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ARROWCREEK
SECOND AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

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Subdivision Property Description.....	“A”
Golf Course Property Description.....	“B”
Development Agreement Site Plan.....	“C”

DRAFT

**ARROWCREEK
SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

This Declaration is made this ___ day of _____, 2015, by
ARROWCREEK HOMEOWNERS' ASSOCIATION hereinafter referred to as
"ASSOCIATION".

WITNESSETH:

Whereas, the ASSOCIATION is a unit-owners' association organized under NRS 116.3101. The real estate included in the common interest community over which the Association has authority is more particularly described in **Exhibit "A"** attached hereto and fully incorporated herein ("the Subdivision") by ASSOCIATION.

Now therefore, ASSOCIATION hereby declares that all of the real property in the Subdivision, together with any and all improvements thereon and appurtenances thereunto, shall be held, sold, leased, and conveyed subject to the following covenants, conditions, and restrictions. These covenants, conditions and restrictions ("Declaration") are for the purpose of protecting the value and desirability of the real property in the Subdivision. This Declaration shall inure to the benefit and bind all parties having any right, title or interest in the real property or any part thereof, their heirs, executors, administrators, successors and assigns.

Portions of this Declaration, specifically Articles I to III and VII to XIII, apply to and bind the Nonresidential Area (as hereinafter defined), as specified in Article VII hereof. The boundary lines between the Nonresidential Area and the Subdivision may be adjusted in the future on one or more occasions by mutual consent of ASSOCIATION and the affected owner of the Nonresidential Area. No such adjustment shall affect the rights and obligations of any party hereto or any lot Owner, and the "Subdivision" and the "Nonresidential Area" shall mean the real property so defined herein, as adjusted by such boundary line adjustments.

The provisions of this Declaration are intended to create mutual equitable servitudes upon each of the lots and parcels in the Subdivision and the Nonresidential (as applicable) in favor of each and all other lots and parcels; to create reciprocal rights between the respective owners of all such lots and parcels; to create a privity of contract and estate between the grantees of such lots and parcels, their heirs, successors and assigns; and shall, as to the owner of each lot or parcel, its heirs, successors or assigns operate as covenants running with the land for the benefit of each and all other lots and parcels in the Subdivision and Nonresidential Area and their respective owners, present and future.

ARTICLE I
GENERAL PROVISIONS/COMPLIANCE WITH NRS CHAPTER 116

Section 1. **Applicability.**

This Declaration is made in compliance with the Uniform Common-Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes (the "Act").

Section 2. **Definitions and Other Basic Provisions.**

The following terms as used in this Declaration are defined as follows:

- a. "ADRC" means the standing ArrowCreek Design Review Committee.
- b. "Appeal Panel" means the Panel that will to hear appeals after the ADRC denies a request by a Lot owner or its agent including a representative, builder or attorney Builder. The Appeal Panel shall consist of 5 members including three (3) Board members not on the ADRC and two (2) ADRC members.
- c. "Articles" means the Articles of Incorporation for the Association.
- d. "Association" or "ACHOA" means ArrowCreek Homeowners Inc., the Homeowners Lot association, which is a Nevada corporation.
- e. "Board" means the Board of Directors of the Association.
- f. "Builder" means any person who purchases one or more lots for the purpose of construction of a dwelling and other improvements for later sale to homebuyers on parcels of land within the Subdivision."
- g. "Bylaws" means the Bylaws of the Association.
- h. "Committee" means any Advisory Committees created by the Board who shall appoint members as permitted by the "Association Bylaws."
- i. "Common Area" or "Common Elements" means all of the real property designated as such in this Declaration or pursuant to final maps recorded within the Subdivision; and all real property interests (e.g., fee title or easements) acquired by the Association, with all improvements which may at any time be located or constructed thereon and owned by the Association, including, but not limited to the following types of improvements in the Common Area; Resident's Center with swim and tennis facilities; maintenance building; recreational and community facilities; ponds; parks; paths; sidewalks; hiking;; trails; open space ;basketball courts; playgrounds; picnic areas; fences; gates and sub-gates; gatehouse; signage; signage;; entry ways; drainage ways and drainage facilities; streets, curbs and fire evacuation

roads; bridges; culverts; certain; lighting; snow removal and storage areas; landscaping; fire and fuel breaks; golf cart crossings; residential parking areas and other parking areas; and surface water detention areas.

- j. "Declarant", when used herein, means collectively the Southwest Pointe and the Redfield Trust.
- k. "Declaration" means this Declaration and any future amendments hereto.
- l. "Design Guidelines" are developed by the ADRC for Board approval and are used by Owners and Builders in planning and building residences, and related structures, exterior remodels and landscaping, including, without limitation, any exterior modification to the property.
- m. "Equivalent Lots" shall define the allocated interests in the Association (voting power, assessment obligations and other rights and responsibilities) of the Nonresidential Areas Owner, as specified in Article VII, Section 2.
- n. "Golf Course" means up to 36 holes of golf within the Subdivision. The Golf Course includes all facilities located or operated on Exhibit "B", including without limitation the golf holes, driving range, cart paths, ponds and streams, clubhouse, restrooms, maintenance facilities, cart or caddy facilities, child care facilities, restaurants, parking lots and other recreational or ancillary facilities.
- o. "Improvements" means all buildings, outbuildings, garages, streets, fire evacuation routes, roads, bridges, culverts, trails, pathways, driveways, parking areas, gates and sub-gates, fences, retaining and other walls, decks, exterior air conditioning, signs, landscaping, light standards, antennae/satellite dishes, walls, outdoor kitchen areas, tennis courts, basketball courts, playgrounds, swimming pools and any other structures of any type or kind.
- p. "Lot" means any single family lot shown on Exhibit "C", a tentative map or final map, and intended for improvement with a single family residence. The number and configuration costs may change pursuant to the process of approval of tentative maps and final maps by Washoe County, or as otherwise specified herein.
- q. "Majority" for purposes of voting power of Lot and Nonresidential Area Owners eligible to vote means 50% plus 1 vote.
- r. "Nonresidential Area" when used herein shall mean collectively the Golf Course as defined in Exhibit B.

- s. "Owner" means:
 - 1. Any person or legal entity who holds fee simple title to any Lot within the Subdivision. The term "Lot Owner" when used herein shall mean specifically the Owners of Lots, including Road Snippets, and not any other Owners,
 - 2. "Owner" does not include the Association.
 - 3. The Nonresidential Area (Equivalent Lot) Owner is specifically Equivalent Lot Owners are excluded from the definition of Owner.
- t. "ArrowCreek" means the Southwest Pointe development project, as defined in that certain Final Development Agreement ("Final Development Agreement") dated July 23, 1996 (Washoe County Case No. DA.9-1-93), which in large part is the Subdivision and the Nonresidential Area.
- u. "Single Family Dwelling" means a residential structure, which dwelling is constructed on a Lot designated in this Declaration as a single family residential Lot.
- v. "Subdivision" means the real property described in Exhibit "A", development of which is regulated by Washoe County under the Final Development Agreement and other development approvals (special use permits, tentative maps) of Washoe County for ArrowCreek (under Chapter 278 of the Nevada Revised Statutes, the Washoe County Development Code and other laws and regulations), and residential real estate added to this Declaration pursuant to a development right. References to tentative maps and final maps refer to such map under DA9-1-93, as amended or said subsequent Washoe County approvals.

The following are other basic provisions:

- w. Except when not in conflict with a definition specified above in this Article, the terms used herein shall have the same meanings and definitions as are used in NRS Chapter 116.
- x. The name of the Subdivision shall be ArrowCreek Subdivision and the name of the association formed under Article II hereof to own and manage Common Area shall be ArrowCreek Homeowners Association, Inc. ("Association"). The Subdivision is a planned community, as defined in NRS Chapter 116.
- y. The Subdivision is located entirely within Washoe County, Nevada.
- z. The real estate included in the Subdivision is described in Exhibit "A" and the Nonresidential Area is described in Exhibit "B". The maximum number of units created by the Final Development Agreement is 1090 Lots for single

family dwellings complying with applicable Washoe County land use categories. The number of Equivalent Lots allocated to the Nonresidential Area Owner as specified in Article VIII, Section 2; however, more Lots may be created by parcel map, amendment to the Final Development Agreement or tentative map, if Washoe County so approves, and additional units may be created as otherwise specified herein.

- aa. Lots may also be reduced by withdrawal of real estate or as otherwise specified herein. Current lots are within Nonresidential. The depiction of the boundaries of each Lot created by the Declaration is described in the Site Plan (Exhibit "F" to the Final Development Agreement), as specified in Exhibit "C". Lot locations, Lot boundaries and the location and boundaries of the Nonresidential Area are is subject to change.
- bb. Real estate that is Common Elements is described and shown on Exhibit "C".
- cc. Real estate may be allocated subsequently as Limited Common Elements within areas of the Subdivision. Limited Common Elements may include gatehouses and entryways; recreation areas such as pools, tennis courts, residential/community centers, playgrounds, clubhouses; and other uses defined herein for Common Area.
- dd. The Association reserves all developmental rights on real estate it owns or on its easements within the Subdivision and on other real estate as provided below in this subsection including, without limitation, the rights.
 - 1. To use easement throughout the Subdivision, including Common Elements, for the purpose of making improvements within the Subdivision whether said easements exist now or are hereafter created, within the term of this Declaration; To make the Subdivision subject to a master association affecting all areas of Exhibit "A" at any time;
 - 2. To consolidate the Subdivision with another common interest community on adjacent real property of the same form of Ownership at any time;
 - 3. To add real estate, and to exercise developmental right or special declarant right (all of which are hereby reserved), consisting of any real property adjacent to the Subdivision;
 - 4. To further develop and/or expand existing amenities including but not limited to swimming pools, hot tubs, changing/rest rooms, tennis courts, Residence/Community Center;
- ee. As to any developmental right, which may be exercised with regard to different parcels of real estate at different times:

1. ACHOA makes no assurances regarding the boundaries of those parcels or the order in which those parcels may be subjected to the exercise of each development right; and

2. Any developmental right exercised in any portion of the real estate subject to that developmental right does not require the exercise of that developmental right in any other portion of the remainder of the real estate.

ff. Each of the Lots and Equivalent Lots described in Exhibit "B" shall have the following allocated interests:

1. A fraction or percentage of the Common Area of the Association equal to 1 divided by the total number of Lots and Equivalent Lots in the Subdivision; and one vote in the Association for each Lot1086 plus one vote for each Equivalent Lot.

gg. The Nonresidential Area shall have the allocated interests in common expenses and voting power provided in Section 2 of Article VII.

hh. All restrictions on use and occupancy are stated in Articles IV, V and VI hereof.

ii. Easements and licenses are recorded and contained in the records of the Washoe County Recorder, State of Nevada.

Section 3. **Lot Retirement.** Association may agree to retire a Lot:

a. For Lots delineated on a final map, if two or more adjacent lots are purchased by a person or developed with the intent of constructing only one single family dwelling on the lots, then upon notice of said intent to Association and at the expense of the Lot Owner, said lots shall be considered as one lot for the purpose of allocated interests in voting and assessments under subsection (aa) of Section 2 of this Article.

ARTICLE II
ARROWCREEK HOMEOWNERS ASSOCIATION

Section 1. **Purpose.** The purpose of the Association shall be to:

- a. Own and maintain all easements and deeded real property for Common Area within the Subdivision; including without limitation the funding, operation and maintenance of the following Common Elements: recreational and community facilities including picnic areas, playgrounds, tennis courts, and basketball courts; ponds; parks; paths; sidewalks; hiking trails; open space; fences; landscaping; gates; gatehouses; maintenance building; signs; entry ways; drainage ways and drainage facilities; streets and curbs; bridges and culverts; snow removal and storage areas; landscaping; landscaping; fire and fuel breaks including fire evacuation roads; golf cart crossings; residential parking areas; certain; lighting; surface water detention areas, and other amenities built from time to time by the Association.
- b. Provide for removal of ice and snow from roads and parking areas owned by the Association at any time when such a condition may restrain access within the Subdivision, and on designated road snippets. The Association shall either contract for snow and ice removal or acquire equipment and hire personnel to effect the provisions of this subsection. In the event that snow removal operations require exporting of snow or ice from roads or parking areas, said material may be deposited within the perimeter of the Subdivision on an appropriate easement, open area or Common Area in such a manner as to not unreasonably restrict access or create an unreasonable hazard to any road ,or common walk-way. If necessary, said material may be exported outside the perimeter of the Subdivision to a suitable location.
- c. Maintain controlled access at the entrance gate. Security personnel may be employed as deemed necessary by the Board along with other tracking security control systems.
- d. Enforce and administer any provisions of this Declaration pertaining to Association's rights, obligations, powers and duties as required by Washoe County; including, at a minimum but without limitation, the funding of the maintenance, replacement and perpetuation of the following Subdivision amenities, such as:
 - (1) Streets, curbs, bridges, culverts, parking areas, and fire roads within the Subdivision.
 - (2) Residents Center with Swim and Tennis operations.
 - (3) Staffing of Residents center, maintenance, and security forces, if any.

- (4) Common Area landscaping and lighting.
- (5) Entrance gates, sub-gates and community signage.
- (6) Snow removal and storage areas.
- (7) Common Area landscaping including along streets and landscaping along ArrowCreek Parkway entering the Subdivision.
- (8) Fire and fuel breaks as per Board approved fuel mitigation plans.
- (9) Detention basins and the accumulated sediment.
- (10) Bicycle and pedestrian sidewalks, paths, and hiking trails.
- (11) Golf cart crossings.
- (12) Off-site residential parking areas.
- (13) Maintenance facility and storage yard.
- (14) Security, Resident Center, and Facilities equipment and vehicles.
- (15) Other Board approved amenities built from time to time by the Association.

The Association shall have no other purpose than those specified herein.

The Association shall purchase any and all equipment, materials and supplies necessary to undertake its duties imposed by this Declaration, its Articles and Bylaws.

The Association may, but shall not be obligated, to maintain or support certain activities within the Subdivision designed to make the Subdivision safer than it otherwise might be. The Association shall in no way be considered insurers or guarantors of security within the Subdivision, nor shall the Association be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system, security personnel or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants that the Association is not an insurer or liable to persons living in or visiting the Subdivision for conduct resulting from acts of third parties.

Section 2. **Formation and Management Under Article 3 of NRS Chapter 116.**

The Association shall be a Nevada corporation formed under the Nevada Revised Statutes. The Association is not authorized to have and shall not issue any capital stock. The Association shall be charged with the duties and invested with the powers set forth in its Articles, Bylaws, and this Declaration.

Section 3. **Association Powers and Membership.**

The Association shall have all powers enumerated in NRS 116.3102 which do not conflict or are not inconsistent with the Section 1 of the Article. All Lot Owners in the Subdivision, and the Nonresidential Area Owner who has “has “Equivalent Lots” shall be members.

Section 4. **Officers and Members of Board.**

The governing body of the Association shall be called the Executive Board, the Board of Directors or the Board (all of which shall refer to the same entity). The Board may act in all instances and on behalf of the Association, subject to the provisions of this Declaration, the Association Articles, the Bylaws and the applicable provisions of Nevada law.

Section 5. **Budget.**

The Board shall adopt a proposed budget for each calendar year based on the projected common expenses of the Association, which shall include a reasonable reserve. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to the Owners, and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 nor more than 30 days after mailing of the summary. Unless, at that meeting, a Majority of all Owners present rejects the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 6. **Members' Meetings.**

A meeting of Owners and the Nonresidential Area Owner with voting power in the Association must be held at least once each year, or as otherwise specified by law. Special meetings of the Association may be called by the president, a majority of the Board or by Owners having twenty (20%) percent of the vote, or any lower percentage specified in the Bylaws, of the voting power in the Association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand-delivered, emailed with prior written electronic transmission permission on file or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by Owners and to the Nonresidential Area Owner.

The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to this Declaration or Bylaws, any budgetary changes and any proposal to remove an officer or member of the Executive Board (NRS 116.3108).

Section 7. **Quorums and Voting.**

Quorums and voting at members' meetings shall be as specified in NRS 116.3109 and 116.3110, and as provided in the Bylaws. Only Owners of Lots and Equivalent Lots in good standing have voting power. Lessees of Lots may not, except by written proxy as specified in NRS 116.3110, exercise voting power.

Section 8. **Transfer of Voting Power.**

Voting power in the Association is vested in each person or entity who owns a Lot or Equivalent Lot, and shall be appurtenant to the Lot or Nonresidential Area (as the case may be), and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except on a transfer of title to such real estate, and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title or interest shall operate automatically to transfer the appurtenant membership rights and obligations in the Association to the new Owner. Immediately after any transfer of title, either the transferring Owner or the acquiring Owner shall give notice to the Association of such recorded transfer, including the name and address of the acquiring Owner and the date of transfer, as well as the recorded documents evidencing such transfer.

Section 9. **Inspection of Association Books and Records .**

Any membership registers, financial and accounting records, and minutes of meetings of the Association and the Board shall be made available for inspection and copying by any Owner, or his duly appointed representative, or any beneficiary of a deed of trust encumbering real estate in the Subdivision or Nonresidential Area, at any reasonable time and for a purpose reasonably related to the affairs of the Association, at the office of the Common Interest Community Manager of the Association (“CICM”) or at such other place as the Board prescribes. The Association may charge a reasonable fee (as currently defined by Chapter 116 to be: at the member's expense, not to exceed twenty-five cents (\$0.25) per page for the first ten (10) pages , and ten cents (\$0.10) per page thereafter) for any copies made at an Owner’s request.

Section 10. **Ownership of Common Area.**

Owners and the Association shall make no attempt to divert or alter the platted configuration of any Common Area or change the equal voting power, as defined herein, of Owners, except as otherwise provided herein.

Section 11. **Notices.**

All notices hereunder to the Association or its Board shall be sent by registered or certified mail to the Board at such places as the Board may designate from time to time by notice in writing to all members. All notices to any Owner shall be hand delivered or sent prepaid by mail to Lots improved by single family residences or to such other address as may be designated by an Owner from time to time, in writing, to the Board. However, except for ballot initiatives, the Board can forward information to Owners via email to those Owners who have given the Association written permission to contact them via electronic transmission. All notices to other interested persons shall be mailed to such address as such person shall designate in writing to the Association Board. All notices shall be deemed to have been given when mailed or hand delivered except notices of change of address, which shall be deemed to have been given when received, unless as otherwise provided herein.

Section 12. **Insurance.**

The insurance requirements and provisions of NRS 116.3113 shall be complied with by the Association and shall be common expenses in the annual budget. Committee members are covered by the Association's D&O insurance in the event of threatened or instituted litigation.

Section 13. **Fines.**

The Association shall have the power to levy fines, construction penalties and other charges against Owners, as a monetary penalty and to reimburse the Association for the costs of enforcement of any provisions of this Declaration including the violation of any rules or regulations promulgated by the Board or the ADRC and violations of Design Guidelines.

Section 14. **Rules and Regulations.**

The Board may promulgate rules and regulations which elaborate on or add to the provisions of Article IV without first obtaining membership approval or consent.

Section 15. **Other CCC&Rs and Associations.**

Nothing contained herein shall prohibit or impair the recordation of additional or supplemental covenants, conditions and restrictions (and the establishing of one or more homeowners associations related thereto) which apply to only a portion of the Subdivision, in order to establish rights and obligations regarding limited Common Elements cc); provided all Owners subject thereto consent, and provided further that any conflict between the provisions of additional or supplemental covenants, conditions and restrictions and this Declaration shall be governed by the provisions hereof.

**ARTICLE III
ASSESSMENTS**

Section 1. **Agreement to Pay.**

Each Owner, by his acceptance of a deed for each Lot owned, covenants and agrees to pay to the Association such regular and special assessments as are established, made, and collected as provided in this Declaration. A Lot Owner shall have all voting rights and other rights incident thereto as provided in this Declaration, the Articles and the Bylaws.

Section 2. **Personal Obligations.**

Each assessment, together with any late charge, interest, collection costs, and reasonable attorneys fees, shall be the personal obligation of the person or entity who was an Owner subject to the assessment at the time such assessment or installment became due and payable. If more than one person or entity was the Owner, the personal obligation to pay such

assessment or installment respecting such real estate shall be both joint and several. Subject to the provisions of Article VII, Section 2, a purchaser of a Lot shall be jointly and severally liable with the seller for all unpaid assessments against the real estate without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by abandonment of his real estate.

Section 3. **Purpose and Amount of Assessments.**

The assessments levied by the Association shall be determined by the Board and shall be the amount estimated to be required, on an annual basis, and shall be used exclusively, to promote the Association purposes specified in Article II, Section 1 for the performance of the duties of the Association as set forth in this Declaration, and for the repair, maintenance and upkeep of Association property. Funds held by the Association shall be held, to the extent possible, in interest-bearing accounts with proper insurance to protect the balances of such accounts.

Section 4. **Annual Assessments.**

Not less than thirty (30) and no more than sixty (60) days before the beginning of each calendar year of the Association, the Board shall meet for the purpose of preparing the proposed operating statement or budget for the forthcoming calendar year (the calendar year shall be the fiscal year unless the Board specifies otherwise), and establishing the annual assessment for the forthcoming calendar year, subject to the power of disapproval of the Lot Owners, as specified in Section 5 of Article II, provided, however, the Board may not establish an annual assessment amount per Lot or Equivalent Lot for any calendar year, which increases by more than fifteen (15) percent over the annual assessment per Lot or Equivalent Lot of the prior year without the approval by vote or written consent of Owners holding a Majority of the voting rights.

Section 5. **Special Assessments.**

If the Board of Directors during a board meeting determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, delinquencies in the payment of assessments, then the Board shall determine the approximate amount necessary to defray such expenses; and if the amount is approved by a majority vote of the Board, it shall become a special assessment; provided, however, the Board may not approve one or more special assessments in any calendar year which in the aggregate exceed fifteen (15) percent of the annual assessment per Lot for that calendar year, without the approval by vote or written consent of Owners holding a Majority of the voting rights. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Lot Owner.

Additionally, the Association shall have the power to incur expenses for maintenance and repair of the improvements on any Lot and for other costs of remedying violations of provisions of this Declaration, when an Owner is in violation of provisions of this Declaration, provided the Lot Owner has failed or refused to cure the violation within thirty (30) days after written notice and with opportunity for hearing as defined in the Association's collection policy violation.

Section 6. **Uniform Rate of Assessment.**

Except for assessments related to limited Common Elements (e.g., sub-gates), including road), or as otherwise specifically provided in this Declaration by law, annual and special assessments of the Association must be fixed at a uniform rate for all Lots and Equivalent Lots subject to assessments.

Section 7. **Assessment Period.**

The annual assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year; and annual assessments shall be payable in advance monthly unless the Board adopts some other basis for collection.

Section 8. **Notice of Assessments: Time for Payment.**

Association may, in its discretion, give written notice of assessments to each Owner, which notice shall specify the amount of the assessment and the date or dates of payment of the same. No payment shall be due fewer than thirty (30) days after such written notice has been given. Each delinquent assessment may charge interest as defined in its Collection Policy per annum from the date it becomes due together with a late charge of TWENTY-FIVE DOLLARS AND NO/100 (\$25.00) for each delinquent installment. An assessment payment is delinquent if not paid within thirty (30) days after its due date. Failure of the Association to give notice of the assessment shall not affect the liability of the Owner for such assessment, but the date when payment shall become due in such a case shall be deferred to a date thirty (30) days after such notice shall have been given.

Section 9. **Statement of Account.**

Upon payment of a reasonable fee, and upon written request of any Owner or any beneficiary of a deed of trust, prospective beneficiary, or prospective purchaser of Lots or the Nonresidential Area, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such real estate, the amount of the current periodic assessment, transfer fees, and the date that such assessment becomes or became due, credit for advanced payments or prepaid items, which 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 within thirty (30) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a deed of trust of the requesting beneficiary; which acquired its interest subsequent to requesting such statement.

Section 10. **Collection of Assessments.**

The right to collect and enforce assessments is vested in the Board acting for and on behalf of the Association. The Board of Directors or its authorized representative, including any manager, can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity or the Board may enforce assessments by judicial proceedings or, to the extent permitted by NRS Chapter 116, through the exercise of the power of sale granted to the Board. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts allowed by law or described in this Article shall be maintainable without first foreclosing against the real estate subject to the lien for such assessment or waiving the lien rights granted hereby.

Section 11. **Lien for Assessments: Priority.**

All sums assessed pursuant to this Article, together with interest, fees, charges, fines, construction penalties and other expenses allowed by law shall be secured by a lien on Lots and/or the Nonresidential Area in favor of the Association as provided in NRS Chapter 116.

Section 12. **Exempt Property.**

The following property shall be exempt from payment of Assessments:

- (a) all Common Areas; and
- (b) any property dedicated to and accepted by any government authority or public utility (including easements).

Section 13. **Suspension of Owner's Rights.**

The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership, including voting rights, to any Owner or to any person claiming under said Owner unless or until all assessments due on an Owner's real estate have been brought current, provided the Association complies with its Collection Policy.

**ARTICLE IV
PROPERTY USAGE**

As more particularly specified in Article VII, the Nonresidential Area is exempted from the provisions of this Article IV. Otherwise, all uses within the Subdivision shall comply with the conditions and restrictions of this Article IV.

Section 1. **Single-Family Only.**

Except as provided in Section 2 of this Article, only single-family dwelling units

used solely for residential purposes, including private garages used in connection with said residences, together with guest quarters and other outbuildings, only as expressly provided hereinafter, shall be permitted. For purposes of this restriction, a single family shall be defined as any number of persons related by blood, adoption, domestic partnership, or marriage living with not more than two persons who are not so related as a single household unit, or no more than three (3) persons who are not so related living together as a single household unit, and the household employees of either such household unit.

Section 2. **Business or Commercial Uses.**

All business, trade, commercial garage sale, moving sale, rummage sale, or similar activity is prohibited, except that a Lot Owner or lessee may conduct business activities on a Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from the outside the Lot; (b) the business activity conforms to all zoning requirements and other applicable laws for the Subdivision; (c) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees, or door-to-door or telephone solicitation of residents of the Subdivision; and (d) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Subdivision, as may be determined in the sole discretion of the Board.

Section 3. **No Group Homes.**

No residence in the Subdivision may be used for a public boarding house, operated or financed by a public or private institution, sanitarium, hospital, asylum, Section 8 Housing, or any use not permitted by local law.

Section 4. **Corner Lot View Obstruction.**

No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations above 2 feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area fanned by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a round property corner from the intersection of the street property lines extended. The same sightline limitations shall apply on any Lot "within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 5. **No Interference with Drainage.**

Each Lot Owner agrees that he will accept the burden of and not in any way interfere with, the established drainage pattern over his Lot from adjoining or other Lots in the Subdivision, or, in the event it is necessary to change the established drainage, that he will make adequate provisions for proper drainage over his Lot. No structure or other material shall be placed or permitted to remain which may damage, interfere with, obstruct, or retard the flow of

water through drainage channels, or which may change the direction of flow of such channels. For the purposes hereof "established" drainage is defined as the drainage which occurred at the time the overall grading of a Lot, including, if applicable, the landscaping of each Lot.

Section 6. **Slope Stabilization.**

Each Lot Owner agrees that in the event any slopes located on his Lot have been planted to comply with local government or ADRC requirements for stabilization of said slope or slopes, the Owner shall adequately water and continuously maintain said slope or slopes.

Section 7. **Maintenance of Fence and Walls.**

Each Lot Owner upon which all or a portion of a wall or fence may be located, agrees at all times to maintain, paint or repair said wall or fence, unless the Association has assumed responsibility for maintenance as provided in Subsection I(b) of Article VIII.

Section 8. **New Structures Only.**

No existing, used, constructed, or partially constructed structure of any type or nature shall be moved from another place to the Subdivision for any purpose whatsoever.

Section 9. **Square Footage Minimums.**

No principal residential dwelling shall be constructed or maintained upon any parcel or Lot which shall have a total floor area of less than 2,500 square feet, exclusive of porches, patios, attached and detached garages, outbuildings, breezeways or walks. Detached guest quarters, as defined below, shall have a ground floor area of not more than 1,500 square feet, and such guest quarters cannot be occupied until the principal residential dwelling is completed and occupied.

Section 10. **Restriction on Number of Dwellings.**

No building, structure or improvements shall be constructed, erected, altered, placed or permitted to remain on any Lot other than one (1) dwelling designed for principal residential occupation for not more than one (1) family, together with such related outbuildings and facilities pertinent to said single family residential use. The word "Related Outbuildings and Facilities" shall include one additional dwelling for guest quarters and/or one detached garage, subject to approval of the ADRC Related Outbuildings Facilities and/or one detached garage ADRC.

Section 11. **No Water Pollution.**

No use on any of the property described herein shall be allowed which in any manner or for any purpose would result in the drainage or dumping of any refuse, sewage or other material which might tend to pollute surface or subterranean waters.

Section 12. **No Garbage/Trash Receptacles.**

No garbage, refuse, rubbish or obnoxious or offensive material shall be permitted to accumulate, be dumped or buried on any Lots, and Lot Owners shall cause garbage and other like material to be disposed of by and in accordance with accepted sanitary practice. Trash receptacles shall be kept hidden from public view at all times, except when placed out for collection. Trash for collection may be placed on the street right of way line for a period not to exceed twenty-four (24) hours prior and subsequent to the collection service pick-up time. The Association may designate an area at the intersection of a street with a common driveway (*i.e.*, a driveway which serves more than (1) Lot, which area may be within the street right-of-way or on a Lot, for the placement of trash receptacles for collection. No dumping by Lot Owners or their contractors will be allowed on vacant Lots within the community.

Section 13. **Repair of Damaged Structures.**

No building or garage damaged by fire or otherwise damaged so that it becomes unsightly shall be permitted to remain on any Lot. Such structures shall either be promptly rebuilt, refinished, or torn down and removed, and in no case shall the unsightly damage remain longer than three (3) months without ADRC approval to an extension. Any tear down or removal must have ADRC approval.

Section 14. **Nuisances.**

No use of any Lot or structure subject to this Declaration shall annoy or adversely affect the use, value, occupation, and enjoyment of any adjoining Lot or of residences in the Subdivision in general. No noxious, offensive or disturbing activity of any kind shall be permitted.

Section 15. **Excavation Restrictions.**

No excavating or drilling for minerals, stone, gravel, oil or other hydrocarbons, or earth shall be made upon any Lot other than excavation for necessary construction purposes relating to dwelling units, retaining and perimeter walls, landscaping outbuildings and pools, contouring, shaping, fencing or generally improving any Lot.

Section 16. **Paints and Finishes.**

The exterior portions of all houses, buildings, and structures erected or constructed on a Lot shall be painted with a finish coat of varnish, stain or paint approved by the ADRC within thirty (30) days after completion or before occupancy. At no time will the exterior of any houses, building structures and fences be allowed to approach a state of aesthetic deterioration such that they become a visual nuisance. Repainting or re-staining exterior surfaces with the same color paint or stain shall not require approval of the ADRC. Semi-custom homes should refer to the Design Guidelines for pre-approved painting/staining options that still require a notice to the ADRC.

Section 17. **Storage Restrictions.**

The storage of tools, household effects, inoperable vehicles, machinery and machinery parts, empty or filled containers of trash or other materials, boxes or bags, trash, materials, or other items that shall in appearance detract from the aesthetic values of the property shall be so placed and stored to be concealed from public view.

Section 18. **Prohibition on Clothes Lines.**

No exterior clothes line shall be installed on any Lot, or any portion of the Lot, unless completely concealed from view.

Section 19. **Sign Restrictions.**

No sign, poster, billboard, advertising device or other display of any kind shall be displayed without the approval of the ADRC Committee, except the Owner may exhibit one (1) political sign (as that term is defined by Nevada Revised Statutes and/or Federal law) in the Act not larger than 24" x 36" on the Lot. Up to two Realtor For Sale signs that meet Design Guidelines may be placed and maintained on the Lot without further approval. All other signs require specific approval from the ADRC. The Lot address number easily viewable.

Signs not meeting the standards of size, color and other specifications set forth by the ADRC, or signs not approved by the ADRC may be removed by the Association from the premises where displayed. Removed signs will be held for fourteen (14) days by the Association to be claimed by the Lot Owner, after which time period they may be destroyed.

Section 21. **Separation of Ownership.**

No Lot may be subject to a deed, conveyance, agreement or other document which would affect or cause a separation into different ownerships of surface and subsurface rights, or any portion thereof. Nothing herein shall prevent the dedication or conveyance of all or a portion of any Lot for use by the public utilities or as a street, in which event the remaining portion of said Lot shall for the purpose of this provision be treated as a whole Lot.

Section 22. **No Occupancy without Certificate of Occupancy (COO).**

No building, any part of which is designed for dwelling purposes, shall be in any manner occupied while in the course of original construction or until it is completed and the building has received a Certificate of Occupancy from the applicable government agency.

Section 23. **No Violation of Law.**

Nothing shall be permitted to occur on a Lot which violates any law, ordinance, statute, rule or regulation of any local, county, state or federal entity.

Section 24. **Fire Control Maintenance.**

Each Lot Owner shall be responsible for the maintenance of any fire fuel modification areas and firebreak areas located on the Lot, such as removal of certain trees, dead limbs and other dead vegetation. All barbecue appliances must be lidded. Minimum defensible space requirements adopted by Washoe County and, if applicable, by the cognizant Fire Protection District, shall be maintained. The Board may adopt and maintain a Fuels Management Policy Fuels Management Policy to effect enforcement of this Section.

Section 25. **Weeds.**

No noxious weeds as per NRS.555.130, diseased plants or infected vegetation of any kind or character shall be placed or permitted to grow upon any Lot or portion thereof. However, native vegetation will be allowed on any lots as long as they conform to the Association's Fuel Management Policy and ADRC Fuel Management Policy and ADRC requirements.

Section 26. **Subdividing and Land Use.**

Except as otherwise provided herein, regardless of any action of any governmental agency, no Lot may be divided, subdivided, or re-subdivided to a size less than the original size of the Lot. The zoning and use of any of the Lots in the Subdivision may not be changed nor amended to multiple residential nor commercial use.

Section 27. **Paved Surface Requirements.**

All driveways, walkways, parking areas and other areas of similar nature shall be paved with a suitable "all-weather" material approved by the ADRC such as asphalt, concrete, paving stones, bomanite brick or other materials approved by the ADRC within thirty (30) days of the completion of construction of the principal residence. Gravel or loose rock is prohibited.

Section 28. **Parking and Storage of Vehicles.**

Storage of trailers, campers, boats, recreational vehicles, machinery, and motor vehicles, whether they are operative, under repair, junk, inoperative, or unlicensed, or other similar type objects, shall only be permitted on Lots if kept in a fully enclosed garage or if **completely** screened from view, except that this provision does not preclude operable, licensed passenger vehicles or trucks of up to and one-half (1/2) ton capacity which are routinely in use from being parked in private driveways. The intent of this Section is to allow only for the loading and unloading of trailers, campers, boats and recreational views in public view on a Lot and out of a garage. Parking of a vehicle on a street is not allowed, except on collector streets at a minimum distance from the intersection of one hundred twenty (120) where parking is only allowed during special events with prior notice to Association's Security staff.

Section 29. **Water Usage/Restrictions.**

In order to conserve water usage on Subdivision Lots, the following restrictions shall apply to all Lots:

- a. Automatic sprinkler and irrigation systems shall be required for all Lot Landscaping;
- b. The total square footage of turf area on any Lot shall not exceed 20% of the total square footage of the Lot minus the area of the building structures (e.g., main dwelling, garages, porches, gazebos, decks) and the driveway; but, in no event shall the turf area exceed 3,500 square feet. For example, if the Lot is 15,000 square feet in gross area and the combined building areas and driveway cover 5,000 square feet, then only 20% of the remaining 10,000 square feet (i.e., 2,000 square feet) is allowed to be turf; and vegetation to water down landscaping disturbed during construction or renovations.
- c. Artificial turf may not be subject to the above square footage restrictions in this Section, and shall be approved by the ADRC on a case by case basis per the ADRC Guidelines.

Section 30. **Completion of Construction.**

Construction of any improvement, once commenced, shall be pursued diligently to completion as adopted in the Design Guidelines and iterated herein. Building/installations must commence within twelve (12) months of plan approval for any project. If not, the plan approval is void and the plan must be resubmitted. New home construction must be completed within 24 months of approved plans. New home landscaping must be completed within ninety (90) days of receiving a Certificate of Occupancy (COO). All other improvements and/or modification projects must be completed within 180 days of plan approval. Extensions may be considered by the ADRC on a case-by-case basis upon written request of the Owner. If projects are not completed by the deadline, the owner may be subject to additional fees and/or penalties as outlined in the Design Guidelines. If construction ceases for ninety (90) consecutive days this is considered a violation of this Declaration, and the Owner will be subject to fines and/or penalties provided in Article and Articles V and VI.

Section 31. **Maintenance of Lots.**

All Lots whether vacant or improved, occupied or unoccupied, shall be maintained in such a manner as to prevent their becoming unsightly, unsanitary or a hazard to health. If not so maintained, the Association shall have the right, after giving thirty (30) days written notice in like manner as above set forth in Section 30 above, through their agents and employees, to undertake such work as may be necessary and desirable to remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be added to and become a part of the assessment to

which such Lot is subject. The Board has sole discretion to determine what is unsightly or unsanitary. The Board, the Association or any of their agents, employees or contractors, shall not be liable for any damage which may result from any maintenance work so performed. The Board or the Association or their agents or employees are not liable for any failure to exercise the right to so maintain any Lot.

Section 32. **Dead Vegetation and Dead Limbs.**

Except as provided in Section 24 of this Article, within one (1) month (11 of completion of the main single family dwelling, each Lot Owner shall remove all dead trees, dead limbs and any dead vegetation that remain on a Lot, unless the ADRC decides some or all of the removal is not necessary.

Section 33. **Disposal of Sanitary Waste.**

All permanent plumbing fixtures, including dishwashers, toilets or garbage disposal systems shall be connected to the sanitary sewer system in the Subdivision.

Section 34. **Fences and Obstructions.**

The following general fencing guidelines shall apply. All front yard property lines from single family dwellings to the street shall be kept free and open, except courtyards may be allowed at the discretion of the ADRC. Any fencing allowed shall consist of materials determined by the ADRC and at locations approved by the ADRC. No fence, wall, hedge, tree, plant, shrub, lawn, or foliage shall be planted, kept or maintained by the Lot Owner in such a manner as to create a potential hazard or any aesthetically unsatisfactory appearance on the Lot, as determined by the ADRC. No fence, structural improvement, wall, hedge, tree, shrub, planting or other obstruction to vision shall be more than two (2) feet higher than curb level within twenty-five (25) feet of the intersection of any two (2) streets on any corner Lot.

Section 35. **Animals.**

No animals nor fowl and excluding fish, including without limitation, horses, cows, sheep, goats, pigs, chickens, and exotic pets, except for no more than four (4) usual household pets of a species (e.g., dogs, cats, small birds, hamsters, turtles, frogs, lizards, gerbils, nonpoisonous snakes) shall be allowed or maintained on any Lot. The permitted pets shall be kept, bred, or raised solely as household pets for private use and not for commercial purposes. No animal or fowl shall be allowed to make any unreasonably loud noises or shall otherwise be allowed to be a nuisance. No animal shall be permitted out of a structure on a Lot unless in a fenced enclosure, nor permitted off a Lot unless such animal is under the control of a person by means of a leash or other reasonable physical restraint. No pets shall be kept upon a Lot until such time as a Certificate of Occupancy has been issued for the dwelling on the Lot and adequate provisions approved by the ADRC have been made for confining such pets to the Lot. No dog houses or dog runs are allowed on any Lot, unless such dog houses or dog runs are screened from view by landscaping or fencing and approved by the ADRC. Upon request of a Lot Owner, the Board ADRC, in its sole discretion, shall determine for the purposes of this Section whether a

particular animal or fowl shall be considered as a permitted pet, whether it is a nuisance, or whether the number of animals or fowl on any Lot is reasonable.

Section 36. **Flags, Solar Panels and Antennae/Exterior or Roof-Mounted Equipment.**

No pole, flagpole, mast, solar panel, satellite dish, or other outdoor antenna or related device shall be allowed on any Lot without the prior written consent of the ADRC Committee; provided, however, that any Owner is entitled to install and maintain a system for obtaining put solar energy consistent with Nevada and Federal law on their Lot and to Law to display the flag of the United States, in a manner that is consistent with the Federal Flag Code, from or on:

- (a) flagpole or staff which is located on exterior property within the boundaries of his Lot or which is attached to an exterior Limited Common Element.
- (b) A window, ledge, sill, railing, patio, terrace or balcony of his Lot or an exterior Limited Common Element that forms a part of the boundaries of his Lot, whether or not the flag is displayed from a flagpole or staff.

As used in this Section 36: "Federal Flag Code" means the rules and customs pertaining to the display and use of the flag of the United States which are codified in 4 U.S.C. §§ 5 to 10, inclusive, as altered, modified or repealed by the President of the United States pursuant to 4 U.S.C. § 10, and any additional rules pertaining to the display and use of the flag of the United States which are prescribed by the President pursuant to 4 U.S.C. § 10; and "Flag of the United States" does not include a depiction or emblem of the flag of the United States that is made of balloons, flora, lights, paint, paving materials, roofing, siding or any other similar building, decorative or landscaping component or material.

The Association may adopt rules that: (i) Prohibit the display of the flag of the United States in a manner that is inconsistent with the Federal Flag Code; (ii) prohibit the display of the flag of the United States if the flag exceeds four feet (4') in its vertical dimension or six feet (6') in its horizontal dimension (the horizontal dimension of the flag is the dimension that is parallel with the horizontal stripes of the flag, regardless of the position in which the flag is displayed); (iii) establish a maximum number of flags of the United States that may be displayed from, on or around the exterior of a unit (the maximum number is one); (iv) prohibit the display of the flag of the United States from a flagpole or staff that exceeds twenty-five feet (25') in height; (v) prohibit the display of the flag of the United States in a manner that poses a real and substantial danger to health or safety.

In addition, outside television antennas, cellular towers, aerials, satellite dishes or similar devices for the transmission or reception of television, radio, cellular, satellite, of other signals or any kind are prohibited, except:

- (i) The Association shall have the right, without obligation, to erect, place or install and maintain any such apparatus on Common Areas for the benefit of all or a portion of the Community.
- (ii) Antennas or satellite dishes with a diameter or diagonal measurement not greater than one-meter (39.37") which are designed to receive direct broadcast satellite services, video programming services via multi-point distribution services, or television broadcast signals (collectively "Permitted Devices") may be erected, placed or installed on a Lot.

To the extent the foregoing restrictions concerning Permitted Devices are more restrictive than allowed pursuant to applicable Federal Law, then such restrictions shall be deemed revised automatically to the minimum extent required by such laws.

Section 37. **Pools, Sports, and Play Equipment.**

No above-grade swimming or wading pools, trampolines, other sports apparatus, swing sets, or children's play equipment may be placed, installed, erected, or attached to any structure in the Subdivision unless such apparatus is approved by the ADRC. In addition, bicycles, toys and play equipment, motorcycles, ATV's, snowmobiles, and similar vehicles must be garaged or parked in an enclosure or fenced in a manner to be hidden from public view when not in use.

Section 38. **Defacing of Common Area.**

No tree, shrub, other landscaping or improvement within a Common Area shall be defaced, modified or removed except at the express direction of the Association.

Section 39. **Limited Access.**

There shall be no access to any Lot or parcel on the perimeter of the Subdivision except from designated streets or fire roads as shown on recorded final maps of the Subdivision, unless prior written approval is obtained from the Association

Section 40. **Nonresidential Areas Access.**

Except as otherwise expressly provided in this Declaration, all access to the Golf Course from any Lot or Common Area is prohibited for any purpose, whether it be jogging, walking, playing golf or otherwise, without the consent of an affected Nonresidential Areas Owner.

Section 41. **Operation of Motor Vehicles.**

Except for authorized maintenance vehicles, no motor vehicle shall be operated in any area within the Subdivision except on a street or driveway.

All speed limit, radar control speed, and other traffic control signs erected within the Subdivision shall be observed at all times. Motorized vehicles except authorized maintenance vehicles or emergency vehicles are specifically prohibited on all open space, paths, hiking trails, walkways, fire evacuation roads, or Common Areas (except roads or parking areas). However, maintenance and golf carts may be driven on collector streets, but, for safety purposes, on ArrowCreek Parkway, all carts shall use the walking paths.

Section 42. **Landscaping.**

Each Owner shall be responsible to properly and attractively landscape his Lot pursuant to approved landscape plans in a manner suitable to the character and quality of the Subdivision, and all landscaping shall be maintained to harmonize with and sustain the attractiveness of the Subdivision.

Each Lot Owner must establish and maintain landscaping to the applicable fire protection districts requirements for minimum defensible space, and all such landscaping shall be continually maintained consistent with the standards of the development, good husbandry practices and the applicable fire protection districts requirements.

Section 43. **Commercial Leasing.**

No Lot Owner shall participate in any plan or scheme for the rental of the improvements on such Lot, nor shall any such Lot be operated as a commercial venture. Nothing in this paragraph shall prevent a Lot Owner from renting the Lot and improvements thereon for residential use during periods of such Lot Owner's absence.

Section 44. **Impairment of Wildlife.**

Capturing, trapping or killing wildlife within the Subdivision is prohibited, except all common rodents (e.g., rats, mice, moles, marmots, gophers, rabbits, squirrels, weasels), insects and other animals considered pests.

Section 45. **Disturbing Activities.**

Activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Subdivision or which use excessive amounts of water or which result in unreasonable levels of sound or light are prohibited.

Section 46. **Discharge of Firearms, Weapons and Pyrotechnics.**

The discharge or use of firearms or other weapons and/or pyrotechnics within the Subdivision is prohibited. The terms "Firearms and Weapons" includes, without limitation: "BB" guns, pellet guns, bows and arrows, pistols, rifles, shotguns, sling shots and other firearms and weapons of all types, regardless of size.

Section 47. **No Temporary Structures.**

No temporary structure of any form or type, including self-contained camper trailer units, shall be permitted as a dwelling unit on any Lot or parcel. No garage or outbuilding shall be constructed before commencing construction of the main dwelling unit, and further, no trailer, garage, basement, outbuilding or other structure other than the completed main dwelling unit shall be used for temporary or permanent living quarters, except as provided herein. No covering or tent, if visible from any roadway, is permitted on any Lot for a period longer than 24 hours. Temporary construction-related structures on a Lot for outhouse equipment, storage and other construction uses shall be allowed, subject to approval of the ADRC, but only during the period of initial construction and/or exterior remodel of any structure on the Lot until issuance of a Certificate of Occupancy (COO). Interior remodels are held to the same requirements stated herein.

Section 48. **Variances.**

Either the ADRC, or the Appeal Panel (during the appeal process), or the Board) may, in their sole discretion, grant variances to the provisions of this Declaration or the Design Guidelines over which it exercises the power of approval. No variance granted shall constitute a waiver or restrict enforcement of any other provision hereof, or constitute a precedent for granting another variance.

**ARTICLE V
ARCHITECTURAL STANDARDS**

All Builders, Lot Owners and others conducting construction activities within the Subdivision shall comply with the standards specified in Articles V and VI as well as any and all Design Guidelines recommended by the ADRC and adopted by the Board of Directors related to these provisions.

Section 1. **Building Envelope.**

The ADRC may establish a building envelope and recommended point of access for each Lot. This envelope will be based upon the topography of the Lot, its relationship to neighboring Lots, and any unique feature that the Lot may have, such as trees, meadows, rock outcroppings, etc. The size and shape of the building envelope may vary from Lot to Lot. If in the opinion of the ADRC certain Lots do not warrant the establishment of a specially designated envelope, the envelope for those Lots shall be set according to the normal setbacks of the

governing local agency for that type of Lot. In general, all building construction shall be confined to the building envelope area. If in the opinion of the ADRC the building envelope shall cause the Lot Owner undue hardship in locating his home or accessory improvements, variances may be permitted by the ADRC.

Section 2. **Design Guidelines.**

The ADRC shall recommend by a majority vote and submit to the Board for adoption Design Guidelines establishing the architectural standards for construction and uses on all Lots within the Subdivision. Once adopted, the Design Guidelines may be amended from time to time by a majority vote of the ADRC submitted to the Board for adoption. All Lot Owners shall comply with and abide by the Design Guidelines. Copies of the Design Guidelines shall be available to each Lot Owner at the time of close of escrow and shall be maintained at the office of the Association. ADRC Design Guidelines are intended to be minimum requirements. The ADRC may on a case-by-case basis, adopt or impose more stringent design requirements. The Board of Directors shall have final approval of any and all Design Guidelines recommended by the ADRC and the Appeal Panel shall review all appeals of ADRC decisions requested by Lot Owners upon written request.

Section 3. **Views.**

No representation or warranties, covenants or agreements are made by the Association or their agents, with respect to the presence or absence of any current or future view, scene or location advantage from any portion of a Lot within the Subdivision. The view, scene or location advantage may be adversely affected currently or in the future by construction or changes to the following, including, without limitation, residential homes or other structures and facilities, utility facilities, landscaping, Common Areas, public facilities, streets, sidewalks, hiking trails, cell towers, neighborhood amenities and other activities, development or occurrences whether on other land or on adjacent and nearby Lots. No representations, warranties, covenants or agreements are made by the Association or their agents concerning the preservation or permanence of any view, scene or location advantage for the Lot. The Association is not responsible or liable for any impairment of such view, scene or location advantage for any perceived or actual loss of value of the Lot resulting from such impairment. Lot Owners are solely responsible for analyzing and determining all risks concerning the current and future value of any view, scene or location advantage and the potential or existing impairment thereof and the risks of preserving the view, scene or location advantage.

ARTICLE VI
ARCHITECTURAL CONTROLS AND DESIGN REVIEW COMMITTEE

Section 1. **Committee Establishment and Membership.**

The ArrowCreek Design Review Committee of the Association (“ADRC”) is hereby established. Each ADRC member shall have an indefinite term and serve at the discretion of the Board.

The ADRC shall be composed of both voting and non-voting members, the total composition of which shall be not less than three (3) but not more than seven (7) members to be appointed by the Board of Directors. A minimum of one (1) voting member must be a member of the Board. Committees are covered by the Association's D&O insurance in the event of litigation

- a. Lot Owners shall be voting members. Architects, landscape designers and other professionals who are also Owners could be voting members or, alternatively, they could choose to be non-voting members as described in Section 1(b) of this Article VI.
- b. Non-Owner professionals who provide design review services to the ADRC would be non-voting members and would be covered by the Association's D&O insurance in the event of litigation. By becoming non-voting members, they are further separated from the final decision process, providing additional protection in the event of litigation. Non-voting members will be invited to the meeting as needed to present their findings of design reviews and are welcome to attend the full meeting.

Section 2. **Written Approval of Plans.**

Before commencing any building operations, written approval for exterior Lot modification of any kind must be obtained from the ADRC covering building and plot plans for all structures erected, altered, renovated, remodeled, placed, assembled, or permitted to remain on any Lot in the Subdivision, including garages, walks, fences, dog runs, landscaping, ditches and walls. The approval of said ADRC shall include style, design, appearance, harmony of external design, building materials, location of the proposed structure with respect to topography, finish grade elevation and the street frontage. No approval shall be construed as modifying, altering, or waiving any of the provisions herein set out unless a variance is issued by the ADRC.

ADRC approval shall be granted only after written application has been made to ADRC the Committee in the manner and form prescribed by it. In the event a Lot Owner desires to redecorate the exterior of any existing structure, it shall only be necessary to submit the proposed new color scheme to the ADRC for its approval. Remodeling or adding to existing structures or making structural or architectural changes, including landscaping, shall require the Lot Owner to submit complete plans to the ADRC as in the case of erecting new structures.

Each Lot Owner shall be responsible to properly and attractively landscape his Lot, and maintain such landscaping. A landscape plan is to be a part of the house plans and is to be submitted to the ADRC for approval. Landscaping must be completed as specified in the landscape plan within 90 days of obtaining a Certificate of Occupancy of the main dwelling on a Lot, subject to extensions granted by the ADRC (e.g., for planting season.) ADRC Certificate Occupancy ADRC (e.g., for planting season.)

Section 3. **ADRC Powers.**

The ADRC shall develop, maintain, and Recommend ADRC Design Guidelines as well as rules and regulations related to the architectural process, subject to approval by the Board who shall have final approval. The ADRC shall review submissions of any and all Design Guidelines recommended by the ADRC render decisions ADRC in accordance with the Design Guidelines and regulations as may be amended from time to time. ADRC comments with respect to any application shall be strictly followed. If requested by the ADRC, applications must be resubmitted to the ADRC. The Appeal Panel Directors for all ADRC decision appeals is outlined in Section 6 below.

Section 4. **Time of Decision.**

The decision of a majority of the ADRC, acting in good faith in its sole discretion, upon any matters submitted or referred to it, shall be final. Any decision or approval by the ADRC shall not relieve an applicant or Lot Owner from complying with any requirement of a public authority having jurisdiction, and shall not constitute any representation or guaranty by the ADRC or a member thereof of compliance of the submitted matter with any statute, ordinance, or regulation pertaining thereto.

Section 5. **No Improvements without Approval.**

No exterior improvement of any kind, including building, garage, shed, walkway, satellite dish, fence, wall, retaining wall, dog run, drainage ditch or system, landscaping or any other structure shall be commenced, erected, placed or altered on any Lot in the Subdivision until the building plans and specifications thereof, have been submitted to and approved in writing by the ADRC as to conformity and harmony of external design with the existing structures or general scheme in the Subdivision, and as to location of the building with respect to topography and finished ground elevation ADRC.

Section 6. **Grounds for Disapproval and Appeals.**

The ADRC may disapprove any application through the following procedure and as also provided in the Design Guidelines:

- (1) Should a Lot Owner submit plans to the ADRC for approval and later receive a rejection of some portion of their project including related construction violations and penalties, and should the owner feel that the rejection and/or penalties are inappropriate; the owner may file an appeal. The first step in this process is to request a hearing with the ADRC Committee at their next ADRC meeting, which are held at least once per month. The Owner must explain in writing his reasons why he feels the guidelines were not properly and/or consistently applied.

- (2) The owner must explain in writing their reasons why they feel the guidelines were not properly and/or consistently applied. The owner has the option to bypass the ADRC hearing process and submit an appeal directly to the Appeal Panel. The Appeal Panel shall consist of three members of the Board not currently on the ADRC board members and two ADRC members.
- (3) After reviewing the ADRC hearing notes and decision, the Appeal Panel may, at its discretion, make one of three decisions:
 - (a) Not hear the appeal if it sees no grounds to do so.
 - (b) Make a decision based on all data submitted by the owner.
 - (c) Schedule a hearing with the owner at a mutually convenient time.
- (4) If a hearing is granted, the owner would be free to bring their architect and/or builder along with them to attend the hearing but no lawyers can attend without ADRC legal counsel present. No decision will be made at the hearing. The owner will be notified of the Appeal Panel's decision in writing following the hearing; generally within a few days.
- (5) The Appeal Panel may, after deliberation, reach one of the following three decisions:
 - (a) Confirm the decision of the ADRC was proper.
 - (b) Request additional input and/or reconsideration from the full ADRC.
 - (c) Reverse or modify the initial ADRC ruling as appropriate.
- (6) The Appeal process is to allow for a review of all available information to determine if some information was not fully considered, or if additional information was provided by the owner, their architect, or their builder that may be relevant. Additionally, prior precedent may be considered and determined to be relevant or non-relevant at the discretion of the Panel based on the best information available.
- (7) While the Appeal Panel does not wish to delay construction, the owner must realize that the appeal process could potentially have a substantial impact on their construction schedule. The date of the next available hearing can be requested from via an e-mail sent to acservice@amiusa.net, or by phone (775) 626-7333 office Common Interest Community Manager of the Association ("CICM"). If the Appeal Panel decides that the matter should go back to the full ADRC for reconsideration, any reconsideration

would be at the next regularly scheduled ADRC meeting. The schedule of those meetings can be obtained from the same sources, the newsletter, or Association website. If a final decision is made by the Appeal Panel that decision would be sent in writing to the homeowner by Certified and First Class U.S. Mail.

Should the owner, their builder, architect, or other representative have entered into any legal action against the ADRC and/or the Association concerning their construction project, the right to appeal would be forfeited.

Section 7. **Rules and Regulations.**

The ADRC may from time to time adopt written rules and regulations of general application governing its procedures and approval criteria which may include, among other things, provisions for the form and content of application; required number of copies of plans and specifications; additional architectural guidelines, provisions for notice of approval or disapproval, and various approval criteria.

Section 8. **Conformance to Plan Required.**

After any plans and specifications and other data submitted have been approved by the ADRC, no structure of any kind shall be erected constructed, placed, altered, or maintained upon a Lot unless the same shall be erected, constructed, or altered in conformity with the plans and specifications, color scheme, and plot plan approved by the ADRC. If any structure of any kind shall be erected, constructed, placed, altered, or maintained on a Lot other than in accordance with the plans and specifications, color scheme and plot plan theretofore approved by the ADRC, such erection, construction, placing, alterations and maintenance shall be deemed to have been undertaken without the approval of the ADRC ever having been obtained. ADRC approval is required for any change requests to approved plans before proceeding.

Section 9. **Variances.**

The ADRC may grant reasonable variances or adjustments from the provisions in this Article or the ADRC Guidelines where literal application thereof results in unnecessary hardship and if the granting thereof in the opinion of the ADRC will not be materially detrimental or injurious to other Lot Owners.

Section 10. **Certification of Compliance (COO).**

At any time prior to completion of construction of an improvement, the Committee may require a certification upon such form as it shall furnish from the Builder, contractor, Lot Owner or a licensed surveyor that such improvement does not violate any height restriction, set-back rule, ordinance or statute, nor encroach upon any easement or right-of-way of record and/or that all construction is in strict compliance with plans approved by the ADRC.

Section 11. **Compensation and Filing Fee.**

Members of the ADRC may be compensated by reasonable fees charged for ADRC services to those requesting actions by the ADRCADRCADRC, if said fees are approved by the Board. As a means of defraying its expenses, the ADRC shall require a filing fee set by the ADRC to accompany the submission of plans and specifications for a new single family home and a filing fee for submitting plans for remodeling or additions or exterior redecorating color scheme.

Section 12. **Liability.**

Notwithstanding approval by the ADRC of plans and specifications, neither it, Association nor any person acting on behalf of any of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the ADRC, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto. No member of the ADRC shall be held liable to any person, whether a Lot Owner or not, on account of any action or decision of the ADRC or failure of the ADRC to take any action or make any decision.

Section 13. **Enforcement.**

In the event any improvement shall be commenced without ADRC approval as herein required, or in the event any improvement is constructed not in conformance with plans approved by the ADRC, or not in conformance with this Declaration, the same shall constitute a violation of true Declaration. In addition to the remedies for violation of any portions of true Declaration set forth in herein, the ADRC shall also have the power and authority to institute arbitration, legal or other appropriate proceedings to enjoin or otherwise prevent a violation of the provisions of this Declaration, and to recommend fines for levy by the Board. All costs of dispute resolution, including attorney's fees, shall be charged to and paid by the Lot Owner if the Association prevails. Such charges shall constitute a lien on such Owner's Lot as provided in Article III hereof from the date of entry of the judgment therefore in the judgment docket. In the event the Association is not successful, each party shall pay its own costs and attorneys fees.

**ARTICLE VII
PROVISIONS FOR NONRESIDENTIAL AREAS USES**

Section 1. **Applicability of Declaration.**

The Nonresidential Area is not a portion of the Subdivision, the Nonresidential Areas Owner hereby joins in and executes this Declaration for the purpose of obtaining the benefits and bearing the burdens hereof. All provisions of this Declaration shall apply to the Nonresidential Area and be binding on the Nonresidential Area Owner, except the provisions of Articles IV, V VI, and IX. All references to real estate and to Owners in this Declaration shall also refer to the Nonresidential Area and the Nonresidential Area Owner, respectively, when the context so applies.

Section 2. **Membership in Association and Voting Power.**

The Nonresidential Area Owner shall be a member of the Association with an allocated interest and commensurate voting power expressed in terms of "Equivalent Lots. The current agreed upon allocation formula for the Nonresidential Area Owner (Golf Course) which currently has over 400 members is to charge the current Association Member Monthly Assessment of six (6) Equivalent Lots times twelve (12) months. As membership for the Golf Course exceeds 600 members, the Monthly Assessment shall increase to eight (8) Equivalent Lots times twelve (12) months. As the membership for the Golf Course exceeds 800 members, the Monthly Assessment shall increase to ten (10) Equivalent Lots times twelve (12) months. Other formulas may be negotiated in the future and shall be jointly approved by the Board and the and each Nonresidential Area Owner. The Nonresidential Area Owner shall be the only member of the Association representing that Nonresidential Area. No member of the Nonresidential Area shall be deemed a member of the Association solely by virtue of his or her Nonresidential Area membership, nor have voting power or liability for assessments.

The Board may, in its sole discretion, decide to allow non-Association members of any Nonresidential Area Owner defined herein in this Declaration to use Common Element Common area facilities and, if deemed appropriate, may determine and charge a fee for said use. The use of Common Elements is not an automatic privilege for Nonresidential Area Owners.

Section 3. **Association Easements to Nonresidential Areas.**

The Association hereby grants to the Nonresidential Area Owner the following easements:

- 1) non-exclusive easement permitting golf balls to come upon any portion of the Subdivision from the Golf Course. The existence of this easement shall not relieve golfers of any liability for real and/or property damage and/or bodily harm caused by errant golf balls.
- 2) non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary, with or without the use of maintenance vehicles, and equipment, for the operation, maintenance and repair of the Golf Course.
- 3) non-exclusive easement for overspray of water or runoff on any portion of the Subdivision from any irrigation system serving the Golf Course, including the use in any irrigation system of non-potable water (e.g., untreated creek water or effluent from a sanitary sewer treatment plant).
- 4) non-exclusive easement, to the extent reasonably necessary, over the Subdivision for the installation, operation, maintenance, repair, replacement, monitoring and controlling of irrigation systems and

equipment; including, without limitation, wells, pumps and pipelines, serving all or portions of the Golf Course.

- 5) non-exclusive easement, to the extent reasonably necessary, over the Subdivision for the installation, maintenance, repair, operation, replacement and monitoring of utility lines, wire, drainage pipelines and other utility facilities serving the Golf Course.
- 6) nonexclusive easement over the Subdivision for natural drainage of storm water runoff from the Golf Course.
- 7) easement over the Subdivision for the construction, maintenance and repair of golf cart paths serving the Golf Course in reasonable locations to be mutually agreed by the Association and the Nonresidential Area Golf Owner.
- 8) nonexclusive easement of access over all Common Area streets, located or to be located within the Subdivision, for the Nonresidential Areas Owner; its agents, successors and assigns, as well as guests, invitees, licensees, patrons, members, employees, and authorized users of the Nonresidential Area, reasonably necessary to travel to and from the Nonresidential Area, and Common Area parking places within the Subdivision at reasonable times and places in conjunction with special events and other similar functions held at the Nonresidential Area.

Section 4 **Nonresidential Area Owner Easement to Association**

The Nonresidential Area Owner hereby grants to the Association the following easement on its maintenance facility driveway and gate:

- 1) A permanent vehicle and pedestrian easement of access to the Association Maintenance Facility and related land located in parcel 152-472-03.

Section 5. **No Liability for Use of Certain Easements for Golf Course.**

The Association, the Nonresidential Area, the Golf ,shall not be liable to each other or to any Lot Owner for damage or injury caused by errant golf balls, overspray or runoff of Golf Course irrigation or other use of the Golf Course easements granted by the provisions of this Article.

Section 6. **Ownership and Operation of Nonresidential Area.**

The Association and the Nonresidential Area Owner make no representations or warranties with regard to the continuing existence, ownership or operation of the Nonresidential Area, if any, and no purported representation or warranty in such regard by any person, either

written or oral, shall be effective without an amendment to this Declaration executed or joined into by the Nonresidential Area Owner.

Further, the ownership and operation of the Nonresidential Areas may change at any time and from time to time by virtue of (but without limitation) the creation or conversion of the ownership or operating structure of the Nonresidential Area to "equity" clubs or similar arrangements whereby the Nonresidential Area or the rights to operate them are transferred to an entity or entities which are owned or controlled by members. No consent of the Association or any Lot Owner shall be required to effectuate such transfer or conversion.

Section 7. **No Right to Use.**

Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use the Nonresidential Area. The Nonresidential Area Owner shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Nonresidential Area (Golf Course membership rights) including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the provisions any outstanding membership documents.

Section 8. **Golf Course View Impairment.**

In addition to Section 3 of Article V, neither the Association nor the Nonresidential Area Golf Owner guarantee or represent that any view over and across the Golf Course from Lots or Common Areas shall be preserved without impairment. The Nonresidential Area Golf Owner shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course, as well as to construct safety or security-related improvements such as fences and screens. In addition, the Nonresidential Area Golf Owner may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, bunkers, fairways and greens, or holes on the Golf Course from time to time. Any such additions, improvements or changes to the Golf Course may diminish or obstruct any view from the Lots or any expressed or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed by the Association and Nonresidential Area Owner.

Section 9. **Limitation on Amendments.**

In recognition of the fact that the provisions of this Article are primarily for the benefit of the Golf Course, no amendment to this Article may be made without the written approval of the Nonresidential Area Owner and the Association.

Section 10. **Fire Control Maintenance and Weeds.**

The Nonresidential Area Owner shall be responsible for the maintenance of any

fire fuel modification areas and firebreak areas located on its property, such as removal of certain trees, dead limbs and other dead vegetation. All barbeque appliances must be lidded. Minimum defensible space requirements adopted by Washoe County and, if applicable, by the cognizant Fire Protection District, shall be maintained. No noxious weeds, diseased plants or infected vegetation of any kind or character shall be placed or permitted to grow. However, native vegetation will be allowed as permitted herein.

ARTICLE VIII OTHER EASEMENTS

Section 1. Reservation.

The following easements (also constituting irrevocable licenses) over each Lot and all Common Areas, and the right of ingress and egress to the extent reasonably necessary to exercise such easements, are reserved to the Association and are granted for the benefit of the Association:

a. Utilities.

Such easements for the installation, maintenance and operation of all utilities as shown on recorded final maps of the Subdivision, together with the right to extend all utility services within such easements to other areas being developed within the Subdivision (including street lights) and the right to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance and operation.

b. Fencing Facing Common Area.

An easement on all applicable Lots to install or maintain (including repair and reconstruction) Lot fencing which faces Common Area or the Nonresidential Area, including without limitation streets, the Golf Course, and the swim and tennis facilities. The Association shall decide for each specific Lot, in the Association's sole discretion, whether any said fencing shall be installed or maintained, in order to enhance or preserve the general appearance of the Subdivision. The Association shall have the right, but not the obligation to do so. Any said fencing not so maintained by the Association shall be maintained by the Lot Owner. The Association may elect to maintain in its sole discretion, only the side of said fencing facing the Common Area or the Nonresidential Area, in which case the Lot Owner shall maintain the remainder of the fence. In the event the Association elects to maintain a Lot Owner's fence as specified in this subsection, the Lot Owner shall not be charged the expense other than as part of the Lot Owner's pro rata assessment for all Association costs.

c. **Common Areas.**

An easement on, over and under all Common Areas, in the Subdivision for the purpose of installing, maintaining and operating utilities to serve any portion of the Subdivision; for purposes of drainage control; for access to any Lot; for the purpose of construction or maintenance of Common Area improvements or Subdivision improvements; and for providing access to undeveloped portions of the Subdivision for any and all purposes at any and all times, including, but not by way of limitation, the right to use said Common Areas during construction of improvements on undeveloped portions of the Subdivision.

d. **Signs.**

An easement within ten (10) feet of a street or other Common Area for the installation of street and traffic signs (or other signs reasonably related to the regulation or enforcement of provisions of this Declaration) on all Subdivision Lots, together with the right to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance, repair and reconstruction.

e. **Snow Plowing and Snow Placement.**

An easement within ten (10) feet of any street or other Common Area upon all Subdivision Lots for the placement of snow plowed from that adjacent street or Common Area, provided that this easement is not intended to create a snow storage or dumping area on any Subdivision Lot, but only to allow the berming and placement of snow plowed from a street or other Common Area immediately adjacent to a Lot in order to clear the street of snow for the safe passage of vehicles and pedestrians on the street, walking paths or other Common Area.

f. **Right of Entry.**

The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons or to perform maintenance allowed or required of Association pursuant to provisions of this Declaration or pursuant to County requirements, as well as for the purpose of insuring or enforcing compliance with this Declaration, which right may be exercised by any member of the Board or the ADRC, officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Lot Owner. This right of entry shall include the right of the Association to enter upon any

Lot to cure any condition which may increase the possibility of a fire or other hazard in the event a Lot Owner fails or refuses to cure the condition within a reasonable time after request by the Board. However, this right shall not authorize entry into any occupied single family dwelling without permission of the occupant, except by emergency personnel acting in their official capacities.

Section 2. **Use or Maintenance by Owners.**

The areas of any Lot affected by the easements reserved in this Article shall not be improved with structures placed or permitted to remain (or other activities undertaken) thereon which may damage or interfere with the use of said easements for the purposes set forth herein.

Section 3. **Liability for Use of Easement.**

No Owner shall have any claim or cause of action against the Declarant, the Association, or the Nonresidential Areas Owner arising out of the use or nonuse by any person of any easement reserved or created by this Declaration.

Section 4. **Driveway and Landscaping Maintenance Easements.**

In order to provide access to all Lots, a permanent nonexclusive driveway, landscaping and maintenance easement for the benefit of each Lot (the "Easement Area") is granted to Lot Owners. The Easement Area is the area of street right-of-way adjacent to a Lot, between the Lot and the street pavement, from the Lot boundary line(s) to the outer edge of the street header or curb. This easement shall be for the following purposes and subject to the following conditions:

- a. Each Lot Owner shall install, maintain and repair a driveway, mail box monument and landscaping in the Easement Area, as approved by, and subject to regulation by, the ADRC.
- b. The Lot Owner is responsible for the drainage pipe under a Lot's driveway and five (5) feet on either side of the driveway that is adjacent to the street. The Lot Owner shall not be required to maintain other flood control, sidewalk, path or storm drain improvements in the Easement Area, which shall be the obligation of the Association under the Declaration.
- c. No structures, fencing or other improvements other than a driveway and landscaping (including irrigation lines) may be placed or maintained in the Easement Area by the Lot Owner without prior approval of the ADRC.

- d. The Lot Owner shall have the right of access to the Easement Area for the purposes of this Easement.
- e. No trees, shrubs or other landscaping shall be placed or maintained by the Lot Owner in the Easement Area which will impair or interfere with any flood control, sidewalk, path or storm drain improvements (or other improvements of the Association) in the Easement Area, and the Association shall have the right to remove same without compensation or liability to the Lot Owner.
- f. Any damage to the driveway or landscaping within the Easement Area caused by construction, maintenance or repair of flood control, sidewalk, path or storm drain improvements (or other improvements of the Association placed in the Easement Area) shall not result in any claim or liability by the Lot Owner against the Association.

Section 5. **Modification.**

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

**ARTICLE IX
PROTECTION OF LENDERS**

Section 1. **Encumbrance of Lots Permitted.**

Any Lot or Nonresidential Area may be encumbered with a deed of trust.

Section 2. **Breach of Covenants.**

A breach by any Owner of any of the provisions of this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value; 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.

Section 3. **Notice of Default.**

Upon written request to the Association, the beneficiary of a first deed of trust encumbering real estate subject to this Declaration shall be entitled to written notification from the Association of any default by the Owner of that real estate in the performance of such Owner's obligations under this Declaration that is not cured within ninety (90) days.

Section 4. **Insurance Proceeds and Condemnation Awards.**

No provision of this Declaration or the Association Articles shall give an Owner, or any other party, priority over any rights of a first deed of trust beneficiary in the case of a distribution to the Owner of insurance proceeds or condemnation awards.

Section 5. **Appearance at Meetings.**

Because of its financial interest in the Subdivision, any beneficiary of a first deed of trust may appear (but cannot vote) at meetings of the Association.

Section 6. **Examination of Records.**

Beneficiaries of first deeds of trust shall have the right to examine the books and records of the Association and can require the submission of financial data concerning the Association, including annual reports, audits and operating statements as and when furnished to the Owners.

**ARTICLE X
COMPLIANCE WITH COUNTY CONDITIONS**

Section 1. **Perpetual Funding.**

The provisions of Article III are intended to establish perpetual funding for the maintenance of all Common Area.

Section 2. **Enforcement of Special Assessment and Lien Provisions by County.**

In the event the Association fails to enforce any of the following described provisions of this Declaration:

- a. the obligation of the Association to properly maintain all Common Areas in the Subdivision; or
- b. the obligation of the Association to pay prior to delinquency all County taxes and assessments levied against Association property or against the Association;

Then County shall be entitled to commence an action to enforce such provisions by any means allowed in law or equity, including the levy of a special assessment against all of the Owners, which special assessment shall be secured by a lien in the manner provided in Article III hereof.

Notwithstanding the foregoing, the County shall be entitled to commence such action only after:

- a. the County has given reasonable notice (which shall be not less than thirty (30) days) to the Association, describing such violation, or if no Association is in existence, by publication of reasonable notice in a newspaper of general circulation in Washoe County; and
- b. the Association or the Owners shall have failed to cure such violation within a reasonable time thereafter to the reasonable satisfaction of Washoe County.

Section 3. **Disclaimer of County Responsibility.**

WASHOE COUNTY WILL NOT ASSUME RESPONSIBILITY FOR MAINTENANCE OF THE PRIVATE STREET SYSTEM NOR ACCEPT THE STREETS FOR DEDICATION TO WASHOE COUNTY UNLESS THE STREETS MEET THOSE WASHOE COUNTY STANDARDS IN EFFECT AT THE TIME OF OFFER FOR DEDICATION.

Section 4. **Public Access Easements.**

Certain Common Areas within the Subdivision shall be open to the public. An access easement for these purposes is hereby granted to Washoe County on behalf of the public, at reasonable times during daylight hours and subject to reasonable restrictions imposed by the Association to reconcile issues of security, privacy and non-access for private residential areas of the Subdivision with the right of limited public access as described in this Section.

Section 5. **Notice of Sewer User Fees.**

All uses in the Subdivision requiring sanitary sewer connection will be required to pay a sewer connection fee, specified by County ordinance and administered by the County Utility Services Division, unless otherwise provided by the County.

Section 6. **Setbacks for Overhead Power Lines.**

Overhead electrical power lines traverse portions of the Subdivision. The minimum setbacks specified in the National Electric Safety Code shall be required in all applicable areas in proximity to these overhead power lines.

Section 7. **Notice of Pedestrian Access.**

Subject to rules and restrictions of the Association, open space and private trails (as well as public trails) abutting Lots shall have access by pedestrians. To the extent said open space and private trails are also Common Area, pedestrian or other types of access may be denied to the general public and may be further restricted by the Association.

Section 8. **Limitation On Water Use/Lot Owner Liability For Excess Water Rights.**

The entered into a certain Water Dedication Agreement ("Water Agreement") dated March 18, 1997 with the County, the water service provider for the Subdivision. The Water Agreement required Declarant to dedicate sufficient water rights acceptable to the County for use on each Lot, pursuant to a proscribed dedication schedule ("Schedule") based on the size of each Lot. The Nevada State Engineer approves the dedication and use of these water rights on each Lot prior to construction of a residence on the Lot. If Lot Owners in the Subdivision actually use more water on their Lots in the aggregate on an average annual basis than the water rights so dedicated, pursuant to a verification procedure specified in the Water Agreement, the Association is then required to dedicate an additional amount of water rights acceptable to the County necessary to make up the difference between the actual aggregate water usage by Lot Owners and the amount of water rights dedicated for the Lots pursuant to the Schedule ("Deficiency").

In the event the Association is required by the County to dedicate water rights for a Deficiency, each Lot Owner whose actual water usage exceeds the water rights dedicated for that Owner's Lot shall be liable to the Association to either provide the additional water rights or to reimburse the Association a sum of money sufficient to pay for the value and costs of the water rights the Association must dedicate for the Lot, in the following manner:

- a. After a Deficiency is established pursuant to the provisions of the Water Agreement, the Association shall ascertain from the Subdivision water meter usage records which Lots have exceeded by water usage the amount of water rights dedicated under the Schedule, and the amount of excess water used on each Lot, the Association shall then deduct from this amount an amount of water equal to the percentage in which the aggregate amount all excess Water used by Lots which have exceeded by usage the water rights dedicated under the Schedule exceeds the Deficiency. The result shall be the deficiency in water rights for each Lot for which each said Lot Owner is liable ("Lot Deficiency"). For example if the Deficiency is 100 acre feet per annum and the total aggregate of excess water used by all Lots exceeding by water usage the water rights dedicated under the Schedule is 120 acre feet, then the actual excess water usage for each Lot would be reduced by 20% to arrive at the Lot Deficiency.
- b. The Association shall notify each Lot Owner by certified mail at the Lot address of his Lot Deficiency and the fair market value of water rights constituting the Lot Deficiency (including costs of application, permits and consultant's fees to transfer the water rights to the County) ("Lot Deficiency Cost").

- c. Each Lot Owner with a Lot Deficiency shall have sixty (60) days from the date of delivery of the notice (or the date said notice is returned as undelivered or refused) either to pay to the Association the Lot Deficiency Cost or to deliver to or to deliver to the Association an amount of water rights acceptable to the County equal to the Lot Deficiency.
- d. In the event a Lot Owner fails or refuses to perform its obligations under Subsection c. above the Association shall be entitled to a lien against the Lot Owner's Lot in the amount of the Lot Deficiency Cost (plus all costs and attorneys fees reasonably incurred for collection, and interest on the Lot Deficiency Cost at the rate of twelve percent (12%) per annum until paid) in which case the Association may record a Notice of Lien against said Lot in the office of the Recording Washoe County, and the Lot Owner shall be personally liable, in addition to any other legal or equitable remedy allowed to the Association by law, for the Lot Deficiency Cost. Said lien, upon recording of the Notice of Lien, shall be a burden on the Lot which runs with the land and binds all successors and assigns.

**ARTICLE XI
MISCELLANEOUS GENERAL PROVISIONS**

Section 1. **Enforcement.**

Except as expressly limited herein, Association or any Owner shall have the right to enforce the provisions of this Declaration now or hereafter imposed by arbitration as prescribed by Nevada Revised Statutes 38.300-360, or by any proceeding at law or in equity. Failure by the Association, Declarant or by any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter. The Association may establish and impose administrative procedures for resolving claims or disputes arising from the interpretation, application or enforcement of any provisions stated herein or specified in the Articles, Bylaws, or rules and regulations adopted by the Association or the ADRC.

Section 2. **Suspension of Privileges.**

The Board may, anything herein to the contrary notwithstanding, suspend all voting rights, other membership rights and all rights to use the Association's Common Areas of any Owner for any period during which any Association assessment against such Owner's property remains unpaid, or during the period of any continuing violation of the provisions of this Declaration by such Owner after the existence thereof has been declared by the Board, including a violation by virtue of the failure of a member to comply with the rules and regulations of the Association, provided the Association first complies with the following procedures:

a. **Notice**

Association must either mail to the Owner by U.S. Mail, or personally deliver to the Owner a notice that voting rights, other membership rights and rights to use the Common Area will be suspended unless the unpaid assessments are paid or the violation is cured, as the case may be, within fourteen (14) days of delivery of the notice. Notice by registered mail shall be deemed delivered 48 hours after deposit with the U.S. Postal Service or on the date a receipt is signed, whichever is earlier.

b. **Opportunity to be Heard**

The notice shall also specify, in the case of a proposed suspension on grounds other than failure to pay an assessment, that the Owner may protest the suspension by written notice to the Board delivered to any Board member in the manner specified above in subsection (a). In the event of a written protest requesting a hearing, the suspension shall not take effect until the Board has held a hearing to consider the protest and made a decision on the merits of the protest.

Section 3. **Severability.**

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

Section 4. **Amendment.**

This Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration was recorded, after which time it shall be automatically extended for successive periods of ten (10) years, unless at least a Majority of the Owners with voting power agree to terminate this Declaration, effective at the end of the then current term or ten (10) years extension period, in which case a notice signed by said Owners must be executed and recorded. This Declaration, subject to its provisions, may be amended by at least a Majority vote of the Owners with voting power. Any amendment must be recorded or it has no effect. For purposes of the Section, the signature of one of the Owners, for a Lot with more than one Owner, shall be deemed sufficient.

Section 5. **Liability.**

Neither the ADRCADRC the County, ADRC, Association, nor any Owner shall be deemed liable in any manner whatsoever to any other Owner in the Subdivision or third party for any claim, cause of action or alleged damages resulting from:

- a. design concepts, aesthetics, latent or patent errors or defects in design or construction relating to improvements constructed on Lots, whether shown or omitted on any plans and specifications which may be approved by the ADRC, or any buildings or structures erected therefrom; and
- b. any waiver of or failure to enforce a provision hereof; or failure to inspect or certify compliance with approved plans and specifications.

Section 6. **Attorneys Fees and Costs.**

In any action to enforce or administer the provisions hereof; the prevailing party shall be entitled to reasonable attorneys fees and costs.

Section 7. **Cumulative Rights/Waiver.**

Remedies specified herein are cumulative and any specification of them herein shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of any aggrieved party to invoke an available remedy in respect of a violation of any provision of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violation or the occurrence of a different violation.

Section 8. **Grantee's Acceptance.**

Each grantee or purchaser of real estate subject to this Declaration shall by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, accept such deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges and immunities of the Association. By acceptance such grantee or purchaser shall for himself (his heirs, personal representatives, successors and assigns) covenant, consent and agree to with the grantees and subsequent Owners to keep, observe, comply with and perform all of the provisions of this Declaration and shall further agree to the continuation and completion of the Subdivision and all parts and projected Lots therein.

Section 9. **Captions.**

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

Section 10. **Use of the Words "Southwest Pointe" and "ArrowCreek".**

No person shall use the words "Southwest Pointe" or "ArrowCreek" or any derivative, or any other term which Declarant selected to name or identify the Subdivision or any component thereof, in any printed or promotional material without the Declarant's or the Association's prior written consent. However, Owners and the Nonresidential Owner may use

"ArrowCreek" in printed or promotional matter solely to specify that particular property is located within the Subdivision, and the Association and the Nonresidential Owner shall be entitled to use the word "ArrowCreek" in its name and in the normal conduct of its business.

Section 11. **Interpretation.**

The Association shall have sole right and authority to interpret any of the provisions of this Declaration, which interpretation shall, so long as the same is reasonable, be conclusive.

Section 12. **Choice Of Law/Venue.**

This Declaration shall be construed and enforced in accordance with the laws of the State of Nevada, and venue for any action arising from this Declaration shall be in Washoe County, Nevada.

Section 13. **Gender And Number.**

Unless the contract otherwise requires, when used herein, the singular includes the plural and vice versa, and the masculine includes the feminine and neuter and vice versa.

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

Dated this ___ day of _____ 2015.

ArrowCreek Homeowners Association, a Nevada corporation

Sam Fox, President

STATE OF NEVADA)

ss.

COUNTY OF WASHOE)

On _____, personally appeared before me, a notary public, Sam Fox, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is the President of ArrowCreek Homeowners Association, a Nevada corporation, and who further acknowledged to me that he executed the foregoing Declaration on behalf of said corporation.

NOTARY PUBLIC

CONTINUES ON NEXT PAGE

Dated this ____ day of _____ 2015.

Friends of Arrowcreek, a Nevada limited liability corporation and Nonresidential Owner as defined herein

_____, Manager

STATE OF NEVADA)

ss.

COUNTY OF WASHOE)

On _____, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is a Manager of Friends of Arrowcreek, a Nevada limited liability corporation, and who further acknowledged to me that he executed the foregoing Declaration on behalf of said corporation.

NOTARY PUBLIC