

Exhibit 1

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Exhibit 1

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Requested By

FIRST CENTENNIAL TITLE COMPANY

Washoe County Recorder

Kathryn L. Burke - Recorder

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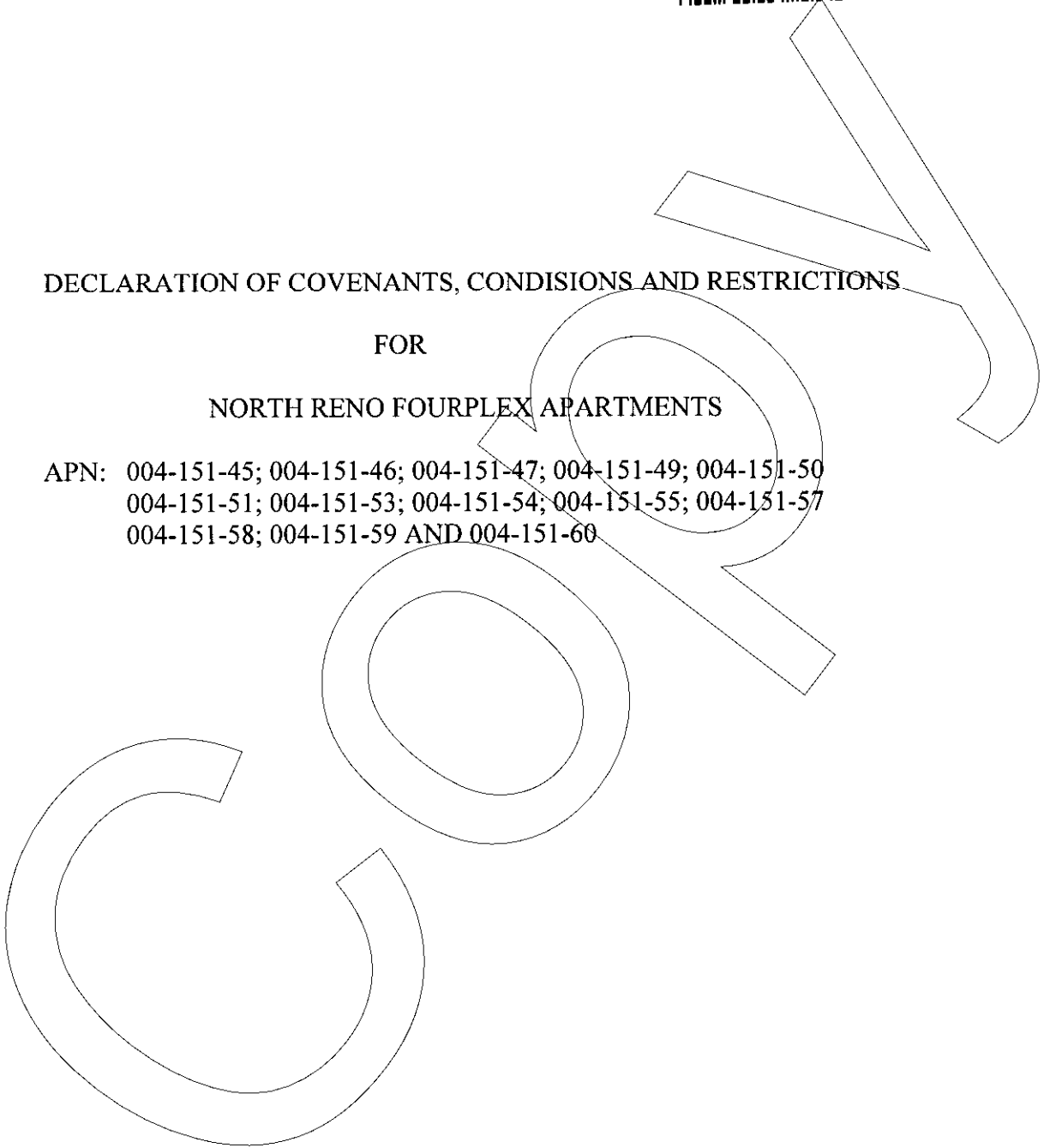


DECLARATION OF COVENANTS, CONDISIONS AND RESTRICTIONS

FOR

NORTH RENO FOURPLEX APARTMENTS

APN: 004-151-45; 004-151-46; 004-151-47; 004-151-49; 004-151-50
004-151-51; 004-151-53; 004-151-54; 004-151-55; 004-151-57
004-151-58; 004-151-59 AND 004-151-60





DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
for the
NORTH RENO FOURPLEX APARTMENTS

This DECLARATION of Covenants, Conditions, and Restrictions, hereinafter referred to as the "Declaration," is made this 23rd day of OCTOBER, 2004, by Paul B. McKinzie and Ronald W. Vogel, acting on behalf of McKinzie & Vogel Partnership, PO Box 1635, Zephyr Cove, Nevada 89448, hereinafter referred to as "Declarant."

RECITALS

This Declaration is made with reference to the following facts:

- A. Declarant is the owner of the real property known as the North Reno Fourplex Apartments located in Washoe County, Nevada, (hereafter "NRFA") as more particularly described in Exhibit A attached to this Declaration, which consists of 13 recorded parcels, specifically, 11 fourplex units, one duplex unit, and a common area comprising the common drives, walkways and grounds, all of which is hereinafter collectively referred to as "NRFA" or the "Property".
- B. Declarant considers it desirable and appropriate to establish a general plan for the preservation, maintenance and improvement of the Property that shall benefit the use, occupancy, and enjoyment of the Property, and to enhance and protect the value, desirability, and attractiveness of the Property.

Based upon the foregoing, Declarant covenants and declares that the Declarant's Interest in the Property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, used, maintained and improved, subject to the following covenants, conditions, and restrictions, which are declared to be for the benefit of the Property, and the owners of residences situate therein, their successors and assigns. These covenants, conditions, and restrictions shall run with the Property, residences, or any interest therein, whether as full owners, joint owners, lessees, tenants, occupants, trustees, or otherwise, and shall inure to the benefit of each owner thereof, and are imposed upon the Property, and any interest therein, as a servitude in favor of each and every interest in the Property as the dominant tenement or tenements.

ARTICLE I

DEFINITIONS

The following terms used in this DECLARATION (including the RECITALS) are defined as follows:



Section 1. "Architectural Committee" shall mean and refer to the committee or committees provided for in Article III hereof, entitled "Architectural Control".

Section 2. "Declarant" shall mean and refer to McKinzie & Vogel Partnership and its respective principals, Paul B. McKinzie and Ronald W. Vogel, their successors and assigns.

Section 3. "Exhibit" shall mean and refer to those documents so designated herein and attached hereto and any such exhibit is by this reference incorporated in this Declaration.

Section 4. "Member" shall mean and refer to any owner of property located within the North Reno Fourplex Apartments, or any subunit therein, who by virtue of such ownership is deemed to be a Member of the North Reno Fourplex Apartments, LLC, pursuant to the provisions of such LLC's Operating Agreement.

Section 5. "Owner" shall mean and refer to one or more persons or entities who are alone or collectively the record owner of a fee simple title to a residence contained within the Property, including Declarant, or the vendee under an installment land sales contract, but excluding those having any such interest merely as security for the performance of an obligation. If a residence is leased by Declarant for a term in excess of twenty (20) years and the lease or memorandum thereof is recorded, the lessee or transferee of the leasehold interest and not the Declarant shall be deemed to be the owner. If fee title to a residence is owned other than by Declarant, the owner of the fee title and not the lessee of such residence shall be deemed the owner regardless of the term of the lease.

Section 6. "Property" shall mean and refer to all the real Property known as the North Reno Fourplex Apartments, as more particularly described in Exhibit A attached hereto.

Section 7. "Residence" shall mean and refer to any fourplex, duplex, or any subunit thereof, contained within the Property known as the North Reno Fourplex Apartments.

ARTICLE II

PROPERTY USE AND BUILDING RESTRICTIONS

Section 1. Commercial Use. No part of a residence 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 nonresidential purposes.

Section 2. Signs. No sign or billboard of any kind shall be displayed to the public view upon any portion of the Property or upon any Residence contained therein except such signs as may be used by the Declarant or his/her sales agents in connection with the development and sale of the Property or a Residence therein; provided, however, that an owner may display upon or within the property boundaries of his Residence, one (1) sign advertising its sale or lease by him/her so long as such sign shall comply with any customary and reasonable standards promulgated by the



“Architectural Committee,” as such committee is established pursuant to Article III of this Declaration, as to the size, color, shape, or other qualification for permitted signs.

Section 3. Nuisance. No noxious or offensive trade or activity shall be carried on upon any residence, nor shall anything be done thereon which may be, or may become, any annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the owners of his/her respective residence, or which shall in any way increase the rate of insurance of the Declarant or other owners.

Section 4. Temporary Structures. Except upon the prior written approval by the Architectural Committee, no structure of a temporary character, trailer, basement, tent, shack, barn or other outbuilding shall hereafter be used on any residence at any time, either temporarily or permanently.

Section 5. Vehicles and Equipment.

- (a) Except as provided in this section, no inoperative motor vehicle, and no recreational or commercial vehicle and/or equipment shall hereafter be permitted to remain upon the Property, including, without limitation, streets, alleys, or driveways, except at such locations and subject to such conditions as shall be required by the Architectural Committee, and shall be so placed and stored as to be concealed from view of all residences and all public or private rights-of-way.
- (b) Recreational and commercial vehicles and equipment may be parked in the front of a residence only in the following circumstances: 1) up to 48 hours if prior written approval of the Architectural Committee has first been obtained; and 2) 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 one (1) week if prior written approval of the Architectural Committee has been obtained.
- (c) No personal automobile, recreational vehicle or equipment, commercial vehicle or equipment, or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced, or repainted on a residence unless: 1) such activity is performed within a completely enclosed garage or structure, 2) such activity has received the prior written approval by the Architectural Committee, and 3) such activity is screened from the sight and sound 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) As used in this section, “recreational vehicle or equipment” shall include trailers, boats, campers, trailer coaches, buses, house cars, motor homes, off-road vehicles, or any other similar type of equipment or vehicle.



(e) As used in this section, "commercial vehicle or equipment" shall include, but not be limited to, trucks of greater than ¾ ton capacity, construction equipment, 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.

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

(g) Declarant is mindful that a provision of this nature may be abused and the Architectural Committee shall have full right to take action within the parameters of this Declaration against the maintenance and use of a vehicle and/or equipment on the Property which violates the spirit and intent of this section.

Section 6. Animals. No animals, livestock, or poultry of any kind, shall be raised, bred or kept upon any residence, except that dogs, cats, or other household pets may be kept on the residences, provided they are not kept, bred or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl may be kept on the residences in unlawful numbers and/or which result in an annoyance and/or are obnoxious to residents in the vicinity. All animals permitted to be kept by this section shall be kept on a leash when on any portion of the Property except within a residence.

Section 7. Oil and Mineral Rights. Except as otherwise reserved by Declarant, no oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Property nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Property or within 500 feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained, or permitted upon the Property.

Section 8. Unsightly Items. All rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the residences and shall not be allowed to accumulate thereon. The residence shall promptly be cleaned of all waste, debris, used building materials, garbage, and other waste materials during the course of construction and following construction. No outdoor clotheslines are permitted on the residences. All refuse containers, woodpiles, storage areas, machinery and equipment shall be prohibited upon any residence unless obscured from view or adjoining residences and streets by a solid wall or fence or appropriate screen. Any fence or screen required by this section shall comply with the provisions of Article III of this Declaration and any additional standards promulgated by the Architectural Committee as to size, color, or other qualification for permitted fences or screens.

Section 9. Antennae and Other Roof Structures. Other that structures which comply with the provisions of Article III of this Declaration and any additional standards promulgated by the



Architectural Committee as to size, color, or other qualification for permitted antennae and other roof structures, no television, radio, or other electronic towers, aerials, antennae, disks, or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed, or permitted to remain on any residence unless and until the same shall have been approved in writing by the Architectural Committee, or unless the same be contained within a building or underground conduits.

Section 10. Trash and Refuse Receptacles. All owners and occupants of residences shall either subscribe to the solid waste collection service, if available, or shall transport said solid waste to a properly designated dumpsite contained within the Property, if provided. Receptacles for ashes, trash, rubbish, garbage, or other refuse shall be placed and maintained in the rear or on the side of a residence within an enclosed area and so housed as to be protected from animals and the elements, except at such time designated for the collection of such refuse.

Section 11. Burning. No burning, either in incinerators or in open conditions, shall be permitted on the Property at any time. All structures with fireplaces, including outside barbecues or fireplaces, must be equipped with directional spark arrestors or other similar devices approved by the City of Reno Fire Department or other appropriate entity.

Section 12. Firearms. No firearms may be discharged on the Property. No illegal firearms, and no fireworks, firecrackers or other items of explosive or incendiary nature may be stored within or discharged on the Property.

Section 13. Ecological Control. Under no circumstances shall any Owner disturb any portion of the common grounds or disturb the natural soil, trees, or grasses unless the Owner first obtains the written approval of the Architectural Committee and immediately constructs improvements thereon, paves, gravels or replants such disturbed areas with ground cover, all as pre-approved in writing by the Architectural Committee.

Section 14. Utility Easements, Drives and Drainage. No structure, planting, obstruction or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, which may damage or interfere with the drives and walkways contained within the Property, or which change the direction or flow, or obstruct or retard the flow of water through drainage channels established by Declarant. The Architectural Committee shall not approve any plans for the grading or regrading of any portion of the Property which alters the drainage pattern of a residence of the Property except into a drainage channel established by Declarant. Under no circumstances shall any Owner be permitted to obstruct, dam or in any way divert water from a naturally flowing spring, creek, or irrigation ditch, nor shall any owner be permitted to alter the topographical conditions of a residence in any way that would change the established or natural course of drainage to the detriment of any other residence, common ground or public right-of-way.

Section 15. Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window cover shall be made of, or shall be covered with, aluminum foil, or similar material.



Section 16. Resubdivision of Parcels. No parcel shall be further subdivided.

Section 17. Storage of Fuel. No tank or container for the storage of fuel, including liquefied gas, shall be permitted within the Property, with the exception of portable fuel containers of not more than five gallons capacity stored within the confines of a residence and out of the view of other residences.

Section 18. Lighting. No night-guard, motion activating lighting, or other outdoor lights may be installed unless approved by the Architectural Committee and provided such lighting is not objectionable to neighboring residences.

Section 19. Solar and Alternate Energy Systems. No solar, wind, or alternate energy systems shall be installed within the Property that requires the use of metal roofs or collecting apparatus which may be aesthetically annoying or displeasing to neighboring residences. Any system intended for use within the Property shall be detailed in specific drawings and shall be submitted to the Architectural Committee for prior written approval in accordance with Article III, "Architectural Control," of this Declaration.

Section 20. Accessory Structures. No accessory structures shall be constructed, installed, or placed on the Property without the written approval of the Architectural Committee.

Section 21. External Décor. No structure shall be painted or otherwise decorated in any color or in any manner which is not in keeping with the Property surroundings or is otherwise objectionable or detrimental to surrounding residences, as determined by the Architectural Committee.

Section 22. Fencing. No fence shall be installed or constructed upon a residence except in compliance with plans and specifications therefore which have been submitted to and approved in writing by the Architectural Committee as to harmony of external design and location in relation to surrounding structures and topography in accordance with Article III, "Architectural Control," of this Declaration. No fences, walls, hedges, or other sight barriers shall be erected or allowed to grow higher than six (6) feet, and none shall extend beyond existing setback lines. Nothing which constitutes a barrier to safe driving sight distances may be erected or allowed to grow.

Section 23. Used or Old Structures. No used, old, existing, or previously constructed buildings or structures shall be installed or placed on any portion of the Property.

Section 24. Single-Family Residential. All residences shall only be used for the residential purposes of a single family.

Section 25. Excavation. No excavation upon any portion of the Property shall be allowed unless in accordance with plans and specifications therefore which have been submitted to and approved in writing by the Architectural Committee.

Section 26. Roofs and Siding. All roofs must be of fire resistant composite material meeting applicable building code requirements and the standards of the City of Reno Fire Department.



ARTICLE III

ARCHITECTURAL CONTROL

Section 1. Architectural Committee. Upon the recording of this Declaration, Declarant shall initially serve as the Architectural Committee, and shall continue to serve until seventy (70) percent of the residences have been sold and occupied. Thereafter, the Architectural Committee shall consist of not less than 3 nor more than 5 persons. Initially, an odd number of members shall serve a term of one (1) year, and an even number of members shall serve a term of two (2) years. Thereafter, all elected members shall serve two-year terms. Individual members and initial lengths of terms shall be determined by those residence owners whose proportionate ownership within the Property constitutes an eighty-five (85) percent majority of residence ownership. Residence owners shall hold a voting percentage of 2.175 percent per unit owned within a fourplex, and 2.15 percent per unit owned within a duplex. Persons appointed to the Architectural Committee must be owners. Except as otherwise provided for in this Article III, decisions of the Architectural Committee shall be by majority vote of its members.

Section 2. Submittal of Plans. Before any construction activity begins, two sets of complete construction plans shall be submitted to the Architectural Committee, prepared and signed by the owner, and approved by the City of Reno Building Department if such approval is required. Upon approval, one set of plans shall be certified as "approved" and returned to the owner or his/her agent; the other set shall be retained by the Architectural Committee.

Section 3. General Provisions.

- (a) The Architectural Committee may adopt reasonable rules and regulations in order to carry out its duties and conduct its proceedings. Such rules and regulations may fix the time and place for its regular meetings and for such extraordinary meetings as may be necessary. A chairman and secretary shall be elected by a majority of committee members, and the secretary shall maintain minutes of meetings which shall be available within thirty (30) days of a meeting for inspection during reasonable business hours by Declarant and any residence owner.
- (b) The Architectural Committee may assess a fee not to exceed \$150.00 per submission of plans in connection with review of plans and specifications including, without limitation, the number of sets of plans to be submitted. The Architectural Committee may decide by majority vote to delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such person or persons shall be equivalent to approval or disapproval by the entire Architectural Committee. Unless any such rules are complied with, such plans and specifications shall be deemed not submitted.



- (c) The initial address of the Architectural Committee shall be the address of the Declarant set forth hereinabove. Such address shall be the place for the submittal and retention of plans and meeting minutes.
- (d) The establishment of the Architectural Committee and the systems herein for architectural 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 residences as may otherwise be specified in this Declaration.
- (e) In the event the Architectural Committee fails to approve or disapprove such plans and specifications within sixty (60) days after the same have been duly submitted in accordance with this Declaration and any rules regarding such submission adopted by the Architectural Committee, such plans and specifications will be deemed approved. The approval or disapproval of such plans and specifications shall be final and conclusive.
- (f) On any plans submitted for approval, the Architectural Committee may require changes, deletions or revisions as necessary for compliance with the terms of this Declaration and applicable law and building codes. No construction or improvements shall be commenced prior to Committee approval of plans and issuance of appropriate permits by authorized governmental agencies. Any construction or improvements shall conform to applicable government code and land use requirements.

Section 4. Approval and Conformity of Plans. No building, fence, wall, improvement, apparatus, of other structure shall be commenced, erected, or maintained upon the Property, nor shall there be any grading or regrading of a residence, addition to, change, repair, or maintenance of, in or to the exterior of any residence, structure, or other improvement including, without limitation, the painting of exterior walls or surfaces, patio covers and fences, or the planting of landscaping, except in compliance with the plans and specifications therefore which have been submitted to and previously approved in writing by the Architectural Committee as to 1) harmony of external design and location in relation to surrounding structures and topography; 2) conformity with this Declaration; and 3) conformity with any standards promulgated by the Committee pursuant to this Article III as to the activity or work.

The Architectural Committee may, from time to time, adopt and promulgate architectural or other performance standards to be administered by and/or through the Architectural Committee. The standards may include, but not be limited to, those restrictions and limitations upon the owners set forth below:

- (a) Time limitations for the completion of any improvement for which approval is required pursuant to the standards.
- (b) Conformity of completed improvements to plans and specifications approved by the Architectural Committee; provided, however, as to purchasers and encumbrancers 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 architectural committee, shall be filed of record in the Office of the City of Reno Recorder, and given to such owner within 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 or completion within said 30 day period, the completed architectural improvements shall be deemed to be in compliance with plans and specifications approved by the Architectural Committee and in compliance with the standards promulgated by the Architectural Committee from time to time, but only with respect to purchasers and encumbrancers in good faith and for value.

- (c) Regulation of the following: construction, reconstruction, exterior addition, change or alteration to, repair, or maintenance of any building, wall, fence, improvement, apparatus, vehicle, equipment, or structure, including color scheme, materials, surface, and location thereof, and the placements, species, and height of any trees, bushes, ground cover, plants, or other landscaping materials.
- (d) Without limiting the generality of the foregoing, the standards may provide that no owner shall remove a tree from his/her residence without the prior written approval of the Architectural Committee.

Section 5. Non-liability for Approval of Plans and Specifications. Plans and specifications shall be considered for approval by the Architectural 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 neither the Architectural Committee, the members thereof, nor Declarant assumes 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 all applicable requirements of the City of Reno as to improvements installed on his/her residence.

ARTICLE IV

REPAIR AND MAINTENANCE

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

- (a) Maintain the exterior of his/her residence, walls, fences, and roof of such residence in good condition and repair; and
- (b) Install and thereafter maintain in attractive condition front yard landscaping in accordance with the provisions of this Article.



Section 2. Standards for Maintenance and Installation.

- (a) Maintenance of the exterior of the residences, including without limitation, walls, fences, and roofs shall be accomplished in accordance with the architectural and/or performance standards and, if required by the architectural and/or performance standards, only after approval of the Architectural 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.

ARTICLE V

OWNERS' MEMBERSHIP IN NORTH RENO FOURPLEX APARTMENTS, LLC

Section 1. Membership. Declarant has caused the established of that entity known as the North Reno Fourplex Apartments, LLC (hereafter "NRFA, LLC") for the purposes of holding, insuring and maintaining the common area of the property consisting of drives, walkways and grounds, which common area is described in the attached Exhibit A, and further identified as Washoe County Assessor Parcel Number 004-151-60, and commonly known as "Lot 13." Concurrently or substantially concurrently with the recording of these CC&Rs, Declarant shall record a grant, bargain and sale deed conveying Lot 13 to the NRFA, LLC in fee simple. Any owner of a recorded parcel contained within the boundaries of the Property, and any owner of any subunit contained therein, shall be deemed by virtue of such ownership to be a Member of the NRFA, LLC. Any such owner shall be entitled to all the benefits and voting rights, and shall be bound by all the terms, provisions and conditions, as set forth in the NRFA, LLC Articles of Organization and Operating Agreement.

Section 2. Acceptance of NRFA, LLC Operating Agreement; Deposit of Annual Capital Contributions; Consent to Lien Against Parcel or Subunit. Upon the initial acquisition of and any subsequent transfer of legal ownership of any recorded parcel contained with the Property, or of any subunit contained therein, any person or entity acquiring such legal ownership shall be provided by Declarant, or its designated agent, or by the seller of such residence or his agent, with a copy of the NRFA, LLC Articles of Organization and Operating Agreement. By agreeing to accept ownership of and transfer of legal title to any parcel or subunit contained within the Property, any owner of such parcel or subunit shall be deemed to have agreed to become a Member of and to have accepted all benefits, obligations, terms and conditions contained in the NRFA, LLC Articles of Organization and Operating Agreement, including, without limitation, the obligation to deposit annual capital contributions for the annual operating costs of the LLC and for the annual costs of insurance, upkeep, utilities, taxes, maintenance and repairs necessary to protect and maintain the common parcel known as Lot 13.

Section 3. Consent to Lien For Non-Payment. The failure of any Owner/Member to timely deposit their proportionate capital contribution or contributions as specified by the NRFA, LLC Management Committee in accordance with subsection 2.2 of the NRFA, LLC Operating Agreement shall constitute such Owner/Member's consent to the imposition and recording of a



lien in such assessed contributory amount against the non-paying Owner/Member's property. The non-paying Owner/Member further agrees to pay to the NRFA, LLC Management Committee such monetary costs and professional services fees as are actually incurred by the NRFA, LLC Management Committee in preparing, filing, recording, perfecting and executing such liens.

ARTICLE VI

DECLARANT'S RESERVED RIGHTS CONCERNING EASEMENTS

Section 1. Reserved Rights. Declarant reserves as a developmental right and special declarant right the right to convey and/or dedicate rights of way and easements for ingress and egress, public utilities, waterlines, and water transmission and distribution systems, and/or communication cables, and drainage easements, at such locations upon the Property until such time as the original title of all residences have transferred, together with the privilege to assign this right at any time to Declarant's successors or assigns.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Declarant, the Architectural Committee, or any owner shall have the right 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, and any and all architectural and/or performance standards promulgated by the Architectural Committee pursuant to Article III of this Declaration, including the right to prevent the violation of any such restrictions, conditions, covenants, reservations, and architectural and/or performance standards, and the right to recover damages for such violation.

Section 2. No Waiver. Failure by the Declarant, the Architectural Committee, or any owner to enforce any covenant, condition, restriction, or standard herein contained or promulgated as herein provided 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, restriction, or standard.

Section 3. Cumulative Remedies. All rights, options, and remedies of Declarant, the Architectural Committee, or the owners under this Declaration are cumulative, and not one of them shall be exclusive of any other, and Declarant, the Architectural Committee, and the owners shall have the right to pursue any one or all or 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. Severability. Invalidation of any one or a portion of these covenants, conditions, restrictions, or standards promulgated pursuant to Article III of this Declaration by judgment or court order shall in no way affect any other provisions or standards which shall remain in full force and effect.



Section 5. 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, for a period of twenty (20) years from the date this Declaration is recorded. Thereafter, said covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) 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 6. 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 7. Singular Includes 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 8. 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, the Architectural Committee, or any owner. Such remedy shall be deemed cumulative and not exclusive.

Section 9. Attorneys' Fees and Lien. 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. Any monetary judgment, including attorneys fee and costs of such suit, against an owner shall be a judgment lien upon the residence of said owner, which lien shall have priority over any homestead that the owner may claim in such residence.

Section 10. Obligations of Declarant. So long as Declarant is utilizing the right described in the section entitled "Construction By Declarant" in this Article VII of this Declaration entitled "General Provisions," Declarant shall not be subject to the provisions of the Article entitled "Architectural Control" or the provisions of the Article entitled "Use Restrictions."

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



Section 12. Personal Covenant. To the extent the acceptance of a conveyance of a residence creates a personal covenant between the owner of such residence and Declarant or other owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an owner.

Section 13. Non-liability of Officials. To the fullest extent permitted by law, neither the Declarant, the Architectural Committee, or any member of such committee, shall be liable to any owner for any damage, loss, or prejudice suffered or claimed on specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Declarant or committee or persons reasonably believed to be the scope of their duties.

Section 14. Leases. Any agreement for the leasing or rental of a residence (hereinafter in this section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration. Said lease shall further provide that any failure by the lessee to comply with the terms of the foregoing documents shall be a 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 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 15. 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 all improvements upon and sale of the entire development. Such right shall include, but shall not be limited to, erecting, constructing, and maintaining on the Property such structures and displays as may be reasonable 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 a purchaser from Declarant to establish on the Property additional licenses, reservations, easements 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 to any successor or successors to all or part of Declarant's respective interest in the development, by an express assignment incorporated in a recorded deed or lease, as the case may be, transferring such interest to such successor. Declarant shall exercise its rights contained in this provision in such a way as not to unreasonable interfere with the owners' rights to use and enjoy the Property.

Section 16. Amendments. Subject to other provisions of this Declaration, this Declaration may be amended as follows:

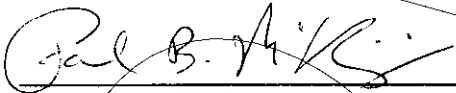
- (a) Until such time as Declarant has conveyed seventy (70) percent of the residences contained within the Property, amendments or modifications shall be effective when



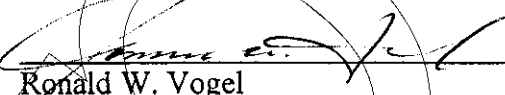
executed by Declarant and when recorded in the Official Records of the City of Reno. Thereafter any amendments shall require the affirmative written assent vote of those residence owners whose proportionate ownership within the Property constitutes an eighty-five (85) percent majority of residence ownership.

(b) An amendment or modification that requires the vote and written assent of the owners as hereinabove provided shall be effective when executed by the Architectural Committee who shall certify that the amendment or modification has been approved as hereinabove provided, and thereupon recorded in the Official Records of Washoe County.

IN WITNESS WHEREOF, Declarant has executed these declarations the day and year first written above.

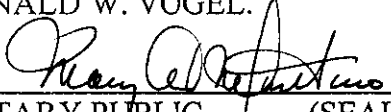


Paul B. McKinzie



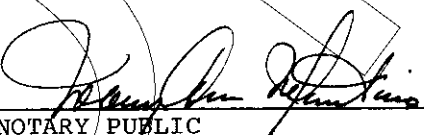
Ronald W. Vogel

SUBSCRIBED and SWORN to before me on this 23rd day of OCTOBER 2004, 2004, by ~~PAUL B. MCKINZIE~~ and RONALD W. VOGEL.



NOTARY PUBLIC (SEAL)

SUBSCRIBED AND SWORN TO BEFORE ME ON THIS 26th DAY OF OCTOBER, 2004 BY PAUL B. MCKINZIE



NOTARY PUBLIC

