum width and setback requirements of the Medium Density Suburban (MDS) regulatory zone. The Department of Community Development shall determine compliance with this condition.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

DRAINAGE AND GRADING

14. A complete set of construction improvement drawings, including an onsite grading plan, shall be submitted to the County Engineer for approval prior to finalization of any portion of the tentative map. Grading shall comply with best management practices and shall include detailed plans for grading and drainage on each lot, erosion control, slope stabilization and mosquito abatement. Placement or disposal of any excavated material shall be indicated on the grading plan.
15. The conditional approval of this tentative map shall not be construed as final approval of the drainage facilities shown on the tentative map. Final approval of the drainage facilities will occur during the final map review and will be based upon the final hydrology report.
16. Prior to finalization of the first final map, a master hydrology/hydraulic report and a master storm drainage plan shall be submitted to the County Engineer for approval.

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 8

17. Prior to the finalization of any portion of the tentative map, a final, detailed hydrology/hydraulic report for that unit shall be submitted to the County Engineer. All storm drainage improvements necessary to serve the project shall be designed and constructed to County standards and specifications and/or financial assurances in an appropriate form and amount shall be provided. The County Engineer shall determine compliance with this condition.
18. Standard reinforced concrete headwalls or other approved alternatives shall be placed on the inlet and outlet of all drainage structures, and grouted rock riprap shall be used to prevent erosion at the inlets and outlets of all pipe culverts. The County Engineer shall determine compliance with this condition.
19. The developer shall provide pretreatment for petrochemicals and silt for all storm drainage from the site. The County Engineer shall determine compliance with this condition.
20. Any increase in stormwater runoff resulting from the development and based on the 5- and 100-year storm(s) shall be detained. The County Engineer shall determine compliance with this condition.
21. The 100-year floodplain boundaries and flood elevations shall appear on each final map. If the floodplain boundary has been conditionally changed by a Federal Emergency Management Agency (FEMA) Conditional Letter of Map Amendment or Conditional Letter of Map Revision, the date of that letter and a note to that effect shall appear on the final map. The County Engineer shall determine compliance with this condition.
22. The Truckee Meadows Regional Stormwater Quality Management Program Construction Permit Submittal Checklist and Inspection Fee shall be submitted with each final map. The County Engineer shall determine compliance with this condition.
23. Drainage swales that drain more than two lots are not allowed to flow over the curb into the street; these flows shall be intercepted by an acceptable storm drain inlet and routed into the storm drain system. The County Engineer shall determine compliance with this condition.
24. A note on the final map shall indicate that all drainage facilities not maintained by Washoe County shall be privately maintained and perpetually funded by a homeowners association. As an alternative to a homeowners association, the developer may request the establishment of a County Utility Service Area under which fees would be paid for maintenance of the proposed storm drainage detention facility. The fee amount will be based on the additional service above that normally provided by the County to maintain new stormwater facilities dedicated by the developer (i.e., curb and gutter, drop inlets and piping). The County Engineer shall determine compliance with this condition. The maintenance and funding of these drainage facilities shall also be addressed in the CC&Rs to the satisfaction of the District Attorney's Office.
25. Maintenance access and drainage easements shall be provided for all existing and proposed drainage facilities. The County Engineer shall determine compliance with this condition.

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 9

26. A drainage route shall be provided for the potential overflow or drainage of the water tank. The route shall discharge to a drainage facility. The County Engineer shall determine compliance with this condition.
27. Street crossings of drainageways shall be designed with a minimum culvert diameter of 36" and an emergency overflow dip that prohibits stormwater overflows from traveling longitudinally in the street. Storm flows that overtop the street at these locations shall cross the street and continue to travel downstream in the drainageway. The County Engineer shall determine compliance with this condition.
28. Storm drain pipes and ditches shall outlet at the flow line of an existing drainageway. Adequate outlet protection and channel lining shall be provided to protect against erosion for the 100-year flows in all channels altered by the development. The County Engineer shall determine compliance with this condition.
29. Upstream erosion potential, drainageway sediment load and its effect on the proposed drainage facilities shall be addressed in both the master hydrology report and geotechnical report prior to approval of the first final map. Specific criteria for controlling the sediment and keeping drainage systems clear and functional during runoff events shall be provided. The County Engineer shall determine compliance with this condition.
30. A comprehensive maintenance plan shall be provided for any detention ponds, sediment basins or any other structures designed to collect sediment from stormwater runoff. The plan shall include specific time and sediment depth based criteria that triggers cleaning of the facilities. The maintenance plan shall be included in the CC&Rs. The County Engineer shall determine compliance with this condition.

TRAFFIC

31. Street names shall be reviewed and approved by the Regional Street Naming Coordinator. The County Engineer shall determine compliance with this condition.
32. All roadway improvements necessary to serve the project shall be designed and constructed to County standards and specifications and/or financial assurances in an appropriate form and amount shall be provided. The County Engineer shall determine compliance with this condition.
33. For any utilities placed in existing County streets, the streets shall be repaired to the satisfaction of the County Engineer. At a minimum, this will require full depth removal and replacement of asphalt for half the street width, or replacement of non-woven pavement reinforcing fabric with a 2" asphalt overlay for half the street width. Type II slurry seal is required for the entire street width with either option. Full width street improvements may be required if the proposed utility location is too close to the centerline of the existing street.
34. Streetlights shall be constructed to Washoe County standards at locations to be determined at the final design stage. The County Engineer shall determine compliance with this condition.

Letter to: Broken Hill Subdivision
Subject: Tentative Subdivision Map No. TM05-012
Date: September 9, 2005
Page: 10

35. The cul-de-sac bulb at the end of Kinglet Drive in Eagle Canyon II Unit 7 shall be removed, and Kinglet Drive shall be extended to the project site as a collector street with a normal crown. In accordance with the Broken Hills Traffic Analysis, the entire length of Kinglet Drive within the project shall be constructed to collector standards. The County Engineer shall determine compliance with this condition.
36. Documented access shall be provided to the northern portion of APN 089-160-03 that will remain undeveloped. The County Engineer shall determine compliance with this condition.
37. American Association of State Highway and Transportation Officials (AASHTO) clear zones shall be determined for and provided along the fill slopes adjacent to Street B and Street D at the drainageway crossings. The County Engineer shall determine compliance with this condition.
38. A sight distance analysis shall be done per AASHTO guidelines at the intersection of Street C and Street D, and sight distance easements shall be recorded as necessary. Sight distance easements will have restrictions on landscaping, fencing and structures. The County Engineer shall determine compliance with this condition.
39. To mitigate speeding in existing residential streets and to mitigate heavy loading on Fuggles Drive, the County shall require three speed humps or other traffic calming method to be placed on existing residential streets. If an alternate to speed humps is proposed, it must be acceptable to both the County Engineer and the Reno Fire Department. Two speed humps shall be placed on Fuggles Drive, one between Bramling Cross and Lublin and one between Lublin and Kinglet. One speed hump shall be placed on Kinglet between Sticklebract and Weizen. The speed hump placed on Kinglet should be a "speed cushion," which looks like a speed hump with two breaks in the middle so a fire truck can straddle the centerline and be unimpeded by a speed hump. The County Engineer shall determine compliance with this condition.

PARKS AND RECREATION

40. The final map shall show trail connections within pedestrian access easements or designated common open space to provide access between the proposed sidewalks within the subdivision and existing and proposed trails in the common open space.
41. A note shall be placed on all final maps indicating that the developer will cooperate with the County, BLM, tribal council, and others as needed to provide and preserve adequate access to adjoining public (BLM) lands, including a possible trailhead at the proposed water tank site or another mutually acceptable location.

CONDITIONS, COVENANTS AND RESTRICTIONS

42. Conditions, covenants, and restrictions (CC&Rs), including any supplemental CC&Rs, shall be submitted to the Community Development staff for review and subsequent forwarding to the District Attorney for review and approval. The final CC&Rs shall be signed and notarized by the owner(s) and submitted to the Community Development Department with the recordation fee prior to the recordation of the final map. The

CC&Rs shall require all phases and units of the subdivision approved under this tentative map to be subject to the same CC&Rs. Washoe County shall be made a party to the applicable provisions of the CC&Rs to the satisfaction of the District Attorney's Office. Said CC&Rs shall specifically address the potential for liens against the properties and the individual property owners' responsibilities for the funding of maintenance, replacement, and perpetuation of the following items, at a minimum:

- a. Maintenance of public access easements, common areas, and common open spaces. Provisions shall be made to monitor and maintain, for a period of three (3) years regardless of ownership, a maintenance plan for the common open space area. The maintenance plan for the common open space area shall, as a minimum, address the following:
 - 1) Vegetation management;
 - 2) Watershed management;
 - 3) Debris and litter removal;
 - 4) Fire access and suppression;
 - 5) Maintenance of public access and/or maintenance of limitations to public access.
- b. All drainage facilities and roadways not maintained by Washoe County shall be privately maintained and perpetually funded by the homeowners association. A comprehensive maintenance plan shall be provided for any detention ponds, sediment basins or any other structures designed to collect sediment from stormwater runoff. The plan shall include specific time and sediment depth based criteria that triggers cleaning of the facilities.
- c. All open space identified as common area on the final map shall be privately maintained and perpetually funded by the homeowners association. The maintenance of the common areas and related improvements shall be addressed in the CC&Rs to the satisfaction of the District Attorney's Office.
- d. The project area adjacent to undeveloped land shall maintain a fire fuel break of a minimum 30 feet in width until such time as the adjacent land is developed.
- e. Locating habitable structures on potentially active (Holocene) fault lines, whether noted on the recorded map or disclosed during site preparation, is prohibited.
- f. All outdoor lighting on buildings and streets within the subdivision shall be down-shielded.
- g. No motorized vehicles shall be allowed on the platted common area.
- h. Washoe County will not assume responsibility for maintenance of the private street system of the development nor will Washoe County accept the streets for

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dedication to Washoe County unless the streets meet those Washoe County standards in effect at the time of offer for dedication.

- i. Mandatory solid waste collection.
- j. Fence material (if any), height, and location limitations, and re-fencing standards. Replacement fence must be compatible in materials, finish and location of existing fence.
- k. The front yard lawn turf shall be kept at a minimum of 2 feet from the front sidewalk of each lot.
- l. The secondary access road shall be maintained by the developer or the homeowners association.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

43. The common open space owned by the homeowners association shall be noted on the final map as "common open space" and the related deed of conveyance shall specifically provide for the preservation of the common open space in perpetuity. The deed shall be presented with the CC&Rs for review by the Community Development staff and the District Attorney.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

HEALTH, WATER AND SEWER

- 44. The applicant shall dedicate necessary water rights prior to issuance of a will-serve letter by the Department of Water Resources (DWR). A valid will-serve letter is a prerequisite to approval and recordation of a final subdivision map. Necessary processing of water rights prior to the issuance of a will-serve letter may take six months or longer. The dedication of water rights shall be in accordance with Article 422, the Spanish Springs Area Plan and the terms of the Wholesale Agreement between Washoe County and Truckee Meadows Water Authority (TMWA). Water rights must be in good standing with the State of Nevada Division of Water Resources, and the point of diversion, place and manner of use must be acceptable to the DWR.
- 45. The Developer shall pay \$75.00 per lot to the DWR as their prorated share of the ongoing water and sewer facility plan for the Spanish Springs Valley prior to approval of each final map.
- 46. In accordance with applicable ordinances, fees for improvement plan checking and construction inspection, connections, and Clean Water surcharges shall be paid prior to approval of each final map.

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47. Per the inter-local agreement between the City of Sparks and Washoe County, the applicant shall pay to the City of Sparks the sewer connection fees as identified in the agreement. The applicant must provide a receipt of payment to Washoe County prior to approval of each final map.
48. Improvement plans shall be in compliance with Washoe County Design Standards. A Professional Engineer licensed to practice in the State of Nevada must design the improvement drawings.
49. The Applicant shall submit an electronic copy of the street and lot layout for each final map at initial submittal time.
50. The Developer shall construct and/or provide the financial assurance for the construction of the on-site and off-site water distribution and the sanitary sewer collection systems prior to signature on each final map. The financial assurance must be in a form and amount acceptable to the DWR.
51. Approved improvement plans shall be used for the construction of on-site and off-site water distribution and sanitary sewer collection systems. The DWR will be responsible to inspect the construction of the water distribution and sanitary sewer collection systems.
52. The water distribution and sanitary sewer collection systems must be offered for dedication to Washoe County along with the recordation of each final map.
53. Easements and real property for all water distribution, sanitary sewer collection systems and appurtenances shall be offered for dedication to Washoe County along with the recordation of each final map.
54. A master sanitary sewer report for the entire tentative map shall be prepared and submitted by the applicant's engineer which addresses:
 - a. the estimated sewage flows generated by this project,
 - b. projected sewage flows from potential or existing development within tributary areas,
 - c. the impact on capacity of existing infrastructure,
 - d. slope of pipe, invert elevation and rim elevation for all manholes,
 - e. proposed collection line sizes, on-site and off-site alignment, and half-full velocities.
55. No Certificate of Occupancy will be issued until all the potable water and sewer collection facilities necessary to serve each final map have been completed and accepted.
56. If infrastructure such as wells, pump structures, controls, telemetry and appurtenances, storage tanks, transmission lines, lift stations, force mains, sewer mains and interceptor are necessary to accommodate the project, the Developer will be responsible to fund the design and construction. However, the actual design will be the responsibility of the DWR. Prior to initiation of design the Developer shall pay the estimated design costs to Washoe County. The DWR may either provide such design in-house, or select an

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outside consultant. When an outside consultant is to be selected, the DWR and the Developer shall jointly select that consultant.

57. No permanent structures (including rockery or retaining walls, buildings, etc.) shall be allowed within or upon any County maintained utility easement.
58. The developer's engineer shall submit a plan or letter from the appropriate fire agency identifying the approved fire hydrant locations and indicating the fire flow and duration required for each final map. This information must accompany the water system improvements plans when submitted for initial review.

FIRE SAFETY

59. The plans submitted with a building permit application shall show evidence of compliance with the recommendations of the Reno Fire Department. Those concerns are fire flows, fire hydrant number and location, access, sequential phasing of firebreaks during development, permanent firebreaks, minimum defensible space, use of fire resistant construction and/or roof material, sprinklering of structures, and spark arrestors in chimneys. Access and fire flows concerns shall be addressed prior to the introduction of any combustible materials to the site. The Reno Fire Department shall determine compliance with this condition.
60. All roads shall be a minimum of thirty-four feet wide from the inside face of the curb to the inside face of the curb per the Reno Fire Department Policy, with the exception of the secondary access which may be a minimum of twenty feet wide.
61. The secondary access road shall be maintained by the developer or the homeowners association. The Reno Fire Department shall determine compliance with this condition.
62. A thirty-foot fuel fire break shall be provided and maintained by the developer or homeowners association between the common areas and the proposed lots. The Reno Fire Department shall determine compliance with this condition.
63. Fire hydrants shall be installed and operational prior to any combustible materials being allowed on the site as required per Chapter 60 of the Washoe County Code and the Reno Fire Department Policy. The Reno Fire Department shall determine compliance with this condition.

AIRPORT

64. The applicant shall provide proof that all FAA requirements are adhered to with respect to the Spanish Springs Public Airport prior to the recordation of the first final map. The Department of Community Development and NDOT Aviation Planning shall determine compliance with this condition.
65. The applicant shall be required to issue disclosure statements for each lot sold that identifies the existence of the Spanish Springs Public Airport. The Department of Community Development shall determine compliance with this condition.

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66. The property owner shall grant an avigation easement over the entire property. The property owner shall provide the Building and Safety Division and Department of Community Development with appropriate documentation indicating the avigation easement has been granted and has been accepted by the Airport Authority of Washoe County.

WASHOE—STOREY CONSERVATION DISTRICT CONDITIONS

67. A review letter from the Washoe-Storey Conservation District (WSCD) shall be submitted to the County Engineer prior to the "red line" meeting. The WSCD recommendations shall be implemented with the appropriate design/specifications included in the construction drawings to the satisfaction of the County Engineer. The County Engineer shall determine compliance with this condition.

LANDSCAPING AND COMMON OPEN SPACE

69. Prior to any ground-disturbing activity or finalization of a final map, the developer shall submit a landscaping/architectural design plan to the Department of Community Development for review and approval by the Design Review Committee. Said plan shall address, but not be limited to: the color of water tank, fencing, landscaping material (if plant material: type, size at time of planting, maturation size at full growth, period of time between planting and full growth), landscaping location, landscaping irrigation, and financial assurances that landscaping will be planted and maintained.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

70. A certification letter or series of letters by a landscape architect registered in the State of Nevada shall be submitted to the Department of Community Development. The letter(s) shall certify that all applicable landscaping provisions of Articles 408, 410 and 412 of the Development Code have been met. Any landscaping plans and the letter shall be wet-stamped. The letter shall indicate any provisions of the code that the Director of Community Development has waived.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

71. All open space shall be identified as common area on the final map. A note on the final map shall indicate that all common areas shall be privately maintained and perpetually funded by the homeowners association. The County Engineer shall determine compliance with this condition. The maintenance of the common areas shall also be addressed in the CC&Rs and the District Attorney's Office shall determine compliance.

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72. To help minimize the impacts from nuisance water runoff from this development, the front yard lawn turf shall be kept at a minimum of 2 feet from the front sidewalk of each lot. The Department of Community Development shall determine compliance with this condition.

Final Map Verification: Phase/Unit No.: _____ Date Submitted: _____
Where/How Condition is Satisfied: _____

SCHOOLS

73. The developer or home builder shall disclose to all home buyers that students in the Broken Hills development may not be zoned for the closest elementary, middle or high school and may be bussed to the nearest school with capacity to accept the students.

***** END OF CONDITIONS *****

DOC # 3573115

09/06/2007 02:08:11 PM

Requested By

BROKEN HILL INC

Washoe County Recorder

Kathryn L. Burke - Recorder

Fee: \$72.00 RPTT: \$0.00

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RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

WOODBURN AND WEDGE
Post Office Box 2311
Reno, NV 89505
Attn: Gregg P. Barnard, Esq.

*DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
BROKEN HILL*

DECLARANT:

BARKER-COLEMAN INVESTMENTS BROKEN HILL, LTD.

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FOR
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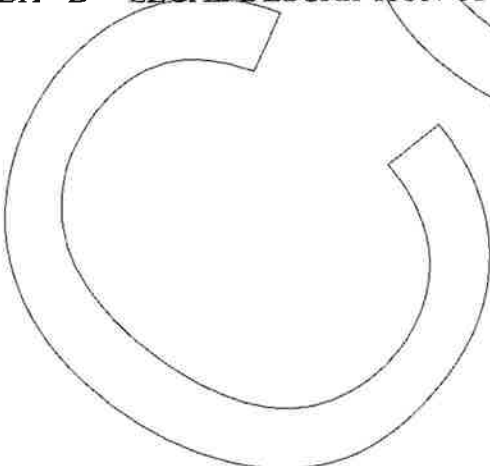
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EXHIBIT "A" - LEGAL DESCRIPTION OF REAL PROPERTY
EXHIBIT "B" - LEGAL DESCRIPTION OF ANNEXABLE TERRITORY



**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
AND RESERVATION OF EASEMENTS
FOR
BROKEN HILL**

THIS DECLARATION is made by Barker-Coleman Investments Broken Hill, Ltd., a Nevada limited liability company ("Declarant").

P R E A M B L E:

A. Declarant is the owner of certain real property ("Phase 1") located in the County of Washoe, State of Nevada, consisting of five (5) lots and more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

B. It is the desire and intention of Declarant to create planned community pursuant to Nevada Revised Statutes Chapter 116, and to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all the units in the planned community.

C. Declarant hereby declares that all of the Property (as defined herein) is to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the limitations, restrictions, reservations, rights, easements, conditions and covenants contained in this Declaration, all of which are declared and agreed to be in furtherance of a plan for the protection, subdivision, maintenance, improvement and sale of the Property for the purpose of enhancing the value, desirability and attractiveness of the Property. All provisions of this Declaration, including without limitation the easements, uses, obligations, covenants, conditions and restrictions hereof, are hereby imposed as equitable servitudes upon the Property. All of the limitations, restrictions, reservations, rights, easements, conditions and covenants herein shall run with and burden the Property and shall be binding on and for the benefit of all of the Property and all Persons having or acquiring any right, title or interest in the Property, or any part thereof, and their successive owners and assigns. The development plan of the Property shall be consistent with the overall development plan, if any, submitted to the VA and FHA.

E. Declarant, its successors, assigns and grantees, covenant and agree that the right to use the Common Elements, the membership in the Association, and any voting rights related thereto, any easements conveyed therewith and the fee title to each respective Lot conveyed therewith shall not be separated or separately conveyed, and each such interest, right, membership and easement shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the Lot. Any conveyance by an Owner of a Lot within the planned community, or any portion thereof, shall be presumed to convey the entire Lot, together with membership in the Association, and any rights, privileges, duties and obligations associated with membership in the Association.

ARTICLE I

1. Definitions. Unless otherwise expressly provided, the following words and phrases when used herein shall have the following specified meanings.

1.1 Annexable Territory. Annexable Territory shall mean the real property described in Exhibit "B" attached hereto and incorporated herein by this reference, all or any portion of which shall from time to time be made subject to this Declaration pursuant to Article XV hereof; provided that the maximum number of Lots that may be added to the Project pursuant to said Article XV shall be two hundred (200).

1.2 Architectural Review Committee, ARC or Committee. Architectural Review Committee, ARC or Committee shall mean the Architectural Review Committee created pursuant to Article IV hereof.

1.3 Articles. Articles shall mean the Articles of Incorporation of the Association, as such Articles may be amended from time to time.

1.4 Assessment, Annual. Annual Assessment shall mean the annual charge against each Owner and his Lot, representing a portion of the Common Expenses which are to be levied among all Owners and their Lots in the Project in the manner and proportions provided herein.

1.5 Assessment, Capital Improvements. Capital Improvement Assessment, shall mean a specified charge or levy against each Owner and its Lot, representing a portion of the costs to the Association for installation, construction, or reconstruction of any Improvements on any portion of the Common Elements, which the Association may, from time to time specifically authorize, pursuant to the provisions of this Declaration.

1.6 Assessment, Reconstruction. Reconstruction Assessment shall mean a charge which the Board may from time to time levy against a particular Owner and his Lot, representing a portion of the cost to the Association for reconstruction of any Improvements on any of the Common Elements. Such charge shall be levied among all of the Owners and their Lots in the Project in the same proportions as Annual Assessments.

1.7 Assessment, Special. Special Assessment shall mean a charge against a particular Owner and his Lot, levied by the Board after Notice and Hearing, which is directly attributable to, or reimbursable by, that Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, or a reasonable fine or penalty assessed by the Board, plus interest, late charges, attorneys fees, and other related charges on such Special Assessments as provided for herein.

1.8 Association. Association shall mean BROKEN HILL HOMEOWNERS' ASSOCIATION, a Nevada nonprofit corporation, its successors and assigns. The Association is an

"association" as defined in Section 116.110315 of the Nevada Revised Statutes, as may be amended from time to time. The Association shall be situated solely in Washoe County, Nevada.

1.9 Association Maintenance Funds. Association Maintenance Funds shall mean the accounts created for receipts and disbursements of the Association, pursuant to Article V hereof.

1.10 Beneficiary. Beneficiary shall mean a Mortgagee under a Mortgage or a Beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee or Beneficiary.

1.11 Board or Board of Directors. Board or Board of Directors shall mean the Board of Directors of the Association. The Board is an "executive board" as defined in Section 116.110345 of the Nevada Revised Statutes, as may be amended.

1.12 Bylaws. Bylaws shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

1.13 Close of Escrow. Close of Escrow shall mean the date on which a deed is Recorded conveying a Lot from Declarant to a member of the home-buying public.

1.14 Common Elements. Common Elements shall mean those areas of real property and the Improvements located thereon which are now owned or leased by the Association or subsequently acquired by or annexed into the Association for the common use and enjoyment of all Owners, residents, and guests, and shall have the same meaning contained in Section 116.110318 of the Nevada Revised Statutes, as may be amended from time to time.

1.15 Common Expenses. Common Expenses shall mean those expenses for which the Association is responsible under this Declaration, including the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Elements; unpaid Annual Assessments, Capital Improvement Assessments, Special Assessments and Reconstruction Assessments; the costs of any commonly metered charges for the Property; the cost of maintenance of clustered mailboxes, if any; the costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the cost related to drainage facilities maintained by the Association, the costs of all gardening, security, if any, and other services benefiting the Common Elements; the costs of fire, casualty and liability insurance, workers' compensation insurance, errors and omissions and director, officer and agent liability insurance, and other insurance covering the Property and the directors, officers and agents of the Association; the costs of bonding of the members of the Board; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Property, or portions thereof; and the costs of any other item or items incurred by the Association, for any reason whatsoever in connection with the Property, for the common benefit of the Owners.

1.16 County. County shall mean Washoe County, a political subdivision of the State of Nevada, and its various departments, divisions, employees and representatives.

1.17 Declarant. Declarant shall mean Barker-Coleman Investments Broken Hill, Ltd., a Nevada limited liability company, its successors, and any Person to which it shall have assigned any rights hereunder by an express written assignment. Any such assignment may include only specific rights of the Declarant hereunder and may be subject to such conditions and limitations as the Declarant may impose in its sole and absolute discretion. In addition, any first Mortgagee and its successors and assigns (other than a Member of the home-buying public) which acquires title to any portion of the Properties owned by Declarant by virtue of the foreclosure of a deed of trust or a deed-in-lieu of foreclosure shall succeed to all of the rights of the Declarant hereunder with respect to the property acquired.

1.18 Declaration. Declaration shall mean this instrument as it may be amended from time to time.

1.19 Deed of Trust. Deed of Trust shall mean a Mortgage as further defined herein.

1.20 Family. Family shall mean one or more natural persons related to each other by blood, marriage or adoption, or one or more natural persons not all so related, but who maintain a common household in a Residence.

1.21 FHA. FHA shall mean the Federal Housing Administration of the United States Department of Housing and Urban Development and any department or agency of the United States government which succeeds to the FHA's function of insuring notes secured by Mortgages on residential real estate.

1.22 FHLMC. FHLMC shall mean the Federal Home Loan Mortgage Corporation (also known as The Mortgage Corporation) created by Title II of the Emergency Home Finance Act of 1970, and any successors to such corporation.

1.23 Fiscal Year. Fiscal Year shall mean the fiscal accounting and reporting period of the Association between annual meetings of the Owners. This definition is limited to the Association's budgeting practices and the Board may choose any other period for tax reporting purposes.

1.24 FNMA. FNMA shall mean the Federal National Mortgage Association, a government-sponsored, private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and any successors to such corporation.

1.25 GNMA. GNMA shall mean the Government National Mortgage Association administered by the United States Department of Housing and Urban Development, and any successor to such association.

1.26 Improvements. Improvements shall mean all structures and appurtenances thereto of every type and kind, including but not limited to, buildings, outbuildings, walkways, sprinkler pipes, swimming pools, spas, and other recreational facilities, roads, paths, garages, carports, driveways, parking areas, fences, screening walls, block walls, retaining walls, awnings, stairs, decks, landscaping, antennae, hedges, windbreaks, planted trees and shrubs, poles, signs, and lighting (including, without limitation, obstruction lighting).

1.27 Lot. Lot shall mean any lot or parcel of land shown upon any recorded final subdivision map or Recorded parcel map of the Project, together with the Improvements, if any, thereon, but excepting any Common Elements, private streets, and public or public utility easements and emergency vehicle access easements.

1.28 Manager. Manager shall mean the Person or entity employed by the Association, if any, pursuant to and limited by the provisions of this Declaration, and delegated the duties, power or functions of the Association as limited by this Declaration, the Bylaws and the terms of the agreement between the Association and said Person.

1.29 Map. Map shall mean a Recorded map or plat covering all or any portion of a Phase of Development.

1.30 Member, Membership. Member shall mean any Person holding a membership in the Association, as provided in this Declaration. Membership shall mean the property voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations contained in the Restrictions.

1.31 Mortgage. Mortgage shall mean any Recorded mortgage or deed of trust or other conveyance of a Lot or other portion of the Property to secure the performance of an obligation, which conveyance will be reconveyed upon the completion of such performance.

1.32 Mortgagee, Mortgagor. Mortgagee shall mean a Person to whom a Mortgage is made and shall include the Beneficiary of a Deed of Trust. Mortgagor shall mean a Person who mortgages his or its property to another (i.e., the maker of a Mortgage), and shall include the Trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor" and the term "Beneficiary" shall be synonymous with the "Mortgagee."

1.33 Notice and Hearing. Notice and Hearing shall mean written notice and a hearing before the Board or any of its committees designated to hear a matter, at which the Owner concerned shall have an opportunity to be heard in person or by counsel, at the Owner's expense, in the manner further provided in the Bylaws, Declaration, and Rules and Regulations, and consistent with Chapter 116 of the Nevada Revised Statutes.

1.34 Notice of Addition/Deletion. Notice of Addition or Deletion shall mean an instrument Recorded pursuant to Article XV hereof to annex or delete all or any portion of the Annexable Territory to or from the Property.

1.35 Operating Budget. Operating Budget shall mean a written, itemized estimate of the income and Reserve Funds and Common Expenses of the Association in performing its functions under this Declaration, as more fully set forth in Article V, Section 5.4 hereof.

1.36 Owner. Owner shall mean the Person or Persons, including Declarant, holding fee simple interest to a Lot, which is part of the Project. The term "Owner" shall include a seller under an executory contract of sale but shall exclude Mortgagees or other Persons holding title as security for the performance of an obligation.

1.37 Participating Builder. A Participating Builder shall mean a Person who has acquired title to a Lot or other portion of the Project, for the purpose of constructing, building or improving such portion of the Project for either resale, lease or rent to the general public; provided, however, that the term Participating Builder shall not mean or refer to Declarant or its successors.

1.38 Person. Person shall mean a natural individual, a corporation, or any other entity with the legal right to hold title to real property.

1.39 Phase 1. Phase 1 shall mean the real property identified as Phase 1 in Exhibit "A" hereto. Phase 1 of the Project shall consist of five (5) Lots.

1.40 Phase of Development. Phase of Development or Phase shall mean (a) Phase 1, (b) the real property identified in Exhibit "A" hereto, or (c) all the real property covered by a Notice of Addition Recorded pursuant to Article XV hereof, which may include Lots and/or Common Elements as described therein, unless otherwise defined in such Notice of Addition.

1.41 Project or Property. Project or Property shall mean (a) all of the Property described in Exhibit A, including Phase 1, and (b) each Phase of Development described in a Notice of Addition.

1.42 Record, File, Recordation. Record, File, or Recordation shall mean, with respect to any document, the recordation or filing of such document in the Office of the Washoe County Recorder or such other appropriate governmental office.

1.43 Reserve Budget: Reserve Budget shall mean a written itemized estimate of the Annual Assessments collected, expended and carried over for the repair, replacement, and restoration of the Association's common elements, as more fully set forth in Article V, Section 5.4 hereof.

1.44 Reserve Fund: Reserve Account shall mean the bank account and monies deposited therein in accordance with the Reserve Study and Reserve Budget.

1.45 Reserve Study: Reserve Study shall mean the study required of the Association by Nevada Revised Statutes 116.31152.

1.46 Residence. Residence shall mean a dwelling, intended for use by a single Family.

1.47 Restrictions. Restrictions shall mean this Declaration, the Articles, Bylaws and the Rules and Regulations of the Association, from time to time in effect.

1.48 Rules and Regulations. Rules and Regulations shall mean the rules and regulations adopted by the Board pursuant to this Declaration or the Bylaws, as such Rules and Regulations may be amended from time to time.

1.49 Separate Interest or Unit. Separate Interest or Unit shall mean a "unit" as defined in Section 116.11039 of the Nevada Revised Statutes, as may be amended from time to time. Each Separate Interest or Unit shall be a separate freehold estate, as separately shown, numbered and designated on the applicable Map. In interpreting deeds, declarations and Maps, the existing physical boundaries of the Unit or a Unit constructed or reconstructed in substantial accordance with the applicable Map and the original plans thereof, if such plans are available, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, Map or Declaration, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries, as shown on the applicable Map or defined in the deed and Declaration, and the boundaries of a building as constructed or reconstructed.

1.50 VA. VA shall mean the Department of Veterans Affairs of the United States of America and any department or agency of the United States government which succeeds to VA's function of issuing guarantees of notes secured by Mortgages on residential real estate.

ARTICLE II

2. Broken Hill Homeowners' Association.

2.1 Organization of Association. The Association is or shall be incorporated under the name of BROKEN HILL HOMEOWNERS' ASSOCIATION, as a nonprofit corporation organized under the provisions of Chapter 82 of the Nevada Revised Statutes, as may be amended.

2.2 Duties and Powers. The duties and powers of the Association are those set forth in the Restrictions, together with its general and implied powers of an "association" (as defined in Sections 116.110315, 116.3101 and 116.3102 of Nevada Revised Statutes, as may be amended) and a nonprofit corporation, generally to do any and all things that such a corporation may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Restrictions. The Association shall further have the right to install or construct capital Improvements on the Common Elements. The Association may at any time, and from time to time reconstruct, replace or refinish any Improvement or portion thereof upon the Common Elements in accordance with the original design, finish or standard of construction of such Improvement; replace

destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Elements. The Association may employ personnel necessary for the effective operation and maintenance of the Common Elements, including the employment of legal, management and accounting services. The Association shall additionally have the power but not the duty to enter into contracts with Owners or other persons to provide services or to maintain and repair Improvements within the Project and elsewhere which the Association is not otherwise required to provide or maintain pursuant to this Declaration; provided, however, that any such contract shall provide for the payment to the Association for the costs of providing such services or maintenance. The Association may grant non-exclusive licenses, for consideration, to persons other than Owners for use and enjoyment of the Common Elements. No habitable structures may be located on potentially active (Holocene) fault lines.

2.3 Membership. Every Owner, upon becoming the Owner of a Lot, shall automatically become a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases, at which time his Membership in the Association shall automatically cease. Ownership of a Lot shall be the sole qualification for Membership in the Association. Membership in the Association shall not be assignable except to the Person to which title to the Unit has been transferred, and every Membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Lot. The rights, duties, privileges and obligations of all members of the Association shall be as provided in the Restrictions.

2.4 Transfer. The Membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Lot, and then only to the purchaser or Mortgagee of such Lot. A prohibited transfer is void and will not be reflected upon the books and records of the Association. A Member who has sold his Lot to a contract purchaser under an agreement to purchase shall be entitled to delegate to the contract purchaser his Membership rights in the Association. The delegation shall be in writing and shall be delivered to the Board before the contract purchaser may vote. However, the contract seller shall remain liable for all charges and assessments attributable to his Lot until fee title to the Lot sold is transferred. If the Owner of any Lot fails or refuses to transfer his Membership to the purchaser of the Lot upon transfer of fee title thereto, the Board of Directors shall have the right to record the transfer upon the books of the Association. Until satisfactory evidence of such transfer has been presented to the Board, the purchaser shall not be entitled to vote at meetings of the Association. The Association may levy a reasonable transfer fee against a new owner and his Lot (which fee shall be added to the Annual Assessment chargeable to such new owner) to reimburse the Association for the administrative cost of transferring the membership to the new Owner on the records of the Association.

2.5 Classes of Membership. The Association shall have one (1) class of voting Membership. Each Owner shall be a Member. Members shall be entitled to one (1) vote for each Lot owned by such Members and subject to assessment. When more than one (1) Person owns any Lot all such Persons shall be Members, but the vote for such Lot shall be exercised in accordance with Section 2.6 of this Declaration, but in no event shall more than one (1) vote be cast for any Lot.

Notwithstanding the foregoing and subject to the provisions of Section 2.02 (c) of the Bylaws concerning the right of Members other than Declarant to elect a portion of the Board, Declarant shall be entitled to appoint and remove the members of the Board and the officers of the Association until the first to occur of the following events:

- (1) Sixty (60) days after the Close of Escrow has occurred for seventy-five percent (75%) of the Lots that may be created, to Owners other than Declarant, in the Property and the Annexable Territory; or
- (2) Five (5) years after Declarant has ceased to offer Lots for sale in the ordinary course of business; or
- (3) The fifth anniversary of the most recent annexation of Annexable Territory to the Property; or
- (4) The tenth anniversary of the Recordation of this Declaration.

2.6 Voting Rights. All voting rights shall be subject to the Restrictions. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for Membership. When more than one (1) Person holds such interest or interests in any Lot ("co-owners"), all such co-owners shall be Members and may attend any meeting of the Association, but only one (1) such co-owner shall be entitled to exercise the single vote to which the Lot is entitled. If only one (1) of several Owners of a Unit is present at a meeting of the Association, that Owner is entitled to cast the vote(s) allocated to such commonly owned Unit(s). Co-owners owning the majority interests in a Lot shall from time to time designate in writing one (1) of their number to vote. Fractional votes shall not be allowed, and the vote for each Lot shall be exercised, if at all, as a unit. Where no voting co-owner is designated or if the designation has been revoked, the vote for the Lot shall be exercised as the co-owners owning the majority interests in the Lot mutually agree. There is a majority agreement if any of the Owners cast the votes allocated to that Unit without protest made promptly to the person presiding over the meeting by the other Owners of the Unit. Unless the Board receives a written objection in advance from an absent co-owner, it shall be conclusively presumed that the corresponding voting co-owner is acting with the consent of his co-owners. No vote shall be cast for any Lot if the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly-owned Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws of the Association, shall be deemed to be binding on all Owners, their successors and assigns.

2.7 Repair and Maintenance by the Association.

2.7.1 Maintenance Standards. Subject to Article X pertaining to destruction of Improvements and Article XI pertaining to eminent domain, the Association shall, in

perpetuity, maintain, repair and replace the Common Elements and Improvements thereon, or shall contract with a community manager authorized pursuant to Chapter 116 of the Nevada Revised Statutes for such maintenance, repair and replacement to assure that the Common Elements and Improvements thereon are kept in a clean, sanitary and attractive condition reasonably consistent with prudent property management practices and the Operating Budget.

However, the Association shall not be responsible for or obligated to perform those items of maintenance, repair or improvement of the Residences or Improvements located on any Lot within the Project, the maintenance of which is the responsibility of the Owners as provided in Section 2.9. The Board shall determine, in its sole discretion, the level and frequency of maintenance of the Common Elements.

The Common Elements may consist of large areas of open space as required by state, county and supplemental laws, rules or ordinances. This open space area will not be determined or landscaped by the Association and shall remain natural open space with natural vegetation. The Association shall periodically (but in any event not less than once per month) cause the inspection of all open space areas and promptly cause the removal of any accumulations of waste, trash or debris. To the extent that any natural open space designated as Common Elements within the Project is contiguous to undeveloped land and such undeveloped land is a source for fire fuel for wildland fires, the Association shall maintain a fire fuel break of not less than thirty (30) feet in width between the natural open space and such undeveloped land. This fire fuel break may exist in whole or in part on the Common Elements or such undeveloped land; provided that, until such time as the undeveloped land is developed or the source of fire fuel removed from the undeveloped land, a thirty (30) foot fire fuel break must exist between the two properties.

The Association shall perpetually fund and maintain any and all drainage facilities and roadways, including without limitation the secondary access road, not accepted for maintenance by the County. The County will not assume responsibility for the maintenance of any private street system nor will the County accept streets for dedication to the County unless the streets meet those County standards in effect at the time of the offer for dedication. The Association shall maintain the secondary access road to the contiguous parcel of real property to the north of the Project (and to avoid confusion, not the secondary fire access road intersecting with Kinglet Drive) consistent with such standards as may from time to time be required by applicable governmental agencies to provide secondary and fire access to the Project.

The Association shall cause the drainage facilities (including without limitation any detention ponds, sediment basins and any other structures designed to collect storm water and sediment from storm water runoff) within the Project and which are maintained by the Association to be inspected monthly. During the first year after installation of the respective drainage facility, such drainage facility shall be inspected after significant spring snowmelt, and after a significant rainfall event (e.g., 0.5 inches in 24 hours). Following the first year, inspections shall be conducted every quarter, and after each significant rainfall event.

The Association shall cause the following conditions to be inspected when performing routine inspections of such drainage facilities: erosion, excess sediment, debris accumulations, ditch linings and outlets, vegetation growth. The Association shall cause excess sedimentation, debris and any other obstructions to the designed flow (including without limitation vegetation overgrowth) to be removed as needed. "Excess sedimentation" means an accumulation of sedimentation that adversely affects the design and/or function of the subject drainage facility. In the event that the County determines in good faith that the Association is not adequately performing its obligations under this Section, the County may proceed to exercise its rights provided in Section 14.1(h) of this Declaration and pursuant to applicable law.

2.7.2 Charges to Owners. Subject to Section 2.7.1, all such costs of maintenance, repairs and replacements for the Common Elements, and Improvements thereon shall be perpetually paid for as Common Expenses out of the Association Maintenance Funds as provided in this Declaration. It shall be the affirmative duty of the Board of Directors to require strict compliance with all provisions of this Declaration and to cause the Property to be inspected by the Architectural Review Committee for any violation thereof. The cost of any maintenance, repairs or replacements by the Association which is not the responsibility of the Association or which arises out of, or is caused by, the act of an Owner or such Owner's Family, tenants, guests, invitees, or agents shall, after Notice and Hearing, be levied by the Board as a Special Assessment against such Owner.

2.8 Real Property Taxes. Subject to Section 2.7.1 herein and to the extent not assessed to the Owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the Common Elements and Improvements located on the Common Elements.

2.9 Repair and Maintenance by Owners. Each Owner shall maintain, repair, replace, paint, finish, landscape and restore or cause to be so maintained, repaired, replaced and restored, at his sole expense, all portions of his Lot, Residence and Improvements thereon. If any Common Expense of the Association is caused by the misconduct or the willful or negligent acts of the Owner or his Family, tenants, guests, invitees or agents, then the Association may assess that expense exclusively against the Lot of such Owner. If any Owner fails to maintain or repair his Residence, Lot and Improvements thereon as required by this Section 2.9, the Association shall have the right to perform such maintenance and repair and to levy a Special Assessment against such Owner as described in Section 2.7.2.

2.10 Use of Agent. The Board of Directors, on behalf of the Association, may contract with a community manager certified in the management of common interest communities pursuant to Chapter 116 of the Nevada Revised Statutes for the performance of maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board. The maximum term of any such contract ("Management Contract") shall be one (1) year, unless a longer term is approved either by vote or written assent of a majority of the voting power of

the Association or by VA or FHA, if applicable, in which case the maximum term of the Management Contract shall be three (3) years. The maximum term of any contract providing for Declarant's services to the Association or the Project shall also be three (3) years. Each such contract for Declarant's services and each Management Contract shall provide for its termination by either party thereto with cause upon no more than thirty (30) days, written notice to the other party, and without cause and without payment of a termination fee upon no more than ninety (90) days, written notice to the other party.

2.11 FHA Regulatory Agreement. In order to induce FHA to insure Mortgages on Lots in the Project, the Association may enter into an agreement with FHA concerning the financial and maintenance affairs of the Association, which agreement may be executed on the applicable FHA form. If the Association enters into such an agreement, its provisions shall control in the event of a conflict with the provisions of this Declaration, the Bylaws, or the Articles, so long as FHA is insuring loans secured by Mortgages on Lots in the Project.

2.12 Proceedings. The Association, acting through the Board, shall have the power and the duty to reasonably defend the Association (and, in connection therewith, to raise counterclaims) in any pending or potential lawsuit, arbitration, mediation or governmental proceeding (collectively hereinafter referred to as a "Proceeding"). The Association, acting through the Board, shall have the power, but not the duty, to reasonably institute, prosecute, maintain and/or intervene in a Proceeding, in its own name, but only on matters affecting or pertaining to this Declaration or the Common Elements and as to which the Association is a proper party in interest, and any exercise of such power shall be subject to full compliance with the following provisions:

2.12.1 Any Proceeding commenced by the Association: (i) to enforce the payment of an assessment, or an assessment lien or other lien against an Owner as provided for in this Declaration, or (ii) to otherwise enforce compliance with the Restrictions by, or to obtain other relief from, any Owner who has violated any provision thereof, or (iii) to protect against any matter which imminently and substantially threatens all of the health, safety and welfare of the Owners, or (iv) against a supplier, vendor, contractor or provider of services, pursuant to a contract or purchase order with the Association and in the ordinary course of business, or (v) for money damages wherein the total amount in controversy for all matters arising in connection with the action is not likely to exceed Ten Thousand Dollars (\$10,000.00) in the aggregate, without regard to the amount of money damages in controversy; shall be referred to herein as an "Operational Proceeding." The Board from time to time may cause an Operational Proceeding to be reasonably commenced and prosecuted, without the need for further authorization.

2.12.2 Any and all pending or potential Proceedings other than Operational Proceedings shall be referred to herein as a "Non-Operational Controversy" or "Non-Operational Controversies." To protect the Association and the Owners from being subjected to potentially costly or prolonged Non-Operational Controversies without full disclosure, analysis and consent; to protect the Board and the individual Directors

from any charges of negligence, breach of fiduciary duty, conflict of interest or acting in excess of their authority or in a manner not in the best interests of the Association and the Owners; and to ensure voluntary and well-informed consent and clear and express authorization by the Owners, strict compliance with all of the following provisions of this Section 2.12 shall be mandatory with regard to any and all Non-Operational Controversies commenced, instituted or maintained by the Board. The Board shall first endeavor to resolve any Non-Operational Controversy by good faith negotiations with the adverse party or parties. In the event that such good faith negotiations fail to reasonably resolve the Non-Operational Controversy, the Board shall then endeavor in good faith to resolve such Non-Operational Controversy by mediation, provided that the Board shall not incur liability for or to spend more than Two Thousand Dollars (\$2,000.00) in connection therewith (provided that, if more than said sum is reasonably required in connection with such mediation, then the Board shall be required first to reasonably seek approval of a majority of the voting power of the Members for such additional amount for mediation before proceeding to arbitration or litigation). In the event that the adverse party or parties refuse mediation or if such good faith mediation still fails to reasonably resolve the Non-Operational Controversy, the Board shall not be authorized to commence, institute or maintain any arbitration or litigation of such Non-Operational Controversy until the Board has fully complied with the following procedures:

(1) The Board shall first investigate the legal merit, feasibility and expense of prosecuting the Non-Operational Controversy, by obtaining written opinions of each and every one of: (A) a licensed Nevada attorney regularly residing in Washoe County, Nevada, with a Martindale-Hubbell rating of "AV," expressly stating that such attorney has reviewed the underlying facts and data in sufficient, verifiable detail to render the opinion, and expressly opining that the Association has a substantial likelihood of prevailing on the merits with regard to the Non-Operational Controversy, without substantial likelihood of incurring any material liability with respect to any counterclaim which may be asserted against the Association (the "Legal Opinion"); (B) a reputable appraiser and/or real estate consultant regularly conducting business in Washoe County, Nevada, expressly opining that the marketability and market value of Units will not be substantially or materially affected by such Non-Operational Controversy (the "Appraiser's Opinion"); and (C) a senior executive from a reputable lender in the business of regularly making residential loans in Washoe County, Nevada, that financing and refinancing of Units will not be affected by such Non-Operational Controversy, and that such financing and refinancing will be readily available (the "Lender's Opinion"). (The Legal Opinion, Appraiser's Opinion, and Lender's Opinion are sometimes collectively referred to herein as the "Opinions"). The Board shall be authorized to spend up to an aggregate of Five Thousand Dollars (\$5,000.00) to obtain such Opinions, including all amounts paid to said attorney therefore, and all amounts paid to

any consultants, contractors and/or experts preparing or processing reports and/or information in connection therewith. The Board may increase said \$5,000.00 limit, with the express consent of seventy-five percent (75%) or more of all of the Members of the Association, at a special meeting called for such purpose.

(2) The Legal Opinion shall also contain the attorney's best good faith estimate of the aggregate maximum "not-to-exceed" amount of legal fees and costs, including without limitation court costs, costs of investigation and all further reports or studies, costs of court reporters and transcripts, and costs of expert witnesses and forensic specialists (collectively, "Quoted Litigation Costs") which are reasonably expected to be incurred for prosecution to completion (including appeal) of the Non-Operational Controversy. Said Legal Opinion shall also include a draft of any proposed fee agreement with such attorney. If the attorney's proposed fee arrangement is contingent, the Board shall nevertheless obtain the Quoted Litigation Costs with respect to all costs other than legal fees, and shall also obtain a written draft of the attorney's proposed contingent fee agreement. (Such written Legal Opinion, including the Quoted Litigation Costs, and also including any proposed fee agreement, contingent or non-contingent, are collectively referred to herein as the "Attorney Letter")

(3) Upon receipt and review of the Attorney Letter, the Appraiser's Opinion, and the Lender's Opinion, if two-thirds (2/3) or more of the Board affirmatively vote to proceed with the institution of prosecution of, and/or intervention in, the Non-Operational Controversy, the Board thereupon shall duly notice and call a special meeting of the Members. The written notice to each Member of the Association shall include a copy of the Attorney Letter, including the Quoted Litigation Costs and any proposed fee agreement, contingent or non-contingent, the Appraiser's Opinion, and the Lender's Opinion, together with a written report ("Special Assessment Report") prepared by the Board: (A) Itemizing the amount necessary to be assessed to each Member ("Special Litigation Assessment"), on a monthly basis, to fund the Quoted Litigation Costs, and (b) specifying the probable duration and aggregate amount of such Special Litigation Assessment. At said special meeting, following review of the Attorney Letter, Quoted Litigation Costs, and the Appraiser's Opinion, Lender's Opinion, and Special Assessment Report, and full and frank discussion thereof, including balancing the desirability of instituting, prosecuting and/or intervening in the Non-Operational Controversy against the desirability of accepting any settlement proposals from the adversary party or parties, the Board shall call for a vote of the Members, whereupon: (x) if not more than seventy-five percent (75%) of the total voting power of the Association votes in favor of pursuing such Non-Operational Controversy and levying the Special

Litigation Assessment, then the Non-Operational Controversy shall not be pursued further, but (y) if more than seventy-five percent (75%) of the total voting power of the Association (i.e., more than seventy-five percent (75%) of all of the Members of the Association) affirmatively vote in favor of pursuing such Non-Operational Controversy, and in favor of levying a Special Litigation Assessment of the Members in the amounts and for the duration set forth in the Special Assessment Report, then the Board shall be authorized to proceed to institute, prosecute, and/or intervene in the Non-Operational Controversy. In such event, the Board shall engage the attorney who gave the opinion and quote set forth in the Attorney Letter, which engagement shall be expressly subject to the Attorney Letter. The terms of such engagement shall require (i) that said attorney shall be responsible for all attorney's fees and costs and expenses whatsoever in excess of one hundred ten percent (110%) of the Quoted Litigation Costs, and (ii) that said attorney shall provide, and the Board shall distribute to the Members, not less frequently than monthly, a written update of the progress and current status of, and the attorney's considered prognosis for, the Non-Operational Controversy, including any offers of settlement and/or settlement prospects, together with an itemized summary of attorney's fees and costs incurred to date in connection therewith.

(4) In the event of any bona fide settlement offer from the adverse party or parties in the Non-Operational Controversy, if the Association's attorney advises the Board that acceptance of the settlement offer would be reasonable under the circumstances, or would be in the best interests of the Association, or that said attorney no longer believes that the Association is assured of a substantial likelihood of prevailing on the merits without prospect of material liability on any counterclaim, then the Board shall have the authority to accept such settlement offer. In all other cases, the Board shall submit any settlement offer to the Owners, who shall then have the right to accept any such settlement offer upon a majority vote of all of the Members of the Association.

2.12.3 In no event shall any Reserve Funds be used as the source of funds to institute, prosecute, maintain and/or intervene in any Proceeding (including, but not limited to, any Non-Operational Controversy). Reserve Funds, pursuant to Section 5.2, below, are to be used only for the specified replacements and repairs of Common Elements, and for no other purpose whatsoever.

2.12.4 Any provision in this Declaration notwithstanding: (i) other than as set forth in this Section 2.12, the Association shall have no power whatsoever to institute, prosecute, maintain, or intervene in any Proceeding; (ii) any institution, prosecution, or maintenance of, or intervention in, a Proceeding by the Board without first strictly complying with, and thereafter continuing to comply with, each of the

provisions of this Section 2.12, shall be unauthorized and ultra vires as to the Association, and shall subject any Director who voted or acted in any manner to violate or avoid the provisions and/or requirements of this Section 2.12 to personal liability to the Association for all costs and liabilities incurred by reason of the unauthorized institution, prosecution, or maintenance of, or intervention in, the Proceeding; and (iii) this Section 2.12 may not be amended or deleted at any time without the express prior written approval of both: (1) Members representing not less than seventy-five percent (75%) of the total voting power of the Association and (2) seventy-five percent (75%) of the total voting power of the Board of Directors; and any purported amendment or deletion of this Section 2.12, or any portion hereof, without both of such express prior written approvals shall be void.

ARTICLE III

3. Owners' Property Rights

3.1 Legal Description of Lot. The boundaries and dimensions of each Lot in each Phase of the Development shall be substantially as described and depicted on the Map for each Phase of the Development. The unit numbers for the Lots in Phase 1 are set forth and incorporated by reference in Exhibit "A".

3.2 Association Easement. The Association shall have an easement over the Common Elements, private streets, public utility easements and emergency vehicle access easements for performing its duties and exercising its powers described in this Declaration. Subject to Section 2.7.1 herein, the Association's obligations to maintain the Common Elements, and any Improvements thereon, in any Phase of Development shall commence on the date Annual Assessments commence on Lots in such Phase. Until commencement of Annual Assessments on Lots in any Phase, the Common Elements in such Phase shall be maintained by Declarant.

3.3 Members' Easements in Common Elements. Subject to the provisions of this Declaration, every Member of the Association shall have for himself, his Family, his tenants, guests and invitees, a nonexclusive easement of access, ingress, egress, use and enjoyment of, in and to the Common Elements, and such easements shall be appurtenant to and shall pass with title to every Lot in the Project.

3.4 Extent of Members' Easements. The rights and easements of use and enjoyment of the Common Elements created by this Declaration shall be subject to the Restrictions, which include, without limitation, the following:

- (1) The right of the Association to consent to or otherwise cause the construction of additional Improvements on the Common Elements and to consent to or otherwise cause the alteration or removal of any existing Improvements on the Common Elements for the benefit of the Members of the Association;

- (2) The right of the Association acting through the Board and pursuant to an agreement executed by Owners to whom a majority of the Association's voting power is allocated, including a majority of the voting power not allocated to Declarant, which agreement must be Recorded and which must specify a date after which the agreement will be void unless Recorded, to convey the Common Elements or to subject the Common Elements to a Mortgage;
- (3) The right of the Association, acting through the Board, to grant easements, leases, licenses and concessions through, over or otherwise concerning the Common Elements;
- (4) Subject to the provisions of this Declaration, the right of each Owner to the exclusive use and occupancy for the purposes designated in this Declaration or in any Recorded Notice of Addition of the Unit allocated to his respective Lot;
- (5) The rights and reservations of Declarant as set forth in this Declaration;
- (6) The right of the Association, acting through the Board, to reasonably restrict access to maintenance and landscaped areas and similar areas of the Property;
- (7) The right of the Association to reasonably limit the number of guests and tenants of the Owners using the Common Elements; and
- (8) The right of the Association, acting through the Board, to establish uniform Rules and Regulations for the use of the Common Elements, which may include suspending an Owner's right to vote and/or use the Common Elements for violating the Association's Restrictions.

3.5 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, or effect the release of his Lot from the liens and charges thereof, by waiving or delegating use and enjoyment of the Common Elements.

3.6 Damage by Member. To the extent permitted by Nevada law, each Member shall be liable to the Association for any damage to the Common Elements not fully reimbursed to the Association by insurance if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper installation or maintenance of any Improvement by the Member, his guests, tenants or invitees, or any other Persons deriving their right and easement of use and enjoyment of the Common Elements from the Member, or his or their respective Family and guests, both minor and adult. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right, after Notice and Hearing, to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the Person for whom the Member may be liable as described above. In the case of joint ownership of a Lot, the liability of the Owners shall be joint and several, except to the extent that the

Association shall have previously contracted in writing with the joint Owners to the contrary. After Notice and Hearing, the cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a Special Assessment against such Member's Lot and may be enforced as provided herein.

ARTICLE IV

4. Architectural Review Committee

4.1 Members of Committee. The Architectural Review Committee, sometimes referred to herein as the "ARC" shall be comprised of three (3) members. The initial members of the ARC shall be representatives of Declarant until ten (10) years after the first Close of Escrow in the Property ("Tenth Anniversary"). After the Tenth Anniversary the Board may appoint and remove one (1) member of the ARC, and Declarant shall have the right and power at all times to appoint and remove a majority of the members of the ARC or to fill any vacancy of such majority, until the latter to occur of (1) the Close of Escrow of all of the Lots in the Project and the Annexable Territory, or (2) ten (10) years from the Recordation of the Declarant, after which the Board shall have the power to appoint and remove all of the members of the ARC. The ARC members appointed by the Board shall be from the membership of the Association, but ARC members appointed by Declarant need not be Members of the Association. The ARC shall have the right and duty to promulgate reasonable standards against which to examine any request made pursuant to this Article, in order to ensure that the proposed plans conform harmoniously to the exterior design and existing materials of the buildings in the Project. Board members may also serve as ARC members.

4.2 Review of Plans and Specifications. The ARC shall consider and act upon any and all plans and specifications submitted for its approval under this Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the ARC. No construction, alteration, removal, relocation, repainting, demolishing, addition, installation, modification, decoration, redecoration or reconstruction of an Improvement, including landscaping, in the Property shall be commenced or maintained, until the plans and specifications therefore showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the ARC and approved in writing by the ARC; provided, however, that any Improvement may be repainted without ARC approval so long as the Improvement is repainted the identical color which it was last painted. The Owner submitting the plans and specifications (the "Applicant") shall obtain a written, dated receipt therefore from an authorized agent of the ARC. Until changed by the Board, the address for the submission of such plans and specifications shall be the principal office of the Association. The ARC shall approve plans and specifications submitted for its approval only if it deems that the installation, construction, alterations or additions contemplated thereby, in the locations indicated, will not be detrimental to the appearance of the surrounding area of the Property as a whole, that the appearance of any structure affected thereby will be in harmony with the surrounding structures, that the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Common Elements or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof will not become a burden on the

Association. Declarant, and any Person to which Declarant may assign all or a portion of its exemption hereunder, need not seek or obtain ARC approval of any Improvements constructed on the Property by Declarant or such Person, as the case may be.

The ARC may condition its approval of proposals or plans and specifications for any Improvement on any one or more of the following:

- (1) the Applicant's furnishing the Association with security acceptable to the Association to ensure the timely completion of the work;
- (2) changes to such plans and specifications as the ARC deems appropriate;
- (3) Applicant's agreement to grant appropriate easements to the Association for the maintenance of the Improvements
- (4) Applicant's agreement to complete the proposed work within a stated period of time;
- (5) submission of additional plans and specifications or other information prior to approving or disapproving material submitted; or
- (6) such other conditions, restrictions and other terms as the ARC may in its sole and absolute discretion deem necessary or desirable with respect to the proposal.

The ARC may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee to accompany each application for approval, or stating additional factors which it will take into consideration in reviewing submissions. The ARC may provide that the amount of the fee shall be uniform or that it be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations or additions contemplated. The ARC may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Until receipt by the ARC of any required plans and specifications, the ARC may postpone review of any plans submitted for approval. Decisions of the ARC and the reasons therefore shall be transmitted by the ARC to the Applicant at the address set forth in the application for approval within forty-five (45) days after receipt by the ARC of all materials required by the ARC. Any application submitted pursuant to this Section 4.2 shall be deemed approved unless written disapproval or a request for additional information or materials by the ARC shall have been transmitted to the Applicant within forty-five (45) days after the date of receipt by the ARC of all required materials.

4.3 Meetings of the ARC. The ARC shall meet from time to time as necessary to perform its duties hereunder. The ARC may from time to time, by resolution unanimously adopted in writing, designate an ARC Representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the ARC, except the granting of variances pursuant to Section 4.8. In the absence of such designation, the vote of written consent of a majority

of the ARC shall constitute an act of the ARC.

4.4 No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

4.5 Compensation of Members. The members of the ARC shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

4.6 Inspection of Work. The ARC or its duly authorized representative may at any time inspect any work for which approval of plans is required under this Article IV ("Work"), which right to inspect shall include the right to require any Owner to take such action as may be necessary to remedy any noncompliance with the ARC-approved plans for the Work or with the requirements of this Declaration ("Noncompliance").

4.6.1 Time Limit. The ARC's right to inspect the Work and notify the responsible Owner of any Noncompliance shall terminate sixty (60) days after the latest to occur of the following events: (i) submittal of the plans for the Work to the ARC for its approval as provided in this Article IV; (ii) completion of the Work as provided in the ARC-approved plans; and (iii) written notice from the Owner to the ARC that the Work has been completed.

This time limit for inspection and notification by the ARC shall be extended indefinitely if any of these conditions has not occurred. If the ARC fails to send a notice of Noncompliance to an Owner before this time limit expires, the Work shall be deemed to comply with the approved plans.

4.6.2 Remedy. If an Owner fails to remedy any Noncompliance within sixty (60) days from the date of notification from the ARC, the ARC shall notify the Board in writing of such failure. Upon Notice and Hearing, the Board shall determine whether there is a Noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a Noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date that notice of the Board ruling is given to the Owner. If the Owner does not comply with the Board ruling within that period, the Board, at its option, may Record a Notice of Noncompliance and commence a lawsuit for damages or injunctive relief, as appropriate, to remedy the Noncompliance.

4.7 Scope of Review. The ARC shall review and approve, conditionally approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of aesthetic considerations, consistency with this Declaration, and the overall benefit or detriment which would result to the immediate vicinity and the Property generally. The ARC shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings,

landscaping, color schemes, exterior finishes and materials and similar features. The ARC's approval or disapproval shall be based solely on the considerations set forth in this Article IV, and the ARC shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes. The ARC may consider the impact of views from other Residences or Lots and reasonable privacy right claims as factors in reviewing, approving or disapproving any proposed landscaping, construction or other Improvement. HOWEVER, DECLARANT DOES NOT WARRANT ANY VIEWS WITHIN THE PROPERTY AND NO RESIDENCE OR LOT IS GUARANTEED THE EXISTENCE OR UNOBSTRUCTED CONTINUATION OF ANY PARTICULAR VIEW.

4.8 Variances. The Committee may authorize variances from compliance with any of the architectural provisions of this Declaration, including without limitation restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require; provided, that any variance so granted shall be and always remain subject and subordinate to all applicable laws, rules and regulations and the Committee is under no obligation to ensure that any variance so granted is in conformity with applicable laws, rules and regulations. Such variances must be evidenced in writing, must be signed by a majority of the ARC, and shall become effective upon Recordation. After Declarant has lost the right to appoint a majority of the members of the ARC, the Board must approve any variance recommended by the ARC before any such variance shall become effective. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of his Residence or Lot.

4.9 Appeals. For so long as Declarant has the right to appoint and remove a majority of the members of the ARC, decisions of the ARC shall be final, and there shall be no appeal to the Board of Directors. When Declarant is no longer entitled to appoint and remove a majority of the members of the ARC the Board may, at its discretion, adopt policies and procedures for the appeal of ARC decisions for reconsideration by the Board. The Board shall have no obligation to adopt or implement any such appeal procedures, and in the absence of Board adoption of appeal procedures, all decisions of the ARC shall be final.

ARTICLE V

5. Association Maintenance Funds and Assessments.

5.1 Personal Obligation of Assessments. Each Owner, by acceptance of a deed to a Lot whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments for Common Expenses; (2) Capital Improvement

Assessments; (3) Special Assessments; (4) Reconstruction Assessments; (5) Transfer Fees (Section 5.9); and (6) Capital Contributions (Section 5.9), such assessments and fees to be established and collected as provided herein. All such assessments and fees, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge and lien on the Lot against which such assessment is made. Each such assessment and fees, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due. This personal obligation cannot be avoided by abandonment of the Lot or by an offer to waive use of the Common Elements or the Improvements thereon. The personal obligation for delinquent assessments shall not pass to any new Owner ("Purchaser") unless expressly assumed by the Purchaser.

5.2 Maintenance Funds of Association. The Board of Directors shall establish no fewer than two (2) separate Association Maintenance Fund accounts, into which shall be deposited all monies paid to the Association, and from which disbursements shall be made, as provided herein, in the performance of functions by the Association under this Declaration. The Association Maintenance Funds may be established as trust accounts at a banking or savings institution and shall include: (1) an Operating Fund for current Common Expenses of the Association, (2) an adequate Reserve Fund for capital improvements, replacements, painting and repairs of the Common Elements (which cannot normally be expected to occur on an annual or more frequent basis), and for payment of deductible amounts for policies of insurance which the Association obtains as provided in Section 9.1 hereof, and (3) any other funds which the Board of Directors may establish to the extent necessary under the provisions of this Declaration. Nothing contained herein shall limit, preclude or impair the establishment of additional Maintenance Funds by the Association, so long as the amounts assessed to, deposited into, and disbursed from any such Fund are earmarked for specified purposes authorized by this Declaration. Any surplus funds in the Operating Fund of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves or any other fund established by the Board must be paid to the Lot Owners in proportion to their liability for Common Expenses or credited to them to reduce their future assessments for Common Expenses as determined by the Board.

5.3 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners, for the operation, replacement, improvement and maintenance of the Common Elements, and to discharge any other obligations of the Association under this Declaration. All amounts deposited into the Maintenance Funds must be used solely for the common benefit of all of the Owners for purposes authorized by this Declaration. Disbursements from the Operating Fund shall be made by the Board of Directors for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the Owners, other than those purposes for which disbursements from the Reserve Fund are to be used. Disbursements from the Reserve Fund shall be made by the Board of Directors only for the purposes specified in this Article V. Nothing in this Declaration shall be construed in such a way as to permit the use of Association assessments or funds to abate any annoyance or nuisance emanating from outside the boundaries of the Property. Annual Assessments shall be used to satisfy Common Expenses of the Association, as provided herein and in the Bylaws.

5.4 Adoption of Budgets The Board shall fix the amount of the Annual Assessment to be levied at least sixty (60) days in advance of each Fiscal Year. The Owners shall be entitled to ratify the Operating and Reserve Budgets in the manner provided by NRS Chapter 116.

5.5 Annual Assessments: Commencement and Collection. Annual Assessments for any owner, shall commence on each Lot in a Phase of Development on the first day of the first calendar month following the issuance of a Certificate of Occupancy for that Lot. All Annual Assessments shall be assessed equally against the Members and their Lots based upon the number of Lots owned by each Member. Annual Assessments for fractions of any month involved shall be prorated.

Each Member shall pay to the Association his Annual Assessment in monthly installments due no later than the first day of each month. Each installment of Annual Assessments may be paid by the Member to the Association in one check or in separate checks as payments attributable to deposits into specified Association Maintenance Funds. If any installment of an Annual Assessment payment is less than the amount assessed and the payment does not specify the Association Maintenance Fund or Funds into which it should be deposited, the receipt by the Association from that Member shall be credited in order of priority first to the Operating Fund, until that portion of the Annual Assessment has been satisfied, and second to the Reserve Fund. Notwithstanding anything to the contrary herein contained and during the period of Declarant control of the Association as set forth in Section 2.5 hereof, the Declarant may pay Annual Assessments in monthly, quarterly or annual installments.

5.6 Delinquency. Any installment of an assessment provided for in this Declaration shall be delinquent if not paid by the due date. Upon such delinquency, the full amount of the Assessment (i.e., not simply the delinquent installment) shall immediately become due and payable and shall bear interest at the rate of 18% per annum or the maximum rate permitted by law until paid. Furthermore, the Owner shall be responsible for any and all reasonable costs of collection (including attorneys' fees) and late charges as provided herein. The Board may also require the delinquent Owner to pay a late charge. The Association need not accept any tender of a partial payment of an installment of an assessment and all costs, interest, late charges and attorneys' fees attributable thereto, and any acceptance of any such tender shall not be deemed to be a waiver of the Association's right to demand and receive full payments thereafter.

5.7 Creation, Enforcement and Release of Lien. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective Lot from the time such sums become due prior and superior to all other liens and encumbrances thereon except (i) liens and encumbrances Recorded before Recordation of this Declaration; (ii) a first Mortgage on the Lot Recorded before the date on which the assessment sought to be enforced becomes delinquent, except the Association lien shall have priority for six (6) months' Annual Assessments, including interest, late charges, attorneys fees and foreclosure or collection costs, pursuant to Chapter 116 of the Nevada Revised Statutes; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot.

The Association may enforce the lien, after giving notice, in the manner provided by NRS Chapter 116.

5.8 Enforcement of Liens. It shall be the duty of the Board of Directors to enforce the collection of any amounts due under this Declaration by one (1) or more of the alternative means of relief afforded by this Declaration or in any other matter permitted by law. The lien on a Lot may be enforced by sale, in the county in which the Property or any part of it is situated, of the Lot by the Association, the Association's attorneys, any title insurance company authorized to do business in Nevada, or other persons authorized to conduct the sale as a trustee, or in any other manner permitted by law, after failure of the Owner to pay any Annual, Capital Improvement, Special or Reconstruction Assessment, or installments thereof, as provided herein. The sale shall be conducted in accordance with the provisions of the Nevada Uniform Common-Interest Ownership Act, or in any other manner permitted by law. The Association, through its agents, shall have the power to enter a credit bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting homeowner's Unit, and the defaulting Owner shall be required to pay the reasonable rental value for such Unit during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving any lien securing the same, but this provision or any institution of suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from a suit at law or in equity initiated pursuant to this Section may include reasonable attorneys' fees as fixed by the court.

5.9 Capital Contributions to the Association; Transfer Fees. Upon acquisition of record title to a Lot from Declarant, each Owner of a Lot shall contribute to the capital of the Association an amount, to be determined by the Declarant from time to time, sufficient to adequately fund the Association's Reserve Fund. This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed therefrom to the Association, which amount shall be deposited by the Association into the Reserve Fund. This amount is not and shall not be deemed an advance payment of Assessments for that Lot. The Association may impose a transfer fee upon the sale, transfer, assignment or other conveyance of a Lot in order to cover administrative costs related to processing the transfer of such Lot on the books and accounts of the Association. The amount of the transfer fee will be determined from time to time by the Board.

5.10 Exemption from Assessments. The following property subject to this Declaration shall be exempt from the Assessments herein:

- (a) Those portions of the Project dedicated to and accepted by a local authority;
- (b) Any Association Property owned in fee by the Association; and

- (c) Those portions of the Project owned by Declarant, subject to the provisions of Section 5.5.

ARTICLE VI

6. Project Easements and Rights of Entry

6.1 Easements

6.1.1 Access. Declarant expressly reserves for the benefit of the Owners reciprocal, nonexclusive easements for access, ingress and egress over all of the Common Elements, including any private streets or driveways currently existing in the Property or subsequently added to it, which easements may be conveyed by Declarant to Owners and to the Association for so long as Declarant owns any interest in the Property. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by all Owners and their guests, tenants and invitees residing on or temporarily visiting the Property, for walkways, vehicular access and such other purposes reasonably necessary for use and enjoyment of a Lot in the Project. Such easements over the Common Elements and private streets shall be appurtenant to, binding upon, and shall pass with the title to, every Lot conveyed.

6.1.2 Maintenance and Repair. Subject to Article II, Section 2.7.1 herein, Declarant expressly reserves for itself and for the benefit of the Board of Directors and all agents, officers and employees of the Association, nonexclusive easements over the Common Elements as necessary to maintain and repair the Common Elements, and private streets and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Elements and private streets shall be appurtenant to, binding upon, and shall pass with the title to, every Lot conveyed.

6.1.3 Utility Easements. Declarant expressly reserves for the benefit of the Association the right of Declarant to grant additional easements and rights-of-way over the Property to utility companies and public agencies, as necessary, for the proper development and disposal of the Property. Such right of Declarant shall expire with respect to any Phase of Development, upon Close of Escrow for the sale of all Lots in such Phase by Declarant.

6.1.4 Encroachments. Declarant, the Association and Owners of contiguous Residences shall have a reciprocal easement appurtenant to each of the Residences over the Residences and the Common Elements for the purpose of (1)

accommodating any existing encroachment of any wall of any Improvement, and (2) maintaining the same and accommodating authorized construction, reconstruction, repair, shifting, movement or natural settling of the Improvements or any other portion of the Project. Easements and reciprocal negative easements for utility services and repairs, replacement and maintenance of the same over all of the Common Elements are specifically reserved for the benefit of the Owners. Declarant expressly reserves for the benefit of the Common Elements, and for the benefit of the Owners and the Association, reciprocal nonexclusive easements for drainage of water over, across and upon the Common Elements. The foregoing easements shall not unreasonably interfere with each Owner's use and enjoyment of adjoining Residences. No portion of the Common Elements, including without limitation parking spaces and other amenities contemplated as a part of the Property, are proposed to be leased by Declarant to the Owners or to the Association.

6.1.5 Completion of Improvements. Declarant expressly reserves for its benefit the right and easement to enter the Property to complete any Improvement which Declarant deems desirable to implement Declarant's development plan.

6.1.6 Avigation Easement. Each Owner, by acceptance of the deed to his respective Lot, acknowledges the existence of aircraft overflight avigation easements affecting the Property, the nature and scope of which are set forth in the public records.

6.2 Rights of Entry. The Association shall have a limited right of entry in and upon the Common Elements and the Residences for the purpose of inspecting the Project, and taking whatever corrective action may be deemed necessary or proper by the Board of Directors, consistent with the provisions of this Declaration. However, such entry upon the Residences shall be made, except to effect emergency repairs or other emergency measures, only after three (3) days prior written notice to the Owner of such Residence and after authorization of a majority of the Board of Directors. Nothing herein shall be construed to impose any obligation upon the Association to maintain or repair any property or Improvements required to be maintained or repaired by the Owners. Nothing in this Article VI shall in any manner limit the right of the Owner to exclusive occupancy and control of his Unit. However, an Owner shall permit a right of entry to the Association or any other person authorized by the Association as required by this Section 6.2. Any damage caused to a Unit by such entry by the Association or by any person authorized by the Association shall be repaired by the Association as a Common Expense of the Association. In case of an emergency, such right of entry shall be immediate.

6.3 Interest of Declarant. It is acknowledged that the Phase 1 is a portion of a larger parcel of land which Declarant is causing to be developed. Each Owner of a Lot which is part of the Project acknowledges by acceptance of a deed or other conveyance therefore, whether or not it shall be so expressed in any such deed or other instrument, that Declarant has a substantial interest to be protected with regard to assuming compliance with and enforcement of, the covenants, conditions, restrictions and reservations contained in this Declaration and any amendments thereto and any

supplemental or additional Declarations Recorded pursuant to this Declaration. Notwithstanding any other provisions of the Restrictions, until such time as Declarant and all Participating Builders no longer own any Lots in the Project, the following actions, before being undertaken by the Association, shall first be approved in writing by Declarant:

(a) Any amendment or action requiring the approval of First Mortgagees pursuant to this Declaration, including without limitation all amendments and actions specified in Sections 12 or specifically requiring the approval of Declarant pursuant to Section 12;

(b) The annexation to the Project of real property, other than the Annexable Territory, pursuant to Section 15 hereof;

(c) The levy of a Capital Improvement Assessment for the construction of new facilities not originally included in the Association Property;

(d) Subject to Section 5.5 regarding limitations on yearly Annual Assessment increases, any significant reduction of Association maintenance or other services; or

(e) Any documents creating or governing a Subassociation including, but not limited to any additional or supplemental Declaration.

ARTICLE VII

7. Declarant's Rights and Reservations. Nothing in the Restrictions shall limit, and no Owner or the Association shall do anything to interfere with, the right of Declarant to subdivide or resubdivide any portion of the Property, or to complete Improvements to and on the Common Elements or any portion of the Property owned solely or partially by Declarant, or to alter the foregoing or its construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of development of the Property so long as any Lot in the Project remains unsold. Any alteration of Declarant's construction plans shall require the prior approval of FHA and VA, if such alteration is inconsistent with the general plan of development of the Property submitted to and approved by FHA and VA, if any. The rights of Declarant and each Participating Builder hereunder shall include, but shall not be limited to, the right to install and maintain such structures, displays, signs, billboards, flags and sales offices as may be reasonably necessary for the conduct of its business of completing the work and disposing of the Lots by sale, resale, lease or otherwise. Each Owner by accepting a deed to a Lot hereby acknowledges that the activities of Declarant and each Participating Builder may temporarily or permanently impair the view of such Owner and may constitute an inconvenience or nuisance to the Owners, and hereby consents to such impairment, inconvenience or nuisance until such time as Declarant or any successor-in-interest of Declarant and each Participating Builder ceases to own any portion of the Property or the Annexable Territory. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title to a Lot in the Project by a purchaser from Declarant to make or establish on that Lot additional licenses, dedications, easements, reservations and rights-of-way to itself, to utility companies, governmental agencies, or to others as may, from time to time be

reasonably necessary to the proper development and disposal of the Property. Furthermore, prior to acquisition of title to the affected Lot by a purchaser or with the consent of the affected Lot Owner thereafter, Declarant, in its sole discretion, may cause boundary line adjustments to such a Lot, without the consent of the Association, to provide for, by way of example and not limitation, logical interconnection of additional Phases of Development, the provision of ingress or egress to the Project or Phases of Development and to correct planning oversights, such as unforeseen areas where trash and debris may collect or areas of designated Common Elements which may be unusable or inaccessible for proper maintenance. Declarant may use any Lots owned by Declarant in the Project, and each Participating Builder may use any Lots owned by that Participating Builder in the Project, as model home complexes, construction offices or real estate sales or leasing offices. Declarant need not seek or obtain ARC approval for any Improvement constructed or placed on any portion of the Property by Declarant. The rights of Declarant hereunder and elsewhere in these Restrictions may be assigned by Declarant to any successor in interest to any portion of Declarant's interest in any portion of the Property by a written assignment. Declarant and its prospective purchasers of Lots shall be entitled to the nonexclusive use of the Common Elements without further cost for access, ingress, egress, use or enjoyment, in order to show the Property to its prospective purchasers, to dispose of the Property as provided herein, and to develop and sell the Annexable Territory. Declarant, its successors and tenants, shall also be entitled to the nonexclusive use of any portions of the Property which comprise private streets, drives and walkways for the purpose of ingress, egress and accommodating vehicular and pedestrian traffic to and from the Property and the Annexable Territory. The use of the Common Elements by Declarant shall not unreasonably interfere with the use thereof by the other Members. The Association shall provide Declarant with all notices and other documents to which a Beneficiary is entitled pursuant to this Declaration, provided that Declarant shall be provided such notices and other documents without making written request therefore. The rights and reservations of Declarant and each Participating Builder set forth in this Article VII shall terminate on the twentieth (20th) anniversary of the first Close of Escrow for the sale of a Lot in the Project.

ARTICLE VIII

8. Residence and Use Restrictions. All of the Property shall be held, used and enjoyed subject to the following limitations and restrictions and the exemptions of Declarant and each Participating Builder set forth in this Declaration.

8.1 Single Family Residences. Each Unit shall be used as a Residence for a single Family and for no other purpose. An Owner may rent his Unit to a single Family provided that the Unit is rented pursuant to a lease or rental agreement which is (a) in writing, (b) for a term of at least thirty (30) days, and (c) subject to all of the provisions of this Declaration. Provided, however, that a Unit may not be rented or leased more than three (3) times during any calendar year. Notwithstanding that the Owner shall have leased or rented the Unit to a tenant, the Owner and the Lot shall be liable and responsible for a tenant's failure to abide by the terms and conditions of this Declaration, which include the obligations to maintain the landscaping and avoid nuisance conditions. Garage areas within a Unit shall not be converted to or used as living areas.

8.2 Temporary Structures. No structure of a temporary character, trailer, tent, shack, detached garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently; provided, however, that Declarant or a Participating Builder may establish, relocate and operate, from time to time, a construction yard, including a "job shack," on any Lot, during and until completion of construction of the Project.

8.3 Lavatories and Toilets. All lavatories and toilets shall be built indoors and connected with a sewer system in accordance with applicable law.

8.4 Automobiles and Recreational Vehicles. No boat, trailer (including, without limitation, utility trailers), motor home, recreational vehicle, camper, commercial vehicle, aircraft, truck larger than 1 ton, or any inoperable or junk vehicle of any kind may be parked, stored, kept or repaired at any time on any Lot within the Project between the residence and the front property line of the Lot; provided, however, that a boat, trailer, motor home or recreational vehicle may be parked between the residence and the front property line of the Lot for a period not to exceed twenty-four (24) hours. Parking, storing or keeping a boat, trailer, motor home, recreational vehicle, camper, commercial vehicle, aircraft, truck larger than 1 ton, or any inoperable or junk vehicle shall be permitted only on the garage side, side yard (an area adjacent to the side of a residence and the side lot line which abuts the exterior wall of the garage of the Residence) behind the most forward part of the Residence in said garage side, side yard and behind a fence. Notwithstanding the foregoing, no commercial vehicle of any type that exceeds ten (10) feet in height shall be parked stored or kept on any Lot. In addition, a boat, trailer, motor home, recreational vehicle, camper, commercial vehicle, aircraft, truck larger than 1 ton, or any inoperable or junk vehicle parked in a side yard as defined above must be parked or stored behind a screened gate. No repairs or restoration of a boat, trailer, motor home, recreational vehicle, camper, commercial vehicles, aircraft, truck larger than 1 ton, or any inoperable or junk vehicle shall be conducted upon any portion of any Lot within the Project, except wholly within the said Owner's garage; provided, however, that such activity shall at no time be permitted if it is determined by the Architectural Review Committee to be a nuisance or unsightly. A boat, trailer, motor home, recreational vehicle, camper, truck larger than 1 ton, or commercial vehicle may be operated within the Project for the purposes of ingress to and egress from the Owner's Lot within the Project only. No motorized vehicles shall be operated in any manner in the Common Elements or on any regional trails within the Project. The provisions of this Section are subject to Declarant's and each Participating Builder's right to construct and complete Improvements. Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any applicable law, rule, regulation or ordinance.

8.5 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, or offensive. All Lots shall be required to have and pay for mandatory solid waste collection. No noise or other nuisance shall be permitted to exist or operate upon any portion of a Lot so as to be offensive or detrimental to any other Lot in the Property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security

devices used exclusively for security purposes), 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 their tenants shall be located, used or placed on any portion of the Property without the prior written approval of the Board. Alarm devices used exclusively to protect the security of a Lot 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. Without limiting the effect of the foregoing, Owners of Lots constructed with open-view fencing along the rear or side property lines shall improve, landscape and maintain in good condition and repair the visible areas of such Lot as provided in this Declaration.

8.6 Signs. Except to the extent otherwise permitted pursuant to NRS Chapter 116, no sign, poster, billboard, advertising device or other display of any kind shall be displayed without the approval of the ARC, except that one (1) sign of customary and reasonable dimensions may be displayed from each Lot advertising the Lot for sale. No "for rent", "for Lease" or other sign indicating that a Lot is available for any temporary occupancy are permitted or may be visible or displayed at any time. The provisions of this Section shall not apply to any signs utilized by Declarant or a Participating Builder as part of a sales, construction, and/or marketing program for Lots within the Project.

8.7 Antennae. No installation of antennae or satellite dish or other device for the transmission or reception of television or radio signals or any other form of electro-magnetic radiation shall be permitted only when erected, used or maintained in the rear yard of a Residence or Property or mounted as inconspicuously as possible on the Residence. The height of said device shall not exceed eight feet overall (including, but not limited to, the stand, pedestal, and receiver) and/or shall not be more than two feet above the height of the nearest property line fence or wall. Adequate landscape material shall be installed to screen said device from view of adjacent Residences built upon Lots within the Project, as well as from the street. The restrictions set forth in this Section 8.7, to the extent inconsistent therewith, are subject to the Federal Communications Act of 1996 and the rules and regulations promulgated thereunder by the Federal Communication Commission.

8.8 Rooftop Structures and Appliances. Without the prior approval of the ARC, no device, structure or fixture of any kind, including but not limited to solar panels, solar receptors, wiring or water softeners shall be installed or affixed to the exterior walls or roofs of the residence on Lots within the Project which are in view of adjacent lots or public streets or which are in violation of any applicable law, rule, regulation or ordinance.

Evaporator coolers or other air conditioning devices shall not be permitted on the roofs of structures but may be attached to the exterior wall of a Unit (excluding exterior walls in the front of the Residence); provided, that such devices are not visible from the street or neighboring or nearby Lots. Adequate landscape material shall be installed to screen said device from view of adjacent Residences built upon Lots within the Project, as well as from the street.

8.9 Unsightly Articles. No unsightly articles, including without limitation clotheslines, shall be permitted to remain on any Lot so as to be visible from any other portion of the

Property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose. Such containers shall be exposed to the view of neighboring Lots only when set out for collection and then only for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours). There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles commercially designed therefore, such that they do not create a fire hazard and except as specifically authorized in writing by the Association (and subject to applicable ordinances and fire regulations).

8.10 Oil and Mining Operations. No tools or equipment and no derrick or other structure designed for use in boring for oil, gas or other kindred substances, or designed for use in boring for water, or designed for use in any mining operation or exploration shall hereafter be erected or placed upon the Property; and no owner of any Lot shall ever consent to the use of the surface of the land, or any portion of the subsurface thereof, by any lessee under any lease to be negotiated or under any lease now of record affecting any of said lots, which lease pertains to the exploration, mining or operating for oil, gas or other hydrocarbon substance and the taking, storing, removing and disposition of same.

8.11 Maintenance of Improvements and Structures. No improvements (including but not limited to dwelling units, garages, carports, walls and fences) shall be permitted to fall into disrepair and all structures shall at all times be kept in good condition and repair and adequately painted or otherwise finished. Any and all repairs, re-decorations, modifications or additions, interior or exterior, shall fully comply with all applicable building code requirements and restrictions and this Declaration.

8.12 Maintenance of Lots Within the Project. No rubbish, brush, weeds, undergrowth or debris of any kind or character shall ever be placed or permitted to accumulate upon any lots within the Project, or any portion thereof, so as to render said premises a fire hazard, unsanitary, unsightly, offensive or detrimental to any other lot within the Project or of the occupants thereof. The Owner of each Lot within the Project for himself, his successors and assigns agrees to maintain and to care for, cultivate, prune and maintain in good condition any and all trees, lawns, and shrubs growing on said Lot and should Owner or his successors or assigns fail to do so, or fail to keep said Lot free from rubbish, brush, weeds, undergrowth or debris of any character, the Association, to the extent permitted by applicable law, or the Declarant or its successors in interest at any time, upon thirty (30) days written notice to Owner or his successors and assigns, of its intention to do so, may enter upon said Lot or property and remove such rubbish, brush, weeds, undergrowth or debris and assess said Owner or his successors or assigns for the costs thereof. Declarant or its successor in interest shall notify Owner or his successors or assigns in writing of the costs thereof, and in the event such person or persons fails to remit to Declarant or its successor in interest the charges, such charges shall constitute a lien on said lot or property which may be enforced by Declarant or its successor in interest in the same manner provided by law with respect to a mortgage or other lien on real property. No party other than the Declarant may lien any lot within the Project as a method of enforcement of this provision 8.12.

Each Owner acknowledges that in order to minimize the impacts from nuisance water runoff, the County has required that no turf or grass on any Lot be placed with two (2) feet of the sidewalk.

8.13 Animals. No animals, fowl, reptiles, poultry, fish or insects of any kind ("animals") shall be raised, bred or kept 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 any other provision of the Restrictions and such limitations as may be set forth in the Rules and Regulations. As used in this Declaration "unreasonable quantities" shall ordinarily mean more than two (2) pets per household; provided, however, that the Board of Directors may determine that a reasonable number in any instance may be more or less. The Association, acting through the Board of Directors, shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to other Owners in the Property. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Property must be either kept within an enclosure or on a leash or other restraint being held by a person capable of controlling the animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all remaining Owners, their Families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Property by an Owner or by members of his Family, his tenants or his guests; and it shall be the absolute duty and responsibility of each such Owner to clean up after such animals which have used any portion of the Common Elements.

8.14 Business or Commercial Activity. No part of the Property shall ever be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purposes, 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; except Declarant, its successors and assigns, and each Participating Builder, may use any portion of the Property for a model home site, construction offices and display and sales offices in accordance with Article VII hereof. The provisions of this Section 8.14 shall not preclude any of the above-described activities 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 visit the Lot 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 Lot; (d) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (e) such activities are consistent with the residential character of the Property and conform with the provisions of this Declaration.

8.15 No Further Subdivision. No Lot may be further subdivided or re-zoned without the prior written approval of the Declarant or Board; provided, however, that nothing in this Section shall be deemed to prevent an Owner from, or require the approval of the Board for: (1) selling a Lot;

or (2) transferring or selling any Lot to more than one (1) person to be held by them as tenants in common, joint tenants, tenants by the entirety or as community property; or (3) the leasing or renting by any Owner of all of his Lot, provided that any such lease or rental shall be subject to the Restrictions.

8.16 Drainage. Each Lot shall be certified by a licensed, professional engineer that it has been graded to drain properly. There shall be no interference with or alteration to the established drainage, unless an adequate alternative provision, approved by the County agency, is made for proper drainage. For the purpose hereof, "established" drainage is defined as the drainage which exists at the time a Lot is conveyed to an Owner by Declarant or a Participating Builder, which includes the placement of rain gutter downspouts and other modifications to the Residence that may impact drainage.

8.17 Fences. Wood fences not exceeding six feet (6') in height and not extending beyond the front of the residence may be erected if the location and quality thereof are first approved in writing by the Architectural Review Committee and are consistent with the rules, regulations and requirements established from time to time by the applicable local governmental entities having jurisdiction over any of the Project. No fences of any kind or type shall be permitted between the front property line of a Lot and Residence. No fence may be painted; however, fences may be stained with a natural wood colored stain that compliments the natural beauty and character of the wood and surrounding area as approved by the Architectural Review Committee, taking into account, among other things, the avoidance of patchwork of different colored fences. Interior fences may be erected within the enclosed backyard area of the Residence; provided, that such interior fences do not exceed the height of six (6) feet. No wire fencing of any kind or type shall be permitted except for interior fences (e.g. dog runs). Fencing installed by the Declarant or a Participating Builder at the time a Lot is conveyed to an Owner by Declarant or such Participating Builder, shall be maintained by the Owner, and to the extent that any such fencing must be repaired or replaced it shall be repaired or replaced using the same design and material type and quality as originally installed, unless an alteration therefrom is expressly approved by the Architectural Review Committee in writing and pursuant to the procedures set forth in this Declaration and such alteration is consistent with all applicable laws, rules and regulations related to the Lot and the Project.

8.18 Site Distance at Intersections. Subject to such additional restrictions or greater site distances that may be required under applicable law, no fence, wall, hedge, or shrub planting which obstructs site lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on a corner lot within the triangular area formed by the street property lines and a line connecting them at twenty-five feet (25') from the intersection of the street lines or, in the case of a rounded property corner, from the intersections of the street property lines extended. The same site-line limitations shall apply on any Lot that is within ten (10) feet of the intersection of a street property line with the edge of a driveway or alley. No trees shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such site lines.

8.19 Tanks. No elevated or exposed tanks of any kind shall be erected, placed or permitted upon any lot.

8.20 Exterior Lighting. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity as not to disturb the residents of adjacent or nearby Property. All exterior lighting on buildings and streets shall down-shielded, except for any obstruction lighting required by the Federal Aviation Administration to be installed within the Project.

8.21 Landscaping. Declarant, as to Lots owned by Declarant, or Participating Builder, as to Lots owned by Participating Builder, shall landscape the front yard of each Residence in accordance with the landscaping standards and guidelines determined from time to time by the Declarant, provided, however, no turf or grass on any Lot shall be placed with two (2) feet of the sidewalk.. At the sole cost and expense of the Owner, within six (6) months, weather permitting, as determined by the Committee, of the sale of the Residence to a Person other than Declarant or a Participating Builder, the rear yard area of each Lot shall be sufficiently landscaped to preserve and protect the grading and slopes of such Lot from erosion or other deterioration that may affect adjacent area or Lots or that may alter or affect the drainage characteristics of such Lot, adjacent Lots or areas.

8.22 Airport Activities Disclosure. Each Participating Builder, Mortgagee and Owner for themselves and their respective heirs, successors, assigns, employees, contractors, agents, Family, tenants and invitees, acknowledge and agree, by taking any interest in the Property, that an airport currently exists in close proximity to the Property and that landings, takeoffs and overflights occur over the Property. Furthermore, each Participating Builder, Mortgagee and Owner for themselves and their respective heirs, successors, assigns, employees, contractors, agents, Family, tenants and invitees, acknowledge that an aviation easement has been granted over the Property which contains certain restrictions affecting the Property and includes the right to cause such noise, vibrations, fumes, dust, turbulence, fuel particles and similar activity as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in air, using the airspace or landing at, taking off from or operating at the airport. Neither the Declarant, nor any successor declarant, or any Participating Builder makes any representation or warranty as to the use, now or in the future, of the airport or as to the nature, frequency or severity of any noise, vibrations, fumes, dust, turbulence, fuel particles and similar activity as may be inherent in the operation of aircraft from time to time at the airport or the effect thereof on the Property.

ARTICLE IX

9. Insurance

9.1 Duty to Obtain Insurance: Types

9.1.1 Public Liability. Not later than the time of the first conveyance of a Unit to a

person other than a Declarant, the Board shall cause to be obtained and maintained adequate blanket public liability insurance (including medical payments), with such limits as may be considered acceptable to FNMA (not less than \$1 million covering all claims for personal injury and property damage arising out of a single occurrence), insuring against liability for bodily injury, death and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements.

9.1.2 Fire and Casualty Insurance. The Board shall also cause to be obtained and maintained a blanket policy of property insurance covering all structural elements of the Property, excluding any Lots. Such coverage shall afford fire, extended coverage and special perils protection (if reasonably available) on a replacement cost basis to all Common Elements owned by the Association.

9.1.3 Fidelity Bonds. Fidelity bond coverage which names the Association as an obligee must be obtained by or on behalf of the Association for any person or entity handling funds of the Association, including, but not limited to, officers, directors, trustees, employees and agents of the Association and employees of the Manager of the Association, whether or not such Persons are compensated for their services, in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Manager, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than the sum equal to one fourth (1/4) of the Annual Assessments on all Lots in the Project, plus reserve funds.

9.1.4 Other Insurance. The Board of Directors may purchase such other insurance, as necessary, including but not limited to, errors and omissions, directors, officers and agents liability insurance, plate glass insurance, medical payments, malicious mischief, liquor liability and vandalism insurance, fidelity bonds and worker's compensation, and such other risks as shall customarily be covered with respect to developments similar in construction, location and use.

9.1.5 Beneficiaries. Such insurance shall be maintained for the benefit of the Association and the Owners as their interests may appear as named insured and consistent with Section 116.31133 of the Nevada Revised Statutes, subject, however, to loss payment requirements as set forth herein.

9.2 Waiver of Claim Against Association. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of said Persons.

9.3 Notice of Expiration Requirements. If available, each of the policies of insurance maintained by the Association shall contain a provision that said policy shall not be canceled, terminated, materially modified or allowed to expire by its terms, without thirty (30) days' prior

written notice to the Board and Declarant, and to each Beneficiary, insurer and guarantor of a first Mortgage who has filed a written request with the carrier for such notice and every other Person in interest who requests such notice of the insurer. In addition, fidelity bonds shall provide that they may not be canceled or substantially modified without thirty (30) days prior written notice to any insurance trustee named pursuant to Section 9.5.

9.4 Insurance Premiums. Insurance premiums for any insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors shall be a Common Expense to be included in the Annual Assessments levied by the Association and collected from the Owners. That portion of the Annual Assessments necessary for the required insurance premiums shall be separately accounted for by the Association in the Reserve Fund, to be used solely for the payment of premiums of required insurance as such premiums become due.

9.5 Trustee for Policies. The Association, through its Board of Directors, is hereby appointed and shall be deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Section 9.1 of this Article shall be paid to the Board of Directors as trustees. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in Article X of this Declaration. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) officers of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds. A representative chosen by the Board may be named as an insured, including a trustee with whom the Association may enter into an insurance trust agreement or any successor to such trustee, who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions necessary to accomplish this purpose.

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

9.7 Annual Insurance Review. The Board shall review the insurance carried by or on behalf of the Association at least annually, for the purpose of determining the amount of the casualty and fire insurance referred to in Section 9.1 above. If economically feasible, the Board shall obtain a current appraisal of the full replacement value of the Improvements on the Property, excluding Lots, except for foundations and footings, without deduction for depreciation, from a qualified independent insurance appraiser, prior to each such annual review.

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

- (a) subrogation of claims against the Owners;
- (b) any defense based upon coinsurance;
- (c) any right of setoff, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;
- (d) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association or any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured;
- (e) any right of the insurer to repair, rebuild or replace;
- (f) notice of the assignment of any Owner of his interest in the insurance by virtue of a conveyance of any Lot; and
- (g) any right to require any assignment of any Mortgage to the insurer.

Each such policy shall also provide that each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or Membership in the Association.

ARTICLE X

10. Destruction of Improvements

10.1 Restoration of the Property. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Common Elements, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article IX hereof for reconstruction or repair of the Common Elements shall be used for such purpose, unless (a) the Project is terminated; (b) repair or restoration would be illegal under any state or local statute or ordinance governing health or safety; or (c) eighty percent (80%) of the Owners' vote not to rebuild. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Common Elements shall be reconstructed or rebuilt substantially in accordance with the applicable Map and the original construction plans if they are available, unless changes recommended by the ARC have been

approved in writing by sixty-seven percent (67%) of the Owners. A Reconstruction Assessment shall be levied by the Board of Directors to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose. If the entire Project is not repaired or replaced, then the proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Project, and (a) any proceeds attributable to Lots and Units that are not rebuilt shall be distributed to the Owners of those Lots or Units; provided, however, that such proceeds shall first be applied to the balance then due on any Mortgages encumbering such Owner's Lot, in order of priority, and (b) the remainder of the proceeds shall be distributed to the Owners holding an interest in such Common Elements in proportion to the interest held; provided, however, that such proceeds shall first be applied to the balance then due on any Mortgage encumbering such Owners' Lots, in order of priority.

10.2 Residence Damage. Restoration and repair of any damage to any individual Residence shall be made by and at the individual expense of the Owner of the Residence so damaged. In the event of a determination to rebuild the Property after partial or total destruction, as provided in this Article X, such repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the ARC as provided herein.

10.3 Notice to Owners. The Board, immediately upon having knowledge of any damage or destruction affecting a material portion of the Common Elements, shall promptly notify all Owners.

ARTICLE XI

11. Eminent Domain. The term "taking" as used in this Article shall mean condemnation by exercise of the power of eminent domain or by sale under threat of the exercise of the power of eminent domain. The Board shall represent the Owners, with the exception of the Secretary, Department of Veterans Affairs, an officer of the United States of America, in any proceedings, negotiations, settlements, or agreements regarding takings. All takings proceeds shall be payable to the Association for the benefit of the Unit Owners and their Mortgagees, and shall be distributed to such Owners and Mortgagees as provided in this Article XI.

11.1 Project Condemnation. If there is a taking of an interest in all or part of the Common Elements such that the ownership, operation and use of the Common Elements in accordance with the provisions of this Declaration is substantially and adversely affected, and within one hundred twenty (120) days after the effective date of the taking the Owners do not by affirmative vote of at least one-third of their voting power approve the repair, restoration and replacement to the extent feasible of the Common Elements, then the Board shall proceed with the sale of that portion of the Common Elements which were not taken.

11.2 Condemnation of Common Elements. If there is a taking of all or any portion of the Common Elements, or any interest therein, then the award in condemnation shall be paid to the Association and shall be deposited in the Operating Fund.

11.3 Condemnation of Lots. If there is a taking of a Lot, the award in condemnation shall be paid to the Owner of the Lot or Unit.

11.4 Portions of Awards in Condemnation Not Compensatory for Value of Real Property. Those portions of awards in condemnation which do not directly compensate Owners for takings of real property (e.g., awards for takings of personal property, relocation expenses, moving expenses, or other allowances of a similar nature intended to facilitate relocation) shall be paid to the Owners whose personal property is taken, or whose relocation is intended to be facilitated.

11.5 Notice to Owners and Mortgagees. The Board, upon learning of any taking affecting a material portion of the Property, or any threat thereof, shall promptly notify all Owners and those Beneficiaries, insurers and guarantors of Mortgages on Lots in the Project who have filed a written request for such notice with the Association. The Board, upon learning of any taking affecting a Unit, or any threat thereof, shall promptly notify any Beneficiary, insurer or guarantor of a Mortgage encumbering such Unit who has filed a written request for such notice with the Association.

ARTICLE XII

12. Rights of Mortgagees. Notwithstanding any other provision of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the Mortgagee under any Mortgage upon one (1) or more Lots made in good faith and for value, provided that after the foreclosure of any such Mortgage such Lot(s) shall remain subject to this Declaration, as amended. For purposes of this Declaration, "First Mortgage" shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Lot, and "First Mortgagee" shall mean the Beneficiary of a First Mortgage subject to Article V, Section 5.7 hereof. For purposes of any provision of this Declaration or the other Restrictions which require the vote or approval of a specified percentage of First Mortgagees, such vote or approval shall be determined based upon one (1) vote for each Lot encumbered by each such first Mortgage. In order to induce VA, FHA, FHLMC, GNMA and FNMA to participate in the financing of the sale of Lots within the Project, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of this Declaration or any other of the Restrictions, these added provisions shall control):

(a) Each Mortgagee/Beneficiary insurer and guarantor of a First Mortgage encumbering one (1) or more Lots, upon filing a written request for notification with the Board, is entitled to written notification from the Association of: (1) any condemnation or casualty loss which affects either a material portion of the Common Elements or the Unit(s) securing the respective First Mortgage; and (2) any delinquency of sixty (60) days or more in the performance of any obligation under the Restrictions, including without limitation the payment of assessments or charges owed by the Owner(s) of the Unit(s) securing the respective First Mortgage, which notice each Owner hereby consents to and authorizes; and

(3) a lapse, cancellation, or material modification of any policy of insurance or fidelity bond maintained by the Association.

(b) Each First Mortgagee of a Mortgage encumbering any Lot which obtains title to such Lot, pursuant to the remedies provided in such Mortgage or by foreclosure of such Mortgage, shall take title to such Lot free and clear of claims for unpaid assessments or charges against such Lot, except for the amount of the Association's superpriority lien as set forth in Article V, Section 5.6 hereof.

(c) Unless at least sixty-seven percent (67%) of the Owners (other than Declarant) have given their prior written approval, neither the Association nor the Owners shall:

- (1) by act or omission seek to abandon or terminate the Property; or
- (2) change the method of determining the obligations, assessments, dues or other charges which may be levied against any Owner; or
- (3) partition or subdivide any Lot; or
- (4) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause. Furthermore, the Association may grant, for consideration, non-exclusive licenses to use the Common Elements to person other than Owners which licenses shall not be deemed a transfer or encumbrance hereunder); or
- (5) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design, the exterior appearance or the maintenance of the Common Elements; or
- (6) fail to maintain or cause to be maintained Fire and Extended Coverage insurance on insurable Common Elements as provided in Article IX of this Declaration; or
- (7) use hazard insurance proceeds for losses to any Common Element for other than the repair, replacement or reconstruction of such Common Element, subject to the provisions of Article X of this Declaration; or
- (8) change the pro rata interest or obligations of any Lot in order to levy assessments or charges, allocate distributions of hazard insurance

proceeds or condemnation awards or determine the pro rata share of ownership of each Lot in the Common Elements.

(e) All Mortgagees/Beneficiaries, insurers and guarantors of First Mortgages, upon written request to the Association, shall have the right to:

- (1) examine current copies of the Association's books, records and financial, statements and the Restrictions during normal business hours; and
- (2) receive written notice of all meetings of Members; and
- (3) designate in writing a representative who shall be authorized to attend all meetings of Members.

(f) The Board shall secure and cause to be maintained in force at all times a fidelity bond for any Person handling funds of the Association, including, but not limited to, employees of a community manager.

(g) The Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of VA, FHA, FHLMC, FNMA or GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of First Mortgages encumbering Lots. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their residential Lots, if such agencies approve the Property as a qualifying subdivision builder their respective policies, rules and regulations, as adopted from time to time. Each Owner hereby authorizes his Mortgagee to furnish information to the Board concerning the status of any Mortgage encumbering a Lot.

(h) All intended Improvements in any Phase of Development other than Phase 1 shall be substantially completed prior to annexation. All such Improvements shall be consistent with the Improvements in Phase 1 in terms of quality of construction. The requirements of this subparagraph are for the benefit only of and may be enforced only by FNMA.

(i) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Elements, and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

ARTICLE XIII

13. Duration and Amendment

13.1 Duration. This Declaration shall continue in full force for a term of fifty (50) years from the date of Recordation hereof, after which the term shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination satisfying the requirements of an amendment to this Declaration as set forth in Section 13.2 is Recorded. Notwithstanding the foregoing, the obligations set forth in this Declaration with respect to the Association's obligations to maintain the Improvements described therein shall continue in perpetuity or until such time as the County or such other applicable governmental authority expressly accepts dedication of and the maintenance responsibility with respect to the Improvements and a process is established by which the Owners shall continue to be responsible for the costs incurred with respect to such Improvements as contemplated in this Declaration. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any Unit from the concomitant Membership in the Association, as long as this Declaration shall continue in full force and effect. The provisions of this Article are subject to the provisions of Articles X and XI of this Declaration.

13.2 Termination and Amendment

(a) Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting or election of the Association at which a proposed amendment is to be considered. The resolution shall be adopted by the vote, in person or by proxy, or written consent of Members representing not less than sixty-seven percent (67%) of the voting power of the Association, provided that the specified percentage of the voting power of the Association necessary to amend a specified Section or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that Section or provision. The Member approval described above shall not be required for amendments that may be executed by Declarant with respect to the exercise of developmental rights, the additional of Annexable Territory and as otherwise provided herein.

(b) Except in the case of a taking of all of the Property by eminent domain, termination of this Declaration shall require approval by Members representing at least eighty percent (80%) of the Association's voting power.

(c) A copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment shall be effective when a Certificate of Amendment is Recorded. The Certificate, signed and sworn to by two (2) officers of the Association that the requisite number of Members, if required, have either voted for or consented in writing to any amendment adopted as provided above, when Recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files the record of all such votes or written

consents for a period of at least four (4) years.

(d) Notwithstanding any other provisions of this Section 13.2, at any time prior to the first Close of Escrow for the sale of a Lot within Phase 1, Declarant may unilaterally amend or terminate this Declaration by Recording a written instrument which effects the amendment or termination and is signed and acknowledged by Declarant.

(e) Notwithstanding any other provisions of this Section 13.2, for so long as Declarant owns any portion of the Property, Declarant may unilaterally amend this Declaration by Recording a written instrument signed by Declarant in order to conform this Declaration to the requirements of the County, VA, FHA, FNMA, GNMA or FHLMC then in effect.

13.3 Protection of Declarant. Until the tenth (10th) anniversary of the first Close of Escrow for the sale of a Lot in the Project, the prior written approval of Declarant, as developer of the Property, will be required before any amendment which would impair or diminish the rights of Declarant to complete the Property or sell or lease Lots therein in accordance with this Declaration shall become effective. Notwithstanding any other provisions of the Restrictions, until such time as (i) Declarant is no longer entitled to add Annexable Territory to the Property without the consent of the Association pursuant to Section 15.1, or (ii) Declarant no longer owns any Lots in the Property, whichever occurs last, the following actions, before being undertaken by the Association, shall first be approved in writing by Declarant:

- (a) Any amendment and all amendments and actions specified in Sections 13.2;
- (b) The annexation to the Property of real property other than the Annexable Territory pursuant to Section 15.2;
- (c) Any significant reduction of Association maintenance or other services.

13.4 Protection of County. Notwithstanding anything to the contrary set forth in this Declaration, neither the Association nor the Declarant shall, without the express prior written approval of the County, amend, delete or modify in any way any provision of the Declaration which would eliminate, impair or diminish the Association's continuing and perpetual obligations with respect to the Improvements as set forth in Sections 2.7.1, 2.7.2, Article 8 and this Article 13, or amend, delete or modify in any way Section 14.1(h).

ARTICLE XIV

14. General Provisions

14.1 Enforcement of Restrictions

- (a) Violations Identified by the Association. If the Board determines that there is

a violation of any provision of the Restrictions, or the ARC determines that an Improvement which is the maintenance responsibility of an Owner is in need of installation, maintenance, repair, restoration or painting, then the Board shall give written notice to the responsible Owner identifying (i) the condition or violation complained of, and (ii) the length of time the Owner has to remedy the violation including, if applicable, the length of time the Owner has to submit plans to the ARC and the length of time the Owner has to complete the work proposed in the plans submitted to the ARC.

If an Owner does not perform such corrective action as is required by the Board and the ARC within the allotted time, the Board, after Notice and Hearing, may undertake to remedy such condition or violation complained of, and the cost thereof shall be charged to the Owner as a Special Assessment, including attorneys fees incurred by the Association in obtaining compliance. The attorneys fees recoverable are the actual fees, incurred by the Association and are recoverable as a Special Assessment even if a lawsuit is not commenced and a judgment not obtained. Such Special Assessment shall be subject to enforcement and collection by the Board in accordance with the procedures provided for in this Declaration.

If the violation involves nonpayment of any type of Assessment, then the Board shall be entitled to collect such delinquent Assessment pursuant to the procedures set forth in Article V.

(b) Violations Identified by an Owner. In the event that an owner alleges that another Owner, his Family, guests, tenants, or invitees is violating the Restrictions (other than nonpayment of any type of Assessment), the Owner must first submit the matter to the Board pursuant to the Notice and Hearing procedure established in Article XII of the Bylaws before the complaining Owner may resort to a court of law for relief with respect to the alleged violation.

(c) Legal Proceedings. Failure to comply with any of the terms of the Restrictions by an Owner, his Family, guests, employees, invitees or tenants, shall be grounds for relief which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of any lien, or any combination thereof; provided, however, that the procedures established in Sections 14.1(a) and (b) above must first be followed, if they are applicable.

(d) Limitation on Expenditures. The Association shall not incur litigation expenses, including without limitation attorneys' fees, where the Association initiates legal proceedings or is joined as a plaintiff in legal proceedings without the approval of a majority of the voting power of the Association, excluding the voting power of any Owner who would be a defendant in such proceedings. Such approval shall not be necessary if the legal proceedings are initiated to (i) enforce the use restrictions contained in Article VIII hereof, (ii) enforce the architectural review provisions contained in Article IV hereof, (iii) collect any unpaid assessments or fines levied pursuant to this Declaration, or (iv) proceed with a counterclaim. The Association may initiate an action to protect the health, safety and welfare

of the Association, provided that such action is ratified within ninety (90) days by a majority of the voting power of the Association, excluding the voting power of any Owner who would be a defendant in such proceedings. If such ratification cannot be obtained, the Association may thereafter seek to dismiss the case without prejudice.

(e) Schedule of Fines. The Board may adopt a schedule of reasonable fines or penalties which, in its reasonable discretion, it may assess against an Owner for the failure of such Owner, or of a resident of or visitor to such Owner's Unit, to comply with any provisions of the Restrictions. If the Association adopts a policy imposing a fine on an Owner for the violation of this Declaration, the Bylaws, or other rules established by the Association, the Secretary of the Association shall prepare and mail or hand deliver to the address of each Unit a schedule of the fines that may be imposed for those violations. If such a fine is imposed and the violation is not cured within 14 days or a longer period as may be established by the Board, the violation shall be deemed a continuing violation. Thereafter, the Board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Such fines or penalties may only be assessed by the Board, against the Unit of the violating Owner, after Notice and Hearing.

(f) No Waiver. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision, or any other provision hereof.

(g) Right to Enforce. The Board, any Owner (not at the time in default hereunder), or Declarant (so long as Declarant is an Owner) shall be entitled to enforce the Restrictions as described in this Article. Each Owner shall have a right of action against the Association for the Association's failure to comply with the Restrictions. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

(h) County A Third Party Beneficiary. The County, or other political subdivision which may hereafter have governmental power over the Project, is hereby expressly made a third party beneficiary to and may enforce the provisions of Sections 2.7.1, 2.7.2, Article 8 and Article 13 as provided in this Declaration and, to the extent abandoned by the Association, may undertake and exercise the powers, duties and responsibilities of the Association as set forth in the Declaration. Except in the event where public safety or property damage may be at risk, as determined in the sole and absolute discretion of the County, the County shall not exercise any rights or powers under this Section 14.1 (h) during the period of Declarant control of the Association and then thereafter until (i) the County provides written notice to the Association of the County's intention to exercise its rights under this Section 14.1 (h), describing in detail the rights and powers to be exercised and all violations, and (ii) the Association has failed to commence substantial corrective or enforcement action responsive to the County's written notice, within thirty (30) days following the date upon which such written notice is received by the Association.

(i) Attorneys' Fees. Any judgment rendered in any action or proceeding pursuant to this Declaration shall include a sum for attorneys' fees in such amount as the court may

deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and costs of court. Notwithstanding the foregoing, the Association may include in a Special Assessment the actual attorneys fees incurred by the Association in obtaining compliance with the Association's Restrictions, which attorneys fees are recoverable even if no lawsuit is filed and no judgment obtained.

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

14.3 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the creation and operation of a residential development and for the maintenance of Common Elements, and any violation of this Declaration shall be deemed to be a nuisance. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. As used herein, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the other, unless the context dictates otherwise.

14.4 Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Property, together with the covenants and restrictions established upon any other property, as one (1) plan.

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

14.6 No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with the Property or any portion thereof, or any Improvement thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, except as specifically and expressly set forth in this Declaration and except as may be filed by Declarant from time to time with any governmental authority.

14.7 Nonliability and Indemnification

(a) General Limitation. Except as specifically provided in the Restrictions or as required by law, no right, power, or responsibility conferred on the Board or the ARC by the Restrictions shall be construed as a duty, obligation or disability charged upon the Board, the

ARC, any member of the Board or of the ARC, or any other officer, employee or agent of the Association. Such Persons are subject to the insulation from liability provided for directors of corporations by the laws of the State of Nevada. Members of the Board are not personally liable to the victims of crimes occurring on the Property.

(b) Indemnification. When liability is sought to be imposed on a member of the Board, an officer, employee or agent of the Association or ARC, for actions undertaken in the performance of such Person's duties as prescribed herein, in the Articles and Bylaws and resolutions of the Board, the Association shall indemnify him for his losses or claims, and undertake all costs of defense, unless and until it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the person or persons who so acted. Punitive damages may not be recovered against the Association, but may be recovered from Persons whose activity gave rise to the damages. This Section 14.7 shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law. The entitlement to indemnification hereunder shall inure to the benefit of the estate, executor, administrator, heirs, legatees, or devisees of any person entitled to such indemnification.

14.8 Notices. Except as otherwise provided in this Declaration, notice to be given to an Owner shall be in writing and may be delivered personally to the Owner. Personal delivery of such notice to one (1) or more co-Owners of a Lot or to any general partner of a partnership owning a Lot shall be deemed delivery to all co-Owners or to the partnership, as the case may be. Personal delivery of such notice to any officer or agent for the service of process on a corporation shall be deemed delivery to the corporation. In lieu of the foregoing (and unless the provisions of Nevada law, including without limitation the provisions of Section 116.31162 of the Nevada Revised Statutes, as may be amended, require delivery by registered or certified mail), such notice may be delivered by regular United States mail, postage prepaid, addressed to the Owner at the most recent address furnished by such Owner to the Association or, if no such address shall have been furnished, to the street address of such Owner's Unit. Such notice shall be deemed delivered three (3) business days after the time of such mailing, except for notice of a meeting of Members or of the Board of Directors in which case the notice provisions of the Bylaws shall control. Any notice to be given to the Association may be delivered personally to any member of the Board, or sent by United States mail, postage prepaid, addressed to the Association at such address as shall be fixed from time to time and circulated to all Owners.

14.9 Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws of the Association, the terms and provisions of this Declaration shall prevail.

14.10 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Property does hereby consent and agree, and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or

not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Property, or any portion thereof.

ARTICLE XV

15. Annexation/Deannexation of Additional Property. Additional real property may be annexed/deannexed to Phase 1 and such additional real property may become subject to or removed from this Declaration by the methods set forth hereinafter:

15.1 Additions by Declarant. Declarant or its successors or assigns shall have the right from time to time to add the Annexable Territory, or any portion or portions thereof, to the Property and to add additional unspecified property pursuant to NRS Section 116.2122 within the general plan and scheme of this Declaration without the approval of the Association, its Board of Directors, or Members; provided that such a right of Declarant and its successors and assigns shall terminate on the tenth (10th) anniversary of the date of Recordation of this Declaration. As each Phase of Development is developed, Declarant may, with respect thereto, record a Notice of Addition and/or an additional or supplemental declaration ("Supplemental Declaration") which may supplement this Declaration with such additional covenants, conditions, restrictions, reservations and easements as Declarant may deem appropriate for that Phase of Development. Declarant makes no assurances regarding the order in which the Annexable Territory will be annexed to the coverage of the Declaration or whether such Annexable Territory will be so annexed to the Project.

15.2 Other Additions. In addition to the provision for annexation specified in Section 15.1 above, additional real property may be annexed to the Property and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of Members entitled to exercise no less than two-thirds (2/3) of the voting power of the Association. Notwithstanding the foregoing, any additional real property annexed to the Property after the tenth (10th) anniversary of the Recordation of this Declaration shall not effect a change in the percentage interests of Owners in the Common Elements which existed prior to the date of annexation.

15.3 Rights and Obligations-Added Territory. Subject to the provisions of Section 15.4, upon the Recording of a Notice of Addition of Territory containing the provisions as set forth in this Section, all provisions contained in this Declaration shall apply to the real property described in such Notice of Addition of Territory (the "added territory") in the same manner as if it were originally covered by this Declaration. Thereafter, the rights, powers and responsibilities of the parties to this Declaration with respect to the added territory shall be the same as with respect to the Property originally covered hereby, and the rights, powers and responsibilities of the Owners, lessees and occupants of Units within the added territory, as well as within the Property originally subject to this Declaration, shall be the same as if the added territory were originally covered by this Declaration. From and after the first day of the month following the first Close of Escrow for the sale of a Lot in the added territory, the Owner of Lots located in the added territory shall share in the payment of assessments to the Association to meet Common Expenses of the entire Property as provided in Section 5 hereof. Voting rights attributable to the Lots in the added territory shall not

vest until Annual Assessments have commenced as to such Lots.

15.4 Notice of Addition of Territory. The additions authorized under Sections 15.1 and 15.2 shall be made by Recording a Notice of Addition of Territory, or other similar instrument (which notice or instrument may be or contain the Supplemental Declaration, if any, affecting each such Phase of Development), with respect to the added territory ("Notice of Addition") which shall extend the general plan and scheme of this Declaration to such added territory. The Notice of Addition for any addition under Section 15.1 shall be signed by Declarant. The Notice of Addition for any addition under Section 15.2 shall be signed by at least two (2) officers of the Association to certify that the requisite approval of the Members under Section 15.2 was obtained. The Recordation of said Notice of Addition shall constitute and effectuate the annexation of the added territory described therein, and thereupon said added territory shall become and constitute a part of the Property, become subject to this Declaration and encompassed within the general plan and scheme of covenants, conditions, restrictions, reservation of easements and equitable servitudes contained herein, and become subject to the functions, powers and jurisdiction of the Association; and the owners of Lots in said added territory shall automatically become Members of the Association. Such Notice of Addition may contain a Supplemental Declaration with such additions and modifications of the covenants, conditions, restrictions, reservation of easements and equitable servitudes contained in this Declaration as may be necessary to reflect the different character, if any, of the added territory, or as Declarant may deem appropriate in the development of the added territory, and as are not inconsistent with the general plan and scheme of this Declaration.

15.5 Reciprocal Cross-Easements Between Phases. Subject to annexation of additional property as set forth in Section 15.1:

(a) Declarant hereby reserves for the benefit of and appurtenant to the Lots hereafter located in each Phase of Development annexed to Phase 1 and their respective owners, nonexclusive easements to use the Common Elements in Phase 1 pursuant to and in the manner set forth in this Declaration, to the same extent and with the same effect as if each of the Owners of a Lot in each Phase of Development annexed to Phase 1 owned an undivided interest in the Common Elements in Phase 1.

(b) Declarant hereby grants, for the benefit of and appurtenant to each Lot in Phase 1 and their Owners, a nonexclusive easement to use the Common Elements in each Phase of Development annexed to Phase 1 pursuant to and in the manner set forth in this Declaration, to the same extent and with the same effect as if each of the Owners of a Lot in Phase 1 owned an undivided interest in the Common Elements in each such Phase of Development.

These reciprocal cross-easements shall be effective as to each Phase of Development annexed to Phase 1 and as to Phase 1, only upon the first Close of Escrow for the sale of a Lot in such Phase of Development annexed to Phase 1. Prior to such first Close of Escrow, neither Phase 1 nor the Phases of Development annexed to Phase 1 shall be affected by these reciprocal cross-easements.

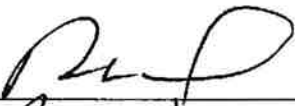
15.6 Deannexation and Amendment. Declarant may amend a Notice of Addition or delete all or a portion of a Phase of Development from coverage of this Declaration and the jurisdiction of the Association, so long as Declarant is the owner of all of such Phase of Development, and provided that (1) an amending instrument or a Notice of Deletion of Territory, as applicable, is Recorded in the same manner as the applicable Notice of Addition was Recorded, (2) Declarant has not exercised any Association vote with respect to any portion of such Phase of Development, (3) assessments have not yet commenced with respect to any portion of such Phase of Development, (4) Close of Escrow has not occurred for the sale of any Lot in such Phase of Development, and (5) the Association has not made any expenditures or incurred any obligations with respect to any portion of such Phase of Development.

15.7 Expansion of Annexable Territory. In addition to the provisions for annexation specified in this Section 15, additional real property, not as yet identified, may be annexed to the Project and brought within the general plan and scheme of this Declaration, as provided in NRS 116.2122., at any time within twenty (20) years following the first Close of Escrow for the sale of a Lot in the Project. Such property may be annexed to the Annexable Territory upon the Recordation of a written instrument describing such real property, executed by Declarant and all other owners of the real property to be added to the Annexable Territory, and containing thereon the approval of the FHA and the VA; provided, however, that such-written approval shall not be a condition precedent if the FHA or the VA ceases to issue such written approvals.

15.8 Contraction of Annexable Territory. So long as real property is not added territory, as defined in this Section 15, the Annexable Territory may be contracted to delete such real property effective upon the Recordation of a written instrument describing such real property, executed by Declarant and all other owners of such real property, and declaring that such real property shall thereafter be deleted from the Annexable Territory. Such real property may be deleted from the Annexable Territory without a vote of the Association or the approval or consent of any other Person, except as provided in this Section 15.8.

This Declaration is dated for identification purposes July 19, 2007.

BARKER-COLEMAN INVESTMENTS BROKEN HILL,
LTD., a Nevada limited liability company

By: 
Name: ROB WINKLER
Title: MANAGER

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on July 19, 2007 by ROB WINKEL as a Manager of Barker-Coleman Investments Broken Hill, Ltd., a Nevada limited liability company.

(Seal, if any)

Debra A. Kelly
Notary
(My commission expires: 8/28/08)



C O R

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

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

All that real property located in Washoe County, Nevada and identified as lots 1-5 on Subdivision (a common interest community) Tract Map 4821, and described as Broken Hills Village 1A, recorded on 9/6, 2007, in the Official Records, Washoe County, Nevada, as File No. 3573072.

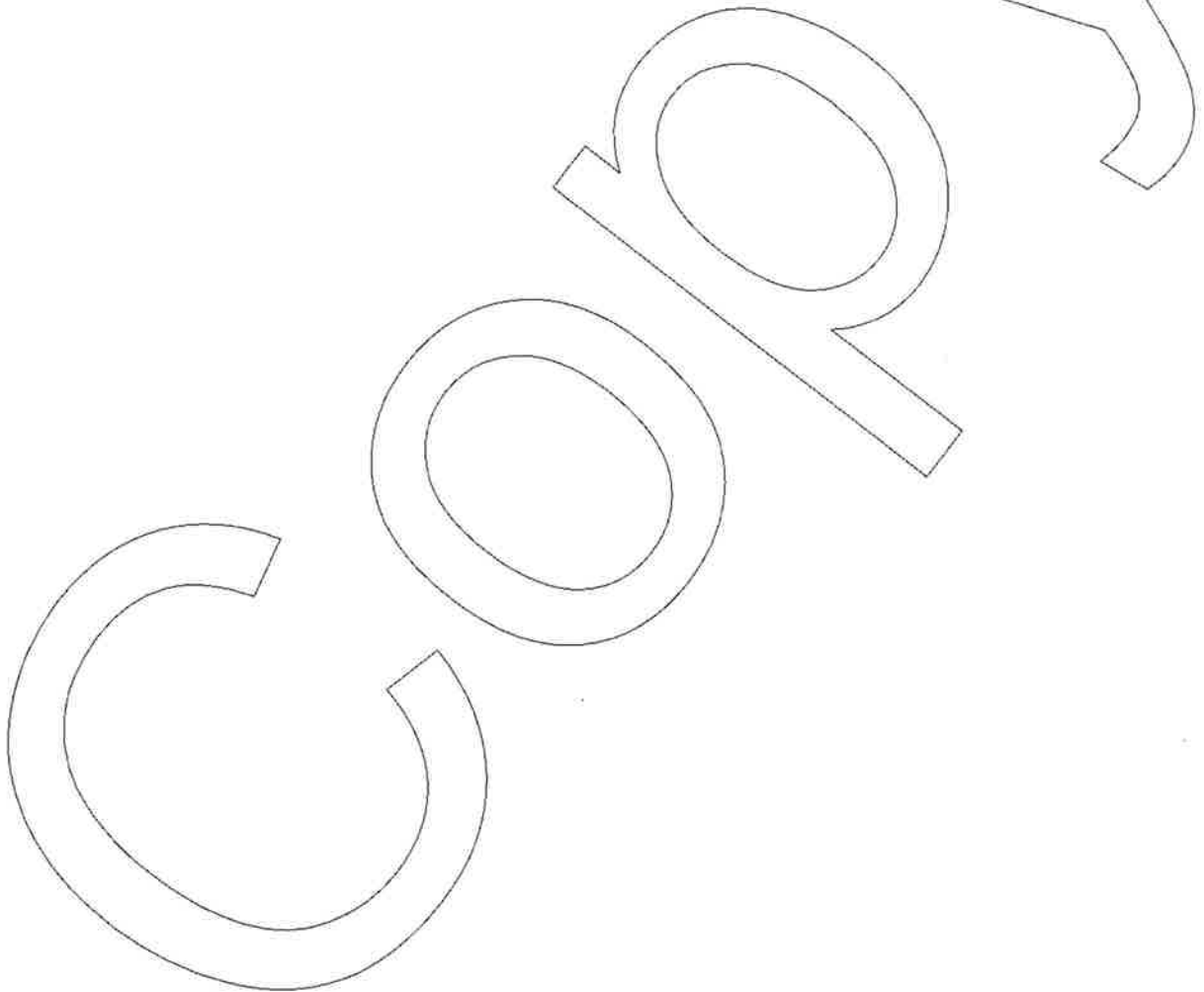


EXHIBIT "B"

LEGAL DESCRIPTION OF ANNEXABLE TERRITOTY

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

All that real property located in Washoe County, Nevada and identified as parcel 2-A on Subdivision (a common interest community) Tract Map 4821, and described as Broken Hills Village 1A, recorded on 9/6, 2007, in the Official Records, Washoe County, Nevada, as File No. 3573072

COPY

Maps

EXHIBIT FOR SPECIAL USE PERMIT FOR ACCESSORY STRUCTURES

BROKEN HILLS

WASHOE COUNTY NEVADA

DECEMBER, 2020



BARKER-COLEMAN INVESTMENTS
APN 089-621-01

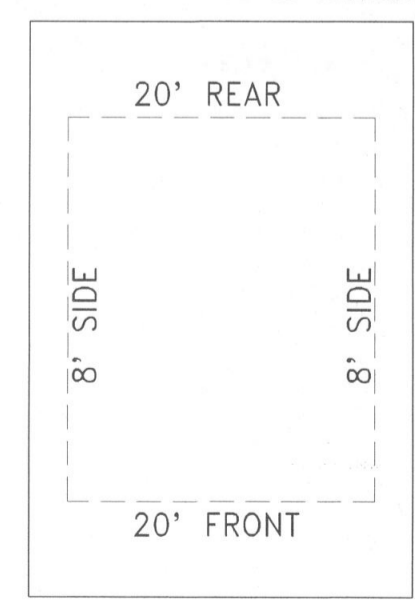
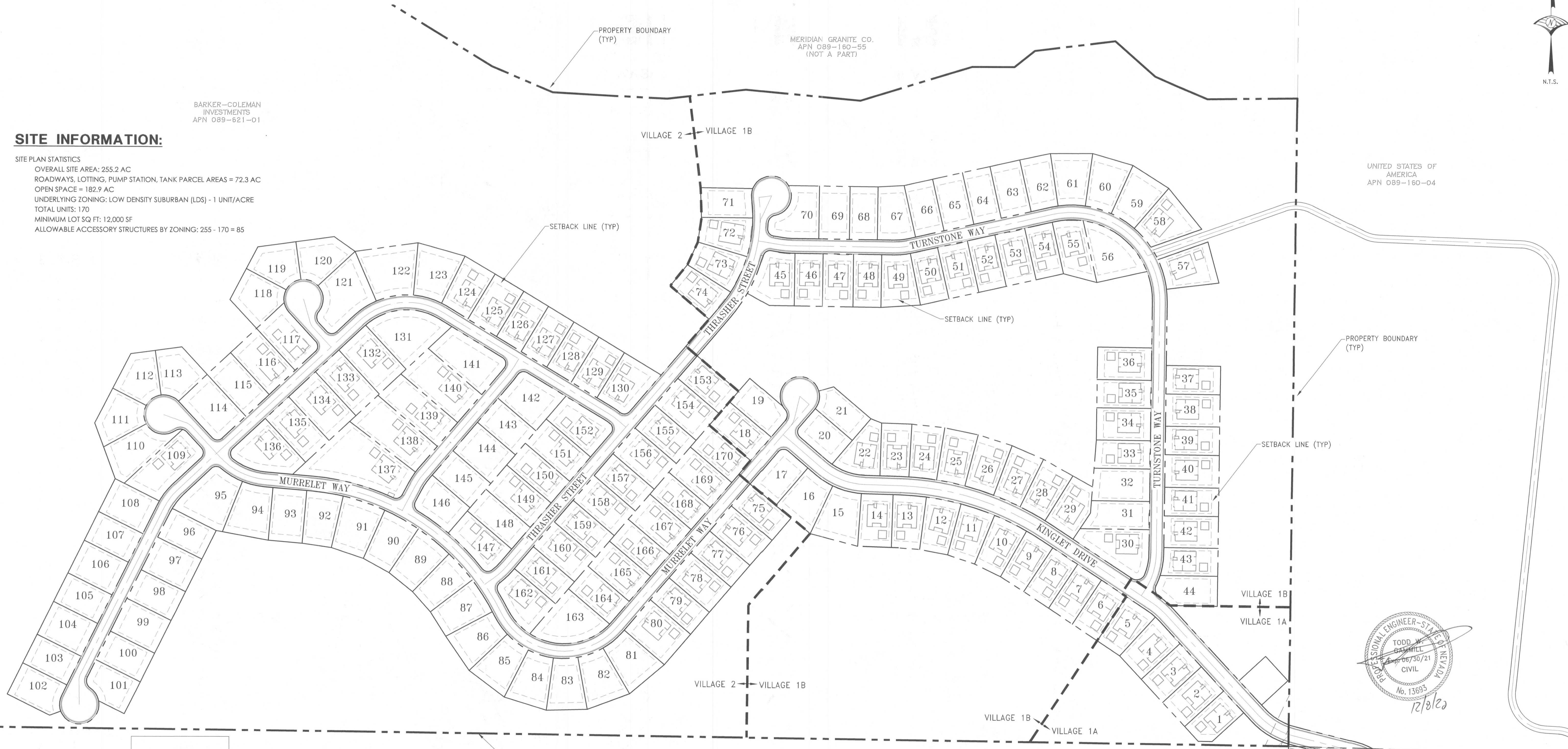
MERIDIAN GRANITE CO.
APN 089-180-55
(NOT A PART)

UNITED STATES OF AMERICA
APN 089-160-04

VILLAGE 2 VILLAGE 1B

SITE INFORMATION:

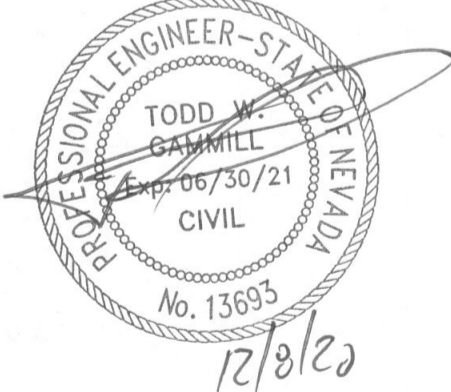
SITE PLAN STATISTICS
 OVERALL SITE AREA: 255.2 AC
 ROADWAYS, LOTTING, PUMP STATION, TANK PARCEL AREAS = 72.3 AC
 OPEN SPACE = 182.9 AC
 UNDERLYING ZONING: LOW DENSITY SUBURBAN (LDS) - 1 UNIT/ACRE
 TOTAL UNITS: 170
 MINIMUM LOT SQ FT: 12,000 SF
 ALLOWABLE ACCESSORY STRUCTURES BY ZONING: 255 - 170 = 85



TYPICAL LOT SETBACKS

NOTE: WHERE FOOTPRINT SHOWN, ACCESSORY STRUCTURE FITS WITHIN REQUIRED SETBACKS.

UNITED STATES OF AMERICA TTEE
APN 089-170-09
(NOT A PART)



EAGLE CANYON II - UNIT 7

WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
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 Tel 775.823.4068 Fax 775.823.4066

BROKEN HILLS - ACCESSORY STRUCTURE SUP