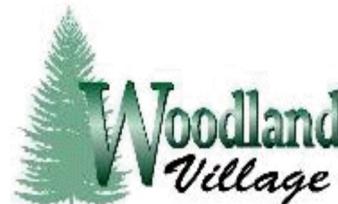


**Woodland Village  
Homeowner's Association  
Official Website**



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**COVENANTS, CODES AND RESTRICTIONS**

**WHEN RECORDED, MAIL TO:**

Dave Davis, Esq.  
Hale Lane Peek Dennison  
Howard and Anderson  
100 W. Liberty St., 10th Floor  
Reno, Nevada 89501

**AMENDED AND RESTATED  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
WOODLAND VILLAGE**

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**AMENDED AND RESTATED  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
WOODLAND VILLAGE**

THIS DECLARATION ("Declaration") is made this day of \_\_\_\_\_, 2000, by **COLD SPRINGS 2000, a Nevada corporation** ("Declarant"), with reference to the following facts and is as follows:

**RECITALS :**

A. Declarant caused that certain Declaration of Covenants, Conditions and Restrictions for Woodland Village to be recorded in Official Records, Washoe County, Nevada, on September 13, 1999, as Document No. 2379700 (the "Original Declaration").

B. Declarant is the owner of that certain real property situate in County of Washoe, State of Nevada, and described in **Exhibit "A"** hereto and by this reference incorporated herein (together with all other real property comprising the Village from time to time, the "Property").

C. Declarant intends to create a planned, mixed-use community within the Property and to sell and convey Lots (below defined) therein subject to the covenants, conditions, restrictions, equitable servitudes, and charges set forth herein which establish a general plan of improvement for the benefit of all of the Lots. The name of the community is Woodland Village. The Village (below defined) and this Declaration are and shall be subject to the provisions of Chapter 116 of Nevada Revised Statutes (the "Act"), as a planned community under the name of Woodland Village.

D. Declarant is or may become the owner of certain other real property situate in Washoe County, Nevada, which is described in **Exhibit "B"** attached hereto and incorporated herein by this reference, all or a portion of which real property may become Annexed Property (as defined below). In addition, as further provided below in this Declaration, Declarant reserves the right to create a maximum of 3,000 Lots within the Village and to add additional real property to the Village, which real property is not yet identified.

E. Declarant desires to amend and restate the Original Declaration in its entirety and is causing this Declaration to be recorded for such purpose.

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**DECLARATION :**

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved, or otherwise affected in any manner, subject to the declarations, limitations, easements, covenants, conditions and restrictions set forth in this Declaration, all of which are hereby declared to be in furtherance of a general plan for the development, improvement, and sale of the Property, and are further declared to be for the purpose of enhancing, maintaining and protecting the value and attractiveness

thereof. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes, or as liens, as the case may be, and shall constitute benefits and burdens to the Declarant and its successors and assigns and to all parties hereafter acquiring or owning any interest in the Property in whatever manner such interest may be obtained.

**THIS DECLARATION AND EACH OF ITS TERMS AND PROVISIONS SUPERSEDES, AMENDS AND REPLACES, IN ITS ENTIRETY, THE ORIGINAL DECLARATION; AND UPON RECORDATION OF THIS DECLARATION IN OFFICIAL RECORDS, WASHOE COUNTY, NEVADA, THE ORIGINAL DECLARATION SHALL BE OF NO FURTHER FORCE OR EFFECT.**

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## ARTICLE I

### INCORPORATION OF RECITALS; DEFINITIONS

Recitals A through C above are by this reference incorporated into this Declaration. The words, phrases or terms set forth in this **Article I**, when used in this Declaration, shall have the meanings ascribed thereto in this **Article I**. Certain other capitalized terms in this Declaration are defined in the specific sections of this Declaration to which such defined terms pertain, and shall have the meanings ascribed thereto in such sections throughout this Declaration.

1.1 "Annexed Property" means any or all real property which is now owned or hereafter may be acquired by Declarant, with respect to which a Supplemental Declaration is recorded causing an annexation of such property pursuant to the provisions of **Article X** below.

1.2 "Articles" or "Articles of Incorporation" means the Articles of Incorporation of the Association.

1.3 "Association" means the Woodland Village Homeowners Association, a Nevada nonprofit corporation.

1.4 "Association Property" means all real and personal property now or hereafter owned by or leased to the Association or in which the Association has a recognizable legal or equitable present or future interest.

1.5 "Beneficiary" means a beneficiary under a deed of trust or a mortgagee under a mortgage, and/or the assignee of such beneficiary or mortgagee.

1.6 "Board" or "Board of Directors" means the Board of Directors of the Association and is synonymous with "Executive Board" as defined by the Act.

1.7 "Bylaws" means the Bylaws of the Association.

1.8 "Commercial Areas" shall refer collectively to the areas of the Village designated in any Final Map or Supplemental Declaration for use as Commercial Project Types.

1.9 "Commercial Lot" shall mean each Lot designated in any Final Map or Supplemental Declaration for use as a Commercial Project Type.

1.10 "Commercial Project Type" shall mean a Lot or Lots restricted by this Declaration, a Supplemental Declaration or a Final Map to be used for commercial and/or office uses and related uses in accordance with applicable Land Use Ordinances and this Declaration.

1.11 "Common Area" or "Common Areas" means that portion of the Property which is designated as Common Area on a Final Map and which is leased to or owned in fee or some lesser estate or easement interest by the Association, together with all Improvements constructed or to be constructed thereon or therein, including, but not limited to, any recreational facilities and all streets, roadways, utility lines and facilities within the Property

(Exclusive of Lots) which have not been accepted for dedication by the applicable governmental entity having jurisdiction.

1.12 "Common Expenses" shall have the meaning set forth in Section **6.4.1** hereof.

1.13 "County" shall mean the County of Washoe, State of Nevada.

1.14 "Declarant" means the undersigned which has made and executed this Declaration or its successors, assigns, or representatives in the event Declarant assigns its rights and obligations, or in the event Declarant's interest in the Village is sold pursuant to foreclosure or deed in lieu thereof.

1.15 "Declaration" means this instrument and any and all supplements and amendments thereto.

1.16 "Design Committee" means the committee formed pursuant to **Article VIII** hereof.

1.17 "Design Committee Rules" means the rules, if any, adopted by the Design Committee.

1.18 "Development Covenants" shall mean a recorded agreement between Declarant and a Builder or a recorded Declaration executed by a Builder pursuant to an agreement with the Declarant creating covenants running with the land pertaining to the construction of Improvements on a portion of the Property owned by such Builder.

1.19 "Final Map" shall mean a recorded map of any portion of the Property, including, but not limited to, subdivision maps and parcel maps, and any and all amendments thereto, or boundary line adjustments of the Lots created thereby, which is recorded pursuant to statute for the purpose of dividing land into legally created Lots.

1.20 "Improvement" means all structures, and works of improvement and appurtenances thereto of every type and kind, including but not limited to dwellings, buildings, outbuildings, swimming pools (both above and in-ground), garages, carports, basketball goals, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, planting, planted trees, shrubs, ground cover of every type, poles, signs, exterior air conditioning, water softener, satellite dishes, antennae, fixtures or equipment.

1.21 "Land Use Ordinance" shall mean any zoning law, regional master plan or other ordinance or regulation governing the use of land adopted by the State of Nevada.

1.22 "Lot" or "Parcel" means any portion of the Property designated as a lot or parcel on any recorded final subdivision map or parcel map thereof and intended for improvement with a single family residence or a Commercial Type Project, whether or not the Lot or Parcel is so improved. The Boundaries of each Lot/Parcel and the number identifying the Lot/Parcel are set forth on the Map.

1.23 "Map" means the Final Map of \_\_\_\_\_ filed for record \_\_\_\_\_, 19\_\_, in Book \_\_\_\_\_, at Page \_\_\_\_\_ of Plats, Book No. \_\_\_\_\_, Document No. \_\_\_\_\_, Official Records, Washoe County, Nevada, and any and all amendments thereto; and all other final subdivision and parcel maps which are recorded in Official Records, Washoe County, Nevada, the real property of which is Annexed Property.

1.24 "Member" or "Association Member" means every person or entity including Declarant who holds a membership in the Association pursuant to the provisions of this Declaration, the Articles and the Bylaws.

1.25 "Owner" means any person or entity, including Declarant, holding a fee simple interest in a Lot or Parcel, or who is the buyer of a Lot or Parcel under a recorded contract of sale.

1.26 "Phase" means each portion of the Village created by a Final Map.

1.27 "Plan" means those items set forth in NRS 116.2109(4), including drawings of Improvements which are filed with agencies which issue permits for the Project, and all number and letter designations set forth thereon identifying Lots or Parcels, all of which are by this reference incorporated herein.

1.28 "Residential Lot" shall mean each Lot designated in any Final Map or Supplemental Declaration, which is not a Commercial Lot.

1.29 "Rules and Regulations" means such rules and regulations as the Board from time to time may adopt pursuant to the terms of this Declaration concerning the use of the Village or any part thereof, including, but not limited to, the Rules and Regulations contemplated pursuant to Sections **2.4.1**, **3.1** and **5.1.2**.

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

1.31 "Successor Declarant" shall mean any and all successors-in-interest of Declarant which acquire Declarant's entire interest in the Property, and to whom Declarant's rights under this Declaration have been assigned and which assume all of Declarant's obligations hereunder pursuant to a written agreement executed by the transferor Declarant and the transferee Successor Declarant and which is recorded. Declarant and each Successor Declarant who is a transferor Declarant shall cease to be the Declarant hereunder upon recordation of such written assignment.

1.32 "Supplemental Declaration" shall mean a recorded written instrument executed by Declarant, which refers to this Declaration and which annexes real property to the Village as Annexed Property and/or which supplements this Declaration, but is not in conflict with its terms.

1.33 "Village" means the Property, together with all Improvements now or hereafter located thereon, and together with all easements, rights and appurtenances belonging thereto.

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

1.35 The phrase "visible from neighboring property" means, with respect to any given object, that such object is or would be visible to a person six feet (6') tall standing at ground level.

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## ARTICLE II

### Common Areas

2.1 General Intent. The purpose of this **Article II**, among other things, is to provide for the transfer of title from Declarant to the Association of those portions of the Common Areas which are to become Association Property and to provide for the Association's acceptance of responsibility for the care and maintenance of the Association Property and other real and personal property not owned by the Association, but which the Association will be required to maintain. This Article also establishes easements for the Owners' use and enjoyment of the Common Areas, subject to the restrictions set forth in this Declaration and in the Rules and Regulations.

2.2 Ownership and Adjustment of Common Area. All of the Common Area is or will be owned by the Association. The Common Area shall remain private property of the Association unless dedicated to a public authority pursuant to the provisions hereof, and nothing contained herein shall be construed as a dedication to the public of the Common Area or any portion thereof.

Notwithstanding the foregoing, the Common Area(s) will be owned by Declarant until such time as Declarant transfers, or is required to transfer pursuant to the Act, the Common Area(s) in each Phase to the Association. Declarant will develop the Village with a certain amount of Common Area included as required by the County. However, as the Village is developed over time it may be necessary for Declarant to adjust the configuration or

size of Common Area in a particular Phase or Phases in order to efficiently and effectively configure the various features of the Village in response to changing circumstances over time as the Village is built out. Accordingly, Declarant reserves the right to adjust the common boundary line(s) between the Common Area(s) in various Phases at any time prior to the conveyance of such Common Area(s) to the Association.

2.3 Encumbrances Against Common Area. Title to the Common Area is or may be subject to the following encumbrances included in the Map and each subsequent Phase (in each instance, "Existing Encumbrances"):

- (a) The lien of real property taxes and assessments;
- (b) The obligations imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution, or regulation of the United States of America, the State of Nevada, County of Washoe, or any other political subdivision or public organization having jurisdiction over the Property, or by virtue of any organization or political body created pursuant to any such statute, law, ordinance, or regulation;
- (c) Any and all easements and other rights shown on the Map or any other Final Map;
- (d) All easements and other rights and obligations created by the Master Declaration or this Declaration;
- (e) Any and all loans for the construction of Improvements to the Common Area which loans shall be paid by Declarant as the same become due and payable; and
- (f) Any other lien, encumbrance, or defect of title of any kind whatsoever (other than of the type that would at any time or from time to time create a lien upon the Common Area to secure an obligation to pay money) that would not materially and actually prejudice Owners in their use and enjoyment of their Lots and the Common Area.

2.4 Owners' Easements of Enjoyment. Except as otherwise expressly provided elsewhere in this Declaration, each Owner shall have, and the Association hereby grants to each Owner, a non-exclusive easement of use and enjoyment in, to, and throughout the Common Area and for ingress, egress, and support over and through the Common Area. Each such easement shall be appurtenant to and pass with title to each Lot, subject to the following rights and restrictions:

2.4.1 The Association shall have the right to adopt, amend, and enforce Rules and Regulations affecting use of the Common Area; provided, however, that such Rules and Regulations shall not be in conflict with the provisions of this Declaration or any ordinances of the County, or of any other governmental entity.

2.4.2 The Association shall have the right to suspend the right to use any recreational facilities within the Common Area by an Owner, his tenants and guests for any period during which any Assessment against such Owner remains unpaid for a period of thirty (30) days by so notifying the Owner of such suspension, provided, however that if such Owner files a written objection with the Board within ten (10) days after such suspension notice is deemed to have been received by Owner pursuant to the provisions hereof, then such Owner shall be given written notice and an opportunity to be heard. Such notice shall be sent to the Owner by certified mail, return receipt requested, and shall be deemed delivered upon the lapse of three (3) days from and after the deposit of such notice in the United States mail, postage prepaid and addressed to such Owner at his Unit or at such other address as may be on record with the Association. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Any evidence shall be duly considered, but is not binding in making the decision. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

2.4.3 The Association shall have the right to limit the number of guests of an Owner utilizing the Common Area.

2.4.4 The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situate upon the Common Area.

2.4.5 The Association shall have the right to assign, rent, grant licenses, or otherwise designate and control the use of any parking or storage spaces within the Common Area.

2.4.6 The right of the Association to borrow money to improve, repair or maintain the Common Area.

## 2.5 Use of the Common Areas.

2.5.1 General. Except as otherwise expressly provided in this Declaration, the Common Area shall be used for open space, parks, recreational amenities, landscape areas, drainage facilities, firebreak areas and such other uses as Declarant through a Supplemental Declaration or the Association, through Association action, shall determine. Except as provided otherwise in Section 2.5.2 below, no persons other than the Owners, their family members, guests and invitees or the Owner's tenants, their family members, guests and invitees shall be allowed to in any manner use or occupy the Common Area; and then only in compliance with and subject to the terms and provisions of this Declaration. The foregoing is not intended, nor shall it be construed, to limit in any manner Declarant's rights to use the Common Areas as provided below in Section 2.6 or in **Article X** hereof. Each Owner shall at all times be responsible for any and all activities of his tenants, guests and invitees using the Common Area. No Improvements within the Common Area shall be altered or removed, except at the express direction of the Association.

2.5.2 Community Recreation Building. It is anticipated that Declarant will be constructing a recreation building (the "Recreation Building") as part of the Common Area for use by Owners, their family members, guests and invitees as contemplated pursuant to Section 2.5.1 above with respect to Common Areas in general. At such time as Declarant conveys the Recreation Building to the Association, and at all times thereafter, the Association shall retain the services of a professional manager to manage the operation of the Recreation Building. Such management shall require that the Recreation Building be open and generally available to its users during hours which maximize the use of the Recreation Building consistent with the demand placed on it by its users from time to time. While the manager of the Recreation Building shall be entitled to exercise its discretion concerning the actual hours of operation and the programs, events and activities offered and allowed by the Recreation Building, the Association at all times shall retain the final discretionary authority and decision making as to such matters.

The operation of the Recreation Building through the manager shall be funded by user fees as below provided. However, if such usage fees are insufficient to cover the costs to repair, maintain and operate the recreation Building, then the Association may levy a special assessment from time to time in the manner provided in **Article VI** hereof in order to cover such shortfall. In addition, the Recreation Building shall be open to the general public for its use in the same manner and to the same extent as made available to Owners, their family members, guests and invitees. The Association shall charge a use fee to all users of the Recreation Building. Such fees shall be in such amounts as the Board determines from time to time, and there shall be no distinction made between fees charged to Owners versus those charged to the general public.

## 2.6 Declarant's Common Area Easement Rights; Dedication of Common Area.

2.6.1 Reservation of Common Area Easements In Favor of Declarant. Declarant hereby reserves unto itself such easements over, through and under the Common Area as may be reasonably necessary to discharge Declarant's obligations or exercise any Special Declarant's Rights, whether arising under the Act or reserved in this Declaration.

### 2.6.2 Reservation of Right to Grant Additional Common Area Easements and to Dedicate Common Area.

Declarant hereby reserves unto itself the right to grant easements and rights of way on, over, through and under the Common Area for the purposes described below and for the benefit of the Owners, the Association, and the

right to offer for dedication any portion of the Common Area to any political subdivision, or any public or quasi-public entity or utility. Such grants of easement or dedications may be for any or all of the following described purposes: constructing, erecting, operating, or maintaining on the Common Area, at any time: (i) roads, streets, trails, walks, driveways, vehicle parking areas, parkways, and park areas; (ii) poles, wires, or conduits for transmission of electricity, telephonic communication or cable or master antenna television for the Village and the necessary apparatus incident thereto; and (iii) public and private sewers, sewage disposal systems, storm drains, storm water retention and re-charge basins, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any and all equipment and other apparatus relating thereto. The rights reserved by Declarant in this Section 2.6.2 may be exercised at any time that Declarant owns any portion of the Property.

2.7 Rights of Association to Grant Easements Over Common Area and to Dedicate Portions of Common Area. At such time as the rights reserved by Declarant under Section 2.6.2 have expired, the Association shall be entitled to exercise the rights reserved to Declarant under Section 2.6.2, provided that at least sixty-seven percent (67%) of the voting power of the Association has approved such action.

2.8 Right of Association to Encumber Common Area. The Association may encumber the Common Area in connection with authorized obligations, but only upon the affirmative vote of not less than sixty-seven percent (67%) of the voting power of the Association.

2.9 Declarant's Obligation to Convey. Declarant shall convey fee simple title or such other interest as the Declarant shall hold to the Common Area in each Phase to the Association prior to the first conveyance of a Lot to an Owner other than Declarant in such Phase, free and clear of all encumbrances and liens, except then Existing Encumbrances.

2.10 Maintenance of Common Area. Maintenance of the Common Area in each Phase and any and all Improvements thereon shall be the obligation of the Declarant solely until the Common Area in such Phase is conveyed to the Association and such conveyance is recorded in the official records of the County Recorder of Washoe County, Nevada (each, a "Transfer Date"). From and after each Transfer Date the obligation to maintain the Common Area and the Improvements thereon for the applicable Phase shall be the obligation of the Association. The Association shall maintain and manage the Common Area and all Improvements thereon in a first class and husbandlike manner. The Association shall maintain all utility, water and sewer lines, equipment and other apparatus within the Common Area, unless such item of maintenance is the obligation of a utility company, or the County.

2.11 Association Property on Lots. Some Lots may have placed on them street lights, drinking fountains or other Improvements which are Association Property. In addition, Improvements on Lots abutting Common Areas and public streets or other facilities may have security cameras, monitors or other surveillance equipment installed thereon in connection with security systems maintained by the Association. There is hereby reserved over and across each Lot and the Improvements thereon, an easement for the benefit of Declarant and the Association for the purpose of installing, repairing, maintaining and operating such Association Property, and providing access to and from such Association Property. All costs of the installation, repair, maintenance and operation of such Improvements shall be borne by the Association. In some instances, power or water necessary to operate such Improvements may be accessed or provided by utilizing power or water facilities servicing the affected Lot, and the foregoing easement shall allow such access and use; provided, however, that any additional cost of power or water resulting from such use of the Owner's power or water service shall be paid by the Association.

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ARTICLE III

PROHIBITIVE AND MANDATORY

USE RESTRICTIONS AND OBLIGATIONS

3.1 Forward. The Village, while not officially incorporated or chartered as a municipal corporation, city or town, is in many respects akin to a city or town. Accordingly, this Declaration, in addition to County, State and Federal laws and ordinances, sets forth the rules and methods by which the Village is to be operated, maintained, used and governed. The Association is the local "governing authority," and is intended to conduct itself and undertake its obligations as provided in this Declaration in a manner quite similar to a city or town government. To that end, the Association has elected officials and public meetings, and is empowered by this Declaration to adopt, enact and enforce Rules and Regulations within the parameters set forth in this Declaration.

With the foregoing in mind, the Board is hereby authorized and empowered to adopt, enact and enforce further Rules and Regulations relative to the prohibitive and mandatory use restrictions below set forth in order to protect and enhance value of the Property and the orderly functioning of the Village, and to adapt and respond to changing circumstances and times; provided, however, that no Rule or Regulation adopted or enacted by the Board may be less restrictive or mandatory in its scope or effect without the consent of not less than fifty-one percent (51%) of the voting power of the Association. The power of the Board to enact and adopt such Rules and Regulations shall in no way be limited by the treatment or the specificity of treatment of a subject matter in Sections 3.2, 3.3 or 3.4 below.

Section 3.2 covers use restrictions which apply to all of the Property, Section 3.3 covers those restrictions which apply only to Lots improved with single family residences, and Section 3.4 covers those restrictions which apply only to Lots upon which Commercial Type Projects may be developed. In the event a Lot is designated as part of a commercial Type Project, but pursuant to this Declaration or a Supplemental Declaration may be used also for single family residential use (below defined) then all of the provisions of Sections 3.2, 3.3 and 3.4 shall apply to such Lot as applicable.

3.2 General Development and Use Restrictions. Subject to the exemptions of Declarant set forth in **Article X** hereof, and other Declarant's rights as set forth in this Declaration, all of the Property shall be held, used and enjoyed subject to, and in accordance with, the following limitations and restrictions:

3.2.1 Single Family Residences and Apartments. Each Lot which is not designated for use as a Commercial Project Type shall be used for "single family residential use" and for no other purpose. An Owner may rent his Lot to a single family provided that the Lot is rented pursuant to a lease in accordance with the requirements set forth in Section 3.2.14 below. The term "single family residential use" shall also be applicable to all apartment living units located on Commercial Project Type Lots, and in all instances shall mean use by one or more persons residing and cooking together as a single housekeeping unit, provided any group of persons either:

- (a) is composed exclusively of family members who are related by blood, marriage or legal adoption to each other as grandparents, parents or children, or
- (b) contains a maximum number not exceeding two multiplied by the number of bedrooms in the home. The number of bedrooms in any home is the number shown on the plans approved by the County at the time of original construction of the home, not the number of rooms actually used as bedrooms, and not including any bedrooms added by subsequent remodeling or additions.

3.2.2 Parking and Vehicular Restrictions. Parking and vehicular restrictions shall be set forth in the Rules and Regulations, and will limit the number and types of vehicles, the parking of vehicles, and the condition of vehicles in order to maintain an orderly appearance of sufficient parking in the Village. No Owner shall park, store or keep within the Property any inoperable or commercial type vehicle (including, but not limited to, any dump truck, cement mixer truck, oil or gas truck or delivery truck) or vehicles needing significant visible repair (as determined by the Board) unless said inoperable, commercial or damaged vehicle can be, and is, stored in the garage of the Lot. No Owner shall park, store or keep on his Lot any recreational vehicle (including, but not limited to, any camper unit, house/car or motor home, trailer, trailer coach, camp trailer, camper truck, boat, or any other similar vehicle, unless the recreational vehicle is not visible from streets within the Village or if visible from such streets, is visible only to the extent it exceeds a solid fence shielding such vehicle to a height of not

less than six feet (6'), or such vehicle is a truck with a camper unit, and such camper truck is used for everyday-type transportation. In addition, no Owner shall park, store, or keep anywhere within the Property any vehicle or vehicular equipment, mobile or otherwise, deemed to be a nuisance by the Board. The Board shall have the power to enforce all parking and vehicle use restrictions applicable to the Property, including the power to remove violating vehicles from any of the Property to the extent permitted by applicable law.

**3.2.3 Nuisances.** No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within the Property, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, or offensive. No noise or other nuisance shall be permitted to exist or operate upon any portion of a Lot so as to be offensive or detrimental to any other Lot in the Property or to its occupants. Without limiting the generality of any of the foregoing provisions, no speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, motorcycles, unlicensed off-road motor vehicles or other items which may unreasonably disturb other Owners or residents or their guests shall be located, used or placed on any portion of the Property or the streets within the Village without the prior written approval of the Board. Alarm devices used exclusively to protect the security of a Lot and its contents shall be permitted, provided that such devices do not produce annoying sounds or conditions as a result of frequently occurring false alarms.

**3.2.4 Unsightly Articles.** No unsightly articles, including clotheslines, shall be permitted to remain on any Lot so as to be visible from neighboring property. Without limiting the generality of the foregoing, refuse, garbage and trash shall be kept at all times in covered, sanitary containers or enclosed areas designed for such purpose. There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles designed therefor, such that they do not create a fire hazard and except as specifically authorized in writing by the Association (and subject to applicable ordinances and fire regulations). No plastic, aluminum, tin or other metallic window coverings are allowed in or on any windows. Severely damaged or "junk" vehicles, even if otherwise operable, shall be brought to a reasonable state of cosmetic repair and appearance no later than thirty (30) days following written notice from the Board. Reasonable repair and appearance shall be determined by the Board in each instance in a manner which is consistent with providing an environment within the Village which is not so unsightly so as to be offensive to a reasonable person or which is detrimental to property values.

**3.2.5 Animals.** Animals, fowls, reptiles, fish or insects of any kind ("animals") which are common household pets may be raised, bred or kept within the Property, only in accordance with Rules and Regulations adopted by the Board. Poultry shall not be allowed. At a minimum, however, a reasonable number of dogs, cats or other household pets may be kept within a residence, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities, nor in violation of any applicable local ordinance or any other provision of this Declaration and such limitations as may be set forth in the Rules and Regulations. As used in this Declaration "unreasonable quantities" shall ordinarily mean more than five (5) pets per household; provided, however, that the Board may determine that a reasonable number in any instance may be more or less. The Association, acting through the Board, shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to other Owners in the Property. Animals belonging to Owners, residents, or their guests within the Property must be either kept within an enclosure or on a leash or other restraint being held by a person capable of controlling the animal, and who then has in his possession a proper or adequate utensil or other means of cleaning up immediately all feces of such animal. Furthermore, to the extent permitted by law, any Owner shall be liable to each and all remaining Owners, residents, their families and guests, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Property by an Owner or resident or by members of their family or guests; and it shall be the absolute duty and responsibility of each such Owner to clean up immediately after such animals which have used any portion of the Common Area.

**3.2.6 Utility Service; Propane Tanks.** No lines, wires, or devices for transmission of electric current or telephone, television, or radio signals shall be constructed, placed, or maintained anywhere within any Lot unless the same shall be contained in conduits or cables placed and maintained underground or concealed in or under buildings or approved structures. Nothing herein shall be deemed to forbid the erection and use of temporary power or

telephone services incidental to the construction of Improvements. Propane tanks may be placed on a Lot, but only if such placement otherwise complies with the terms and provisions of this Section 3.2.6; and at such time as gas service is made available to service such Lot, such tank must be removed and such gas service hooked-up to such Lot within ninety (90) days of such service being made available for actual use at any physical point along the property lines of such Lot.

3.2.7 Diseases and Insects. No Owner shall permit any thing or condition to exist upon his Lot that shall induce, breed, or harbor infectious plant or tree diseases or noxious insects.

3.2.8 Compliance With Laws. Nothing shall be done or kept in, on or about any portion of the Property, or Improvement thereon, except in compliance with all applicable federal, state and local laws, regulations and ordinances (collectively, "laws") including environmental laws.

3.2.9 Drainage; Storm Drain System. There shall be no interference with the rain gutters, downspouts, or drainage or storm drain systems originally installed by Declarant or any other interference with the established drainage pattern over any portion of the Property, unless an adequate alternative provision, previously approved in writing by the Declarant and the Design Committee is made for proper drainage. For purposes hereof, "established" drainage is defined as the drainage pattern and drainage Improvements which exist at the time such portion of the Property is conveyed by Declarant to an Owner, by the Declarant to the Association, or as modified in accordance with plans approved by the Declarant until Declarant's Control Termination Date or, thereafter, by the Design Committee. There shall be no violation of the drainage requirements of the City, County, U.S. Army Corps of Engineers, or State of Nevada Division of Environmental Protection, notwithstanding any such approval of Declarant or the Design Committee.

3.2.10 Handicapped Rights. Subject to the review and approval process of the Design Committee and applicable law, each Owner shall have the right to modify such Owner's Improvements and the route over the Lot or Common Area (as applicable and necessary) leading to the entrance of such Owner's Improvements, at such Owner's sole cost and expense, in order to facilitate access by persons who are blind, visually handicapped, deaf or physically disabled, to alter conditions which could be hazardous to such persons, or to otherwise comply with the Americans with Disabilities Act.

3.2.11 Lots and the Improvements Thereon. Each Owner shall have the obligation to repair and maintain such Owner's Lot and the Improvements thereon, at such Owner's sole cost and expense. Such repair and maintenance responsibilities shall include, but are not limited to, the following: all plumbing, electrical and gas lines, equipment and facilities, all water and sewer lines and all other utility facilities serving the property to be maintained by the Owner, all Improvements within such property, all exterior walls (including the painting thereof), windows, skylights and roofs, and all other Improvements on such property. Each Owner shall keep all shrubs, trees, grass and plantings within such Owner's Lot neatly trimmed, properly watered and cultivated, and free from trash, weeds, debris and other unsightly material. No approval from the Design Committee shall be necessary for the performance of normal maintenance and repair work.

3.2.12 Owner's Obligation to Rebuild Improvements on a Lot After Damage or Destruction to Improvements. No Owner shall do any act or work that will impair the structural soundness or safety of any Improvement located within such Owner's Lot. Each Owner shall carry casualty insurance insuring the Improvements on such Owner's Lot. Prior to commencement of work to repair or reconstruct a damaged Improvement, the Owner shall submit the plans and specifications for the repair or reconstruction of the Improvement to the Design Committee, and shall have received written approval thereof prior to the commencement of any work of repair or reconstruction. The Owner shall commence repair or reconstruction of a damaged or destroyed Improvement within the longer of one hundred twenty (120) days after the event causing the damage or destruction, or forty-five (45) days after the insurance proceeds are made available for reconstruction purposes; provided, however, that in the event the insurance proceeds available to the Owner are insufficient to complete such repair or reconstruction, or in the event a holder of a Deed of Trust exercises any right of such holder to apply all or substantially all of the insurance proceeds to the indebtedness secured by the Deed of Trust and the Owner elects not to rebuild the

damaged or destroyed Improvements, then within six (6) months after the event causing the damage or destruction the Owner shall remove all debris from the Lot and restore the Lot to a state that is not offensive to the general appearance of the Property, which restoration plan shall be submitted to, and approved by, the Design Committee prior to the commencement of the restoration work. The Owner shall perform all repairs, maintenance and upkeep of such Lot in accordance with this Declaration. The failure of the Owner to repair or reconstruct the damaged or destroyed Improvements, or to restore the Lot to an inoffensive state as required hereby shall be deemed to be a Maintenance Violation as set forth in Section 3.6 below.

3.2.13 Mineral Exploration, Mining or Drilling. No portion of the surface of the Property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, geothermal heat, minerals, rocks, stones, gravel or earth, nor shall oil, water or other wells, tanks, tunnels, mineral or geothermal excavations or shafts be permitted upon the surface of any portion of the Property, except any water wells installed by Declarant or any public or private utility company for the exclusive or nonexclusive use and benefit of the Property and such excavations and removal of earth and other substances as may be done by Declarant during and incidental to the development of the Property.

3.2.14 Leasing of Lots. Subject to Declarant's rights to forbid leasing of single family residential Lots for an initial period of six (6) months pursuant to the purchase and sale agreement between Declarant and an Owner for the sale and purchase of such Lot, an Owner shall be permitted to lease all, but not less than all, of such Owner's Lot provided that:

- (a) The Owner and all tenants ("Tenant") enter into a written lease which provides that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Rules and Regulations, and that any failure by the Tenant to comply with the terms of such documents shall be a default under the lease;
- (b) The Tenant is furnished with a copy of this Declaration and the Rules and Regulations;
- (c) The lease grants to the Association as a third-party beneficiary the right to evict the Tenant for failure to comply with this Declaration or the Rules and Regulations; and
- (d) The Secretary of the Association has been furnished with the name(s) and mailing addresses of the Tenant within five (5) business days after execution of the lease.

Each Owner shall be responsible and liable for all activities of such Owner's Tenant which are in violation of this Declaration or the Rules and Regulations.

3.2.15 Subdivision; Rezoning. Commercial Lots may be subdivided in accordance with applicable laws, ordinances, rules and regulations. Except as expressly authorized in this Declaration, or a Supplemental Declaration, no other Lot in the Property may be further subdivided (including division into time-share estates or time-share uses) without the prior written approval of Declarant; provided, however, that nothing in this Section shall be deemed to prevent an Owner from, or require the approval of Declarant or the Board for (a) transferring or selling any Lot to more than one (1) person to be held by them as tenants in common, joint tenants, community property or community property with right of survivorship; or (b) the leasing or renting by any Owner of such Owner's entire Lot, provided that any such lease or rental shall be subject to this Declaration. Except for Commercial Lots, no application for rezoning of any Lot, and no applications for variances or use permits shall be filed with any governmental authority unless the proposed use of the Lot has been approved by Declarant or, from and after the Declarant's Control Termination Date by the Board, and the proposed use otherwise complies with this Declaration. Notwithstanding anything contained herein to the contrary, Declarant, or its successors or assigns, shall have the right to change the location, size or configuration of the Common Areas within the Village after a Final Map thereof has been recorded, so long as such change does not materially and adversely affect any Owners in the use of their Lot.

3.2.16 Signs, Antennae and Similar Devices. Signs, antennae, poles, including, without limitation, flag poles and basketball poles and hoops, satellite dishes and similar devices or apparatus are allowed, if at all, only in

accordance with the Rules and Regulations.

**3.2.17 Rules and Regulations and Design Committee Rules.** Each Owner shall adhere to the Rules and Regulations and the Design Committee Rules at all times.

**3.2.18 Owner's Obligation to Maintain and Replace Trees.** Declarant will be planting trees along the streets within the Village and installing irrigation facilities to provide water to such trees. Except as otherwise provided below in this Section **3.2.18**, the Association shall have the responsibility to maintain all such trees and irrigation systems, except for such trees as are located in cul-de-sacs, which must be maintained and replaced by each Owner whose Lot frontage abuts the area where such trees are planted. Except for delays caused by prudent seasonal restrictions or inclement weather, each Owner who has maintenance responsibility for any such street tree shall remove and replace, at its cost, any diseased (unless such disease is curable, in which case such Owner shall commence and complete such cure in a diligent manner), dead or dying tree within sixty (60) days of written notice from the Association to such Owner requiring such removal and replacement. The failure of such Owner to remove and replace such diseased, dead or dying tree as above provided shall be deemed a Maintenance Violation as set forth in Section **3.6** below. Regardless of whose responsibility it is to maintain trees as provided in this Section **3.2.18**, any tree which extends over any street in the Village, public or private, shall be pruned so as to continuously provide not less than thirteen and one-half feet (13.5') of clearance above all street paving.

In addition to the foregoing, each Owner whose Lot abuts a street right-of-way (not in a cul-de-sac), in which a tree (or trees) is planted by Declarant, shall have the responsibility of watering such tree in a manner appropriate for its good health and normal growth. In the event any such tree(s) dies as a result of such Owner's failure to appropriately water such tree(s), the Association may replace such tree with a one inch (1") caliper tree; and such Owner shall be responsible for the payment of the removal of the dead tree and the cost of the replacement tree and the labor and materials required to plant it. Failure to pay such amounts shall be deemed a Maintenance Violation. Except as above provided in this paragraph, the Association shall provide overall maintenance, including trimming, of non-cul-de-sac trees planted in the front of Lots by Declarant.

Each Owner is hereby advised that trees may need to be removed from the street rights of way for the purpose of repairing or installing utilities. Any such removal shall be at no cost to the affected Owners, and the Association shall replace all such trees at no cost to the affected Owners.

**3.2.19 Manufactured and Mobile Homes.** No manufactured or mobile home (as such homes are defined by applicable law) shall be placed, installed, parked or stored within the Village at any time except for construction trailers placed temporarily on a Lot in connection with the construction of Improvements thereon in compliance with **Article VIII** hereof, and then only during the time of such construction. Under no circumstance shall any such construction trailer be used for residential purposes at any time, including, without limitation, during the time the applicable Improvements are being constructed.

**3.2.20 Maintenance of Lateral Sewer Lines Within Lots.** There may be instances where two (2) Lots share a lateral sewer line ("Shared Lateral") from the point of its hook-up to the main sewer line to a point where such shared lateral line divides to provide separate service to such Lots. As to each Lot which depends on a Shared Lateral for sewer service to the Lot, by acceptance of a deed to such Lot its Owner agrees as follows:

(a) The County shall have no responsibility whatsoever for the maintenance or repair of a Shared Lateral, and the County is expressly absolved of any such responsibility, which ultimately lies with the Association vis à vis the County.

(b) If a Shared Lateral becomes clogged, inoperable or in need of repair, each affected Owner shall be responsible for the payment of one-half (1/2) of the cost to repair such Shared Lateral, and the failure of an Owner to make such payment within thirty (30) days after written demand from a paying Owner shall entitle the paying Owner to petition the Association for the issuance of a Violation Notice to the non-paying Owner.

(c) If a Shared Lateral becomes clogged, inoperable or in need of repair and the affected Owners either do not remedy such situation themselves or are in dispute as to the cause or responsibility for such situation, then the Association shall have the right to issue a Violation Notice to each Owner and avail itself of all rights and remedies provided for herein with respect to Maintenance Violations.

**3.3 Single Family Development and Use Restrictions.** Subject to the exemptions of Declarant set forth in **Article X** hereof, and other Declarant's rights as set forth in this Declaration, all of the Lots upon which a single family residence is or is to be constructed shall be held, used and enjoyed subject to, and in accordance with, the following limitations and restrictions:

**3.3.1 Business or Commercial Activity.** No such Lot shall ever be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purposes, including without limitation any activity for which the provider is compensated in any way or receives any form of consideration, regardless of whether the activity is engaged in full or part-time, generates or does not generate a profit, or requires or does not require a license; except Declarant, its successors and assigns may use any portion of the Property for a model home site and display and sales offices in accordance with **Article X** hereof. The provisions of this Section **3.3.1** shall not preclude any of the above-described activities which are conducted without external evidence thereof provided that all of the following conditions are fulfilled: (a) such activities are conducted in conformance with all applicable governmental ordinances; (b) the patrons or clientele of such activities do not routinely or in significant numbers visit the Lot or park automobiles or other vehicles within the Village; (c) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the residence on such Lot; (d) no such activity increases the liability or casualty insurance obligation or premium of the Association; and (e) such activities are consistent with the residential character of the Village and otherwise conform with the provisions of this Declaration. The terms and provisions of this Section **3.3.1** do not apply to those portions of Improvements on Commercial Lots which are designated and intended to be used for commercial purposes. Once initially constructed, the single family residential use and commercial use portions of Improvements on Commercial Lots may be changed to single family or commercial use, as the case may be, only with the consent of the Design Committee.

**3.3.2 View Obstructions.** No Improvement or other obstruction shall be planted, constructed, or maintained on any Lot in such location or of such height as to unreasonably obstruct the view from any other Lot. Each Owner or resident of a Lot shall be responsible for periodic trimming, pruning and thinning of all hedges, shrubs and trees located on that portion of his Lot which is subject to his control or maintenance, so as to not unreasonably obstruct the view of other Owners or residents. If an Owner or resident fails to perform necessary trimming, pruning or thinning, the Association shall have the right, after ten (10) days prior notice requesting such work be done and the Owner or resident not having done so, to enter upon such Lot for purposes of performing such work. Each Owner, by accepting a deed to a Lot, hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner, and hereby consents to such impairment.

**3.3.3 Party Walls/Fences.** Each wall/fence which is built as a part of the original construction by Declarant and placed on the property line between Lots shall constitute a "party wall." In the event that any party wall is not constructed exactly on the property line, the Owners affected shall accept the party wall as the property boundary. The cost of reasonable repair and maintenance of party walls shall be shared by the Owners who use such wall in proportion to such use (e.g., if the party wall is the boundary between two Owners, then each such Owner shall bear half of such cost). If a party wall is destroyed or damaged by fire or other casualty, any Owner whose Lot has use of the wall may restore it, and any other Owner whose Lot makes use of the wall shall contribute to the cost of restoration thereof in proportion to such use. The foregoing shall not prejudice the right of any such Owner to call for a larger contribution from another Owner pursuant to any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding any provision of this Section **3.3.3**, an Owner who by his negligent or willful act causes a party wall to be destroyed or damaged shall bear the entire cost of the necessary repair or reconstruction.

**3.3.4 Perimeter Walls.** Walls and/or fences around the exterior boundary of the Village ("perimeter walls") constructed or to be constructed by Declarant are Improvements, all portions of which are located, or conclusively deemed to be located, within the boundaries of individual Lots. By acceptance of a deed to his Lot, each Owner on whose Lot a portion of the perimeter wall is located, hereby covenants, at the Owner's sole expense, with regard to said portion of the perimeter wall ("Lot Wall"): to maintain at all times in effect thereon property and casualty insurance, on a current replacement cost; to maintain and keep the Lot Wall at all times in good repair; and, if and when reasonably necessary, to replace the Lot Wall to its condition and appearance as originally constructed by Declarant. No changes or alterations (including, without limitation, temporary alterations, such as removal of the Lot Wall for construction of a swimming pool or other Improvement) shall be made to the perimeter walls, or any portion thereof, without the prior written approval of the Design Committee. If any Owner shall fail to insure, or to maintain, repair or replace his Lot Wall within sixty (60) days when reasonably necessary, in accordance with this Section **3.3.4**, the Association shall be entitled to insure, or to maintain, repair or replace such Lot Wall, and to assess the full cost thereof against the Owner as a Special Assessment, which may be enforced as provided for in this Declaration. The foregoing notwithstanding, the Association, at its sole expense, shall be responsible for removing or painting over any graffiti from or on the exterior sides of the perimeter walls.

**3.4 Use Restrictions, Maintenance Obligations and Private Easements Applicable to Commercial Areas.** Subject to the exemptions of Declarant set forth in **Article X** below, and the other Declarant's rights set forth in this Declaration, all Commercial Lots shall be held, used and enjoyed subject to the following additional limitations and restrictions.

**3.4.1 Prohibited Uses.** No portion of a Commercial Lot shall ever be used or caused to be used or allowed or authorized to be used in any way, directly or indirectly, for any manufacturing or industrial purpose, for adult bookstores or other businesses involving the sale, use, distribution or dissemination of pornographic literature, videos, movies or similar materials, for businesses involving the sale, use, distribution or dissemination of drug paraphernalia, for automobile sales, rental, service or repair, for outdoor storage or for unlimited gaming.

**3.4.2 Allowed Uses.** Commercial Lots upon which Commercial Type Projects are established are intended for the commercial, personal service and public service needs of the residents of the Village and the Cold Springs community at large. Commercial Project Type uses permitted within the Village are not intended to serve regional needs. Only the following uses will be permitted:

- Single and Multi-family dwellings
- Professional offices
- Medical offices
- Medical clinics
- Child care facilities
- Community center
- Cultural and library services
- Recreation
- Postal Services
- Public parking facilities
- Grooming and pet stores
- Veterinary services
- Neighborhood commercial center
- Limited gaming (slots only)
- Eating and drinking establishments
- Meeting facilities
- Financial Services
- Liquor sales (on and off premises)
- Retail sales

- Government offices
- Such other uses as are allowed pursuant to the governmental zoning ordinances and regulations applicable to the Village from time to time, excluding, however, those prohibited uses set forth in Section 3.4.1 above.

3.4.3 Landscape Maintenance. Without limiting the terms and provisions of the Landscape Manual (below defined in **Article VIII**), the Owner of each Commercial Lot shall properly maintain and periodically replace, when necessary, any trees, plants, grass, vegetation or other landscaping Improvements located on such Owner's Lot.

3.4.3 Parking; Vehicular Restrictions. Parking of vehicles of any type shall be restricted to designated parking areas, and no employees, agents, business invitees, tenants or customers of any Owner of a Commercial Lot shall be permitted to park in areas not so designated, or on any street (public or private) within the Property, except for purposes of loading or unloading passengers or emergency repairs. There shall be no employee parking allowed on streets fronting Commercial Lots. All deliveries or loading and unloading of goods or materials shall be restricted to designated loading docks or similar facilities. No repairs or restorations of any motor vehicle, boat, trailer, aircraft or other vehicle or equipment shall be conducted upon any street (public or private), or Lot, except wholly within a facility specifically designated for such purpose or within an enclosed garage. The Board shall determine, in its discretion, whether there is noncompliance with the parking and vehicular restrictions contained herein. These parking and vehicular restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any ordinance of the County. These parking and vehicular restrictions shall not apply to any public or private transportation system providing passenger shuttle service within the Property which has been approved by Declarant or the Board.

3.4.5 Animals. No animals, birds, reptiles, poultry, fish or insects of any kind shall be raised, bred or kept, except in licensed aquariums or retail pet shops operated as a business.

3.4.6 Hours of Operation. Commercial activities may be conducted on Commercial Lots only during the period of 6:00 a.m. to 11:00 p.m.; provided, however, that the Recreation Building may be operated during such additional hours as approved by the Board from time to time.

3.5 Public Streets, Sidewalks, Etc. Each and every provision of Sections 3.2, 3.3 and 3.4, shall apply to activities conducted on, or conditions existing with respect to, all public streets, sidewalks and other public areas located within the Village, to the extent that any such activity or condition conducted or caused, or suffered to be conducted to caused, by any Owner on such public property shall be deemed to have occurred on or with respect to, such Owner's Lot; and the Association shall be entitled to exercise all powers and remedies against such Owner as though the violation had occurred on such Owner's Lot.

### 3.6 Violations.

3.6.1 Violation Notice. If any Owner allows, permits, or causes any condition to exist on or within such Owner's Lot or any of the Common Areas, as the case may be, or the Improvements thereon, which violates the provisions of **Article III** of this Declaration or, in the sole reasonable discretion of the Board, is unsightly, unsanitary, or hazardous (including, but not limited to, a condition which causes dust to carry to another Lot) (herein collectively "Violation"), then, except as otherwise provided in Section 3.6.6, hereof, (in the case of an emergency), the Association shall give the Owner written notice ("Violation Notice"), specifying the nature of the Violation and a reasonable time period within which the Owner(s) must correct such Violation, as the Board determines is reasonably required, which cure period shall be no less than thirty (30) days. In the event that the Board fails to give a Violation Notice to a Owner who has defaulted in its obligation hereunder, then upon the filing with the Board of a meritorious written complaint (herein "Owner Complaint") executed by the Owners of any two (2) Lots within the Village, the Board shall have the obligation to give such Violation Notice.

3.6.2 Owner's Right to File an Objection; Hearing Panel; Arbitration. The Owner to whom a Violation Notice is given shall have the right to file a written objection thereto with the Secretary of the Association within ten (10) days after such Owner is deemed to have received such Violation Notice. In the event such an objection is filed,

and within thirty (30) days after the objection is filed, the Board may elect either (i) to convene a Hearing Panel (defined below), or (ii) submit the matter to binding arbitration pursuant to the provisions of Chapter 38 of the Nevada Revised Statutes. By acceptance of his deed or other instrument of conveyance, each Owner shall be deemed to have agreed to binding arbitration pursuant to the provisions of NRS 38.300, *et seq.*, or any successor statute, if such matter goes to arbitration.

**3.6.3 Hearing Panel.** In the event the Board elects pursuant to Section **3.6.2** above, to convene a Hearing Panel, then the President of the Association shall appoint, within thirty (30) days after receipt of the Owner's objection, a panel of three (3) Board Members or three (3) members of any committee of the Board established by the Board pursuant to the Bylaws (the "Hearing Panel"), at least one (1) of whom shall be an Owner of a Lot within the same type as the Lot which is the subject of the Violation Notice. The Hearing Panel shall convene no later than fifteen (15) days after its appointment for the purpose of conducting a hearing on the disputed Violation. Notice of such hearing, and time and place thereof, shall be given to the Owner to whom the Violation Notice is given and any other Owners who have filed Owner Complaints at least five (5) business days prior to the date set for such hearing. The Hearing Panel shall give written notice of its decision to the Owner against whom the Violation Notice was given as to whether or not a Violation exists and the nature of such violation. Copies of such decision shall be mailed to all persons who filed an Owner Complaint. The decision of the Hearing Panel shall be nonbinding and appealable as set forth in NRS 38.300, *et seq.*, or any successor statute. Appeals must be initiated within fifteen (15) days after the Hearing Panel renders its decision. The notice period within which a Violation must be cured shall be tolled from the date of filing such objection until the date the Hearing Panel notifies the Owner in writing of its decision and if an appeal is filed, during the pendency of the appeal.

**3.6.4 Association's Right to Correct Violation.** If an Owner does not appeal a Violation Notice and fails to cure the Violation within the applicable time period, or if a binding decision is rendered that a Violation exists and the Owner fails to correct a Violation within the period specified in such decision, or, if no time is specified, within a reasonable time ("cure period"), then in any such event the Association, acting through the Board, shall have the right, but not the obligation, to correct the Violation in accordance with the procedures set forth below.

**3.6.5 Procedure for Association's Correction of Violation.**

(a) **Bids.** In the event the Association elects to correct a Violation, then prior to commencement of work, if any, necessary to correct the Violation and promptly after the expiration of the cure period afforded a defaulting Owner, the Board shall obtain three (3) written bids to perform the required work and shall mail the bids to the Owner. The Owner shall have the right to select the bid by notifying the Board in writing within fourteen (14) days after the bids are mailed by the Board to the Owner. In the event the Owner fails to select a bid within such time period, the Board shall select the bid.

(b) **Violation Assessment.** When the bid has been selected as set forth in subsection (a), above, the Board shall levy a Violation Assessment pursuant to Section **8.7** hereof against the Owner in the amount of the cost of correcting the Violation and the costs and expenses, including attorneys' fees, incurred by the Association incident thereto.

(c) **Performance of Corrective Work By Association.** The Board may, at its sole option and discretion, elect to cause the corrective work to be commenced promptly after the Violation Assessment has been levied against the Owner, or elect to postpone the corrective work until after the amount of the Violation Assessment has been collected partially or in full. Neither the Association, the Board, nor any of the Association's agents, or employees shall be liable for any damage which may result from any work performed by the Association to cure a Violation.

**3.6.6 Emergencies.** In the event any officer of the Association believes, in his or her sole reasonable discretion, that an emergency situation exists within a Lot (including within any Improvement thereon) or within any Common Area and that immediate action or repairs are necessary to prevent or mitigate damages, then such officer or the Association's authorized agent shall have the right to exercise the Association's right of entry without notice. If after gaining entry, any officer or agent of the Association still believes in his or her sole

reasonable discretion, that immediate action or repairs are necessary to prevent or mitigate damages, then the Association shall have the right to take such action or make such repairs without notice to the Owner and without a hearing, and without obtaining competitive bids as provided above. The Association shall levy a Violation Assessment against the Owner in the amount of the cost of the necessary action or the corrective work and all costs and expenses, including attorneys' fees, incurred by the Association incident thereto. Neither the Association, the Board, nor any of the Association's agents or employees, nor any person hired by the Association to perform the necessary action or corrective work, shall be liable for any damage which may result from any work so performed on behalf of the Association.

**3.6.7 Entry by Court Order.** In the event a Owner prevents an officer of the Association or authorized agent of the Association from gaining access to such Owner's Lot (including within any Improvement thereon) or Common Area for the purpose of correcting a Violation or for the purpose of attending to an emergency situation, then the Owner(s) shall be jointly and severally liable to the Association for attorneys' fees, court costs and incidental expenses incurred by the Association for the purpose of gaining such entry and all other costs and expenses incident thereto (collectively "Entry Costs"), and such Entry Costs shall be assessed to the Owner as a Violation Assessment pursuant to Section **6.7** hereof.

**3.6.8 Failure to Appear; Fines.** In the event an Owner fails or refuses to cure a Violation as required after having been given a Violation Notice, or fails to attend the hearing on an appeal initiated pursuant to Sections **3.6.2** and **3.6.3** above, then the Board may avail itself, on behalf of the Association, of any available remedy under this Declaration or pursuant to equity or law, including, without limitation, the right to levy fines against such Owner as provided in Section **5.1.3** below. All remedies of the Association shall be cumulative, and the levy of a fine shall not be exclusive as to other remedies.

**3.7 Variances.** The Board is authorized to grant reasonable variances from the use restrictions set forth in this **Article III** and in the Rules and Regulations, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development and property protection intended by this Declaration. The granting of one variance shall not be considered precedent for the granting of subsequent variances. The opinions of adjoining property owners must be considered by the Board prior to approval of a variance.

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## ARTICLE IV

### THE ASSOCIATION

**4.1 Formation.** The Association is a nonprofit corporation formed or to be formed under the laws of the State of Nevada. Prior to the conveyance of the first Lot to an Owner other than Declarant, Declarant shall cause the Articles of Incorporation to be filed with the Secretary of State of the State of Nevada. The Association shall be charged with the duties and invested with the powers set forth in the Articles, Bylaws, and this Declaration. The Association is not authorized to have and shall not issue any capital stock.

**4.2 Association Action; Board of Directors and Officers; Members' Approval.** Except as to matters requiring the approval of members as set forth in the Articles, Bylaws, this Declaration, or Chapter 82 and 116 of the Nevada Revised Statutes, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint in accordance with this Declaration or the Bylaws, or their amendments. Except for the Member of the Board appointed by Declarant in accordance with this Declaration, the Articles and the Bylaws and the members of the first Board named in the Articles, the Board shall be composed of Members only. All members of the Board must be at least eighteen (18) years of age. The members of the first Board of the Association named in the Articles shall serve until the first meeting of the Members of the Association which is called for the purpose of electing their successors. The annual meeting of the Members of the Association shall be held on the first (1st) day of March of each calendar year, or such other date as is designated by the Board; provided, the Association shall meet at least once in each calendar year, and not more than one (1) full calendar

year shall elapse between each Annual meeting of the Members of the Association. Notwithstanding the foregoing to the contrary, the foregoing requirement to hold at least one (1) Association meeting each year may be satisfied by the Board adopting a resolution for the Association to meet, for example, on the "Second Saturday in the month of February" of each year, even though more than one (1) year may have elapsed between any given second Saturdays in February. Such meeting shall be called, noticed and conducted in accordance with the Articles and the Bylaws. Except as otherwise provided in the Articles, Bylaws, this Declaration, or Chapters 82 or 116 of the Nevada Revised Statutes, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total voting power assent to them by written consent as provided in the Bylaws or if approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws. The Association shall hold not less than one (1) general meeting each calendar year.

#### 4.3 Membership.

4.3.1 Membership Qualifications. The Members of the Association shall be the Owners of the Lots. The Owner(s) of each Lot shall have one (1) membership in the Association. The number of memberships in the Association shall be equal to the number of Lots within the Village at any given time.

4.3.2 Members' Rights and Duties. As used in this Declaration, the term "Member" shall refer to the Owner of a Lot if there is one Owner, or collectively to all of the Owners of a Lot if there is more than one Owner. Each Member shall have the rights, duties, and obligations set forth in this Declaration, the Articles, Bylaws, and Rules and Regulations, as the same may from time to time be amended. Except as otherwise provided in subsections (b) and (c) of Section 4.3.3 below, the respective interests of each of the Members shall be equal.

#### 4.3.3 Voting.

(a) General. Except as otherwise provided in subsections (b) and (c) of this Section 4.3.3, each Member shall be entitled to one vote for each Residential Lot owned by such Member; and each Member shall be entitled to one (1) vote, plus an additional fractional vote, if applicable, for each Commercial Lot owned by such Member, determined as follows:

(1) Each Commercial Lot shall be entitled to one (1) vote, plus additional one-seventh (1/7th) multiples thereof, based on the gross square footage of the Improvements constructed on such Commercial Lot from time to time. Accordingly, Commercial Lot voting rates will vary according to the square footage of the Improvements on such Lots. For example, (i) if the gross square footage of the Improvements on a Commercial Lot is 1,400, then the Member will be entitled to one (1) vote, or (ii) if the gross square footage of the Improvements is 1,800, then the Member will be entitled to one and two-sevenths (1-2/7ths) votes or (iii) if the gross square footage of the Improvements is 1,940, then the Member will be entitled to one and three-sevenths (1-3/7ths) votes (round to the nearest one-seventh (1/7th));

(2) Voting rates shall remain constant for each fiscal year of the Association and shall be determined as of the first (1st) day of each fiscal year; provided, however, that the initial voting rate for each Commercial Lot which is unimproved shall be one (1) vote and shall be adjusted in accordance with the terms and provisions of subparagraph (1) above in mid-fiscal year only upon the issuance of a final certificate of occupancy for the initial Improvements constructed on such Commercial Lot. Thereafter, adjustments in voting rates for such Commercial Lot shall take place only as of the first day of each fiscal year of the Association. Each Commercial Lot shall be entitled to one (1) vote, regardless of the square footage of, or lack of, Improvements on such Lot.

The Association may not cast any vote otherwise allocated to it for any Lot it may own.

(b) Appointment and Removal of Members of Board and Officers of Association. Subject to the provisions of subsection (d) of this Section 4.3.3, Declarant reserves the right to appoint and remove all of the members of the Board and all of the officers of the Association until the earlier of the following events:

(i) Sixty (60) days after conveyance of seventy-five percent (75%) of the Lots which may be created in the Property or any Annexed Property to Owners other than Declarant (herein "Purchasers"); or

(ii) Five (5) years after Declarant has ceased to offer for sale in the ordinary course of business any Lots within the Property or any Annexed Property.

Declarant shall have the right to designate a person or persons who are entitled to exercise the rights reserved to Declarant under this subsection (b). The date on which the rights reserved by Declarant under this subsection (b) terminate is herein called "the Declarant's control Termination Date." From and after the Declarant's Control Termination Date, the Board of Directors and the officers of the Association shall be elected and appointed as provided in the Articles and Bylaws.

(c) Composition of Board of Directors. Notwithstanding anything to the contrary set forth herein, not later than sixty (60) days after Declarant's conveyance of Lots equal to twenty-five percent (25%) of the total number of Lots which may be created within the Property to Owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots which may be created within the Property or any Annexed Property to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than on the Declarant's Control Termination Date, the Owners shall elect a Board of at least three (3) members, at least a majority of whom must be Owners.

(d) Persons Entitled to Serve on the Board. Except for the members of the Board appointed by Declarant in accordance with the Declaration, the Articles and the Bylaws, and the members of the first Board named in the Articles, all members of the Board shall be Members of the Association. Each Board member shall meet the eligibility requirements further set forth in the Bylaws. In all events where the person serving or offering to serve as an officer of the Association or member of the Board is not the record Owner, such person shall file proof of his or her authority in the records of the Association.

4.3.4 Exercise of Voting Rights. In the case of a Lot owned by two (2) or more persons or entities, the voting power shall be exercised by only one of them. Such voting member must be designated in writing to the Board by all Owners of such Lot, and the Association may preclude the vote for any such Lot by any Owner other than such designated Owner. If there is no such designation then such Lot shall have no vote until such designation is made. No vote allocated to a Lot owned by the Association may be cast.

4.4 Transfer of Membership. The Association membership of the Owner(s) of a Lot shall be appurtenant to such Lot, and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such Lot, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest to a Lot shall operate automatically to transfer the appurtenant membership rights in the Association to the new owner(s). Prior to any transfer of title to a Lot (including the sale of a Lot under a recorded contract of sale), either the transferring owner or the acquiring owner shall give notice to the Board of such transfer, including the name and address of the acquiring owner and the anticipated date of transfer. The Association shall have the right to charge a reasonable transfer fee payable to the Association on the date of transfer of title to the Lot, which transfer fee shall be assessed against the Lot as a Violation Assessment if not paid when due.

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## ARTICLE V

### POWERS AND DUTIES OF THE ASSOCIATION

5.1 Powers. The Association shall have all the powers of a non-profit corporation organized under the laws of the

State of Nevada and the powers conferred upon it pursuant to Chapters 82 and 116 of the Nevada Revised Statutes, subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws, and this Declaration. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under this Declaration, the Articles, and the Bylaws, and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, the following:

5.1.1 Assessments. The Association shall have the power to establish, fix, and levy assessments as set forth in **Article VI** hereof (herein collectively "Assessments") and to enforce payment of such Assessments in accordance with the provisions of this Declaration.

5.1.2 Rules and Regulations. Without limiting in any manner the rights of the Board to adopt and enact property usage rules and restrictions as provided in Section 3.1 above, and in addition to such rights, the Board shall have the power to adopt, amend, and repeal the Rules and Regulations regulating the use of the Common Area and for such other purposes as are expressly allowed by this Declaration or allowed pursuant to the Act. A copy of the Rules and Regulations as adopted, amended, or repealed, shall be mailed or otherwise delivered to each Member.

5.1.3 Right of Enforcement.

(a) General. The Association in its own name and on its own behalf, or on behalf of the Owners of two (2) or more Lots who consent, any Member on its own behalf, and Declarant on its own behalf, shall have the power and authority to commence and maintain actions for damages, or to restrain and enjoin any actual or threatened breach of any provision of this Declaration, the Articles, Bylaws, Rules and Regulations, or any resolutions of the Board, to enforce by mandatory injunction, or otherwise, all of these provisions, to intervene in litigation or administrative proceedings on matters affecting the Village. The Court in any such action may award the successful party reasonable expenses in prosecuting such action, including reasonable attorneys' fees.

(b) Suspension of Voting Rights; Fines. The Association shall have the power and authority to suspend the voting rights, suspend an Owner's right to use any recreational amenities comprising the Common Area, and can assess monetary penalties as allowed pursuant to the Act, against any Owner of a Lot or other person entitled to exercise such Owner's rights or privileges for any violation of this Declaration, the Articles, Bylaws or Rules and Regulations. Before invoking any such suspension or fine, the Board shall first proceed in accordance with the applicable requirements of Section 3.6. The Association does not have the power or authority to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of such Owner's Lot if the Owner does not comply with provisions of this Declaration or of the Articles, Bylaws, or Rules and Regulations, except when the loss or forfeiture is the result of a court judgment, arbitration decision, or a foreclosure or sale under a power of sale based on failure of the Owner to pay assessments levied by the Association. If the Association adopts a policy which allows the imposition of fines on an Owner for the violation of the Rules and Regulations and the terms and provisions of **Article III** hereof, the secretary or other officer specified in the Bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot's Owner, a schedule of the fines that may be imposed for those violations. Notwithstanding any other provision of this Declaration to the contrary, a fine may be assessed against an Owner for a violation of the Rules and Regulations, only if the Owner was given written notice of the applicable Rule or Regulation, and all amendments thereto, at least thirty (30) days before the alleged violation. Each fine must be commensurate with the severity of the violation, but must not exceed \$100.00 for each violation or a total amount of \$500.00, whichever is less. If a fine is imposed and the violation is not cured within fourteen (14) days or a longer period as may be established by the Board, the violation shall be deemed a continuing violation. Thereafter, the Board may impose an additional fine for the violation for each seven (7) day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

5.1.4 Delegation of Powers; Professional Management; Other Services. The Association, acting by and through the Board, can delegate its powers, duties, and responsibilities to committees of Members, employees, agents and

independent contractors, including a professional managing agent. The Association may obtain and pay for legal, accounting, and other services necessary and desirable in connection with the operation of the Village and the enforcement of this Declaration.

5.1.5 Personal Property. The Association may acquire and hold for the use and benefit of all the Owners tangible and intangible personal property, and may dispose of the same by sale or otherwise.

5.1.6 Other Services and Properties. The Association shall have the power to obtain or pay for, as the case may be, any other property, services, taxes, or assessments which the Association or the Board is required to secure or pay for pursuant to the terms of this Declaration, the Articles, or Bylaws, including security services for the Village generally, or which, in its opinion, shall be necessary or proper for the operation of the Association, and to incur liabilities and make contracts respecting the same.

5.2 Duties of the Association. In addition to the duties delegated to it by its Articles or the Bylaws, and without limiting their generality, the Association, acting by and through the Board, or persons or entities described in Section 5.1.3, has the obligation to conduct all business affairs of common interest to all Members and to perform each of the following duties:

5.2.1 Professional Management. The Association may engage the services of a professional manager to manage the Village.

5.2.2 Taxes and Assessments. The Association shall pay all taxes and assessments levied against all Association Property or against the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

5.2.3 Insurance. The Association shall obtain and maintain, from reputable insurance companies, the insurance described in **Article VII**.

5.2.4 Operation and Maintenance of Association Property. The Association shall operate, maintain, and otherwise manage or provide for the operation, maintenance, and management of any and all Association Property, including, but not limited to, any Common Area in which the Association has a vested present interest, and all its facilities, improvements, and landscaping; including, but not limited to, any and all private streets, Association owned utilities and facilities, including, without limitation, telecommunications conduit and cabling, storm drainage and flood control systems, ditches, ponds and related improvements, and any other property acquired by the Association, including personal property. Without limiting the generality of the foregoing, the Association shall implement and comply with on a continued basis the Maintenance Schedule-Woodland Village Detention Basins set forth as **Exhibit "C"** attached hereto and incorporated herein by this reference. Such operations and management shall be conducted in a first-class manner, and the Association Property shall be maintained in a good state of repair. In this connection, the Association may enter into contracts for services or materials for the benefit of the Association Property including contracts with Declarant. Without limiting the generality of the foregoing, the Association specifically is empowered to utilize treated sewer plant effluent for use in its irrigation system. In addition, the Association may charge fees for the use of Association owned utilities. Such fees shall be charged only to those Owners utilizing such utilities from time to time, and shall be charged at such rates and in such manner as the Association deems appropriate, which may include both flat rate and metered rate methods.

5.2.5 Repair of Damaged Curb and Gutter. Without limiting the obligations of Owners as set forth in Section 3.2.18 above, the Association shall have the obligation to, and shall, repair (and replace where necessary) , all curb and gutter improvements which are damaged by trees planted within County right-of-ways.

5.2.6 Implied Authority; Easements. The Association shall perform such other acts, whether or not expressly authorized by this Declaration, or any Supplemental Declaration that may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles, Bylaws, and Rules and Regulations. There is hereby

reserved to the Association such easements over the Common Areas and the Lots as are necessary to perform its duties and obligations or to exercise its rights as set forth in this Declaration, any Supplemental Declaration, the Bylaws, Articles, and the Rules and Regulations.

**5.2.7 Other.** The Association shall carry out the other duties of the Association set forth in the Declaration, Articles, and Bylaws.

**5.3 Limitations on Authority of Board.** Except with the vote or written consent of Members of the Association holding fifty-one percent (51%) of the voting rights and a majority of the voting rights allocated to Lots not owned by Declarant, the Board shall not compensate members of the Board or officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

**5.4 Personal Liability.** No member of the Board, or of any committee of the Association, or any officer of the Association, or any Manager, or Declarant, or any agent of Declarant, shall be personally liable to any Member, or to any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

**5.5 Meetings of Members.** Meetings of Members shall be noticed and held as provided in the Articles, Bylaws, and this Declaration.

**5.6 Association Books and Records and Association Property.**

**5.6.1 Right of Inspection.** All membership registers, accounting records, and minutes of meetings of the Members, the Board, and committees of the Board, and all other books, documents and records of the Association, and the physical properties of the Association, shall be made available for inspection by any Member of the Association, or his, her or its duly appointed representative, or any mortgagee, during the regular working hours of the Association, at the office of the Association or at such other place as the Board prescribes. The right of inspection shall include the right to make copies of documents. The Board shall establish by resolution reasonable rules with respect to (a) notice to be given to the custodian of the records of the Association by the Member representative, or mortgagee desiring to make an inspection, and (b) payment of the actual cost (not to exceed .25 cents per page or such higher amount as allowed pursuant to the Act) of reproducing copies of documents requested by a Member or by a representative or mortgagee. The provisions of this Section **5.6.1** do not apply to the personnel records of the Association or the records of the Association relating to another Owner. In addition to the foregoing, the Board shall maintain and make available for review at the business office of the Association or other suitable location:

- (a) The financial statement of the Association;
- (b) The Budgets of the Association; and
- (c) The study of the reserves of the Association required to be conducted pursuant to Section **6.4.2** below.

The Board shall provide a copy of any of the records required to be maintained pursuant to subsections (a), (b) and (c) immediately preceding to an Owner within fourteen (14) days after receiving a written request therefor.

**5.6.2 Declarant's Obligation to Deliver Association Property and Records to Board.** Within thirty (30) days after the Declarant's Control Termination Date, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by Declarant, including:

- (a) The original or a certified copy of the Declaration, the Articles, the Bylaws, minute books and other books and records of the Association and any Rules and Regulations which may have been adopted;

- (b) An accounting for money of the Association and financial statements from the date the Association received money to the Declarant's Control Termination Date. The financial statements shall fairly and accurately report the Association's financial condition prepared in accordance with generally accepted accounting principles;
- (c) The Association's money or control thereof;
- (d) All of the tangible personal property that has been represented by the Declarant to be Association Property or, all tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Area, and inventories of those properties; unless Declarant has disclosed in a public offering statement that such personal property will remain the property of Declarant;
- (e) A copy of any plans and specifications used in the construction of any Improvements which were completed within two (2) years before the Declaration was recorded;
- (f) All insurance policies then in force, in which the Owners, the Association, or its directors or officers are named as insured persons;
- (g) Copies of any certificates of occupancy that may have been issued with respect to any Improvements comprising the Village;
- (h) Any other permits and approvals issued by governmental bodies applicable to the Village which are in force or which were issued within one (1) year before the Declarant's Control Termination Date;
- (i) Written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective;
- (j) A roster of Owners and mortgagees of Lots, if known, and their addresses and telephone numbers, if known, as shown on Declarant's records;
- (k) Contracts of employment in which the Association is a contracting party;
- (l) Any contract for service in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.
- (m) A complete study of the reserves of the Association, conducted by a person qualified by training and experience to conduct such a study;
- (n) A reserve account that contains the Declarant's share of the amounts then due, and control of the account; and
- (o) A disclosure, in writing, of the amount by which Declarant has subsidized the Annual Assessments on a per Lot basis.

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## ARTICLE VI

### ASSESSMENTS

6.1 Agreement to Pay. Declarant, for each Lot owned by Declarant, and each Owner for each Lot owned by such Owner (all such Lots owned by Declarant and such Owners collectively, at any given time, the "Assessed Lots"), hereby covenants and agrees to pay to the Association such Assessments as are made pursuant to this **Article VI**.

6.2 Personal Obligations. Each Assessment or installment thereof, together with any late charges, interest,

collection costs, and reasonable attorneys' fees, shall be the personal obligation of the person or entity who is the Owner of the Lot at the time such Assessment (or installment) became due and payable. If more than one person or entity is the Owner of the Lot, the personal obligation to pay such Assessment (or installment) respecting such Lot shall be both joint and several. Subject to the provisions of Section 9.3 hereof, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid Assessments against the Lot, up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by non-use or abandonment of his Lot.

**6.3 Purpose and Amount of Assessments.** The Assessments levied by the Association shall be the amount estimated to be required, and shall be used exclusively, to promote the health, safety, and welfare of the Members of the Association, for the performance of the duties of the Association as set forth in this Declaration, and for the repair, maintenance and upkeep of the Common Area and any other Association Property. There shall be a reserve established for the repair and replacement of the major components of the Common Areas, and such reserve may be used only for Common Expenses that involve major repairs, replacements or restoration of such components, and not for daily maintenance.

#### **6.4 Budget and Reserve Requirements.**

**6.4.1 Definitions.** As used herein, "Annual Assessment" shall mean the amount of the Association budget ("Budget") for each fiscal year to pay the Common Expenses (defined below) as established pursuant to the provisions of this Article. The Budget must include, without limitation, the estimated annual revenue and expenditures of the Association and any contributions to be made to the reserve account of the Association. As used herein, "Common Expenses" means the expenditures made by the Association in the performance of its obligations hereunder, and the financial liabilities of the Association during the applicable fiscal year, including the costs and expenses of the daily operation of the Association and an allocation for reserves. Common Expenses include, but are not limited to, expenditures for the following purposes: (i) to operate, manage, maintain and repair the Common Area and other Association Property, and to administer the operation of the Association; (ii) to provide for reasonable reserves consistent with sound business practice for the repair, replacement and restoration of Improvements to the Common Area and any Association Property, and for such other purposes as are consistent with good business practice, and otherwise as required by NRS 116.3115(2)(b) and Section 6.4.2 of this Declaration; and (iii) to provide for the possibility that some Assessments may not be paid on a current basis. Without limiting the generality of the foregoing, Common Expenses shall include: all charges, costs, and expenses whatsoever incurred by the Association for or in connection with the Association administration, including, but not limited to, the maintenance of the Common Area; any taxes and assessments assessed against Association Property, any taxes assessed against the Association itself, insurance premiums, including fire and other casualty insurance, liability insurance, workman's compensation insurance, and other insurance obtained pursuant to this Declaration; payment of any liability of the Association whatsoever for loss or damage arising out of or in connection with the Common Area or any fire, accident, or nuisance occurring within the Common Area; the cost of repair, rebuilding and replacement of the Improvements to the Common Area; the cost of all utility services to the Common Area, including water, electricity, refuse removal, landscape maintenance services, and any other similar service attributable to the Common Area; the unpaid share of any Assessment levied during the previous fiscal year against any Owner who has defaulted in payment thereof to the extent that the same becomes uncollectible; accounting and legal fees, management fees, and cleaning, janitorial and lawn care fees, and other necessary expenses of upkeep, maintenance, management and operation incurred with respect to the Common Area and the Improvements thereon; and a contribution, on an ongoing basis, from the Association to an entity, association, agency or governmental authority chosen by the Board, which is engaged in the preservation and enhancement of mule deer habitat on the Petersen Mountain Range. Such contribution shall be at a rate of not less than \$.50 per month, per Lot.

**6.4.2 Reserve Requirements.** That portion of the Budget specific to the reserve required by NRS 116.3115(2)(b) must include, without limitation:

- (a) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component of the Common Areas;
- (b) As of the end of the fiscal year for which the Budget is prepared, the current estimate of the amount of cash reserves that are necessary and the current amount of accumulated cash reserves that are set aside, to repair, replace or restore the major components of the Common Areas;
- (c) A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace or restore any major component of the Common Areas or to provide adequate reserves for that purpose; and
- (d) A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to subsection (b) immediately above, including, without limitation, the qualifications of the person responsible for the preparation of the study required below in this Section.

In addition to the foregoing, the Board shall:

- (1) Cause to be conducted at least once every five (5) years, a study of the reserves required to repair, replace and restore the major components of the Common Areas;
- (2) Review the results of that study at least annually to determine if those reserves are sufficient; and
- (3) Make any adjustments it deems necessary to maintain the required reserves.

The study required by subparagraph (1) immediately above must be conducted by a person qualified by training and experience to conduct such a study, including a member of the Board, an Owner or the property manager of the Association who is so qualified. The study must include, without limitation:

- (i) A summary of an inspection of the major components of the Common Areas the Association is obligated to repair, replace or restore;
- (ii) An identification of the major components of the Common Areas that the Association is obligated to repair, replace or restore which have a remaining useful life of less than thirty (30) years;
- (iii) An estimate of the remaining useful life of each major component identified pursuant to item (ii) immediately above;
- (iv) An estimate of the cost of repair, replacement or restoration of each major component identified pursuant to item (iii) immediately above during and at the end of its useful life; and
- (v) An estimate of the total Annual Assessments that may be required to cover the cost of repairing, replacement or restoration the major components identified pursuant to item (ii) immediately above, after subtracting the reserves of the Association as of the date of the study.

Money in the reserve account required by this Section **6.4.2** may not be withdrawn without the signatures of at least two (2) members of the Board or the signatures of at least one member of the Board and one officer of the Association who is not a member of the Board. The reserve account may be used only for Common Expenses that involve repairs, replacement or restoration of the major components of the Common Areas, including, without limitation, repairing and replacing roofs, roads and sidewalks, and must not be used for daily maintenance.

**6.4.3 Allocation of Annual Assessments.** The Annual Assessments shall be allocated among the Assessed Lots on the date the Annual Assessment for the applicable fiscal year is deemed approved, on the following basis:

(a) Residential Lots shall be assessed at the rate of one assessment unit per Lot.

(b) Commercial Lots shall be assessed at the rate of one assessment unit, plus one-seventh (1/7th) multiples thereof, based on the gross square footage of the Improvements constructed on such Commercial Lot from time to time.

(c) As used in this Section **6.4.3**, "assessment unit" shall mean 1,400 square feet; provided, however, that Residential Lots, regardless of the square footage of Improvements located thereon, shall be levied with one assessment unit. Commercial Lot assessment rates will vary according to the square footage of the Improvements on such Lots. For example, (i) if the gross square footage of the Improvements on a Commercial Lot is 1,400, then the assessment rate will be one (1) assessment unit, or (ii) if the gross square footage of the Improvements is 1,800, then the assessment rate will be one and two-sevenths (1-2/7ths) or (iii) if the gross square footage of the Improvements is 1,940, then the assessment rate will be one and three-sevenths (1-3/7ths) (round to the nearest one-seventh (1/7th)).

(d) Assessment rates shall remain constant for each fiscal year once set. In the absence of another reasonably reliable source for such square footage number, the gross square footage of Improvements shall be determined as the total square footage of improvements disclosed in the Washoe County Tax Assessor's records for such Commercial Lot. Each Commercial Lot shall be levied a minimum of one (1) assessment unit, regardless of the square footage of, or lack of, Improvements on such Lot.

**6.4.4 Procedure for Establishing Annual Assessments.** Not less than ninety (90) days before the beginning of each fiscal year of the Association, the Board shall meet for the purpose of preparing the proposed Budget for the next succeeding fiscal year and establishing the Annual Assessment for such fiscal year. Not less than thirty (30) nor more than sixty (60) days before the beginning of each fiscal year of the Association, the Board shall adopt a proposed Budget for such fiscal year, provide and distribute a copy of such proposed Budget to each Owner, and set a date for a meeting of the Owners to consider ratification of the Budget, which date shall be not less than fourteen (14) nor more than thirty (30) days after mailing of the proposed Budget. Unless at that meeting sixty-six and two-thirds percent (66-2/3%) of all Owners vote to reject the proposed Budget, the proposed Budget shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting. If the proposed Budget is so rejected, the Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Board.

In lieu of distributing copies of the Budget required by this Section **6.4.4**, the Board may distribute to each Owner a summary of the Budget, accompanied by a written notice that the Budget is available for review at the business office of the Association or other suitable location and that copies of the Budget will be provided upon request.

**6.5 Special Assessments.** If the Board determines that the estimated total amount of funds necessary to defray the Common Expenses for a given fiscal year is or will become inadequate to meet the Common Expenses for any reason, including, but not limited to, delinquencies in the payment of Assessments, or in the event the Association has insufficient reserves to perform its obligations under this Declaration, then the Board shall determine the approximate amount of such shortfall, shall provide a summary thereof to all of the Owners with the Board's recommendation for a special assessment ("Special Assessment") to meet such shortfall, and shall set a date for a meeting of the Owners which is not less than fourteen (14) nor more than thirty (30) days after the mailing of the summary. Unless at that meeting a majority of all Owners votes to reject the proposed Special Assessment, the proposed Special Assessment shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting, and shall become a Special Assessment against, and allocated equally to, the Owners of the Lots. The Board may, in its discretion, provide for payment of any Special Assessment in any number of installments or provide that it is payable in one (1) installment within such time period as the Board deems reasonable.

**6.6 Capital Improvement Assessments.**

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

6.6.2 Petition; Association Approval.

(a) Owners of not less than twenty-five percent (25%) of the Lots comprising the Village from time to time may petition the Association for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement. Such petition shall be in writing and be in such form and shall contain such information as the Board may reasonably require. The Board may, on its own motion, move for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement, in which case such motion shall be treated as if it were a petition duly submitted by Owners of three (3) or more of the Lots.

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

(c) The Board shall submit the Capital Improvement proposal to the Members at the annual meeting, or a special meeting called for such purpose. Written notice of any meeting during which an assessment for a capital improvement is to be considered shall be delivered to each Owner not less than twenty-one (21) calendar days prior to such meeting and otherwise as required by this Declaration, the Bylaws and the Act. The Capital Improvement Assessment shall be deemed approved upon the affirmative vote of two-thirds (2/3rds) of the voting power of the Association and Declarant unless Declarant owns no Lots within the Property.

6.6.3 Levy of Capital Improvement Assessments. Capital Improvement Assessments shall be levied in equal proportions against the Owners of all of the Lots. The Owners of each Lot shall be assessed a fractional portion of such Assessment, the numerator of which fraction shall be one and the denominator of which shall be the sum of the number of Lots within the Property on the date such Assessment is levied. A Capital Improvement Assessment shall be paid in such installments and during such period or periods as shall be voted upon by the Members at the time such Assessment is approved. If no terms of payment are specified by such vote of the Membership, then the Capital Improvement Assessment shall be due and payable upon terms set by the Board.

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

6.6.5 Deficiency in Capital Improvement Assessment. If at any time and from time to time a Capital Improvement Assessment proves or appears likely to be inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, subject to the limitations set forth in this Section 6.6.5 levy a further Capital Improvement Assessment in the amount of such actual or estimated inadequacy, which shall be assessed to the Owners of all of the Lots within the Subject Property and any Annexed Property in the ratios defined in Section 6.6.3 hereof. If such additional assessment is in excess of five percent (5%) of the original Capital Improvement Assessment, the affirmative vote or written consent of a majority of the voting power of the Association shall be required for any such further assessment.

6.7 Violation Assessments. The Board shall have the power to levy "Violation Assessments" against Owners as authorized by this Declaration and for the purpose of collecting reasonable fines imposed by the Association or the Board as allowed by the Act and in accordance with the terms and provisions of this Declaration or pursuant to the Rules and Regulations. The Board shall levy a Violation Assessment against the Owners of a Lot: (i) to pay for the cost of curing any Maintenance Violation of such Owners and/or any other work performed by the

Association for such Owners' account pursuant to the provisions of this Declaration, and any costs or expenses incident thereto, including, but not limited to, attorneys' fees and court costs, and (ii) to collect liquidated damages and fines levied by the Association pursuant to the terms of this Declaration and any and all attorneys' fees and court costs.

6.8 Utilities Assessments. Any utility service delivered to the Lots for which the Association is billed shall, in turn, be billed by the Association to such Lots, at a uniform rate, on a monthly basis. Such billings shall be considered an assessment levied against each such Lot, and shall be enforced in accordance with the terms and provisions of this **Article 6**.

6.9 Rate of Assessment. Except as otherwise specifically provided in this Declaration, all Assessments levied by the Association must be fixed at an equal rate for all Lots; and the amount assessed to each Lot shall be determined by dividing the total amount assessed by the total number of Lots then within the Village and subject to assessment.

6.10 Assessment Period. The Annual Assessment period shall coincide with the fiscal year of the Association, which shall commence on January 1 of each year and shall terminate on December 31 of such year. However, the initial Annual Assessment period shall commence on the first day of the calendar month following the earlier of (i) the date the Common Area or any portion thereof is transferred to the Association and (ii) the date on which the sale of the first Lot in the initial phase of the Village is closed and recorded; and the Annual Assessment period as to all Lots in each subsequent phase of the Village, respectively, shall commence on the first day of the calendar month following the date on which the sale of the first Lot to a purchaser in such phase is closed and recorded, and shall terminate on December 31 of the year in which such sale is closed and recorded. The first Annual Assessment and all Special Assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal monthly installments unless the Board adopts some other basis for collection.

6.11 Notices of Assessments; Delinquencies. Any Assessment installment hereunder which is not paid within fifteen (15) days following the date it is due shall be deemed delinquent. All delinquent Assessments shall bear interest at the rate of eighteen percent (18%) per annum (or such higher or lower rate as is proscribed by the Act) from the date the Assessment becomes delinquent hereunder until paid, and, in addition, a late charge of TWENTY-FIVE AND NO/100THS DOLLARS (\$25.00) shall be due for each delinquent installment. The Association shall give written notice of all Assessments, except Violation Assessments, to the Owners of the Lots, which notice shall specify the amount of the Assessment and the date or dates payment of the same is due and shall be given in the manner provided for notices in this Declaration. Notice of a Violation Assessment is required to be given only to the Owners of the Lot against whom the Violation Assessment is made. Nothing contained herein shall be construed so as to require the Association to give periodic notices of the same Assessment; and one notice of an Assessment shall be sufficient to meet the requirements of this Section, even though the Assessment may be payable in installments. Failure of the Association to give notice of any Assessment shall not affect the liability of the Owners of the Lot for such Assessment; provided, however, that the date when payment of the first installment of such Assessment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given, and the first installment of such Assessment shall not be deemed delinquent until fifteen (15) days after such deferred due date.

6.12 Statement of Account. Upon payment of a reasonable fee, not to exceed TWENTY-FIVE AND NO/100THS DOLLARS (\$25.00), and upon written request of any Owner or any mortgagee, prospective mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Lot, the amount of the current periodic assessment, and the date that such assessment becomes or became due, and if there is any credit for advance payments. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) business days following receipt of the written request and fee, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest subsequent to

requesting such statement.

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

6.14 Lien for Assessments; Priority. All sums assessed to any Lot pursuant to this Declaration, and all fines imposed by the Association against the Owners of a Lot, together with interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association from the date the Assessment or fine becomes due. If an Assessment or fine is payable in installments, the full amount of the Assessment or fine is a lien from the time the first installment thereof becomes due. Such lien shall be prior to all other liens and encumbrances on such Lot, except for: (a) valid tax and special assessment liens in favor of any governmental assessing authority; (b) liens and encumbrances recorded before the recordation of the Declaration; and (c) a First Deed of Trust recorded before the date on which the Assessment or fine sought to be enforced became delinquent. The lien created by this Declaration for unpaid Annual Assessments is also prior to a First Deed of Trust to the extent of the amount of such Annual Assessments which would have become due during the six (6) month period immediately preceding institution of an action to enforce the lien.

6.15 Enforcement of Lien.

6.15.1 Notice of Delinquent Assessment and Notice of Default. Except for liens attributable to an Owner's failure to pay a fine or fines imposed for a violation which does not threaten the health, safety or welfare of the residents of the Village, which lien must be foreclosed judicially, the Association may foreclose all liens by sale pursuant to NRS Chapter 116 after:

(a) The Association has mailed in accordance with NRS 116.31162, or any successor statute, a notice of delinquent assessment (herein "Notice of Delinquent Assessment"), which states the amount of the Assessments or fines which are due together with all interest and late charges thereon in accordance with the provisions of this Declaration, a description of the Lot against which the lien is imposed, and the name of the record Owner of the Lot; and

(b) The Association or other person conducting the sale has executed and caused to be recorded with the County Recorder, a notice of default and election to sell the Lot to satisfy the lien ("Notice of Default"), which shall contain the same information as the Notice of Delinquent Assessment, but which shall also describe the deficiency in payment and the name and address of the person authorized by the Association to enforce the lien by sale; and

(c) The Owners of the Lot or their successors in interest have failed to pay the amount of the lien, including interest and late charges, and costs, fees and expenses incident to its enforcement for a period of sixty (60) days which commences on the first day following the later of:

(i) The day on which the Notice of Default is so recorded; and

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

6.15.2 Notice of Sale. The Association or other person conducting the sale shall, at any time after the expiration of such sixty (60) day period and before selling the Lot, give notice of the time and place of the sale ("Notice of

Sale") in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a copy of the Notice of Sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to the Owners of the Lot or their successors in interest at their address if known, or otherwise to the address of the Lot. Such sale shall be conducted in any manner permitted by law. Each Owner who is liable for payment of the Assessment shall be required to pay the costs and expenses of such foreclosure proceeding including, but not limited to, the cost of preparation of all notices (whether or not such notice has been given to the Owners at the time payment is made), reasonable attorneys' fees, and title insurance costs.

All such costs and expenses of the foreclosure shall be secured by the lien being foreclosed. Each Owner who is liable for payment of the Assessment shall be required to pay to the Association any and all Assessments against such Owner which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use, and otherwise deal with the Improved Lot. The Association shall be entitled to bid on credit up to and including the amount secured by the lien being foreclosed.

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

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

6.16 Surplus Funds. Any surplus funds of the Association remaining after payment of or provision for Common Expenses and any prepayment of reserves must be paid to the Owners in proportion to their liabilities for Common Expenses or credited to them to reduce their future assessments for Common Expenses.

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ARTICLE VII

INSURANCE

7.1 Insurance to be Obtained. The Association shall obtain and maintain in full force and effect at all times insurance coverage, provided by companies duly authorized to do business in Nevada, generally as set forth in this Article, and specifically as required by NRS §§ 116.3113 and 116.31133 and the United States Department of Veterans Affairs ("VA") and the United States Department of Housing and Urban Development ("HUD") if the Village has been, or is intended to be, qualified with such entities.

7.2 Casualty Insurance. The Association shall obtain a master policy of insurance equal to full replacement value (i.e., 100% of current "replacement cost" exclusive of land, foundation, excavation, and other items normally excluded from coverage) on all insurable Improvements upon the Common Area and any other Improvements under the control of the Association (including all building service equipment and the like and any fixtures or equipment within such improvements) and all other personal property commonly owned by the Owners. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association shall comply with the above requirements by the purchase of a policy containing such coverage with "deductible" provisions as in the Association's opinion are consistent with good business practice, provided that in no event shall such deductible be in an amount greater than the lesser of \$10,000.00 or one percent (1%) of the face amount of such policy.

7.3 Liability Insurance. The Association shall purchase broad form comprehensive liability coverage in such amounts and in such forms as it deems advisable to provide adequate protection. Such coverage shall be in an amount generally required by private institutional mortgage investors for projects similar in construction,

location, and use, and in no event shall be less than \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association and activities in connection with the ownership, operation, maintenance, and other use of the Village. The liability insurance shall name as separately protected insured's Declarant, the Association, the Board, and their representatives, members, and employees, with respect to any liability arising out of the maintenance or use of any Association property. Every policy of insurance obtained by the Association shall contain an express waiver, if available, of any and all rights of subrogation against Declarant, the Board, and their representatives, members, and employees. After Declarant has no further interest in any portion of the Village, then the above insurance provisions regarding Declarant shall not apply.

7.4 Workmen's Compensation and Employer's Liability Insurance. The Association shall purchase workmen's compensation and employer's liability insurance and all other similar insurance in respect of employees of the Association in the amounts and in the forms now or hereafter required by law.

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

7.6 Other Insurance. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the Village, including any personal property of the Association located thereon.

7.7 Premiums and Reviews. Except as provided above, premiums for all of the foregoing insurance carried by the Association shall be a common expense and shall be included in the assessments or charges made by the Association. The Board shall review the limits of all insurance policies of the Association at least once a year and adjust the limits as the Board deems necessary or appropriate.

7.8 Form. Casualty insurance shall be carried in a form or forms naming the Association the insured. Each policy shall also provide that it cannot be canceled by either the insured or the insurance company until after ten (10) days' written notice is first given to the Association and to each first mortgagee. All policies of insurance shall provide for a waiver of subrogation by the insurer as to claims against the Association, the Board, employees, and agents, and against each Owner and each Owner's employees, agents, and guests, and shall provide that the insurance cannot be canceled, invalidated, or suspended on account of the conduct of the Association, the Board, employees, and agents or of any Owner or such Owner's employees, agents, or guests, and shall provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or mortgagee.

7.9 Owner's Insurance Responsibilities. The following insurance coverages shall be the responsibility of each respective Owner: insurance on items of personal property placed in an Improvement by Owner; insurance for hazard, casualty and public liability coverage within each Lot, including, without limitation, all structures located therein; and insurance coverage for activities of the Owner, not acting for the Association, with respect to the Common Area.

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ARTICLE VIII

DESIGN COMMITTEE

8.1 Design Committee. There shall be a committee ("Design Committee"). During any time that Declarant retains Special Declarant's or Developmental Rights pursuant to **Article X** hereof, the Design Committee shall be comprised of not less than three (3) members who shall be appointed by Declarant; and such members need not be Members and may be employees, agents or representatives of Declarant. After Declarant no longer retains any Special Declarant's or Developmental Rights, or at any earlier time as Declarant relinquishes its right to appoint the Design Committee by written notice of such relinquishment to the Board, the Design Committee shall be comprised of the Board; provided, however, that the Board may appoint a committee of not less than five (5) members, at least two (2) of whom must be Members, and remainder of whom need not be Members.

8.2 Duties. It shall be the duty of the Design Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof, to adopt Design Committee Rules, to enforce, amend and supplement the Landscape Manual (below defined), to perform other duties delegated to it by the Association, and to carry out all other duties imposed upon it by this Declaration.

8.3 Meetings. The Design Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the Design Committee unless the unanimous decision of its members is otherwise required by this Declaration. The Design Committee may charge a filing fee to be used to pay an architect, who may or may not be a member of the Design Committee, to review the submitted plans and specifications. The Board may reimburse members for reasonable expenses incurred by them in the performance of any Design Committee function.

8.4 Design Committee Rules; Landscape Manual. The Design Committee shall from time to time and in its sole discretion adopt, amend, supplement and repeal by unanimous vote rules and regulations to be known as "Design Committee Rules" interpreting and implementing the provisions of this **Article VII** and setting forth fees to be charged and procedures, and design, and construction criteria to be followed in submitting proposals to the Design Committee. As part of the original Design Committee Rules, Declarant has prepared a landscape manual (the "Landscape Manual") for the Village, a copy of which is attached hereto as Exhibit "D" and incorporated herein by this reference. The Landscape Manual is deemed a part of this Declaration for all purposes and is enforceable in the same manner as the terms and provisions of this Declaration.

The terms and provisions of the Landscape Manual may be amended and supplemented by the Design Committee from time to time as part of its power and authority to enact the Design Committee Rules, provided any such amendment or supplement may not impose any new or additional material burden, economic or otherwise, on any Owner of a Lot which has been sold previously by Declarant; but such amendments or supplements may apply to Lots owned by Declarant and may impose new or additional material landscape requirements and restraints, provided Declarant consents to such retroactive application in writing to the Association. Notwithstanding the foregoing to the contrary, even as to existing Owners changes or addition to the terms and provisions of the Landscape Manual shall be applicable to any replacement of landscaping or portions thereof on a Lot including, without limitation, trees, shrubs, ground cover materials, irrigation facilities and all other matters which are the subject of the Landscape Manual. A copy of the Design Committee Rules and Landscape Manual, as they may from time to time be adopted, amended, or repealed, certified by any member of the Design Committee, shall be maintained by the office of the Association and shall be available for inspection and copying by any Owner at any reasonable time during the business hours of the Association.

8.5 Application for Approval of Plans and Specifications. Any Owner of a Lot proposing to make any Improvements or to perform any other work that requires the prior approval of the Design Committee shall apply to the Design Committee for approval by notifying the Design Committee of the nature of the proposed Improvement(s) and work. Prior to the commencement of construction, the Owner shall submit to the Design Committee for its review and approval such information and materials as the Design Committee in the exercise of its reasonable discretion deems necessary for it to be adequately informed with respect to the Improvement(s) and work to be undertaken by such Owner. The Board, upon request from the Design Committee, may deliver a Violation Notice to any Owner who commences or prosecutes the construction or installation of any

Improvement on a Lot without complying fully with the terms and provisions of this **Article VIII**, or who fails to complete any such Improvement in the time and manner required pursuant to this **Article VIII**, the Design Committee Rules or the Landscape Manual.

8.6 Basis for Approval of Improvements. The Design Committee shall grant the required approval only if:

8.6.1 The Owner shall have strictly complied with the provisions of Section **8.5**; and

8.6.2 The Design Committee finds that the plans and specifications conform to this Declaration, the Design Committee Rules and the Landscape Manual, as applicable, as in effect at the time such plans were submitted to the Design Committee; and

8.6.3 The Design Committee in its reasonable discretion determine that the proposed Improvements would be compatible with the other property in the Village and the purposes of the Declaration as to the quality of workmanship and materials, as to harmony of external design with existing structures, and as to other existing aesthetic characteristics of the Village.

8.7 Basis for Disapproval of Improvements. The Design Committee may disapprove any application on aesthetic grounds, and more specifically: (a) because of the reasonable dissatisfaction of the Design Committee with the Improvement proposed to be erected or installed, because of the materials of which it is to be built or comprised, the harmony thereof with its surroundings, or any additional maintenance, repair or replacement burden such matter would impose upon the Association; or (b) because of non-compliance with any of the specific conditions and restrictions contained in this Declaration, the Design Committee Rules or the Landscape Manual.

8.8 Form of Approval. All approvals or disapprovals given under Sections **8.5** or **8.6** shall be in writing; provided, however, any request for approval which has not been rejected within sixty (60) days from the date of submission thereof to the Design Committee shall be deemed approved. The approval may be conditioned upon the deposit by the Owner of a performance bond, cash deposit, or other undertaking to assure completion of the approved Improvement in accordance with the terms of the approval once construction thereof is commenced.

8.9 Proceeding with Work. Upon receipt of approval from the Design Committee pursuant to Section **8.6**, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, installation, refinishing, alterations, and excavations pursuant to the approval. Except as may be required otherwise by the Landscape Manual, construction and installation of the approved Improvements shall commence, in all cases, within one year from the date of such approval. If the Owner shall fail to comply with this Section, any approval given pursuant to Section **8.6** shall be deemed revoked unless the Design Committee, upon written request of the Owner made prior to the expiration of the one-year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Design Committee that there has been no change in the circumstances upon which the original approval was granted.

8.10 Failure to Complete Work. Except for such shorter period of time as may be provided for in the Landscape Manual, the Owner shall complete the construction, reconstruction, installation, refinishing or alteration of any such Improvement within one year after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents.

8.11 Waiver. The approval by the Design Committee of any plans, drawings, or specifications for any work done or proposed or for any other matter requiring the approval of the Design Committee under this Declaration or any Supplemental Declaration shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.

8.12 Liability. Provided that the Design Committee or a particular member of the Design Committee has acted in good faith on the basis of the information as may be possessed by the Design Committee or the member, as the

case may be, then neither the Design Committee nor any member thereof shall be liable to the Association, to any Owner, or any other person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective, with respect to the construction or performance of any work, whether or not such performance complied with approved plans, drawings, and specifications; (c) the development of any property subject to this Declaration. Without limiting the generality of the foregoing, the Design Committee and any member thereof may, but it is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Design Committee.

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## ARTICLE IX

### PROTECTION OF LENDERS

9.1 Encumbrance of Lots Permitted. Any Owner may encumber such Owner's Lot with a Deed of Trust.

9.2 Subordination. Except as provided otherwise by the Act or **Article VI** hereof, any lien created or claimed under **Article VI** of this Declaration is subject and subordinate to the lien of any First Deed of Trust encumbering any Lot, unless the priority of such First Deed of Trust is expressly subordinated to such assessment lien by a written instrument duly recorded.

9.3 Non-Liability for Unpaid Assessments. Any beneficiary of a First Deed of Trust who acquires title to a Lot pursuant to the judicial or non-judicial foreclosure remedies provided in the Deed of Trust shall take the Lot free of any claims for unpaid assessments or Association charges against the encumbered Lot that accrue greater than six (6) months prior to the time such beneficiary so acquires ownership of the Lot; provided, however, after the foreclosure of any such Deed of Trust, such Lot shall remain subject to the Declaration; and the amount of all regular and special assessments, to the extent they relate to expenses incurred subsequent to such foreclosure sale, shall be assessed hereunder to the grantee or purchaser thereunder.

9.4 Breach of Covenants. A breach by an Owner of any of the provisions of this Declaration, shall not defeat or render invalid the lien of any Deed of Trust made in good faith and for value as to the Village or any portion thereof; provided, however, the provisions of this Declaration shall be binding upon the Owners whose title thereto is acquired under foreclosure, trustee's sale, or otherwise.

9.5 Notice to Eligible Mortgage Holders, Insurers and Guarantors. The holder of any First Deed of Trust shall be entitled to become an "Eligible Mortgage Holder" pursuant to the provisions of this Declaration and any insurer or guarantor of a First Deed of Trust shall be entitled to become an "Eligible Insurer" hereunder by notifying the Association of its name, address and the address of the Lot encumbered by the First Deed of Trust which it holds or insures in the manner provided in Section **11.5** below. Such notification shall be deemed to be a request with respect to such Lot for written notice from the Association of: (i) any default in the payment of Assessments which remains uncured for a period of sixty (60) days; (ii) any condemnation or casualty loss that affects a material portion of the Village or the Lot; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and (iv) any proposed action described in Section **9.9** below. The Association shall give written notice to Eligible Mortgage Holders in accordance with the provisions of this Section **9.5** and in the manner prescribed in Section **11.5** below. Any holder of a First Deed of Trust encumbering any Lot or any portion of the Property who does not so request notice, shall not be deemed to be an Eligible Mortgage Holder under the terms of this Declaration. Unless and until notice is given to the Association as provided in this Declaration by a mortgage holder, insurer or guarantor, such mortgage holder, insurer or guarantor shall not be entitled to notice of default, nor to any right, distribution or notice pursuant to this Declaration.

9.6 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or the Articles shall give an Owner, or any other party, priority over any rights of the holders of First Deeds of Trust in the case of a

distribution to Owners of insurance proceeds or condemnation awards.

9.7 Appearance at Meetings. Because of its financial interest in the Village, any beneficiary of a First Deed of Trust may appear (but cannot vote) at meetings of the Members and the Board, and may draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or Assessments.

9.8 Examination of Records. The holders of First Deeds of Trust shall have the right to examine at reasonable times the books and records of the Association and can require the submission of financial data concerning the Association, including annual audit reports and operating statements as and when furnished to the Owners.

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## ARTICLE X

### SPECIAL DECLARANT'S AND DEVELOPMENTAL RIGHTS

10.1 General. Declarant and any Successor Declarant may be undertaking the work of constructing Improvements to and upon the Village and adding real property to the Village in accordance with the terms and provisions of this **Article X**. The completion of such construction and the sale or other disposition of Lots within the Village is essential to the establishment and welfare of the Village as a planned community. The covenants contained in this **Article X** are personal to Declarant and any Successor Declarant, and may only be transferred by a written assignment duly recorded from a Declarant to a Successor Declarant, or from a Successor Declarant to another Successor Declarant.

10.2 Special Declarant's Rights. Declarant hereby reserves unto itself the rights to:

10.2.1 Complete all Improvements within the Village, including, but not limited to, those indicated on Plats or Plans or described in this Declaration;

10.2.2 Maintain at least one (1) sales office and management office within the Village which may be relocated from time to time.

10.2.3 Maintain signs advertising the Village, which signs may be maintained anywhere in the Village, excluding Lots owned by Owners other than Declarant;

10.2.4 Use easements through the Common Area for the purpose of making Improvements within the Village; and

10.2.5 Appoint or remove any officer of the Association or any member of the Board at any time and from time to time prior to the Declarant's Control Termination Date.

Nothing in this Article shall give the Declarant the right to damage any Lot or Improvement not owned by Declarant or interfere unreasonably with the Owners' use of the Common Areas; and Declarant's right to so use the Village shall terminate upon final completion of construction of the Village, including all future Phases, except as required for maintenance and repair obligations conducted by Declarant which may continue after such date.

10.3 Declarant's Developmental Rights. Declarant hereby reserves unto itself the right to add real estate to the Village and create Common Areas within such real estate as follows:

10.3.1 Property Subject to Annexation. Declarant hereby reserves unto itself the right to cause to be annexed to this Declaration as part of the Village from time to time all or a portion of the real property described in **Exhibit "B"** to this Declaration, provided that a Final Map shall have been recorded for the real property to be so annexed, and to create within the real property so annexed an additional two thousand nine hundred fifteen

(2,915) Lots and Common Area for a maximum total of three thousand (3,000) Lots. In addition, Declarant reserves the right to add unspecified real property to the Village in the manner provided for in Section 116.2122 of the Act. No assurances are made by Declarant prior to the annexation of any portion of a parcel of such real property as to the size or configuration of such portion, or the order in which any such portion may be annexed. If any portion of a lot of such real property is annexed to the Village, there are no assurances that any other portion or all of such parcel will be annexed.

**10.3.2 Manner of Annexation.** Such real property shall be annexed by recording in the real estate records of the County Recorder of Washoe County, Nevada, a supplemental declaration ("Supplemental Declaration") executed by Declarant describing the real property to be so annexed and declaring that such property shall thereafter be deemed to be Annexed Property as defined in this Declaration and declaring that such Annexed Property shall be held, conveyed, sold, encumbered, leased, rented, used, occupied, improved or otherwise affected in any manner subject to the provisions of this Declaration. Such Supplemental Declaration may set forth any additional restrictions or covenants which may be applicable to such Annexed Property, provided that such additional restrictions shall not be in any manner materially less restrictive or inconsistent with the provisions of this Declaration. In the event of any inconsistency between the provisions of this Declaration and those of a Supplemental Declaration, the provisions of this Declaration shall control.

**10.3.3 Effect of Annexation.** Upon recordation of the Supplemental Declaration described in Section **10.3.2** above, the real property described in the Supplemental Declaration shall become Annexed Property as defined herein and shall be subject to all of the provisions of this Declaration.

**10.4 Rights and Obligations of Owners.** Without limiting the generality and effect of the provisions of Section **10.3.3**, after the required annexation procedures are fulfilled, the following shall have been effected thereby:

**10.4.1** all Owners in the Village shall be entitled to use the Common Area in the Annexed Property, subject to the provisions of the Declaration and the Applicable Supplemental Declaration;

**10.4.2** Owners of Lots in the Annexed Property shall thereupon become Members of the Association, shall be subject to the provisions of the Declaration and shall be entitled to use the Common Areas of the Village;

**10.4.3** all Owners of Lots in the Annexed Property shall have the same membership and voting rights as other Owners. Votes shall not be cast separately by Phase; and

**10.4.4** after each annexation, the Association assessments shall be reassessed with Assessed Lots in the Annexed Property being assessed for a proportionate share of the total expenses of the Village on the same basis as the other Assessed Lots in the Village; provided, however, that such reassessment shall not alter the amount of any assessment assessed to a Lot prior to such reassessment.

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ARTICLE XI

MISCELLANEOUS PROVISIONS

**11.1 Duration.** The provisions of this Declaration shall continue and be effective for a period of fifty (50) years from the date of recordation hereof and shall be automatically extended for successive periods of ten (10) years each until (i) the Owners of at least eighty percent (80%) of the Lots within the Village shall execute a written instrument, which may be executed in counterparts, in recordable form declaring that the provisions of this Declaration shall terminate, and (ii) such written instrument is recorded in the office of the Recorder of Washoe County, Nevada.

**11.2 Amendment.** Except as otherwise provided in NRS Section 116.2117 and below, this Declaration may be amended by vote or agreement of not less than sixty-seven percent (67%) of the voting power of the

Association. Notwithstanding the foregoing to the contrary, (i) Sections **3.2.18**, **3.2.20**, **5.2.4**, **5.2.5** and **11.3.6** may not be amended without the written consent of the County and (ii) Sections **3.4.1** and **3.4.2** may be amended only by the written vote or agreement of Owners holding not less than eighty percent (80%) of the voting power of the Association. All such amendments must be in writing, and prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for such purpose or, by the President of the Association in the absence of such designation. Such amendment shall be recorded in the office of the County Recorder of the County in which the Property is located.

### 11.3 Enforcement and Waiver.

11.3.1 Owner's Right of Enforcement. In addition to the rights of enforcement granted to the Association pursuant to the provisions of Section **5.1.2** hereof, any Owner shall have the right (but not the duty) to enforce any and all of the covenants, conditions, and restrictions now or hereafter imposed by this Declaration upon the Owners or upon any of the Property. Except as expressly provided otherwise in Section **11.3.6** below, nothing herein shall be construed as creating a third party beneficiary contract in favor of parties who are not Owners or Eligible Mortgage Holders.

11.3.2 Violations and Nuisance. Every act or omission whereby a covenant, condition, or restriction of the Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action.

11.3.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any portion of the Property is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth.

11.3.4 Remedies Cumulative. Each remedy provided by the Declaration is cumulative and not exclusive.

11.3.5 Nonwaiver. The failure to enforce the provisions of any covenant, condition, or restriction contained in the Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provisions of the Declaration.

11.3.6 Enforcement by County. The County is hereby made an intended third party beneficiary as to the tree planting, maintenance and removal obligations of the Association and Owners as provided in Section **3.2.18**, and as to the Association's storm drainage, detention basin and flood control obligations as provided in Sections **5.2.4** and **5.2.5**, with full power and authority to enforce the provisions of such Sections in the same manner as the Association and Owners as provided in this Declaration and otherwise pursuant to applicable law.

11.4 Termination of Former Owner's Liability for Assessments. Upon the conveyance, sale, assignment, or other transfer of a Lot to a new Owner, the transferring Owner shall not be liable for any Assessments levied with respect to such Lot after notification of the Association of such transfer in the manner provided in Sections **4.4** and **11.5** hereof and the payment of a transfer fee as provided in Section **4.4** hereof. No person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under this Declaration.

11.5 Notices. All notices hereunder to the Association or the Board shall be sent by regular mail, or registered or certified mail, return receipt requested, addressed to the Board at the address of the Manager, or to such other place as the Board may designate from time to time by notice in writing to the Owners of all of the Lots. Until the Owners are notified otherwise, all notices to the Association or to the Board shall be addressed as follows:

Woodland Village Homeowners Association  
P.O. Box 7548  
Reno, Nevada 89510

All notices given by the Association to any Owner shall be sent by regular mail, or by registered or certified mail,

return receipt requested, to such Owner's Lot address or to such other address as may be designated by such Owner from time to time, in writing, to the Board. All notices to Eligible Mortgage Holders shall be sent by registered or certified mail, return receipt requested, at the address to which such Eligible Mortgage Holder has last requested that notice be sent by notifying the Association in the manner provided in this Section 11.5. All notices shall be deemed to have been received within seventy-two (72) hours after the mailing thereof, except notices of change of address which shall be deemed to have been given when actually received.

11.6 Approvals. Any consent or approvals by the Board or Design Committee shall be in writing.

11.7 Construction and Severability; Singular and Plural; Titles.

11.7.1 Restrictions and Easements Construed Together. All of the covenants, conditions, restrictions and easements of this Declaration shall be liberally construed together to promote the purposes of this Declaration as set forth herein.

11.7.2 Restrictions and Easements Severable. The covenants, conditions, restrictions and easements contained in this Declaration shall be deemed independent and severable; and the invalidity or partial invalidity of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

11.7.3 Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter, as the context requires.

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

12. Special Rights of VA. So long as Declarant retains Special Declarant's Rights pursuant to NRS 116.3103(4), the following shall require the prior approval of VA: (i) annexation of additional real property to the Village, (ii) de-annexation, (iii) mergers and consolidations, and (iv) all special assessments and amendments to this Declaration. A draft of any amendment to this Declaration should be submitted to the VA for its approval prior to its approval by the Association.

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IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the day and year first above written.

**COLD SPRINGS 2000,  
a Nevada corporation**

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

STATE OF NEVADA )

)ss.

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2000,  
by \_\_\_\_\_,  
as \_\_\_\_\_ of COLD SPRINGS 2000, a Nevada corporation.

\_\_\_\_\_

Notary Public

My Commission Expires: \_\_\_\_\_

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