APN 1420-35-310-001 through 1420-35-310-039
1420-35-410-001 through 1420-35-410-031

When recorded
Mail to:

Richard K. Gardner, Esq.
Box 2194
Stateline, Nevada 89449

DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR SKYLINE RANCH

DOUGLAS COUNTY, NEVADA

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 12th day of JUNE, 2001, by Romulus Development, a Nevada Limited Liability Company and Syncon Homes, a Nevada corporation hereinafter collectively referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of all that certain real property in Douglas County, Nevada hereinafter referred to as SKYLINE RANCH, said subdivision containing all the lands shown on those certain plats shown as exhibit "A" attached hereto and made a part hereof, and

WHEREAS, Declarant considers it desirable and appropriate to establish covenants, conditions and restrictions upon the property in order to establish a general plan for the improvement of a planned community which shall benefit the use, occupancy and enjoyment of the property and to enhance and protect the value, desirability and attractiveness of the property.

NOW, THEREFORE, Declarant hereby declares that all of the property shall be held, sold, conveyed, encumbered, hypothecated, leased, rented, occupied, used and improved, subject to the following easements, covenants, conditions and restrictions which are declared to be for the purpose of enhancing and protecting the value of the property, and which shall run with and burden the property; shall be binding upon all parties having any right, title or interest in the property thereof, and their heirs, successors-in-title and assigns, and shall inure to the benefit of the Declarant or its

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successors, by any Owner or their successors, or by an entity having an interest in the property.

ARTICLE I
DEFINITIONS

SECTION 1. "Association" shall mean and refer to SKYLINE RANCH HOMEOWNER'S ASSOCIATION, its successors and assigns.

SECTION 2. "County" shall mean Douglas County, Nevada.

SECTION 3. "Declarant" shall mean and refer to Romulus Development, a Nevada Limited Liability Company and Syncon Homes, a Nevada corporation collectively and their successors and assigns.

SECTION 4. "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire document.

SECTION 5. "Design Review Committee" shall mean the committee created pursuant to Article IV, Section 1 hereof.

SECTION 6. "Improvement" or "Improvements" shall mean any and all alterations of the land, other than interior modifications of existing structures, including, but not limited to, outbuildings, garages, guest houses, servant's quarters, swimming pools, walls, fencing, stables, landscaping and driveways, whether intended to be temporary or permanent.

SECTION 7. "Lot" shall mean and refer to any parcel or plot of land shown upon any recorded subdivision, planned unit development or parcel map of the property.

SECTION 8. "Member" shall mean and refer to the person or entity which holds a membership in the Association.

SECTION 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the property, including Declarant and contract sellers, but excluding those having an interest in a lot merely as security for the performance of an obligation.

SECTION 10. "Property" shall mean and refer to all the real property described in Exhibit "A" attached hereto, and such additions or annexations thereto as may hereafter be brought within the legal description of the property.

SECTION 11. "Residence" shall mean and refer to a lot shown on the map of the Property and shall also include the residential dwelling together with garages or other structures and improvements on the same lot.

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ARTICLE II
USE AND BUILDING RESTRICTIONS

SECTION 1. Commercial Use. No part of a lot, residence or outbuilding shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business commercial, manufacturing, mercantile, storing, vending or any non-residential purpose; except that a home office is permitted in a residence provided such enterprise does not employ persons within the residence who do not reside in the household; does not hold itself out to perform onsite services for the general public; does not by its presence create unreasonable vehicular or pedestrian traffic; and does not hold out or advertise at the residence to perform services to the general public. The Owner must obtain the proper license from any governmental entity having jurisdiction over the operation of such home office. The only exception hereunder shall be the permissibility of a construction office and sales facility maintained upon any Lot or Lots by the Declarant or a building contractor for the purpose of erecting and selling dwellings during the development of the SKYLINE RANCH project, permission for any such temporary construction or sales facility must be obtained in writing from the Declarant, and may be revoked at any time by the Declarant.

SECTION 2. Building Type and Size. All single family dwelling units constructed shall have a minimum square footage of enclosed living space floor area, exclusive of porches, patios, garage, basements, and other accessory structures in the amount of 1800 square feet. No detached single family home residence shall exceed two stories in height (excluding any basement). Unless otherwise approved in writing by the Design Review Committee, all buildings shall be of new construction and no prefabricated structure shall be placed upon any Lot, if visible from neighboring property; provided however, that a temporary office trailer, tool shed, lumber shed and/or sales office may be maintained upon any Lot or Lots by the Declarant or a building contractor for the purpose of erecting and selling dwellings on the Property, but such temporary structures (together with any debris related thereto) shall be removed upon completion of the construction or selling of the dwelling, whichever is later. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently.

SECTION 3. Signs. No sign or billboard of any kind shall be displayed to the public view in any portion of the property, except for the following:

a) Signs used by Declarant or building contractor to advertise the Lots and residences thereon for sale or lease;
b) One "for sale" or "for rent" sign (for temporary period only) with total face area of four square feet or less;
c) Such signs as may be required by law;
d) One residential identification sign with a total face area of eighty square inches or less; and
e) Signs approved by the Design Review Committee

All signs must conform to applicable Douglas County Codes and Ordinances.

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SECTION 4. Nuisance. No noxious, offensive or disturbing activity of any kind shall be permitted within any structure or upon any lot within the property, nor shall anything else be done in any residence, on any lot or the property which may be or become an annoyance to the neighborhood or which shall in any way interfere with the quiet enjoyment by each owner of his respective lot and residence, or which shall in any way increase the rate of insurance for Declarant or any owner. This section includes, but is not limited to, the discharge of firearms or fireworks, unmuffled motor vehicles, barking dogs, loudspeakers and other sources of noise. The Design Review Committee, in its sole discretion, shall have the right to determine the existence of any such nuisance.

SECTION 5. Vehicles.

(a) Every single family dwelling unit constructed within the property shall have on the same lot enough enclosed automobile storage garage space for at least two (2) automobiles.

(b) Except as provided in this Section 5, no recreational vehicle or equipment shall hereafter be permitted to remain upon the property, including without limitation, streets and driveways, unless placed beyond the front dwelling setback on the garage side of the residence enclosed within a minimum 6' solid fence approved by the Design Review Committee.

(c) No automobile, recreational vehicle or equipment or commercial vehicle or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced or repainted on a residence unless performed within a completely enclosed garage or other structure located on the property or any lot which completely screens the sight and sound of such activity from streets and neighboring residences. The foregoing restriction shall not be deemed to prevent temporary parking for loading or unloading of vehicles or washing and polishing and those activities normally incident to washing and polishing of vehicles,

(d) Recreational vehicles and equipment are permitted to be parked in front of a residence only in the following circumstances: (i) up to 48 consecutive hours twice each month: (ii) recreational vehicles and equipment owned by guests temporarily visiting an owner may be parked in front of such owner's residence for a period not to exceed on one (1) week only if safe ingress and egress to adjoining properties is maintained.

(e) As used in this section "recreational vehicle or equipment" shall include trailers, boats, campers, trailer coaches, buses, house cars, motor homes, horse trailers, off-road vehicles, or any other similar type of equipment or vehicle.

(f) As used in this section, "commercial vehicle" shall be defined as a truck of greater than ¾ ton capacity and any vehicle with a sign prominently displayed on any part thereof advertising any kind of business or on which racks, materials and/or tools are visible. The type of motor vehicle license plate shall not be material to the foregoing definition.

(g) Temporary parking shall mean parking of vehicles belonging to guests of owners and commercial vehicles being used in the furnishing of services to the owners and parking of vehicles belonging to or being used by owners for loading and unloading purposes.

(h) Declarant and Design Review Committee reserves full right to take action within the parameters of these declarations against the maintenance and use of a vehicle on the property, which violates the spirit and intent of this section.

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SECTION 6. No Partitioning or Subdividing. No lot shall be subdivided, parceled or partitioned and no residence shall be erected on less than one lot. No deed, conveyance, transfer, or agreement shall be executed or entered into by any owner, which would effect or cause a separation into different ownerships, the surface and subsurface rights of any lot or residence or portion thereof.

SECTION 7. Certificate of Occupancy. Upon commencement of construction of any residence or improvement therein within the Property, all reasonable speed and diligence shall be employed by the owner to complete said construction, and completion must be effected within six (6) months as evidenced by a Certificate of Occupancy issued by the duly authorized governmental authority.

SECTION 8. Relocated Residences. Except for new structural components approved by the Design Review Committee, no existing, used, previously constructed or partially constructed structure of any type or nature, including but not limited to trailer homes, mobile homes, modular homes, prefabricated homes or manufactured housing, shall be moved from another place onto the property.

SECTION 9. Prohibition Against Reflective Building Materials. No building or structure shall be constructed or surfaced with a material that will cause sunlight to be reflected.

SECTION 10. Animals. No livestock, fowl or other animals other than dogs, cats, or other common and ordinary household pets may be kept on any lot in the subdivision.

No household pets or other animals whatsoever will be kept or bred for commercial purposes or in unreasonable numbers as determined by the Design Review Committee on any parcels or lots. Furthermore, household pets shall not interfere with the reasonable comfort or safety of adjoining neighbors and shall not exceed a total of five (5) such pets per household. All pets must be kept in a fenced yard or on a leash under the direct control of an Owner at all times.

SECTION 11. Antennas. No radio transmitting and receiving antennas for short wave or ham radio installations shall be installed.

SECTION 12. Satellite Dishes. No satellite dishes shall be permitted unless they are installed in a manner, which meets with the approval of the Design Review Committee.

SECTION 13. Unsightly Items; Garbage Removal; Clotheslines. No refuse, unsightly or abandoned vehicles, debris, noxious material, discarded personal effects, construction materials not for immediate use, garbage, compost material or similar matter shall be permitted to accumulate on any lot or portion thereof, and shall be disposed of in accordance with accepted sanitary practice. Each Owner shall maintain his Lot in a neat, orderly and well-groomed manner, free of weeds, even if the Owner has not constructed a structure on the Lot. Each Owner shall subscribe to a regularly scheduled and established garbage collection service. Each lot shall promptly be cleaned of all waste, debris, used building materials, garbage and other waste materials during the course of construction and following construction. All

outdoor clotheslines, refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any lot or residence unless obscured from view from neighboring residences, lots and streets by a wall, fence or screen approved by the Design Review Committee as to size, color or other qualifications for permitted fences or screens.

SECTION 14. Landscaping. Within six months of completion of the main dwelling unit (weather permitting), each front yard shall be landscaped in a manner suitable to the character and quality of the area. All landscaping shall be maintained to harmonize with and sustain the attractiveness of the development. An Owner may incorporate the Project drainage improvements into the landscaping with the approval of the Design Review Committee; however, in no way shall such incorporation interfere with the functionality of any established drainage pattern or structure.

SECTION 15. Exterior Decor. No structure shall be painted or otherwise decorated in any color or in any manner, which is not in keeping with the original approval of the Design Review Committee or is otherwise objectionable or detrimental to neighboring residences.

(a) The exterior woodwork of all houses, buildings and structures erected or constructed on any lot shall be painted with at least two (2) coats of paint, varnish or other stain or any approved coloration within thirty (30) days after completion and before occupancy. At no time will the exterior of any house, building or structure be allowed to approach the state of aesthetic deterioration such that it becomes a visual nuisance or objectionable to others in the neighborhood.

(b) Any proposed redecorating or alterations of the exterior of any residence or structure inclusive of repainting must be submitted to the Design Review Committee for approval as to color scheme.

(c) Any proposed redecorating or alterations of the exterior of any residence or structure will be deemed the equivalent of new construction and must be submitted to the Design Review Committee for approval prior to the commencement of such redecorating, alterations or remodeling.

(d) Redecoration or alterations, approved by the Design Review Committee shall be diligently and continuously pursued to affect the earliest possible completion of the improvements.

SECTION 16. Fences. No fencing shall be constructed in excess of six (6) feet in height. Barbed wire fencing shall not be used. All fence material and fence design shall be approved in writing by the Design Review Committee.

SECTION 17. Elevated Tanks. No elevated tanks of any kind shall be erected, placed or permitted on any part of said property, provided that nothing herein shall prevent the Declarant, his heirs and assigns, from erecting, placing or permitting the placing of tanks and other water system apparatus on said Property for the use of the water utility serving said Property.

SECTION 18. Excavation. No excavation or drilling for oil, shale, minerals, stone, gravel or earth shall be made upon any lot. Excavation for necessary construction purposes relating to residential units, retaining and court walls, outbuildings and pools, and for the purpose of contouring, shaping and generally improving any lot as a residence is permitted. No excavation shall commence for any

purpose without prior approval in writing from the Architectural Review Committee.

SECTION 19. Exterior Lighting. All exterior lighting shall be subdued and shielded in such a way as to prevent illumination of and glare to adjacent or nearby properties. Utility type "night lights" shall be prohibited. The Design Review Committee shall approve all exterior lighting.

ARTICLE III
EASEMENTS

SECTION 1. Drainage Easements. An Owner shall not at any time hereafter fill, block or obstruct any drainage easement or drainage structures on his Lot (man made or natural) and each Owner shall repair and maintain all drainage easements and drainage structures located on his Lot. No structure of any kind shall be constructed and no vegetation shall be planted or allowed to grow within the drainage easement which may impede the flow of water under, over or through the easements. All drainage areas shall be maintained by the Owner of the Lot on which the easement area is located.

SECTION 2. Utilities and Utility Easements. All utility connections and service lines to each lot or residence must be installed underground, including electric service, water service, sewer service, gas service, television and telephone cable, in accordance with accepted construction and utility standards. No structure, landscaping or other improvement shall be placed, erected or maintained upon any area designated on the Map as a public utility easement which may damage or interfere with the installation and maintenance of utilities. Such public utility easement areas, and all improvements thereon, shall be maintained by the Owner of the lot on which the easement areas is located unless the utility company or a county, or other public authority maintains said easement area.

Section 3. Declarant's Easement. Easements over the Lots for the installation and maintenance of electric, telephone, water, gas and sanitary sewer or similar lines, pipes and facilities for drainage,

a) As shown on the recorded Plat of the Property; or
b) As may be hereafter required or needed to service any Lot (provided, however, no utilities shall be installed in any area upon which a dwelling unit has been or may legally be constructed on the Lot),

are hereby reserved by the Declarant, together with the right to grant and transfer same.

ARTICLE IV
DESIGN CONTROL

SECTION 1. Architectural Review. For the purpose of insuring a quality development of the area, a design review committee is established. Said committee shall consist of three (3) persons appointed by the Board of Directors of the

Association. This committee shall review and approve all buildings, structures and other improvements placed on each lot, as well as make exceptions to these reservations and restrictions as necessary and proper, whether or not specific provisions therefore are stated in any conveyance of a lot hereinafter made. Except for improvements installed or constructed by the Declarant, no building, wall, solar collectors or structures of any kind, shall be constructed, installed or maintained upon any Lot without the prior written approval from the Design Review Committee. The owner of each lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees that no building shall be placed upon such lot unless and until the plans and specifications therefore and the plot plan have been approved in writing by the committee as herein provided. No structural alteration to the exterior appearance of these buildings or structures, including remodeling of existing structures, shall be made without approval as provided for herein.

The Design Review Committee shall consider whether a proposed structure or alteration is harmonious with the design and location of surrounding structures, landscaping and topography.

SECTION 2. Submittal of Plans. Before any construction activity begins, the following shall be submitted to the Declarant: (a) two sets of complete construction plans, prepared and signed by the owner and architect and/or structural engineer, and (b) two sets of prints or drawings with samples showing external color scheme and materials, and (c) two copies of dimensioned plot plans showing building location with respect to parcel boundaries. Upon approval, one set of these exhibits shall be certified as "approved", and returned to the owner or his agent: the other set shall be filed with the Declarant.

SECTION 3. General Provisions.

(a) The Design Review Committee may establish reasonable procedural rules and may assess a fee not to exceed $50.00 per submission of plans in connection with review of plans and specifications, including without limitation, the number of sets of plans to be submitted; however, the Design Review Committee may delegate its plan review responsibilities to one or more owners. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the Design Review Committee. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.

(b) The address of the Design Review Committee shall be the place for the submittal of plans and specifications and the place where the current design standards shall be kept.

(c) The establishment of the systems herein for design approval shall not be construed as changing any rights or restrictions upon owners to maintain, repair, alter or modify or otherwise have control over the residence as may otherwise be specified in this declaration.

(d) In the event the Design Review Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Declarant, such plans and specifications will be deemed approved. The approval or disapproval of such plans and specifications shall be final and conclusive.

SECTION 4. Review Approval and Conformity of Plans. The Committee shall examine and approve or stipulate reasonable changes or alterations in plans for any structure, dwelling unit, outbuilding, pool, hedge, landscaping, fence or wall to be constructed on any lot. Said changes or alterations in plans duly submitted to the committee shall be made only in the best and continuing interest in maintaining a superior tone and quality of architecture throughout the subdivision. Approval of any plan or specification shall not prevent the committee from withholding approval of an identical plan or specification, or part thereof, when subsequently or additionally submitted for approval by the same or any other owner. Approval of any plan specification submitted to it shall not cause the committee or its members to be liable to any person in any way.

Approval by the Committee of any plans may be withheld due to noncompliance with any of the requirements of this declaration or due to reasonable disapproval of the Committee as to the location of the building site upon any lot: appearance, construction materials to be used, the grading plan, the harmony of a proposed structural site with the surrounding area and homes, and the influence or affect any structure may have upon the view, outlook, or adjacent or neighboring lots. All outbuildings shall be constructed to match the single family dwelling units, including roof, siding, and color. The Design Review Committee may, from time to time, adopt and promulgate design standards to be administered hereunder. The design standards may include, among other things, those restrictions and limitations upon the owner set forth below.

(a) Time limitations for the completion of any improvement for which approval is required pursuant to the design standards;

(b) Conformity of complete improvements to plans and specifications approved by the Design Review Committee; provided, however, as to purchasers and encumbrances in good faith and for value, unless notice of non-completion or nonconformance identifying the violating residence and its owner and specifying the reason for the notice, executed by the Design Review Committee, shall be filed of record in the office of the County Recorder, and given to such owner within thirty (30) days of the expiration of the time limitation described in subsection (a), above, or unless legal proceedings shall have been instituted to enforce compliance of completion within said thirty (30) day period, the completed design improvements shall be deemed to be in compliance with plans and specifications approved by the Design Review Committee and in compliance with the design standards promulgated by the Design Review Committee from time to time, but only with respect to purchasers and encumbrances in good faith and for value;

(c) Such other limitations and restrictions as the Design Review Committee in its reasonable discretion shall adopt, including without limitation, the regulation of the following: construction, reconstruction, exterior addition, change or alteration to or maintenance of any building structure, wall or fence, including surface and location of such dwelling or structure, and the placements, species and height of any trees, bushes, ground cover, plants or other landscaping materials.

SECTION 5. Membership. The Design Review Committee shall be composed of such members as the Board of Directors of the Association may from time to time appoint. All members of the Design Review Committee shall serve a term of two (2) years. Prior to Declarant relinquishing control of the Association pursuant to Nevada

Revised Statute 116.31032, (a) the Board of Directors of the Association shall have the right to appoint and restart any term of a member of the Design Review Committee, and (b) the Design Review Committee members shall have a right to fulfill their full term, unless such members choose to terminate their membership. Notwithstanding the forgoing, the Board of Directors may from time to time create rules and regulations governing the appointment of the Design Review Committee membership. The members of the Design Review Committee members shall be evidenced by a statement recorded in the records of Douglas County, Nevada. Failure to record statements concerning new appointments to the Design Review Committee as provided in this section shall not impair the effectiveness of such appointments; provided, however, that unless an Owner has actual knowledge of any unrecorded appointment, the Owner shall be entitled to deal with the most recent Design Review Committee members of record. The members of the Design Review Committee shall not be entitled to compensation for services performed pursuant to this Article. As long as the Declarant has not relinquished control as stated above, all submissions shall be delivered to the Design Review Committee at 2221 Meridian Blvd. # A, Minden, NV 89423, unless otherwise changed.

SECTION 6. Nonliability for Approval of Plans and Specification. Plans and specifications shall be considered for approval by the Design Review Committee as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning and building ordinances, and by approving such plans and specifications the Design Review Committee assumes no liability or responsibility therefore, or for any defect in any structures constructed from such plans and specifications. Each owner shall be responsible for complying with the requirements of the County as to improvements installed on his residence.

Neither the Design Review Committee nor any member thereof shall be liable to any Owner, Member, or to any other party, for any damage, loss or prejudice suffered or claimed on account of:

a) the approval or disapproval of any plans, drawings or specifications, whether or not defective;
b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
c) the development of any Lot within the Property; or
d) the execution of any estoppel certificate, whether or not the facts therein are correct;

provided, however, that with respect to the liability of a Design Review Committee member, such member has acted in good faith on the basis of such information as may be possessed by him.

SECTION 7. Committee's Cure and Owner's Default. If any lot Owner breaches any of these covenants and restrictions, and fails to cure the same within thirty (30) days after written notice thereof is given by the Design Review Committee, then the Design Review Committee shall have the option but not the obligation, to cure said breach. Any amounts spent by the Design Review Committee or any Committee member to enforce this Declaration or cure a breach, together with costs, reasonable attorneys' fees and interest thereon, computed at the rate of 12% per annum (but not more than the highest legal rate) from the date that said sums are

paid, shall be due from the breaching Lot Owner immediately upon demand by the Design Review Committee. The total sum of the foregoing amounts shall be charged against the Lot and the improvements thereon, shall be a continuing lien thereon, and shall be the personal obligation of the breaching Owner. The Design Review Committee may bring an action at Law against the breaching Owner to collect said sums or may foreclose the lien against the lot and the improvements thereon in the same manner as provided for foreclosing a mortgage lien, or at the option of the Design Review Committee, in such other manner as is available at law or in equity. Said lien shall be subordinate to the lien of any institutional first mortgage or First Deed of Trust secured upon such Lot. The sale or transfer of such Lot shall not extinguish the liens to any amounts which become due prior to such sale or transfer. However, the sale or transfer of any Lot pursuant to a foreclosure of an institutional first mortgage or any proceeding or deed in lieu thereof, shall extinguish the lien for a charge which became due prior tot such sale or transfer, but shall not release the breaching Lot Owner from personal liability for such charge. No sale or transfer (whether by foreclosure or otherwise) shall relieve a Lot from liability from any lien occurring subsequently to such sale or transfer.

SECTION 8. Right of Entry. Each Owner shall permit the members of the Design Review Committee or their agents or representatives to enter his Lot (excluding the interior of any occupied dwelling thereon) for the purpose of determining compliance with this Declaration or the restrictions of any grant of architectural approval or for the purpose of curing an Owner's default as permitted by Section 7 above. No such entry shall be deemed trespassing.

ARTICLE V
REPAIR AND MAINTENANCE

SECTION 1. Repair and Maintenance by Owner. Every owner shall:

(a) Continuously maintain the exterior of his residence, walls, fences and roof of such residence in good condition and repair, and

(b) Install and thereafter perpetually maintain in attractive condition landscaping and sprinkling systems in accordance with the provisions of this Agreement.

SECTION 2. Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the residence, including without limitation, walls, fences and roof shall be accomplished in accordance with the design standards and, if required by the design standards, only after approval of the Design Review Committee; and

(b) All slopes or terraces on any residence shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining residences.

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ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Members. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Engineers, attorneys, accountants and other experts rendering assistance to the Association may be Members in the Association without owning a Lot. However, such Members will not be subject to assessment and shall have no voting rights.

SECTION 2. Voting Rights. The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. The Class B Member shall be the Declarant, who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and terminate on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

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

(c) Five years after any right to add new units was last exercised.

In the event the Class B Membership is terminated, all Declarant Lot shall have the Class A Members voting privilege.

ARTICLE VII
ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessment. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments and charges, and (2) special assessments for capital improvements, repairs and maintenance, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

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SECTION 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the common drainage facilities on the Property and the common landscape areas.

SECTION 3. Annual Assessments. Promptly after the conveyance by Declarant of the first Lot to an Owner and not less than 30 days prior to the beginning of each calendar year thereafter, the Association shall estimate the net cash requirements for the balance of the calendar year or the ensuing fiscal year, as the case may be, necessary for the Association to operate and maintain any common facilities (including maintaining reasonable reserves) and to perform all of its duties in accordance with this Declaration. Each Lot shall be assessed for its pro rata share of the amount so estimated. Any Lot not yet conveyed to an Owner by Declarant shall not be included in computing the pro rata share of each Owner. After the initial assessment, maximum annual assessments may be increased 10% (ten percent) above the annual assessment for the previous year without a vote of the members of the Association. Any increase in excess of 10% (ten percent) shall require the favorable vote by simple majority or more of both classes of members. The Board of Directors of the Association may fix the annual assessment at any amount not in excess of the maximum. The annual assessment shall be payable to the Association In equal monthly installments.

SECTION 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements in the drainage easements or the common landscaping areas, provided that any such assessment shall have the assent by simple majority of the votes of each class members who are voting in person or by proxy at a meeting fully called for this purpose.

SECTION 5. Payment. The Association shall inform each Owner In writing of all assessments against his Lot. The annual assessment shall be due and payable upon notice to the Owner of the amount of the assessment. Special assessments shall be payable in full on the first day of the first month next following the date on which the Owner is informed of such assessment, unless other provision is made therefore. Each assessment shall become delinquent ten (10) day a after it is due. All such assessments shall be paid to the Association or to any commercial banking institution designated by the Association to handle the receipt and disbursement of all such funds pursuant to the direction of the Association. The Association, upon request and for a reasonable charge, shall furnish an Owner a certificate executed by an officer setting forth the status of payment of all assessments against an Owner. For purposes of this Section 5, notice shall be deemed given if made in writing, addressed to the Owner at the address of his tot, either personally delivered or mailed via First Class U.S. Mail with postage prepaid.

SECTION 6. Procedure for Assessment Requiring Vote of Members. Any assessment requiring the vote of the members of the Association shall be done at either the annual or special meeting of the Members pursuant to the Bylaws of the Association except as provided In Section 3 of this Article VII.

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SECTION 7. Uniform Basis of Assessment. Both annual and special assessments must be fixed on a uniform basis for all Owners pro rata for each Lot owned.

SECTION 8. Effect of Nonpayment of Assessment: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personality obligated to pay the same, or foreclose the lien against the Property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use or abandonment of his Lot or the Common Area.

SECTION 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any bona fide first purchase money mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments, which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII
GENERAL PROVISIONS

SECTION 1. Enforcement. The Declarant, Design Review Committee or any Owner shall have the right (but not the obligation) to enforce against any other owner or owners by proceeding at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages for such violation.

SECTION 2. No Waiver. Failure by the Declarant, Design Review Committee or any owner to enforce any covenant, condition or restriction herein contained in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition or restriction.

SECTION 3. Cumulative Remedies. All rights, options and remedies of Declarant or the owners under this Declaration are cumulative, and not one of them shall be exclusive of any other, and Declarant, Design Review Committee and the Owners shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

SECTION 4. Covenants to Run with the Land; Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the property and shall inure to the benefit of and be enforceable by any owner, their respective legal

representatives, heirs, successors and assigns, until January 1, 2010, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of fifteen (15) years, unless an instrument, signed by a majority of the then owners has been recorded at least one (1) year prior to the end of any such period, agreeing to change said covenants, conditions and restrictions in whole or in part.

SECTION 5. Amendments. Subject to the other provisions of this Declaration, this Declaration may be amended by the Declarant in his sole and unfettered discretion for a period of five (5) years after the date hereof. The amendments or modifications shall be effective when executed by Declarant and when recorded in the official records of the County. Thereafter and only thereafter, this Declaration of Restrictions may be amended only by the affirmative written assent or vote of the Owners of not less than seventy-five percent (75%) of the Lots in the Project. An amendment or modification that requires written affirmative written assent of the Owners as herein above provided shall be effective when executed by the Declarant or its assigns, who shall certify that the amendment or modification has been approved as herein above provided, and when recorded in the official records of the County.

SECTION 6. Severability. Invalidation of any one or a portion of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

SECTION 7. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community or tract. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

SECTION 8. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail, postage prepaid, if to an Owner addressed to that Owner at the address of the Owner's Lot or if to the Design Review Committee, addressed to that Committee at 2221 Meridian Blvd. # A, Minden, NV. 89423 (current address) as provided in Article 4, Section 5. If notice is sent by mail it shall be deemed to have been delivered twenty-four hours after a copy of the same has been deposited in the united States Mail, postage paid. If personally delivered, notice shall be effective upon receipt. Notwithstanding the foregoing, an application for approval, plans, specifications and any other communication or document shall not be deemed to have been submitted to the Design Review Committee, unless actually received by said Committee.

SECTION 9. Singular including Plural. Wherever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

SECTION 10. Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated, in whole or in part, is hereby declared to be and constitutes a

nuisance, and every remedy allowed by law or equity against a nuisance either public or private, shall be applicable against every such result and may be exercised by the Declarant or any owner. Such remedy shall be deemed cumulative and not exclusive.

SECTION 11. Attorneys' Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of such suit

SECTION 12. Obligations of Declarant. So long as Declarant is utilizing the right described in the section entitled "Construction by Declarant" in the article in this Declaration entitled "General Provisions". Declarant shall not be subject to the provisions of the article entitled "Design Control" or the provisions of the article entitled "Use and Building Restrictions.

SECTION 13. Binding Effect. By acceptance of a deed or acquiring any ownership interest in any of the Property affected by this Declaration, each person, their heirs, personal representatives, successors and assigns, binds themselves, and their heirs, personal representatives, successors and assigns to all of the covenants, conditions and restrictions imposed by this Declaration. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the Property and hereby evidences their intent that all of the covenants, conditions and restrictions contained herein shall run with the land and be binding on all future Owners. Furthermore, each such person acknowledges that this Declaration shall be mutually beneficial, and enforceable by future Owners.

SECTION 14. Nonliability of Officials. To the fullest extent permitted by law, the Declarant nor the Design Review Committee shall not be liable to any owner for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which the Declarant or Design Review Committee reasonably believed to be the scope of its duties.

SECTION 15. Acceptance of Provisions by Grantee. Each Grantee hereafter of any portion of interest in the project and any purchaser under grant or contract of sale, or lease under any lease covering any portion or interest in the project, accepts the same subject to all the restrictions, conditions, covenants and reservations provided for in this Declaration.

SECTION 16. Leases. Any agreement for the leasing or rental of a residence (hereinafter in this Section 11 referred to as a lease) shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration. Said lease shall further provide that any failure by the lessee there under to comply with the terms of the foregoing documents shall be default under the lease. All leases shall be in writing. Any owner who shall lease his residence shall be responsible for assuring compliance by such owner's lessee with this Declaration; provided, however, the obligation of the foregoing sentence shall not apply to Declarant in the event Declarant leases a residence for a term of twenty (20) years or more and such lease, or memorandum thereof is recorded. No residence shall be leased for transient or hotel

purposes, which shall be defined as rental for any period less than thirty (30) days or any rental whatsoever, if the occupants of the residence are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen and bellboy service.

SECTION 17. Construction by Declarant. Nothing In this Declaration shall limit the right of Declarant to construct such additional improvements as Declarant deems advisable prior to completion of improvements upon and sale of the entire development. Such right shall include, but shall not limited to, erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of business of completing the work and disposing of the same by sale, lease or otherwise. This Declaration shall not limit the right of Declarant at any time prior to acquisition by title by purchaser from Declaration to establish on the Property additional licenses, reservations and rights of way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the development. Declarant reserves the right to alter its construction plans and designs, as it deems appropriate. The rights of Declarant hereunder may be assigned by any successor or successors to all or part of said entity's respective interest in the development by an express assignment incorporated in a recorded deed of lease, as the case may be, transferring such interest to such successor. Declarant shall exercise its rights contained in this provision in such a way as not to unreasonably interfere with the owner's rights to use and enjoy the Property.

SECTION 18. Purpose. The purpose of these covenants is to insure the use of the property for attractive residential purposes only, to prevent nuisance, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community and thereby to secure to each subsequent site owner the full benefit and enjoyment of his home, with no greater restriction upon the free and undisturbed use of his site than is necessary to insure the same advantage to the adjacent owners. Anything tending to detract from the attractiveness and value of the property for residence purposes will not be permitted.

SECTION 19. Arbitration. If one or more owners are unable to agree on the meaning or effect of any part of this Declaration, the dispute shall be conclusively settled by arbitration.

IN WITNESS WHEREOF, the Declarant has executed this Declaration of Covenants, Conditions and Restrictions for Skyline Ranch Estates on the date and year first above written.

DECLARANT:

Romulus Development
A Nevada Limited Liability Company

By: Leo A. Hanly
Its: Managing Member

Syncon Homes,
A Nevada Corporation

By: Andrew W. Mitchell
Andrew W. Mitchell
Its: Pres.

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STATE OF NEVADA)
)ss
COUNTY OF DOUGLAS)

On 6/12/01 before me, _____,
personally appeared Leo A. Hanly, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and they by his/her/their signature(s) on this instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

BRANDI BUTLER
Notary Public - State of Nevada
Appointment Recorded in County of Douglas
My Appointment Expires Aug. 15, 2004
00-64280-5

Brandi Butler 8/15/04
Notary Public

STATE OF NEVADA)
)ss
COUNTY OF DOUGLAS)

On 6/12/01 before me, _____,
personally appeared Andrew W. Mitchell, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and they by his/her/their signature(s) on this instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Brandi Butler
Notary Public
8/15/04

BRANDI BUTLER
Notary Public - State of Nevada
Appointment Recorded in County of Douglas
My Appointment Expires Aug. 15, 2004
00-64280-5

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DOUGLAS COUNTY

EXHIBIT A
(Page 1 of 8)

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

Lots 1 through 65 inclusive as shown on the Final Subdivision Map FSM #94-04-01 for Skyline Ranch, Phase 1 filed for record in the Office of the Douglas County Recorder on May 11, 2001, in Book 0501, at Page 3298 as File Number 514006, Official Records.

Assessors Parcel No. 1420-35-310-001 through 1420-35-310-034
1420-35-410-001 through 1420-35-410-031

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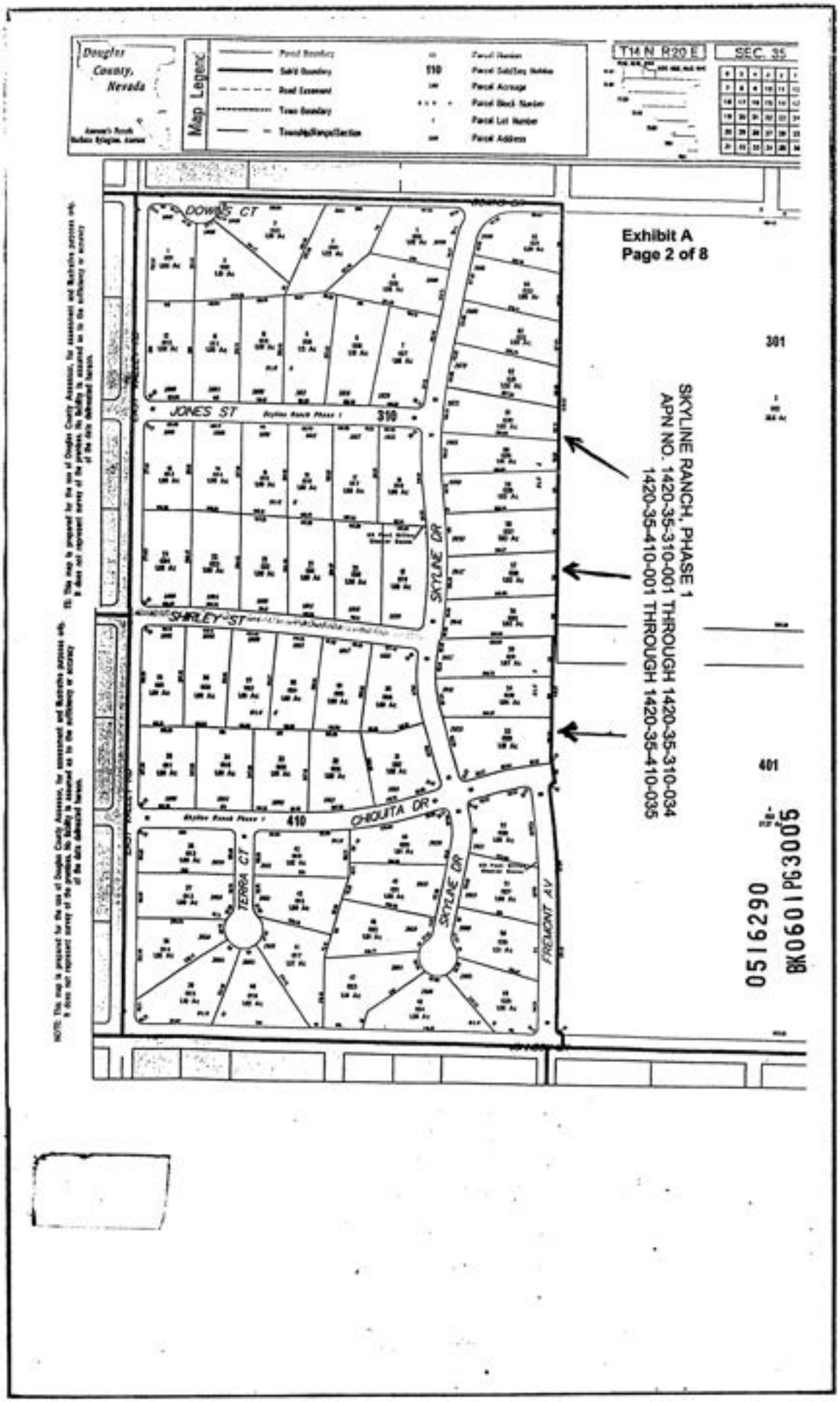
DOUGLAS COUNTY



FINAL SUBDIVISION MAP FSM #94-04-01

FOR

SKYLINE RANCH

PHASE 1

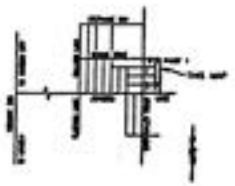
IN

DOUGLAS COUNTY NEVADA

Exhibit A
Page 3 of 8



VICINITY MAP



WESTERN
ENGINEERING & SURVEYING SERVICES

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DOUGLAS COUNTY

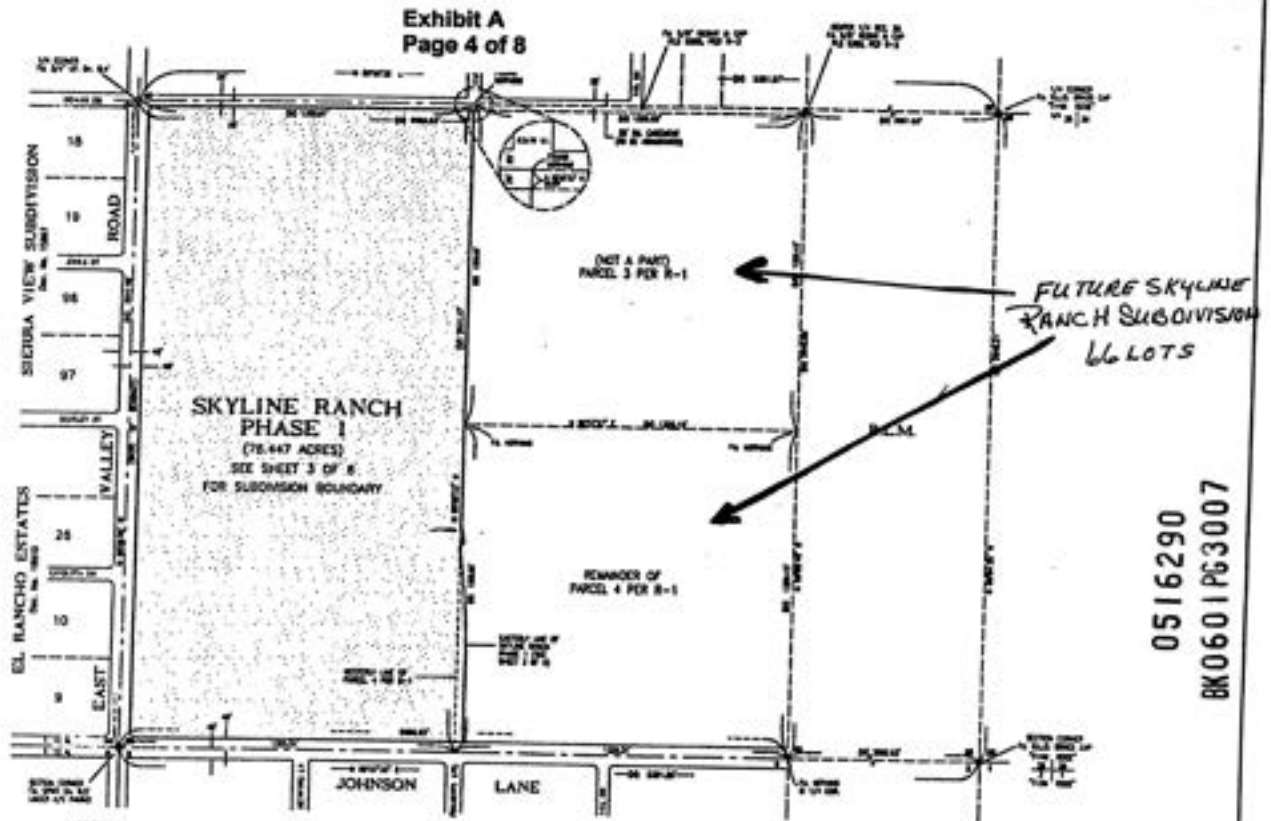
FINAL SUBDIVISION MAP FSM #94-04-01
FOR
SKYLINE RANCH
PHASE 1

A SUBDIVISION OF PARCELS 1, 2 & A PORTION OF PARCEL 4 OF THE LAND DIVISION MAP FOR THOMAS A. ABOOD PER DOCUMENT No. 333520 ALSO BEING THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 14 NORTH, RANGE 20 EAST, M.D.B.&M.

DOUGLAS COUNTY NEVADA

SHEET 1 OF 6 SHEETS

Exhibit A
Page 4 of 8



DOUGLAS COUNTY

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NOTES:

BASIS OF BEARINGS:

REFERENCES:

WESTERN
ENGINEERING & SURVEYING SERVICES

FINAL SUBDIVISION MAP FSM #94-04-01
FOR
SKYLINE RANCH
PHASE 1

A SUBDIVISION OF PARCELS 1, 2 & A PORTION OF PARCEL 4 OF THE LAND DIVISION MAP FOR THOMAS A. ABOOD PER DOCUMENT No. 333520 ALSO BEING THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 14 NORTH, RANGE 20 EAST, M.D.B.&M.

DOUGLAS COUNTY NEVADA

SHEET 2 OF 6 SHEETS

DOUGLAS COUNTY

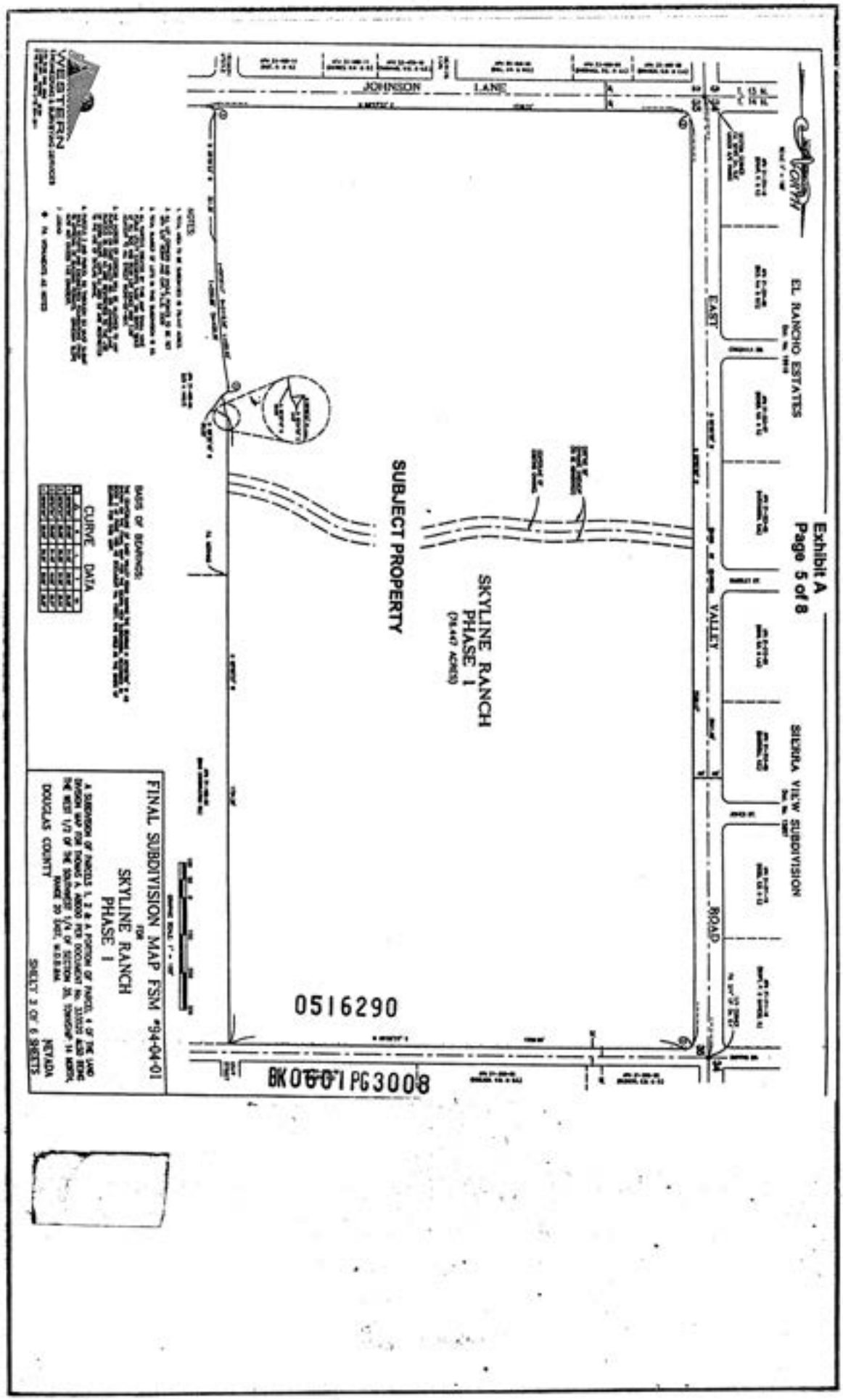
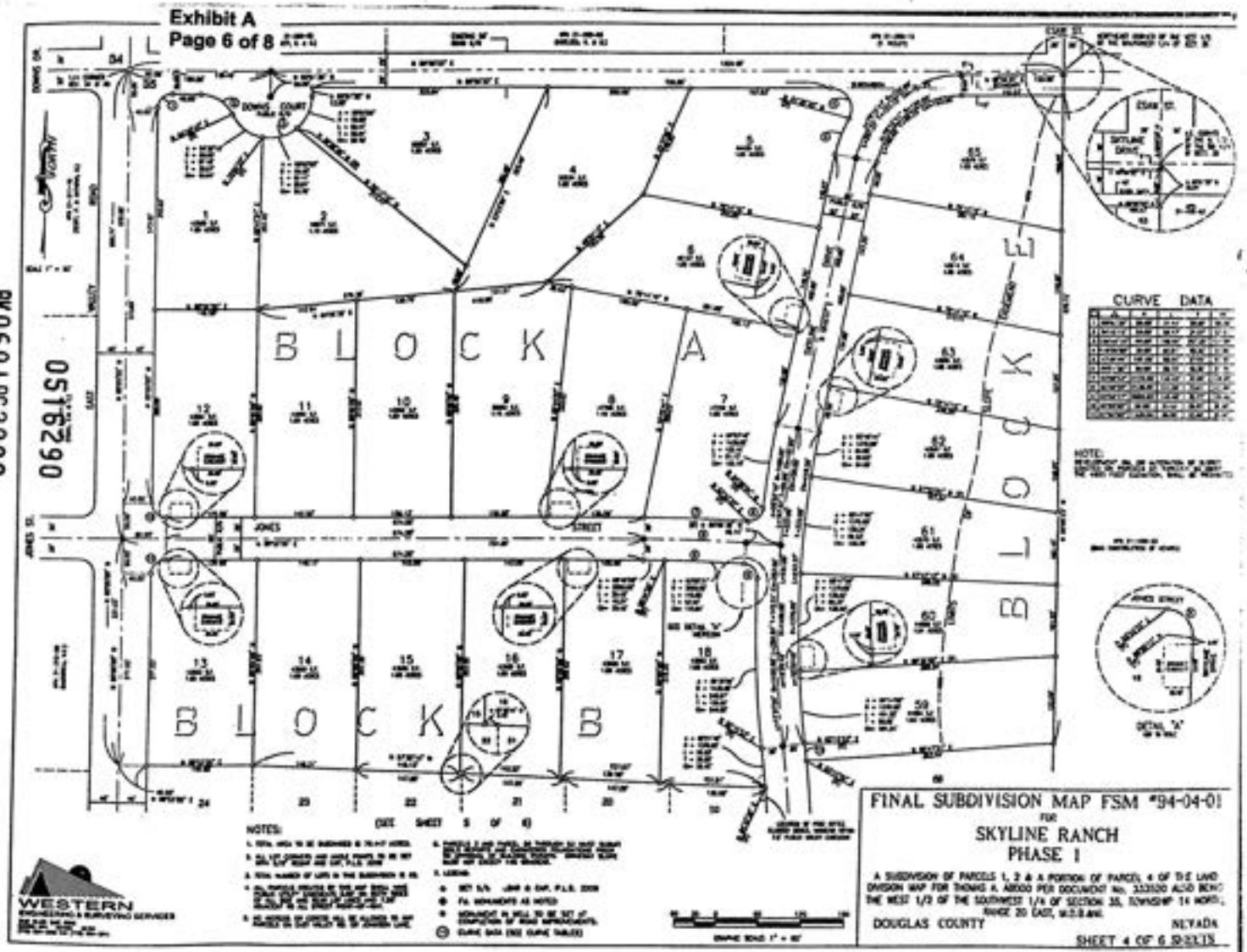


Exhibit A
Page 5 of 8

Exhibit A
Page 6 of 8



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DOUGLAS COUNTY

DOUGLAS COUNTY

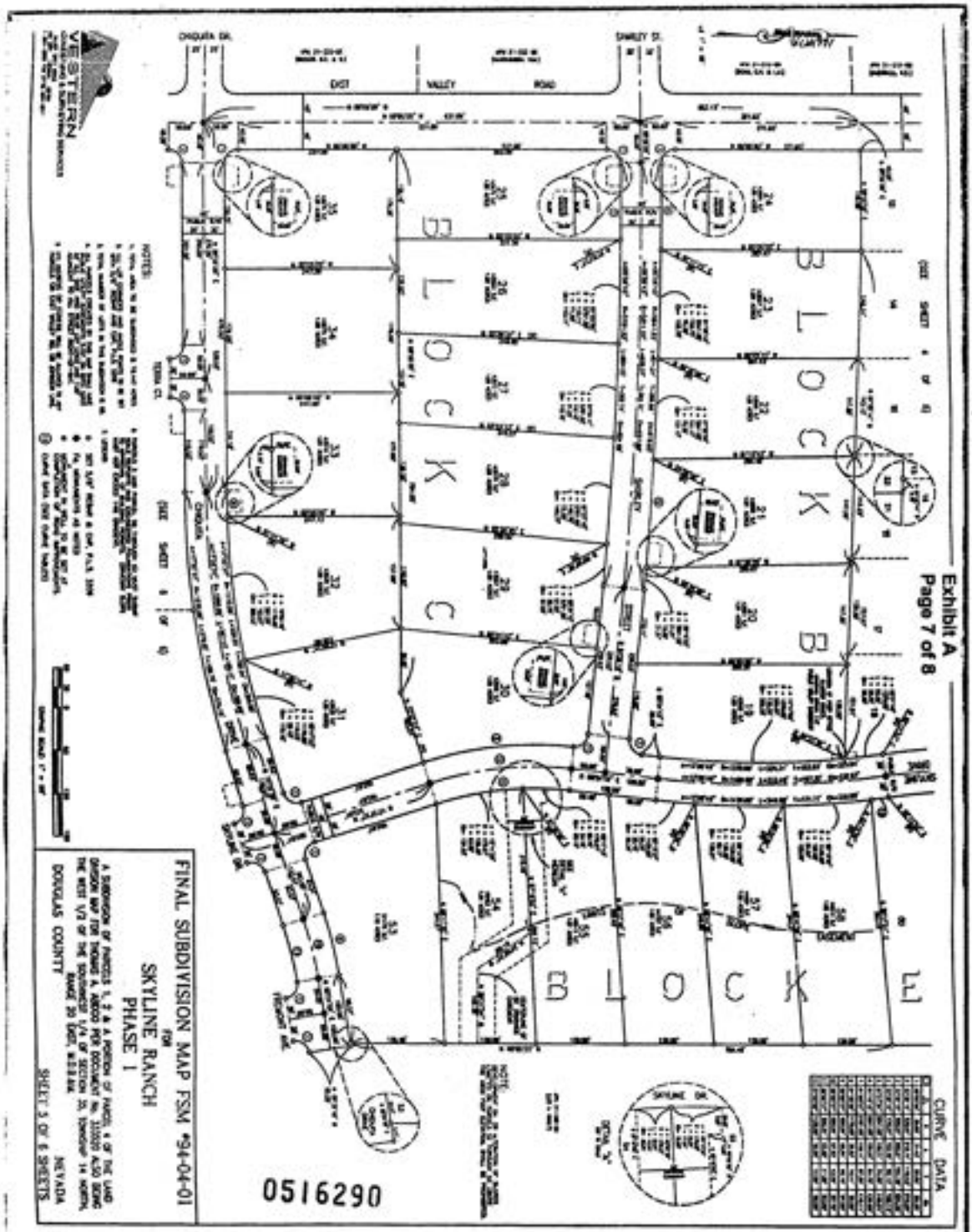

Exhibit A
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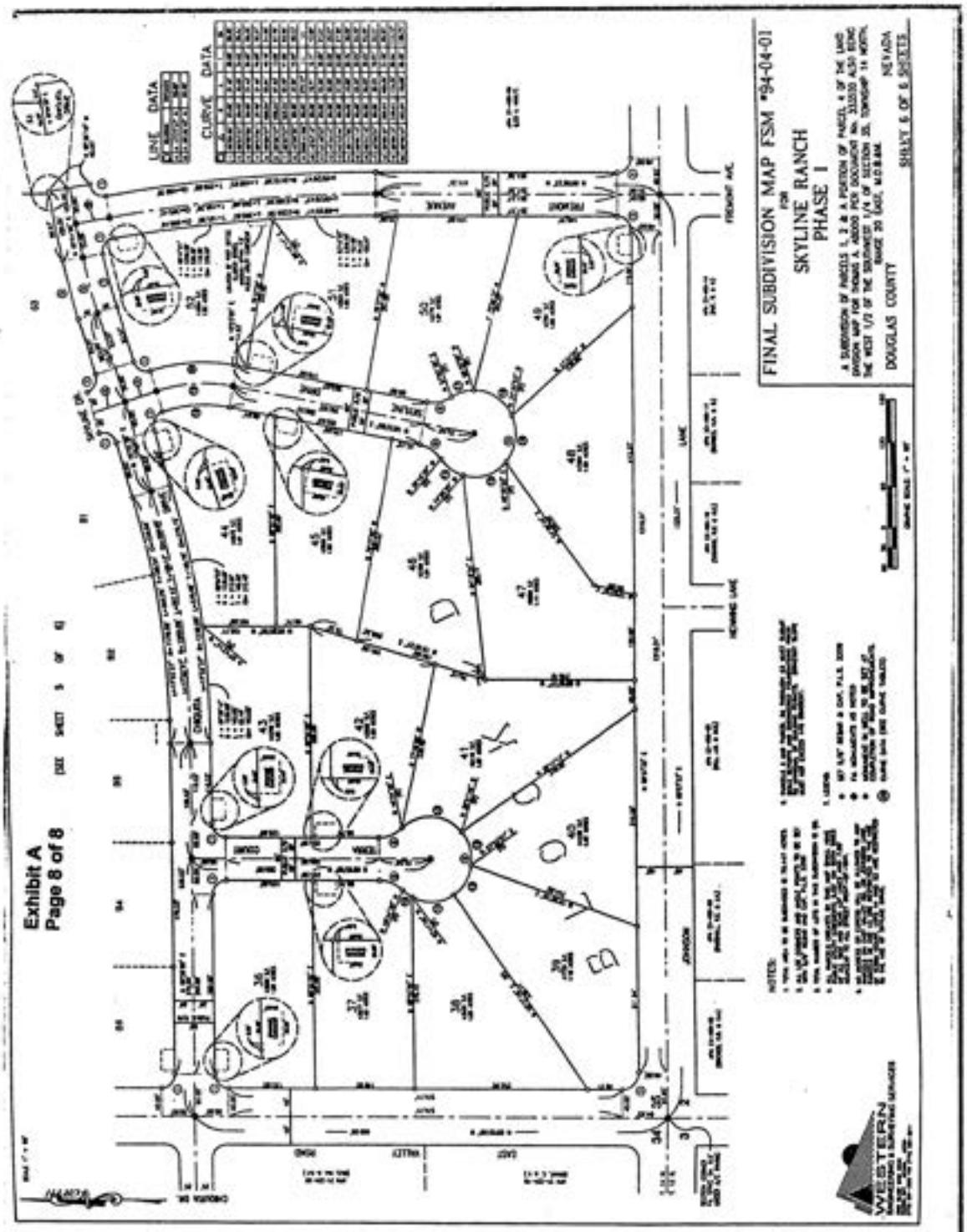
FINAL SUBDIVISION MAP FSM #94-04-01
FOR
SKYLINE RANCH
PHASE 1
DOUGLAS COUNTY
NEVADA
SHEET 6 OF 8 SHEETS
LINE DATA
CURVE DATA
NOTES:
LEGEND
WESTERN
Exhibit A
Page 8 of 8

DOUGLAS COUNTY

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

2001 JUN 13 PM 3:12

LINDA SLATER
RECORDER

$33.00 PAID K2 DEPUTY

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