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DECLARATION
OF
COVENANTS, CONDITIONS
AND RESTRICTIONS OF

HIGHLANDS
AT
CIMARRON EAST

when recorded mail to:

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HIGHLANDS AT CIMARRON EAST

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Declaration of Covenants, Conditions, and Restrictions of Highlands at Cimarron East

This Declaration on made on this ____ day of _____, 2002, by Cimarron East, LLC
(the "Declarant").

RECITALS

- A. Declarant is the Owner of that certain real property located in the City of Sparks, County of Washoe, State of Nevada, known as Highlands at Cimarron East, and which is described in as Exhibit "A" and made a part hereof; and
- B. The property described in Exhibit "A" constitutes the first phase of the subdivision development known as "Highlands at Cimarron East". Declarant has obtained Tentative Subdivision Map approval for Highlands at Cimarron East Subdivision Project, which includes 228 single family Lots. Highlands at Cimarron East is a common open space subdivision approved by the City of Sparks under the name of Wyndham Hill in Case No. TM 000005.
- C. Declarant intends to sell and convey the Lots and Parcels situated within Highlands at Cimarron East and before doing so, desires to impose upon them mutual and beneficial restrictions, covenants, equitable servitudes and charges under a general plan or scheme of improvement for the benefit of all of the Lots and parcels therein and the Owners and future Owners thereof.

DECLARATION:

Now, therefore, Declarant declares that the subject property which is described in Exhibit "A" and any and all Annexed Property, shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, improved and otherwise affected in any manner, subject to the declarations, limitations, easements, covenants, conditions and restrictions set forth in this Declaration, all of which are hereby declared and agreed to be in furtherance of a plan for the development, improvement and sale of the Lots and parcels, and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness thereof. The provisions of the Declaration are intended to create mutual equitable servitudes upon each of the Lots and parcels in favor of each and all other Lots and parcels; to create a reciprocal rights between and respective Owners of all such Lots and parcels; to create a privity of contract and estate between the grantees of such Lots and parcels, there heirs, successors and assigns; and shall, as to the Owner of such Lot or parcel, his heirs, successors or assigns operate as covenants running with the land for the benefit of each and all other such Lots and parcels in the development as hereinafter defined and their respective Owners, present and future.



ARTICLE I DEFINITIONS

Unless the context otherwise specifies or requires, the following words as used herein shall have the meanings set forth in this Article.

- 1.1 "Annexed Property" means all that portion of the Property with respect to which a Declaration of Annexation has been recorded pursuant to the provisions of Article XI* below.
- 1.2 "Architectural Committee" means the Committee created pursuant to Article IV hereof.
- 1.3 "Architectural and Landscaping Guidelines" means those standards and guidelines adopted by Highlands at Cimarron East Architectural Committee relating to the design and construction criteria for the development of all improvements on all Lots within the Project as may be amended from time to time.
- 1.4 "Articles" means the Articles of Incorporation of the Association.
- 1.5 "Association Property" means all real and personal property now or hereafter owned by or leased to the Association or in which the Association has a recognizable legal or equitable interest.
- 1.6 "Association" means Highlands at Cimarron East Homeowners Association, Inc., a Nevada non-stock, non-profit cooperative corporation.
- 1.7 "Board" means the Board of Directors of the Association.
- 1.8 "Bylaws" means the Bylaws of the Association.
- 1.9 "Common Area" means all of the real property designated herein as such or in any Final Map; all real property which may be later described by Supplemental Declarations as common area; and all real property acquired by the Association, whether from Declarant or otherwise, together in each instance with all improvements which may at any time be constructed thereon and owned by the Association, including, but not limited to recreational and community facilities, landscaping, paths, trails, drainage and flood control facilities, detention basins, private roads.
- 1.10 "Construction Plans" means a set of drawings and specifications for the construction of residential or nonresidential building(s).
- 1.11 "Declarant" means Cimarron East, LLC, and its respective successors and assigns.
- 1.12 "Declaration" means this Declaration of Covenants, Conditions and Restrictions and any amendments hereto.

- 1.13 "Declarant's Control Termination Date" means
- 1.14 "Development" means all that property situated in the City of Sparks, State of Nevada, described in Exhibit "A" together with all other real property which may be annexed into the Project and as described in Supplemental Declarations recorded from time to time with the Washoe County Recorder. The Development will include all real property that is part of the approval of the Tentative Subdivision Map for Wyndham Hills (TM000005) by the City of Sparks.
- 1.15 "Final Subdivision Map" means each and every final subdivision map wherein the Property or a portion thereof is subdivided pursuant to provisions of Chapter 278 of the Nevada Revised Statutes.
- 1.16 "Improvements" means all structures and appurtenances thereto of every type and kind, including but not limited to, buildings, outbuildings, garages, carports, streets, roads, trails, pathways, driveways, parking areas, fences, retaining walls, screening walls, and other walls, landscaping, hedges, windbreaks, plantings, planted trees, shrubs, poles, signs, exterior air conditioning, water softener fixtures or equipment, light standards, stairs, decks, antenna and other structures of any type or kind and any painting or change of any kind to any structure of any type of kind as defined herein.
- 1.17 "Land Owned in Common" means land owned in common or held in undivided interests by the Owners of private or gated projects.
- 1.18 "Lot" means any numbered Lot as designated on a Final Subdivision Map.
- 1.19 "Member" means every person or entity, including Declarant, who is an Owner holds a membership in Highlands at Cimarron East Association.
- 1.20 "Owner" means:
- 1.20.1 Any person or legal entity, including Declarant, who holds fee simple title to any Lot, unit, or parcel within the development.
- 1.20.2 Any person or legal entity who has contracted to purchase fee title to a Lot pursuant to a written agreement recorded with the Washoe County, Nevada, Recorder's Office in which case the seller under an agreement shall cease to be the Owner while the agreement is in effect; or
- 1.20.3 A lessee of a Lot under a recorded lease from the Owner of fee simple title to said Lot for a term of not less than fifty (50) years, in which case the lessor under said lease ceases to be the Owner while said lease is in effect.
- 1.20.4 Owner does not include the Association.
- 1.21 "Parcel" means any portion of the Development other than a Lot or common area.

- 1.22 "Project" means all portions of the Development for which a Final Subdivision Map has been recorded, which includes the First Phase and all subsequent Phases of the Development for which a Final Subdivision Map has been recorded.
- 1.23 "Property Manager" means a person who holds a certificate or permit issued by the Real Estate Commission for the management of common-interest community and who manages the Association.
- 1.24 "Rules and Regulations" means such rules and regulations as the Board from time to time may adopt concerning the use of the Project or any part thereof.
- 1.25 "Single Family Dwelling" means a residential structure for the Owner and his immediate family, including parents, his casual guests and his domestic servants and domestic employees, which dwelling is constructed on a Lot designated in the Supplemental Declaration as a single family residential Lot.

ARTICLE II DESIGNATION USE

Lots and parcels described in Exhibit "A" shall be designated therein as to their permissible uses and shall thereupon become subject to the provisions of this Declaration. Except as otherwise provided herein, only activities connected with the designated uses may be carried out on any Lot or parcel.

- 2.1 Single Family Residential. Only single-family dwellings and such outbuildings as are usually accessory thereto and as may be permitted by the Architectural Committee shall be permitted on any Lot designated as single family residential. The following restrictions shall apply specifically to such Lots.
- 2.1.1 Minimum Area. Each dwelling constructed shall have fully enclosed floor area (exclusive of roofed or unroofed porches, terraces, garages, carports, guest houses or other outbuildings) of not less than (1800) square feet.
- 2.1.2 Height Limitation. Dwelling units within the development shall be single story. The Architectural Committee shall have the right to reject any proposed dwelling unit on the sole basis that it exceeds one (1) story in height. No structure or portion thereof (except chimneys) constructed on any Lot within the development shall extend to a point higher than that designated for such Lot in this Declaration, and Map or the Guidelines. Heights greater than one story shall be subject to review and approval of the Architectural Committee. No height limits can exceed the City of Sparks ordinance requirements unless expressly permitted by the City of Sparks.
- 2.1.3 Building Envelope. The Declarant shall establish a building envelope and recommended point of access for each Lot. This envelope will be based upon the topography of the Lot, its relationship to neighboring Lots, and any unique feature

that the Lot may have such as trees, etc. The size and shape of the building envelope may vary from Lot to Lot. In general, all construction, shall be confined to the building envelope area. If, in the opinion of the Committee, the building envelope shall cause the Lot Owner undue hardship in the siting of his home or in the case of any outbuilding requested by the Owner and deemed desirable by the Committee, variances consistent with the intent of this Declaration and at the sole discretion of the Architectural Committee as long as City setback requirements are met. Any variance must be in writing and signed by the chairperson of the Architectural Committee. The "Building Siting/Envelopes" section of Highlands at Cimarron East Tentative Map presents the Evaluation Criteria that form the basis for establishing building envelopes and, thus, the bases for considering a variance request. No variance may be granted that would be contrary to any setback requirements of the City unless expressly permitted by the City of Sparks and the Architectural Committee.

- 2.2 Common Areas. All areas in the Project designated as common areas, (owned and to be owned by the Association) are and shall remain private property and Declarant's recordation of a map showing such common areas not be construed as a dedication to the public of any such common areas located therein. The Common areas will not be maintained by the City of Sparks. Maintenance, replacement and repair of all Common Area elements and costs associated with street light maintenance shall be the responsibility of the Association, the expenses of which will be funded as provided herein.
- 2.2.1 Ownership. Declarant will convey all such common areas to the Association (except as set forth herein) free and clear of all liens and encumbrances (other than liens for taxes), but subject to such easements and rights-of-way as then appear of record. Such conveyances shall be accomplished in segment from time to time as improvements, if any, are completed thereon.
- 2.2.2 Use. The use and enjoyment of the common areas and improvements thereon, whether before or after conveyance to the Association, shall be subject to the powers of the Association as set forth in its articles and bylaws and the rules and regulations governing the use of such property and improvements as may from time to time be adopted by the Board.
- 2.2.3 Maintenance. Maintenance of such common areas and repairs to any improvements thereon shall be the obligation and responsibility of Declarant until conveyance of the common area at issue thereof to the Association; thereafter the Association shall have sole responsibility thereto. Conveyance of the common areas by Declarant to the Association shall occur immediately upon completion of the improvements to the Common Area.
- 2.2.4 Subsequent Dedication. At any time after conveyance to the Association of any common areas, the Association may, upon the affirmative vote of a majority of its membership offer any such property for dedication to public use. Such offer



shall be subject to acceptance by the appropriate governmental authority pursuant to its then applicable standards. During the period of control of the Association by Declarant as set forth hereinafter in Section 6.3, Declarant shall not offer for dedication any of the common areas of the Association.

- 2.2.5 Common Expenses. Common expenses shall be the actual and estimated costs of the Association with respect to: (a) the maintenance, management, operation, repair and replacement of the Association Property; (b) costs of management and administration of the Association; (c) the costs of utilities and gardening; (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 property; (e) the costs of bonding and/or insuring members of the Board of Directors; (f) taxes paid by the Association; (g) amounts paid by the Association for the discharge of any lien of encumbrance levied against the Association; (h) all prudent reserves; (i) maintenance and replacement of all Common Areas elements and costs associated with street light maintenance shall be the responsibility of the Association, the expenses of which will be funded as provided herein; (j) the costs of any other item or items utilized by the Association for any reason whatsoever in connection with the Association.

ARTICLE III RESIDENTIAL USE RESTRICTIONS

The following shall be applicable to all Lots and parcels within the Project, and each Owner, as to his Lot or parcel, covenants to observe and performs the same:

- 3.1 Residential Use. Each project Lot shall be improved and used exclusively for single family residential use. Nothing in this Declaration shall prevent an Owner from leasing or renting the Improvements on his Project Lot; however, any lease or rental agreement shall be in writing; and any tenant shall abide by and be subject to all provisions of this Declaration, the Articles, the Bylaws, and the Rules and Regulations; and any lease or rental agreement must specify that failure to abide by such provisions shall be a default under the lease or rental agreement. Also, except for a mortgagee in possession of a Project Lot following a default in a first mortgage, a foreclosure proceeding, or acceptance of a deed or other arrangement in lieu of foreclosure, no Owner shall rent or lease his Project Lot for transient or hotel purposes. No Project Lot shall be subdivided in any manner. No Owner shall lease less than the entire Project Lot.
- 3.2 Commercial Use. No business or commercial enterprise shall be performed or conducted upon any Lot or within any dwelling or outbuilding within the development except for construction and sales activities directly related to and during the development stage for the development. Permission for any temporary construction or sales facility must be approved in writing by the Association and may be revoked at any time by the Association. Nothing herein contained shall be construed as preventing the construction of improvements within the development approved by the Committee. Nothing herein shall prohibit or restrict Declarant, and Declarant hereby shall have the right to maintain



a sales office within the Project or Development for so long as any Lots within all phases of the Subdivision have not been sold.

- 3.3 No Commercial Leasing. No Owner of any Lot shall participate in any plan or scheme for the rental of the improvements on such Lot, nor shall any such Lot be operated as a commercial venture. Nothing in this paragraph shall prevent an Owner of a Lot from renting the Lot and improvements thereon during periods of such Owner's absence.
- 3.4 Improvements and Alterations. No Improvements, construction, repair, excavation, fill, removal of rocks, shrubs or natural vegetation, or other work that alters the land or the exterior appearance of any Improvement upon any Project Lot shall be made, done, or permitted to be done without the prior approval of the Architectural Committee, except as specifically authorized herein.
- 3.5 Accessory Outbuildings. No accessory outbuildings (e.g. garages or sheds) shall be erected on any Lot or parcel prior to the erection thereon of a dwelling. In no event shall any temporary structure or trailer or tent ever be used for human occupancy or habitation. Unattached or attached accessory outbuildings may be constructed only after the receipt of written approval from the Architectural Committee.
- 3.6 Completion of Construction. Construction of any improvement, once commenced, shall be pursued diligently to completion. Construction of such improvements shall be substantially complete within twelve (12) months from commencement. The Architectural Committee may extend the time for substantial completion upon a showing that the delay was beyond the reasonable control to Lot Owner. Improvements not so completed or upon which construction has ceased for sixty (60) consecutive days or which have been partially or totally destroyed and not rebuilt within a reasonable period shall be deemed nuisances. Declarant or the Association may remove any such nuisance or repair or complete the same at the cost of the Owner provided the Owner has not commenced required work within thirty (30) days from posting a notice to commence such work upon the property and mailing a copy of such notice to the Owner at the address appearing on the books of the Association. Such notice shall state the steps to be taken to eliminate the nuisance. Neither the Association nor Declarant nor any of their agents, employees or contractors shall be liable for any damage which may result from any maintenance work as performed, nor shall the Association or Declarant, or any of their agents or employees, be liable for any failure to exercise the right to also maintain any parcel or Lot. This provision shall not apply to the Declarant.
- 3.7 Prohibition Against Used Structures. No used or existing or previously constructed buildings or structures, intended for use as a dwelling or outbuilding, shall be placed on any lot from the date of recording this Declaration.
- 3.8 Owner's Obligation of Maintenance and Repair. All Lots and parcels, whether vacant or improved, occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such a manner as to prevent their becoming unsightly, unsanitary, or a hazard to health. If not so maintained, the Association or the Architectural



Committee shall have the right, after thirty (30) days written notice in a like manner as above set forth in Section 3.6, through its agents and employees, to undertake such work as may be necessary and desirable to remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be added to and become a part of the Annual Assessment to which such Lot is subject. The Board of Directors has sole discretion as to what is unsightly or unsanitary. Neither the Association nor any of its agents, employees or contractors shall be liable for any damage which may result from any maintenance work as performed nor shall the Association or any of its agents or employees be liable for any failure to exercise its right to also maintain any parcel or Lot.

- 3.9 Disposal of Sanitary Waste. All permanent plumbing fixtures, dishwashers, toilets or garbage disposal systems shall be connected to the sanitary sewer system in the development.
- 3.10 Fences. All fencing shall adhere to the Planned Development Handbook Guidelines for Highlands at Cimarron East (Wyndham Hills, TM TM000005). There shall be no fences or walls over six (6) feet in height anywhere within the Development without Architectural Committee approval. Open fencing with a maximum height of 4' may be installed adjacent to all common areas. There shall be no chain link, woven wire or any type of wire fence within the Development except as required by governmental authorities or for back yard pet enclosures and swimming pools as approved by the Architectural Committee for Security or safety purposes. All fences and walls shall be in compliance with the Guidelines and approved by the Architectural Committee prior to installation and detailed plans therefor shall be submitted to the Architectural Committee as in the case of other structures. Nothing herein contained shall prevent necessary erection of retaining walls required by topography and approved by the Architectural Committee. The City of Sparks height restrictions for fences in front yards also apply to Highlands at Cimarron East.
- 3.11 Nuisances. No noxious or offensive activities or nuisances shall be permitted on any Lot or parcel in the development. No refuse, unsightly or abandoned vehicles, debris, noxious material, discarded personal effects, construction materials not for immediate use, unenclosed compost materials and similar matter, shall be permitted on any Lot or portion thereof. It is incumbent upon all property Owners to maintain their Lots and yards in a neat, orderly and well-groomed manner, whether said Lots are vacant or improved.
- 3.12 Signs and Lot Numbers. Other than during construction of a house, no sign, billboard or advertising structure of any kind may be displayed on any Lot or parcel except upon application to and receipt of written permission from the Committee. The Committee shall not unreasonably withhold permission with respect to signs advertising a Lot or parcel for sale, however the Committee may provide in the Guidelines for such signs of a standard size and color with space provided for insertion of the name and telephone number of the seller or seller's agent, which signs only shall be used if provided for. One sign, identifying the contractor during construction or advertising a home for sale, is permitted, provided it is single sided, white in color with black or green lettering, with a



maximum area of eight hundred (800) square inches and the longest dimension not greater than thirty-six (36) inches. The sign shall be erected on its own post and shall not be placed higher than forty-two (42) inches from the prevailing ground plane. The sign must be placed no closer than twenty (20) feet from the nearest roadway and be approximately parallel to the centerline of the roadway. Contractor signs must be removed upon completion of construction. Subcontractor and material men signs are prohibited. All residences shall have a designated Lot number that is easily viewable from the road of such design that is consistent with the community and approved by the Committee. Signs not meeting the standards of size, color and other specifications set forth herein, or as approved by the Committee, shall be removed by the Property Manager at the direction of the Committee from the premises where displayed. They will be held for fourteen (14) days in the administrative office of the Property Manager to be claimed by the Owner. Exceptions to the above criteria may be granted by the Committee upon application. No other signs shall be permitted except as specified in this section.

- 3.13 Animals. No animals including pigs, reptiles or birds of any kind shall be kept within or maintained on any Lot except the usual household pets not kept for commercial purposes which shall be kept reasonably confined so as not to become a nuisance. Household pets shall not unreasonably interfere with the comfort, privacy or safety of other Owners within the Development. No Lot shall have more than four (4) such household pets, without the express written permission of the Association. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon notice from the Architectural Committee or Board. Each Owner agrees and shall hold the Association harmless from any claims resulting from the action of their pet.
- 3.14 Garbage and Refuse Disposal. There shall be no exterior burning of trash, garbage or other like household refuse, nor shall any Owner accumulate on his Lot junked or unsightly vehicles or litter, refuse or garbage, except in covered receptacles provided for such purposes. All Unit Owners shall have garbage picked up once a week. In no event shall any trash container be visible from neighboring property except to make them available for collection, and then only for the shortest time reasonably necessary to effect such collection.
- 3.15 Antennas. Television antennas and antennas for shortwave or ham radio installations will not be installed on any Lot or parcel visible from neighboring property. Satellite dishes of twenty-four (24) inches or less in diameter will be allowed with the express written permission of the Architectural Committee.
- 3.16 Travel Trailers, Motor Homes and Boat Storage. No travel trailer, motor home (R.V.) or boat trailer shall be parked within the Development for more than twenty-four (24) consecutive hours nor for more than five (5) days in a thirty (30) day consecutive period unless kept within a fully enclosed roofed garage so as not to be visible from any street, Lot, parcel or common area; provided, however, one (1) low-lying boat on a trailer or one (1) utility trailer or one (1) tent trailer may be stored on a Lot in such a manner that it is



not visible from the street in the front of the Lot. The intent of this paragraph is to allow only for loading and unloading such vehicles within the Development unless kept in a garage as aforesaid.

- 3.17 Defacing or Removal of Common Area Improvement. No tree, shrub or improvement within a common area shall be defacing or removed except at the express direction of the Association.
- 3.18 Limited Access. There shall be no access to any Lot or parcel on the perimeter of the development except form designated streets or roads as shown on recorded maps of the Development.
- 3.19 Resubdivision or Joinder of Lots. No Lot or parcel shall be further subdivided nor shall there be any severance of the surface and subsurface rights. The Owner of two or more contiguous Lots may apply to the Committee for permission to use such Lots as the site of a single dwelling. Notwithstanding such permission, said Lots shall remain as separate Lots for all purposes except as set forth in II.A.3 above.
- 3.20 Operation of Motor Vehicles. Except as to authorized maintenance vehicles, no motorized vehicle shall be operated in any area within the development except on a street or driveway. All speed limit and other traffic control signs erected within the Project shall be observed at all times. Motorized vehicles, except maintenance vehicles, are specifically prohibited on all paths, trails or walkways, or common areas.
- 3.21 Utility Lines. Utility lines and connections within the development shall be placed underground. No light shall be suspended from a pole in excess of twelve (12) feet from the ground within the Project except those owned and maintained by the Declarant, the Association, the City of Sparks, or as expressly approved in writing by the Committee.
- 3.22 Temporary Structures. No temporary structure of any form or type shall be permitted on any Lot or parcel except during construction of the subdivision improvements or of a specific unit on that Lot or parcel and as approved by the Committee.
- 3.23 Peaceful Enjoyment. No use of any Lot or structure within the Project shall annoy or adversely affect the use, value, occupation and enjoyment of adjoining property or the general neighborhood. Final determination within these bounds shall be left to the discretion of the Association.
- 3.24 Excavation. No excavation for minerals, stone, gravel or earth shall be made upon any Lot other than excavation for necessary construction purposes relating to main dwelling units, retaining walls, outbuildings and pools, and for the purpose of contouring, shaping, and landscaping, or in the erection of permitted fencing generally improving any Lot.
- 3.25 Certificate of Occupancy. A certificate of occupancy is issued by the City of Sparks Building Department in the form of a Building Final and must be issued prior to occupancy of any dwelling unit.

- 3.26 Clothes Drying Facilities. No outside clotheslines or other outside clothes drying or airing facilities shall be maintained, constructed or erected.
- 3.27 Landscaping. Within six (6) months of completion of the main dwelling, each Lot or parcel shall be completely landscaped on the front portion of the Lot and within twelve (12) months on the remainder of the Lot consistent with approved landscape plans in a manner suitable to the standards, character and quality of Highlands at Cimarron East, and all landscaping shall be maintained to harmonize with and sustain the attractiveness of the development. Such landscaping shall be completed in accordance with the landscaping plans approved by the Architectural Committee. The Architectural Committee may extend the time for landscaping for delays related to conditions beyond the reasonable control of the Owner. In the event that any Lot Owner fails or refuses to complete such landscaping as provided herein, Lot Owner shall be liable to the Association as liquidated damages the sum of one hundred dollars (\$100.00) per day for each day beyond the specified time and until the completion of the landscaping improvements in accordance with the approved landscaping plans. The actual damages to be incurred by the Project and the Association for the failure to complete the landscaping improvements is difficult to ascertain, and the Declarant, Association and the Lot Owner by acquiring any Lot subject to this Declaration acknowledge that \$100.00 per day is a reasonable estimate of the damages to be incurred. Any such liquidated damages shall be a lien against the Lot and may be collected by the Association as part of the Assessments as provided in Article VII.
- 3.28 Drainage. Lot Owners shall not alter the drainage patterns established on the lot at close of escrow. Storm water runoff is designed to be conveyed through the lot via rear and side yard swales. Altering drainage patterns may discourage runoff from the lot. Each Owner agrees to permit free access by Owners of adjacent lots to slopes or drainage ways located on his property which affect said adjacent or adjoining lots, when such access is reasonably necessary for the maintenance or permanent stabilization of said slopes, or maintenance of the drainage facilities for the protection or use of a lot other than the lot on which the slope or drainage ways are located.
- 3.29 Garage. Every single family dwelling unit constructed within the Project shall have on the same Lot or parcel enough completely enclosed and covered automobile storage space for at least two (2) larger-size automobiles. Each Owner shall maintain his garage areas in neat, orderly condition with all storage areas completely enclosed. Garages shall only be used for the purposes of parking motor vehicles, storage of boats to the extent that the boats are not visible from neighboring property, and other storage and workshop purposes and pursuant to Rules and Regulations.
- 3.30 Building Height. Building height limitations may be imposed by the Architectural Committee in order to preserve views from neighboring homes into common areas and to minimize the impact of structures on sensitive natural areas of the Project. Height restrictions, as a part of the Guidelines governing building envelopes, are discussed in Highlands at Cimarron East Tentative Map (TM 000005 Wyndham Hill). No height



limits can exceed The City of Sparks requirements unless expressly permitted by The City of Sparks.

- 3.31 Driveways. Driveway cuts onto Highlands at Cimarron East roads will be limited to one (1) per Lot, unless approved by the Architectural Committee.
- 3.32 Exterior Lighting. All exterior lighting plans must be submitted to and approved by the Committee with construction plans.
- 3.33 Exterior Walls and Trims. Natural wood species, natural stones, stucco, brick or other materials deemed in the character of the development for a specific site by the Architectural Committee are required for all exterior walls. Exterior plywood, Masonite and hardboard are discouraged and could constitute a basis for denial by the Architectural Committee. Exterior colors must harmonize with the surrounding landscape and all colors are subject to approval by the Architectural Committee. Any solar panels located on the roof of any structure will be subject to review and approval by the Architectural Committee. All such colors are also subject to approval by the Architectural Committee. The Declarant may file subsequent Declarations specifying acceptable colors of stains and paints. All draperies and window coverings should also be of materials and colors which harmonize with the surroundings and should be chosen with consideration of neighbors and neighboring views, especially along greenbelts and roads. Steel windows and doorframes must be painted to match or blend with surrounding materials. Colors are subject to approval by the Architectural Committee.
- 3.34 Mailboxes. Mailboxes or individual lots are not allowed in Highlands at Cimarron East. Mail delivery shall be at mail cluster boxes located throughout the development. Newspaper holders, if desired, shall be of materials and colors that complement those of the main structure and in accordance with the Guidelines and are subject to the approval of the Architectural Committee.
- 3.35 Roofs. Tile, concrete, slate, wood shakes, wood shingles, architectural grade composition materials acceptable to the Committee or other roofing in a color suitable to the Architectural Committee are encouraged. Flat roofs are highly discouraged.
- 3.36 Basketball Hoops and Structures. No basketball backboards or hoops shall be attached to any residential dwelling unit, and no pole supporting a basketball backboard or hoop shall be visible from the front of the Lot when not in use.
- 3.37 Sports Equipment. No sports equipment or apparatus of any kind, including but not limited to, and for illustrative purposes only, swimming pool, pool slide, batting cage, shall be erected or attached unless approved by the Architectural Committee.
- 3.38 Removal of Rocks, Trees, Shrubs or Other Natural Forms. All removal of rocks, trees, shrubs, or other natural vegetation must be shown on the construction plans and approved by the Architectural Committee. Areas to be left undisturbed must be shown on construction plans.



- 3.39 Diseases and Insects. No owner shall permit any thing or condition to exist upon his Lot that shall include, breed or harbor infectious plant or tree diseases or noxious insects.
- 3.40 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated, or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with and during the use, maintenance, or construction of a residence or other structure. No equipment for air conditioning, heating, fuel storage or other uses shall be installed or maintained outside of or protruding through the walls, windows, or roof of any building in the Project except for such equipment as is initially approved and installed during construction or thereafter as approved by the Architectural Committee.
- 3.41 Barbecues. There shall be no exterior fires except barbecue fires contained within receptacles designed for such purpose or outside fireplaces approved by the Architectural Committee.
- 3.42 Construction Procedures. The site shall be kept in a clean and orderly fashion at all times to reduce erosion and dust problems and the contractor shall have approved sanitary facilities on site as well as a garbage dumpster or other suitable device for regular disposal of trash. Construction work hours shall be limited to 7 A.M. TO 7 P.M. Monday through Friday and 9 A.M. to 5 P.M. on Saturday only. The Architectural Committee may require the contractor or owner to submit an erosion control plan to control possible sedimentation travel to parks, greenbelts, streams, lakes, or other common area when in the opinion of the Architectural Committee it is deemed necessary or when required by the City as a condition of approval of a project. If requested, this plan will be submitted prior to any construction activity and carried out diligently.
- 3.43 Traffic Impact Fees. All Lot Owners are hereby notified by a copy of this Declaration that at the time of obtaining a Building Permit for any structure to be located on any Lot, the Owner will be required to pay a traffic impact fee to the City of Sparks in the amount of the then applicable policy or ordinance of the City of Sparks.
- 3.44 Compliance with Laws; Prohibition of Certain Activities. No Owner shall permit anything to be done or kept on his Project Lot that violates any law, ordinance, statute, rule or regulation of any local, county, state, or federal body. No Owner shall allow furniture, furnishings, or other personalty belonging to such Owner to remain outside the perimeter boundaries of such Owner's Project Lot.
- 3.45 Rules and Regulations. No Owner shall violate the Rules and Regulations as adopted from time to time by the Association.
- 3.46 Restriction on Further Subdividing. No Project Lot may be further subdivided. No easement or other interest in any Project Lot less than the whole shall be conveyed by the Owner thereof without the prior written approval of the Board; provided, however, that nothing herein shall be deemed to prevent or require the approval for the transfer or sale

of any Project Lot to more than one person to be held by them as tenants in common, joint tenants, or as community property.

ARTICLE IV THE ARCHITECTURAL CONTROL COMMITTEE

- 4.1 Organization. There shall be an Architectural Control Committee appointed by the Board of Directors consisting of three members. There shall also be an alternative member who may be designated by the Architectural Committee in the event of absence or disability of any member.
- 4.2 Terms of Office.
- 4.2.1 Initial Members. The initial members and alternates of the Architectural Committee shall be appointed by the Board for a term of five (5) years commencing on the date the first Final Subdivision Map for any portion of the Property is recorded. Such appointment shall be reflected in the minutes of the Board. Each member shall serve the length of such member's term unless the member has resigned or been removed from office. Thereafter, the terms of all Architectural Committee members appointed shall be three (3) years. Any new member appointed to replace a member who has resigned or has been removed shall serve such member's unexpired term. Members who have resigned, been removed, or whose terms have expired may be reappointed; however, no person shall serve as a member of the Architectural Committee, either regular or alternate, for a period in excess of eight (8) years in any ten (10) year period. Members of the Architectural Committee need not be Owners.
- 4.2.2 Appointment and Removal. The right to appoint and remove members and alternate members of the Architectural Committee shall be vested solely in the Board. Exercise of the right of appointment and removal as set forth herein shall be evidenced by the designation in the minutes of the Board of each new member or alternate appointed, replaced, or removed from the Architectural Committee.
- 4.2.3 Resignations. Any member or alternate member of the Architectural Committee may at any time resign from the Architectural Committee upon written notice delivered to the Board.
- 4.2.4 Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Board.
- 4.3 General Powers. All improvements constructed or placed on any Lot or parcel must first have the written approval of the Architectural Committee. Such approval shall be granted only after written application has been made to the Architectural Committee in the manner and form prescribed by it. The application, to be accompanied by not less than two (2) sets of plans and specifications, shall be prepared by a licensed architect or



person with credentials and experience acceptable to the Architectural Committee and shall show the location of all improvements, if any, existing upon said Lot, the location of the improvement proposed to be constructed, proposed material staging area, the existing topography with a minimum contour interval of two (2) feet, front, rear and all side elevations, showing the structure's relationship to the existing and finished topography, all cuts and fills, the color and composition of all exterior materials to be used, a detailed landscape plan, the screening proposed for any wood storage area, and any other information which the Architectural Committee may require, including soil and engineering reports and recommendations, if requested by the Architectural Committee. In the event a Lot Owner desires to redecorate the exterior of any existing structure, it shall only be necessary to submit the new proposed color scheme to the Architectural Committee for its approval. Remodeling or adding to existing structures or architectural changes shall require the Lot Owner to submit complete plans therefor to the Architectural Committee as in the case of erecting new structures. The Architectural Committee shall have the power to render decisions on such other matter as are referred to the Architectural Committee under this Declaration, or as may be referred to the Architectural Committee by the Association with the Architectural Committee's consent, with applications for such decisions and the renderings thereof to be in accordance with such rules and regulations as may from time to time be adopted by the Architectural Committee. Architectural Committee comments with respect to any application shall be strictly followed. If requested by the Architectural Committee, applications must be resubmitted to the Architectural Committee.

- 4.4 Committee Authority. The Architectural Committee shall have the authority to adopt and approve the Architectural and Landscaping Guidelines to be applicable to all development within the Subdivision. The Guidelines may be more restrictive than the provisions set forth in this Declaration. The Guidelines may be amended and updated from time to time by the Architectural Committee. The Architectural Committee will mail to each Lot Owner a current copy of the Guidelines and all Amendments thereto.
- 4.5 Meetings. The Architectural Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the Committee unless the unanimous decision of its members is otherwise required by this Declaration. The Architectural Committee shall keep and maintain a record of all actions taken by it at such meeting or otherwise. The Architectural Committee may charge a filing fee to be used to pay an architect, who may or may not be a member of the Architectural Committee, to review the submitted plans and specifications. The Committee, to review the submitted plan and specifications. The Board may reimburse members for reasonable expenses incurred by them in the performance of any Architectural Committee function.
- 4.6 Rules and Regulations. The Architectural Committee may from time to time adopt written rules and regulations of general application governing its procedures and approval criteria which may include, among other things, provisions for the form and content of application; required number of copies of plans and specifications; provisions for notice of approval or disapproval, and various approval criteria. Copies of such rules

shall, if adopted, be available to each buyer of a Lot or parcel within the Development at the time of close of escrow and shall be maintained at the office of the Architectural Committee.

- 4.7 Variances. The Architectural Committee, in its sole discretion, may grant reasonable variances or adjustments from the provisions in this Declaration where literal application thereof results in unnecessary hardship and if the granting hereof in the opinion of the Architectural Committee will not be materially detrimental or injurious to Owners of other Lots. The Architectural Committee may not grant variances contrary to the City of Sparks land use regulations.
- 4.8 Grounds for Disapproval. The Architectural Committee, in its sole discretion, may disapprove any application:
- 4.8.1 If such application does not comply with this Declaration and/or the approved Guidelines; or
- 4.8.2 Because of the dissatisfaction of the Architectural Committee with grading plans, location of the proposed improvement on a Lot, finished ground elevation, color scheme, exterior finish, design, proportions, architecture, shape, height or style of the proposed improvement, the materials used therein, the kind, pitch or type of roof proposed to be placed thereon, or for purely aesthetic reasons.
- 4.9 Certification of Compliance. At any time prior to completion of construction of an improvement, the Architectural Committee shall require a certification, upon such form as it shall furnish from the contractor, Owner or a licensed surveyor that such improvement does not violate any set-back rule, ordinance or statute, nor encroach upon any easement or right-of-way of record and/or that all construction is in strict compliance with plans approved by the Architectural Committee.
- 4.10 Administrative Fees. As a means of defraying its expenses, the Architectural Committee shall require a filing fee as established in the Approved Guidelines then in effect for submitting landscaping plans, plans for remodeling, additions, and exterior redecorating color scheme. No additional fee shall be required for the first resubmission, nor shall a fee be required for proposals for erection of a fence not as part of the original construction
- 4.11 Liability. Notwithstanding the approval by the Architectural Committee of plans and specifications neither it, the Declarant, the Association, nor any person acting in behalf of any of them shall be responsible in any way for any defects in any plans or specification or other material submitted to the Architectural Committee, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. No member of the Architectural Committee shall be held liable to any person, whether an Owner of a Lot or parcel within the development or not,

on account of any action or decision of the Architectural Committee or failure of the Architectural Committee to take any action or make any decision.

- 4.12 **Enforcement.** In the event any improvement shall be commenced without Architectural Committee approval, as herein required, or in the event any improvement is constructed not in conformance with plans approved by the Architectural Committee, or not in conformance with this or any applicable supplemental declaration, the same shall constitute a violation of this Declaration. In addition to the remedies for violation of any portions of this Declaration set forth in Section X below, the Architectural Committee shall also have the power and authority to institute legal or other appropriate proceedings to enjoin or otherwise prevent a violation of the provisions of this section provided, however, that no suit or other proceeding shall be commenced by the Architectural Committee after the expiration of six (6) months from such violation coming to the attention of the Committee in writing. All costs of litigation, arbitration, or mediation, including attorney's fees, shall be awarded to the prevailing party. Any such award or judgment shall be shall constitute a lien on such property Owner's Lot.

ARTICLE V INSURANCE

- 5.1 **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 Association shall obtain and maintain in force to the extent reasonably available, the insurance coverage described in this Article V. All insurance obtained by the 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 V 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 5.2 and 5.3 of Article V, hereof must provide, to the extent reasonably available, that:

- 5.1.1 Each owner is an insured person under the policy with respect to liability arising out of such Owner's membership in the Association;
- 5.1.2 The insurer waives its right to subrogation under the policy against each Owner or member of such Owner's household;
- 5.1.3 No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and
- 5.1.4 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 Association's policy provides primary insurance. All insurers which issue insurance policies under



Sections 5.2 or 5.3, hereof, shall issue certificates or memoranda of insurance to the Association and, upon written request, 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 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 Association shall obtain and maintain in full force and effect the insurance coverage described in Sections 5.5, and 5.6 hereof, to the extent reasonably available. The Association may obtain and maintain in full force to the extent reasonably available the insurance coverage described in Sections 5.3, 5.4, 5.5, and 5.6 of this Article to the extent the Board deems advisable in accordance with sound business practice. Every policy of insurance obtained by the Association shall be issued by a company or companies duly authorized to do business in Nevada and shall obtain an express waiver, if reasonably available, of any and all rights subrogation against Declarant, Managers, the Board, the Manager, the Architectural Committee, and their respective representatives, members and employees.

5.2 Casualty Insurance.

5.2.1 Common Area Improvements and Association Properties. The Association shall obtain insurance on all insurable Improvements upon the Common Area and any other Improvements under the control of the 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 Association shall deem appropriate to provide insurance protection. The 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.

5.2.2 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured. Each policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after (30) days' written notice is first given to the 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 Association, the Board, employees, and agents, and against each Owner and each owner's employees, agents, and guests, and shall provide that the



insurance shall not be cancelled, invalidated, or suspended on the account of the conduct of the Association, the Board, employees, and agents or of 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.

- 5.3 Public liability and Properties Damage Insurance. The 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 not be less than \$1,000,000.00 for injury or death to any one (1) person, \$2,000,000.00 for injury or death to more than one (1) person in one (1) occurrence and \$150,000 for damage to property. The Board may provide higher limits. 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 Association. The liability insurance shall name as separately protected insured, the Declarant, all Managers, the Association, the Board, the Architectural 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 IX, hereof, have expired, then the above insurance provisions regarding Declarant and Declarant's Managers shall not apply. In the event that 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 Association shall levy a Special Assessment in the manner provided in Article VII, hereof, against the Owners of Lots to cover such shortfall. Such Special Assessment shall be allocated and collected as provided in Article VII, hereof. Claims under policies carried by the Association shall be adjusted in accordance with Chapter 116 of Nevada Revised Statutes.
- 5.4 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 Association certifying that such person or company is covered by workman's compensation insurance or all other 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 Association may carry such employer's liability insurance as is customary for homeowner's associations having similar responsibilities.
- 5.5 Fidelity Insurance. The Association shall purchase insurance covering officers and employees of the 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 Association as obligee, written in an amount equal to at least the estimated maximum of funds, including reserves in the



custody of the Association or the manager at any given 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.

- 5.6 Errors and Omissions Insurance. The 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 Association.
- 5.7 Adjustment of Claims. Any loss covered by the casualty and liability policies described in Section V, hereof, shall be adjusted with the Association, but the proceeds for that loss shall be payable to either a trustee designated for that purpose, or otherwise to the Association, and not to any holder of a Mortgage or other security interest. Such trustee or the Association shall hold any such proceeds in trust for the Association. The owners, Mortgagees, or 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 damaged property, and the 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.

ARTICLE VI

HIGHLANDS AT CIMARRON EAST HOMEOWNERS ASSOCIATION, A NONPROFIT CORPORATION

- 6.1 General. The Association is a Nevada nonprofit corporation formed or to be formed under Chapter 82 of the Nevada Revised Statutes and organized to maintain, develop and operate the common areas of the Development and improvements located thereon. Promptly after recordation of this Declaration, Declarant shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Nevada. The Association shall have such powers in the furtherance of its purposes as are set forth herein and in its Articles and Bylaws.
- 6.2 Association Action; Board of Directors and Officers; Members' Approval. Except as to matters requiring the approval of members as set forth in the Articles, Bylaws, and this Declaration, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration or the Bylaws, or their amendments. Except for the original Board named in the Articles, any appointments allowed by this Declaration, Articles, or Bylaws, the Board shall be composed of Members only. Not later than one year after the first sale of a Project Lot designated on any Final Subdivision Map, a special meeting of the Members shall be held for the purpose of electing a Board to succeed the Board named in the Articles. Such meeting shall be noticed and conducted in accordance with the Bylaws. Except as otherwise provided in the Articles, Bylaws, or this Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting rights assent to them 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.

- 6.3 Control of Association by Declarant. The Association shall be governed by a Board of Directors, which shall be elected by the Members, of not less than three (3) nor more than seven (7) persons. The Board shall be elected by the Members; provided, however, the Declarant may appoint and remove the Board members until such time as the earliest of the following:

6.3.1 Sixty (60) days after seventy-five percent (75%) of the Lots within the Development are conveyed to Owners other than Declarant;

6.3.2 Five (5) years after Declarant has ceased to offer Lots for sale in the ordinary course of business; or

6.3.3 Five (5) years after any right to annex new Lots has last been exercised.

Notwithstanding the foregoing, not later than sixty (60) days after the conveyance of twenty-five percent (25%) of all Lots that may be included within the Development, including subsequent Annexations, at least one member and not less than twenty-five percent (25%) of the members of the Board must be elected by Lot Owners other than the Declarant; and not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be included within the Development, including subsequent Annexations to Owners other than Declarant, not less than one-third (1/3) of the members of the Board will be elected by Lot Owners others than Declarant. From and after the period of control by Declarant, all Owners of Lots within the development shall exercise full membership rights with respect to the Association; Assessments may be levied as herein provided against Lot Owners (including Declarant to the extent Declarant is the Owner of a recorded Lot or Lots) during the period of control by Declarant. Declarant shall not during the period of control, (a) cause any of the Association's property to be dedicated for public use nor (b) cause the Association to be dissolved, nor cause the Association to borrow funds, except such as may be necessary for current expenses of the Association.

- 6.4 Membership. Membership in the Association is limited to Declarant and Owners of single family Lots as shown on recorded Final Subdivision Maps, and is automatic with and appurtenant to such Ownership; provided, however, that no membership shall be transferred on the books of the Association until all prior charges and Assessments against the membership shall have been paid in full. No other persons may become members. There may be more than one class of membership.

- 6.5 Voting Rights. The voting rights and privileges of each class of Members of the Association shall be as follows:

(a) Voting Rights. While the Declarant is in control as provided in Article VI of the Declaration, the Association shall have two (2) classes of voting membership:

(i) Class A Membership. Until the Class B Membership ceases and is converted to Class A Membership pursuant to subparagraph



(a)(ii) below, Class A Members shall be all Owners of the Project Lots, excepting each Declarant and each Successor Declarant, and each Class A member shall be entitled to one vote for each Project Lot owned.

(ii) Class B Memberships. The Class B Membership shall be each Declarant, and each Successor Declarant, each of whom shall be entitled to three (3) votes for each Lot and for each Project Lot owned by such Declarant or such Successor Declarant. The Class B Membership shall cease and be converted to Class A Membership upon occurrence of the earlier of the following events: (1) sixty (60) days after seventy-five percent (75%) of the total number of Lots in the Development have been conveyed to parties other than a Successor Declarant or (2) five (5) years after Declarant has ceased to offer Lots for sale in the ordinary course of business; or (3) five (5) years after any right to annex new Lots has been exercised. When the Class B Membership is converted to Class A Membership, each Declarant and each Successor Declarant shall be entitled to one vote for each Lot and each Project Lot owned by such Declarant or such Successor Declarant.

(b) Exercise of Voting Rights. When more than one person or entity owns a Lot, the vote for such Lot may be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be exercised as to any such Lot.

6.6 Membership, Rights, Privileges and Obligations. The rights, duties, privileges and obligations appertaining to various classes of memberships in the Association, including voting rights and Assessment obligations, and penalties for failure to comply with the Association's Rules and Regulations are as set forth in this Declaration and its Articles and Bylaws. One Owner of more than one Lot or parcel shall be considered as one member for the purpose of use of the facilities of the Association. In the event a corporation, partnership or association shall own any Lot or parcel, such corporation, partnership or association shall designate, by corporate resolution certified by the secretary or by written consent of all partners or members delivered in each case to the Association, the name of the person who, together with his family, shall have the right to utilize the facilities of the Association.

6.7 Membership Rights. Owners and the Declarant shall be Members of the Association. To enjoy membership rights, members must be in good standing, current with all dues assessments and not in violation of any provision of the Declaration, Articles, Bylaws, Rules or Regulations. Each Owner shall automatically be a Member of the Association without the necessity of any further action on his part, and Association membership shall be appurtenant to and shall run with the Lot, Ownership of which qualifies the Owner thereof to membership. Each Lot is allocated one (1) vote in the Association and one (1) unit for Assessment purposes. Membership may not be severed form, or in any way transferred, pledged, mortgaged or alienated except together with the title to the Lot, Ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title and the Lot. Any attempt to make prohibited severance, transfer, and pledge, mortgage or alienation shall be void and of no force or effect.



- 6.8 Removal of Board Members. Notwithstanding any provision of this Declaration of Bylaws to the contrary, the Lot Owners, by a two-third (2/3) vote of all persons present and entitled to vote at any meeting of the Lot Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant.
- 6.9 Joint or Common Ownership. If more than one (1) person holds any Lot jointly or in common, the vote to which such Lot is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such Lot shall be case, if at all, as a single unit, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common Owners are unable to agree amount themselves as to how their vote or votes shall be cast, they shall lose the right to cast their vote or votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owners unless another joint or common Owner has delivered to the Secretary of the Association prior to the time for casting such vote, a written statement to the effect that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners.
- 6.10 Proxy Voting. Any Owner, including Declarant, may give a revocable written proxy to any person authorizing the latter to cast the Owner's votes on any matter allowed by law. Such written proxy shall be in such form as may be prescribed by the Bylaws of the Association and Chapter 116 of the Nevada Revised Statutes and shall terminate one (1) year after its date, unless it specifies a shorter term.
- 6.11 Cumulative Voting. The cumulative system of voting shall not be used for any purpose.
- 6.12 Meeting of Members. An Annual Regular Meeting of the Members of the Association shall be held in March of each year, or as soon thereafter is practicable, at the principal office of the Association or at such other reasonable place or time (not more than thirty [30] days before or after the regularly scheduled meeting date) as may be designated by notice of the Board. Notice of the meeting shall be given to the Members not less than ten (10) nor more than sixty (60) days prior to the date fixed for regular meeting. At such Annual Meeting, the members shall elect the Board as provided in the Bylaws. Special meetings of the Members may be called at any reasonable time and place by notice by the Board or by notice by Members having ten percent (10%) of the total votes. Notice of the special meeting shall be delivered to all Members not less than ten (10) or mailed not less than fifteen (15) days prior to the date fixed for said special meeting. All notices of meetings shall be addressed to each Member as their address appears on the books of the Association and shall state the time and place of the meeting, the items on the agenda, any budgeting changes and any proposal to remove an officer or member of the Board. The presence of any meeting, in person, by proxy, or by secret ballot, of Members entitled to vote at least Twenty-Five percent (25%) of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time set for the original meeting, at which adjourned meeting the quorum requirements shall be the



Members entitled to vote thirty percent (20%) of the total votes. The Chairman of the Board of Directors, or in his absence, the Vice-Chairman, shall call meetings of Members to order and act as chairman of such meetings. In the absence of both said officers, any Member entitled to both thereafter or any proxy of any such Member may call the meeting to order, and the chairman of the meeting shall be elected. The Secretary of the Association, or in his absence, the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner for selecting a chairman of the meeting.

6.13 Duties of Association. The Association is charged with the responsibility of owning, maintaining and controlling all the Common Area and collecting Assessments and all costs and fees incurred in connection therewith, and in connection therewith, shall have the following power and authority:

- 6.13.1 The right to enforce the provisions of this Declaration;
- 6.13.2 Adopt and amend Bylaws, rules and regulations for use of the Common Area;
- 6.13.3 Adopt and amend budgets for revenues, expenditures and reserves and collect Assessments for common expenses from units' Owners;
- 6.13.4 Hire and discharge managing agents and other employees, agents and independent contractors;
- 6.13.5 Make contracts and incur liabilities;
- 6.13.6 Cause additional improvement to be made within the Common Area;
- 6.13.7 Acquire, hold, encumber, sell and convey in its own name any right, title or interest to real estate, personal property, equipment, materials and supplies;
- 6.13.8 Grant easements, leases, licenses and concessions through or over the Common Area.
- 6.13.9 Impose and receive any payments, fees or charges for the use, rental or operation of the Common Area;
- 6.13.10 Impose charges for late payment of Assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration, Bylaws, rules and regulations of the Association.
- 6.13.11 Impose reasonable charges for the preparation and recordation of amendments to this Declaration or statements of unpaid Assessments;
- 6.13.12 Provide for the indemnification of its Officers and Board and maintain Directors' and Officers' liability insurance;



- 6.13.13 Exercise any other powers conferred by the Declaration, Bylaws or applicable state law.

ARTICLE VII ASSESSMENTS

- 7.1 General. The Association is hereby expressly authorized and empowered to levy annual and Special Assessments against all Lots in the Project, including those of Declarant. Such Assessments shall be uniform as to membership class.
- 7.2 Agreement to Pay. Each Owner, other than Declarant or Successor Declarant, by his acceptance of a deed for each Project Lot owned, covenants and agrees to pay to the Association such regular and special assessments as are established, made, and collected as provided in this Declaration. It is the intention of Declarant that an owner of a Lot which is not a Project Lot (whether such Lot is within the Subject Property or the Property subject to annexation pursuant to Article IX hereof) shall not be assessed unless and until the Lot becomes a Project Lot. Such owner of a Lot which is not a Project Lot is nevertheless a Member of the Association with all voting rights and other rights incident thereto as provided in this Declaration, the Articles and the Bylaws.
- 7.3 Personal Obligations. Each assessment or installment, together with any late charge, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who was an Owner of a Project Lot at the time such assessment or installment became due and payable. If more than one person or entity was the Owner of a Project Lot, the personal obligation to pay such assessment or installment respecting such Project Lot shall be both joint and several. A purchaser of a Project Lot shall be jointly and severally liable with the seller for all unpaid assessments against the Project Lot 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 Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by abandonment of his Project Lot.
- 7.4 Budget and Annual Assessments. Within sixty (60) days prior to the commencement of each calendar year, beginning with the year 2002, the Board shall consider the current and future needs of the Association to promote the recreation, health, safety and welfare of the Members of the Association, for the performance of the duties of the Association as set forth in this Declaration, and for the repair, maintenance and upkeep of the Association Property, (excluding expenditures for which Special Assessments may be levied). Based upon the amount estimated to be needed, shall adopt a budget to include the amount of Assessment for purposes, other than capital improvements for acquisitions, to be levied against each Lot in the Development.
- 7.5 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to,



delinquencies in the payment of assessments, then the Board shall determine the approximate amount necessary to defray such expenses; and if the amount is approved by a majority vote of the Board, it shall become a special assessment. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each such Owner of each Project Lot. Additionally, the Association shall have the power to incur expenses for maintenance and repair of the Improvements on any Project Lot which causes the Project Lot to become unsightly, unsanitary or hazardous, including, but not limited to, the maintenance of any and all fuel break areas on such Owner's Project Lot in accordance with applicable fire and safety codes, provided such maintenance and repair is necessary in the sole discretion and opinion of the Board, to protect the Project, and provided the Owner of such Project Lot has failed or refused to perform such maintenance or repair within thirty (30) days after written notice of the necessity of such maintenance or repair has been delivered by the Board to such Owner in the manner provided in paragraph 12.5* below, or to commence such work of repair or maintenance within such thirty (30) day period, and diligently pursue the same to completion within a reasonable time thereafter, if more than thirty (30) days is reasonably required to correct such deficiency. The Project Lot to pay for the cost of such maintenance, repair, and any other costs or expenses arising out of or incident to such maintenance and repair, and the assessment therefor. Additionally, the Board may levy a special assessment against an Owner of a Project Lot to collect a fine imposed by the Board.

- 7.6 Notice of Assessments. The Association shall give written notice of Assessments, which notice shall specify the amount to each Owner of the Annual and/or Special Assessment and the time and manner for payment thereof.
- 7.7 Assessments for Unimproved Project Lots. The Owner of any Project Lot (excluding Declarant or a Successor Declarant) which is not improved with a residence shall be exempt from payment of that portion of any assessment which is designated by the Board as being for the purpose of defraying the expenses and reserves directly attributable to the existence and use of the residence. Such exemption shall cease as to each Project Lot upon issuance of the certificate of occupancy for a residence.
- 7.8 Time for Payment. Annual Assessments shall be paid either quarterly in January, April, July and October on the first day of each month or monthly on the first day of each month as determined by the Board and as provided in each Notice pursuant to Section 7.6 above. Each delinquent assessment shall include a late fee of twenty-five dollars (\$25.00), plus the entire amount of such Assessment, including any deferred portion of any annual Assessment, plus any other charges thereon, including interest at fifteen percent (15%) per annum from date of delinquency and costs of the collection, whether suit is commenced or not, including attorney's fees. An assessment payment is delinquent if not paid within ten (10) days after its due date.
- 7.9 Uniform Rate of Assessment. Except as otherwise specifically provided in this Declaration, including paragraphs 7.5 and 7.6, annual and special assessments of the



Association must be fixed at a uniform rate for all Project Lots; and the amount assessed to each Project Lot shall be determined by dividing the total amount assessed by the total number of Project Lots then within the Project and subject to assessment.

- 7.10 Collection of Assessments. The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board or its authorized representative, including any Manager, can enforce the obligations of the Owners of Project Lots 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 Chapter 278A of the Nevada Revised Statutes and paragraph 7.13 and 7.14 below to enforce the lien rights created. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts described in paragraph 7.2 shall be maintainable without first foreclosing against the Project Lot subject to the lien for such assessment or waiving the lien rights granted hereby.
- 7.11 Lien for Assessments; Priority. All sums assessed to any Project Lot pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such notice of assessment as defined in paragraph 7.13 below ("Notice of Assessment") as herein provided. Such lien shall be prior to all other liens and encumbrances on such Project Lot except for: (a) valid tax and special assessment liens on the Project Lot in favor of any governmental assessing authority; (b) a lien for all obligations secured by a first mortgage, or secured by any mortgage recorded in the Washoe County, Nevada, real estate records, including all unpaid obligatory advances to be made pursuant to such mortgage and secured by the lien thereof in accordance with the terms of such instrument; (c) labor or material men's liens, to the extent required by law; and (d) a lien for sums secured by any other mortgage recorded prior to the recordation of Notice of Assessment.
- 7.12 Creation of Lien. To create a lien for sums assessed pursuant to this Article, the Association may prepare a written Notice of Assessment setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the record Owner of the Project Lot, and a description of the Project Lot. Such Notice of Assessment shall be signed by the Association and shall be recorded in the office of the County Recorder of Washoe County, Nevada. No Notice of Assessment shall be recorded until there is a delinquency in payment of the assessment.
- 7.13 Enforcement of Lien. To the extent permitted by applicable law, such lien may be enforced by sale conducted by the Association after failure of the Owner to pay such an assessment in accordance with its terms. Such sale shall be conducted in accordance with the provisions of Chapter 278A of the Nevada Revised Statutes or in any other manner permitted by law. After the Notice of Assessment is recorded, the Owner who is liable for payment of the assessment shall be required to pay the costs and expenses of



such foreclosure proceeding, (including the cost of preparation of the Notice of Assessment), including, but not limited to, reasonable attorneys' fees, and title insurance costs.

All such costs and expenses of the foreclosure shall be secured by the lien being foreclosed. The Owner shall be required to pay to the Association any assessments against the Project Lot which shall become due during the period of foreclosure. The 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 Project Lot. The Association shall be entitled to bid on credit up to and including the amount secured by the lien being foreclosed.

A further notice stating the satisfaction and release of any such lien shall be executed by the Association and recorded in the Washoe County, Nevada, real estate records, upon payment of all sums secured by such lien.

Any encumbrancer holding a lien on a Project Lot may, but shall not be required to, pay any amounts secured by the lien created pursuant to Section 7.11 and upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority rights.

- 7.14 Proof of Payment. Upon request, and payment of a reasonable fee, not to exceed \$15.00, the Association shall furnish a written statement setting forth the amount of unpaid assessments, if any, with respect to such Lot, the amount of current periodic assessment, and the date that such assessment becomes or became due.
- 7.15 Suspension. The Association shall not be required to transfer Memberships on its books or to allow the exercise of any rights or privileges or Membership, including voting rights, on account thereof to any Owner or to any person claiming under them unless or until all Assessments and Charges to which they are subject have been brought current.

ARTICLE VIII EASEMENTS

- 8.1 Reservation. The following easements also exist over each Lot and the Common Area and the right of ingress and egress to the extent reasonably necessary to exercise such easements are reserved to Declarant and where applicable for the benefit of the Association.
- 8.1.1 Utilities. Such utility easements as are shown on Final Subdivision Map of various Phases within the Project recorded from time to time together with the right to extend all utility services within such easements to other areas being developed within the Development or Project for the installation, maintenance and operation of all utilities, including street lights and the accessory right to locate or to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance and operation.



- 8.1.2 Slope and Drainage. A ten (10) foot wide easement across all Lot lines coincide with street right-of-way lines for the purpose of cutting, filling, drainage and maintenance of slopes and drainage courses.
- 8.1.3 Paths, Trails and Greenbelts. An easement on, over and under all paths, trails and greenbelts in the Project for the purpose of installing, maintaining and operating utilities thereon or thereunder to all portions of the Project, for purposes of drainage control; for access to any Lot or parcel within the Development or Project; and for the purposes of maintenance of such paths, trails and greenbelts and for providing access to undeveloped portions of the Development for any and all purposes at any and all times, including, but not by way of limitation, the right to use said paths, trails and greenbelts during construction of improvements on undeveloped portions of the Development and as may be necessary from time to time in connection with maintenance and repair and operation of any lake, ditch or stream.
- 8.1.4 Other Easements. Any other easements shown on the Final Subdivision Maps of the Project recorded from time to time with the Washoe County, Nevada, Recorder.
- 8.1.5 Transfer of Easements. A conveyance of common areas to the Association shall transfer to such Association all easements herein reserved to Declarant which are necessary or convenient to the obligation of the Association to carry out its duties prescribed herein and its Articles and Bylaws, which transfer shall not diminish the rights in and to said easements herein reserved. Nothing set forth herein shall be construed to impose on Declarant any duty or obligation of maintenance of paths, trails and greenbelts, utility lines, common areas or improvements thereon after conveyance of the common areas on which such may be located to the Association. Declarant reserves to itself the right to extend any and all utility lines (water, sewer, electrical, etc.), roads and any other improvements necessary to complete the entire Development and as may be necessary, except that the roads shall not be extended beyond the Development, except for fire and emergency roads as required by The City of Sparks.
- 8.2 Use or Maintenance by Owners. The areas of any Lot affected by the easements reserved herein shall be landscaped and maintained continuously by the Owner of such Lot, but no structures shall be placed or permitted to remain or other activities undertaken thereon which may damage or interfere with the use of any easements for the purposes herein set forth.
- 8.3 No Liability in Connection with Easements. No Owner shall have any claim or cause of action against any Declarant or the Association or their respective successors and assigns arising out of the use or non-use of any easement reserved hereunder or shown on the Final Subdivision Map, by any person.



- 8.4 Modification. None of the easements and rights granted under this Article VII may be modified, terminated or abridged without the written consent of the persons in whose favor such easements run.

ARTICLE IX ANNEXATION

- 9.1 Property Subject to Annexation. Subject to the limitations set forth herein, any of the Lots which have not become Project lots may be annexed, at any time and from time to time, until twenty-five (25) years have elapsed after recordation of this Declaration. Exhibit "A" references the annexable property. Additional Lots and Common Areas may from time to time be annexed to the Project by filing a Supplemental Declaration adopting this Declaration and recording a Final Map for such Lots and Common Areas, provided that only such Lots as constitute portions of the Development not exceeding 228 Lots may be annexed.

9.2 Annexation of Lots.

- 9.2.1 Right to Designate. The Declarant and any Successor Declarant ("Annexing Declarant") shall have the sole and exclusive right to designate any Lots owned by the Annexing Declarant which are to be annexed to the Project, and the sequence of annexation. The Annexing Declarant shall not be required to obtain the consent of any Member, Owner of a Project Lot, the Association, any other Declarant or Successor Declarant, or any Mortgagee prior to the annexation of any Lots to the Project as Project Lots. However, no Lots shall be annexed as Project Lots unless a Final Subdivision Map shall have been recorded for such Lots to be annexed.

- 9.2.2 Procedure for Annexation. For each group of Lots to be annexed hereunder, the Annexing Declarant shall cause to be recorded in the real estate records of the Recorder of Washoe County, Nevada, a Declaration of Annexation, which shall contained the following:

- (a) A legal description of the Lots to be annexed with reference to the Final Subdivision Map for such Lots;
- (b) The minimum square footage of living area exclusive of garage and accessory buildings required for each residence to be constructed on the Project Lots within such portion of the Annexed Property; and
- (c) A statement that each of the Lots described therein are and by such Declaration shall be deemed to be a Project Lot (as such term is defined in the Declaration), and that the property described in the Declaration of Annexation is, from and after the date of the recordation, to be deemed Annexed Property (as such term is defined in the Declaration) and shall be held, owned, transferred, conveyed, mortgaged, encumbered, leased,



rented, occupied, improved and used subject to, and in conformity with, all of the declarations, limitations, covenants, conditions, restrictions, and easements set forth in the Declaration in the same manner as if the Annexed Property were originally subject to the Declaration.

- 9.2.3 Effect of Annexation of Lots. From and after the recordation of a Declaration of Annexation, the Lots described in the Declaration of Annexation shall become Project Lots (as such term is defined herein), all persons or entities which own or hold an ownership interest in each such Project Lot shall assume the duties and obligations and shall have all of the rights of an Owner of a Project Lot as set forth herein, and the Association shall assume the management of the Annexed Property and shall have the same rights, duties and responsibilities with respect to the Annexed Property as it presently possesses with respect to Project Lots within the Subject Property.

ARTICLE X MISCELLANEOUS PROVISIONS

- 10.1 Enforcement. The Association in its own name and on its own behalf, or on behalf of any Owner of a Project Lot who consents, any Member, any Declarant, any Successor Declarant, can commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or any resolutions of the Board, or to enforce by mandatory injunction, or otherwise, all of these provisions. The Court, Arbitrator, Mediator, Nevada Real Estate Division, Ombudsman or any other person or entity given such authority under applicable Nevada law, in any such action may award the prevailing party reasonable expenses in prosecuting such action, including reasonable attorneys' fees and costs. If special funds are required to commence such action, a Special Assessment may be imposed to cover such costs subject to applicable law.
- 10.2 Violations and Nuisance. Every act or omission whereby a covenant, condition, or restriction of the Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action. Any other provision to the contrary notwithstanding, only Declarant, a Successor Declarant or the Board, and their duly authorized agents may enforce by self-help any covenant, condition, or restriction herein set forth and only to the extent that a "self-help" remedy is allowed hereunder. All "self-help" remedies set forth herein shall be strictly construed.
- 10.3 Enforcement by the City of Sparks. The City of Sparks is made a party to this Declaration and has the right to enforce those provisions of this Declaration which run to the benefit of the City of Sparks, including, without limitation, the right to enforce the Conditions of Approval as imposed upon the Project in Tentative Subdivision Map Case No. TM 000005(Wyndham Hill) and the right to enforce the obligations of Declarant, the Association and any owner relating to maintaining the Common Areas within the Project, including private roads, recreation facilities, Common Area landscaping, entrance gates,



drainage and flood control facilities, and off-site parking areas to the extent such improvements or facilities are a part of the Project. In the event that the City is required to commence any action at law to enforce this Declaration, the Court in such proceedings may award the prevailing party costs of prosecuting such action, including reasonable attorneys' fees.

- 10.4 Suspension of Privileges. The Board may, anything herein to the contrary notwithstanding, suspend all voting rights and all rights to use the Association's Common Areas of any Owner for any period during which any Association Assessment against such Owner's property remains unpaid, or during the period of any continuing violation of the provisions of this Declaration by such Owner after the existence thereof has been declared by the Board, including a violation by virtue of the failure of a member to comply with the Rules and Regulations of the Association, subject to Chapter 116.
- 10.5 Cumulative Rights. Remedies specified herein are cumulative and any specifications of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of any aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.
- 10.6 Non-waiver. The failure to enforce the provisions of any covenant, condition, or restriction contained in the Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provisions of the Declaration.
- 10.7 Violation of Law. Any violation of any state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any portion of the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

ARTICLE XI GRANTEE'S ACCEPTANCE

Each grantee or purchaser of any Lot or parcel shall, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot or parcel, accepts such deed or contract upon and subject on each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of Declarant and of the Association. By such acceptance, such grantee or purchaser shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent Owners of each of the other Lots or parcels in the Project to keep, observe, comply with and perform all of the provisions of this Declaration.



ARTICLE XII SEVERABILITY

Each provision of this Declaration is hereby declared to be independent of and severable from every other jurisdiction to be invalid; or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

ARTICLE XIII CAPTIONS

Paragraph captions in this Declaration are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

ARTICLE XIV TERM AND AMENDMENT

The provisions of this Declaration shall continue and be effective for a period of fifty (50) years from the date of recordation hereof, and shall be automatically extended for successive periods of ten (10) years each until the Owners of eighty percent (80%) of the Lots shall determine that the Declaration shall terminate and notice thereof is recorded with the Washoe County Recorder. This Declaration may be amended (except as to any rights set forth herein in favor of Declarant which may not be amended without Consent of Declarant), by the affirmative vote of fifty-one percent (51%) of the then Owners of all Lots in the Project entitled to vote and thereafter recording an amendment to this Declaration duly executed by (a) the requisite number of such Owners required to effect such amendment or (b) by the Association, in which later case such amendment shall have to it a copy of the resolution of the Board attesting to the affirmative action of the requisite number of such Owners required to effect such amendment, certified by the secretary or president of the Association.

ARTICLE XV MORTGAGE PROTECTION

Notwithstanding any other provision of this Declaration, no lien created under this Declaration, nor any lien arising by reason of any breach of this Declaration nor the enforcement of any provision of this Declaration or of any Supplemental Declaration shall defeat or render invalid the rights of the Beneficiary under any recorded Mortgage or Deed of Trust or first priority now or hereafter upon a Lot, made in good faith and for value perfected before the date on which the Assessment sought to be enforced became delinquent. However, after the foreclosure of any such first Mortgage or Deed of Trust or after any conveyance in lieu of foreclosure, such Lot shall remain subject to this Declaration and shall be liable for all regular and Special Assessments levied prior to completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery.



ARTICLE XVI

DISCLAIMER OF LIABILITY

Declarant disclaims any liability for repairs or maintenance of roads, or other improvements, including utility lines located within the Common Areas of the Project or Development from and after the date of conveyance of such common areas to the Association.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

Cimarron East, LLC
A Nevada limited Liability Company

By: John Reynen, Manager

STATE OF Nevada)
COUNTY OF Washoe) ss.

On April 17, 2002, personally appeared before me, a notary public, John Reynen, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that he is the Manager of Cimarron East, LLC, a Nevada limited liability company, and who acknowledged to me that he executed the foregoing DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HIGHLANDS AT CIMARRON EAST COMMUNITY ASSOCIATION on behalf of said limited liability company.


T.M. BOWMAN
 Notary Public - State of Nevada
 Appointment Recorded in Washoe County
 No: 01-60117-2 - Expires May 31, 2015

NOTARY PUBLIC



EXHIBIT A

LEGAL DESCRIPTION CIMARRON EAST OVERALL BOUNDARY

All that certain parcel situate within a portion of Section Six (6), Township Twenty (20) North, Range Twenty-one (21) East, M.D.M., County of Washoe, State of Nevada, being a portion of the East One-half ($E\frac{1}{2}$) of Section Six (6) as shown on Record of Survey Map No. 1467, file No. 728046, in the Official Records of Washoe County, Nevada, and being more particularly described as follows:

BEGINNING at the Southeast corner of said Section 6,

THENCE along the southerly line of said Section 6, North $89^{\circ}19'19''$ West, 1317.62 feet;

THENCE leaving said line, North $00^{\circ}41'54''$ East, 1320.24 feet;

THENCE North $89^{\circ}14'52''$ West, 1318.98 feet;

THENCE North $00^{\circ}38'21''$ East, 2642.81 feet;

THENCE South $89^{\circ}03'50''$ East, 1318.46 feet;

THENCE North $00^{\circ}33'23''$ East, 930.51 feet, to the northerly line of Section 6;

THENCE along said northerly line South $89^{\circ}20'19''$ East, 1317.07 feet, to the Northeast corner of said Section 6;

THENCE along the easterly line of said Section 6, South $00^{\circ}28'26''$ West, 2252.67 feet, to the East One-Quarter ($E\frac{1}{4}$) Corner of said Section 6;

THENCE continuing along the easterly line of said Section 6, South $00^{\circ}45'26''$ West, 2637.06 feet, to the above described **POINT OF BEGINNING**.

Containing 228.03 acres more or less.

The Basis of Bearings for this description is Record of Survey for the City of Sparks 2000 Geodetic Control Survey, Record of Survey Map No. 3885, filed February 7, 2001 as Document. No. 2522263 in the Official Records of Washoe County, Nevada.
(i.e. The grid bearing between monuments 3013 and 3026 Taken as $N11^{\circ}32'44''E$)
Combined grid to ground factor = 1.000198

DOC # 2677613

04/18/2002 03:54P Fee:53.00

BK1

Requested By

KERN & ROSENAUER LTD

Washoe County Recorder

Kathryn L. Burke - Recorder

Pg 40 of 40 RPT 0.00

