

APN#160-131-01 See Exhibit "A"

**Recording Requested by:**

Double Diamond Ranch  
C/O Equus  
5480 Reno Corporate Drive #100  
Reno NV 89511

**When Recorded Mail to:**

Double Diamond Ranch  
C/O Equus  
5480 Reno Corporate Drive #100  
Reno NV 89511

**Mail Tax Statement to:**

Double Diamond Ranch  
C/O Equus  
5480 Reno Corporate Drive #100  
Reno NV 89511

**Double Diamond Ranch  
Covenants, Conditions and Restrictions  
Revised February 2009  
( Title of Document )**

**Please complete Affirmation Statement below:**

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information of any person or persons. (Per NRS 239B.030)

**OR-**

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the personal information of a person or persons as required by law:

\_\_\_\_\_ (State specific law)

Signature

Title

Printed Name

This page added to provide additional information required by NRS 111.312 Sections 1-2 and NRS 239B.030 Section 4.

This cover page must be typed or printed in black ink.

(Additional recording fee applies)

**DOC # 3750010**

04/16/2009 03:05:22 PM

Requested By  
ALESSI & KOENIG LLC  
Washoe County Recorder  
Kathryn L. Burke - Recorder  
Fee: \$140.00 RPTT: \$0.00  
Page 1 of 127



Record and Return to:  
Double Diamond Ranch  
c/o Equus  
5480 Reno Corporate Drive #100  
Reno NV 89511



---

**DOUBLE DIAMOND**  
*R a n c h*

---

**COVENANTS,  
CONDITIONS AND  
RESTRICTIONS**

**REVISED**

**FEBRUARY 2009**

## TABLE OF CONTENTS

### ARTICLE I.

Definitions	1
Section 1.1 Architectural Review Committee	1
Section 1.2 Articles	1
Section 1.3 Assessment	1
Section 1.4 Assessment, Capital Improvement	1
Section 1.5 Assessment, Common	1
Section 1.6 Assessment, Reconstruction	1
Section 1.7 Assessment, Reimbursement	1
Section 1.8 Assessment, Special	2
Section 1.9 Association Properties	2
Section 1.10 Beneficiary	2
Section 1.11 Board of Directors	2
Section 1.12 Bylaws	2
Section 1.13 Close of Escrow	2
Section 1.14 Common Area/Common Areas	3
Section 1.15 Common Expenses	3
Section 1.16 Declarant	4
Section 1.17 Declarant's Control Termination Date	4
Section 1.18 Declaration of Deannexation of Territory	4
Section 1.19 Delegate	4
Section 1.20 Delegate District	5
Section 1.21 Design Guidelines	5
Section 1.22 Family	5
Section 1.23 FHLMC	5
Section 1.24 FNMA	5
Section 1.25 GNMA	5
Section 1.26 Governing Documents	5
Section 1.27 Improvement	5
Section 1.28 Land Use Ordinance	6
Section 1.29 Lot	6
Section 1.30 Majority of a Quorum	6
Section 1.31 Manager	6
Section 1.32 Master Association	6
Section 1.33 Master Declaration	6
Section 1.34 Member	6
Section 1.35 Mortgage	6
Section 1.36 Mortgagee	7
Section 1.37 Owner	7

Section 1.38	Parcel Developer	7
Section 1.39	Person	7
Section 1.40	Phase of Development or Phase	7
Section 1.41	Planned Development	7
Section 1.42	Properties	7
Section 1.43	PUD Design Guidelines	8
Section 1.44	Record, Recorded and Recordation	8
Section 1.45	Residence	8
Section 1.46	Residential Areas	8
Section 1.47	Rules and Regulations	8
Section 1.48	Separate Interest	8
Section 1.49	Special Declarant's Rights	8
Section 1.50	Sub-Association	8
Section 1.51	Subdivision Map	8
Section 1.52	Supplemental Declaration	8
Section 1.53	Subsequent Phase Properties	9
Section 1.54	VA	9
Section 1.55	Visibility	9
Section 1.56	Voting Power	9
Section 1.57	Wetlands Areas	9

## ARTICLE II.

Development of the Properties; Annexation	10
Section 2.1 Design of the Properties	10
Section 2.2 Unilateral Annexation	10
Section 2.2.1 Declaration of Annexation; Supplemental Declarations	10
Section 2.2.2 Effect of Annexation	10
Section 2.3 Deannexation	11
Section 2.4 Supplemental Declarations	11
Section 2.4.1 Authorization for Recordation of Supplemental Declarations	11
Section 2.4.2 Priority of Declarations in the Event of Conflict	11

## ARTICLE III.

Permitted Uses and Restrictions of the Association Properties	13
Section 3.1 Owners' Rights of Enjoyment in Association Properties	13
Section 3.1.1 The Right of the Master Association to Reasonably Limit	13
Section 3.1.2 The Right of the Master Association to Establish	13
Section 3.1.3 The Right of Declarant to Install and Maintain	13

Section 3.1.4	The Right of the Master Association, in Accordance With the Articles	13
Section 3.1.5	The Right of the Master Association to Suspend	13
Section 3.1.6	Subject to the Provisions of This Master Declaration, the Right of the Master Association	14
Section 3.1.7	The Right of Declaration and Any Parcel Developers	14
Section 3.1.8	The Right of the Master Association to Reconstruct, Repair, Replace or Refinish	14
Section 3.1.9	The Right of the Master Association to Replace Dead or Diseased Trees or Other Vegetation	14
Section 3.1.10	The Right of the Master Association or Its Contractors or Agents to Restrict	15
Section 3.2	Delegation of Use	15
Section 3.3	Master Cable Service Easement	15
Section 3.4	Access Easement for Maintenance of Wetlands Areas	15
Section 3.5	Waiver of Use	15
Section 3.6	Property Taxes	15
Section 3.7	Notification Regarding Governing Documents	16
Section 3.7.1	As Soon as Practicable Before Transfer of Title	16
Section 3.7.2	The Master Association Shall, Within Ten Days of the Mailing or Delivery of a Request for the Information Described in Subparagraph 3.7.1, Above	16

#### ARTICLE IV.

	The Master Association	17
Section 4.1	Formation	17
Section 4.2	Master Association Membership	17
Section 4.2.1	Membership Qualifications	17
Section 4.2.2	Transfer of Membership	17
Section 4.2.3	The Master Association Shall Have One Voting Class	18
Section 4.2.4	Exercise of Voting Rights	18
Section 4.3	Composition of Board of Directors	19
Section 4.3.1	Declarant's Right of Appointment and Removal	19
Section 4.3.2	Board Representation of Members	19
Section 4.3.3	Board Seats	19
Section 4.3.4	Persons Entitled to Serve on the Board	19
Section 4.3.5	First Annual Meeting	20
Section 4.4	Master Association Action	20
Section 4.5	Powers and Duties	20
Section 4.5.1	Assessments	20

Section 4.5.2	Repair and Maintenance of Association Property	21
Section 4.5.3	Utility Services	21
Section 4.5.4	Easements and Rights-of-Way	21
Section 4.5.5	Manager	22
Section 4.5.6	Rights of Entry and Enforcement	22
Section 4.5.7	Other Services	23
Section 4.5.8	Legal and Accounting Services	23
Section 4.5.9	Construction on Association Property	23
Section 4.5.10	Contracts	23
Section 4.5.11	Management of Sub-Association	23
Section 4.5.12	Landscape Maintenance Agreement	24
Section 4.6	Rules and Regulations	24

## ARTICLE V.

	Master Association Assessments	25
Section 5.1	Purpose and Amount of Assessments	25
Section 5.2	Personal Obligations, Declarant	25
Section 5.3	Common Assessments Levied Against Phases for Which Subdivision Maps, Creating Separate Interests, Have Not Been Recorded (“Unmapped Phases”)	26
Section 5.3.1	Unmapped Phase Assessments	26
Section 5.3.2	Owner’s Liability for Unmapped Phase Assessment	26
Section 5.4	Assessments	26
Section 5.4.1	Budget	26
Section 5.4.2	Allocation of Assessment; Uniform Rate; Commencement	26
Section 5.4.3	Procedure for Establishing Assessment; Commencement	27
Section 5.4.4	Requirements for Adoption	27
Section 5.4.5	Emergency Situations	27
Section 5.4.6	Expenditure of Reserve Funds	28
Section 5.5	Special Assessments	28
Section 5.6	Capital Improvement Assessments	29
Section 5.6.1	Master Association’s Power to Levy; Definition	29
Section 5.6.2	Petition; Master Association Approval	29
Section 5.6.3	Levy of Capital Improvement Assessments	29
Section 5.6.4	Expenditure for Capital Improvement	30
Section 5.6.5	Deficiency in Capital Improvement Assessment	30
Section 5.7	Notices of Assessments; Delinquencies	30
Section 5.8	Statement of Account	31
Section 5.9	Collection of Assessments	31

Section 5.9.1	Lien for Assessments; Priority	31
Section 5.9.2	Enforcement of Lien	32
Section 5.9.3	Notice of Sale	32
Section 5.9.4	Sale	32
Section 5.9.5	Release of Lien	33
Section 5.9.6	Subrogation of Rights After Payment	33
Section 5.9.7	Conduct of Sale	33

## ARTICLE VI.

Properties Use Restrictions		34
Section 6.1	Restrictions Applicable to All Separate Interests	34
Section 6.1.1	No Further Subdivision	34
Section 6.1.2	Signs	34
Section 6.1.3	Nuisances	34
Section 6.1.4	Drainage	35
Section 6.1.5	Water and Sewer Systems	35
Section 6.1.6	No Hazardous Activities	35
Section 6.1.7	Refuse Collection/Absence of Unsightly Articles	35
Section 6.1.8	Exterior Fires	36
Section 6.1.9	No Temporary Structures	36
Section 6.1.10	No Mining or Drilling	36
Section 6.1.11	Insurance Rates	36
Section 6.1.12	Improvements and Alterations	36
Section 6.1.13	Weed Abatement/Maintenance and Repair of Improvements and Landscaping	37
Section 6.1.14	View Obstructions	37
Section 6.1.15	Excavation	37
Section 6.1.16	Diseases and Pests	38
Section 6.2	Restrictions Applicable to Lots and Condominiums	38
Section 6.2.1	Residential Use Restrictions	38
Section 6.2.2	Minimum Square Footage Requirements	38
Section 6.2.3	Household Pets	39
Section 6.2.4	Business Activities	39
Section 6.2.5	Storage	40
Section 6.2.6	Antennas and Similar Devices	40
Section 6.2.7	Basketball Standards	40
Section 6.2.8	Machinery and Equipment	40
Section 6.2.9	Parking and Vehicle Restrictions	41
Section 6.2.10	Solar Heating Equipment	42
Section 6.2.11	Nuisances	42
Section 6.3	Landscaping and Maintenance of Lots	42

Section 6.4	Variances	43
Section 6.5	Enforcements of Properties Use Restrictions	43
Section 6.6	Drought Tolerant Landscaping	44

ARTICLE VII.

	Design Review and Landscaping Control	45
Section 7.1	Architectural Review Committee Approval, Generally	45
Section 7.2	Members of Architectural Review Committee	45
Section 7.3	Rights of Appointment to Architectural Review Committee	45
Section 7.3.1	Members Appointed by Declarant	45
Section 7.3.2	Members Appointed by Board	46
Section 7.3.3	Notice of Appointment	46
Section 7.4	Review of Plans and Specifications; Scope of Review	46
Section 7.5	Design Guidelines	46
Section 7.5.1	The Committee Finds That the Owner has Complied	47
Section 7.5.2	The Committee Finds That the Owner's Plans and Specifications	47
Section 7.5.3	The Committee, in Its Sole Discretion, Determines That the Proposed Improvement, if Approved, Will Otherwise be Consistent With the Architectural and Aesthetic Standards	47
Section 7.6	Authority to Condition Approval	48
Section 7.7	Authority to Require Professional Review	48
Section 7.8	Review Fee	48
Section 7.9	Modification	49
Section 7.10	Content of Plans and Specifications; Approval by Sub-Association	49
Section 7.11	Time Limitations For Committee Action	49
Section 7.12	Obligation of Sub-Association to Obtain Committee Approval	49
Section 7.13	Exemption of Declarant from Architectural Review Committee and Approval Requirements	50
Section 7.14	Parcel Developer Architectural Control	50
Section 7.15	Meetings of the Architectural Review Committee	50
Section 7.16	No Waiver of Future Approvals	50
Section 7.17	Compensation of Committee Members	51
Section 7.18	Inspection of Work	51
Section 7.18.1	The Architectural Review Committee or Its Duly Authorized Representatives May at Any Time Inspect Any Improvement	51



Section 7.18.2	If, as a Result of Such Inspection, the Architectural Review Committee Finds That the Improvement Was Constructed or Installed Without Obtaining Approval of the Plans Therefore or Was Not Contemplated in Substantial Compliance	51
Section 7.18.3	If an Owner has Failed to Remedy Any Noncompliance Within Thirty Days Following the Receipt of the Architectural Review Committee's Notice of Compliance	51
Section 7.18.4	If for Any Reason the Architectural Review Committee Fails to Notify the Owner	51
Section 7.18.5	All Construction, Alteration or Other Work Shall be Performed as Diligently as Possible and Shall be Completed On or Before One Hundred Eighty Days After the Date on Which the Work was Commenced	52
Section 7.19	Variances	52
Section 7.20	Enforcement	52
Section 7.20.1	In Addition to Other Enforcement Remedies Set Forth in This Master Declaration, the Architectural Review Committee Shall Have Enforcement Rights	52
Section 7.20.2	If Owner Fails to Remedy Any Noncompliance of Which Notice has been Given Within Thirty Days From the Date of Such Notification, the Architectural Review Committee Shall Notify the Board	53
Section 7.20.3	At the Hearing, the Owner, a Representative(s) of the Architectural Review Committee and, in the Board's Discretion, Any Other Interested Person May Present Information	53
Section 7.20.4	Under Certain Circumstances, Self-Help in Response to an Owner's Continued Noncompliance May Not be Appropriate or Possible	53
Section 7.20.5	The Approval of the Architectural Review Committee of Any Plans, Drawings or Specifications for Any Work of Improvement Done or Proposed	54

## ARTICLE VIII.

Insurance		55
Section 8.1	General Provisions Relating to Insurance to be Obtained	55

Section 8.1.1	Each Owner is an Insured Person Under the Policy with Respect to Liability Arising Out of Such Owner's Membership in the Master Association	55
Section 8.1.2	The Insurer Waives Its Right to Subrogation Under the Policy Against Each Owner or Member of Such Owner's Household	55
Section 8.1.3	No Act or Omission by Any Owner, Unless Acting Within the Scope of Such Owner's Authority on Behalf of the Master Association, Will Void the Policy or be a Condition to Recovery Under the Policy	55
Section 8.1.4	If, at the Time of a Loss Under the Policy, There is Other Insurance in the Name of Any Owner Covering the Same Risk Covered by the Policy, the Master Association's Policy Provides Primary Insurance	55
Section 8.2	Casualty Insurance	56
Section 8.2.1	Common Area Improvements and Association Properties	56
Section 8.2.2	Form	56
Section 8.3	Public Liability and Properties Damage Insurance	57
Section 8.4	Workman's Compensation and Employer's Liability Insurance	57
Section 8.5	Fidelity Insurance	58
Section 8.6	Errors and Omissions	58
Section 8.7	Omitted	58
Section 8.8	Coverage Review	58
Section 8.9	Adjustment of Claims	58
Section 8.10	Owner's Insurance Responsibilities	58
Section 8.11	Flood Insurance and Disclaimer	59

#### ARTICLE IX.

	Damage, Destruction or Condemnation of Association Properties	60
Section 9.1	Damages by Owner	60
Section 9.2	Repair of Damages	60
Section 9.3	Condemnation	61
Section 9.4	Notice to Owners and Listed Mortgagees	61

#### ARTICLE X.

	Special Declarant's Rights and Exemptions	62
Section 10.1	General Intent	62
Section 10.2	Declarant's Approval Rights	62
Section 10.2.1	Specified Approvals	62

Section 10.2.2	Annexation	62
Section 10.2.3	Capital Improvement Assessments	62
Section 10.2.4	Election Not to Rebuild	63
Section 10.2.5	Service/Maintenance Reductions	63
Section 10.2.6	Master Planned Community Standards	63
Section 10.2.7	Rules and Regulations	63
Section 10.2.8	Master Plan	63
Section 10.3	Special Declarant's Rights	63
Section 10.3.1	Right to Construct Development	63
Section 10.3.2	Easements	63
Section 10.3.3	No Amendment	64
Section 10.4	Exemptions from Articles III, VI and VII	64
Section 10.4.1	Any Part of the Properties Which is Owned by Any Public or Quasi-Public Agency, District or Other Body	64
Section 10.4.2	Any Act Done or Proposed to be Done Upon the Properties, or Any Condition Created Thereon, by Any Governmental Agency or Entity, or the Agents or Employees of Any Governmental Entity Acting in the Scope of Their Authority as Such Agents or Employees	64
Section 10.4.3	Any Act Done or Proposed to be Done Upon the Properties, or Any Condition Created thereon, by Any Utility Company, Which Act Could be Done by Such Public Utility Company were This Master Declaration Not Made	64
Section 10.4.4	Any Act Done or Proposed to be Done Upon the Properties, or Any Condition Created Thereon, by Declarant or Its Successors, Assigns, Agents, Employees or Contractors, in Connection With the Exercise of Any Easement	65
Section 10.4.5	Any Act Done or Proposed to be Done Upon the Properties, or Any Condition Created thereon, by Any Person Pursuant to Court Order of Any Public Officer or Public Agency	65
Section 10.5	Annexation Rights	65
Section 10.6	Other Special Declarant's Rights	65
Section 10.6.1	Complete Improvements Within the Properties	65
Section 10.6.2	Maintain Offices for Sales (Including Resales) of Lots or Phases as Approved by Declarant	65
Section 10.6.3	Maintain Signs Approved by the Architectural Review Committee	65
Section 10.6.4	Create Lots or Convert Lots into Common Areas	66

Section 10.6.5	Subdivide Phases, Planned Developments and the Properties	66
Section 10.7	Model Homes	66

ARTICLE XI.

	Breach and Default	67
Section 11.1	Remedy at Law Inadequate	67
Section 11.2	Nuisance	67
Section 11.3	Cost and Attorneys' Fees	67
Section 11.4	Cumulative Remedies	67
Section 11.5	Failure Not a Waiver	67
Section 11.6	Rights and Remedies of the Master Association	67
Section 11.6.1	Rights Generally	68
Section 11.6.2	Schedule of Fines	68
Section 11.6.3	Definition of "Violation"	68
Section 11.6.4	Limitations of Disciplinary Rights	68
Section 11.6.5	Notices	70
Section 11.6.6	Omitted	70
Section 11.6.7	Rules Regarding Disciplinary Proceedings	70
Section 11.7	Covenants Committee	70
Section 11.7.1	Appointment of Committee	70
Section 11.7.2	Jurisdiction and Hearing Procedures of the Committee	70
Section 11.7.3	Appeals	71
Section 11.7.4	Court Actions	71

ARTICLE XII.

	Mortgage Protection	72
Section 12.1	Notice of Default	72
Section 12.2	Exemption From Rights of First Refusal	72
Section 12.3	Preforeclosure Assessments	72
Section 12.4	Limitation on Self- Management	73
Section 12.5	Approval of Material Changes	73
Section 12.5.1	By Act or Omission Seek to Abandon, Partition, Subdivide, Encumber, Sell or Transfer the Association Properties or the Improvements Thereon Which are Owned, Directly or Indirectly by the Master Association	73

Section 12.5.2	Change the Method of Determining Obligations, Assessments, Dues or Other Charges Which May be Levied Against Any Owner, or the Method of Allocating Distributions of Hazard Insurance Proceeds or Condemnation Awards.	73
Section 12.5.3	By Act or Omission, Change, Waiver or Abandon Any Scheme of Regulations, or Enforcement Thereof, Pertaining to the Architectural Design	73
Section 12.5.3	(mis-numbered in actual document) Fail to Maintain Fire and Extended Coverage Insurance on Insurable Association Properties on a Current Replacement Cost Basis in an Amount at Least Eighty Percent of the Insurable Value	73
Section 12.5.4	Use Hazard Insurance Proceeds for Losses to Any Association Properties for Other Than Repair, Replacement or Reconstruction of Such Improvements	73
Section 12.6	Rights of Inspection	74
Section 12.7	Notice of Amendments to Governing Documents	74
Section 12.8	Payment of Taxes and Other Charges on Association Properties	74
Section 12.9	Regular Funding of Reserves	74
Section 12.10	Fidelity Bonds	74
Section 12.11	Lease or Rental Agreements for Separate Interest	75
Section 12.12	Secondary Lender Qualifications	75

### ARTICLE XIII.

Miscellaneous		76
Section 13.1	Terms of Declaration	76
Section 13.2	Amendments	76
Section 13.2.1	Amendments Approved by Declarant	76
Section 13.2.2	General Amendments Approved By the Members	76
Section 13.2.3	Amendments Requiring Declarant Approval	76
Section 13.2.4	Amendments Affecting Land Uses Within Specific Delegate Districts	77
Section 13.2.5	Approval of First Mortgages	77
Section 13.3	Notices	79
Section 13.4	Interpretation	79
Section 13.4.1	Restrictions Construed	79
Section 13.4.2	Restrictions Severable	79
Section 13.4.3	Singular Includes Plural	79
Section 13.4.4	Captions	79
Section 13.5	No Public Right of Dedication	79

Section 13.6	Constructive Notice and Acceptance	80
Section 13.7	No Representations or Warranties	80
Section 13.8	Nonliability and Indemnification	80
Section 13.8.1	The Board Member or Officer Resides in the Properties as Either a Tenant or as an Owner of No More Than Two Separate Interests	81
Section 13.8.2	The Act or Omission was Performed Within the Scope of The Board Member's or Officer's Master Association Duties	81
Section 13.8.3	The Act or Omission was Performed in Good Faith	81
Section 13.8.4	The Act or Omission was Not Willful, Wanton, or Grossly Negligent	81
Section 13.8.5	The Master Association Maintained and Had In Effect at the Time the Act or Omission Occurred	81
Section 13.9	Priorities and Inconsistencies	82
Section 13.10	Exhibits	82
Section 13.11	Audits	82
Section 13.12	Reserve Study	82
SIGNATURE PAGE		83

**ARTICLE I.**  
**Definitions**

Section 1.1. Architectural Review Committee. "**Architectural Review Committee**" means the committee created pursuant to the provisions of this Master Declaration.

Section 1.2. Articles. "**Articles**" means the Articles of Incorporation of the Master Association, as such Articles may be amended from time to time.

Section 1.3. Assessment. "**Assessment**" is a collective term which refers to Capital Improvement Assessments, Common Assessments, Reconstruction Assessments and Reimbursement Assessments made or assessed by the Master Association against an Owner and his or her Separate Interest in accordance with the provisions of this Master Declaration.

Section 1.4. Assessment, Capital Improvement. "**Capital Improvement Assessment**" means a charge against each Owner and his or her Separate Interest, representing a portion of the costs to the Master Association for installation or construction of any Improvements on any portion of the Association Properties which the Master Association may from time to time authorize pursuant to the provisions of this Master Declaration.

Section 1.5. Assessment, Common. "**Common Assessment**" means the annual charge against each Owner and his or her Separate Interest, representing a portion of the Common Expenses which are to be paid by each Owner to the Master Association in the manner and proportions provided in this Master Declaration.

Section 1.6. Assessment, Reconstruction. "**Reconstruction Assessment**" means a charge against each Owner and his or her Separate Interest, representing a portion of the cost to the Master Association for reconstruction of any portion of the Improvements on the Association Properties, levied pursuant to the provisions of this Master Declaration.

Section 1.7. Assessment, Reimbursement. "**Reimbursement Assessment**" means a charge against a particular Owner, directly attributable to or reimbursable by the Owner, equal to the cost incurred by the Master Association for correction of a nonconforming Improvement or land use violation or amounts representing a reasonable fine or penalty assessed by the Master Association, plus interest and other

charges on such Reimbursement Assessment as provided for in this Master Declaration. Reimbursement Assessments shall not be deemed to include any late payment penalties, interest charges, attorneys' fees or other costs incurred by the Master Association in its efforts to collect any Assessment duly imposed pursuant to this Master Declaration, which costs may be recovered by the Master Association.

Section 1.8. Assessment, Special. "**Special Assessment**" means a Special Assessment that may occur if the Board determines that the estimated total amount of funds necessary to defray the Common Expenses for a given fiscal year is or will become inadequate to meet the Common Expenses for any reason, including, but not limited to, delinquencies in the payment of Assessments, or in the event the Master Association has insufficient reserves to perform its obligations under this Declaration, then the Board shall determine the approximate amount of such shortfall, shall provide a summary thereof to all of the Owners with the Board's recommendation for a special assessment to meet such shortfall.

Section 1.9. Association Properties. "**Association Properties**" means all the real property and Improvements which are owned in fee at any time by the Master Association, or over which the Master Association has an easement for use, care or maintenance, for the common benefit, use and enjoyment of the Owners and all personal property owned or leased by the Master Association. Association Properties shall include, without limitation, an easement over the Wetlands Area, the open space surrounding the Wetlands Area, entry monumentation for the Properties and any other real or personal property hereafter conveyed to the Master Association in fee, by easement or by lease.

Section 1.10. Beneficiary. "**Beneficiary**" means 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.

Section 1.11. Board of Directors. "**Board of Directors**" or "Board" means the Board of Directors of the Master Association.

Section 1.12. Bylaws. "**Bylaws**" means the Bylaws of the Master Association, as such Bylaws may be amended from time to time.

Section 1.13. Close of Escrow. "**Close of Escrow**" means the date on which a deed or other such instrument is Recorded conveying a Separate Interest in the Properties, with the exception of deeds between Declarant and Parcel Developers or deeds



between Parcel Developers.

Section 1.14. Common Area/Common Areas. "**Common Area**" or "**Common Areas**" shall mean (a) the Association Properties which are real property; (b) all land within the Properties, together with the Improvements thereon, which is not owned or leased by the Association, but which is designated in this Master Declaration for management, repair and maintenance by the Association; (c) any and all areas on a Lot or outside of the Properties within easements granted to the Association or its Members for purposes of location, construction, maintenance, repair and replacement of a public road, wall, fence, sidewalk, landscaped area or utility, for utility easement access, general access or other uses, and (d) all land, together with the Improvements thereon, located outside the Properties which is owned privately or by a governmental agency for which the Association has accepted responsibility for maintenance, and for which the Association or the Members benefit by limited use, full use, or aesthetic consistency, including, but not limited to, any median strips within any public street which provides access to any portion of the Properties. The terms "Common Area" and "Common Areas" shall exclude Common Areas within Planned Developments if designated as Common Areas of a Sub-Association for a particular Planned Development or Phase.

Section 1.15. Common Expenses. "**Common Expenses**" means the actual and estimated costs of the Master Association with respect to: (a) the maintenance, management, operation, repair and replacement of the Association Properties and other areas which the Master Association is obligated to maintain or repair, including unpaid Common Assessments, Reconstruction Assessments and Capital Improvement Assessments; (b) costs of management and administration of the Master Association including, without limitation, compensation paid by the Master Association to managers, accountants, attorneys and other employees or contractors; (c) the costs of all utilities, gardening, security, and other services benefiting the Association Properties; (d) the costs of fire, casualty and liability insurance, the state industrial insurance system or similar worker's compensation insurance, and other insurance covering the Association Properties; (e) the costs of bonding the members of the Board of Directors; (f) taxes paid by the Master Association; (g) amounts paid by the Master Association for discharge of any lien or encumbrance levied against the Association Properties, or portions thereof; (h) all prudent reserves; (i) the costs of any other item or items utilized by the Master Association for any reason whatsoever in connection with the Association Properties, for the benefit of the Owners in common; and (j) subject to the limitation set forth in Article IV, Section 4.5.12, the expenses incurred by the Association as a party to the Roadway/Landscape

Maintenance Agreement (as hereinafter defined).

Section 1.16. Declarant. "**Declarant**" means Double Diamond Ranch, LLC, a Delaware limited liability company, and any successors-in-interest to all or any portion of Declarant's interest in the Properties by assignment from Declarant and who specifically assume, in writing, the rights and obligations of Declarant as set forth herein, or who succeed to Declarant's rights and obligations hereunder by operation of law (in each instance, a "Successor Declarant"). Declarant's and any Successor Declarant's rights and obligations under this Master Declaration are assignable and assumable as to all or any portion of Declarant's interests in the Properties or the Subsequent Phase Properties and as to all or any portion of the Properties or Subsequent Phase Properties.

Section 1.17. Declarant's Control Termination Date. "**Declarant's Control Termination Date**" is the earlier of the following events:

- a) Sixty (60) days after conveyance of seventy-five (75%) of the Separate Interests that may be created in the Properties and Subsequent Phase Properties to Owners other than Declarant; or
- b) Five years after Declarant has ceased to offer Separate Interests for sale in the ordinary course of business; or
- c) Five years after any right to annex Subsequent Phase Properties was last exercised; or
- d) Declarant waives by written instrument the rights reserved by Declarant under this Master Declaration and such written waiver is Recorded.

Section 1.18. Declaration of Deannexation of Territory. "**Declaration of Deannexation of Territory**" means an instrument Recorded pursuant to the provisions of this Master Declaration to deannex from the Properties park, school or open space areas for the purpose of conveyance to an appropriate public agency.

Section 1.19. Delegate. "**Delegate**" means a Person who is selected by Members owning Separate Interests in a particular Delegate District to represent such Members and to vote on their behalf, as further provided in this Master Declaration, in the Bylaws and in any Supplemental Declaration applicable to a Delegate District. The purpose of Delegates is to facilitate the operation and management of the Master Association by creating a structure of private governance where a few Persons (the Delegates), elected by their peers, can represent the Members within their Delegate Districts and cast votes on behalf of such Members.

Section 1.20. Delegate District. "**Delegate District**" means a common interest community subject to the Master Association in which the Members shall elect a single Delegate to represent their collective Voting Power. A Delegate District may be established when a Supplemental Declaration or Declaration of Annexation creates a Sub-Association and the Supplemental Declaration so provides; in such event, the property subject to the Supplemental Declaration or Declaration of Annexation shall be a Delegate District.

Section 1.21. Design Guidelines. "**Design Guidelines**" means the rules adopted by the Architectural Review Committee pursuant to the provisions of this Master Declaration.

Section 1.22. Family. "**Family**" means (a) a group of natural Persons related to each other by blood or legally related to each other by marriage or adoption, or (b) a group not all so related who maintain a common household in a Residence.

Section 1.23. FHLMC. "**FHLMC**" means the Federal Home Loan Mortgage Corporation or the Mortgage Corporation created by Title II of the Emergency Home Finance Act of 1970, and any successors to such corporations.

Section 1.24. FNMA. "**FNMA**" means 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 association.

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

Section 1.26. Governing Documents. "**Governing Documents**" is a collective term that means and refers to this Master Declaration and to the Articles, the Bylaws, the Rules and Regulations and the Design Guidelines as the same may be amended from time to time. The term "Governing Documents" shall also include the Governing Documents of any Sub-Association and any Supplemental Declaration applicable to any Phase of Development, as the context herein requires.

Section 1.27. Improvement. "**Improvement**" means all structures and appurtenances thereto of every type and kind, including without limitation dwelling units, commercial, industrial or office buildings, and other buildings, outbuildings,

walkways, sprinkler pipes, garages, swimming pools, tennis courts, spas or other recreational facilities, television satellite reception dishes, antennae, carports, roads, driveways, parking areas, fences, paint, screening walls, retaining walls, stairs, decks, landscaping, hedges; windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, and exterior lighting and air conditioning equipment.

Section 1.28. Land Use Ordinance. "**Land Use Ordinance**" shall mean any zoning law, comprehensive plan, master plan, regional master plan or other ordinance or regulation governing the use of land adopted by the City, County or State and applicable to any of the Properties or the Subsequent Phase Properties.

Section 1.29. Lot. "**Lot**" means any parcel of real property designated by a number on the Subdivision Map for any portion of the Properties, excluding the Association Properties. When appropriate within the context of this Master Declaration, the term "Lot" shall also include the Improvements constructed or to be constructed on a Lot.

Section 1.30. Majority of a Quorum. "**Majority of a Quorum**" means the vote of a majority of the votes cast at a meeting or by written ballot when the numbers of Members attending the meeting (in person or by proxy) or the number of Members casting ballots equals or exceeds the minimum quorum requirement specified in the Bylaws.

Section 1.31. Manager. "**Manager**" means the Person, whether an employee or independent contractor, employed by the Master Association, pursuant to the Bylaws, and delegated the day-to-day management duties, powers or functions of the Master Association as limited by the Bylaws and the Master Declaration. The Declarant, or any affiliate of Declarant, may serve as the Manager.

Section 1.32. Master Association. "**Master Association**" means Double Diamond Ranch Master Association.

Section 1.33. Master Declaration. "**Master Declaration**" means this instrument, as it may be amended from time to time.

Section 1.34. Member. "**Member**" means every person or entity who holds a membership in the Master Association.

Section 1.35. Mortgage. "**Mortgage**" means any mortgage or deed of trust or other conveyance of a Separate Interest or other portion of the Properties to secure the

performance of an obligation, which conveyance will be reconveyed upon the completion of such performance. The term "Deed of Trust" or "Trust Deed" when used shall be synonymous with the term "Mortgage."

Section 1.36. Mortgagee. "**Mortgagee**" means a Person to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust; "Mortgagor" means a Person who mortgages his or her 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 term "Mortgagee."

Section 1.37. Owner. "**Owner**" means the Person or Persons, including Declarant and any Parcel Developer who holds a fee simple interest of Record to a Separate Interest within the Properties, including buyers under executory contracts of sale, a memorandum of which has been Recorded.

Section 1.38. Parcel Developer. "**Parcel Developer**" means a Person (a) who is designated as such by Declarant and (b) who acquires a portion of the Properties zoned for residential and related uses, for the purpose of developing such portion for resale to the general public; provided, however, that the term "Parcel Developer" shall not mean or refer to Declarant or any Successor Declarants. Declarant shall determine, from time to time, which Persons shall qualify as Parcel Developers when property is sold to such Persons by Declarant.

Section 1.39. Person. "**Person**" means a natural individual, a corporation, a partnership or any other entity with the legal right to hold title to real property.

Section 1.40. Phase of Development or Phase. "**Phase of Development**" or "Phase" means any portion of the Properties designated by Declarant to be a Phase of Development, which is intended to be subdivided into Separate Interests.

Section 1.41. Planned Development. "**Planned Development**" means an area developed as an increment of the Properties, including all property covered by any Supplemental Declaration, whether or not the increment is developed in stages.

Section 1.42. Properties. "**Properties**" means all of the real property described in Exhibit "A" attached hereto, together with any other property which may be annexed to the property subject to this Master Declaration and to the jurisdiction of the Master Association in accordance with Article II hereof.

Section 1.43. PUD Design Guidelines. "**PUD Design Guidelines**" means the planned unit development guidelines prepared by Declarant which have been approved by the City, as amended from time to time.

Section 1.44. Record, Recorded and Recordation. "**Record,** **Recorded**" and "Recordation" means, with respect to any document, the recordation or filing of such document in Official Records of the County.

Section 1.45. Residence. "**Residence**" means a dwelling on a Lot intended for use and occupancy by a single Family.

Section 1.46. Residential Areas. "**Residential Areas**" means all of the real property in any portion of the Properties, which is being or will be developed primarily for residential purposes.

Section 1.47. Rules and Regulations. "**Rules and Regulations**" means the Rules and Regulations adopted by the Board pursuant to the provisions of this Master Declaration, and the Design Guidelines adopted by the Architectural Review Committee pursuant to the provisions of this Master Declaration as such Rules and Regulations may be amended from time to time.

Section 1.48. Separate Interest. "**Separate Interest**" means a Lot.

Section 1.49. Special Declarant's Rights. "**Special Declarant's Rights**" means all rights reserved by Declarant for itself under this Declaration which are personal to Declarant and may be exercised only by Declarant, including, but not limited to, those set forth in Article II and X.

Section 1.50. Sub-Association. "**Sub-Association**" means any corporation or unincorporated association, or its successor in interest, organized and established or authorized pursuant to, or in connection with, the Recordation of a Supplemental Declaration in accordance with the provisions of this Master Declaration.

Section 1.51. Subdivision Map. "**Subdivision Map**" means the Recorded Map for any Phase of Development within the Properties.

Section 1.52. Supplemental Declaration. "**Supplemental Declaration**" means any declaration of covenants, conditions and restrictions and/or reservation of easements or similar document supplementing this Master Declaration and affecting a Planned

Development or other portion of the Properties.

Section 1.53. Subsequent Phase Properties. This Master Declaration contemplates that those portions of the Properties which are not initially subject to this Master Declaration may, from time to time, be made subject to this Master Declaration by annexation. Any portion of the real property described in Exhibit "B" attached hereto which are not at a particular time subject to this Master Declaration is referred to as "Subsequent Phase Properties" or Subsequent Phase Property.

Section 1.54. VA. "VA" shall mean the Veterans Administration of the United States of American 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.

Section 1.55. Visibility. "**Visibility**" means visible from the street or visible from the Association Properties or Common Areas or visible from neighboring properties means, with respect to any given object, that such object is or would be visible to a person six feet (6 ) tall (A) standing on an assumed floor elevation two feet (2 ) above the highest ground surface of any neighboring property, (B) or in reference to the street or Association Properties or Common Areas standing on the center of the street or the highest point of the ground surface of Association Property or Common Area.

Section 1.56. Voting Power. "**Voting Power**" means the total number of votes attributable to those Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at any time a determination of Voting Power is made.

Section 1.57. Wetlands Areas. "**Wetlands Areas**" mean certain areas set aside as permanent wetland areas and flood control channels and maintained pursuant to agreements entered into with the United States Army Corps of Engineers.

**ARTICLE II.**  
**Development of the Properties; Annexation**

Section 2.1. Designation of the Properties. Declarant hereby declares that the Properties are made subject to this Master Declaration.

Section 2.2. Unilateral Annexation. Declarant shall have the right to annex from time to time all or any portion of the Subsequent Phase Properties, following which, such annexed portion of the Subsequent Phase Properties shall be subject to this Master Declaration as a portion of the Properties, and the Owners thereof shall be Members of the Association with the same rights, duties and obligations of existing Owners. Such annexation by Declarant shall not require the prior approval of the Owners, the Association, the Board or Members, provided, however, that said right of Declarant shall terminate the earlier of (1) twenty (20) years from the date that this Master Declaration is Recorded or (2) the date that Declarant or a successor Declarant owns no interest in the Subsequent Phase Properties or has no contractual right to purchase such interest or portion of the Subsequent Phase Properties.

2.2.1 Declaration of Annexation; Supplemental Declarations. Any annexations of Subsequent Phase Properties to the Properties authorized under this Article II shall be effected by Recording a Declaration of Annexation, or other similar instrument, with respect to the applicable Subsequent Phase Properties. The Declaration of Annexation: (i) shall be executed by Declarant, or a successor Declarant, as the owner of the Subsequent Phase Properties; (ii) shall extend the general plan and scheme of this Master Declaration to such portion of the Subsequent Phase Properties; and (iii) may include supplemental Restrictions which shall comply with the requirements of a Supplemental Declaration.

2.2.2 Effect of Annexation. The Recordation of a Declaration of Annexation shall constitute and effectuate the annexation of the Subsequent Phase Properties described therein, and thereupon such portion of the Subsequent Phase Properties shall become and constitute a part of the Properties, and be subject to, and encompassed within, the general plan and scheme of this Master Declaration, subject only to such modifications in said general plan as may be imposed by the Supplemental Declaration. Separate Interests within the Subsequent Phase Properties shall thereupon become subject to Assessment by the Master Association and to the functions, powers, and jurisdiction of the Master Association, and the Owners of Separate Interests within the Subsequent Phase Properties shall automatically become Members of the Master Association. Any Association Properties (including private roads) which are included within the Subsequent Phase Properties shall be conveyed



to the Master Association, free of all liens and encumbrances, other than liens, rights-of-way, or other encumbrances which do not unreasonably or materially impair the use and enjoyment of such Association Properties. The conveyance of any Association Properties to the Master Association shall occur immediately following recordation of the Declaration of Annexation, unless otherwise agreed in writing by the owner of such portion of the Subsequent Phase Properties and the Board.

Section 2.3. Deannexation. The Master Plan for the Properties currently provides for the development of parks and schools which are not currently identified as separate legal parcels on any Subdivision Map. When such park and school areas have been mapped as separate legal parcels, they may be deannexed by the owner thereof (by Recordation of a Declaration of Deannexation of Territory) for purposes of conveyance to an appropriate public agency, if required or requested by the agency. Subject to the same time limitations for unilateral annexation set forth in the provisions of Section 2.2, Declarant may remove a portion of the Properties from coverage of this Master Declaration and the jurisdiction of the Master Association, so long as Declarant is the Owner of all of such property (other than publicly owned property), or Declarant and all of the Owners of the applicable portion of the Properties agree to the removal affected from the coverage of the Master Declaration and the jurisdiction of the Master Association. For any portion of the Properties which is to be deannexed, a Declaration of Deannexation executed by Declarant and any other Owners of the Properties to be deannexed must be Recorded which describes the property which is being deannexed and which reallocates the allocated interests among the remaining Separate Interests within the Properties, using the formula set forth in Section 4.2.1, hereof.

#### Section 2.4. Supplemental Declarations.

2.4.1 Authorization for Recordation of Supplemental Declarations. During the course of developing the Properties, it may become necessary or appropriate for the Declarant or a Parcel Developer to Record a Supplemental Declaration which is applicable to Separate Interests and Common Areas within a particular Phase of Development, including, without limitation, any portion of the Properties which is not subject to a final Subdivision Map as of the date of this Master Declaration. Recordation of Supplemental Declarations by Declarant is hereby approved. Parcel Developers may Record Supplemental Declarations with respect to any Phase of Development they own with Declarant's prior written consent which shall be evidenced by Declarant's co-execution of the Supplemental Declaration.

2.4.2 Priority of Declarations in the Event of Conflict. This Master Declaration

shall control if there is any conflict between any Supplemental Declaration and the provisions of this Master Declaration; provided, however, that to the extent that any provision hereof is expressly modified by a Supplemental Declaration, no conflict shall be deemed to exist and the Supplemental Declaration shall control; and, provided further that this Master Declaration and any Supplemental Declaration shall be construed to be consistent with one another to the extent possible. The inclusion in any Supplemental Declaration of covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, limitations, liens or charges which are more restrictive or more inclusive than the Restrictions contained in this Master Declaration shall not be deemed to constitute a conflict with the provisions of this Master Declaration.

**ARTICLE III.**  
**Permitted Uses and Restrictions**  
**of the Association Properties**

Section 3.1. Owners' Rights of Enjoyment in Association Properties. Every Owner and, to the extent permitted by such Owner, such Owner's Family, guests, invitees, lessees, and contract purchasers who reside within such Owner's Separate Interest, shall have a right of ingress and egress and of enjoyment in, to and over the Association Properties which shall be appurtenant to and shall pass with title to every Separate Interest, subject to the following provisions:

3.1.1 The right of the Master Association to reasonably limit the number of guests of Owners who may use the Association Properties and any facilities located thereon, except for any facilities or Association Properties which are open to public access and use by virtue of applicable laws or governmental regulations.

3.1.2 The right of the Master Association to establish uniform Rules and Regulations pertaining to the use of the Association Properties and any facilities located thereon.

3.1.3 The right of Declarant to install and maintain a master television cable service facilities on or within the Association Properties, provided the necessary approvals are obtained from the City of Reno.

3.1.4 The right of the Master Association, in accordance with the Articles, the Bylaws and this Master Declaration, to borrow money for the purpose of improving the Association Properties and any facilities located thereon and in aid thereof, and, subject to the provisions of this Master Declaration, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, with the vote or written assent of at least a majority of the Voting Power of the Master Association including a majority of the Votes in the Association allocated to Separate Interests not owned by Declarant. Any encumbrance of Association Property shall be evidenced by the execution in the same manner as a deed, of the requisite number of Separate Interest Owners of an agreement to that effect. The agreement or ratifications shall be Recorded in the County. Recordation of such agreement or ratification shall constitute prima facie evidence that the required membership approval was obtained.

3.1.5 The right of the Master Association to suspend the voting rights of any Owner for any period during which any Assessment against such Owner's Separate

Interest remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any non-continuing infraction of the Rules and Regulations. Any suspension of voting rights shall be made only by the Board and shall be conditioned upon providing the alleged violator with notice and an opportunity for a hearing in accordance with the provisions of this Master Declaration.

3.1.6 Subject to the provisions of this Master Declaration, the right of the Master Association to dedicate, release, alienate or transfer all or any portion of the Association Properties owned in fee by the Master Association to any public agency, authority, utility or other Person for such purposes and subject to such conditions as may be approved by the Members. No such dedication, release, alienation or transfer shall be effective, unless previously approved by at least a majority of the Voting Power of the Members including a majority of the votes in the Association allocated to Separate Interests not owned by Declarant and evidenced by the execution in the same manner as a deed, of the requisite number of Separate Interest Owners of an agreement to that effect. The agreement or ratifications shall be Recorded in the County. Recordation of such certificate shall constitute prima facie evidence that the required membership approval was obtained.

3.1.7 The right of Declarant and any Parcel Developers (and their respective guests, invitees, and successors) to the non-exclusive use of the Association Properties and the facilities thereof, for access, ingress and egress for purposes of developing and improving the Properties pursuant to this Master Declaration, which right Declarant hereby reserves; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein.

3.1.8 The right of the Master Association (by action of the Board) to reconstruct, repair, replace or refinish any Improvement or portion thereof which is located within or upon the Association Properties, in accordance with the original design, finish or standard of construction of such Improvement, or of the general Improvements within the Properties, as the case may be; and, subject to the other provisions of this Master Declaration, if not in accordance with such original design, finish or standard of construction, only with the vote or written consent of at least a majority of the Voting Power of the Members, and by the vote or written consent of at least fifty-one percent (51 %) of the Beneficiaries of first Mortgages upon the Separate Interests within the Properties.

3.1.9 The right of the Master Association to replace dead or diseased trees or

other vegetation and plant trees, shrubs and ground cover upon any portion of the Association Properties.

3.1.10 The right of the Master Association or its contractors or agents to restrict access to any Association Properties, when required in connection with any maintenance, repair or restoration of said Association Properties.

Section 3.2. Delegation of Use. Any Owner of a Separate Interest may delegate, in accordance with the Bylaws, his or her right of enjoyment to the Association Properties and facilities to his or her Family members, tenants, lessees or contract purchasers who occupy the Owner's Separate Interest, or any portion thereof, subject to reasonable regulation by the Master Association. Without limiting the foregoing, it is expressly agreed that the provisions of the Governing Documents shall be binding on any tenant or lessee to the same extent as such documents are binding upon the Owner-lessor.

Section 3.3. Master Cable Service Easement. Declarant hereby reserves for itself a nonexclusive easement of access, ingress, and egress over the Association Properties, for purposes of the installation, operation, maintenance, repair, inspection, and removal of underground cable television service lines, facilities, and equipment. Such easement shall be freely transferable by Declarant to any other individual or entity for the purpose of providing cable service to the Properties, or any portion thereof.

Section 3.4. Access Easement for Maintenance of Wetlands Areas. The Master Association shall have a non-exclusive easement for maintenance, repair, inspection and operation over the Wetlands Area.

Section 3.5. Waiver of Use. No Owner may exempt himself/herself from personal liability for Assessments duly levied by the Master Association, or release the Owner's Separate Interest or other property owned by such Owner from the liens and charges hereof, by waiver of the use and enjoyment of the Association Properties and the facilities thereon or by abandonment of his or her Separate Interest or any other property within the Properties.

Section 3.6. Properties Taxes. Each Owner shall execute such instruments and take such action as may reasonably specified by the Master Association to obtain separate real estate tax assessments for each Separate Interest within the Properties. If any taxes or assessments may, in the opinion of the Master Association, constitute a lien on the Association Properties, or any part thereof, they may be paid by the Master Association and each Owner shall be obligated to pay or to reimburse the Master

Association for, as the case may be, the taxes and assessments assessed by the County Assessor or other taxing authority against the Association Properties and attributable to his or her Separate Interest and the Owner's interest in the Association Properties.

Section 3.7. Notification Regarding Governing Documents.

3.7.1 As soon as practicable before transfer of title or the execution of a real property sales contract with respect to any residential Separate Interest, the Owner thereof must give the prospective purchaser: (i) a current copy of the Governing Documents; (ii) the Master Association's most recent current financial statement; and (iii) a true statement in writing from the Master Association ("delinquency statement") as to the amount of any delinquent Assessments, together with information relating to late charges, attorneys' fees, interest, and reasonable costs of collection which, as of the date the statement is issued, are or may become a lien on the residential Separate Interest being sold.

3.7.2 The Master Association shall, within ten (10) days of the mailing or delivery of a request for the information described in subparagraph 3.7.1, above, provide the Owner with a copy of the current Governing Documents, together with the financial statement and the delinquency statement referred to in the immediately preceding paragraph. The Master Association shall be entitled to impose a fee for providing the Governing Documents and the financial and delinquency statements equal to (but not more than) the reasonable cost of preparing and reproducing the requested materials.

**ARTICLE IV.**  
**The Master Association**

Section 4.1. Formation. The Master Association is a nonprofit corporation formed or to be formed under Chapter 82 of the Nevada Revised Statutes. Before or promptly after recordation of this Master Declaration, Declarant shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Nevada. The Master Association shall be charged with the duties and invested with the powers set forth in the Articles, Bylaws, and this Master Declaration. In the event any provision of the Articles or Bylaws conflict with the provisions of this Master Declaration, then the provisions of this Master Declaration shall control.

Section 4.2. Master Association Membership.

4.2.1 Membership Qualifications. The Members of the Master Association shall be the Owners (including Declarant and any Parcel Developers) of one (1) or more Separate Interests. The Owner or Owners, collectively, of each Separate Interest shall have one (1) membership in the Master Association ("Membership"). At any given time, the number of Memberships in the Master Association shall be equal to the number of Separate Interests in the Properties. The number of Memberships shall increase in proportion to the number of Separate Interests within the Subsequent Phase Properties each time any of the Subsequent Phase Properties is annexed to the Properties and shall decrease in proportion to the number of Separate Interests which are deannexed each time a deannexation occurs pursuant to the provisions of Article II, hereof. As used in this Master Declaration, the term "Member" shall refer to the Person owning a Separate Interest if owned solely by such Person, or collectively to all of the Persons owning a Separate Interest if owned by more than one Person. Each Member shall have the rights, duties, and obligations set forth in this Master Declaration, the Articles, Bylaws and Rules and Regulations, as the same may from time to time be amended. Membership in the Master Association shall be in addition to an Owner's membership in any Delegate District.

4.2.2 Transfer of Membership. Each Membership shall be appurtenant to the Member's Separate Interest, and Memberships shall not be pledged, transferred, or assigned, except to the Person to whom the Separate Interest is transferred. Declarant's Membership may not be partially assigned or held by more than one (1) Person, and may not be transferred except to a Successor Declarant under this Master Declaration. Any attempt to make a prohibited transfer of a Membership shall be void and will not be reflected on the books of the Master Association. Any transfer of title

or interest to a Separate Interest shall operate automatically to transfer the appurtenant Membership to the grantee, and the Recordation of a contract of sale of a Separate Interest shall operate to transfer the appurtenant Membership to the Buyer thereunder. Prior to any transfer of title to a Separate Interest (excluding a transfer for security purposes), either the transferring Owner or the acquiring owner shall give notice to the Board of such transfer, including the name and address of the acquiring owner and the anticipated date of transfer. The Master Association may levy a reasonable transfer fee against new Owners and their Separate Interest (which fee shall be added to the Assessment chargeable to such new Owner) to reimburse the Master Association for the administrative costs of transferring the memberships to the new Owner on the records of the Master Association.

4.2.3 The Master Association shall have one voting class. Each Owner (including any Parcel Developer) of any Separate Interest shall be a Member of the Master Association and shall be entitled to one (1) vote

4.2.4 Exercise of Voting Rights.

(i) By Declarant. Declarant shall have the right to designate to the Board in writing the Person or Persons entitled to exercise the rights reserved to Declarant under this Master Declaration, including the casting of votes on behalf of Declarant.

(ii) By Delegates. Subject to the provisions of Sections 4.3, hereof, the votes allocated to Members within a Phase or Planned Development for which a Delegate District has been formed shall be cast by the Delegates of such Delegate District and not by the Members themselves.

(iii) By Owners. Members not represented by Delegates shall cast their votes in person or by proxy. In the case of a Membership owned by two (2) or more Persons, the vote or votes allocated to such Membership shall be exercised by only one of them. If only one (1) of several Persons owning a Membership is present at a meeting of the Master Association, that Person is entitled to cast the vote or votes allocated to that Membership. If more than one (1) of the Persons owning a Membership are present, the vote or votes allocated to that Membership may be cast only in accordance with the agreement of a majority in interest of the Persons owning such Membership. There shall be deemed to be a majority agreement among several Persons owning a Membership if any one (1) of such Persons casts the vote or votes allocated to that Membership without protest made promptly to the person presiding over the meeting by any of the other Persons owning such Membership. In the event there is no such protest, it will be conclusively presumed for all purposes that the Person who cast the vote or votes for a particular Membership was acting with the



authority and consent of all other Persons owning such Membership. If such a protest is made, or more than one (1) Person owning a single Membership casts the vote or votes, then the vote for such Membership shall not be counted.

#### Section 4.3. Composition of Board of Directors.

4.3.1 Declarant's Right of Appointment and Removal. Subject to the provisions of Section 4.3.2, below, Declarant reserves the right to appoint and remove all of the members of the Board and all of the officers of the Master Association until Declarant's Control Termination Date. Declarant shall have the right to designate a person or persons who are entitled to exercise the right reserved to Declarant under this paragraph.

#### 4.3.2 Board Representation of Members (other than Declarant) Prior to Declarant's Control Termination Date.

(i) On the date which is sixty (60) days after Declarant's conveyance of Separate Interests equal to twenty-five percent (25%) of the total number of Separate Interests which may be created in the Properties, including Subsequent Phase Properties, pursuant to the provisions of this Master Declaration to Owners other than Declarant, a Successor Declarant, or Parcel Developers, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Members other than the Declarant.

(ii) Not later than the date which is sixty (60) days after Declarant's conveyance of Separate Interests equal to fifty percent (50%) of the total number of Separate Interests which may be created in the Properties, including Subsequent Phase Properties, pursuant to the provisions of this Master Declaration to Owners other than Declarant, a Successor Declarant or Parcel Developers, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board shall be elected by Members other than the Declarant.

4.3.3 Board Seats. The Board shall have seven (7) Members elected in the manner provided in Article IV hereof.

4.3.4 Persons Entitled to Serve on the Board. Except for the members of the Board appointed by Declarant pursuant to Section 4.3, hereof, and the members of the first Board named in the Articles, the members of the Board shall be Members of the Master Association. An officer, employee, agent or director of a corporate Owner of a Separate Interest, a trustee or designated beneficiary of a trust that owns a Separate Interest, a partner of a partnership that owns a Separate Interest, or a fiduciary of an

estate that owns a Separate Interest may serve as an officer or a member of the Board. In all events where the Person serving or offering to serve as an officer of the Master Association or member of the Board is not the Owner of Record, such Person shall file proof of his, her or its authority in the records of the Master Association. All members of the Board must be at least eighteen (18) years of age.

4.3.5 First Annual Meeting. The members of the first Board of the Master Association named in the Articles shall serve until the first annual meeting of the Members of the Master Association is called for the purpose of electing their successors. The first annual meeting of the Members of the Master Association shall be held not later than the earliest of: (a) sixty (60) days after the closing of the sale of the Separate Interest to a Person other than Declarant, a Successor Declarant or Parcel Developer, which closing represents the twenty-fifth (25th) percentile interest in the maximum number of Separate Interests which may be created in the Properties pursuant to this Master Declaration, or (b) one (1) year after the date of the filing of the Articles of Incorporation with the Secretary of State of the State of Nevada. Such meeting shall be called, noticed and conducted in accordance with the Articles and the Bylaws.

Section 4.4. Master Association Action. Except as to matters requiring the approval of the Members as set forth in the Articles, Bylaws, and this Master Declaration, the powers of the Master Association shall be vested in, exercised by, and under the control of, the Board, and the affairs of the Master Association shall be managed and controlled by the Board. Except as otherwise provided in the Articles, Bylaws, or this Master Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total Voting Power of the Master Association assent to such matters by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

Section 4.5. Powers and Duties. The Master Association shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Master Association as set forth in Chapters 116 and 82 of Nevada Revised Statutes. Without in any way limiting the generality of the foregoing provisions, the Master Association, acting through the Board, shall have the following powers and duties:

4.5.1 Assessments. The power and the duty to levy Assessments and to enforce payment of such Assessments in accordance with the provisions of this Master

Declaration.

4.5.2 Repair and Maintenance of Association Property.

(i) Overall Responsibility. The power and the duty to paint, plant, replace, remove, resurface, maintain and repair in a neat and attractive condition, in accordance with standards adopted by the Board, all Association Property and all Improvements thereon. The Master Association shall also have the power and duty to pay for utilities, landscaping services, security services and other necessary utility and/or other services for the benefit of the Association Property.

(ii) Property Maintained by Governmental Agency or Sub-Association. Notwithstanding the foregoing, the Master Association shall have no responsibility to provide the services referred to in this subparagraph with respect to any property or Improvement which is accepted for maintenance by any state, local or municipal governmental agency or entity, or with respect to which the maintenance responsibility has been delegated to any Sub-Association pursuant to a Supplemental Declaration. In such case, the maintenance responsibility shall be that of the applicable agency, entity or Sub- Association.

(iii) Maintenance of Association Property by Declarant. Additionally, to the extent that maintenance and/or services are provided by Declarant with respect to Association Property pursuant to a maintenance agreement, or any other type of agreement, the Master Association's responsibilities for maintaining the Association Property and providing other services hereunder shall be temporarily suspended for so long as the maintenance and/or other services are furnished by Declarant pursuant to such agreements.

(iv) Maintenance of Wetlands Areas. Without limiting the foregoing, until such time as Wetlands maintenance has been transferred to and accepted by a public entity, the Master Association shall have the specific duty of maintaining such areas in accordance with applicable requirements.

4.5.3 Utility Services. The power and the duty to obtain, for the benefit of the Association Property, all commonly metered water, gas and electric services; and the power, but not the duty, to obtain cable television service and to provide for all refuse collection as deemed necessary.

4.5.4 Easements and Rights-of-Way. The power, but not the duty, to grant and convey, to any Person, easements and rights-of-way in, on, over or under the Association Property, including parcels or strips of land which comprise a portion of the Association Property, for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: (i) roads, streets, walks, driveways, parkways and open space areas; (ii) overhead or underground lines, cables, wires,

conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other similar purposes; (iii) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (iv) any similar public or quasi-public improvements or facilities.

4.5.5 Manager. The power, but not the duty, to employ or contract with a Manager to perform all or any part of the duties and responsibilities of the Master Association. Subject to the provisions of applicable law, the Board shall have the power to delegate its powers to committees, officers and employees. Each management agreement shall provide for its termination by either party with cause upon not more than thirty (30) days' written notice to the other party, and without cause and without penalty or payment of a termination fee upon not less than ninety (90) days' written notice to the other party.

4.5.6 Rights of Entry and Enforcement. Without limiting the foregoing description of powers, the Master Association and its agents shall have the specific right to enter on any Separate Interest, when necessary, to perform the Master Association's obligations under this Master Declaration, including: (i) obligations to enforce the Restrictions, Land Use Ordinances and Design Guidelines; (ii) any obligations with respect to construction, maintenance and repair of any facilities located on the Association Property; or (iii) to make necessary repairs or maintenance that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, the Association Property or the Owners in common. The Association's rights hereunder shall not include the right to enter any private Residence with the exception of actions taken in response to emergency situations; except for such emergency situations, the Master Association shall have no right to initiate any corrective action or alter any Improvement on the Owner's Separate Interest without complying with the notice and due process requirements required by this Master Declaration. The Master Association's rights of entry under this subparagraph shall be exercisable as follows:

(i) The Master Association shall have an immediate right of entry in the case of an emergency originating in or threatening the Separate Interest where entry is required, or any adjoining Separate Interest or Association Property, and the Master Association's work may be performed under such circumstances whether or not the Owner or his or her lessee is present.

(ii) In all other non-emergency situations the Master Association, or its agents, shall furnish the Owner or his or her lessee with at least ten (10) days' written notice of its intent to enter the Separate Interest, specifying the purpose and scheduled time of such entry. In case of all entries other than entries required to

respond to emergency situations, the Association shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing in the Separate Interest.

4.5.7 Other Services. The power and the duty to maintain the integrity of the Association Property and provide such other services as may be necessary or proper to carry out the Master Association's obligations and business under the terms of this Master Declaration, in order to enhance the enjoyment of the Members of the Association Property or to facilitate the use of the Association Property by the Members in common.

4.5.8 Legal and Accounting Services. The power, but not the duty, if deemed appropriate by the Board, to retain and pay for legal and accounting services which the Board considers necessary or appropriate to the proper operation and management of the Master Association and the Association Property, the enforcement of this Master Declaration, or the performance of any of the other duties or rights of the Master Association under the Governing Documents.

4.5.9 Construction on Association Property. The power, but not the duty, by action of the Board, to construct new Improvements or additions to the Association Property, or demolish existing Improvements in accordance with the provisions of this Master Declaration.

4.5.10 Contracts. The Master Association, acting through the Board, may enter into contracts with Declarant, Sub-Associations, Owners within the Properties, management, landscape maintenance companies and other Persons to provide services or to maintain and repair Improvements and maintenance areas within the Properties and elsewhere which the Master Association is not otherwise required to provide or maintain pursuant to this Master Declaration, provided, that any such contract or service agreement shall provide for the payment to the Master Association for the costs of providing such services or maintenance.

4.5.11 Management of Sub-Association. The power, but not the duty, to enter into an agreement, on behalf of the Master Association, to provide management services to any Sub-Association and to collect a fee for such services. Such management agreement may provide that the Master Association collect, on behalf of the Sub- Association, assessments levied by such Sub-Association against the Members of such Sub- Association.

4.5.12 Landscape Maintenance Agreement. The power and duty to enter into or to accept an assignment of a "Landscape Maintenance Agreement" upon terms satisfactory to Declarant, with the owners of certain properties adjacent to the Properties, fronting South Meadows Parkway and/or Wilbur May Parkway (collectively, "Roadways"), which shall provide for the (i) allocation of maintenance, repair and replacement expense relating to the landscaping areas and related improvements adjacent to the Roadways, (ii) creation of lien rights, in accordance with applicable laws, for the failure to reimburse for such expenses, and (iii) procedure for the hiring of an independent contractor, employed by all parties to the Landscaping Maintenance Agreement, who shall perform the duties identified in subsection (i) above, and any other duties relating thereto.

Section 4.6. Rules and Regulations. The Board may adopt such Rules and Regulations as it deems proper for the use and enjoyment of the Association Property. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be available for inspection at the Master Association's principal office and may be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Rules and Regulations shall have the same force and effect as if they were set forth and were a part of the Governing Documents; provided, however, that the Rules and Regulations shall be enforceable only to the extent that they are consistent with the other Governing Documents, and the Rules and Regulations may not be used to amend any of such documents. In addition, if any Owner has actual knowledge of any particular Rule or Regulation, such Rules and Regulations shall be enforceable against such Owner as though notice of such Rules and Regulations had been given pursuant to this Section.

**ARTICLE V.**  
**Master Association Assessments**

Section 5.1. Purpose and Amount of Assessments. The Assessments levied by the Master Association shall be the amount estimated to be required, and shall be used exclusively, to promote the health, safety, and welfare of the Members of the Master Association, for the performance of the duties of the Master Association as set forth in this Master Declaration, and for the repair, maintenance and upkeep of the Common Areas. For the first (1st) calendar year following the recordation of this Declaration, Declarant agrees that the Common Assessment shall not exceed the amount of TWENTY TWO AND 50/100THS DOLLARS (\$22.50) per Separate Interest on a monthly basis. Subject to the foregoing, in accordance with applicable law, the average annual liability for Common Expenses shall never exceed FIVE HUNDRED AND NO/100THS DOLLARS (\$500.00) per Separate Interest, as adjusted by Chapter 116 of the NRS, exclusive of the cost of insurance premiums to the Association, any optional users' fees, any Reimbursement Assessment or any Reconstruction Assessment. Such FIVE HUNDRED AND NO/100THS DOLLARS (\$500.00) maximum amount is not, in any manner, indicative of the actual Common Assessment for each Separate Interest estimated above, but is set forth herein to comply with requirements of applicable law.

Section 5.2. Personal Obligations. Declarant. for each Separate Interest owned by it, and each Owner of each Separate Interest, hereby covenants and agrees to pay to the Master Association such Assessments as are made pursuant to this Article V. Declarant may, in lieu of payment of the Assessment and any Special Assessments attributable to Separate Interest owned by Declarant, enter into a Subsidy Agreement with the Master Association. Each Assessment or installment thereof, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the Person who is the Owner of the Separate Interest at the time such Assessment (or installment thereof) became due and payable. If more than one (1) Person is the Owner of the Separate Interest, the personal obligation to pay such Assessment (or installment) respecting such Separate Interest shall be both joint and several. Except as provided in this Declaration, a purchaser of a Separate Interest shall be jointly and severally liable with the seller for all unpaid Assessments against the Separate Interest, up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Master Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by

non-use or abandonment of his Separate Interest.

Section 5.3. Common Assessments Levied Against Phases for which Subdivision Maps, creating Separate Interests, have not been Recorded ("Unmapped Phases").

5.3.1 Unmapped Phase Assessments. It is possible that Common Assessments will commence for some Phases prior to the Recordation of Subdivision Maps subdividing those Phases into Separate Interests. In such cases, until the next fiscal year following the fiscal year in which the first Close of Escrow for the sale of a Separate Interest in the Phase occurs, each such Phase shall be assigned an aggregate Common Assessment obligation ("Unmapped Phase Assessment") for each fiscal year based upon the amount of Separate Interest planned for such Unmapped Phase as determined by Declarant.

5.3.2 Owner's Liability for Unmapped Phase Assessment. The Owner of the Unmapped Phase shall be obligated to pay the entire Unmapped Phase Assessment allocated to such Phase for each fiscal year until such time as the first Close of Escrow for the sale of a Separate Interest in the Phase occurs. Following the first Close of Escrow, the Owners of Separate Interests in the Phase, including the Owner of the Phase with respect to any Separate Interests owned by said Owner, shall be liable for Common Assessments.

Section 5.4. Assessments.

5.4.1 Budget. The Assessment shall be determined by the amount of the Master Association budget ("Budget") for each fiscal year to pay the Common Expenses as established pursuant to the provisions of this Article.

5.4.2 Allocation of Assessment; Uniform Rate; Commencement. Subject to any Assessment for Unmapped Phases, the Assessment assessed against the Owners of a Separate Interest shall be the amount of the Common Expense liability portion of the Budget for the applicable fiscal year divided by the total number of Separate Interests subject to the limitations set forth in this Article. Assessments shall commence as to each Separate Interest and as to each Unmapped Phase, if applicable, upon the earlier to occur of (i) the date specified in a Notice of Commencement of Common Assessments, Recorded by Declarant, which date shall be after the date of Recordation of this Master Declaration; or (ii) the first day of the first month following the month in which the first Close of Escrow occurs for the sale of a Separate Interest in that Phase of the Properties in which the Separate Interest is



located. Each Separate Interest in that Phase of the Properties and each Unmapped Phase in the Properties shall, thereafter, be subject to its share of the then established Assessment as set forth herein.

5.4.3 Procedure for Establishing Assessment; Commencement. The Assessment period shall coincide with the fiscal year of the Master Association, which shall commence on January 1 of each year and shall terminate on December 31 of such year. Assessment shall be payable in equal quarterly installments payable on the first (1st) day of each fiscal quarter unless the Board adopts some other basis for collection. However, the initial Assessment period for the A Phase of the Properties shall commence on the first (1st) day of the calendar quarter following the Close of Escrow of the sale of the first Separate Interest within such Phase to an Owner (other than Declarant, a Successor Declarant or a Parcel Developer). Not less than ninety (90) days before the beginning of each fiscal year of the Master Association, the Board shall meet for the purpose of preparing the proposed Budget of the Common Expenses for the next succeeding fiscal year and establishing the Assessment for such fiscal year. Within sixty (60) days after adoption of the proposed Budget by the Board for such fiscal year, and not less than thirty (30) days or more than sixty (60) days before the beginning of the fiscal year, the Board shall provide a summary of the Budget to all Owners, and shall set a date for a meeting of the Owners to consider ratification of the Budget, which date shall be not less than fourteen (14) days or more than thirty (30) days after the mailing of the summaries.

5.4.4 Requirements for Adoption. Unless at the meeting of the Members described in Section 5.4.3, above, at least sixty-seven percent (67%) of the Voting Power of the Master Association votes to reject the proposed Budget, the Budget shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting. If the proposed Budget is so rejected, the Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Board.

5.4.5 Emergency Situations. Notwithstanding any other provision contained in this Article V, the Board may increase the Assessment as necessary for emergency situations. For purposes of this Section, an emergency situation is any (1) one of the following:

- (i) Extraordinary expense required by an order of a court;
- (ii) An extraordinary expense necessary to repair or maintain Properties or any portion thereof for which the Master Association is responsible

where a threat to personal safety on the property is discovered; or

(iii) An extraordinary expense necessary to repair or maintain the Properties or any portion thereof for which the Master Association is responsible that could not have been reasonably foreseen by the governing body in preparing and distributing the proposed Budget. However, prior to the imposition or collection of an assessment under this Section, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of the emergency assessment.

#### 5.4.6 Expenditure of Reserve Funds.

(i) The Board shall not expend funds designated as reserve funds for any purpose other than:

(a) The repair, restoration, replacement or maintenance of major components for which the Master Association is obligated and for which the reserve fund was established, or

(b) Litigation involving the purposes set forth in this Master Declaration.

(ii) Notwithstanding the provisions of Subsection 5.4.6(i) above,

(a) May authorize the temporary transfer of money from the reserve account to the Master Association's operating account to meet short term cash flow requirements or other expenses.

(b) Shall cause the transferred funds to be restored to the reserve account within three (3) months of the date of the initial transfer; however, the Board may, upon making a documented finding that a delay of restoration of the funds to the reserve account would be in the best interest of the development, delay the restoration until such time it reasonably determines to be necessary.

(c) Shall exercise prudent fiscal management in delaying restoration of the transferred funds to the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits specified. Any such Special Assessment shall not be subject to the limitations specified in Section 5.5, below.

Section 5.5. Special Assessments. In the event that the Board determines a Special Assessment is required, the Board shall set a date for a meeting of the Owners which is not more than thirty (30) days after the mailing of the summary of the Special Assessment to the Owners and unless at that meeting a majority of the votes comprising the Voting Power are voted to reject the proposed Special Assessment,

the proposed Special Assessment shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting, and shall become a Special Assessment against, and allocated equally to, the Owners of the Separate Interests in the same manner as the Assessment is allocated. The Board may, in its discretion, provide for payment of any Special Assessment in any number of installments or provide that it is payable in one (1) installment within such time period as the Board deems reasonable.

#### Section 5.6. Capital Improvement Assessments.

5.6.1 Master Association's Power to Levy; Definition. The Master Association shall have the power to levy Capital Improvement Assessments on the terms and conditions set forth below. As used herein "Capital Improvement" means (i) any Improvement upon the Common Area which is not a repair or replacement of an existing Improvement, or (ii) any expenditure relating to the Common Area which is outside the ordinary course of business of the Master Association.

#### 5.6.2 Petition; Master Association Approval.

(i) Owners of thirty (30) or more of the Separate Interests may petition the Master Association for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement. Such petition shall be in writing and be in such form and shall contain such information as the Board may reasonably require. The Board may, on its own motion, move for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement.

(ii) Upon receipt of a petition for a proposed Capital Improvement or if the Board desires to propose a Capital Improvement, the Board shall obtain three (3) estimates from licensed contractors for the construction of the Capital Improvement.

(iii) The Board shall submit the Capital Improvement proposal to the Members at the annual meeting, or a special meeting called for such purpose. The Capital Improvement Assessment shall be deemed approved upon the affirmative vote of (i) a majority of quorum of the non-Declarant Members, constituting at least fifty percent (50%) of the Voting Power of the Master Association, and (ii) the Declarant, unless Declarant's Annexation Rights pursuant to Article II hereof have expired and Declarant owns no portion of the Properties or the Subsequent Phase Properties.

5.6.3 Levy of Capital Improvement Assessments. Capital Improvement Assessments shall be levied in the same proportions as the Common Assessments are levied. A Capital Improvement Assessment shall be paid in such installments and

during such period or periods as shall be voted upon by the Members at the time such Assessment is approved. If no terms of payment are specified by such vote of the Membership, then the Capital Improvement Assessment shall be due and payable upon terms set by the Board.

5.6.4 Expenditure for Capital Improvement. After the levy of the Capital Improvement Assessment and the collection of the entire Capital Improvement Assessment, or a sufficient portion thereof as the Board deems prudent, then the Board shall cause the Capital Improvement to be constructed, installed, or acquired, or shall contract for the extraordinary expenditure constituting the Capital Improvement.

5.6.5 Deficiency in Capital Improvement Assessment. If at any time and from time to time a Capital Improvement Assessment proves or appears likely to be inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, subject to the limitations set forth in this Section, levy a further Capital Improvement Assessment in the amount of such actual or estimated inadequacy, which shall be levied against the Owners in the same proportion as the Common Assessments are levied.

Section 5.7. Notices of Assessments; Delinquencies. All Assessment notices shall be in writing and shall be given in the manner specified in this Section. The Master Association shall give written notice of the Assessment, to the Owners of the Separate Interests within the Properties, which notice shall specify the amount of the Assessment and the date or dates payment of the same is due. Nothing contained herein shall be construed so as to require the Master Association to give periodic notices of the same Assessment. One notice of an Assessment shall be sufficient to meet the requirements of this Section, even though the Assessment may be payable in installments. Failure of the Master Association to give notice of any Assessment shall not affect the liability of the Owners of the Separate Interest for such Assessment; provided, however, that the date when payment of the first installment of such Assessment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given, and the first installment of such Assessment shall not be deemed delinquent until fifteen (15) days after such deferred due date. Any Assessment installment hereunder which is not paid within fifteen (15) days following the date it is due as specified in the notice of such Assessment shall be deemed delinquent. All delinquent Assessments shall bear interest at the rate of eighteen percent (18%) per annum from the date the Assessment becomes delinquent hereunder until paid, and, in addition, a late charge as determined by the Master

Association shall be charged for each delinquent installment and shall be due with each delinquent installment.

Section 5.8. Statement of Account. Upon payment of a reasonable fee and upon written request of any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Separate Interest, the Master Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Separate Interest, the amount of all the current Assessments, and the date that such Assessment becomes or became due, and if there is any credit for advance payments. Such statement shall be conclusive upon the Master Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) business days following receipt of the written request and fee, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement.

Section 5.9. Collection of Assessments. The right to collect and enforce Assessments is vested in the Board acting for and on behalf of the Master Association. The Board, its attorney at law, its authorized representative, its attorney at law, and any Manager, can enforce the obligations of the Owners to pay Assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity; or the Board may enforce by judicial proceedings or, to the extent permitted by applicable law, through the exercise of the power of sale granted to the Board pursuant to applicable statutes and laws, and Article V, to enforce the lien rights created. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts due hereunder shall be maintainable without first foreclosing against the Separate Interest which is subject to the lien for such assessment or waiving the lien rights granted hereby.

5.9.1 Lien for Assessments; Priority. All sums assessed to any Separate Interest pursuant to this Master Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Owner's Separate Interest in favor of the Master Association from the date the Assessment becomes due. Such lien shall be prior to all other liens and encumbrances on such Lot, except for: (a) valid tax and special assessment liens in favor of any governmental assessing authority; (b) liens and encumbrances recorded before the recordation of this Master Declaration; and (c) a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent. The lien created by this Master Declaration for unpaid Assessments is also prior to a First Mortgage to the extent of the amount of such

Assessment which would have become due in the absence of acceleration during the six (6)-month period immediately preceding institution of an action to enforce the lien securing such amount, without accelerations.

#### 5.9.2 Enforcement of Lien.

(i) Notice of Delinquent Assessment and Notice of Default. The Master Association may foreclose its lien by sale pursuant to NRS Chapter 116 after:

(a) The Master Association has mailed by certified or registered mail, return receipt requested to the record Owner of the Separate Interest or Unmapped Phase, a notice of delinquent assessment (herein "Notice of Delinquent Assessment"), which states the amount of the Assessment which is due together with all interest and late charges thereon in accordance with the provisions of this Master Declaration, a description of the Separate Interest against which the lien is imposed, and the name of the record Owner of the Separate Interest; and

(b) Not less than thirty (30) days after mailing the Notice of Delinquent Assessment the Master Association or other person conducting the sale has executed and caused to be recorded with the County Recorder a notice of default and election to sell the Separate Interest or Unmapped Phase to satisfy the lien ("Notice of Default"), which shall contain the same information as the Notice of Delinquent Assessment and contain additional information set forth in NRS 116.31162.

(c) The Owners of the Separate Interest or Unmapped Phase or their successors in interest have failed to pay the amount of the lien, including costs, fees and expenses incident to its enforcement, for ninety (90) days following the recording of the Notice of Default.

(ii) The day on which the Notice of Default is so recorded; or

(iii) The day on which a copy of the Notice of Default is mailed by certified or registered mail, return receipt requested, to the Owners of the Separate Interest, or their successors in interest, at their address if known, or otherwise to the address of the Separate Interest.

5.9.3 Notice of Sale. The Master Association or other person conducting the sale shall, at any time after the expiration of such ninety (90) day period and before selling the Separate Interest, give notice of the time and place of the sale ("Notice of Sale") in compliance with NRS 116.311635.

5.9.4 Sale. All such costs and expenses of the foreclosure shall be secured by the lien being foreclosed. Each Owner who is liable for payment of the Assessment shall be required to pay to the Master Association any and all Assessments against

such Owner which shall become due during the period of foreclosure. The Master Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with the Separate Interest. The Master Association shall be entitled to bid on credit up to and including the amount secured by the lien being foreclosed.

5.9.5 Release of Lien. A further notice stating the satisfaction and release of any such lien shall be executed by the Master Association and Recorded in the County, upon payment of all sums secured by such lien, in accordance with law.

5.9.6 Subrogation of Rights after Payment. Any encumbrancer holding a lien on a Separate Interest may, but shall not be required to, pay any amounts secured by a lien for unpaid assessments, and upon such payment, such encumbrancer shall be subrogated to all rights of the Master Association with respect to such lien, including rights of priority.

5.9.7 Conduct of Sale. Such sale shall be conducted in accordance with applicable law and the proceeds thereof distributed as provided by law.

**ARTICLE VI.**  
**Properties Use Restrictions**

Section 6.1. Restrictions Applicable to All Separate Interests. The following restrictions shall apply to all Separate Interests within the Properties:

6.1.1 No Further Subdivision. Except as expressly authorized in a Supplemental Declaration, no Lot, Common Area or Association Properties may be further subdivided without the prior written approval of the Board; provided, however, that nothing in this subparagraph 6.1 shall be deemed to prevent an Owner from, or require the approval of the Board for: (i) selling a Lot in a Planned Development; (ii) transferring or selling any Separate Interest 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 (iii) leasing or renting by any Owner of all of his or her Separate Interest, provided that any such lease or rental shall be (A) in writing; (B) for a period of not less than thirty (30) days; and (C) made expressly subject to the Governing Documents. If two or more Separate Interests are merged into one or more Separate Interests, then the resulting Separate Interest(s) and their Owner or Owners shall be entitled to voting rights and be obligated to pay Assessments hereunder computed as if the original number of Separate Interests still existed. For example, if two Separate Interests are merged into one, the Owner of the resulting Separate Interest shall be entitled to two votes and shall be obligated to pay two Assessments as if it owned two Separate Interests.

6.1.2 Signs. No signs of any kind shall be displayed to the public view from any Separate Interest, Common Area or Master Association Properties without the approval of the Board except: (a) one sign of customary and reasonable dimensions advertising a Separate Interest for sale, lease, rent or exchange displayed from the Separate Interest, subject to the prior written approval of the Architectural Review Committee, which may adopt, as part of its guidelines, uniform restrictions governing signs; (b) such signs as may be used by Declarant or its assignees or Parcel Developers for the purpose of selling or leasing Separate Interests; (c) such other signs or notices as are required or permitted by law; and (d) political signs not larger than 24 inches by 36 inches displayed within a Separate Interest. The Owners of a Separate Interest may display the flag of the United States subject to NRS 116.320.

6.1.3 Nuisances. No Separate Interest shall be maintained in a fashion which renders the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental to the Owner(s) or occupant(s) of any neighboring Separate Interests or



when viewed from any public or private street or other Separate Interest. No noise, objectionable odor, or other nuisance shall be permitted to exist or operate upon any portion of a Separate Interest within the Properties so as to be offensive or detrimental to any other Separate Interest or their occupants.

6.1.4 Drainage. There shall be no interference with the established drainage pattern over any Separate Interest within the Properties so as to affect any other Separate Interest unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Review Committee and the Owner(s) of any adjacent Separate Interests which share the same drainage course and may be adversely affected in the opinion of the Architectural Review Committee. For the purpose hereof, "established" drainage is defined as the drainage which exists at the time the overall final grading (if any) of the Separate Interest in the Properties is completed by Declarant or any Parcel Developer or later grading changes which are shown on plans approved by the Architectural Review Committee, which may include drainage from the Association Properties over any Separate Interest within the Properties.

6.1.5 Water and Sewer Systems. No individual water supply system, or sewage disposal system shall be permitted on any Separate Interest or in any Improvement located thereon, unless such system is designed, located, constructed and equipped in accordance with the requirements, standards, and recommendations of the applicable water or sewer district and any applicable governmental health authority having jurisdiction.

6.1.6 No Hazardous Activities. No activities shall be conducted, nor shall any Improvements be constructed, on the Properties which are or might be unsafe or hazardous to any Person or Separate Interest in the Properties.

6.1.7 Refuse Collection/Absence of Unsightly Articles. No unsightly articles, including clotheslines, shall be permitted to remain on any Separate Interest which are visible from any public or private street or from any other Separate Interest. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in such covered, sanitary containers or other areas, if any, as may be provided or approved by either the Master Association or by any Sub-Association. Such containers or trash disposal areas shall be screened from view from any street, neighboring Separate Interest, the Association Properties or any Common Area, except when the container is placed at the curb of the street for trash collection purposes (not to exceed 12 hours before and after scheduled trash collection hours).

Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon the vacation of premises or during the construction or modification of Improvements) shall be removed from the Properties to a public dump or trash collection area by the Owner or tenant at his or her expense. The Master Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in a manner inconsistent with this subparagraph 6.1.7.

6.1.8 Exterior Fires. Except as specifically authorized in writing by the Master Association (and subject to applicable ordinances and fire regulations), there shall be no exterior fires whatsoever, except barbecue fires contained within receptacles commercially designed therefor, such that they do not create a fire hazard. Any firewood used in Separate Interests shall be stored in areas not visible from public or private streets.

6.1.9 No Temporary Structures. Unless approved in writing by the Architectural Review Committee, no tent or shack or other temporary building, Improvement or structure shall be placed upon any portion of the Properties. No previously used buildings constructed or located on other real property shall be moved from other locations to the Properties, unless authorized in writing by the Architectural Review Committee.

6.1.10 No Mining and Drilling. The Properties shall not be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any portion of the Properties or within 500 feet below the surface of the Properties.

6.1.11 Insurance Rates. Nothing shall be done or kept in the Properties which will increase the rate of insurance on any Association Properties without approval of the Board, nor shall anything be done or kept in the Properties which would result in the cancellation of insurance on any of the Association Properties or which would be in violation of any law.

6.1.12 Improvements and Alterations. There shall be no excavation, construction, alteration or erection of any projection which in any way alters the exterior appearance of any Improvement from any public or private street, or from any other portion of the Properties (other than minor repairs or rebuilding pursuant to this Article) without the prior approval of the Architectural Review Committee.

6.1.13 Weed Abatement/Maintenance and Repair of Improvements and Landscaping. Each Owner and Sub-Association shall be responsible for removing weeds and other debris located on such Owner's Separate Interest or, in the case of a Sub- Association, on any Common Area, and for maintaining, repairing and replacing in a good state of repair and in a neat and attractive condition all other Improvements located on such Separate Interest or Common Area. The PUD Guidelines indicate the level of landscaping to be maintained and permitted in the Properties. Additionally, the Board may adopt supplemental requirements in the Rules and Regulations. If any Owner or Sub-Association fails to abate weeds or other debris on a Separate Interest or Common Area or allows a Separate Interest or Common Area or any Improvements thereon to deteriorate to a dangerous, unsafe, unsightly or unattractive condition, the Board, upon thirty (30) days' prior written notice to such Owner or Sub-Master Association, shall have the right either to seek any remedies at law or in equity which it may have or to correct such condition and, after notice and hearing, to enter upon such Separate Interest or Common Area for the purpose of doing so, and the Owner of the Separate Interest or the Sub-Association responsible for maintaining the Common Area shall promptly reimburse the Master Association for the cost thereof. The cost of corrective work performed on an Owner's Separate Interest shall be a Reimbursement Assessment against such Owner.

6.1.14 View Obstructions. Each Owner by accepting a deed to a Separate Interest hereby acknowledges that any construction or installation by Declarant or any Parcel Developer on adjacent properties may impair the view of such Owner and hereby consents to such impairment. However, no other Improvement or obstruction shall be constructed, planted or maintained upon any Separate Interest in such location or of such height as to unreasonably obstruct the view from any other Separate Interest in the vicinity thereof. If there is a dispute between Owners concerning the obstruction of a view from a Separate Interest, the dispute shall be submitted to the Architectural Review Committee whose decision in such matters shall be final and binding upon the disputing parties. The Architectural Review Committee shall ensure that the vegetation on the Association Properties is cut at reasonable intervals so that the view of any Owner is not unreasonably obstructed.

6.1.15 Excavation. No excavation shall be made on, and no sand, gravel, soil, or other material shall be removed from, any Association Properties, except in connection with the construction of Improvements. Upon completion of such construction, exposed openings shall be backfilled to grade, and disturbed ground shall be graded, level and paved or landscaped in conformity with the requirements of the Government Documents.

6.1.16 Diseases and Pests. No Owner shall permit any thing or condition to exist upon his or her Lot which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.

Section 6.2. Restrictions Applicable to Lots and Condominiums. The following additional restrictions shall apply to all Lots within the Properties.

6.2.1 Residential Use Restriction. All Lots shall be used solely for the construction of Residences whose occupancy shall be restricted to residential dwelling purposes for single Families. Notwithstanding the foregoing, Declarant and any Parcel Developer shall be entitled to use Lots owned by Declarant or the Parcel Developer and the Residences located thereon, as models, sales offices or construction headquarters for the purpose of constructing Residences/public or private streets and related infrastructure until all Separate Interests owned by Declarant or any Parcel Developer are sold.

6.2.2 Minimum Square Footage Requirements. Unless otherwise agreed in writing between Declarant and the applicable Parcel Developer(s), the residential building Improvements constructed on any Lot shall have a fully enclosed floor area (exclusive of roofed or unroofed porches, decks, terraces, garages, carports or other outbuildings) of not less than:

(i) For each Lot that is within a "cluster housing project," as customarily defined in the City, the minimum square footage for the Improvements on such Lot shall be nine hundred (900) square feet.

(ii) For each Lot that has a frontage width of forty-five (45) feet or less, the minimum square footage for the Improvements on such Lot shall be one thousand one hundred (1,100) square feet.

(iii) For each Lot that has a frontage of between forty-six (46) feet and fifty (50) feet, the minimum square footage for the Improvements shall be one thousand two hundred (1,200) square feet.

(iv) For each Lot that has a frontage of between fifty-one (51) feet and fifty-five (55) feet, the minimum square footage for the Improvements shall be one thousand three hundred (1,300) square feet.

(v) For each Lot that has a frontage of between fifty-six (56) feet and sixty-five (65) feet, the minimum square footage for the Improvements shall be one thousand four hundred (1,400) square feet.

(vi) For each Lot that has a frontage of in excess of sixty-six (66) feet, the minimum square footage for the improvements shall be one thousand five hundred (1,500) square feet.

6.2.3 Household Pets. The following restrictions regarding the care and maintenance of pets within the Properties shall be observed by each Owner:

(i) A reasonable number of common household pets may be kept on each Lot so long as the same are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred, or raised on any Lot or in any Residence.

(ii) Dogs shall only be allowed on the Association Properties and the Common Area when they are leashed and otherwise under the supervision and restraint of their Owners.

(iii) No household pet shall be left chained or otherwise tethered in front of a Lot, or within any Association Properties or Common Area. Pet owners shall be responsible for the prompt disposal of pet wastes deposited by their pets on any portion of the Association Properties or Common Area.

(iv) Each person bringing or keeping a pet on the Properties shall be solely responsible for the conduct of the pet. The Master Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Master Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

(v) The Board of Directors shall have the right to establish and enforce additional rules and regulations defining in a uniform and nondiscriminatory manner what constitutes a "common household pet," and a "reasonable number" of pets depending on their size, disposition and/or maintenance requirements and imposing standards for the reasonable control and keeping of household pets in, upon and around the Properties to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Properties by other Owners and residents.

6.2.4 Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any Residence, garage or out building or in any portion of any Lot without the prior written approval of the Board; provided, however, the foregoing restriction shall not apply to the activities, signs or activities of the Master Association in the discharge of its responsibilities under the Governing Documents or Declarant's/Parcel Developer's activities in connection with the development, sale and marketing of the Properties. Furthermore, the Restrictions contained herein shall not be construed in such a manner so as to prohibit any Owner from: (i) maintaining his or her personal library in his or her Residence; (ii) keeping his or her personal business records or accounts therein; (iii) handling his or her personal or professional telephone calls or correspondence therefrom; (iv) leasing or renting his or her Residence as permitted by this Master Declaration; or (v)

conducting any other activities on the Owner's Lot otherwise compatible with residential use and the provisions of this Master Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization. The uses described in subparagraphs (i) through (v) above, are expressly declared to be customarily incidental to the principal residential use and not in violation of this subparagraph 6.2.4.

6.2.5 Storage. Storage of personal property on any Lot shall be entirely within enclosed storage areas, which does not include customary backyard furniture or similar items. The Master Association and any Sub-Association shall have the right, subject to City approval, to establish and maintain on the premises appropriate storage yards and storage buildings for the maintenance of materials and equipment used by the Master Association/Sub-Association in connection with its planting, building, repair, maintenance and preservation of the structures, landscaping and other Improvements located within the Association Properties or any Common Area.

6.2.6 Antennas and Similar Devices. Unless approved by the Architectural Review Committee, Owners of Residences shall not maintain antennas on their Residences which are designed for customary television and radio broadcast reception which are visible from any public or private street or above any fence line between Lots. Additionally, in order to ensure adequate aesthetic controls and to maintain the general attractive appearance of the Properties, no Owner shall place or maintain any objects, such as masts, towers, poles, television satellite reception dishes on or about the exterior of any Residence unless Architectural Review Committee approval is first obtained. Furthermore, no activity shall be conducted on any Lot which causes an unreasonable broadcast interference with television or radio reception on any neighboring Lot.

6.2.7 Basketball Standards. No basketball standards or fixed sports apparatus shall be attached to the front of any Residence or erected on any Lot in a location which is visible from the front of any neighboring Lot as is usual or customary in connection with the use, maintenance or repair of a private Residence or appurtenant structures within the Properties.

6.2.8 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon any Lot, except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a private Residence or appurtenant structures within the Properties.

#### 6.2.9 Parking and Vehicle Restrictions.

(i) All driveways and carports shall be maintained in a neat and orderly condition and garage doors shall be kept in a closed position except as necessary to permit ingress and egress of vehicles or to clean or work in the garage or carport area. Carports and garages are to be used for the parking of standard passenger vehicles and trucks not to exceed three-quarter tons in towing capacity, boats or the storage of similar items of personal property so long as such storage of personal property will not necessitate or result in the parking of vehicles on streets within the Properties. Furthermore, carports and garages shall not be converted to living quarters or work shops which will preclude the parking of vehicles.

(ii) Every Owner shall use the garages or other parking facilities which are constructed as part of the Residence for parking or storing of any and all vehicles owned or driven by the Owner; provided, however, to the extent that such garage or parking facility is unavailable due to such Owner's parking of vehicles owned, operated and used as their primary mode of transportation by Owner or Family members of such Owner, such Owner may park, but not store, up to two (2) additional full size passenger vehicles owned, operated and used as their primary mode of transportation in the driveway of a Residence. No Owner shall use the streets or any Common Area for the parking or storage of any vehicles of any type, except as may be specifically authorized in writing by the Master Association. Visitors and guests of Owners shall use such parking or facilities as may be designated or authorized for the use by the Master Association. In order to prevent or eliminate parking problems within the Properties or to further define and enforce the restrictions of this Section, the Board shall have the authority to establish additional rules, restrictions and penalties, including the imposition of fines for the reoccurring violation of the parking regulations, as determined by the Board. Any vehicle parked on a street for in excess of seventy-two (72) hours shall be subject to towing by the Master Association. If a vehicle is improperly parked, the Master Association must post written notice in a conspicuous place on the vehicle or provide oral or written notice to the owner or operator of the vehicle at least forty-eight (48) hours before the Master Association may direct the removal of the vehicle, unless the vehicle: (a) is blocking a fire hydrant, fire lane or parking space designated for the handicapped; or (b) poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the Owners or residents of Double Diamond Ranch.

(iii) No motor vehicle shall be constructed, reconstructed or repaired within the Properties and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Properties; provided, however, that the provisions of this subparagraph (iii) shall not apply to (a) emergency vehicle repairs, or (b) repairs to motor vehicles in garages with the garage door in a closed

position.

(iv) Campers, boats, trailers, motorcycles, commercial vehicles and trucks in excess of three-quarter tons in towing capacity are not to be parked in any carports, garages or other parking areas within the Properties, other than within enclosed garages, except for periods not to exceed six hours for the purpose of loading and unloading; provided, however, that campers, trailers and recreational vehicles may be parked in designated vehicle storage areas within the Properties, if any (subject to payment of a reasonable rental fee as established from time to time by the Master Association).

(v) The Board shall have the authority to tow, at the Owner's expense, any vehicle parked or stored on any private street within the Association Properties in violation of this Section. The Board shall post such notices or signs within the Association Properties as may be required by law to effectuate this towing provision.

(vi) The Board shall have the authority to promulgate such further rules and restrictions regarding parking and vehicles within the Properties as may be deemed prudent and appropriate.

6.2.10 Solar Heating Equipment. To the extent permitted by applicable law, the installation of solar panels shall be subject to the prior written approval of the Architectural Review Committee if the same are visible from any street or the Association Properties or any Common Area. Solar swimming pool heaters visible from any street, the Association Properties or any Common Area shall be of the trellis type or some other aesthetically pleasing type which blends naturally with the Improvements and vegetation on the Separate Interest.

6.2.11 Nuisances. 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 of personal property which may unreasonably disturb other Owners or their tenants shall be located, used or placed on any portion of the Properties without the prior written approval of the Architectural Review Committee.

Section 6.3. Landscaping and Maintenance of Lots. To the extent not completed by a Parcel Developer, each Owner of a Lot shall: (a) landscape the front yard of such Lot within ninety (90) days after acquiring title to such Lot unless reasonably prevented from doing so by inclement weather as determined by the Architectural Review Committee, in which case the time may be extended for an additional



ninety (90) days; and (b) keep the back yard free of debris and weeds. For purposes of this Section, the term "front yard" shall mean and include: (a) all portions of a Lot which are not fully enclosed on all sides by permanent fences, screen walls and/or walls of the Residence, and which are not occupied by the Residence itself or related permanent Improvements (including, without limitation, concrete sidewalks, driveways, and walkways); and (b) any public right-of-way areas (other than sidewalks or bicycle paths) lying between the front or side boundaries of such Lot and an adjacent street. For purposes of this Section, the term "back yard" shall mean and include all portions of a Lot which are fully enclosed on all sides by permanent fences, screen walls and/or Residence walls, but which are not occupied by the Residence itself or related permanent Improvements (including, without limitation, concrete sidewalks, driveways and walkways). Each Owner shall maintain the landscaping on such Owner's Lot free of debris and weeds at all times and promptly repair portions of the landscaping in the front yard which have been damaged. Landscaping shall be installed and maintained in accordance with the PUD Design Guidelines, and shall be consistent, in terms of general appearance and level of care and attention, with other residential landscaping within the Properties.

Section 6.4. Variances. Upon application by any Owner, the Architectural Review Committee shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article, if specific application of the restrictions will, in the sole discretion of the Committee, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Master Declaration. In considering and acting upon any request for a variance, the Committee shall follow the procedures set forth in this Master Declaration for the granting of architectural and design variances.

Section 6.5. Enforcement of Properties Use Restrictions. The objective of this Master Declaration shall be to promote and seek voluntary compliance by Owners with the environmental standards and property use restrictions contained herein. Accordingly, in the event that the Board or its management becomes aware of an architectural or property use infraction that does not necessitate immediate corrective action, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or

tenant of his or her appeal rights.

Section 6.6. Drought Tolerant Landscaping. Each Owner of a Lot may install or maintain drought tolerant landscaping within the Lot, except that before installing drought tolerant landscaping, the Owner must submit a description or plans to the Architectural Review Committee for review and approval and the drought tolerant landscaping must be selected or designed to the maximum extent practicable to be compatible with the style of Double Diamond Ranch.

**ARTICLE VII.**  
**Design Review and Landscaping Control**

Section 7.1. Architectural Review Committee Approval, Generally. No construction, alteration, grading, landscaping, addition, excavation, modification, decoration, redecoration or reconstruction of any exterior Improvement on any Separate Interest within the Properties shall be commenced or maintained, until the plans and specifications therefor showing the nature, kind, shape, height, width, color, materials, roof type and location of the same shall have been submitted to the Architectural Review Committee and approved in writing by the Architectural Review Committee. The Architectural Review Committee shall approve plans and specifications submitted for its approval only if it deems that (a) the Improvements contemplated in the locations indicated will not be detrimental to the appearance of any surrounding areas of the Properties, (b) the appearance of any structure affected thereby will be in harmony with the surrounding structures, (c) the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Association Properties or the enjoyment thereof by the Members, (d) the upkeep and maintenance thereof will not become a burden on the Master Association, and (e) the proposed Improvement and the plans and specifications therefore comply with the requirements of the PUD Design Guidelines all applicable Design Guidelines. The address of the Architectural Review Committee for all purposes, including the submission of plans for approval, shall be at the principal office of the Master Association, as designated by the Board pursuant to the Bylaws.

Section 7.2. Members of Architectural Review Committee. The Architectural Review Committee shall consist of five (5) members; provided, however, that such number shall be increased or decreased by resolution of the Board of Directors. The Architectural Review Committee shall be initially composed of two (2) persons, each of whom shall be a representative of Declarant. Members of the Architectural Review Committee may be removed at any time without cause by the person appointing such members as provided herein.

Section 7.3. Rights of Appointment to Architectural Review Committee.

7.3.1 Members Appointed by Declarant. Declarant shall have the right to appoint a majority of the members of the Architectural Review Committee until the earlier to occur of the following:

(i) At such time as the Close of Escrow shall have occurred for the sale by Declarant and any Parcel Developers to the public of at least two thousand

seven hundred (2,700) Lots within the Properties; or

(ii) The fifteenth (15th) anniversary of the first Close of Escrow for the sale of a Lot in the Properties.

7.3.2 Members Appointed by the Board. The Master Association shall have the right to appoint those members of the Architectural Review Committee which Declarant is not authorized to appoint until such time as Declarant's rights of appointment have expired, and thereafter the Board shall have the right to appoint and remove all members of the Architectural Review Committee. Architectural Review Committee members appointed by the Board shall serve for a term of one (1) year or until their respective successors are appointed. At least one (1) member of the Architectural Review Committee shall be an Owner of a Separate Interest in the Properties with no affiliation with the Declarant.

7.3.3 Notice of Appointment. Whenever a Architectural Review Committee member is appointed or removed while both Declarant and the Board have rights of appointment, written notice of such appointment or removal shall be given by the appointing party to the other party.

Section 7.4. Review of Plans and Specifications; Scope of Review. The Architectural Review Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Master Declaration and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of Improvements during the course of construction to assure that the Improvement conforms with the plans and specifications approved by the Architectural Review Committee. Owners shall obtain a written receipt of such plans and specifications from an authorized agent of the Architectural Review Committee. The Architectural Review Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition. The Architectural Review Committee 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.

Section 7.5. Design Guidelines. In addition to the PUD Design Guidelines, the Architectural Review Committee may, from time to time with approval of the Board of Directors, adopt, amend and repeal rules and regulations to be known as "Design Guidelines."

The Design Guidelines are intended to interpret and implement the provisions

hereof by setting forth: (a) standards and procedures for Architectural Review Committee review; (b) guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended or required for use within the Properties; (c) the criteria and procedures for requesting variances from any property use restrictions or minimum construction standards that would otherwise apply to the proposed Improvement under the Governing Documents; and (d) the minimum requirements regarding the content of plans and specifications which must be submitted with respect to any request for architectural approval. Notwithstanding the foregoing, no Design Guidelines shall be in derogation of the minimum standards required by this Master Declaration or conflict with the PUD Design Guidelines. When a proposed work of Improvement is submitted to the Architectural Review Committee for review, the Committee shall grant the requested approval only if each of the following provisions is satisfied:

7.5.1 The Committee finds that the Owner has complied with all requirements of the PUD Design Guidelines and the Design Guidelines, if any;

7.5.2 The Committee finds that the Owner's plans and specifications; (i) conform to this Master Declaration; (ii) will result in the construction of an Improvement that is in harmony with the external design of other structures and/or landscaping within the Properties; and (iii) will not interfere with the reasonable enjoyment of any other Owner of his or her property, including, without limitation, the other Owner's rights to scenic and solar access free of unreasonable obstructions; and

7.5.3 The Committee, in its sole discretion, determines that the proposed Improvement, if approved, will otherwise be consistent with the architectural and aesthetic standards prevailing within the Properties and with the overall plan and scheme of development and the purposes of this Master Declaration. While it is recognized that the Architectural Review Committee's determination will, of necessity, involve subjective judgments by the Committee, the members of the Committee shall act reasonably and in good faith and shall consider such factors as the quality of workmanship and materials proposed for the Improvement project, the harmony of its exterior design, finish materials and color with that of other existing structures in the same vicinity, and the proposed location of the Improvement in relation to the existing topography, finished grade elevations, roads, Association Properties, Common Areas and other existing structures. The Committee shall also be entitled to determine that a proposed Improvement or component thereof is

unacceptable when proposed on a particular Separate Interest, even if the same or a similar Improvement/component has previously been approved for use at another location if factors such as drainage, topography, noise or visibility from roads, Association Properties, Common Areas or other Separate Interests or prior adverse experience with the product, the design or with similar Improvements mitigate against erection of the Improvement or use of a particular component thereof on the Separate Interest involved in the Owner's submittal.

Section 7.6. Authority to Condition Approval. The Architectural Review Committee may condition its approval of proposed Improvements or plans and specifications for any Improvement upon compliance with any of the following conditions: (a) upon agreement by the Person submitting the same (the "Applicant") to furnish to the Architectural Review Committee a bond or other security acceptable to the Architectural Review Committee, in an amount reasonably sufficient to (i) assure the completion of such Improvement or the availability of funds adequate to remedy any nuisance or unsightly conditions occurring as a result of the partial completion of such Improvement, and (ii) to protect the Master Association and the other Owners against mechanic's liens or other encumbrances which may be Recorded against their respective interests in the Properties as a result of such work; (b) upon such changes in the plans and specifications as it deems appropriate; (c) upon the agreement of the Applicant to conform all construction and maintenance of Improvement with such guidelines as may be adopted from time to time by the Architectural Review Committee; (d) to replace any trees or landscaping, the removal of which has been authorized by the Design Review committee; or (e) to require submission of additional plans and specifications, or other information prior to approving or disapproving the materials which the Applicant has submitted.

Section 7.7. Authority to Require Professional Review. The Architectural Review Committee may engage the services of an architect or other qualified professional to assist in reviewing plans and specifications and may also issue rules or guidelines setting forth procedures for the submission of plans for approval or additional factors which it will take into consideration in reviewing, submissions, including, without limitation, permissible or impermissible styles of Improvements.

Section 7.8. Review Fee. The Architectural Review Committee may require the Applicant to pay a review fee to accompany each application for approval. The Committee may provide that the amount of such fee shall be uniform, or that it may be determined in any other reasonable manner, such as based upon the reasonable cost or completion of the construction, alterations or additions contemplated, or the

cost of architectural or other professional fees incurred by the Master Association in reviewing plans.

Section 7.9. Modification of Approval Requirements Within Annexed Phase. The Architectural Review Committee may vary its Design Guidelines and standards for various Phases of Development to account for varying product types and/or land uses, so long as such variations are consistent with any Supplemental Declaration applicable to the Phase.

Section 7.10. Content of Plans and Specifications; Approval by Sub-Association. The Architectural Review Committee 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, landscaping plans, elevation drawings and description or samples of exterior material and colors. The Architectural Review Committee may, in its sole discretion, further require that all plans and specifications first be approved by any Sub-Association having jurisdiction over the Owner's Separate Interest (or the Architectural/Design Committee for said Sub-Master Association).

Section 7.11. Time Limitations For Committee Action. Decisions of the Architectural Review Committee and the reasons therefor shall be transmitted by the Architectural Review Committee to the Applicant at the address set forth in the application for approval, within forty-five (45) days after receipt by the Architectural Review Committee of all materials required by the Architectural Review Committee. Any application submitted pursuant to this Article shall be deemed approved, unless written disapproval or a request for additional information or materials by the Architectural Review Committee shall have been transmitted to the Applicant within forty-five (45) days after the date of receipt by the Architectural Review Committee of the Applicant's most recent submission.

The Applicant shall meet any review or permit requirements of the City or County prior to making any alterations or Improvements permitted hereunder.

Section 7.12. Obligation of Sub-Associations to Obtain Committee Approval. Unless otherwise provided in a Supplemental Declaration approved by Declarant, all Sub-Associations must seek Architectural Review Committee approval in accordance with this Article, prior to commencing any construction, alteration, grading, landscaping, addition, excavation, modification, decoration, redecoration, or reconstruction of an Improvement within a Common Area under the jurisdiction of such Sub-Association.

Section 7.13. Exemption of Declarant from Architectural Review Committee and Approval Requirements. Declarant need not seek approval of the Architectural Review Committee with respect to any of its activities.

Section 7.14. Parcel Developer Architectural Control. Parcel Developers shall obtain architectural approval from the Declarant of any Improvements to a Lot, including the approval of front yard landscaping (as defined in Article XI, Section 3 of this Master Declaration), which such Parcel Developer shall be required to install prior to the sale of such Residence to a Family Owner. Such architectural approval shall be done as provided by the Article VII, except that for this purpose "Declarant" shall be substituted for "Architectural Review Committee" wherever the term Architectural Review Committee appears. Declarant may also regulate the placement of dumpsters and other refuse collection containers and impose certain uniform requirements regarding the maintenance and cleanliness of the job site. Declarant may grant approval to certain models and elevations of Parcel Developers and thereafter, Parcel Developers need only obtain approval for the model and elevation to be placed on each Lot and the color of the Improvements. Any substantive change to a model and/or elevation previously approved by Declarant must be resubmitted by the Parcel Developer to Declarant in accordance with the provisions of this Section.

Section 7.15. Meetings of the Architectural Review Committee. The Architectural Review Committee shall meet from time to time as necessary to perform its duties hereunder and may request Applicants or their contractors or other authorized representatives to appear at such meetings. The Architectural Review Committee may from time to time, by resolution unanimously adopted in writing, designate a Architectural Review Committee 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 Architectural Review Committee, except the granting of variances. In the absence of such designation, the vote or written consent of a majority of the members of the Architectural Review Committee shall constitute an act of the Architectural Review Committee.

Section 7.16. No Waiver of Future Approvals. The approval of the Architectural Review Committee of any proposals or plans and specifications or drawings for any work of Improvement done or proposed or in connection with any other matter requiring the Committee's approval and consent shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.



Section 7.17. Compensation of Committee Members. The members of the Architectural Review Committee shall receive no compensation for services rendered other than reimbursement by the Master Association for expenses incurred by them in the performance of their duties hereunder.

Section 7.18. Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

7.18.1 The Architectural Review Committee or its duly authorized representatives may at any time inspect any Improvement for which approval of plans is required under this Article. However, the Architectural Review Committee's right to inspect Improvements for which plans have been submitted and approved shall terminate sixty (60) days after the work of Improvement has been completed and the respective Owner has given written notice to the Architectural Review Committee of its completion. The Architectural Review Committee's right of inspection shall not terminate pursuant to this Paragraph, if plans for the work of Improvements have not previously been submitted to and approved by the Architectural Review Committee.

7.18.2 If, as a result of such inspection, the Architectural Review Committee finds that the Improvement was constructed or installed without obtaining approval of the plans therefor or was not contemplated in substantial compliance with the plans approved by the Architectural Review Committee, it shall notify the Owner in writing of the Owner's failure to comply with this Article within sixty (60) days from the date of the inspection (the "Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of noncompliance. The Architectural Review Committee shall have the authority to require the Owner to take such action as may be necessary to remedy the noncompliance. Furthermore, the Committee shall be entitled to place a stop work notice ("Red Tag") at the job site if necessary to avoid compromising the Committee's ability to enforce this Master Declaration or the Design Review Guidelines. If a Red Tag is placed at the job site, no further work shall be done on the Improvement and the procedures set forth in subparagraph 7.18.3, below shall commence immediately.

7.18.3 If an Owner has failed to remedy any noncompliance within thirty (30) days following receipt of the Architectural Review Committee's Notice of Noncompliance, the enforcement provisions of Section 7.20 shall thereafter apply.

7.18.4 If for any reason the Architectural Review Committee fails to notify the Owner of any noncompliance with previously submitted and approved plans within

sixty (60) days after receipt of written notice of completion from the Owner, the Improvement shall be deemed to be constructed in accordance with the approved plans.

7.18.5 All construction, alteration or other work shall be performed as promptly and diligently as possible and shall be completed on or before one hundred eighty (180) days after the date on which the work commenced.

Section 7.19. Variances. The Architectural Review Committee may authorize variances from compliance with any of the architectural approval and design review provisions of this Master Declaration, the PUD Design Guideline, any Design Guideline or any Supplemental 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. The Architectural Review Committee shall be entitled (but shall not be obligated) to require the requesting Owner to provide written consents to the proposed variance from the Owners of Separate Interests located within a radius of three hundred feet (300') of the petitioning Owner's Separate Interest.

Any variance granted hereunder must be evidenced in writing signed by at least a majority of the members of the Architectural Review Committee, and shall become effective upon Recordation. If such variances are granted, no violation of the Restrictions contained in this Master Declaration or any Supplemental 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 Master Declaration or of any Supplemental 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 his or her use of the premises, including, without limitation, zoning ordinances and Lot set back lines or requirements imposed by the jurisdiction in which the Properties are located.

Section 7.20. Enforcement.

7.20.1 In addition to other enforcement remedies set forth in this Master Declaration, the Architectural Review Committee shall have enforcement rights with respect to any matters required to be submitted to and approved by it, and may enforce such architectural control by any proceeding at law or in equity. In addition,

the Architectural Review Committee shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Committee or if it does not conform to the plans and specifications submitted to the Architectural Review Committee. Abatement of ongoing construction projects may be ordered by the Architectural Review Committee by posting a Red Tag at the project site. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work.

7.20.2 If the Owner fails to remedy any noncompliance of which notice has been given within thirty (30) days from the date of such notification, the Architectural Review Committee shall notify the Board in writing of such failure. shall then set a date on which a hearing before the Board, or its designated Covenants Committee (below defined), shall be held regarding the alleged noncompliance.

7.20.3 At the hearing, the Owner, a representative(s) of the Architectural Review Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, 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 is determined to exist, the Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Board, at its discretion, may grant. If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance and the Owner shall reimburse the Master Association for all expenses incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Master Association, the Board shall recover such expenses through the levy of a Reimbursement Assessment against such Owner.

7.20.4 Under certain circumstances, self-help in response to an Owner's continued noncompliance may not be appropriate or possible. In other circumstances, immediate resort to formal legal action may be necessary or appropriate to enjoin an Owner's failure to comply with a Red Tag order or to prevent irreparable harm. Legal action to enforce the provisions of this Master Declaration, including architectural matters, shall require the prior approval of the Board of Directors. If any legal proceeding is initiated to enforce any of the provisions of this Article, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs and

expenses of such proceeding.

7.20.5 The approval of the Architectural Review Committee of any plans, drawings or specifications for any work of Improvement done or proposed, or for any other matter requiring the approval of the Architectural Review Committee under this Master Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner.

## ARTICLE VIII.

### Insurance

Section 8.1. General Provisions Relating to Insurance to be Obtained. Commencing not later than the time of the conveyance of a Separate Interest to a person or entity other than Declarant, the Master Association shall obtain and maintain in force to the extent reasonably available, the insurance coverage described in Sections 8.2, 8.3 and 8.4 of this Article. All insurance obtained by the Master Association shall be provided by companies duly authorized to do business in Nevada, generally as set forth in this Article, and specifically as required by GNMA, FNMA, FHLMC, VA and the United States Department of Housing and Urban Development ("HUD") if the Properties have been, or are intended to be, qualified with such entities. If the insurance coverage described in Sections of Article IV is not reasonably available, the Board shall promptly cause written notice of that fact to be sent to all Owners by U.S. Mail or hand delivered. The insurance policies described in Sections 8.2 and 8.3 of Article IV, hereof must provide, to the extent reasonably available, that:

8.1.1 Each Owner is an insured person under the policy with respect to liability arising out of such Owner's membership in the Master Association;

8.1.2 The insurer waives its right to subrogation under the policy against each Owner or member of such Owner's household;

8.1.3 No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Master Association, will void the policy or be a condition to recovery under the policy; and

8.1.4 If, at the time of a loss under the policy, there is other insurance in the name of any Owner covering the same risk covered by the policy, the Master Association's policy provides primary insurance. All insurers which issue insurance policies under Sections 8.2 or 8.3, hereof, shall issue certificates or memoranda of insurance to the Master Association and, upon written request, to any Owner or holder of a Mortgage or other security interest. The insurer issuing such policies may not cancel or refuse to renew the same until 30 days after notice of the proposed cancellation or non-renewal has been mailed, to the Master Association, each Owner and each holder of a Mortgage or other security interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

At such time as the Board deems reasonable, and in no event later than the Declarant's

Control Termination Date, the Master Association shall obtain and maintain in full force and effect the insurance coverage described in Sections 8.5, 8.6, and 8.7 hereof, to the extent reasonably available. The Master Association may obtain and maintain in full force to the extent reasonably available the insurance coverage described in Sections 8.3, 8.4, 8.5, 8.6 and 8.7 of this Article to the extent the Board deems advisable in accordance with sound business practice. Every policy of insurance obtained by the Master Association shall be issued by a company or companies duly authorized to do business in Nevada and shall contain an express waiver, if reasonably available, of any and all rights subrogation against Declarant, Managers, the Board, the Manager, the Architectural Review Committee, and their respective representatives, members and employees.

### Section 8.2. Casualty Insurance.

8.2.1 Common Area Improvements and Association Properties. The Master Association shall obtain insurance on all insurable Improvements upon the Common Area and any other Improvements under the control of the Master Association (including all buildings, service equipment and the like, and any equipment and fixtures within such Improvements), and on all Association Properties which is personal property in an amount, after application of any deductibles, equal to at least (80%) of current "replacement cost", exclusive of land, excavations, foundations and other items normally excluded from coverage. Such insurance shall include fire and extended coverage, vandalism, and malicious mischief, and such other risks and hazards against which the Master Association shall deem appropriate to provide insurance protection. The Master Association may elect such "deductible" provisions as in the Board's opinion are consistent with good business practice, provided that in no event shall such deductible be in an amount greater than the lesser of TEN THOUSAND AND NO/100THS DOLLARS (\$10,000.00) or one percent (1%) of the face amount of such policy.

8.2.2 Form. Casualty insurance shall be carried in a form or forms naming the Master Association the insured. Each policy shall also provide that it cannot be canceled by either the insured or the insurance company until after thirty (30) days' written notice is first given to the Master Association and to each first Mortgagee. All policies of insurance shall provide for a waiver of subrogation by the insurer as to claims against the Master Association, the Board, employees, and agents, and against each Owner and each Owner's employees, agents, and guests, and shall provide that the insurance cannot be canceled, invalidated, or suspended on account of the conduct of the Master Association, the Board, employees, and agents or of any Owner or such

Owner's employees, agents, or guests, and shall provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or Mortgagee.

Section 8.3. Public Liability and Properties Damage Insurance. The Master Association shall purchase broad form comprehensive liability coverage, including insurance for medical payments, in such amounts and in such forms as the Board deems advisable to provide adequate protection; provided, however, that the limits of liability on such insurance shall be not less than \$3,000,000.00 for injury or death to any one (1) person, \$5,000,000.00 for injury or death to more than one (1) person in one (1) occurrence and \$150,000.00 for damage to property. Coverage shall include, without limitation, all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Area and other Association Properties and coverage for operation of automobiles on behalf of the Master Association. The liability insurance shall name as separately protected insured, the Declarant, all Managers, the Master Association, the Board, the Architectural Review Committee, and each of their respective representatives, members, and employees. After Declarant has no further interest in any portion of the Properties or the Subsequent Phase Properties, and Declarant's annexation rights contained in Article II, hereof, have expired, then the above insurance provisions regarding Declarant and Declarant's Managers shall not apply. In the event such public liability insurance and property damage insurance is insufficient to cover the liability of the insured thereunder, then such shortfall shall be deemed to be part of the Common Expenses and the Master Association shall levy a Special Assessment in the manner provided in Section 5.5, hereof, against the Owners of Lots to cover such shortfall. Such Special Assessment shall be allocated and collected as provided in Article V, hereof. Claims under policies carried by the Master Association shall be adjusted in accordance with Chapter 116 of NRS.

Section 8.4. Workman's Compensation and Employer's Liability Insurance. The Board shall obtain a certificate from all persons or companies hired as independent contractors by the Master Association certifying that such person or company is covered by workmen's compensation insurance or all other similar insurance in the amounts and in the forms now or hereafter required by law. The Board shall carry such workman's compensation insurance as is required by State law for its employees in the manner allowed from time to time by the State Industrial Insurance System. The Master Association may carry such employer's liability insurance as is customary

for homeowner's associations having similar responsibilities.

Section 8.5. Fidelity Insurance. The Master Association shall purchase insurance covering officers and employees of the Master Association and employees of any manager or managing agent, whether or not any such persons are compensated for their services, against dishonest acts on their part, or in lieu thereof, a fidelity bond, naming the Master Association as obligee, written in an amount equal to at least the estimated maximum of funds, including reserves in the custody of the Master Association or the Manager at any give time during the term of the fidelity bond. However, the bond shall not be less than a sum equal to three (3) months aggregate Common Assessments on all Separate Interests, plus reserve funds.

Section 8.6. Errors and Omissions Insurance. The Master Association shall obtain, in such amounts and in such form as the Board deems appropriate, errors and omissions insurance covering the Members of the Board and the officers of the Master Association.

Section 8.8. Coverage Review. The Board shall review the coverage of all insurance policies of the Master Association at least once a year and obtain such additional coverage as the Board deems prudent.

Section 8.9. Adjustment of Claims. Any loss covered by the casualty and liability policies described in Section 8, hereof, shall be adjusted with the Master Association, but the proceeds for that loss shall be payable to either a trustee designated for that purpose, or otherwise to the Master Association, and not to any holder of a Mortgage or other security interest. Such trustee or the Master Association shall hold any such proceeds in trust for the Master Association, the Owners, Mortgagees and other lien holders as their interests may appear. Subject to the provisions of NRS 116.31135, such proceeds must be disbursed first for the repair or restoration of the damaged property, and the Master Association, Owners, Mortgagees, and other lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the common-interest community created by this Declaration is terminated in accordance with applicable law and the provisions of this Declaration.

Section 8.10. Owner's Insurance Responsibilities. The following insurance coverages shall be the responsibility of each respective Owner unless a Delegate District governing such Owner's Lot is required to maintain such insurance pursuant to a Supplemental Declaration: insurance on all Improvements within such Owner's Lot; insurance on items of personal property within his Lot; insurance for casualty and



public liability coverage within each Lot; and insurance coverage for activities of the Owner, not acting for the Master Association, with respect to the Common Area. Notwithstanding any other provisions herein, the Master Association shall continuously maintain in effect such casualty, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for PUD projects established by FNMA and/or FHLMA, as applicable, so long as either or both of them are a Mortgagee or Owner of a Separate Interest except to the extent such coverage is not available or has been waived in writing by FNMA or FHLMC, as the case may be.

Section 8.11. Flood Insurance and Disclaimer. It is acknowledged by any Owner or prospective purchaser that the Washoe County area is subject to flooding over which Declarant and the Master Association have no control. Declarant and the Master Association hereby disclaim any obligation to insure or guarantee any Owner in the Properties against flooding. Each Owner of a Lot in the Properties is responsible for the design of the Improvements constructed on the Lot by the Owner in a manner which will best protect their property from loss by natural causes. No Owner may alter the shape, design or elevation of its Lot in a fashion which would result in harm to adjacent property Owners or in an increased potential for flood loss to adjacent Properties Owners. The Master Association with regard to Common Areas, shall bear the responsibility for procuring and maintaining at their own expense, any policies of flood insurance at appropriate values on those properties if deemed to be appropriate in the circumstances. Declarant bears no duty or responsibility for the maintenance of flood insurance, nor for the payment for policies of flood insurance on behalf of any Owner or the Master Association.

**ARTICLE IX.**  
**Damage, Destruction or Condemnation**  
**of Association Properties**

Damage to, destruction of or condemnation of all or any portion of the Association Properties shall be handled in the following manner:

Section 9.1. Damages by Owner. To the extent permitted by law, each Member shall be liable to the Master Association for any damage to the Association Properties not fully reimbursed to the Master Association by insurance if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper use of the Association Properties by the Owner, his or her guests, tenants or invitees, or any other Persons deriving their right and easement of use and enjoyment of the Association Properties from the Owner, or his or her or their respective Family and guests, both minor and adult. However, the Master Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Master Association, and the Master Association further reserves the right, after notice and hearing as provided in this Master Declaration, to levy a Reimbursement Assessment equal to any deductible or any increase in insurance premiums directly attributable to the damage caused by the Owner or the Person for whom the Owner may be liable as described above. In the case of joint ownership of a Separate Interest, the liability of the Owners shall be joint and several, except to the extent that the Master Association shall have previously contracted in writing with the joint Owners to the contrary. After notice and a hearing, correcting the damage to the extent not reimbursed to the Master Association by insurance shall be a Reimbursement Assessment against the Owner and his or her Separate Interest, and may be enforced as provided herein.

Section 9.2. Repair of Damages. In the case of damage by fire or other casualty to the Association Properties, any insurance proceeds payable by reason thereof shall be paid to the Master Association which thereupon shall contract for the repair or replacement of all the Association Properties so damaged. The Master Association shall levy a "Reconstruction Assessment" on the Owners in the event that the available insurance proceeds are insufficient to complete the repair and reconstruction. Any Reconstruction Assessment shall be levied in the same manner and proportion that Common Assessments are levied against and collected from the Owners. Notwithstanding the foregoing, any restoration or repair of the Association Properties after damage due to an insurable hazard shall be performed substantially in accordance with the original plans and specifications unless other action is approved by the vote or written assent of at least two-thirds of the Voting Power, and by holders of fifty-one percent (51%) of the first Mortgages on Separate Interests subject to Common Assessments for the maintenance of such

## Association Properties.

Section 9.3. Condemnation. If at any time all or any portion of the Association Properties, or any interest therein, is taken for any public or quasi-public use, under any statute, by right of eminent domain or by private purchase in lieu of eminent domain, the award in condemnation shall be paid to the Master Association. Any such award payable to the Master Association shall be deposited in the appropriate fund, as determined by the Board. No Member shall be entitled to participate as a party, or otherwise, in any proceedings relating to such condemnation. The Master Association shall have the exclusive right to participate in such proceedings and shall, in its name alone, represent the interests of all Members with respect to the affected Association Properties. The Board, immediately upon having knowledge of any taking by eminent domain of any Separate Interests, or the Association Properties, or any portion thereof, or any threat thereof, shall promptly notify all Owners and all insurers and holders of first Mortgages on Separate Interests in the Properties who have filed a written request for such Notice.

Section 9.4. Notice to Owners and Listed Mortgagees. The Board, immediately upon having knowledge of any damage or destruction affecting a material portion of the Association Properties shall promptly notify all Owners, holders, insurers, and guarantors of first Mortgages or Separate Interests which are subject to Common Assessments for the maintenance of such Association Properties, who have filed a written request for such notice. The Board, immediately upon having knowledge of any damage or destruction affecting a Separate Interest, shall promptly notify the Mortgagee, insurer or guarantor of the First Mortgagee on such Separate Interest.

ARTICLE X.  
Special Declarant's Rights and Exemptions

Section 10.1. General Intent. The Properties and the Subsequent Phase Properties are part of a master- planned community designed to enhance the quality of life for the residents of the community and the enhancement of property values within the planned community. It is essential to the establishment of the planned community that Declarant possess special rights and exemptions in addition to the other rights of Declarant set forth herein. The special Declarant's rights and exemptions contained in this Article are personal to Declarant and any Successor Declarant, and may only be transferred by a written assignment duly recorded from a Declarant to a Successor Declarant, or from a Successor Declarant to another Successor Declarant. Each Owner of a Separate Interest acknowledges by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other instrument of conveyance that Declarant has a substantial interest to be protected with regard to assuring compliance with and enforcement of the covenants, conditions, restrictions and reservations contained in this Master Declaration and any Declarations of Annexation and Supplemental Declarations Recorded pursuant to this Master Declaration.

Section 10.2. Declarant's Approval Rights. Notwithstanding any other provision of the Declaration to the contrary, until such time as (i) Declarant is no longer entitled to add Subsequent Phase Properties to the Properties without the vote of the Members pursuant to Article II, or (ii) Declarant no longer owns any portion of the Properties or Subsequent Phase Properties, whichever occurs later, the following actions, Declarant may take the following actions subject to the time limitations of this Section before being undertaken by the Master Association, the Members, any Delegate or any Sub-Association, shall first be approved in writing by Declarant in addition to any other approval rights of Declarant under other provisions of this Master Declaration:

10.2.1 Specified Approvals. Any amendment or action requiring the approval of first Mortgagees pursuant to this Master Declaration, or specifically requiring the approval of Declarant;

10.2.2 Annexation. The annexation to the Properties of real property other than the Subsequent Phase Property;

10.2.3 Capital Improvement Assessments. The levy of a Capital Improvement Assessment for the construction of new facilities not originally included in the Common Area;

10.2.4 Election Not to Rebuild. Any election not to repair or replace any Common Area Improvements or to substantially alter such Improvements;

10.2.5 Service/Maintenance Reductions. Subject to the provisions of Article V, hereof, regarding limitations on yearly Common Assessment increases, any significant reduction of Common Area maintenance or other services;

10.2.6 Master Planned Community Standards. Any supplement or amendment to the Master Planned Community Standards or the PUD Design Guidelines which have been approved by the City, including any pre-approval authorization or variance issued or approved;

10.2.7 Rules and Regulations. Any supplement or amendment of the Rules and Regulations affecting use of the Common Areas; and

10.2.8 Master Plan. Any amendment as approved by the City.

### Section 10.3. Special Declarant's Rights.

10.3.1 Right to Construct Development. Nothing in the Master Declaration shall limit, and no Owner nor the Master Association or any Sub-Association, shall do anything to interfere with, the right of Declarant, hereby given, to subdivide, re-subdivide, sell, resell, rent or re-rent any portion of the Properties, or the right of Declarant to excavate, grade, construct Improvements or conduct other construction activities to and on any portion of the Properties or Subsequent Phase Properties owned by Declarant, or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of development of the Properties so long as any of the Properties or Subsequent Phase Properties owned by Declarant. Such right shall include, but shall not be limited to, work by Declarant, or other Owner or Parcel Developer under permission of Declarant, involving grading as may be approved by the City or County or other agency having jurisdiction, and erecting, constructing and maintaining on the Properties such structures, signs and displays as may be reasonably necessary for the conduct of the business of completing the development of the Properties or the work of construction pursuant to any development agreement between such Owner or Parcel Developer and Declarant and, if applicable, disposing of the Properties by sale, lease or otherwise.

10.3.2 Easements. This Master Declaration shall not limit the right of

Declarant, or a Parcel Developer under permission of Declarant, and the Declarant is hereby given the right, to establish on the Properties owned by Declarant or such Parcel Developer as applicable, additional licenses, easements, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary for the proper development and disposal of the Properties and Subsequent Phase Properties. Easements over the Properties which are, in the sole discretion of Declarant, necessary for the development of the Properties as a master-planned community, for the installation and maintenance of electric, telephone, cable television, water, gas and sanitary sewer lines and drainage facilities are hereby reserved by Declarant together with the right to grant and transfer the same. Declarant and its agents and employees shall have the right to use any and all portions of the Common Areas and for access to the sales and leasing facilities of Declarant. Declarant may use any structures or vehicles owned or leased by Declarant as real estate sales, leasing offices or management offices; provided that such uses shall terminate on the earlier of the date Declarant no longer owns any portion of the Properties and Declarant's annexation rights have terminated.

10.3.3 No Amendment. Notwithstanding any other provision of this Master Declaration, the prior written approval of Declarant will be required before any amendment to Article II and X shall be effective.

Section 10.4. Exemptions from Articles III, VI and VII. The restrictions of Articles III, VI, and V of this Master Declaration shall not and do not apply to any of the following:

10.4.1 Any part of the Properties which is owned by any public or quasi-public agency, district or other body;

10.4.2 Any act done or proposed to be done upon the Properties, or any condition created thereon, by any governmental agency or entity, or the agents or employees of any governmental entity acting in the scope of their authority as such agents or employees;

10.4.3 Any act done or proposed to be done upon the Properties, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television, or sewer service to any portion of the Properties), which act could be done by such public utility company were this Master Declaration not made;

10.4.4 Any act done or proposed to be done upon the Properties, or any condition created thereon, by Declarant, or its successors, assigns, agents, employees or contractors, in connection with the exercise of any easement, license, or other right reserved to Declarant in this Master Declaration; provided, however, that any such acts, proposed acts or condition created upon the Properties shall not unreasonably restrict the Owners in their use and enjoyment of the Common Area or the facilities thereon. With respect to

Improvements constructed by Declarant or its agents on Association Property (or on land which is to become Association Property), the Architectural Review Committee may require Declarant to deliver, at the completion of construction of such Improvements, documentation reasonably necessary to the maintenance and repair responsibility of the Master Association describing the "as-built" configuration of such Improvements.

10.4.5 Any act done or proposed to be done upon the Properties, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that the orders contemplated in this section are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

Section 10.5. Annexation Rights. Declarant shall have the annexation and deannexation rights set forth in Article II, above.

Section 10.6. Other Special Declarant's Rights. Declarant hereby reserves for itself and for its assignees, and Parcel Developers, the rights to:

10.6.1 Complete Improvements within the Properties and Subsequent Phase Properties, including, but not limited to, those indicated on the Master Plan or other plats or plans or described in this Declaration;

10.6.2 Maintain offices for sales (including resales) of Lots or Phases as approved by Declarant; and

10.6.3 Maintain signs approved by the Architectural Review Committee and Declarant advertising the Properties, Planned Development, Phase, or Lots, which signs may be maintained anywhere on the Properties as determined by Declarant,

excluding Lots owned by Owners other than Declarant or Parcel Developers.

10.6.4 Create Lots or convert Lots into Common Area.

10.6.5 Subdivide Phases, Planned Developments and the Properties.

Section 10.7. Model Homes. Declarant and each Parcel Developer shall have the right to maintain such number of model homes within each Phase which Declarant may designate in its sole discretion.



ARTICLE XI.  
Breach and Default

Section 11.1. Remedy at Law Inadequate. Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the Restrictions contained in this Master Declaration are inadequate and that the failure of any Owner, tenant, occupant, or user of any Separate Interest, or any portion of the Common Area or Association Properties, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by Declarant, any Owner, the Master Association, its officers or Board of Directors, or by their respective successors in interest.

Section 11.2. Nuisance. Without limiting the generality of the foregoing Section 1, the result of every act or omission whereby any covenant contained in this Master Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 11.3. Cost and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Master Declaration, the court may award to any party to such action such attorneys' fees and other costs and expenses as it may deem just and reasonable.

Section 11.4. Cumulative Remedies. The respective rights and remedies provided by this Master Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Master Declaration.

Section 11.5. Failure Not a Waiver. The failure of Declarant, any Owner, the Board, the Master Association or its officers or agents to enforce any of the Restrictions contained in this Master Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon Declarant, the Master Association or the Board, or any of its officers or agents.

Section 11.6. Rights and Remedies of the Master Association.

11.6.1 Rights Generally. In the event of a breach or violation of any Rule or Regulation or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including, without limitation, the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use recreational common facilities or suspension of the Owner's voting rights as a Member of the Master Association; provided, however, the Master Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section. The decision of whether it is appropriate or necessary for the Master Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Board or its duly authorized enforcement committee. If the Master Association declines to take action in any instance, any Owner shall have such rights in accordance with applicable law.

11.6.2 Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for late payment of Assessments). Once imposed, a fine or penalty may be collected as a Reimbursement Assessment.

11.6.3 Definition of "Violation". A violation of the Governing Documents shall be defined as a singular act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Master Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Association Properties or any Common Area at the cost of the responsible Owner.

11.6.4 Limitations of Disciplinary Rights.

(i) The Master Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Separate Interest due to the failure by the Owner (or his or her family members, tenants, guests, or invitees) to comply with any provision of the Governing Documents or of any duly enacted Rule or Regulation except where the loss or forfeiture is the result of the

judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Master Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Master Association or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Master Association's actions satisfy the due process requirements of subparagraph (iii) below.

(ii) Monetary penalties, including, without limitation, Reimbursement Assessments, imposed by the Master Association (A) for failure to a Member to comply with the Governing Documents, (B) as a means of reimbursing the Master Association for costs incurred by the Master Association in the repair of damage to the Common Area or Association Properties allegedly caused by a Member, or (C) in bringing the Member and his or her Separate Interest into compliance with the Governing Documents, may not be characterized nor treated as an Assessment which may become a lien against the Member's Separate Interest enforceable by a sale of the Separate Interest in nonjudicial foreclosure; provided, however, that this limitation on the Master Association's lien rights shall not apply to charges imposed against an Owner consisting of reasonable late payment penalties to reimburse the Master Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in the Master Association's efforts to collect delinquent Assessments.

(iii) No penalty, fine or temporary suspension of rights shall be imposed pursuant to this Article unless not less than thirty (30) days before the violation, the Owner alleged to be in violation had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation; and within a reasonable time after the discovery of the violation, the Owner alleged to be in violation has been provided with written notice specifying the details of the violation, the amount of the fine, and the date, time and location for a hearing on the violation and a reasonable opportunity to contest the violation at the hearing. The Board or the appropriate committee established by the Board must give the Owner alleged to be in violation at least fifteen (15) days prior notice of the hearing and must schedule the date, time and location of the hearing so that the Owner alleged to be in violation is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing. The Board or the appropriate committee established by the Board must hold a hearing before it may impose a fine, unless the Owner alleged to be in violation pays the fine, executes a written waiver of the right to the hearing or fails to appear at the hearing after being provided with proper notice of the hearing. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (A) an immediate and unreasonable infringement of, or threat to, the safety

or quiet enjoyment of neighboring Owners; (B) a traffic or fire hazard; (C) a threat of material damage to, or destruction of, any Common Area or any Association Properties; (D) the refusal of an Owner to honor a Red Tag order issued by the Architectural Review Committee; or (E) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking violations), the Board, or its duly authorized agents, may undertake immediate corrective or disciplinary action, excluding the imposition of a fine, and upon request of the offending Owner (which request must be received by the Master Association, in writing, within five (5) days following the Master Association's disciplinary action), or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

11.6.5 Notices. Any notice required by this Article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided, however, that if notice is given by mail it shall be sent by first-class or certified mail sent to the last address of the Member shown on the records of the Master Association.

11.6.7 Rules Regarding Disciplinary Proceedings. The Board, or an appropriate committee appointed by the Board to conduct and administer disciplinary hearings and related proceedings, shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Rules and Regulations.

#### Section 11.7. Covenants Committee.

11.7.1 Appointment of Committee. Acting pursuant to the Bylaws, the Board may establish a Covenants Committee to hear and decide cases involving alleged violations of the Governing Documents. If no committee is established, the Board shall perform these functions.

11.7.2 Jurisdiction and Hearing Procedures of the Committee. The Covenants Committee shall review written complaints from Owners, the Manager, or the Architectural Review Committee (for violations other than those relating to specific

Improvement projects within the jurisdiction of the Architectural Review Committee) of alleged violations of the Governing Documents or the Rules and Regulations, and, when determined appropriate, conduct hearings and make findings regarding the alleged violation(s). The Covenants Committee may levy penalties and/or fines (pursuant to a Board-approved fine schedule) in the event the allegations regarding such violations are found to be true. To perform the foregoing, the Covenants Committee shall adopt rules of procedure for enforcement hearings and shall conduct its hearings in accordance with such rules after they have been approved by the Board. Notwithstanding the foregoing, enforcement of specific violations of architectural requirements relating to Improvement projects submitted to, and reviewed by, the Architectural Review Committee shall remain the jurisdiction of the Architectural Review Committee.

11.7.3 Appeals. The decisions of the Covenants Committee, if established, shall be appealable to the Board within ten (10) calendar days following receipt of the committee's decision. The Board shall have the discretion to hear any appealed matter or decline to take the appeal and thus affirm the decision of the Covenants Committee. Any decision to decline an appeal shall be based on a reasonable determination from the record that the appeals lacks merit. Decisions of the Board shall be final. Procedures for appeal and the hearing of appeals shall be set forth in the Rules and Regulations.

11.7.4 Court Actions. Court actions by the Covenants Committee to enforce the Governing Documents on behalf of the Master Association may only be initiated with the prior approval of the Board of Directors.

ARTICLE XII.  
Mortgagee Protection

No amendment or violation of this Master Declaration shall operate to defeat or render invalid the rights of the Beneficiary under any Deed of Trust upon a Separate Interest made in good faith and for value, and Recorded prior to the Recordation of such amendment, provided that after the foreclosure of any such Deed of Trust such Separate Interest shall remain subject to this Master Declaration, as amended. In order to induce the FHLMC, GNMA, VA, HUD and FNMA to participate in the financing of the sale of Separate Interests within the Properties, the following provisions are added hereto (and to the extent these added provisions, pertaining to the rights of Mortgagees, FHLMC, FNMA, VA, HUD and GNMA, conflict with any other provisions of this Master Declaration or any other of the Governing Documents, these added restrictions shall control):

Section 12.1. Notice of Default. Each Beneficiary, insurer or guarantor of a first Mortgage encumbering any Separate Interest, upon filing a written request for notification with the Board, is entitled to written notification from the Master Association of any default by the Mortgagor of such Separate Interest in the performance of such Mortgagor's obligations under the Governing Documents which default is not cured within thirty (30) days after the Master Association learns of such default. For the purposes of this Master 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.

Section 12.2. Exemption From Rights of First Refusal. Every Owner, including every Beneficiary of a first Mortgagee encumbering any Separate Interest, which obtains title to such Separate Interest pursuant to the remedies provided in such Mortgage, or pursuant to foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

Section 12.3. Preforeclosure Assessments. Each Beneficiary of a first Mortgage encumbering any Separate Interest which obtains title to such Separate Interest pursuant to judicial foreclosure or the powers provided in such Mortgage shall take title to such Separate Interest free and clear of any claims for unpaid assessments or charges against such Separate Interest which accrued prior to the acquisition of title to such Separate Interest by the Mortgagee.

Section 12.4. Limitation on Self-Management. When professional management has been previously required by a Beneficiary, insurer or guarantor of a first Mortgage, any decision to undertake self-management by the Master Association shall require the prior approval of the Beneficiaries of fifty-one percent (51%) of the first Mortgages on Separate Interests in the Properties.

Section 12.5. Approval of Material Changes. Unless at least sixty-seven percent (67%) of the first Mortgagees (based upon one (1) vote for each Mortgage owned) or sixty-seven percent (67%) of the Owners (other than Declarant and Parcel Developers) have given their prior written approval, neither the Master Association nor the Owners shall:

12.5.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Association Properties or the Improvements thereon which are owned, directly or indirectly by the Master Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Master Association shall not be deemed a transfer within the meaning of this subparagraph 12.5.1.

12.5.2 Change the method of determining obligations, Assessments, dues or other charges which may be levied against any Owner, or the method of allocating distributions of hazard insurance proceeds or condemnation awards.

12.5.3 By act of omission change, waiver or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the Residences located on any Separate Interest, the exterior maintenance of the Residences, the maintenance of the Association Properties party walls, common fences and driveways, and the upkeep of any lawns and plantings on the Association Properties.

12.5.3 Fail to maintain fire and extended coverage Insurance on insurable Association Properties on a current replacement cost basis in an amount at least eighty percent (80%) of the insurable value (based on the current replacement cost).

12.5.4 Use hazard insurance proceeds for losses to any Association Properties for other than the repair, replacement or reconstruction of such Improvements; or

Nothing in this Section shall be construed to require the approval of first Mortgagees for any Supplemental Declaration Recorded in accordance with the provisions of this Declaration.

Section 12.6. Rights of Inspection. Beneficiaries, insurers and guarantors of first Mortgages on Separate Interest in the Properties, upon written request, shall have the right to (i) examine the books and records of the Master Association during normal business hours; (ii) require from the Master Association the submission of audited annual financial reports and other financial data (without expense to the entity requesting such information); (iii) receive written notice of all meetings of the Members; (iv) designate in writing a representative to attend all such meetings (but not to vote); and (v) receive written notice of any proposed action that requires the consent of a specified percentage of such Beneficiaries, insurers and guarantors of first Mortgages.

Section 12.7. Notice of Amendments to Governing Documents. All Beneficiaries, insurers and guarantors of first Mortgages encumbering Separate Interests within the Properties shall be given (i) thirty (30) days' written notice prior to the effective date of any proposed, material amendment to this Master Declaration or the Articles or the Bylaws, and prior to the effective date of any termination of an agreement for professional management of the Properties following a decision of the Owners to assume self-management of the Properties; and (ii) immediate written notice as soon as the Board receives notice or otherwise learns of any damage to the Association Properties whenever the cost of reconstruction exceeds TEN THOUSAND AND NO/100THS DOLLARS (\$10,000.00), and as soon as the Board receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition, with respect to any portion of the Properties.

Section 12.8. Payment of Taxes and Other Charges on Association Properties. First Mortgagees may, jointly and singly, pay taxes or other charges which are in default and which may or have become a charge against any Association Properties and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such property, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Master Association.

Section 12.9. Regular Funding of Reserves. The Reserve Fund must be funded by regularly scheduled payments rather than by large Capital Improvement Assessments.

Section 12.10. Fidelity Bonds. The Board shall secure and cause to be maintained in force at all times a fidelity bond for any person or entity handling funds of the Master Association, including, without limitation, employees of any professional Manager



Section 12.11. Lease or Rental Agreements for Separate Interests. Any agreement for the leasing or rental of a Separate Interest shall provide that the terms of such agreement shall be subject in all respects to the provisions of this Master Declaration and the Articles and Bylaws. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of this Master Declaration, the Articles and the Bylaws shall be a default under the agreement.

Section 12.12. Secondary Lender Qualifications. In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Master Association as are required in order to satisfy the guidelines of the FHLMC, FNMA, VA, HUD 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 Separate Interests with Residences thereon. Each Owner hereby agrees that it will benefit the Master Association and the membership of the Master Association, as a class of potential Mortgage borrowers and potential sellers of their respective Separate Interests if such agencies approve the Properties as a qualifying community under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Separate Interest.

ARTICLE XIII.  
Miscellaneous

Section 13.1. Term of Declaration. The Restrictions of this Master Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Master Association or the Owner of any of the Properties subject to this Master Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Master Declaration is Recorded, after which time such Restrictions shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination meeting the requirements of an amendment to this Master Declaration as set forth in Section 13.2 of this Article has been Recorded.

Section 13.2. Amendments.

13.2.1 Amendments Approved By Declarant. Prior to the sale of a Separate Interest in the Properties to a member of the public, the provisions of this Master Declaration may be amended or terminated by Recordation of a written instrument signed by Declarant setting forth such amendment or termination.

13.2.2 General Amendments Approved By the Members. Except as provided in subparagraphs 13.2.3 and 13.2.4 below, the provisions of this Master Declaration may be amended by Recordation of a certificate, signed and acknowledged by two (2) officers of the Master Association, setting forth the amendment and certifying that such amendment has been approved by at least two-thirds (2/3) of the Voting Power and the requisite percentage of holders and insurers of first Mortgages in the case of those amendments which this Master Declaration requires to be approved by the first Mortgagees, and such an amendment shall be effective upon Recordation. Notwithstanding the foregoing, the specified percentage of the Voting Power necessary to amend a specific section or provision of this Master Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision. The Master Association shall maintain in its files the record of all such votes, Mortgagee consent solicitations and disapprovals for a period of at least four (4) years.

13.2.3 Amendments Requiring Declarant Approval. Notwithstanding subparagraph 13.2.2, and in addition thereto, Articles II, IV, V, VII, X, and XIII this Master Declaration may not be amended without the prior written consent of the Declarant until Declarant's Control Termination Date.

13.2.4 Amendments Affecting Land Uses Within Specific Delegate Districts.

The provisions of Article IV of this Master Declaration which pertain to a specific land classification may be amended by the affirmative vote of at least two-thirds (2/3) of the Voting Power of Owners of Separate Interests within the particular Delegate District established for the land classification, subject to satisfaction of the following conditions precedent to said Member vote:

- (i) The written consent of Declarant shall be required so long as subparagraph 13.2.3 remains in effect;
- (ii) The requisite percentage of holders and insurers of first Mortgages of Separate Interests within the Delegate District has been obtained in the manner described in subparagraph 13.2.5, below, if such approval is required hereunder; and
- (iii) The Architectural Review Committee has approved the amendment proposal by majority vote of the Architectural Review Committee members, said approval not to be unreasonably withheld. Notwithstanding the foregoing, it is expressly agreed that the Architectural Review Committee shall be entitled to take into consideration the effect of any land use changes permitted by the proposed amendment on neighboring properties, whether or not located within the Delegate District affected by the proposed amendment.

Compliance with the requirements of this subparagraph 13.2.4 shall be evidenced by Recordation of a certificate, signed and acknowledged by two (2) officers of the Master Association, setting forth in the amendment a legal description of the Properties to which the amendment applies and certifying that all required approvals have been obtained. The requirements of this subparagraph 13.2.4 shall not apply to land use or other amendments contained in any Supplemental Declaration Recorded pursuant to provisions of the Master Declaration.

13.2.5 Approval of First Mortgagees. Any of the following amendments, to be effective, must be approved by the Beneficiaries, insurers and guarantors of fifty-one percent (51%) of the first Mortgages on all of the Separate Interests in the Properties at the time of such amendment, based upon one (1) vote for each Mortgage owned or insured:

- (i) Any amendment which affects or purports to affect the validity of priority of Mortgages or the rights or protection granted to Beneficiaries, insurers or guarantors of first Mortgages as provided in Article V, VIII, IX and XII hereof.
- (ii) Any amendment which would necessitate an encumbrancer after it has acquired a Separate Interest through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure.

(iii) Any amendment which would or could result in a Mortgage being cancelled by forfeiture, or in the individual Separate Interest not being separately assessed for tax purposes.

(iv) Any amendment relating to the insurance provisions as set out in Article VIII hereof, or to the application of insurance proceeds as set out in Article VIII hereto, or to the disposition of any money received in any taking under condemnation proceedings.

(v) Any amendment which would or could result in termination or abandonment of the Properties for partition or subdivision of a Separate Interest, in any manner inconsistent with the provision of this Master Declaration.

(vi) Any amendment concerning:

- (a) Voting rights;
- (b) Rights to use the Association Properties;
- (c) Reserves and responsibility for maintenance, repair, and replacement of the Association Properties;
- (d) Annexation or deannexation of real properties to or from the Properties;
- (e) Boundaries of any Separate Interests;
- (f) Leasing of Separate Interests;
- (g) Establishment of self-management by the Master Association where professional management has been required by any institutional holder or insurer of a first Mortgage;
- (h) Assessments, assessment liens, or the subordination of such liens; and
- (i) Imposition of any restrictions on an Owner's right to sell or transfer his or her Separate Interest.

Any approval by a Beneficiary, insurer or guarantor of a first Mortgage required under this Section, or required pursuant to any other provisions of this Master Association, shall be given in writing; provided that prior to any such proposed action, the Master Association or Declarant, as applicable, may give notice by registered or certified mail with a return receipt requested of such proposed action to any or all Beneficiaries, insurers and guarantors of first Mortgages, and for thirty (30) days following the receipt of such notice, such Beneficiary, insurer or guarantor of a first Mortgage shall have the power to disapprove such action by giving written notice to the Master Association or Declarant, as applicable. If no written notice of disapproval is received by the Master Association or Declarant, as applicable, within such thirty (30) day period, then the approval of such Beneficiary, insurer or guarantor shall be deemed to have been given with respect to the proposed action, and

the Master Association or Declarant, as applicable, may proceed as if such approval was obtained with respect to the request contained in such notice.

Section 13.3. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any Person at the address given by such Person to the Master Association for the purpose of service of such notice, or to the Residence owned by such Person if no address has been given to the Master Association. Such address may be changed from time to time by notice in writing to the Master Association.

Section 13.4. Interpretation.

13.4.1 Restrictions Construed Together. All of the provisions of this Master Declaration shall be liberally construed together to promote and effectuate the fundamental concepts as set forth in the Recitals to this Master Declaration. The Master Declaration shall be construed and governed by the laws of the State of Nevada.

13.4.2 Restrictions Severable. Notwithstanding the provisions of the foregoing subparagraph 13.4.1, each of the provisions of the Master Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

13.4.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

13.4.4 Captions. All captions and titles used in this Master Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

Section 13.5. No Public Right of Dedication. Nothing contained in this Master Declaration shall be deemed to be a gift or dedication of all or any part of the Properties to the public, or for any public use other than as expressly provided on any Subdivision Map for the Properties.

Section 13.6. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Separate Interest or other portion of the Properties does and shall be conclusively deemed to have consented and agreed to every Restriction contained herein, whether or not any reference to these Restrictions is contained in the instrument by which such person acquired an interest in the Properties, or any portion thereof.

Section 13.7. 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 Properties or any portion of the Properties, or any Improvement thereon, its physical conditions, 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 as a Phase of Development, except as specifically and expressly set forth in this Master Declaration and except as may be filed by Declarant from time to time with the Department of Real Estate or with any other government authority.

Section 13.8. Nonliability and Indemnification. Except as specifically provided in this Master Declaration, the Articles or the Bylaws, no right, power or responsibility conferred on the Board or the Architectural Review Committee, or the Covenants Committee by this Master Declaration, the Articles or the Bylaws shall be construed as a duty, obligation or disability charged upon the Board, Architectural Review Committee, the Covenants Committee, any member of the Board or of these Committees, or any other officer, employee or agent of the Master Association. No such Person shall be liable to any party (other than the Master Association or a party claiming in the name of the Master Association) for injuries or damage resulting from such Person's acts or omissions within what such Person reasonably believed to be the scope of his or her Master Association duties ("Official Acts"), except to the extent that such injuries or damage result from such Person's willful or malicious misconduct. No such Person shall be liable to the Master Association (or to any party claiming in the name of the Master Association) for injuries or damage resulting from such Person's Official Acts, except to the extent that such injuries or damage result from such Person's negligence or willful or malicious misconduct.

In addition, no person who suffers bodily injury, including, without limitation, emotional distress, or wrongful death as a result of the tortious act or omission of a volunteer Board member or volunteer officer of the Master Association shall recover damages from such Board Member or officer if all of the following conditions are

satisfied.

13.8.1 The Board member or officer resides in the Properties as either a tenant or as an Owner of no more than two (2) Separate Interests;

13.8.2 The act or omission was performed within the scope of the Board member's or officer's Master Association duties;

13.8.3 The act or omission was performed in good faith;

13.8.4 The act or omission was not willful, wanton, or grossly negligent;

13.8.5 The Master Association maintained and had in effect at the time the act or omission occurred and at the time a claim is made general liability insurance in the amount of at least TWO MILLION AND NO/100THS DOLLARS (\$2,000,000.00). The payment of actual expenses incurred by a Board member or officer in the execution of such Person's Master Association shall not affect such Person's status as a volunteer Board member or officer for the purposes of this Section. A Board member or officer who at the time of the act or omission received either direct or indirect compensation as an employee from Declarant or from a financial institution that purchased a subdivision interest at a judicial or nonjudicial foreclosure of a Mortgage is not a volunteer for purposes of this Section. The Master Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against, any Person as a result of any action or threatened action against such Person to impose liability on such Person for his or her Official Acts, provided that:

(a) The Board determines that such Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Master Association.

(b) In the case of a criminal proceeding, the Board determines that such Person had no reasonable cause to believe his or her conduct was unlawful; and

(c) In the case of an action or threatened action by or in the right of the Master Association, the Board determines that such Person acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Any determination of the Board required under this Section must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, such determination may be made by the vote

of a Majority of a Quorum of the Members voting at a meeting of the Members called for such purpose, provided that the Person to be indemnified shall not be entitled to vote. Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This Section 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.

Section 13.9. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Master Declaration and either the Articles of Incorporation or the Bylaws, the terms and provisions of this Master Declaration shall prevail.

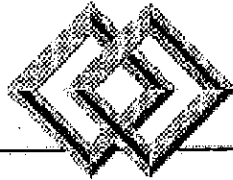
Section 13.10. Exhibits. All exhibits to which reference is made herein are deemed to be incorporated herein by reference, whether or not actually attached.

Section 13.11 Audits. The Board shall: (a) if the annual budget of the Master Association is less than \$75,000, cause the financial statement of the Master Association to be audited by an independent certified public accountant at least once every four (4) fiscal years; (b) if the annual budget of the Master Association is \$75,000 or more but less than \$150,000, cause the financial statement of the Master Association to be audited by an independent certified public accountant at least once every four (4) fiscal years and reviewed by an independent certified public accountant every fiscal year for which an audit is not conducted; (c) if the annual budget of the Master Association is \$150,000 or more, cause the financial statement of the Master Association to be audited by an independent certified public accountant every fiscal year. In the event the Master Association's annual budget is less than \$150,000, the Board shall cause the financial statement to be audited for a year in which it would otherwise not be audited by an independent certified public accountant if, within 180 days before the end of the fiscal year, fifteen percent (15%) of the total number of voting Members of the Master Association submit a written request for such an audit.

Section 3.12 Reserve Study. The Board shall at least once every five (5) years, cause to be conducted a study of the reserves required to repair, replace and restore the major components of the Common Area. At least annually, the Board shall review the results of that study to determine whether those reserves are sufficient. Additionally, at least annually, the Board shall make any adjustments to the Master Association's funding plan which the Board deems necessary to provide adequate



funding for the required reserves. The study of the reserves must comply with NRS 116.31152.



**DOUBLE DIAMOND**  
*R a n c h*

Dated this 26 day of February, 2009.

Jeri Weller  
President  
Jeri Weller

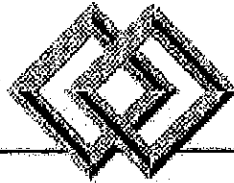
JERI WELER  
Printed Name

Attested by:

Don R. Zell  
Secretary  
Don R. Zell

Don R. Zell  
Printed Name

CLARIFICATION COPY



---

**DOUBLE DIAMOND**  
*R a n c h*

---

Dated this 26 day of February, 2009.

Jeri Weller  
President

JERI WELLER  
Printed Name

Attested by:

Don R. Zell  
Secretary

Don R. Zell  
Printed Name

COUNTY OF WASHOE

STATE OF NEVADA


On 4-16-09 before me, the undersigned, a Notary Public in and for said

county, personally appeared Jeri Weller &

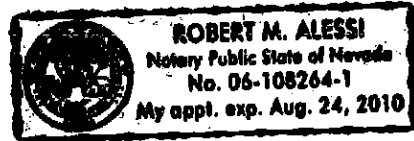
Don Zell  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)

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

WITNESS my hand and official seal.



Notary Public in and for said County and State



## EXHIBIT A

APN: 160-131-01 through 16, 160-132-01, 160-133-01 through 6, and 160-134-01 through 17.  
APN: 160-451-01 through 04, 160-452-01 through 09, 160-453-01 through 09  
APN: 160-581-01 through 10, and 160-582-01, 04 through 15.  
APN: 160-582-18 & 19  
APN: 160-191-01 through 35, 160-192-01 through 07 and 160-193-01  
APN: 160-491-01 through 05, 160-492-01 through 09, 160-493-01 through 06, 160-494-01  
through 11 and 160-500-01  
APN: 160-571-01 through 12, 160-571-01 through 12 and 16 through 18  
APN 160-572-23 & 24  
APN 160-572-22  
APN 160-141-01 through 08, 160-142-01 through 28 and 160-143-01 through 11  
APN 160-231-01 through 08 and 160-232-01 through 35  
APN: 160-150-01, 160-161-01 through 11, 160-162-01 through 30, 160-163-01 through 04, 160-  
164-01 & 02, 160-171-01 through 17, 160-172-01 through 26 and 160-173-01 through 07  
APN 160-181-01 through 14, 160-182-01 through 10 and 160-01 through 15  
APN: 160-401-01 through 10, 160-402-01 through 04, 160-403-01 though 04, 160-411-01  
through 03, 160-412-01 through 08, 160-413-01 through 04, 160-414-01 & 02,  
160-415-01 through 03 and 160-420-01  
APN: 160-431-01 through 11, 160-432-01 through 07, 160-441-01 through 04, 160-442-01  
through 08 and 160-443-01 through 10  
APN: 160-111-01 through 07, 160-112-01, 160-121-01, 160122-01, 160-123-01 through 13,  
160-124-01 through 10  
APN: 160-201-01 through 09, 160-202-01 & 02, 160-203-01 through 08, 160-211-01 through 04  
and 160-212-01 through 21  
APN: 160-381-01 through 11 and 160-382-01 through 17  
APN: 160-103-01  
APN: 160-761-01 through 28 and 160-762-01 through 28  
APN: 160-651-01 through 09, 160-652-01 through 29. 160-653-01 through 13 and 160-654-01  
through 06  
APN: 160-740-01 through 21, 160-751-01 through 20, 160-752-01 through 05 and 160-160-730-  
01  
APN: 160-721-01 through 33 and 160-722-01 through 24  
APN: 160-801-01 through 36, 160-802-01 through 12 and 160-803-01 through 13  
APN: 160-460-01 through 28 and 160-470-01 through 16  
APN: 160-700-01 through 18 and 160-701-1 through 15  
APN: 160-591-01, 160-592-01 through 04, 160-593-01 through 34, 160-594-01 through 10, 160-  
601-01 through 16 and 160-602-01 through 04  
APN 160-611-01 through 04 & 11 through 17 and 160-612-01 through 06 & 20 through 31  
APN: 160-870-02, 03, 05 through 14, 160-881-01 through 29, 160-882-01 through 06 and 160-  
883-01 through 17  
APN: 160-870-16, 17 & 19  
APN: 160-831-01 through 09, 160-832-01 through 06, 160-833-01 through 07 & 15 through 18,  
160-834-01 through 08 and 160-835-01 through 27  
APN: 160-833-21, 22, 23 & 24

APN: 160-671-01 through 17, 160-67203 & 04, 160-673-01 & 02, 160-681-01 through 13, 160-682-04, 05, 10 & 11, 160-683-01 through 05 and 08 through 11, 160-684-01 through 11, 160-685-01 through 06 and 160-686-02, 03, 07 & 08  
APN: 160-660-12, 160-672-08, 10 & 11, 160-682-13 through 19, 160-684-13, 160-685-09 and 160-686-11 through 16  
APN: 160-660-09 through 11  
APN: 160-672-10 & 11  
APN: 160-540-05  
APN 160-841-01 through 30, 160-842-01 through 07, 160-843-01 through 31, 160-844-01 and 02  
APN: 160-771-01 through 09, 160-772-01 through 21, 160-781-01 through 10, 160-01 through 09 and 160-783-01 through 11  
APN: 160-522-01 through 13, 160-523-01 through 15 and 18 through 20, 160-524-01 through 08, 160-531-01 through 17, 160-532-01 through 09, 160-533-01 through 23 and 160-534-01 through 17  
APN: 160-521-02, 160-523-25 through 29, 160-524-10 and 160-534-19  
APN: 160-821-01 through 14, 160-822-01 through 37, 160-823-01 through 07  
APN: 160-371-01, 160-372-01 through 38 and 160-373-01 through 14  
APN: 160-361-01 through 06, 160-362-01 through 14, 160-363-01 through 08, 160-364-01 through 32 and 160-365-01 through 10  
APN: 161-180-01  
APN: 161-311-01, 161-312-01 through 26, 161-313-01 through 22, 161-32101 & 02, 161-322-01 through 08 and 161-323-01 through 11  
APN: 161-361-01 through 16, 161-362-01 through 05, 161-363-01 through 19 and 161-371-01 through 04 and 161-372-01 & 02  
APN: 161-341-01 through 49, 161-342-23, 161-343-01 through 11, 161-351-01 through 06, 161-352-01 through 09 and 161-353-01 through 08  
APN: 161-291-01 through 05, 161-292-01 through 28, 161-293-01 through 32, 161-294-01 through 08, 161-295-01, 161-301-01 through 15, 161-302-14, 161-303-01 through 08, 161-304-01 through 15, 161-305-01 through 08 and 161-306-01 through 17  
APN: 161-281-01 through 08, 161-282-01 through 08, 161-283-01 through 03, 161-284-01, 161-285-01 through 06 and 161-286-01 through 12  
APN: 161-190-01 & 02, 161-201-01 through 08, 161-202-01 through 09, 161-203-01 through 07, 161-211-01 through 11, 161-212-01 through 06 and 161-213-01 through 16 & 18 through 23.  
APN: 161-213-24  
APN: 161-221-01 through 11, 160-222-01 through 45 and 161-01 through 36  
APN: 161-090-01, 161-101-01 through 06, 161-102-01 through 07, 161-103-01 through 08, 161-104-01 through 07, 161-105-01 through 08, 161-111-01, 161-112-01 through 03, 161-113-01 through 09, 161-114-01 through 08 and 161-115-01 through 07  
APN: 161-051-01 through 18, 161-052-01 through 04, 161-041-01 through 11 and 161-042-01 through 08  
APN: 161-021-01 through 21, 161-022-01 through 04, 161-031-01 through 06, 161-032-01 through 12 and 161-03301 & 02  
APN: 161-071-01 through 34, 161-072-01 through 10 and 161-073-01 through 06  
APN: 161-061-01 through 06, 161-062-01 through 22 and 161-063-01 through 16

APN: 161-121-01 through 06, 161-122-01 through 43, 161-123-01 through 21 and 161-124-01 through 05

APN: 161-131-01, 161-132-01 through 06, 161-133-01 through 27 and 161-134-01 through 23

APN: 161-171-01 through 13, 161-172-01 through 07, 161-173-01 through 04, 161-174 01 & 02, 161-175-01 through 08 and 161-176-01 through 16

APN: 161-241-01 through 42 and 161-242-01 through 13

APN: 161-141-01 through 11, 161-142-01 through 08, 161-143-01 through 12, 161-144-01 and 161-145-01 through 07

APN: 161-250-01, 02 and 03, 161-261-01 through 28, 161-262-01 through 12, 161-271 01 through 07, 161-272-01 through 04 and 161-273-01 through 11

APN: 161-151-01 through 18, 161-152-01 through 08 and 161-153-01 through 05

APN: 161-011-08

APN: 161-011-10 & 11

## EXHIBIT B

All that certain real property situate in the City of Reno, County of Washoe, State of California, described as follows:

### **Parcel One:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 12-A, filed in the Office of the Washoe County Recorder on May 17, 1996, as Tract Map No. 3247, File No. 1996029.

APN: 160-131- 1 through 16, 160-132-01, 160-133-01 through 6, and 160-134-01 through 17.

### **Parcel Two:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 12-B, filed in the Office of the Washoe County Recorder on August 29, 1997, as Tract Map No. 3443, File No. 2130220.

APN: 160-451-01 through 04, 160-452-01 through 09, 160-453-01 through 09.

### **Parcel Three:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 12-C, filed in the Office of the Washoe County Recorder on June 19, 1998, as Tract Map No. 3554, File No. 2222441.  
Excepting Therefrom Lots 55 and 56 as shown on said Tract Map No. 3554

APN: 160-581- 1 through 10, and 160-582-01, 04 through 15.

### **Parcel Four:**

Parcels A & B, as shown on the Record of Survey for Michael B. & Natasha R. Weisman and Dan E. & Joleen M. North, filed in the Office of the Washoe County Recorder on March 8, 2000 as Survey Map no. 3745 and File No. 2428664.

APN: 160-582-18 & 19

### **Parcel Five:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 11A, filed in the Office of the Washoe County Recorder on September 16, 1996, as Tract Map No. 3306, File No. 2030457.

APN: 160-191-01 through 35, 160-192-01 through 07 and 160-193-01



**Parcel Six:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 11B, filed in the Office of the Washoe County Recorder on February 2, 1998, as Tract Map No. 3495, File No. 2175785.

APN: 160-491-01 through 05, 160-492-01 through 09, 160-493-01 through 06, 160-494-01 through 11 and 160-500-01

**Parcel Seven:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 11C, filed in the Office of the Washoe County Recorder on June 17, 1998, as Tract Map No. 3551, File No. 2221790.

Excepting Therefrom Lots 89 & 90, and Parcel B, as shown on said Tract Map No. 3551.

APN: 160-571-01 through 12, 160-571-01 through 12 and 16 through 18

**Parcel Eight:**

Adjusted Lots 89 & 90, as shown on the Record of Survey to Support Boundary Line Adjustment for Diamond Village Investors 11, L.L.C., filed in the Office of the Washoe County Recorder on July 22, 1998 as Survey Map No. 3474, and File No. 2233673.

APN 160-572-23 & 24

**Parcel Nine:**

Parcel B as shown on the Record of Survey to Support Boundary Line Adjustment for Diamond Village Investors 11, L.L.C., Filed in the Office of the Washoe County Recorder on July 22, 1998 as Survey Map No. 3474, and File No. 2233673.

APN 160-572-22

**Parcel Ten:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 4, Ryder Homes Unit 1, filed in the Office of the Washoe County Recorder on May 20, 1996, as Tract Map No. 3248, File No. 1996362.

APN 160-141-01 through 08, 160-142-01 through 28 and 160-143-01 through 11

**Parcel Eleven:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 4, Ryder Homes Unit 2, filed in the Office of the Washoe County Recorder on March 18, 1997, as Tract Map No. 3358, File No. 2080538.

APN 160-231-01 through 08 and 160-232-01 through 35

**Parcel Twelve:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 3, filed in the Office of the Washoe County Recorder on July 10, 1996, as Tract Map No. 3275, File No. 2011238.

APN: 160-150-01, 160-161-01 through 11, 160-162-01 through 30, 160-163-01 through 04, 160-164-01 & 02, 160-171-01 through 17, 160-172-01 through 26 and 160-173-01 through 07

**Parcel Thirteen:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 2-A, filed in the Office of the Washoe County Recorder on July 26, 1996, as Tract Map No. 3285, File No. 2015970.

APN 160-181-01 through 14, 160-182-01 through 10 and 160-01 through 15

**Parcel Fourteen:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 2-B, filed in the Office of the Washoe County Recorder on July 25, 1997, as Tract Map No. 3420, File No. 2120106.

APN: 160-401-01 through 10, 160-402-01 through 04, 160-403-01 though 04, 160-411-01 through 03, 160-412-01 through 08, 160-413-01 through 04, 160-414-01 & 02, 160-415-01 through 03 and 160-420-01

**Parcel Fifteen:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 2-C, filed in the Office of the Washoe County Recorder on August 18, 1997, as Tract Map No. 3438, File No. 2126474.

APN: 160-431-01 through 11, 160-432-01 through 07, 160-441-01 through 04, 160-442-01 through 08 and 160-443-01 through 10

**Parcel Sixteen:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 1-A, filed in the Office of the Washoe County Recorder on May 17, 1996, as Tract Map No. 3246, File No. 1996028.

APN: 160-111-01 through 07, 160-112-01, 160-121-01, 160122-01, 160-123-01 through 13, 160-124-01 through 10

**Parcel Seventeen:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 1-B, filed in the Office of the Washoe County Recorder on December 10, 1996, as Tract Map No. 3333, File No. 2054937.

APN: 160-201-01 through 09, 160-202-01 & 02, 160-203-01 through 08, 160-211-01 through 04 and 160-212-01 through 21

**Parcel Eighteen:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Residential Development Village No. 1-C, filed in the Office of the Washoe County Recorder on June 30, 1997, as Tract Map No. 3410, File No. 2112836.

APN: 160-381-01 through 11 and 160-382-01 through 17

**Parcel Nineteen:**

Parcel 34 (City of Reno Park Site) as shown on the map of Double Diamond Ranch Residential Development Unit No. 1, filed in the Office of the Washoe County Recorder on February 5, 1996, as Tract Map No. 3213, File No. 1965605.

APN: 160-103-01

**Parcel Twenty:**

All that real property lying with the exterior boundaries of Double Diamond Ranch Village 17 B, filed in the Office of the Washoe County Recorder on June 30, 2000, as Tract Map No. 3856, File No. 2460316.

APN: 160-761-01 through 28 and 160-762-01 through 28

**Parcel Twenty One:**

All that real property lying with the exterior boundaries of Double Diamond Ranch Village 17 A, filed in the Office of the Washoe County Recorder on May 28, 1999, as Tract Map No. 3693, File No. 2345178.

APN: 160-651-01 through 09, 160-652-01 through 29, 160-653-01 through 13 and 160-654-01 through 06

**Parcel Twenty Two:**

All that real property lying with the exterior boundaries of Double Diamond Ranch Village 16b, filed in the Office of the Washoe County Recorder on June 30, 2000, as Tract Map No. 3855, File No. 2460315.

APN: 160-740-01 through 21, 160-751-01 through 20, 160-752-01 through 05 and 160-160-730-01

**Parcel Twenty Three:**

All that real property lying with the exterior boundaries of Double Diamond Ranch Village 16a, filed in the Office of the Washoe County Recorder on December 23, 1999, as Tract Map No. 3783, File No. 2408661.

APN: 160-721-01 through 33 and 160-722-01 through 24

**Parcel Twenty Four:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 15, filed in the Office of the Washoe County Recorder on February 5, 2001, as Tract Map No. 3912, File No. 2521520.

APN: 160-801-01 through 36, 160-802-01 through 12 and 160-803-01 through 13

**Parcel Twenty Five:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 14A, filed in the Office of the Washoe County Recorder on October 29, 1997, as Tract Map No. 3462, File No. 2149167.

Excepting Therefrom that portion designated as "Remainder", as shown on said Map of Double Diamond Village 14A.

APN: 160-460-01 through 28 and 160-470-01 through 16

**Parcel Twenty Six:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 14B, filed in the Office of the Washoe County Recorder on July 26, 1999, as Tract Map No. 3734, File No. 2364507.

APN: 160-700-01 through 18 and 160-701-1 through 15

**Parcel Twenty Seven:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 13A, filed in the Office of the Washoe County Recorder on July 17, 1998, as Tract Map No. 3577, File No. 2232185.

Excepting Therefrom that portion designated as "Lot B", as shown on said Map of Double Diamond Village 13A.

APN: 160-591-01, 160-592-01 through 04, 160-593-01 through 34, 160-594-01 through 10, 160-601-01 through 16 and 160-602-01 through 04

**Parcel Twenty Eight:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 13B, filed in the Office of the Washoe County Recorder on June 29, 2000, as Tract Map No. 3849, File No. 2460008.

APN 160-611-01 through 04 & 11 through 17 and 160-612-01 through 06 & 20 through 31

**Parcel Twenty Nine:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 19B, filed in the Office of the Washoe County Recorder on April 3, 2003, as Tract Map No. 4187, File No. 2831796.

Excepting Therefrom Lots "C" and "D" as shown on said Tract Map No. 4187.

APN: 160-870-02, 03, 05 through 14, 160-881-01 through 29, 160-882-01 through 06 and 160-883-01 through 17

**Parcel Thirty:**

Lots 74, 75 & C-A, as shown on the Record of Survey to Support a Boundary Line Adjustment for Ryder homes of Nevada, filed in the Office of the Washoe County Recorder on June 25, 2003, as Survey map No. 4258, File No. 2877866.

APN: 160-870-16, 17 & 19

**Parcel Thirty One:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 19A, filed in the Office of the Washoe County Recorder on April 19, 2002, as Tract Map No. 4070, File No. 2677787.

Excepting Therefrom Lots 36, 37, 38, 39, 50, 51 and 52 as shown on said Tract Map No. 4070.

APN: 160-831-01 through 09, 160-832-01 through 06, 160-833-01 through 07 & 15 through 18, 160-834-01 through 08 and 160-835-01 through 27

**Parcel Thirty Two:**

Lots 39-R, 50-R, 51-R and 52-R, as shown on the Record of Survey to support a Boundary Line Adjustment for Ryder DD Ranch Limited Partnership, filed in the Office of the Washoe County Recorder on May 19, 2003, as Survey Map No. 4247, File No. 2856771.

APN: 160-833-21, 22, 23 & 24

**Parcel Thirty Three:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 18, filed in the Office of the Washoe County Recorder on May 28, 1999, as Tract Map No. 3698, File No. 2345814.

Excepting Therefrom Lots A, C, D, E, F, H, 30, 31, 34, 38, 39, 51, 62, 63, 66, 67, 71 through 74, 82, 85 & 86 as shown on said Tract Map No. 3698.

APN: 160-671-01 through 17, 160-67203 & 04, 160-673-01 & 02, 160-681-01 through 13, 160-682-04, 05, 10 & 11, 160-683-01 through 05 and 08 through 11, 160-684-01 through 11, 160-685-01 through 06 and 160-686-02, 03, 07& 08

**Parcel Thirty Four:**

Lots A-A, C-A, F-A, 30-A, 31-A, 34-A, 38-A, 39-A, 51-A, 62-A, 63-A, 66-A, 67-A, 71-A, 72-A, 73-A, 74-A and 82-A, as shown on the Record of Survey to Support a Boundary Line Adjustment for Ryder DD Ranch Limited Partnership, filed in the Office of the Washoe County Recorder on February 8, 2002, as Survey Map No 4035, File No. 2650759.

APN: 160-660-12, 160-672-08, 10 & 11, 160-682-13 through 19, 160-684-13, 160-685-09 and 160-686-11 through 16

**Parcel Thirty Five:**

Lots D-R, E-R and H-R as shown on the Record of Survey for Boundary Line Adjustment for Double Diamond Ranch, filed in the Office of the Washoe County Recorder on February 12, 2002, as Survey Map No. 4037, file No. 2651973.

APN: 160-660-09 through 11

**Parcel Thirty Six:**

Lots 85-A and 86-A, as shown on the Record of Survey to Support a Boundary Line Adjustment for Ryder Homes of Nevada, filed in the Office of the Washoe Recorder on June 25, 2003, as Survey map No. 4258, File No. 2877866.

APN: 160-672-10 & 11

**Parcel Thirty Seven:**

Parcel 2C as shown on the Parcel Map for Double Diamond Ranch L.L.C., filed in the office of the Washoe County Recorder on December 26, 2000, as Parcel Map No. 3724, File No. 2510293.

APN: 160-540-05

**Parcel Thirty Eight:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 6D, filed in the Office of the Washoe County Recorder on May 22, 2002, as Tract Map No. 4082, File No. 2690669.

APN 160-841-01 through 30, 160-842-01 through 07, 160-843-01 through 31, 160-844-01 and 02

**Parcel Thirty Nine:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 6B, filed in the Office of the Washoe County Recorder on May 22, 2002, as Tract Map No. 4082, File No. 2690669.

APN: 160-771-01 through 09, 160-772-01 through 21, 160-781-01 through 10, 160-01 through 09 and 160-783-01 through 11

**Parcel Forty:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 6A, filed in the Office of the Washoe County Recorder on May 6, 1998, as Tract Map No. 3529, File No. 2207639.

Excepting Therefrom Lots A, B & C, and Lots 1, 2, 3, 7 & 8 of Block A as shown on said Tract Map No. 3529.

APN: 160-522-01 through 13, 160-523-01 through 15 and 18 through 20, 160-524-01 through 08, 160-531-01 through 17, 160-532-01 through 09, 160-533-01 through 23 and 160-534-01 through 17

**Parcel Forty One:**

Lots A1, C1, 1A, 2A, 3A, 7A & 8A, as shown on the Record of Survey Map to Support Boundary Line Adjustment for Wyndgate Village Investors, L.L.C., filed in the Office of the Washoe County Recorder on December 17, 1999, as Survey Map No. 3694, File No. 2407126.

APN: 160-521-02, 160-523-25 through 29, 160-524-10 and 160-534-19

**Parcel Forty Two:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 6C, filed in the Office of the Washoe County Recorder on July 19, 2001, as Tract Map No. 3988, File No. 2576308.

APN: 160-821-01 through 14, 160-822-01 through 37, 160-823-01 through 07

**Parcel Forty Three:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 5B, filed in the Office of the Washoe County Recorder on July 17, 1998, as Tract Map No. 3575, File No. 2231977.

APN: 160-371-01, 160-372-01 through 38 and 160-373-01 through 14

**Parcel Forty Four:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 5A, filed in the Office of the Washoe County Recorder on June 12, 1997, as Tract Map No. 3400, File No. 2107617.

APN: 160-361-01 through 06, 160-362-01 through 14, 160-363-01 through 08, 160-364-01 through 32 and 160-365-01 through 10

**Parcel Forty Five:**

Parcel B-4 as shown on the 8<sup>th</sup> Parcel Map for Double Diamond Ranch, filed in the Office of the Washoe County Recorder on March 27, 2003, as Parcel Map No. 3983, File No. 2827741.

APN: 161-180-01

**Parcel Forty Six:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 9, filed in the Office of the Washoe County Recorder on May 18, 2004, as Tract Map No. 4343, File No. 3040346.

APN: 161-311-01, 161-312-01 through 26. 161-313- 01 through 22, 161-32101 & 02, 161-322-01 through 08 and 161-323- 01 through 11

**Parcel Forty Seven:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 22B filed in the Office of the Washoe County Recorder on March 25, 2005, as Tract Map No. 4458, File No. 3187841.

APN: 161-361-01 through 16, 161-362-01 through 05, 161-363-01 through 19 and 161-371-01 through 04 and 161-372-01 & 02

**Parcel Forty Eight:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 8B, filed in the Office of the Washoe County Recorder on January 27, 2005, as Tract Map No. 4400, File No. 3161700.

APN: 161-341-01 through 49, 161-342-23, 161-343-01 through 11, 161-351-01 through 06, 161-352-01 through 09 and 161-353-01 through 08



**Parcel Forty Nine:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 22A, filed in the Office of the Washoe County Recorder on March 4, 2004, as Tract Map No. 4314, File No. 3002378.

Excepting therefrom Remainder Parcel "B-1-A", as shown on said Tract Map No. 4314.

APN: 161-291-01 through 05, 161-292-01 through 28, 161-293-01 through 32, 161-294-01 through 08, 161-295-01, 161-301-01 through 15, 161-302-14, 161-303-01 through 08, 161-304-01 through 15, 161-305-01 through 08 and 161-306-01 through 17

**Parcel Fifty:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 8A, filed in the Office of the Washoe County Recorder on October 3, 2003, as Tract Map No. 4263, File No. 2934915.

Excepting Therefrom Remainder Parcels "B-1-A", "B-2-A" and "B-3-A", as shown on said Tract Map No. 4263.

APN: 161-281-01 through 08, 161-282-01 through 08, 161-283-01 through 03, 161-284-01, 161-285-01 through 06 and 161-286-01 through 12

**Parcel Fifty One:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 7, filed in the Office of the Washoe County Recorder on April 2, 2003, as Tract Map No. 4183, File No. 2830841.

Excepting Therefrom Lot 758, as shown on said Tract Map No. 4183.

APN: 161-190-01 & 02, 161-201-01 through 08, 161-202-01 through 09, 161-203-01 through 07, 161-211-01 through 11, 161-212-01 through 06 and 161-213-01 through 16 & 18 through 23.

**Parcel Fifty Two:**

Lot 758-A as shown on the Record of Survey of a Boundary Line Adjustment for Reynen & Bardis Development (Nevada), LLC & Bohica, LLC, filed in the Office of the Washoe Recorder on September 26, 2003, as Survey Map No. 4297, file No. 2929859.

APN: 161-213-24

**Parcel Fifty Three:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 23, filed in the Office of the Washoe County Recorder on May 20, 2003, as Tract Map No. 4209, File No. 2857588.

APN: 161-221-01 through 11, 160-222-01 through 45 and 161-01 through 36

**Parcel Fifty Four:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 25, filed in the Office of the Washoe County Recorder on October 25, 2001, as Tract Map No. 4016, File No. 2609651.

APN: 161-090-01, 161-101-01 through 06, 161-102-01 through 07, 161-103-01 through 08, 161-104-01 through 07, 161-105-01 through 08, 161-111-01, 161-112-01 through 03, 161-113-01 through 09, 161-114-01 through 08 and 161-115-01 through 07

**Parcel Fifty Five:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 24B, filed in the Office of the Washoe County Recorder on June 28, 2001, as Tract Map No. 3972, File No. 2568723.

APN: 161-051-01 through 18, 161-052-01 through 04, 161-041-01 through 11 and 161-042-01 through 08

**Parcel Fifty Six:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 24A, filed in the Office of the Washoe County Recorder on June 28, 2001, as Tract Map No. 3971, File No. 2568709.

APN: 161-021-01 through 21, 161-022-01 through 04, 161-031-01 through 06, 161-032-01 through 12 and 161-03301 & 02

**Parcel Fifty Seven:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 27B, filed in the Office of the Washoe County Recorder on June 29, 2001, as Tract Map No. 3978, File No. 2569498.

APN: 161-071-01 through 34, 161-072-01 through 10 and 161-073-01 through 06

**Parcel Fifty Eight:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 27A, filed in the Office of the Washoe County Recorder on June 28, 2001, as Tract Map No. 3973, File No. 2568724.

APN: 161-061-01 through 06, 161-062-01 through 22 and 161-063-01 through 16

**Parcel Fifty Nine:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 30, filed in the Office of the Washoe County Recorder on July 15, 2002, as Tract Map No. 4102, File No.2710445.

APN: 161-121-01 through 06, 161-122-01 through 43, 161-123-01 through 21 and 161-124-01 through 05

**Parcel Sixty:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 29A, filed in the Office of the Washoe County Recorder on October 29, 2002, as Tract Map No. 4132, File No. 2754544.

APN: 161-131-01, 161-132-01 through 06, 161-133-01 through 27 and 161-134-01 through 23

**Parcel Sixty One:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 29B, filed in the Office of the Washoe County Recorder on February 13, 2003, as Tract Map No. 4170, File No. 2805948.

APN: 161-171-01 through 13, 161-172-01 through 07, 161-173-01 through 04, 161-174 01 & 02, 161-175-01 through 08 and 161-176-01 through 16

**Parcel Sixty Two:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 29C, filed in the Office of the Washoe County Recorder on July 10, 2003, as Tract Map No. 4235, File No. 2886075.

APN: 161-241-01 through 42 and 161-242-01 through 13

**Parcel Sixty Three:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 28A, filed in the Office of the Washoe County Recorder on January 17, 2003, as Tract Map No. 4166, File No. 2792216.

APN: 161-141-01 through 11, 161-142-01 through 08, 161-143-01 through 12, 161-144-01 and 161-145-01 through 07

**Parcel Sixty Four:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 28B, filed in the Office of the Washoe County Recorder on July 10, 2003, as Tract Map No. 4236, File No. 2886076.

APN: 161-250-01, 02 and 03, 161-261-01 through 28, 161-262-01 through 12, 161-271 01 through 07, 161-272-01 through 04 and 161-273-01 through 11

**Parcel Sixty Five:**

All that real property lying within the exterior boundaries of Double Diamond Ranch Village 28A, filed in the Office of the Washoe County Recorder on January 17, 2003, as Tract Map No. 4166, File No. 2886076.

APN: 161-151-01 through 18, 161-152-01 through 08 and 161-153-01 through 05

**Parcel Sixty Six:**

Parcel C as shown on the 5<sup>th</sup> Parcel Map for Double Diamond Ranch, filed on May 25, 2001, as Parcel Map No. 3775, File No. 2557110.

APN: 161-011-08

**Parcel Sixty Seven:**

Parcels 2 & 3 as shown on the 6<sup>th</sup> Parcel Map for Double Diamond Ranch, filed in the Office of the Washoe County Recorder on May 25, 2001, as Parcel Map No. 3776, File No. 2557111.

APN: 161-011-10 & 11



---

**DOUBLE DIAMOND**  
*R a n c h*

---

**SUPPLEMENTAL  
RULES  
AND REGULATIONS**

Rev. November 2008

## **Section I: VIOLATION POLICY AND FINE SCHEDULE**

The Board of Directors has a violations policy including landscaping, architectural, and maintenance issues. First a warning letter will be sent permitting 24 hours to 30 days to cure the violation. If the violation has not been corrected, a second letter will be sent, a with a notice of hearing. For all uncorrected violations, the notice of hearing and/or fine will be sent in compliance with NRS 116. Hearings are generally held outside of regularly-scheduled board meetings.

For all uncorrected violations, an initial fine will be imposed at the hearing that has been noticed. Following the initial fine, if the violation is not corrected within 14 days, a continuing violation fine may be imposed, without notice or opportunity to be heard. Additional fines may also be imposed for each 7-day period, or portion thereof, that the violation is not corrected, without notice or opportunity to be heard. There is no upper limit on the total fines that may be imposed for continued uncorrected violations.

NRS 116.31031 provides that monetary fines may be assessed against a unit's owner or a tenant or guest of a unit's owner who violates any provision of the governing documents, so long as that fine is commensurate with the severity of the violation but not exceeding \$100 for each violation. Total fines assessed against a homeowner at any one hearing shall not exceed \$1000. The limitations on the amounts of the fines do not apply to any interest, charges or costs that may be collected by the Association pursuant to this section if the fine becomes past due. Fines for violations that directly affect the health and safety of residents are not subject to the same time and notice requirements.

### **FINE SCHEDULE**

**First violation is \$25.00 per week. (*This applies to all but Business License violations which start at \$75.00 per week and escalate \$25.00 accordingly.*)**

**Should the violation not be corrected within thirty (30) days of the first fine, the continuing violation will thereafter be assessed at \$50 per week.**

**Should the violation not be corrected within thirty (30) days of the second fine, the continuing violation will thereafter be assessed at \$75 per week.**

**Should the violation not be corrected within thirty (30) days of the third fine, the continuing violation will thereafter be assessed at \$100 per week.**

Any recurrence of the same violation in the 365 day period of the first fine will result in a fine starting at the level last invoked for that same violation.

## **Section II: LATE FEE AND COLLECTION POLICY**

Timely payment of regular and special assessment is of critical importance to the Association. The failure of any owner to pay monthly assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts.

- 1. Assessment due dates.** The regular assessment is payable in quarterly installments on the first day of each quarter being January, April, July and October. Special assessments shall be due and payable on the date specified by the Board of Directors in the notice imposing the assessment or in the ballot representing the special assessment to the members of the association. Regular and special assessments shall be delinquent if not paid within 15 days after they become due.

2. **Late Charges.** When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner's account with the Association shall be charged with a late payment fee of \$15.00 per month.
3. **Collection Costs are also Recoverable.** As provided by law and the Association's Governing Documents, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including, but not limited to, the following: (i) reasonable charges imposed to defray the cost of preparing and mailing of demand letters; (ii) legal expenses incurred; (iii) recording costs; and (iv) costs incurred with title, collection or trustee companies or foreclosure service providers.
4. **Interest.** If an assessment payment is delinquent for 30 days or more, interest shall be imposed on all delinquent assessments, late charges, and reasonable costs of collection at the annual percentage rate of 18%.
5. **Transfer of account to collections.** If the owner's assessment account remains delinquent for more than 90 days the Association shall refer the account for further action. The Association may pursue one of these alternatives: (1) non-judicial foreclosure proceedings, (2) court action, or (3) judicial foreclosure.
6. **Demand followed by foreclosure proceedings.** If an assessment payment is delinquent for more than 45 days the Association or its representative shall cause a demand letter to be sent to the delinquent homeowner advising the owner what will happen with continued failure to pay. This letter will be accompanied with additional fees to be charged to the delinquent homeowner.
7. **Assessment lien.** If payment for all sums that are then delinquent, including the delinquent assessment, late charges, costs, and reasonable attorney fees is not made within 10 days from the date of the demand letter as outlined in section 6, the Association or its agent shall be entitled to cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment and Claim of Lien for all sums that are then delinquent. A recorded Notice of Delinquent Assessment creates a lien on the delinquent owner's property that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or non-judicially.
8. **Payment Agreement.** The Association and/or its designated agent must accept partial payment on an assessment account. An owner may petition the Board of Directors in writing for a payment agreement to allow the owner to make periodic partial payments on the entire balance of the assessment account, in addition to the ongoing assessment payments, in amounts and on a payment schedule agreed to by the Board of Directors. The Association has no obligation to enter into such a payment agreement. Any agreement entered into with the owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner.
9. **Recording of Release of Lien.** A release of lien will not be recorded until the entire balance of the owner's account is paid. All charges incurred in recording a Release of Lien, including reasonable attorney's fees, will be charged to the account.
10. **Dishonored Checks.** At any time that the Association or its designated agent receives a check dishonored by the bank for any reason, a charge of \$30.00 shall be imposed. The Board of Directors may immediately proceed with the collection process if the assessments are not paid within 10 days

after notice of the dishonored check is sent to the owner. The Association may also seek damages in accordance with Nevada Revised Statutes.

11. **Application of Payment.** Payments shall be applied first to late fees and/or collection fees, interest and then principal owed.
12. **Dispute of Charges.** If the owner questions the accuracy of the calculation of an account or the amount charged to the assessment account, a written objection to the specific charges must be made (received) to the Board of Directors within 30 days of the date of notice sent to the owner of the charge or balance. A telephone call will not reserve any rights. The disputed amount may remain unpaid during the investigation, but undisputed portions of the account must be paid before the delinquency date in order to avoid collection charges. No action will be taken to collect the disputed amounts until completion of the investigation and a decision is made by the Board of Directors. The owner must provide the following information in writing regarding any dispute:
  1. The owner's name, mailing address, and account number.
  2. The exact dollar amount in dispute or in error.
  3. For each charge in payment dispute, an explanation of the reasons the owner believes there is an error, with sufficient detail such as dates, names, and check numbers, so that the dispute may be investigated efficiently and effectively. If the owner does not know the error was made, that statement may be made, but the dates and check numbers, etc., must be given.
  4. Copies of checks (Both front and back), letters or other documents referred to or claimed must accompany the written objection.
13. **Recovery of attorney fees and all reasonable costs of collection.** If a lawsuit or foreclosure proceeding is initiated by the Association to recover assessments, the Association is entitled, by law, to recover not only the amount in default, plus late charges and interest, but also all reasonable costs of collection, including title, collection, trustee or collection company charges and attorney fees.
14. **Sufficiency of Notice.** Except for notice that under Nevada law which must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership register at the time of notice.
15. **Void Provisions.** If any provision of this policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

### **Section III: ARCHITECTURAL DESIGN GUIDELINES**

In addition to the Master Declaration of Covenants, Restrictions and Easements for Double Diamond Ranch and the Double Diamond PUD Design Guidelines, the Board of Directors for the Double Diamond Ranch Master Association has adopted the following Architectural Design Guidelines to assist owners in the Architectural Review submittal process.

1. **Conditions and Requirements.** Before commencing, each person proposing to improve their property within Double Diamond Ranch Master Association shall submit two (2) sets of plans and specifications and receive written receipt of submission and approval for the improvements from the Architectural Review Committee.



- *Rock samples are required for any rock installation.*
- *Color photo of paver design and sample of size, color and shape of any paver installation.*
- *Color photo of home.*
- Any exterior change or improvement shall be submitted using the Architectural Review Application, which details the conditions and requirements of submittal and must be signed by the applicant.

2. **Permits.** It is the responsibility of the applicant to obtain any and all City building permits.

3. **Fees.** No submittal fees are required with an Architectural Review Application. A deposit against damages (currently \$1000, but subject to change at the Board's discretion) may be required if the applicant proposes to cross or use association common area to access the subject property. The Master Association Board of Directors may, in the future, decide that there is a need for a uniform fee for approval of applications based on criteria to be determined.

4. **Time Limitations.** Applicants shall receive notifications of decisions of the Architectural Review Committee within forty-five (45) days after confirmed receipt of the application by the Architectural Review Committee of all material required by the Architectural Review Committee. Within forty-five (45) days of confirmed receipt of the application, the project shall be deemed approved, unless there is written disapproval or request for additional information or materials by the Board of Directors. Response letters will be sent by mail with a return receipt requested.

The applicant shall commence construction of the proposed project within ninety-days (90) of the date of approval by the Architectural Review Committee. The project shall be completed within one hundred and eighty (180) days. Owners shall notify the Architectural Review Committee when the project is complete. Extensions of time for completion may require an extension fee and shall be submitted to and approved by the Architectural Review Committee.

5. **Approval by Sub-Association.** The Architectural Review Committee may, at its sole discretion, additionally require all plans and specifications be approved by any sub-association having jurisdiction over the owner's separate interest (lot/home).

6. **Meetings.** The Architectural Review Committee shall meet as necessary to perform its duties.

7. **Inspections.** The Architectural Review Committee may at any time inspect any improvement being constructed within Double Diamond Ranch, whether or not plans have been submitted in accordance with these guidelines.

8. **Signs.** No sign of any kind shall be displayed to the public view without the approval of the Board of Directors, except for one standard, professionally-lettered "For Sale" or "For Lease" real estate sign erected in the front yard of the home. The sign shall be of industry standard size height and width. No "For Sale" or "For Lease" sign may be erected on the home, or in the windows, or any common areas including the entrances to a community. Political campaign sign the not to exceed 24 inches by 36 inches is allowed provided it is removed immediately following the election or vote.

9. **Flags.** No flags may be installed or displayed to public view without the prior approval of the Architectural Review Committee. The flag of the United States may be displayed in a manner consistent with the Federal Flag Code and applicable Nevada and Federal law, so long as it is of normal residential proportions and properly and respectfully displayed and maintained and has been approved in advance by the Architectural Review Committee,

10. **Temporary Structures.** No temporary structures, including tents, shade structures, tarps or shacks, shall be placed on a lot without prior approval in writing by the Architectural Review Committee.

11. **View Obstructions.** No owner shall construct, plant, or maintain any obstruction or improvement in such location or of such height as to unreasonably obstruct the view from any other lot.

12. **Fencing.** Each homeowner is required to maintain their fence in a neat and orderly fashion, free of repair, and stained with the approved color. The specifications of the appropriate stain is Kelly Moore formula KX-Y, C-6,B8, L-4 (one gallon) and KX-4Y, C-30, B-40, L-20 (5 gallon). No fences are allowed in the front yard including split rail. Pedestrian gates may be allowed in fences and require Architectural Review Committee approval prior to installation. Double gates will not be allowed.

13. **Painting.** Each home & exterior fence shall be painted and maintained in a neat and orderly fashion. Any color change, including exterior walls, doors, railings, windows and trim, requires prior written approval from the Architectural Review Committee and may be subject to an extensive review process. Owners are encouraged to repaint using the original colors used by the builder of the home. Fences are to be stained with only approved stain as listed above.

14. **Solar Heating.** To the extent permitted by applicable law, the installation of solar panels is subject to the prior written approval of the Architectural Review Committee.

15. **Yard Art.** Decorative items placed in the owner's front yard, as with all exterior additions or changes, shall be submitted for approval by the Architectural Review Committee. No decorative items are allowed on the fencing.

16. **DDS Television / FM Antennas.** Section 6.2.6, Antennas and Similar Devices, of the Double Diamond Ranch Master Association Declaration of Covenants, Restrictions and Easements has been partially overruled by Federal Law. Owners need not seek approval for satellite dishes that are one meter or less in diameter. Any other antenna installation requires prior Architectural Review Committee approval. The following installation restrictions apply to satellite dish installation:

The device must be wholly on the owner's lot, not on any common area parcel. All cabling shall be hidden from view or contained in conduit painted a color matching the principal residence. No loose or dangling wires will be allowed and, if at all possible, owners are encouraged not to install satellite dishes on the street side of any residence.

17. **Storage / Play Structures and Sheds.** Storage sheds and other accessory structures in rear yards are allowed, but require Architectural Review Committee approval prior to installation if they can be seen over the fence line. Accessory structures must be set back a minimum of five (5) feet from the fence and from the primary residence. All accessory structures, whether constructed by

homeowners or professionals, or purchased pre-fabricated, must be painted with the same color scheme as the primary residence and must have a roof that matches the style and color of the tile roof of the primary residence. The maximum height of any accessory structure is subject to approval of the Architectural Review Committee but in no case may the accessory structure extend more than 4 feet above the solid portion of the fence.

1. a. if the building is one-hundred and twenty (120) square feet or less in size and has a building height of seven **(7) feet or less**...shall have a minimum **setback of five (5) feet** from any/all structures (this includes fences); or  
b. if the building is greater that one-hundred and twenty (120) square feet in size **or over seven (7) feet** in building height, shall have a minimum side and rear **setback of ten (10) feet** from any/all structures(including fences); and
2. Shed or structure cannot be more than 4 feet above the fence line
3. The color of the shed or structure must be painted to match your house
4. The roof portion must match your house roof in color

Play structures are allowed to be placed in the rear yard and require Architectural Review Committee approval prior to installation if they can be seen above the solid portion of the fence. Canopies on play structures must be earth tone in color. Play structures must be set back minimum of five (5) feet. The maximum height of any play structure is subject to approval of the Architectural Review Committee but in no case may the play structure extend more than 4 feet above the solid portion of the fence.

**18. Swamp Coolers and Air Conditioners.** Swamp coolers and air conditioners cannot be roof mounted and must not be visible from the street or above the fence line in the back of the home. The units may not create any more noise than a properly functioning standard conditioner compressor unit.

**19. Drainage.** There shall be no interference with the established drainage pattern. No homeowner may affect the drainage pattern of a neighboring homeowner. Irrigation runoff should be directed away from a neighboring lot and toward the street wherever possible. Damage to common area or neighboring property shall be the responsibility of the owner causing such damage to restore to original condition.

**20. Front Yard Landscaping.**

**A. Rock.** Installation of rock in the front yard requires approval of the Architectural Review Committee. However, white crystalline rock will not be approved within Double Diamond Ranch.

**B. Decorative Curbing.** Decorative curbing and mow strips installed in the front yard require approval of the Architectural Review Committee. However, red scalloped brick style borders will not be approved within Double Diamond Ranch.

**C. Artificial Turf.** Homeowners may be allowed to install artificial turf within Double Diamond Ranch, if such installation is approved by the Architectural Review Committee. Approval will be subject to the following conditions:

- a. Each submittal will be reviewed on a case-by-case basis as per NRS116.330.
- b. Plans must be provided showing the placement of the artificial turf and the depth at which it will be layered to provide proper drainage.
- c. A sample of the desired artificial turf must be provided, measuring at least one square-foot in size. Brand names of artificial turf and other related products must be provided as well.
- d. The Committee will consider the quality of the proposed artificial turf before making a determination.
- e. The proposed landscaping plans must comply with all other Association requirements.

**D. Xeriscaping.** Homeowners may be allowed to install xeriscape-style landscaping within Double Diamond Ranch, if such installation is approved by the Architectural Review Committee. Approval will be subject to the following conditions:

- a. Each submittal will be reviewed on a case-by-case basis.
- b. Up to 70% of the front yard area may be landscaped with rock or bark.
- c. The front yard area must be populated with at least 30% living material, such as trees, shrubs, or flowers.
- d. The proposed landscaping plans must comply with all other Association requirements.

**21. Window Dressings.** Window dressings, including drapes and blinds, that are within the public's view must match the exterior color of the home, unless they are white or off-white. These dressings must be installed within 90 days of the homeowner's close of escrow. Window tinting shall require the prior approval of the Architectural Review Committee, and shall be properly installed and maintained so as not to become damaged, scratched, discolored, or otherwise unsightly.

Under no circumstances will owners be allowed to use bed sheets, newspapers, aluminum foil, or other similar materials as window dressings.

#### **Section IV: RULES OF USE AND ENJOYMENT**

**1. Basketball Standards and Other Sports Apparatuses.** Permanent basketball standards and other fixed sports apparatuses shall not be allowed on any lot. Portable basketball standards shall not be left in the front yard while not in use. Also, portable basketball standards in the back or side yards shall be lowered so that they are below the 6-foot fence line when not in use.

Users of basketball standards and other sports apparatuses shall respect the neighboring properties by keeping the noise down to acceptable levels and by using extra caution to keep the ball from damaging neighboring fences, landscaping, and other property. Without limiting the foregoing, no sports-related noise shall be allowed between 10 PM and 7 AM.

**2. Restrictions on Walking Paths.** All types of motorized vehicles, including battery-powered vehicles, are banned from use on the walking paths adjacent to the wetlands and throughout Double Diamond Ranch, with the exception of motorized wheelchairs or other motorized devices designed to assist handicapped individuals.

3. **Porch and Front Yard Furniture.** Any furniture left on porches or front yards must not have an offensive or inappropriate style or color. If a complaint is received about such furniture, the Architectural Review Committee will review the complaint. If the Committee agrees that the furniture in question is offensive or inappropriate, the Committee will provide notice to the homeowner to remove the furniture item. If notice is provided, the homeowner must remove the item in question within 10 days of receipt of such a notice.

4. **Holiday and Seasonal Decorative Items.** Holiday or seasonal decorative items and lights may be displayed on an owner's property without formal written approval from the Architectural Review Committee. Such holiday or seasonal decorations must be installed and removed in a reasonably seasonal manner (but in any event not earlier than 30 days before and not later than 30 days after the holiday or seasonal change. All decorations must be maintained in a neat and orderly manner.

Without limiting the foregoing, if the Committee considers a decoration inappropriate for any reason, it may provide notice to the homeowner to remove the decoration. If notice is provided, the homeowner must remove the inappropriate decoration within 10 days of receipt of such a notice.

5. **No Hazardous Activities.** No activities shall be conducted anywhere in the Double Diamond Ranch which are or might be unsafe or hazardous to any Person, Unit, or Common Elements. Without limiting the foregoing, no firearm shall be discharged within the Ranch.

6. **Nuisances.** No garbage, refuse, or noxious or offensive material shall be permitted to be stored or placed on any Lot, nor shall any loud noise, bothersome activity, noxious or offensive trade or harmful activity be carried on upon any Residence or any Lot or any area of the project or the Common Area, nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the community, or which shall in any way interfere with the quiet enjoyment of each of the Members, or which shall result in any way in an increase in insurance rates.

**Effective date of this policy.** This policy was adopted and supersedes all other resolutions of its kind by the action of the Board of Directors on November 17, 2008, and shall be effective as of the same date. This resolution of the Board of Directors has been duly adopted at the November 17, 2008 Board Meeting.

By:

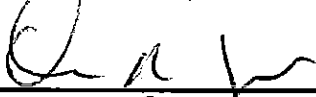


President

Attested by:

Secretary

JERI WELLER

  
DON R. ZELL

## CLARIFICATION COPY

3. **Porch and Front Yard Furniture.** Any furniture left on porches or front yards must not have an offensive or inappropriate style or color. If a complaint is received about such furniture, the Architectural Review Committee will review the complaint. If the Committee agrees that the furniture in question is offensive or inappropriate, the Committee will provide notice to the homeowner to remove the furniture item. If notice is provided, the homeowner must remove the item in question within 10 days of receipt of such a notice.

4. **Holiday and Seasonal Decorative Items.** Holiday or seasonal decorative items and lights may be displayed on an owner's property without formal written approval from the Architectural Review Committee. Such holiday or seasonal decorations must be installed and removed in a reasonably seasonal manner (but in any event not earlier than 30 days before and not later than 30 days after the holiday or seasonal change. All decorations must be maintained in a neat and orderly manner.

Without limiting the foregoing, if the Committee considers a decoration inappropriate for any reason, it may provide notice to the homeowner to remove the decoration. If notice is provided, the homeowner must remove the inappropriate decoration within 10 days of receipt of such a notice.

5. **No Hazardous Activities.** No activities shall be conducted anywhere in the Double Diamond Ranch which are or might be unsafe or hazardous to any Person, Unit, or Common Elements. Without limiting the foregoing, no firearm shall be discharged within the Ranch.

6. **Nuisances.** No garbage, refuse, or noxious or offensive material shall be permitted to be stored or placed on any Lot, nor shall any loud noise, bothersome activity, noxious or offensive trade or harmful activity be carried on upon any Residence or any Lot or any area of the project or the Common Area, nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the community, or which shall in any way interfere with the quiet enjoyment of each of the Members, or which shall result in any way in an increase in insurance rates.

**Effective date of this policy.** This policy was adopted and supersedes all other resolutions of its kind by the action of the Board of Directors on November 17, 2008, and shall be effective as of the same date. This resolution of the Board of Directors has been duly adopted at the November 17, 2008 Board Meeting.

By:

President

Attested by:

Secretary

*Jeri Weller* *Jeri Weller*  
\_\_\_\_\_  
JERI WELLER  
*Don R. Bell*  
\_\_\_\_\_  
DON R. BELL

COUNTY OF WASHOE

STATE OF NEVADA

On 4-16-09 before me, the undersigned, a Notary Public in and for said county, personally appeared Jeri Weller &  
Don Zell  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]

Notary Public in and for said County and State

