

# RENO GAZETTE-JOURNAL

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WASHOE COUNTY  
Comptroller's Office  
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RENO NV 89510

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## PROOF OF PUBLICATION

STATE OF NEVADA  
COUNTY OF WASHOE

ss. Tana Ciccotti

being duly sworn, deposes and says:  
That as legal clerk of the RENO GAZETTE-JOURNAL, a daily newspaper published in Reno,  
Washoe County, State of Nevada, that the notice:

Ordinance 1052

of which a copy is hereto attached, has been  
published in each regular and entire issue of  
said newspaper on the following dates to wit:

Jan. 25, Feb. 1, 1999

Signed

*T. Ciccotti*

Subscribed and sworn to before me on 2/5/99.

Notary Public

*Susan V. Dummar*

**NOTICE OF ADOPTION  
WASHOE COUNTY ORDINANCE  
NO. 1052**

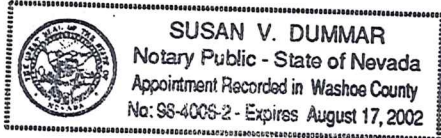
NOTICE IS HEREBY GIVEN THAT: Bill No. 1228 Ordinance No. 1052 entitled

AN ORDINANCE PURSUANT TO NEVADA REVISED STATUTES 278.0201 THROUGH 278.0207 APPROVING THE FINAL DEVELOPMENT AGREEMENT FOR THE REALTY CORNER PARCEL MAP, CREATING FOUR PARCELS IN WARM SPRINGS VALLEY PURSUANT TO THE WARM SPRINGS SPECIFIC PLAN, THE APPROVAL OF THE PARCEL MAP FOR THE +/-44.714-ACRE SITE INCLUDES PAYMENT FOR INFRASTRUCTURE BACKBONE IMPROVEMENTS WITHIN THE SPECIFIC PLAN AREA AS REQUIRED BY THE SPECIFIC PLAN. THE PROJECT ALSO INCLUDES A DESIGN STANDARDS HANDBOOK THAT WILL GUIDE FUTURE DEVELOPMENT WITHIN THE WARM SPRINGS SPECIFIC PLAN BOUNDARIES. THE PROPERTY IS LOCATED IN WARM SPRINGS VALLEY, AND IS A PORTION OF THE WARM SPRINGS VALLEY SPECIFIC PLAN AREA AND IS SITUATED IN THE SW1/4 OF SECTION 33, T23N, R21E, MDBM, WASHOE COUNTY, NEVADA (APN 077-350-10).

was adopted on January 19, 1999, by Commissioners Joanne Bond, Jim Gallo- way, Pete Sterrazza, Jim Shaw, and Ted Short and will become effective on Wednesday, February 3, 1999.

Typewritten copies of the ordinance are available for inspection by all interested persons at the office of the County Clerk, 75 Court Street, Reno, Nevada.

AMY HARVEY, Washoe County Clerk  
No. 355 Jan. 25, Feb. 1, 1999



PLEASE STAMP & SIGN FOR PAYMENT

P.O. BOX 22000. RENO. NEVADA 89520

(702) 788-6200



SUMMARY: An ordinance approving the Final Development Agreement for the Realty Corner parcel map, creating four parcels in Warm Springs Valley pursuant to the Warm Springs Specific Plan.

BILL NO. 1228

ORDINANCE NO. 1052

AN ORDINANCE PURSUANT TO NEVADA REVISED STATUTES 278.0201 THROUGH 278.0207 APPROVING THE FINAL DEVELOPMENT AGREEMENT FOR THE REALTY CORNER PARCEL MAP, CREATING FOUR PARCELS IN WARM SPRINGS VALLEY PURSUANT TO THE WARM SPRINGS SPECIFIC PLAN. THE APPROVAL OF THE PARCEL MAP FOR THE ± 44.714 ACRE SITE INCLUDES PAYMENT FOR INFRASTRUCTURE BACKBONE IMPROVEMENTS WITHIN THE SPECIFIC PLAN AREA AS REQUIRED BY THE SPECIFIC PLAN. THE PROJECT ALSO INCLUDES A DESIGN STANDARDS HANDBOOK THAT WILL GUIDE FUTURE DEVELOPMENT WITHIN THE WARM SPRINGS SPECIFIC PLAN BOUNDARIES. THE PROPERTY IS LOCATED IN WARM SPRINGS VALLEY, AND IS A PORTION OF THE WARM SPRINGS VALLEY SPECIFIC PLAN AREA AND IS SITUATED IN THE SW 1/4 OF SECTION 33, T23N, R21E, MDBM, WASHOE COUNTY, NEVADA (APN 077-350-10).

THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE DO ORDAIN:

SECTION 1. The Final Development Agreement for the Realty Corner parcel map, including its attached exhibits and references, is hereby approved in accordance with the provisions of NRS 278.0203(1) and may bind the future development of the described property.

Proposed on the 22nd day of December 1998.  
Proposed by Commissioner Jim Galloway.  
Passed on the 19th day of January 1999.

Vote:

Ayes: **Joanne Bond, Jim Galloway, Pete Sferrazza,  
Jim Shaw, Ted Short**

Nays:

Absent:

Jim Galloway  
Chairman  
Washoe County Commission

ATTEST:

Amy Harvey  
County Clerk

This ordinance shall be in force and effect from and after the 3rd day of February, 1999.

DOC # 3923929

09/20/2010 11:19:22 AM

Requested By  
WASHOE COUNTY CLERK  
Washoe County Recorder  
Kathryn L. Burke - Recorder  
Fee: \$0.00 RPTT: \$0.00  
Page 1 of 185



( for Recorder's use only )

APN# N/A

**Recording Requested by:**

Name: Washoe County Clerk

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**When Recorded Mail to:**

Name: Washoe County Clerks Office

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**Mail Tax Statement to:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Ordinance No. 1052  
( Title of Document )

**Please complete Affirmation Statement below:**

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information of any person or persons.  
(Per NRS 239B.030)

-OR-

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the personal information of a person or persons as required by law:

(State specific law)

Jaime Dellera  
Signature

Deputy Clerk  
Title

JAIME DELLERA  
Printed Name

This page added to provide additional information required by NRS 111.312 Sections 1-2 and NRS 239B.030 Section 4.

This cover page must be typed or printed in black ink.

(Additional recording fee applies)

ord-1052

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Ayes: **Joanne Bond, Jim Galloway, Pete Sferrazza,  
Jim Shaw, Ted Short**

Nays:

Absent:

Jim Galloway  
Chairman  
Washoe County Commission

ATTEST:

Cheryl Harvey  
County Clerk

This ordinance shall be in force and effect from and after the 3rd day of February, 1999 .

**COPY** - has not been compared  
with the Original Document - WCR

**2353361**

**REALTY CORNER PARCEL MAP**

**Warm Spring Planning Area**

**Final Development Agreement**

Washoe County

99-42  
e7-66

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**DEVELOPMENT AGREEMENT**

This Agreement is entered into this 19th day of January, 1999, by and between Washoe County, Nevada, hereinafter referred to as "County" and Realty Corner, a Nevada General Partnership, hereinafter collectively referred to as "Owners" or "Developers", pursuant to Chapter 278 of the Nevada Revised Statutes, County and Owners are sometimes referred to herein as a "Party" or the "Parties".

**WITNESSETH:**

WHEREAS. in order to strengthen the public planning process and encourage payment by developers for public facilities to serve new development within the County; and

WHEREAS. the purpose of the County entering into and executing this Agreement is to establish the allocation and payment of costs to assure that new development contributes a fair share of the cost of providing certain public facilities; and

WHEREAS. it is the intent of the County that those public facilities identified in this agreement which the parties agree are needed to serve the future development on the land described on Exhibit "A" attached hereto in accordance with the Realty Corner, a Nevada General Partnership Tentative Parcel Map No. PM 4-12-98, Warm Springs Planning Area (the "Development") shall be constructed or funded by those developing said land (the "Property"); and

WHEREAS. the Development is part of the Warm Springs Specific Plan (WS SP) which was approved by the Washoe County Board of Commissioners on September 22, 1992; and

WHEREAS. the WS SP plan requires the developer to participate in financing of infrastructure;

WHEREAS. the WS SP plan as amended, and the financing plan as approved by the Washoe County Board of Commissioners on April 18, 1995 requires the execution of a Development Agreement pursuant to NRS 278;

WHEREAS: this Agreement will satisfy such WS SP plan conditions of approval

NOW, THEREFORE, it is agreed as follows:

99-42

**1. WS SP Infrastructure Fees to be collected for: Collector Roadways, Storm Drainage, Planning, Water, Parks and Open Space, and Public Facilities.**

**A. When Paid; Changes.**

The Developer shall pay all fees required to be paid pursuant to this Agreement at the time of the recording of each final parcel map for the construction of residential units (units") on the Property unless otherwise delayed with the permission of the county. So long as the Development does not change from use described in the Realty Corner tentative Parcel Map and conditions thereto, the fees set forth in this Agreement shall not change except as specified in Paragraph 2 below. If changes are made to said Development, increasing or decreasing the needs for public facilities within the development, but placed outside the Development, the County and the Developer may negotiate changes in the fees, increasing or decreasing them accordingly.

**2. Fees Exclusive.**

The fees set forth in this Agreement shall be adjusted to reflect changes in actual construction costs, but, only as such costs are adjusted during the three year review of the Capital Improvements Program (CIP) for the WS SP. The CIP is attached as Exhibit B, titled WS SP Financing Plan. The obligation to pay the fees set forth in this Agreement, and any increased or decreased fees negotiated pursuant to Section 1, and shall run with the Property and be binding upon and inure to the benefit of the successors and assigns of the Parties.

**3. Improvements – Collector Roadways, Storm Drainage, Planning, Water, Parks and Open Space, and Public Utilities.**

At the recording of each final parcel map for the construction of units in the Development, the fees set forth in this Agreement shall be paid by the Developer to the County as follows.

**A. Collector Roadway Fees**

All roadway Fees collected pursuant to this Agreement shall be set aside in a segregated interest-bearing account specifically for the construction of the first phase of the Spine Road or other collector roads as defined in the phasing plan for roadways specified in the Financing Plan (Exhibit B). These fees collected by the County shall only be disbursed to the PVGID to provide funding for the PVGID to contract for the design and construction of the roadways or reimbursed to Developer(s) if Developer constructs collector roads.

Based on the Fee Schedule (Paragraph 4), there would be approximately three (3) units with fees to be paid by Developer totaling approximately \$7,446.00.

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**B. Storm Drainage Fees**

All Storm Drainage Fees collected pursuant to this Agreement shall be set aside in a segregated interest-bearing account specifically for the construction of Spine Road Drainage Improvements as defined in the plan for storm drainage specified in the Financing Plan. (Exhibit B) These fees collected by the County shall only be reimbursed to Developer(s) if Developer(s) construct storm drainage improvements.

Based on the Fee Schedule (Paragraph 4), there would be approximately three (3) units with fees to be paid by Developer totaling approximately \$996.00

**C. Planning Fees**

All Planning Fees collected from Developer unit under the Fee Schedule (Paragraph 5) shall be placed in a segregated interest bearing account to repay specific property owners for their planning costs. All fees accumulated in the account shall be credited or reimbursed to specific developers based on the provisions of Section 8 of this Agreement.

Based on the Fee Schedule (Paragraph 4), there would be approximately three (3) units with fees to be paid by Developer totaling approximately \$57.00

**D. Community Water System Fees**

All Water System Fees collected from Developer under the Fee Schedule (Paragraph 5) shall be set aside in a segregated interest-bearing account for the purchase of land, design and construction of the Community Water System as specified in the WS SP Financing Plan, Exhibit B. All Fees accumulated in the account shall be used by the County or other government entity to design and construct said system or reimbursed to Developers if Developers construct said system.

Based on the Fee Schedule (Paragraph 4), there would be approximately three (3) units with fees to be paid by Developer totaling approximately \$1,794.00.

99-42

**E. Parks and Open Space Fees**

All Parks and Open Space Fees collected from Developer under the Fee Schedule (Paragraph 5) shall be set aside in a segregated interest-bearing account for the purchase of land, design and construction of the WS SP Parks and Open Space as specified in the WS SP Financing Plan, Exhibit B. All Fees accumulated in the account shall be used by the County or other government entity to design and construct said Parks and Open Space or reimbursed to Developers if Developers construct said Parks and Open Space.

Based on the Fee Schedule (Paragraph 4), there would be approximately three (3) units with fees to be paid by Developer totaling approximately \$2,016.00.

**3. Public Facilities – Police and Fire Fees**

All Community Facilities Fees collected from Developer under the Fee Schedule Paragraph 5) shall be placed in a segregated interest-bearing account for the purchase of land, design and construction of the Community Facilities as specified in the WS SP Financing Plan, Exhibit B. All fees accumulated in the account shall be used by the County or other government entity to design and construct said facilities or reimbursed to Developers if Developers construct said facilities.

Based on the Fee Schedule (Paragraph 4), there would be approximately three (3) units with fees to be paid by Developer totaling approximately \$3,846.00.

**4. Fee Schedule**

The Developer who applies for building permits, or records final maps for the Development shall pay fees to receive credits against fees for capital improvement construction in accordance with the following schedule, but under no circumstances shall Developers, any Owner or any successor or assign be compelled to pay more than the fee established based on the Capital Improvements Program (CIP) as specified in Exhibit B.

**TABLE 1**

| Fees per Unit                           | Community Water System <sup>1</sup> | Roadway <sup>1</sup> | Storm <sup>1</sup> Drainage | Parks & Open Space <sup>1</sup> | Public Facilities | Planning Fees <sup>1</sup> |
|---|-------------------------------------|----------------------|-----------------------------|---------------------------------|-------------------|----------------------------|
|   | \$598                               | \$2,482              | \$332                       | \$672                           | \$1,282           | \$19                       |
| <b>FEES TO BE COLLECTED or CREDITED</b> |                                     |                      |                             |                                 |                   |                            |
|   | \$1,794                             | \$7,446              | \$996                       | \$2,016                         | \$3,846           | \$57                       |

<sup>1</sup> To be paid or credited at Final Map recording

The fees set forth in this Agreement shall not be changed and no changed fee shall be charged, unless Owners, Developer and the County agree to such changes or unless the change is the result of the three year CIP process established in Exhibit B. If Owners or Developer wish to make changes to the Map and such changes increase the burden upon public facilities to be built within or to serve the Development, the County and the Developer may negotiate fees to cover the increased costs of such changes.

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**5. Credits**

The determination of Credit shall be made by the Director of Community Development, in accordance with this Agreement. Credit shall only be applicable for the portion of the Development Fee listed in Table 1 for which the payment of planning fees, design and construction of roadways and storm drainage facilities and parks and open space facilities has been bonded for or constructed.

- A. Credit against the fee payment for items listed in Paragraphs 3 shall be based on the actual design and construction of roadways, parks and open space and planning fees paid up to the amount listed in Paragraphs 3 divided by the Development Fee identified in Table 1. Based on this formula, the total number of Credits for the parcel subdivision map are estimated to be:

**TABLE 2**

| <u>Fee Category</u>       | <u>Fee Per Unit</u> | <u>Estimated Fee Proportion (3 lots)</u> | <u>Estimated Fee Credits and unit Equivalent</u> |
|---------------------------|---------------------|--|--|
| Community Water           | \$598               | \$1,794                                  | \$0 single family dwelling units                 |
| Roadway                   | \$2,482             | \$7,446                                  | \$0 single family dwelling units                 |
| Storm Drainage            | \$332               | \$996                                    | \$0 single family dwelling units                 |
| Park & Open Space /Trails | \$672               | \$2,016                                  | \$0 single family dwelling units                 |
| Public Facilities         | \$1,282             | \$3,846                                  | \$0 single family dwelling units                 |
| Planning Fees             | \$19                | \$57                                     | \$0 single family dwelling units                 |

2h-5b

**6. Exemption**

The use of a Credit must be made by Developer at the time of the filing of the final map. Any Credits not so claimed shall be deemed waived for the final map but may be used for future maps.

**7. Fee Area**

The area encompassed within the Warm Springs Specific Plan (WS SP) is hereby designated as the Fee Area for the imposition of fees and the collection of funds under the provision of this Agreement.

**8. Special Fee Revenue Fund**

All fees collected pursuant to this Agreement shall be placed in a special interest bearing revenue fund (a "Special Fund") for each fee category and shall be used solely for the purpose of constructing the applicable capital improvements or providing Reimbursements (as defined in Paragraph "9" below) in accordance with this Agreement. The Director of Community Development shall maintain a record to identify the development(s) for which the Development Fees were collected, and the expenditure of those funds.

The expenditure of funds from each Special Fund shall be limited to those projects included in the Capital Improvements Program, and shall be budgeted and appropriated through the County's annual capital improvements programming and budgeting process. A 1% administration fee shall be assessed each year by the County to cover any administrative costs incurred by the County for the WS SP.

**9. Refund/Reimbursements of Fees**

Fees may be refunded/reimbursed in certain cases as follows:

- A. Upon the completion of each category of capital improvements identified in the WS SP Financing Plan for the entire WS SP area, the owner of record of property for which a Development Fee has been collected may apply to the Director of Community Development for a refund of the applicable Development Fee paid less an administrative fee equal to the administrative costs incurred by the County (the "Refund"); if the Actual Cost of all those capital improvements in that category is less than all Development Fees paid for the category of improvement and, provided excess funds have been collected in the Special Fund and if further funds are not required to carry out the completion of improvements required within the WS SP area.
- B. In addition to the Credits provided for in this Agreement, Realty Corner, a Nevada General Partnership may elect to be reimbursed for the Actual Costs of infrastructure constructed or land dedicated through a reimbursement (the "Reimbursement"). However, in no event shall the combination of Credits and Reimbursements total more than the Actual Costs of infrastructure constructed. Any Reimbursement made shall reduce the amount of Credit available. Conversely, any Credit obtained shall likewise reduce the amount of Reimbursement available.
- C. A Reimbursement application shall be submitted within 180 days of the determination of Actual Costs by the Director of Community Development and a decision as to the total Reimbursement shall be made in accordance with the provisions of this Agreement. No Reimbursement shall be made until planning fees have been paid and the Actual Cost has been determined.

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- D. If the Special Fund, for which the improvement was allocated, does not have sufficient funds to allow for full Reimbursement, then the County shall re-pay, on a quarterly basis whatever funds have been collected during the preceding quarter into said Special Fund until the full amount of Reimbursement is paid.
- E. A fee-payer affected by the administrative decision regarding Refunds or Construction Fee Reimbursement may appeal such decision to the County Commission by filing with the Department of Community Development, within ten (10) days of the written decision, a written notice stating and specifying briefly the grounds of the appeal. The Director of Community Development will place such appeal on the County Commission agenda for the next regularly scheduled meeting occurring at least twenty-one (21) days thereafter. The County shall consider and render a decision on the appeal
- F. If more than one valid application for Refund/Reimbursement has been made and approved, the County shall allocate the funds available for reimbursement between the parties based on the ratio of the planning fees paid by the parties applying for Reimbursement.

#### **10. Disclosure Statement (Exhibit C)**

The purpose of this disclosure statement is to provide all buyers specific information about certain aspects of the Warm Springs Specific Plan and how it may affect their long-term ownership (refer to Exhibit C). There are three primary areas of disclosure that are required in the WS SP financing document. This disclosure statement is not intended to be comprehensive in terms of all aspects of the acquisition of certain properties. It is only to provide basic information about three aspects of the Warm Springs community plan that are required to be disclosed.

A signed and notarized copy of this disclosure statement must accompany all building permit applications submitted to Washoe County. The purpose of this requirement is to ensure that all future owners of property within the Warm Springs community are aware of the requirements of Washoe County, specified in the WS SP.

#### **11. Applicable Section of C.C.&R.'s (Exhibit D)**

The attached sections of the C.C.&R.'s (Exhibit D) shall be incorporated into the final C.C.&R.'s for the Realty Corner Parcel Map prior to recordation.

#### **12. Palomino Valley General Improvement District – Maintenance of Public Roadway Easements. (Exhibit D)**

The attached portion of the C.C.&R.'s (Exhibit D) that specifies the provision of public roadway maintenance fees to be collected by the Homeowner's Association is included with this development agreement to contractually bind the Developer to comply with the C.C.&R. provisions.

9A-42

**13. Design Standards Handbook (Exhibit E)**

Washoe County has concurrently approved with this Development Agreement, in accordance with the Warm Springs Specific Plan, the Design Standards Handbook for the Realty Corner Parcel Map, Case No. P.M. 4-12-98. The Design Standards Handbook is incorporated in this Agreement as Exhibit "E". Development of the Project shall be in accordance with the Design Standards Handbook and the County agrees to accept standards for design, improvements, and construction for Development of the Property which are consistent with the Design Standards Handbook.

**14. Laws of the State of Nevada to Apply.**

This Agreement shall be constructed and enforced in accordance with the laws of the State of Nevada.

**15. Time is of the Essence**

The County and Developer have a desire for the construction of the improvements contemplated within this Agreement for the Subdivision to be under construction in 1999. The County and Developer agree to make all reasonable efforts to meet this time commitment.

**16. Agreement Binding on Successors Interest**

The provision of this Agreement are covenants which shall run with the property described in Exhibit "A". and the benefits and burdens shall bind and inure to all successors or assigns in interest of the parties in signature to this Agreement.

99-42  
24-bb

**17. Notice of Assignment/Transferability**

Both Credits and Reimbursements are freely transferable within the WS SP by the party entitled to the Credit or Reimbursement.

**18. Severability**

The provisions of this Agreement are intended to be severable. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect unless amended or modified by the mutual consent of all parties.

**19. Recordation**

Upon execution of this Agreement, the County shall cause this Agreement to be recorded in the Office of the Washoe County Recorder.

**20. Third Party Beneficiaries**

This Agreement is intended for the sole protection and benefit of the Developer, the County and the P.V.G.I.D. and their lawful successors and assigns. No other person shall have any right of action based on any provision of this Agreement.

**21. Term**

The term of this Agreement shall coincide with that of the SPA Plan. Upon expiration of the SPA Plan, this Agreement shall also terminate.

**22. Relationship to Parties**

It is understood that the contractual relationship between the Developer, the County and the P.V.G.I.D. is such that the Developer is not an agent, contractor or employee of the County or the P.V.G.I.D. for any purpose under this Agreement, including, without limitation, the development of land for public improvements or construction of capital improvements to be dedicated to the County. It is the intention of the parties that this Agreement not impose or result in either party incurring or suffering additional liability for injuries to persons or property that would otherwise exist but for the parties' execution of this Agreement.

99-42

**23. Time Period for Recording Final Map**

Due to the nature of the WS SP approval process, the Developer will have up to one (1) year to record a final map from the date of the Final Development Agreement approval by the Washoe County Commission, pursuant to the Development Agreement provisions of NRS 278.

**24. Indemnity Clause**

The Developer and/or the Homeowners Association shall indemnify, hold harmless and defend County and the P.V.G.I.D., their respective officers, employees and agents from any claims, demands, losses, defense costs, or liability of any kind or nature which County or the P.V.G.I.D., its officers, agents, or employees may sustain or incur or which may be imposed upon them out of actions by or the negligence of the Developer and/or Homeowners Association caused by the failure of the Developer and/or Homeowners Association to fulfill its maintenance obligations, including but not limited to public access easements, roadways, flood control, equestrian areas, drainage, or common areas as required herein.

24-42



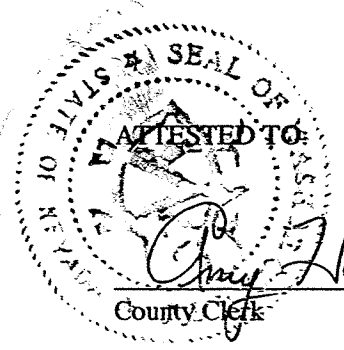
IN WITNESS WHERE OF, the parties hereto have executed this Agreement as of the day and year appearing above.

WASHOE COUNTY

*Jim Galloway*  
\_\_\_\_\_

APPROVED AS TO FORM:

*James J. Beras*  
\_\_\_\_\_   
County Attorney



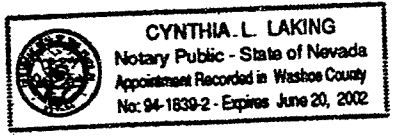
STATE OF NEVADA )

) ss.

COUNTY OF WASHOE )

On June 16, 19 99, personally appeared before me Jim Galloway, a Notary Public, who acknowledged to me that they executed the foregoing instrument.

99-42



*Cynthia Laking*  
\_\_\_\_\_   
NOTARY PUBLIC

PALOMINO VALLEY GENERAL  
IMPROVEMENT DISTRICT

*Harold Shotwell*  
\_\_\_\_\_   
BY: HAROLD SHOTWELL

STATE OF NEVADA )  
 ) ss.

COUNTY OF WASHOE )

On May 13, 19 99, personally appeared before me, a Notary Public, who acknowledged to me that they executed the foregoing instrument.

\* HAROLD SHOTWELL



*Kristene Biglieri*  
\_\_\_\_\_  
NOTARY PUBLIC

OWNER

Cathy Foote - Realty Corner, Inc.  
BY: Cathy Foote - Secretary/Treasurer

2h-42

STATE OF NEVADA )  
 ) ss.

COUNTY OF WASHOE )

On May 13, 19 99, personally appeared before me, a Notary Public, who acknowledged to me that they executed the foregoing instrument.

\* CATHY FOOTE



*Kristene Biglieri*  
\_\_\_\_\_  
NOTARY PUBLIC

EXHIBIT "A"

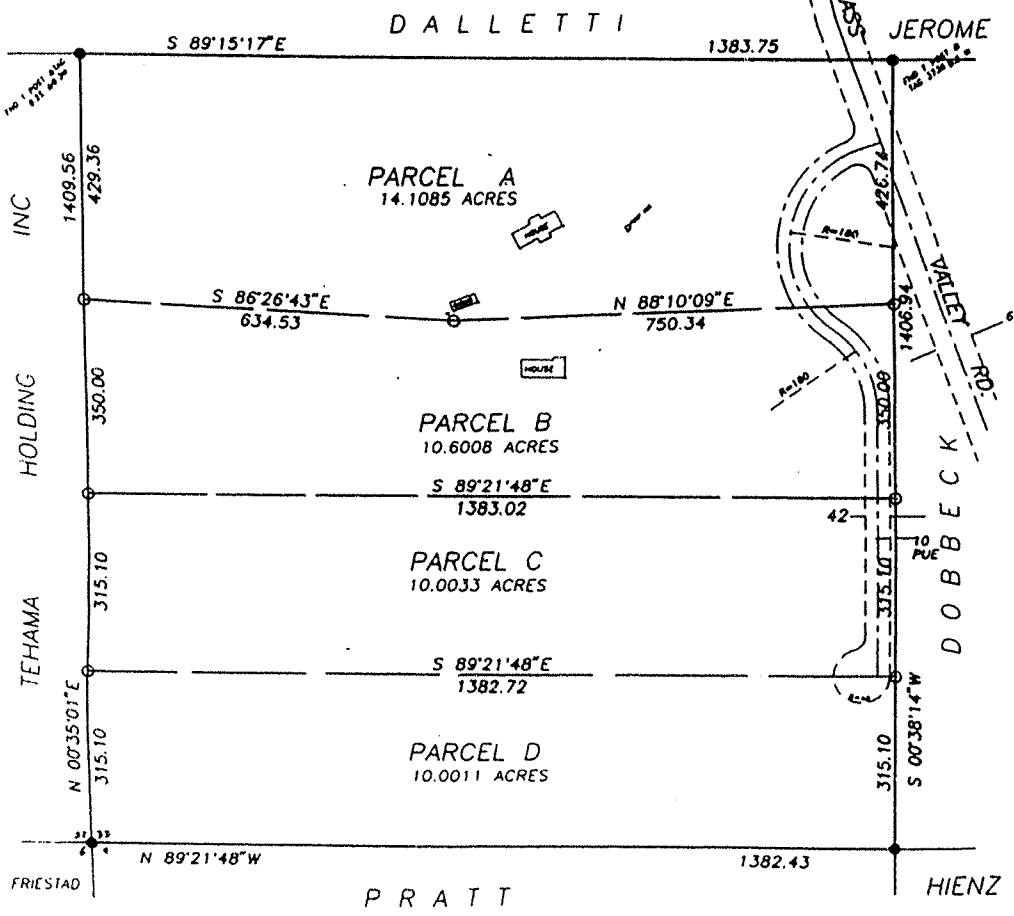
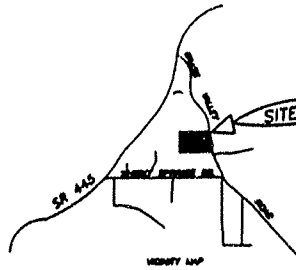
NOTES

1. O = SET CAPPED /S REBAR LS 3228
2. @ = FOUND TIN-STATE CAPPED /S
3. BOUNDARY LINE OF PARCELS 22-2-1-2 OF 4/24 1989 LA 1423114/8
4. ALL LOTS ARE SUBJECT TO THE 1/2% STATE AND LOCAL TAXES
5. TOTAL AREA = 44.714 ACRES
6. THE NATURAL DRAINAGE IS TO THE SOUTH AND WEST AND THE PARCELS ARE TO BE BOUNDARY LINE OF PARCELS 22-2-1-2 OF 4/24 1989 LA 1423114/8
7. THE NATURAL DRAINAGE WILL NOT BE IMPAIRED

WATER RIGHT DEDICATION CERTIFICATE

The water and sewer requirements are shown in article 412 of the Planning and Development Code, which is the subject of the Resolution, have been satisfied.

Vertical Curvature (V.C.)



OWNERS CERTIFICATE

I, the undersigned, being the owner of the above described property, do hereby certify that the same is the property of the undersigned and that the same is not subject to any lien or encumbrance of any kind.

NOTARY PUBLIC CERTIFICATE

I, the undersigned, a Notary Public in and for the State of Nevada, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by the undersigned.

SURVEYOR'S CERTIFICATE

I, David Smith, a Professional Land Surveyor licensed in the State of Nevada, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by the undersigned.

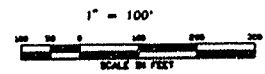


DEPARTMENT OF COMMUNITY DEVELOPMENT CERTIFICATE

This final map is in substantial compliance with the provisions of the Planning and Development Code, and all conditions of approval have been met.

UTILITY COMPANIES CERTIFICATE

The undersigned Public Utility Companies hereby certify that they have no objection to the proposed subdivision of the above described property.



TAX CERTIFICATE

The undersigned certifies that all property taxes for the year have been paid.

PARCEL MAP FOR  
**SMITH & FOOTE**  
 POR. SW 1/4 SECTION 33  
 T28N R21E W04M  
 STANTON SURVEYING

2h-bb

EXHIBIT "B"

## APPENDIX G

### FINANCING PLAN

#### PURPOSE

There are several alternatives for funding infrastructure development in the Warm Springs Specific Plan (WSSP) area. Each funding mechanism has advantages and disadvantages as it relates to the implementation of the adopted Specific Plan. The program for developing the infrastructure elements in the WSSP must be flexible to respond to changes as development takes place. These changes relate to location, density, sequencing, timing and type of development.

One potential method to accomplish the initial infrastructure development is by development agreement between Washoe County and the property owner or developer that chooses to initiate development consistent with the adopted Specific Plan. Nevada Revised Statutes (NRS) section 278.0201 - 278.0207 is the State enabling legislation that permits such agreements. The Washoe County Development Code Article 814 provides additional criteria for development agreements. In order to provide the infrastructure necessary to implement the Warm Springs Specific Plan, any development agreement shall include a specific financing mechanism for major infrastructure, as required in the adopted Warm Springs Specific Plan and also incorporating a mechanism of reimbursement and credit for major infrastructure costs associated with off-site development provided by private property owners/developers.

This financing plan, adopted as an appendix to the Warm Springs Specific Plan, will be amended to identify refined infrastructure costs and/or new financing and payment techniques whenever any development requiring connection to a community water system is proposed. The current financing plan, as adopted, may only be utilized for:

- A first-filing parcel map within the Low Density Suburban (LDS: minimum 1.0 acre) designated area, with new parcels of 2.0 acres or greater in size (HDR + standards; no connection to community water system required), or
- By development of land by subdividing, or parceling in the Medium Density Rural (MDR: max 1du/5 ac) or High Density Rural (HDR: max 1du/2.5 ac) designated areas as identified on the adopted Warm Springs Specific Plan - Land Use Plan.

#### GENERAL CONCEPT

The major element of each development agreement to be entered into by a subdividing property owner and Washoe County would be the capital improvement program elements, which have significance within the entire WSSP area, or are required to serve more than one development. These elements form the "backbone" of the infrastructure system. The development agreement would identify specific elements of the infrastructure system that must be funded or constructed prior to issuance of certificates of occupancy by the County.

The financing plan is based on the development potential that would occur with buildout of the WSSP area utilizing the water resource limit of 3,000 acre-feet of perennial yield available for groundwater recharge. This is consistent with the Nevada State Engineer's currently accepted value for the Warm Springs Hydrographic Basin. The use of this development potential limitation

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results in a "conservative estimate" of the infrastructure cost per development unit. If the State Engineer accepts a new perennial yield value for the basin, resulting in a revised development potential value, then the infrastructure cost per unit may be recalculated and a new financing plan can be adopted.

**Initial HDR+ Parcel Development**

The Warm Springs Specific Plan (WSSP) as adopted in September 1992 did not determine which area of the WSSP should be developed first (i.e. LDS, Office Commercial and General Commercial areas versus MDR or HDR designated areas) in order to ensure the installation of any necessary community infrastructure. The intent of the WSSP was to allow equal opportunity for all property owners to participate in the financing of infrastructure development for the WSSP. The adopted WSSP states that all property owners will pay their fair share of the development costs to support development of the SPA. This financing plan provides a funding mechanism as specified in the adopted WSSP to permit development of High Density Rural (HDR) consistent parcels, including the lower density land use designations, while ensuring that the property owner/developer pays their fair share of the major infrastructure costs.

At the time of adoption of this financing plan, there are no development plans submitted to the County which have the financial resources to immediately pay for the construction of the major WSSP infrastructure elements, including the paved road system, community water system, flood control facilities, park, recreation and equestrian facilities or public protection facilities. Several WSSP property owners have expressed a desire to proceed with initial development by parcel maps to create 1 du/2.5 acre, 1 du/5 acre and 1du/10 acre parcels, but do not want to install the necessary community infrastructure until sufficient financial reserves are established. However, should one of these HDR+ developers front end or be involved in constructing a portion of the community infrastructure, as defined in the WSSP Capital Improvements Program, the HDR+ parcel developer will have the option of building that portion of the infrastructure or paying the fees. The WSSP financing plan establishes a fee per parcel which will be paid by the individual HDR+ developers as specified in the required development agreement.

**Future Major Property Development**

It is anticipated that at some future date development of the Low Density Suburban (LDS: max 1du/1 ac) as well as the Office Commercial and General Commercial areas will proceed as anticipated in the WSSP area. At the time a major property owner initiates development, this financing plan may need to be amended to reflect the use of special assessment districts under NRS 351 and/or consolidated local improvements under NRS 271. Should an assessment district or local improvement district be developed by a major property owner, any fees collected from the initial HDR+ developers would be applied towards the financing of the major backbone infrastructure to be built by the major property developer. Utilizing the revenues generated through the initial HDR+ developments will provide some funding in dedicated accounts to support initial planning for the major property owner developing the infrastructure.

**WARM SPRINGS SPECIFIC PLAN CAPITAL IMPROVEMENTS PROGRAM**

For approved development as envisioned in the WSSP to occur, considerable time and material expenses will need to be made in order to adequately provide for all necessary infrastructure components. The following table offers a summary of all the shared community infrastructure components and the current cost estimate for each facility which has a "rational nexus" to all development within the WSSP, and therefore the cost must be proportionally borne by each new

development project within the WSSP. Each infrastructure component will be further described and the proportional fee established in subsequent sections of this financing plan.

**CAPITAL IMPROVEMENTS COSTS**

| <b>Improvement</b>                 | <b>Estimated Cost</b> |
|------------------------------------|-----------------------|
| Community Water Improvement        | \$2,861,000           |
| Roadways Internal to the SPA       | \$3,182,289           |
| Stormwater Management Improvements | \$450,000             |
| Parks and Open Space               | \$2,096,000           |
| Public Facilities                  | \$1,500,000           |

**DEVELOPMENT AGREEMENT**

By knowing the type of construction elements and the general extent of the limits of construction, the appropriate portion to be constructed by the developer who is party to the development agreement can be identified. Then, the limits of construction, the construction cost and the credit/reimbursement units within the area of benefit are used to calculate the credits or reimbursements. For a given development agreement, any credits or reimbursements are calculated for each infrastructure unit. Additional elements of any WSSP development agreement are described below.

**Responsibilities for Implementing the Financing Plan**

The initial HDR+ parcel developments would be responsible for paying fees, as specified in this financing plan, to support community infrastructure. The fee structure included in this financing plan is based on reasonable estimates of actual costs for these improvements. The plan specifies through the Development Agreement and through the ongoing 3 year review process that these construction cost estimates be revised based on actual construction costs, as they become known.

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**No Mandate by Washoe County or PVGID to Construct Facility**

There is no requirement, written or implied, that the County or the Palomino Valley General Improvement District (PVGID) has any mandate, warranty, or responsibility to construct any of the WSSP capital improvement program facilities. This protection expressly extends to the Truckee Meadows Fire Protection District, Washoe County Parks Department, Washoe County Utilities Division, and Washoe County Sheriff's Department, as well any other department, division or agency of Washoe County. The financing plan simply requires that the County collect the fees as identified by development agreements from all future development in the WSSP and keeps these fees in segregated accounts for future disbursement to an authorized contractor installing or constructing the CIP infrastructure. Washoe County and its agencies, as listed above, only responsibility is to disburse funds from the segregated accounts. Washoe County would only disburse these funds once an adequate construction program was in place and the timing for the project's design and construction was established and a request had been made by the appropriate public or private agency responsible for administering and maintaining the facility in the future.

## INFRASTRUCTURE COMPONENTS AND COST ESTIMATES

The following infrastructure costs and planning related expenses will be funded through the proportional allocation of fees to each new residential parcel created, or non-residential facility constructed, based on the fact that this "backbone" infrastructure serve all properties equally. The necessity of this infrastructure to ensure adequate public service and the protection of the public health and safety for the new WSSP development provides the rational nexus for the imposition of fees. The following cost estimates and fee allocations are intended to demonstrate a substantial relationship and rough proportionality between demands for services for the WSSP community infrastructure and proportional sharing of those costs equivalent to the demand created.

### COMMUNITY WATER SYSTEM

The Warm Springs Specific Plan identified a conceptual community water system to serve most of the WSSP. This concept has now been refined based on more recent studies, and the WSSP backbone community system is illustrated on Exhibit A. This system, to be partially funded with fees as specified in this plan, contains the following elements:

#### Fire Protection Service and Benefit Area

The entire WSSP is defined as the fire protection service and benefit area. Fees to cover the proportionate cost of fire protection will be established for all parcels in the WSSP.

#### Domestic Water Service and Benefit Area

The portion(s) of the WSSP designated for Low Density Suburban (LDS: max 1du/ac) or Office Commercial and General Commercial development is established as the benefit area for community water for domestic and municipal & industrial water use. Fees to cover the proportionate cost of domestic water service shall be established and collected for any new parcel or commercial development created in this service area. The community water system will be developed in at least two phases, for an upper and lower delivery zone.

#### Initial HDR+ Development

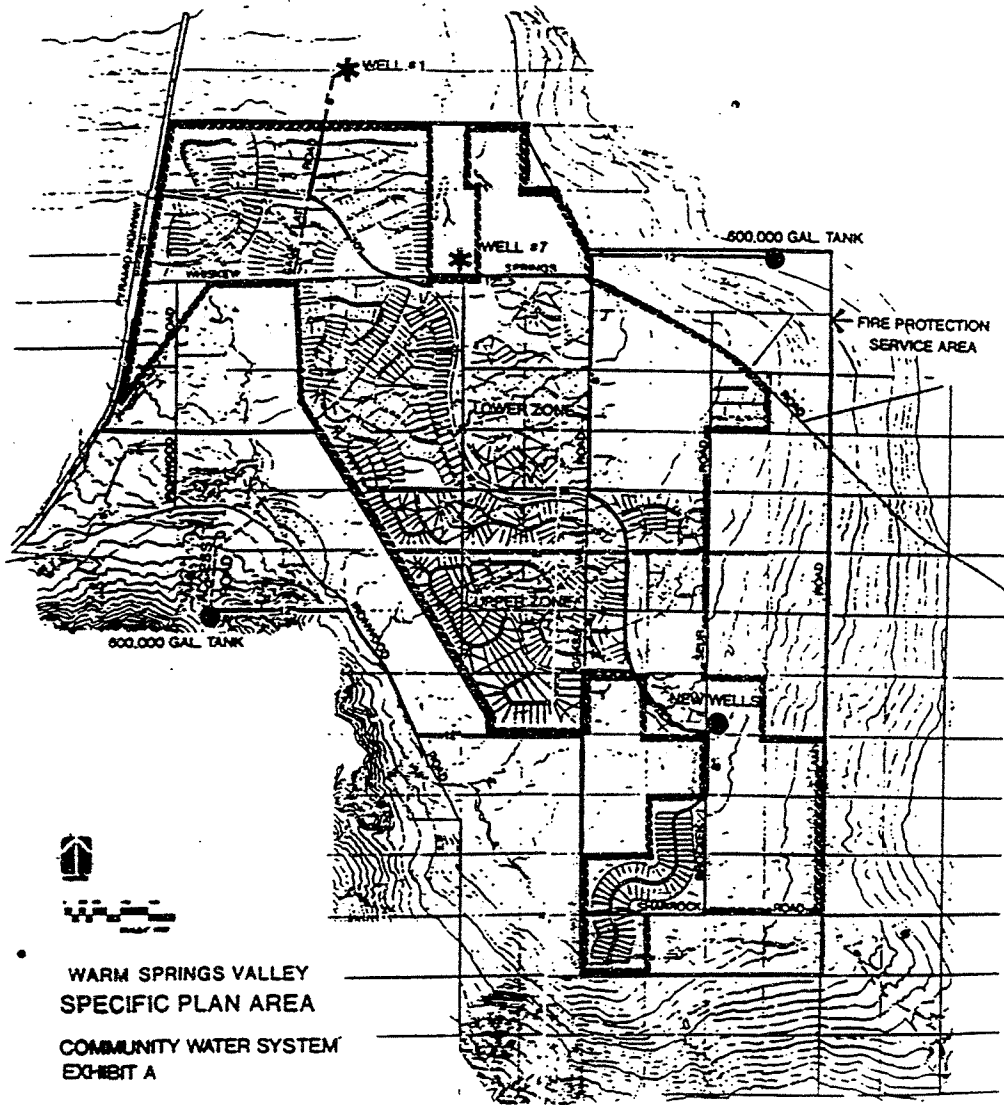
Development utilizing the High Density Rural (HDR), or lower density land use designations, in the community-water service area will not be required to construct the water service infrastructure, but will be required to pay its proportionate share of fees to support future development of infrastructure.

#### Future Construction of System By Major Property Owners

Any parcels created that utilize Low Density Suburban densities (i.e. less than 1du/2.5 ac) and commercial designations will be required to have water service lines, fire hydrants and water lines to subdivision standards, bonded or financially guaranteed in accordance with County ordinance at the time of final map recording. This will be in addition to meeting all requirements for an individual domestic well on each parcel to provide temporary service if needed.

The financing of this system could be through an assessment district, local development district, or other form of long term bond financing. All fees collected from initial developments will be used and incorporated into the selected financing method. All future HDR+ density parcel development would be required to participate in the selected financing method.

Exhibit A  
COMMUNITY WATER SYSTEM



WARM SPRINGS VALLEY  
SPECIFIC PLAN AREA  
COMMUNITY WATER SYSTEM  
EXHIBIT A

- DOMESTIC SERVICE AREA
- TANK
- \* WELL
- - - - - TRUNK LINE

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**COMMUNITY WATER IMPROVEMENT COSTS - LOWER ZONE**

| Improvement       | Quantity           | Estimate Cost      |
|-------------------|--------------------|--------------------|
| New Well #7       | 1                  | 250,000            |
| Equip. Well #1    | 1                  | 75,000             |
| .6 MG Tank & Road | 1                  | 354,000            |
| 12" Water         | 7,600 <sup>1</sup> | 266,000            |
| 10" Water         | 4,000 <sup>1</sup> | 116,000            |
| 8" Water          | 8,800 <sup>1</sup> | 203,000            |
| Valves            | N/A                | 5,000              |
| <b>Total</b>      |                    | <b>\$1,269,000</b> |

Note: <sup>1</sup> From WSSP - Initial development at 3,000 acre foot limit.

**COMMUNITY WATER IMPROVEMENT COSTS - UPPER ZONE**

| Improvement        | Quantity | Estimated Cost     |
|--------------------|----------|--------------------|
| New Wells          |          | 300,000            |
| .6 MG Tank & Road  |          | 300,000            |
| 12" Water          | 14,400   | 504,000            |
| 10" Water          | 4,800    | 418,000            |
| 8" Water           | 2,800    | 65,000             |
| Valves             | N/A      | 5,000              |
| <b>Total</b>       |          | <b>\$1,592,000</b> |
| <b>Grand Total</b> |          | <b>\$2,861,000</b> |

**COMMUNITY WATER FEE ESTIMATES**

| Residential                            | Units                    | Fee              | Revenue            |
|--|--------------------------|------------------|--------------------|
| Single Family - Domestic Water Service | 1,150 <sup>1</sup>       | \$1,824/Unit     | \$2,098,000        |
| Single Family Fire Protection          | 1,310 <sup>1</sup>       | \$534/Unit       | \$699,800          |
| <b>Residential Subtotal</b>            |                          |                  | <b>\$2,797,800</b> |
| Non-Residential                        | Units                    | Fee              | Revenue            |
| General Commercial/Office              | 65,000 s.f. <sup>1</sup> | \$280/1,000 s.f. | \$18,200           |
| Public Facility                        | 5 ac. <sup>1</sup>       | \$1,000/ac.      | \$5,000            |
| Equestrian Center                      | 16 ac. <sup>1</sup>      | \$2,500/ac.      | \$40,000           |
| Open Space                             | 30 ac. <sup>1</sup>      | N/A              | N/A                |
| <b>Non-Residential Subtotal</b>        |                          |                  | <b>\$ 63,200</b>   |
| <b>Grand Total</b>                     |                          |                  | <b>\$2,861,000</b> |

Note: <sup>1</sup> From WSSP - Initial development at 3,000 acre foot limit.

**ROADWAYS**

The Warm Springs Specific Plan area is currently served by Pyramid Highway, State Route 445. A transportation analysis of the WSSP to determine the overall roadway needs within the WSSP was developed and included in the adopted WSSP plan. Cost estimates for the new roadways constructed within the WSSP as community infrastructure are based on the applicable *Washoe County Development Code*, Article 436 Street Design Standards. Exhibit B shows the new major roadways to be constructed and their phasing, existing roadways to be paved and related storm

drainage improvements which are part of the community infrastructure covered by this financing plan.

**Pyramid Highway**

The future improvements that may be programmed for Pyramid Highway, which is under the jurisdiction of the Nevada Division of Transportation, are outside the WSSP boundary and are beyond the scope of the financing plan. This is a large regional facility serving a significantly greater geographic area than the WSSP. Developers in the WSSP contributing through the County-wide Interim Traffic Facility Collection Program (ITFCP) fee are paying toward any ultimate future improvements of Pyramid Highway.

**Private Roads**

The *Washoe County Development Code* allows for the creation of new parcels to be served by private roads. These private roads can be gravel surface if serving no more than 9 new parcels, 2.5 acres or larger in size. If the 22 foot wide asphalt County standards is used, these private roads could serve a larger number of parcels. These roads would be signed and marked adjacent to any existing public road (i.e.: PVGID road). Any future purchaser of a parcel that would be served by a private road would be so notified through the disclosure statement under the development agreement to ensure the purchasers knowledge of the private road system. These private roads are to be maintained by a private homeowners' association with a separate fee structure for maintenance, including dust control, and dedicated capital fund for long term replacement. It is expressly provided in this Financing Plan that the PVGID would not be responsible for maintaining any of these designated private roads.

**Public Roads**

Public roads are defined as those roads that are currently existing and that will be developed and easements granted to the Palomino Valley General Improvement District. It is expressly defined by this financing plan that the Palomino Valley General Improvement District would be responsible for maintenance of all roads that have easements dedicated to them, as well as the existing 9.5 miles of roadway currently maintained by the PVGID within the WSSP.

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**Roadway Fees**

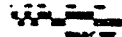
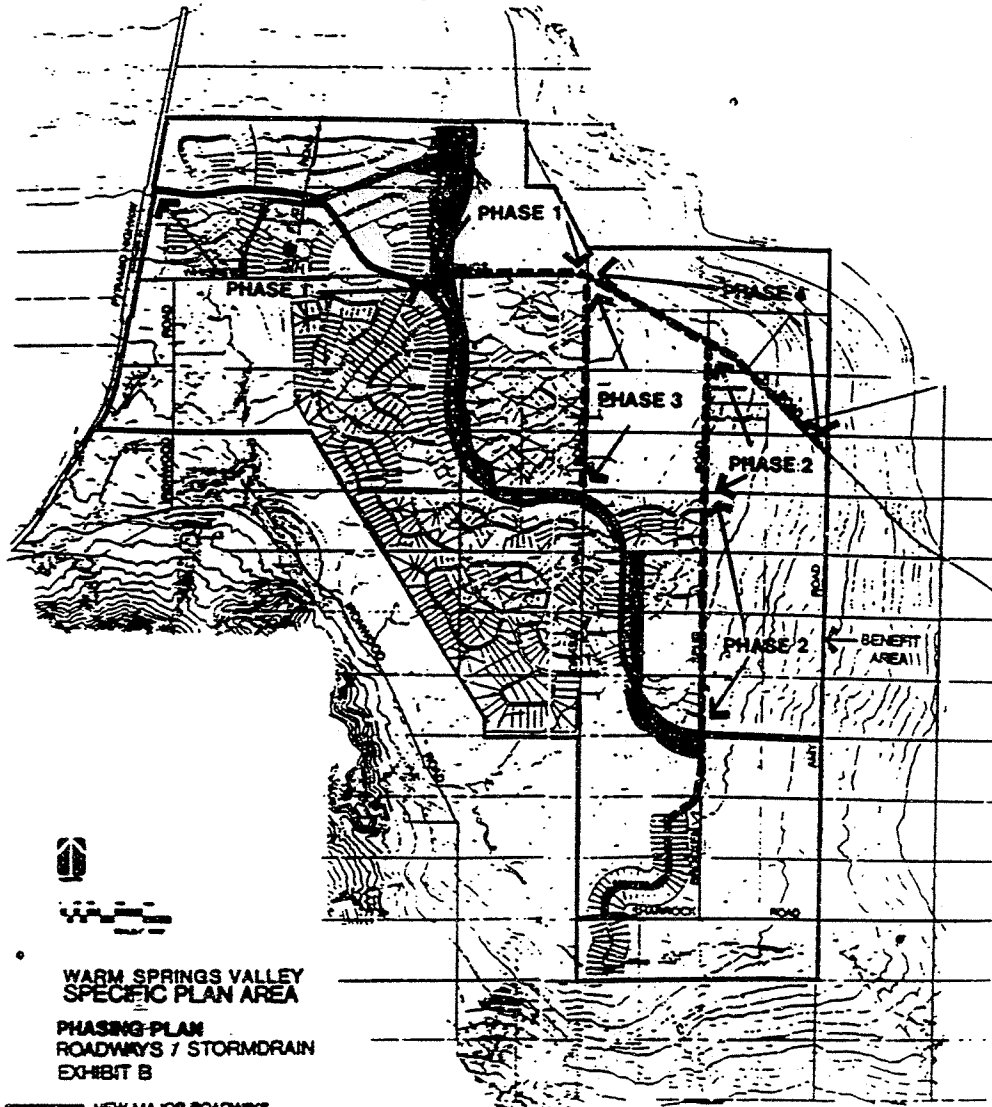
The fees to be collected from each new parcel created within the WSSP shall be the same for each parcel created. Any future non-residential development, as specified in the overall WSSP Plan, shall be required to pay a proportional fee based on square footage or acreage generating traffic demands on existing and future roadways.

**Basis for Cost Estimates**




The cost estimates for community public roads are derived from an estimate provided by Canyon Creek Construction, which has had the contract to development the Lightening W Ranch roadways in Washoe Valley during the past year. These cost estimates are accurate for this type of roadway recently constructed in the region.

Exhibit B

PHASING PLAN - ROADWAYS/STORMDRAINS



WARM SPRINGS VALLEY  
 SPECIFIC PLAN AREA  
 PHASING PLAN  
 ROADWAYS / STORMDRAIN  
 EXHIBIT B

-  NEW MAJOR ROADWAYS
-  EXST. ROADWAYS TO BE PAVED
-  SPA STORM DRAIN IMPROVEMENTS

**Phasing of Improvements**

Phase I

Spine Road 6,800 Ft/Whiskey Springs Road 3,400 Ft. Improvements are required to be constructed with adjacent development except individual HDR+ developments which will have fees levied in lieu of construction.

Every 3 years after initial parcelization within the WSSP, the PVGID will review the availability of funds in the dedicated account and take the following action as appropriate.

If Spine Road is Not Constructed by Adjacent Owner: At the time sufficient funds are available to design and construct Phase I of the Spine Road (6,800 ft.) and repave the first segment of Whiskey Springs Road (3,400 ft.), the PVGID shall contract with a project manager/registered engineer to design bid and contract for construction of this initial paving. Based on the following revenue projections, adequate funding will be available to complete this project between the years 2000 and 2002. It is anticipated that 60 houses will be constructed by the end of this period.

**INITIAL HOUSING CONSTRUCTION PROJECTION AND RESULTING ROAD FEE REVENUE  
Warm Springs Development and Revenue Projection - Fee @ Final Map Recording**

| Development Type                  | 1995-1997        | 1998-2000        | 2001-2003        | 2004-2006        |
|-----------------------------------|------------------|------------------|------------------|------------------|
| 10 Acre Lots                      | 8                | 8                | 4                | 4                |
| 5.0 Acre Lots                     | 16               | 32               | 16               | 16               |
| 2.5 Acre Lots                     | 32               | 64               | 32               | 16               |
| 1.0 Acre Lots                     |                  | 50               | 150              | 200              |
| Houses                            |                  | 20               | 40               | 100              |
| <b>Total</b>                      | <b>56</b>        | <b>154</b>       | <b>202</b>       | <b>236</b>       |
| <b>Development Fees Collected</b> | <b>1995-1997</b> | <b>1998-2000</b> | <b>2001-2003</b> | <b>2004-2006</b> |
| @ \$2,287/Lot                     | \$128,072        | \$352,198        | \$461,974        | \$539,732        |
| @ \$2,482/Lot                     |                  | \$382,228        |                  |                  |
| @ \$2,780/Lot                     |                  |                  | \$561,560        |                  |
| @ \$3,114/Lot                     |                  |                  |                  | \$734,904        |

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Note: A 4% per year increase added every 3 years.

If Phase I of the Spine Road is Constructed by Adjacent Owner: At the time sufficient funds are available to design and repave the first segment of Whiskey Springs Road (3,400 ft.) the PVGID shall contract with a project manager/registered engineer to design, bid and contract for construction of this initial paving. Based on the revenue projections shown above, adequate funding will be available to complete this project between the years 1998 and 2000.

**Market/Development Assumptions**

The initial housing construction projection illustrates the estimated development intensity that would occur within the WSSP area over the initial 9 years. It is a very conservative assumption with only 20 houses every 3 years being constructed from the period 1998 to 2003. This compares with 10 to 20 units being constructed in the Warm Springs area outside the WSSP per year. Therefore, the projections during the initial 8 years are less than what has historically occurred in the Warm Springs Valley. During the 3 year review process, these assumptions can

be modified to reflect actual market conditions and any changes necessary from a maintenance of roadway standpoint could be made during this review cycle.

### Phase II

**Broken Spur Road 12,400 Ft.** Once the above two roadway segments are completed, segments of Broken Spur Road shall be constructed in 1 - 3 mile segments.

At the time sufficient funds are available to design and repave the first segment of Broken Spur Road (12,400 ft.) the PVGID shall contract with a project manager/registered engineer to design, bid and contract for construction of this initial paving. Based on the revenue projections shown above, adequate funding will be available to complete this project between the years 1998 and 2000, if the first phase of the Spine Road/Whiskey Springs Road is constructed by adjacent owners in the 1995-1997 period.

### Phase III

**Grass Valley Road 4,800 Ft.** At the time sufficient funds are available to design and repave the first segment of Grass Valley Road 4,800 ft. the PVGID shall contract with a project manager/registered engineer to design, bid and contract for construction of this initial paving.

### COST ESTIMATES FOR ROADWAYS INTERNAL TO THE WSSP AREA

| Segment   | Improvement   | Projected LOS | Width             | Length          | Per Linear Foot/Square Foot | Cost             |           |
|---|---|---------------|-------------------|-----------------|-----------------------------|------------------|-----------|
| <b>Spine Road</b>   |   |               |                   |                 |                             |                  |           |
| <b>Phase I</b>  |   |               |                   |                 |                             |                  |           |
| Pyramid to Whiskey Springs<br>2 lanes<br>(Ultimate Grading) | New 2 Lanes<br>R.O.W.                                 | A - B         | ±120'             | 6,800'          | 0                           | 0                |           |
|   | Grading   |               | 60'               | 6,800'          | \$ .45 SF                   | \$183,600        |           |
|   | Pavement 4" on 6"                                     |               | 24'               | 6,800'          | \$1.48 SF                   | \$241,536        |           |
|   | Chip Seal   |               | 24'               | 6,800'          | \$0.14 SF                   | \$22,848         |           |
|   | Finish Subgrade                                       |               | 24'               | 6,800'          | \$ .18 SF                   | \$29,376         |           |
|   | Ditches   |               |                   | 6,800'          | \$4.00 LF                   | \$27,200         |           |
|   | Project Manager/<br>Engineering/Design                |               |                   |                 | 15%                         | <u>\$75,684</u>  |           |
|   |   |               |                   |                 |                             | \$580,244        |           |
|   | Ultimate Construction<br>(if traffic volumes warrant) |               | Pavement 4" on 6" | 24'             | 6,800'                      | \$1.48 SF        | \$241,536 |
|   | Chip Seal   |               | 24'               | 6,800'          | \$0.14 SF                   | \$22,848         |           |
| Finish Grade  | 24'   | 6,800'        | \$0.18 SF         | \$29,376        |                             |                  |           |
| Project Manager/<br>Engineering/Design                      |   |               | 15%               | <u>\$44,064</u> |                             |                  |           |
|   |   |               |                   | \$337,824       |                             |                  |           |
| <b>Phase IV</b>   |   |               |                   |                 |                             |                  |           |
| Whiskey Springs to Amy Road <sup>1</sup>                    | New 2 Lanes<br>R.O.W.                                 | A - B         | ±120'             | 14,000          | 0                           | 0                |           |
|   | Grading   |               | 38'               | 14,000          | \$ .45 SF                   | \$239,400        |           |
|   | Pavement 4" on 6"                                     |               | 24'               | 14,000          | \$1.48 SF                   | \$497,280        |           |
|   | Chip Seal   |               | 24'               | 14,000          | \$ .14 SF                   | \$47,040         |           |
|   | Finish Subgrade                                       |               | 24'               | 14,000          | \$ .18 SF                   | \$60,480         |           |
|   | Ditches   |               |                   | 14,000          | \$4.00 LF                   | \$56,000         |           |
|   | Project Manager/<br>Engineering/Design                |               |                   |                 | 15%                         | <u>\$135,030</u> |           |
|   |   |               |                   |                 |                             | \$1,035,230      |           |

Note: <sup>1</sup> To be constructed with drainage channel improvements (Refer to Storm Water Management Section).

**COST ESTIMATES FOR ROADWAYS INTERNAL TO THE WSSP AREA**  
(continued)

| Segment   | Improvement                            | Projected LOS                          | Width | Length | Per Linear Foot/Square Foot | Cost               |           |           |
|---|--|--|-------|--------|-----------------------------|--------------------|-----------|-----------|
| Whiskey Springs Road<br>Phase I<br>Spine Road to Grass Valley                         | Pave 2 Lanes                           | A - B                                  | 24'   | 3,400  | \$1.48 SF                   | \$120,768          |           |           |
|   | Pavement 4" on 6"                      |  |       | 3,400  | \$0.14 SF                   | \$11,424           |           |           |
|   | Chip Seal                              |  |       | 3,400  | \$0.18 SF                   | \$14,688           |           |           |
|   | Finish Subgrade                        |  |       | 3,400  | \$4.00 LF                   | \$13,600           |           |           |
|   | Ditches                                |  |       |        |                             |                    |           |           |
|   | Project Manager/<br>Engineering/Design |  |       | 15%    | \$24,072                    |                    |           |           |
|   |  |  |       |        |                             | \$184,552          |           |           |
|   | Phase IV<br>Grass Valley to Amy        | Re-pave 2 Lanes                        | A - B | 24'    | 6,400                       | 1.48 SF            | \$227,328 |           |
|   |  | Pavement 4" on 6"                      |       |        | 6,400                       | \$0.14 SF          | \$21,504  |           |
|   |  | Chip Seal                              |       |        | 6,400                       | \$0.18 SF          | \$27,648  |           |
|   |  | Finish Subgrade                        |       |        | 6,400                       | \$4.00 LF          | \$25,600  |           |
|   |  | Ditches                                |       |        |                             |                    |           |           |
|   |  | Project Manager/<br>Engineering/Design |       |        |                             |                    | 15%       | \$45,312  |
|   |  |  |       |        |                             |                    |           | \$347,392 |
| Grass Valley Road<br>Phase III<br>Spine Road to Whiskey Springs (less than 2,000 ADT) | Pave 2 Lanes                           | A                                      | 22'   | 4,800  | \$1.10 SF                   | \$116,160          |           |           |
|   | Pavement 3" on 6"                      |  |       | 4,800  | \$0.14 SF                   | \$14,784           |           |           |
|   | Chip Seal                              |  |       | 4,800  | \$0.18 SF                   | \$19,008           |           |           |
|   | Finish Subgrade                        |  |       | 4,800  | \$4.00 LF                   | \$19,200           |           |           |
|   | Ditches                                |  |       |        |                             |                    |           |           |
|   | Project Manager/<br>Engineering/Design |  |       |        |                             | 15%                | \$25,373  |           |
|   |  |  |       |        |                             |                    | \$194,525 |           |
| Broken Spur Road<br>Phase II<br>Whiskey Springs to Shamrock (less than 2,000 ADT)     | Pave 2 Lanes                           | A                                      | 22'   | 12,400 | \$1.10 SF                   | \$300,080          |           |           |
|   | Pavement 3" on 6"                      |  |       | 12,400 | \$0.14 SF                   | \$38,192           |           |           |
|   | Chip Seal                              |  |       | 12,400 | \$0.18 SF                   | \$49,104           |           |           |
|   | Finish Subgrade                        |  |       | 12,400 | \$4.00 LF                   | \$49,600           |           |           |
|   | Ditches                                |  |       |        |                             |                    |           |           |
|   | Project Manager/<br>Engineering/Design |  |       |        |                             | 15%                | \$65,548  |           |
|   |  |  |       |        |                             |                    | \$502,522 |           |
| <b>Grand Total</b>  |  |  |       |        |                             | <b>\$3,182,289</b> |           |           |

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**Washoe County ITFCP Fee**

The Washoe County Interim Traffic Facility Collection Program (ITFCP) fee collected in Warm Springs is designated for Pyramid Highway and other regional roadway improvements that serve and benefit Warm Springs Valley. The ITFCP fee is currently set at \$100 per average daily traffic (ADT) trips generated by the new construction. The current cost to a single family residential unit is \$950. The ITFCP fees will not be used for any WSSP roadways, unless an inter-local agreement is adopted between the County and the PVGID to provide interim financing. Interim financing for the construction of the above roadways would be repaid from fees to be collected. This fee will be disclosed to any potential buyer of new parcels created in the WSSP area, and the fee will be collected at the time a building permit is issued unless modified by Washoe County Commission resolution.

**COUNTYWIDE INTERIM TRAFFIC FACILITY COLLECTION PROGRAM FEE**

| Unit Type     | Quantity | Estimate Contribution |                    |
|---------------|----------|-----------------------|--------------------|
|               |          | Per Unit              |                    |
| Single Family | 1,310    | \$950                 | \$1,244,500        |
| <b>Total</b>  |          |                       | <b>\$1,244,500</b> |

Source: Warm Springs Specific Plan.

**ROADWAY FEE ESTIMATES**

| Residential                     | Units       | Fee/Unit           | Revenue            |
|---------------------------------|-------------|--------------------|--------------------|
| Single Family                   | 1,310       | \$2,287            | \$2,996,089        |
| Non-Residential                 | Units       | Fee/Unit           | Revenue            |
| General Commercial/Office       | 65,000 s.f. | \$2,500/1,000 s.f. | \$162,500          |
| Public Facility                 | 5 ac.       | \$700/acre         | \$3,500            |
| Open Space/Parks and Recreation | 30 ac.      | \$300/acre         | \$9,000            |
| Equestrian Center               | 16 ac.      | \$700/acre         | \$11,200           |
| <b>Non-Residential Subtotal</b> |             |                    | <b>\$186,200</b>   |
| <b>Grand Total</b>              |             |                    | <b>\$3,182,289</b> |

**Right-of-Way Dedication and Maintenance**

All public roadways, major or minor, will be accepted for maintenance by the Palomino Valley General Improvement District (PVGID), and only public access easements shall be granted to the PVGID.

**Construction of Improvements When Adequate Fees Are Collected**

In instances where an adjacent developer is not required to construct the facility in accordance with this Financing Plan, construction of improvements shall not commence until adequate fees are collected. Any facilities to be constructed in the future shall not be constructed until adequate revenues have been collected within the segregated account to design, bid and construct the entire facility or some appropriate phase of the facility. The intent is to not require borrowing or bonding for construction of improvements unless this Financing Plan is amended in the future.

**Maintenance of Roadways**

Maintenance of public roadways would be provided by the PVGID, adopting the following maintenance schedule and contracting with a professional manager/registered engineer to carry out on-going maintenance.

Maintenance Schedule

Paved roads - 20 year life with adequate maintenance:

Crack sealing every 3 - 4 years, \$1,700/mile or \$600/mile/year

Chip seal every 7 years, \$11,700/mile (capital maintenance)

Cost per year capital maintenance:

Chip seal every 7 years for 20 years =  $2.9 \times \$11,700 = \$33,930$  per mile + 20 years = \$1,697/year/mile

Drainage repair, signage, striping, general maintenance and administration = 1,203/year/mile

**Roadway Maintenance Costs**

For several months prior to preparation of this financing plan, several options were pursued with the Palomino Valley General Improvement District (PVGID) to determine how this additional maintenance cost could be met. Options analyzed include NRS 271, which provides for certain types of roadway maintenance, existing general improvement district legislation NRS 318 and any other legislation that may be possible to use. The net result of this review and legal analysis by various attorneys determined that there were no adequate provisions in NRS to allow for special assessment districts for maintenance of roadways only. Capital improvements, i.e. new roads, can be funded through special assessment districts, but the long-term maintenance of roads not constructed with SAD revenues cannot. The only alternative that appears feasible at this point is the use of the homeowners' association, enabling legislation to allow a SPA homeowners' association to assess maintenance fees on a yearly basis and contract with the PVGID for actual road maintenance using these homeowners' association assessments to fund maintenance. This homeowners' association funding mechanism is outlined in detail below.

**Anticipated Need for Additional Maintenance Funds**

There is a question if the Palomino Valley General Improvement District will have adequate tax revenues to provide the level of maintenance for existing gravel and future paved roads programmed within the WSSP area. The areas outside of the WSSP area are currently experiencing development of 10 to 20 single family homes per year. Up to 77 houses could be constructed on existing 40-acre parcels within the WSSP area without any implementation of the adopted specific plan. The PVGID must rely on it's currently authorized statutory funding sources to provide for the increased road maintenance resulting from this buildout of housing. If the PVGID is experiencing financial and/or frequency problems in providing maintenance to these new homes that will be scattered throughout their jurisdiction, then any additional development from implementation of the WSSP could exasperate the problem.

The following chart is a composite of the anticipated amount of development over time and the anticipated amount of PVGID revenue generated. The PVGID may in fact have more than adequate revenue to meet the needs when the needs arise. The important element that needs to be stressed is that the parceling of land does not generate construction traffic, nor does it directly create ongoing vehicle trips. Housing construction on those new lots does. It is anticipated that housing construction will lag parcel development by 2 to 3 years depending on market forces.

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**CUMULATIVE REVENUE PER YEAR**

| Development Type | Appraised Value | Assessed Value | AD Valorem (.003261) | 1994-95 Revenue Motor Vehicle (.00141) | SCCRT Relief (.00350-50%) | Per Parcel |
|------------------|-----------------|----------------|----------------------|--|---------------------------|------------|
| 10.0 Acre Lot    | \$45,000.00     | \$15,750.00    | \$51.36              | \$22.21                                | \$27.56                   | \$101.13   |
| 5.0 Acre Lot     | \$35,000.00     | \$12,250.00    | \$39.95              | \$17.27                                | \$21.44                   | \$78.66    |
| 2.5 Acre Lot     | \$25,000.00     | \$8,750.00     | \$28.53              | \$12.34                                | \$15.31                   | \$56.18    |
| 1.0 Acre Lot     | \$20,000.00     | \$7,000.00     | \$22.83              | \$9.87                                 | \$12.25                   | \$44.95    |
| House on Lot     | \$150,000.00    | \$52,500.00    | \$171.20             | \$74.03                                | \$91.88                   | \$337.10   |

| Development Type | 1995   |            | 1996   |            | 1997   |            | 1998   |             | 1999   |             | 2000   |             |
|------------------|--------|------------|--------|------------|--------|------------|--------|-------------|--------|-------------|--------|-------------|
|                  | Number | Revenue    | Number | Revenue    | Number | Revenue    | Number | Revenue     | Number | Revenue     | Number | Revenue     |
| 10.0 Acre Lot    | 8      | \$809.05   | 0      | \$0.00     | 4      | \$404.52   | 4      | \$404.52    | 0      | \$0.00      | 0      | \$0.00      |
| 5.0 Acre Lot     | 0      | \$0.00     | 16     | \$1,258.52 | 8      | \$629.26   | 8      | \$629.26    | 16     | \$1,258.52  | 8      | \$629.26    |
| 2.5 Acre Lot     | 16     | \$898.94   | 16     | \$898.94   | 16     | \$898.94   | 16     | \$898.94    | 32     | \$1,797.88  | 16     | \$898.94    |
| 1.0 Acre Lot     | 0      | \$0.00     | 0      | \$0.00     | 30     | \$1,348.41 | 20     | \$898.94    | 0      | \$0.00      | 50     | \$2,247.35  |
| House on Lot     | 0      | \$0.00     | 0      | \$0.00     | 0      | \$0.00     | 10     | \$3,371.03  | 10     | \$3,371.03  | 10     | \$3,371.03  |
| Subtotal         |        | \$1,707.99 |        | \$2,157.46 |        | \$3,281.13 |        | \$6,202.69  |        | \$8,427.42  |        | \$7,146.57  |
| Cumulative       |        | \$1,707.99 |        | \$3,865.44 |        | \$7,146.57 |        | \$13,349.26 |        | \$19,776.68 |        | \$26,923.25 |

| Development Type | 2001   |             | 2002   |             | 2003   |             | 2004   |             | 2005   |             |
|------------------|--------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|-------------|
|                  | Number | Revenue     | Number | Revenue     | Number | Revenue     | Number | Revenue     | Number | Revenue     |
| 10.0 Acre Lot    | 4      | \$404.52    | 0      | \$0.00      | 4      | \$404.52    | 0      | \$0.00      | 0      | \$0.00      |
| 5.0 Acre Lot     | 8      | \$629.26    | 0      | \$0.00      | 8      | \$629.26    | 8      | \$629.26    | 0      | \$0.00      |
| 2.5 Acre Lot     | 16     | \$898.94    | 0      | \$0.00      | 8      | \$449.47    | 8      | \$449.47    | 0      | \$0.00      |
| 1.0 Acre Lot     | 50     | \$2,247.35  | 50     | \$2,247.35  | 60     | \$2,698.82  | 70     | \$3,148.29  | 70     | \$3,148.29  |
| House on Lot     | 15     | \$5,058.54  | 15     | \$5,058.54  | 30     | \$10,113.08 | 30     | \$10,113.08 | 40     | \$13,484.10 |
| Subtotal         |        | \$9,238.61  |        | \$7,303.89  |        | \$14,293.15 |        | \$14,338.09 |        | \$16,630.39 |
| Cumulative       |        | \$38,159.86 |        | \$43,463.75 |        | \$57,756.90 |        | \$72,094.99 |        | \$88,725.38 |

Note Revenue from construction is accounted for in the following year.

ANTICIPATED REVENUE FOR PVGID ROAD MAINTENANCE

|  | 10 Acre Lots    | 5 Acre Lots    | 2.5 Acre Lots  | 1.0 Acre Lots  | House on Lot    |
|--|-----------------|----------------|----------------|----------------|-----------------|
| Appraised Value                              | \$45,000        | \$35,000       | \$25,000       | \$20,000       | \$150,000       |
| Assessed Value (35%)                         | \$15,750        | \$12,250       | \$8,750        | \$7,000        | \$52,500        |
| Tax Calc. Ass. Val. @ 1.044 x Ass.           |                 |                |                |                |                 |
| Revenue (94-95 Tax Rates)                    |                 |                |                |                |                 |
| Property Tax @ .00326                        | \$51.36         | \$39.95        | \$28.53        | \$22.83        | \$171.20        |
| Motor Veh. Tax @ .00141 x                    | 22.21           | 17.27          | 12.34          | 9.87           | 74.03           |
| SCCRT Relief Tax @ .00350 - 50% <sup>1</sup> | 27.56           | 21.44          | 15.31          | 12.25          | 91.88           |
| <b>Total Revenue - Development</b>           | <b>\$101.13</b> | <b>\$78.66</b> | <b>\$56.18</b> | <b>\$44.95</b> | <b>\$337.10</b> |

Note: <sup>1</sup> Assumes that growth of the WSSP will retain the PVGID's current 0.1343 percent of the total County and the County assessed value continue to grow at 3% per year

**Alternative for Payment of Additional Maintenance Costs by WSSP Homeowners Association**

This financing plan requires the formation of a single homeowners' association to cover the entire WSSP area created to specifically provide maintenance fees for roadways within the WSSP area. These maintenance fees will be collected through the normal annual assessment process by the homeowners' association as permitted in NRS. The intent would be that the homeowners' association would contract with the Palomino Valley General Improvement District (PVGID) for the maintenance of roadways within the WSSP area over and above the level of maintenance currently provided by the PVGID. These maintenance costs would be determined in two different phases.

Phase I

Phase I maintenance fees would be based on providing interim maintenance of existing gravel roads currently maintained by the PVGID within the WSSP area. The amount of roadway currently being maintained in the WSSP area is approximately 9.0 miles. Based on the current level of maintenance, this would equal \$25,614 (9.0 miles x \$2,846 per mile) in maintenance costs per year based on 1994 dollars. It is anticipated that with additional housing development, additional trip generation will occur within the WSSP, increasing the maintenance costs for the PVGID. The actual increase in maintenance costs can only be estimated at this time, but it is anticipated that the increased costs will be offset by increased tax revenues generated by the development.

At this time it can only be estimated how much additional revenue will be generated through the existing PVGID tax structure to provide for this additional maintenance. To ensure that adequate maintenance funds are available during this period of transition from gravel roads to paved roads, the following assessment would be made by the homeowners' association and placed in a reserve fund. These funds would be paid to the PVGID in the event adequate revenues are not generated by their existing tax structure.

Every year after the initial parcelization within the WSSP area occurs, the PVGID will review the amount of revenue received versus the amount of revenue projected to be received. Should the amount of revenue projected to be received be less than what is anticipated, a portion of the funds collected by the homeowners' association will be paid to the PVGID to cover the difference between expected revenues versus actual revenues. All remaining revenues in the reserve fund

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will be converted to a capital replacement sinking fund to be used for the ultimate replacement of future paved collector roads currently maintained by the PVGID.

Phase II - Maintenance Fees to be Collected - Permanent Basis

At the time building permits are pulled for the construction of homes on newly created parcels within the WSSP, a permanent maintenance fee structure will be established by the homeowners' association based on actual maintenance costs identified by the PVGID. The maintenance fee to be collected on a permanent basis will be based on the difference in total costs identified by the PVGID to maintain existing gravel roadways and the level of maintenance for paved roads required by this financing plan and the Warm Springs SPA Plan. The current difference is:

\$3,500 per lane mile, per year, paved roads  
~~- 2,846~~ per lane mile, per year, gravel roads  
 \$ 654 per lane mile per year

This additional cost would then be multiplied by the estimated number of miles of future paved roads to determine the total maintenance cost per year for the higher level of service for maintenance within the WSSP area.

$\$654 \times (9 \text{ miles} + 30 \text{ miles}) = \$25,506$

This would be divided by the total number housing units to determine a cost per parcel to be assessed each year on a permanent basis.

$\$25,506 \div 1,310 = \$20.00/\text{parcel}$

This additional fee will be utilized by the homeowners' association to contract with the PVGID for this additional road maintenance for this higher level of service within the WSSP area. Based on an ongoing three year review of the revenue generated and the costs associated with maintenance of roadways in the WSSP (as specified in this financing plan), an adjustment can be made in the assessment at the request of the Palomino Valley General Improvement District and upon the approval of the homeowners' association Board of Directors.

In addition to annual assessments for maintenance of roadways, the homeowners' association shall also have an annual assessment for the creation of a capital replacement sinking fund for ultimate replacement of roadways within the WSSP area at the end of their useful life, as specified in the Financing Plan. This annual assessment shall be computed as follows:

Replacement cost

$\$40/\text{ft.} \times 5,280 \text{ ft.} = \$211,200/\text{mile}$ , 20 year life =  $\$10,560/\text{mile}/\text{year}$

$\$10,560 \times 39 \text{ miles} = \$411,840 \div 1,310 = \$314 \text{ per year per parcel}$  - 5% non- residential equals  $\$298 \text{ per parcel}$ .

This amount may be adjusted on a 3 year review basis by the homeowners' association Board of Directors, based on increased costs.

### STORM WATER MANAGEMENT

With future development in the Warm Springs Specific Plan area, storm drainage facilities will have to be developed to insure the 100-year peak flow is mitigated. As set forth in the WSSP, drainage facilities should be utilized to serve both drainage needs as well as open space and recreational needs of this area. As approved in the plan individual elevation certificates will be used for development in the floodplain and the spine road drainage will discharge the 100-year storm event.

### STORMWATER MANAGEMENT IMPROVEMENTS/COSTS

| Improvement        | Estimated Cost   |
|--------------------|------------------|
| Spine Road Channel | \$450,000        |
| <b>Total</b>       | <b>\$450,000</b> |

Source: Warm Springs Specific Plan.

### STORMWATER MANAGEMENT FEE ESTIMATES

| Residential                     | Units            | Fee/Unit            | Revenue          |
|---------------------------------|------------------|---------------------|------------------|
| Single-Family                   | 1,310            | \$296/unit          | \$387,500        |
| Non-Residential                 | Units of Measure | Fee/Unit of Measure | Revenue          |
| General Commercial              | 65,000 s.f.      | \$800/1,000 s.f.    | \$52,000         |
| Public Facility                 | 5 ac.            | \$500/acre          | \$2,500          |
| Open Space                      | 30 ac.           | N/A                 | \$0              |
| Equestrian Center               | 16 ac.           | \$500/acre          | \$8,000          |
| <b>Non-Residential Subtotal</b> |                  |                     | <b>\$62,500</b>  |
| <b>Grand Total</b>              |                  |                     | <b>\$450,000</b> |

Source: Warm Springs Specific Plan.

### Construction of Improvements When Adequate Fees Are Collected

In instances where an adjacent developer is not required to construct the facility in accordance with this financing plan, construction of improvements shall not commence until adequate fees are collected. Any facilities to be constructed in the future, by the County Engineering Department or private developers, shall not be constructed until adequate revenues have been collected within the segregated account to design, bid and construct the entire facility or some appropriate phase of the facility. The intent is to not require borrowing or bonding for construction of improvements unless this Financing plan is amended in the future.

### PARKS AND OPEN SPACE

The opportunity exists in the WSSP area to preserve community open space and develop conveniently-sited recreation facilities for future residents. In addition to a community park, which would normally be provided within a growing area, open space within or along the drainage floodplain areas can be preserved as wildlife habitat. Community multiple use trails are also a logical recreation use of this land. Exhibit C shows the location of community park, recreation and open space facilities which are part of the Warm Springs capital improvements program.

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A golf course and equestrian facility have been identified in the adopted WSSP, but are not considered to be community capital improvement facilities. These sites will be developed as private facilities.

A summary of the community-benefit recreational facilities for residents of the WSSP area are listed below with the estimated cost. The cost for two unlighted sports fields is included. However, some other facilities could be developed based on future needs.

**PARKS AND OPEN SPACE**

| Improvement                             | Estimate Cost      |
|---|--------------------|
| 2 Unlighted Sports Fields or Equivalent | \$500,000          |
| 30 Acre Neighborhood Park               | \$810,000          |
| 5 Miles Trail System Open Space         | \$706,000          |
| 5 Miles Non-paved Trail System          | \$80,000           |
| <b>Total</b>                            | <b>\$2,096,000</b> |

Source: Warm Springs Specific Plan.

The wording of the NRS authorized Park Construction Tax law stresses "neighborhood parks" as a focal point for the money collected through such a tax. The law also contains a provision that the money must be put to use within 3 years of the date when 75% of the homes within a subdivision have been occupied or else the money must be refunded. Also, the law permits the development of a neighborhood park up to 25 acres. A separate park tax account will be established by the Parks and Recreation Department specifically for the WSSP area. All future park taxes received from WSSP properties will be deposited in this new account for use in the WSSP area, as defined by this financing plan.

All existing funds in the existing Warm Springs park tax district could remain for use outside the WSSP area, or if the community desired, could be used for the community park in the WSSP area.

**POTENTIAL PARK TAX REVENUES FROM WSSP DEVELOPMENT**

| Unit Type     | Quantity | Estimate Contribution Per Unit | Potential Revenue  |
|---------------|----------|--------------------------------|--------------------|
| Single Family | 1,310    | \$1,000                        | \$1,310,000        |
| <b>Total</b>  |          |                                | <b>\$1,310,000</b> |

Source: Warm Springs Specific Plan.

For the purpose of estimating a WSSP development cost per unit community facility recreation fee, only residential units are assumed to be responsible for payment. The rationale for this assumption is that the primary usage/demand for the proposed parks and open space facilities would be generated by the residential properties. The number of dwelling units forecast for the WSSP area is 1,310.

**PARK AND OPEN SPACE FACILITY FEES**

| <b>Improvement</b>             | <b>Estimated Cost</b> | <b>Cost/Residential Unit</b> |
|--------------------------------|-----------------------|------------------------------|
| 5 Mile Trail System Open Space | \$706,000             | \$539                        |
| 5 Mile Unpaved Trail System    | \$80,000              | \$61                         |
| <b>Total</b>                   | <b>\$786,000</b>      | <b>\$600</b>                 |

Source: Warm Springs Specific Plan.

**Construction of Improvements When Adequate Fees Are Collected**

In instances where an adjacent developer is not required to construct the facility in accordance with this financing plan, construction of improvements shall not commence until adequate fees are collected. Any facilities to be constructed in the future, by the County Parks Department or private developer, shall not be constructed until adequate revenues have been collected within the segregated account to design, bid and construct the entire facility or some appropriate phase of the facility. The intent is to not require borrowing or bonding for construction of improvements unless this financing plan is amended in the future.

**PUBLIC FACILITIES**

**Police Protection**

Police protection within the WSSP area is currently provided by the Washoe County Sheriff's Department, which estimates a 10 minute response time to the valley. With urbanization, demands upon the police will increase. A site is available for a police substation for the Washoe County Sheriff's Department as buildout occurs. The cost estimate for a police substation to service the WSSP area is \$500,000.

**Fire Protection**

The Truckee Meadows Fire Protection District presently serves the WSSP area with a fire station located on Ironwood Road. As WSSP development occurs, a new facility and equipment specifically designed for the needs of the area will be required. An aspect of fire department operations that is not obvious is the demand for medical emergency response from the fire department. The majority of calls to the fire department are, in fact, related to medical emergencies rather than fires. A centrally-located fire station site is available within the development area as the need arises. One possibility is the development of a joint fire/police substation at a central location. The cost estimate for a fire station facility in the WSSP area is \$1,000,000.

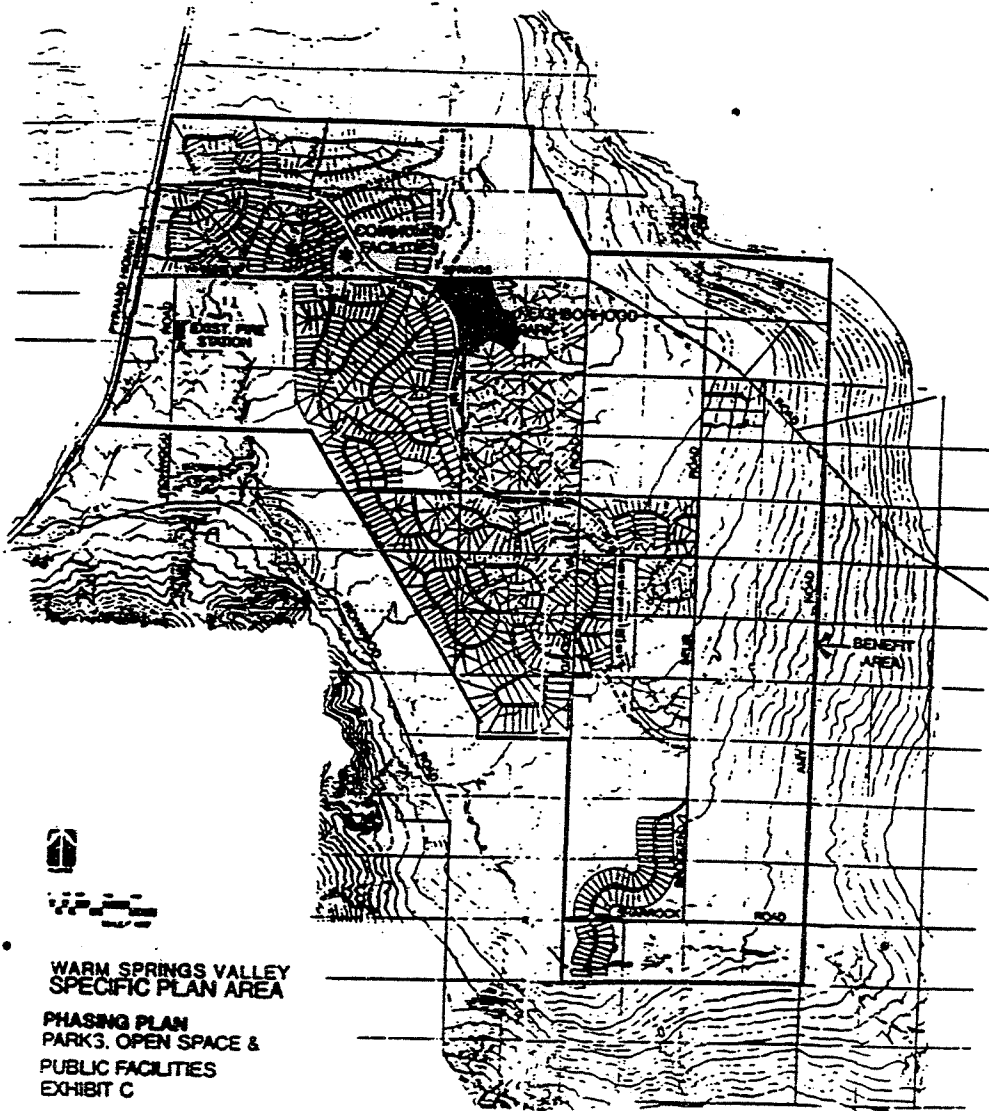
**Community Center**

A centrally located 5 acre site is provided in the WSSP area for a County service center, and other potential facilities, including the potential joint fire/police substation.

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Exhibit C

PHASING PLAN - PARKS, OPEN SPACE AND PUBLIC FACILITIES



WARM SPRINGS VALLEY  
 SPECIFIC PLAN AREA  
 PHASING PLAN  
 PARKS, OPEN SPACE &  
 PUBLIC FACILITIES  
 EXHIBIT C

- TRAIL & OPEN SPACE SYSTEM
- NEIGHBORHOOD PARK
- \* COMMUNITY FACILITIES CENTER  
 SHERIFF SUBSTATION FIRE STATION  
 COMMUNITY CENTER
- ▨ FIRE STATION MUST BE RELOCATED  
 TO THE COMMUNITY FACILITIES  
 CENTER WITH DEVELOPMENT OF  
 THESE LOTS.

**Public Facilities Per Unit Cost Analysis**

Of the WSSP public facilities discussed, only police and fire protection are included in the per unit cost estimates. Due to the private nature of the golf course and equestrian facility, private funding sources are anticipated. Due to the lack of information regarding dwelling unit equivalent estimating for police and fire protection services, the total number of forecast residential units was used to obtain a cost per unit estimate. This estimate does not take into account the non-residential unit development proposed within the WSSP area and should be analyzed further to determine an actual per dwelling unit equivalent cost estimate.

**PUBLIC FACILITIES PER UNIT FEES**

| Facility                      | Cost               | Dwelling Units | Cost per Dwelling Unit |
|-------------------------------|--------------------|----------------|------------------------|
| Police Substation - \$500,000 | \$500,000          | 1,310          | \$382                  |
| Fire Station - \$1,000,000    | \$1,000,000        | 1,310          | \$763                  |
| <b>Total</b>                  | <b>\$1,500,000</b> |                | <b>\$1,145</b>         |

Source: Warm Springs Specific Plan.

**Construction of Improvements When Adequate Fees Are Collected**

In instances where an adjacent developer is not required to construct the facility in accordance with this Financing plan, construction of improvements shall not commence until adequate fees are collected. Any facilities to be constructed in the future, by the Truckee Meadows Fire Protection District or County Sheriff's Department or private developer, shall not be constructed until adequate revenues have been collected within the segregated account to design, bid and construct the entire facility or some appropriate phase of the facility. The intent is to not require borrowing or bonding for construction of improvements unless this Financing plan is amended in the future.

**INITIAL PRIVATE DEVELOPMENT PLANNING FEES**

Planning for future development in the WSSP has been both time consuming and expensive for the few property owners that have borne the cost. In an effort to treat everyone fairly and to distribute the cost proportionately to all property owners in the WSSP area, the following fees shall be charged to each parcel created or non-residential use and credited back to the property owners who paid the costs of preparing the plan.

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### PLANNING FEES

| Planning Fees | Parcels   | Percentage | Cost            |
|---------------|-----------|------------|-----------------|
| George Newell | 16        | 50%        | \$12,500        |
| Jim Hess      | 4         | 12.5%      | \$3,125         |
| Tim Hess      | 4         | 12.5%      | \$3,125         |
| Brent Douglas | 8         | 25%        | \$6,250         |
| <b>Total</b>  | <b>32</b> |            | <b>\$25,000</b> |

### PLANNING FEE ESTIMATES

| Residential                     | Units            | Fee/Unit            | Revenue         |
|---------------------------------|------------------|---------------------|-----------------|
| Single Family                   | 1,310            | \$19/unit           | \$24,890        |
| Non-Residential                 | Units of Measure | Fee/Unit of Measure | Revenue         |
| General Commercial              | 65,000 s.f.      | \$10/1,000 s.f.     | \$650           |
| Public Facility                 | 5 ac.            | \$10/acre           | \$50            |
| Open Space                      | 30 ac.           | N/A                 | \$0             |
| Equestrian Center               | 16 ac.           | \$10/acre           | \$160           |
| <b>Non-Residential Subtotal</b> |                  |                     | <b>\$860</b>    |
| <b>Grand Total</b>              |                  |                     | <b>\$25,000</b> |

Source: Warm Springs Specific Plan.

### APPLICATION REVIEW FEES

A Design Review Committee application review fee shall be collected by Washoe County at the time of submittal of any parcel map or tentative subdivision map or site plan for development within the SPA. This fee is to be used to pay for the hiring of an outside technical person, either an engineer, architect or landscape architect, to review the submittal based on the SPA Development Standards Handbook framework. This fee is estimated to be approximately \$500. The County shall determine this fee based on a contract between the private consultant and the County. This technical review is intended to support the review by the Design Review Committee as called for in the adopted WSSP.

All property owner/developers in the WSSP area are responsible for paying all standard application fees required by Washoe County, including but not limited to:

- Tentative subdivision and parcel map application fees
- Development Agreement (WCDC Article 814) application fees
- Administrative Permit (WCDC Article 808) application fees
- Special Use Permit (WCDC Article 810) application fees
- Projects of Regional Significance (WCDC Article 812) application fees
- Amendment of Comprehensive Plan (WCDC Article 820) application fees

**MASTER SCHEDULE OF FEES**

**SCHEDULE OF FEES 1995-1997**

| Land Use Type                | Community /Water Fee | Roadway Fee      | Storm Drainage Fee | Parks Fee  | Public Facility Fee | WSSP Planning Fees | Park Tax     | Interim Roadway Impact Fee |
|------------------------------|----------------------|------------------|--------------------|------------|---------------------|--------------------|--------------|----------------------------|
| <i>Residential</i>           |                      |                  |                    |            |                     |                    |              |                            |
| Single-Family                | \$1,824/Unit         | \$2,287/Unit     | \$298/Unit         | \$600/Unit | \$1,145/Unit        | \$19/Unit          | \$1,000/Unit | \$100/ADT                  |
| <i>Non Residential</i>       |                      |                  |                    |            |                     |                    |              |                            |
| General                      | \$280/1,000          | \$2,000/1,000    | \$800/1,000        | N/A        | N/A                 | \$10/1,000 s.f.    | N/A          | \$100/ADT                  |
| Commercial/Office            | s.f.                 | s.f.             | s.f.               |            |                     |                    |              |                            |
| Public Facilities            | \$1,000/1,000 s.f.   | \$680/1,000 s.f. | \$500/1,000 s.f.   | N/A        | N/A                 | \$10/ac.           | N/A          |                            |
| Parks/Recreation/ Open Space | N/A                  | \$255/ac.        | N/A                | N/A        | N/A                 | N/A                | N/A          |                            |
| Equestrian Center            | \$2,500/ac.          | \$660/ac.        | \$500/ac.          | N/A        | N/A                 | \$10/ac.           | N/A          |                            |

**SCHEDULE OF FEES 1998-2000**

| Land Use Type                | Community /Water Fee | Roadway Fee      | Storm Drainage Fee | Parks Fee  | Public Facility Fee | WSSP Planning Fees | Park Tax     | Interim Roadway Impact Fee |
|------------------------------|----------------------|------------------|--------------------|------------|---------------------|--------------------|--------------|----------------------------|
| <i>Residential</i>           |                      |                  |                    |            |                     |                    |              |                            |
| Single-Family                | \$2,043/Unit         | \$2,482/Unit     | \$332/Unit         | \$672/Unit | \$1,282/Unit        | \$19/Unit          | \$1,000/Unit | \$100/ADT                  |
| <i>Non Residential</i>       |                      |                  |                    |            |                     |                    |              |                            |
| General                      | \$314/1,000          | \$2,240/1,000    | \$896/1,000        | N/A        | N/A                 | \$10/1,000 s.f.    | N/A          | \$100/ADT                  |
| Commercial/Office            | s.f.                 | s.f.             | s.f.               |            |                     |                    |              |                            |
| Public Facilities            | \$1,120/1,000 s.f.   | \$740/1,000 s.f. | \$560/1,000 s.f.   | N/A        | N/A                 | \$10/ac.           | N/A          |                            |
| Parks/Recreation/ Open Space | N/A                  | N/A              | N/A                | N/A        | N/A                 | N/A                | N/A          |                            |
| Equestrian Center            | \$2,800/ac.          | \$740/ac.        | \$560/ac.          | N/A        | N/A                 | \$10/ac.           | N/A          |                            |

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**SCHEDULE OF FEES 2001-2003**

| Land Use Type                | Community /Water Fee | Roadway Fee   | Storm Drainage Fee | Parks Fee  | Public Facility Fee | WSSP Planning Fees | Park Tax     | Interim Roadway Impact Fee |
|------------------------------|----------------------|---------------|--------------------|------------|---------------------|--------------------|--------------|----------------------------|
| <i>Residential</i>           |                      |               |                    |            |                     |                    |              |                            |
| Single-Family                | \$2,288/Unit         | \$2,780/Unit  | \$372/Unit         | \$753/Unit | \$1,436/Unit        | \$19/Unit          | \$1,000/Unit | \$100/ADT                  |
| <i>Non Residential</i>       |                      |               |                    |            |                     |                    |              |                            |
| General                      | \$352/1,000          | \$2,508/1,000 | \$1,004/1,000      | N/A        | N/A                 | \$10/1,000 s.f.    | N/A          | \$100/ADT                  |
| Commercial/Office            | s.f.                 | s.f.          | s.f.               |            |                     |                    |              |                            |
| Public Facilities            | \$1,254/1,000        | \$829/1,000   | \$627/1,000        | N/A        | N/A                 | \$10/ac.           | N/A          |                            |
| Parks/Recreation/ Open Space | N/A                  | N/A           | N/A                | N/A        | N/A                 | N/A                | N/A          |                            |
| Equestrian Center            | \$3,136/ac.          | \$829/ac.     | \$627/ac.          | N/A        | N/A                 | \$10/ac.           | N/A          |                            |

HDR+ LOT COMMUNITY WATER FEE 1995-1997

| Land Use Type               | Community/Water Fee |
|-----------------------------|---------------------|
| Family Fire Protection Only | \$534/Unit          |

HDR+ LOT COMMUNITY WATER FEE 1998-2000

| Land Use Type               | Community/Water Fee |
|-----------------------------|---------------------|
| Family Fire Protection Only | \$598/Unit          |

HDR+ LOT COMMUNITY WATER FEE 2001-2003

| Land Use Type               | Community/Water Fee |
|-----------------------------|---------------------|
| Family Fire Protection Only | \$670/Unit          |

FEE COLLECTION SCHEDULE

| Land Use Type  | Community<br>/Water Fee                 | Roadway<br>Fee                          | Storm<br>Drainage<br>Fee                | Parks<br>Fee             | Public<br>Facility Fee   | WSSP<br>Planning<br>Fees                | Park Tax           | Interim<br>Roadway<br>Impact Fee |
|--|---|---|---|--------------------------|--------------------------|---|--------------------|----------------------------------|
| <i>Residential</i><br>Single-Family                    | Final Map<br>Recordation                | Final Map<br>Recordation                | Final Map<br>Recordation                | Final Map<br>Recordation | Final Map<br>Recordation | Final Map<br>Recordation                | Building<br>Permit | Building<br>Permit               |
| <i>Non Residential</i><br>General<br>Commercial/Office | Development<br>Agreement<br>Recordation | Development<br>Agreement<br>Recordation | Development<br>Agreement<br>Recordation | N/A                      | N/A                      | Development<br>Agreement<br>Recordation | N/A                | Building<br>Permit               |
| Public Facilities                                      | Building<br>Permit                      | Building<br>Permit                      | Building<br>Permit                      | N/A                      | N/A                      | Building<br>Permit                      | N/A                | Building<br>Permit               |
| Parks/Recreation/<br>Open Spaces                       | N/A                                     | N/A                                     | N/A                                     | N/A                      | N/A                      | N/A                                     | N/A                | N/A                              |
| Equestrian Center                                      | Development<br>Agreement<br>Recordation | Development<br>Agreement<br>Recordation | Development<br>Agreement<br>Recordation | N/A                      | N/A                      | Development<br>Agreement<br>Recordation | N/A                | Building<br>Permit               |

**DISCLOSURE STATEMENT**

A disclosure statement will be required to be signed by all purchasers of property in the WSSP

This disclosure statement is not intended to be comprehensive in terms of all aspects of the acquisition of certain properties. It is only to provide basic information about three aspects of the Warm Springs community plan that are required to be disclosed.

A signed and notarized copy of this disclosure statement must accompany all building permit applications submitted to Washoe County. The purpose of this requirement is to ensure that all future owners of property within the Warm Springs community are aware of the following requirements of Washoe County, specified in the Warm Springs Specific Plan.

**INFRASTRUCTURE FEE PAYMENT**

The Warm Springs Specific Plan financing plan requires payment of fees to cover a proportional share of community infrastructure that will serve the entire Warm Springs Specific Plan area. The payment of these fees is agreed by the property developer by entering into a development agreement with Washoe County on a voluntary basis in order to implement the adopted Warm Springs Specific Plan. All purchasers of future parcels created in the WSSP area are bound by the development agreement and therefore agree to pay their fair share when they purchase property in the WSSP.

*(Applicant to insert the appropriate fee schedule from the Master Schedule of Fees on page G-xxiii of the financing plan.)*

**THE WARM SPRINGS SPECIFIC PLAN (WSSP)**

Exhibit A, attached to this Disclosure Statement, illustrates all the land use types and densities that are currently approved for the Warm Springs community. Your specific property is highlighted, and your signature on this document ensures that you were informed of all land uses permitted adjacent to your property and within the entire Warm Springs community.

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**ROADWAY MAINTENANCE**

All roadways, major or minor, will be reviewed for acceptance for maintenance by the Paiomino Valley General Improvement District (PVGID). Only public access easements shall be granted to the PVGID. Any private roads as specified in the CC&R's are the responsibility of the Homeowners' Association and will not be maintained by the PVGID or Washoe County.

**DESIGN HANDBOOK**

All development within the Warm Springs community is required to meet the minimum criteria established in the Warm Springs Specific Plan - Development Standards Handbook Framework and the specific criteria established in the Design Handbook required as a condition of approval for the subdivision map which created your parcel. These two handbooks are intended to provide future homeowners and businesses with design guidelines to be followed to conserve natural resources, primarily water supply, enhance the quality of the community, ensure long-term design consistency and land use consistency, as envisioned by the plan. A copy of the handbook(s) was included with this Disclosure Statement and is to be used for your reference at the time you prepare to design your future home or business.

**FUTURE ASSESSMENT DISTRICTS FOR COMMUNITY WATER SYSTEMS, DRAINAGE SYSTEMS, ROADWAYS AND ROADWAY MAINTENANCE**

**Future Assessment Districts**

All future property owners in the Warm Springs Specific Plan area are hereby informed that an assessment district may be created in the future to provide community water service, drainage systems, or roadways in the WSSP area. At the time you file for a building permit, this district may or may not be in place. The attached waiver (that will be required to be signed by you at the closing of your property) will limit your ability to oppose any future assessment district that may be imposed to fund a community water system, drainage system or roadway construction/maintenance.

**Roadway Maintenance**

The attached CC&R's (Exhibit B) will be required to be signed at closing to allow the Palomino Valley General Improvement District (PVGID) to contract with the homeowners' association to maintain roadways within the WSSP area in the future. The CC&R's allow the PVGID to maintain future roadways at a higher level of service than would normally be provided to the parcels outside the WSSP area.

**Acceptance**

I have read and understand all the provisions of this Disclosure Statement and agree to all the stated provisions.

Signature

STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, a Notary Public in and for the County and State aforesaid, personally appeared \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

APN 077-350-10

**DISCLOSURE STATEMENT  
EXHIBIT C**

REALTY CORNER INC., FIRST PARTY, as owners of those certain parcels comprised of Parcel \_\_\_\_\_ as shown and as designated on Parcel Map No. \_\_\_\_\_, Document No. \_\_\_\_\_ of the Official Records of Washoe County, Nevada, and SECOND PARTY, as future owners of the aforementioned Parcel \_\_\_\_\_ hereby have read and do hereby understand the following disclosure statement on this \_\_\_\_\_ day of \_\_\_\_\_ 1999.

This Disclosure Statement is required to be signed by all purchasers of property in the Warm Springs Specific Plan (WS SP). (Refer to Development Agreement.)

This Disclosure Statement is not intended to be comprehensive in terms of all aspects of the acquisition of certain properties. It is only to provide basic information about seven aspects of the Warm Springs community plan that are required to be disclosed.

A signed and notarized copy of this disclosure statement must accompany all building permit applications submitted to Washoe County. The purpose of this requirement is to ensure that all future owners of property within the Warm Springs community are aware of the following requirements of Washoe County, specified in the Warm Springs Specific Plan:

**Infrastructure Fee Payment**

The Warm Springs Specific Plan (WS SP) financing plan requires payment of fees to cover a proportional share of community infrastructure that will serve the entire Warm Springs Specific Plan area. The payment of these fees is agreed to by the property developer by entering into a development agreement with Washoe County on a voluntary basis in order to implement the adopted Warm Springs Specific Plan. All purchasers of future parcels created in the WS SP area are bound by the development agreement and therefore agree to pay their fair share when they purchase property in the WS SP. These fees were paid for you by the developer of the property when he recorded the parcel map that created the parcel you are purchasing. These fees, as of the date of this disclosure statement, are as follows:

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**SCHEDULE OF WS SP. FEES**

| Land Use Type                | Community/<br>Water Fee            | Roadway Fee                          | Storm<br>Drainage Fee              | Parks Fee                          | Public<br>Facilities Fee             | Planning Fees                     |
|------------------------------|------------------------------------|--------------------------------------|------------------------------------|------------------------------------|--------------------------------------|-----------------------------------|
| Residential<br>Single-Family | \$598/Unit<br>Paid at Final<br>Map | \$2,482/Unit<br>Paid at Final<br>Map | \$332/Unit<br>Paid at Final<br>Map | \$672/Unit<br>Paid at Final<br>Map | \$1,282/Unit<br>Paid at Final<br>Map | \$19/Unit<br>Paid at Final<br>Map |

In addition, Washoe County currently has a fee and tax in place that is payable at the time a building permit is obtained from Washoe County. These fees are administered under Nevada State Law and are subject to change. These fees, as of the date of this disclosure statement, are as follows:

**SCHEDULE OF WASHOE COUNTY FEES &  
REGIONAL TRANSPORTATION COMMISSION (RTC) Fees**

|                       |                                      |
|-----------------------|--------------------------------------|
| Traffic Fee RTC       | \$1,840 Per Residential Unit         |
| Park Construction Tax | 1% of Construction Value of the Home |

**The Warm Springs Specific Plan (WS SP)**

Attachment 1, included with this Disclosure Statement, illustrates all the land use types and densities that are currently approved for the Warm Springs community. Your specific property is highlighted, and your signature on this document ensures that you were informed of all land uses permitted adjacent to your property and within the entire Warm Springs community.

**Roadway Maintenance -- Private Roads**

All roadways, major or minor, will be reviewed for acceptance for maintenance by the Palomino Valley General Improvement District (PVGID). Only public access easement shall be granted to the PVGID. Any private roads as specified in the CC&R's are the responsibility of the Homeowners' Association and will not be maintained by the PVGID or Washoe County.

**Design Handbook**

All development within the Warm Springs community is required to meet the minimum criteria established in the Warm Springs Specific Plan - Development Standards Handbook Framework and the specific criteria established in the Design Handbook were required as conditions of approval for the parcel map which created your parcel. (Refer to Exhibit E, Development Agreement). These two handbooks are intended to provide future homeowners and businesses with design guidelines to be followed to conserve natural resources, primarily water supply, enhance the quality of the community, ensure long-term design consistency and land use consistency, as envisioned by the plan. A copy of the handbook(s) was included with this Disclosure Statement and is to be used for your reference at the time you prepare to design your future home or business.

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## **Future Assessment Districts for Community Water Systems, Drainage Systems and Roadways and Roadway Maintenance**

### Future Assessment Districts

All future property owners in the WS SP are hereby informed that an assessment district may be created in the future to provide community water service, drainage systems, or roadways in the WS SP. At the time you file for a building permit, this district may or may not be in place. The attached waiver (Attachment 2, that will be required to be signed by you at the closing of your property) will limit your ability to oppose any future assessment district that may be imposed to fund a community water system, drainage system or roadway.

### **Roadway Maintenance – Contract with Homeowners' Association**

The attached CC&R's (Refer to Exhibit D, Development Agreement) will be required to be signed at recording to allow the Palomino Valley General Improvement District (PVGID) to contract with the Homeowners' Association to maintain roadways within the WS SP area in the future. The CC&R's allow the PVGID to maintain future roadways at a higher level of service than would normally be provided to the parcels outside the WS SP area.

### **Nitrate Reducing Septic Systems**

To protect the ground water quality of the community, nitrate reducing septic systems are required for all new parcels in the WS SP area. A description of these systems and information on who can install them is included in the Development Agreement. (Refer to Exhibit D.) At the time you apply for a building permit, you will be required to request service from Washoe County Department of Water Resources for individual sewer system operation and maintenance, testing and monitoring. (Refer to Attachment 3.) Once your system has been approved for construction and inspected prior to use by Washoe County Department of Water Resources and District Health Department, you will be charged a monthly service fee to cover the cost of ongoing maintenance, inspection and testing of the controls/alarms, treatment tank, sample port and dosing tank. It does not include the leach field. Any leach field repairs or replacement is entirely the responsibility of the homeowner.

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WASHOE COUNTY UTILITY DIVISION  
POST OFFICE BOX 11130, RENO, NEVADA 89520

WATER/SEWER SERVICE APPLICATION AND AGREEMENT

WASHOE COUNTY is hereby requested by applicant and owner to furnish water/sewer service. In consideration for such service, Applicant and Owner represent and agree as follows: (1) All services and charges are governed by WASHOE COUNTY ORDINANCE and may be modified from time to time. A copy of the Ordinance is available for inspection at the WATER RESOURCE DEPARTMENT, UTILITY DIVISION, 4930 Energy Way, Reno, Nevada. (2) The county is hereby granted access to the service premises for service purposes. (3) All statements of the Applicant and Owner in this Application are sworn to be true, and made under penalty of perjury and are subject to appropriate civil and criminal redress, including service termination. (4) The application, when accepted by the County, constitutes a contract between the Applicant and Owner and the County.

NAME OF APPLICANT \_\_\_\_\_ SPOUSE NAME \_\_\_\_\_

SERVICE ADDRESS \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

PREVIOUS OR PRESENT SERVICE WITH COUNTY \_\_\_\_\_

APPLICANT EMPLOYMENT \_\_\_\_\_ PHONE \_\_\_\_\_

PROPERTY OWNER \_\_\_\_\_ PHONE \_\_\_\_\_

OWNER ADDRESS \_\_\_\_\_

STATEMENT OF NUMBER OF UNITS SERVED FROM A SINGLE METER \_\_\_\_\_

ASSESSOR'S PARCEL NUMBER \_\_\_\_\_

APPLICATION DATE \_\_\_\_\_ INSTALLATION DATE \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF APPLICANT

\_\_\_\_\_  
SIGNATURE OF OWNER

\*\*\*\*\*

FOR OFFICE USE ONLY

WASHOE COUNTY ACCEPTANCE DATE \_\_\_\_\_ SERVICE AREA \_\_\_\_\_

ACCEPTED BY \_\_\_\_\_ ACCOUNT NUMBER \_\_\_\_\_

AMOUNT OF DEPOSIT \_\_\_\_\_ CASH OR CHECK \_\_\_\_\_ REFUND DATE \_\_\_\_\_

INSTALL DATE \_\_\_\_\_ WORK ORDER NO. \_\_\_\_\_ NO. OF FIXTURE UNITS \_\_\_\_\_

METER NO. \_\_\_\_\_ BEGINNING METER READ \_\_\_\_\_

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**EXHIBIT D  
ARTICLE X  
COMPLIANCE WITH COUNTY CONDITIONS**

**Section 1. Perpetual Funding.** The provisions of Article III are intended to establish perpetual funding in interest-bearing accounts for the maintenance and future replacement of all public access easements dedicated to the Palomino Valley General Improvement District (PVGID).

**Section 2 Annexation and Supplement Declaration.**

- a. **Property to be Annexed** – Additional units shall from time to time be annexed to the Association by filing a supplemental declaration adopting this Declaration of Protective Covenants, provided that only such units as constitute portions of the WS SP shall be annexed.
- b. **Manner of Annexation** – A Declarant shall effect such annexation by recording a supplemental declaration which shall:
  - 1. Describe the real property being annexed and designate the permissible use thereof;
  - 2. Declare that such annexed property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the provisions of this Declaration; and
  - 3. Set forth any new or modified restrictions or covenants, which may be applicable to such annexed property. Upon the recording of such map and supplemental declaration, the annexed area shall become a part of the development and shall be subject to the provisions hereof, as supplemented, as fully as if such area were part of the development on the date of recording of this Declaration.
- a. **Supplemental Declaration** – Otherwise than for the purpose of effecting an annexation, supplemental declarations may be filed from time to time as permitted herein.

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**Section 3 Development Standards Handbook.** The provisions of the Warm Springs Specific Plan - Development Standards Handbook and the Realty Corner Development Standards Handbook (refer to Development Agreement) are hereby incorporated by reference and shall become a part of the development and shall be subject to the provisions hereof on a fully as if the provisions therein were contained in this declaration.

**Section 4 Dedication to Palomino Valley General Improvement District (PVGID) of Public Access Easements for Public Roadway Purposes.** Certain public access easements are specified on the final map of the Subdivision are subject to this public roadways. These are specifically described in Parcel Map Case No. PM 4-12-98. These public roadways shall be subject to the following provisions and conditions:

- a. Declarant shall maintain ownership and control of all public roadways until such time as each roadway is transferred by Declarant and accepted by the PVGID.
- b. Declarant, or its contractors, representatives or agents, shall improve all or any portion of the public roadway prior to transfer to the PVGID pursuant to plans and specifications approved by the County, including flood control or drainage improvements. PVGID has the right to reject any offer of dedication. Prior to acceptance of dedication, PVGID needs to be assured that there will be future funding available to continue maintenance at a rate established at the time of acceptance as set forth in paragraph c below.
- c. After transfer to PVGID, Association shall nevertheless be obligated for the maintenance and repair of any improvements installed or constructed on the public access easements from the date of execution hereof, to standards required by the WS SP Financing Plan as adopted by the County. The amount of the obligation shall be limited to the difference between actual revenue generated through normal taxing sources (Ad Valorem, Motor Vehicle, SCCRT, etc.) and the amount specified to be required in the adopted Financing Plan. Should the amount of revenue generated or costs increase in the future which would require the PVGID to expend funds otherwise allocated for the maintenance of other roads outside the WS SP, then the PVGID retains the ability to return maintenance to HOA, but only after a mandatory negotiation period between HOA and PVGID has occurred to explore other solutions, e.g. increase in HOA contribution. This will only occur after PVGID has performed an analysis that demonstrates inability of PVGID to continue maintenance.
- d. Upon Transfer of any public roadway to PVGID, said roadway shall be open to public access and use pursuant to standard practices of county for similar public roadway facilities.
- e. In addition to the remedies provided in Section 7 of this Article X, in the event County has given three (3) notices to Association as provided in Section 6 of this Article in any twelve (12) month period, County may in such event require Association to post a bond in favor of County I the amount of one year's maintenance cost. such bond to remain until Association is relieved of its maintenance responsibilities or until County consents to termination of the bond whichever first occurs.

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- f. Association shall indemnify, hold harmless and defend County and PVGID, their respective officers, employees and agents from any claims, demands, losses, defense costs, or liability of any kind or nature which County or PVGID, its officer, agents, or employees may sustain or incur or which may be imposed upon them out of actions by or the negligence of association caused by the failure of the association to fulfill its maintenance obligations of public roadways as required here.
- g. County and/or PVGID shall indemnify, defend and hold Declarant and Association harmless of and from any all liability and risks of any kind or nature arising from the PVGID's ownership and use of the public roadways after transfer which are not the responsibility of Declarant or Association pursuant to this Section, or are not caused by Declarant's or Association's negligence.
- h. If for any reason PVGID terminates or breaches its obligation to assume ownership of any public roadway prior to transfer to PVGID, then Declarant may, at Declarant's option at any time thereafter, deed said public roadway to Association, and Association shall upon such transfer assume all responsibility for maintenance and control of said public roadway.

**Section 5. Maintenance of PVGID Roadways.** Declarant shall establish and maintain, at such time as the public roadways are constructed and/or dedicated to the PVGID within the WS SP, a trust account for the benefit of the WS SP for the exclusive purpose of funding the cost of maintaining any and all public roadway easements within the Subdivision, as specified in the development agreement Case No DA 4-1-98 and the WS SP Financing Plan .

- a. All areas in the development designated as PVGID roadway easements (owned and to be owned by the PVGID) shall be for the use and enjoyment of the general public and in no way shall be construed to mean private property held by the Association.
- b. Declarant will convey all such PVGID roadway easements (except as set forth herein) free and clear of all liens and encumbrances (other than liens for taxes), but subject to such easements and right-of-way as they appear of record. such conveyances shall be accomplished in segments from time to time as improvements, to be located thereon as shown on the recorded maps of the development are completed.
- c. Maintenance of such PVGID roadway easements and repairs to any improvements thereon shall be the obligation and responsibility of Declarant until conveyance to the PVGID; thereafter, the Association shall have responsibility to provide revenue for maintenance thereof as specified in this article except as to improvements conducted thereon by the PVGID above the beyond that specified in the WS SP, as to which improvements the PVGID shall have the duty to maintain the same.

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**Section 6. County as Third Party Beneficiary.** The County or other political subdivision in which the property may be located, is hereby expressly made a third party beneficiary to this Article of Declaration, and to the following provisions of other Articles:

- a. Article III. (Table of Contents included for reference.)

**Section 7. Enforcement of Special Assessment and Lien Provisions by County.** . In the event that Association fails to enforce any of the following described provisions of this Declaration:

- a. the provisions relating to the lot owners' and Association's obligation to properly maintain fuel modification and firebreak areas on lots in accordance with applicable fire and safety codes;
- b. the obligation of the Association to provide maintenance funds for all public roadways in the Subdivision; or
- c. the obligation of the Association to pay prior to delinquency all taxes and assessments levied against Association property if any 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 special assessment equally against all of the owners of the lots, which special assessment shall be secured by a lien against all of the lots 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 other Owners of the lots shall have failed to cure such violation within a reasonable time thereafter to the reasonable satisfaction of Washoe County.

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**Section 8. County Control/Special Assessment District.** Not Applicable.

**Section 9. Easement Reserved.** Not Applicable

**Section 10. FEMA Disclosure.** Certain lots within the Subdivision are, at the time of execution of this Declaration, within the 100-year flood plain, in whole or in part, as designated on Flood Insurance Rate Map No. 32031C Panel No.2850E of the Federal Emergency Management Agency ("FEMA"). These lots are as follows: Parcel A, B C and D on Parcel Map Case No. PM4-12-98. Unless any of the above-referenced lots are subsequently removed from 100-year flood plain by applications to and approvals of FEMA, all lot owners are advised that:

1. such lots may be required to obtain flood insurance;
2. such lots may be assessed higher rates for flood insurance; and
3. structures must comply with the Washoe County Flood Hazard Reduction Ordinance, which includes procurement of Elevation Certificates and may preclude the construction of basements. These requirements shall be demonstrated to the satisfaction of the County Engineer and the Department of Community Development.

**Section 11. Reciprocal Private Drainage Easements.** Certain lots within the Subdivision shall have reciprocal private drainage easements, which are granted hereby, effective upon recordation of a final map for those lots and which shall be more particularly described on the final map for each affected lot, for the creation and maintenance of drainage ways from and to other lots in the Subdivision. IT shall be the sole responsibility of the individual lot owner to maintain and repair said drainage ways, at the lot owner's sole cost and expense, including any concrete valley gutters or other improvements, in order to maintain the free flow of water for drainage as shown on the final map and as required by Washoe County ("County") conditions for the Subdivision approvals.

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**EXHIBIT E**

**DEVELOPMENT STANDARDS HANDBOOK  
REALTY CORNER PROPERTY  
10.0 Acre Parcels**

**INTRODUCTION**

The Realty Corner property is one of the parcels in the Warm Springs Specific Plan. The property consists of approximately 44.714± acres. There will be four lots ranging from 10.0± acres to 14.1± acres, and averaging approximately 11± acres. (Refer to Figure 1.)

**AGRICULTURAL**

The SPA Plan protects existing adjacent agricultural uses from potential development conflicts. All final maps shall contain a note of restriction that states, "No formal written or verbal complaints can be filed with Washoe County and no lawsuits or other legal proceedings can be brought against any legally existing agricultural use."

**RESIDENTIAL DESIGN GUIDELINES**

The purpose of this Handbook is to describe the principles, policies, standards and deed restrictions that will control development of the Realty Corner to ensure that it is built and maintained as envisioned in the master planning process for the Warm Springs Specific Plan Area.

**OBJECTIVE**

To develop a community that capitalizes on the rural and equine character of the Warm Springs area while utilizing resources efficiently and effectively, giving consideration to design, marketability and aesthetics.

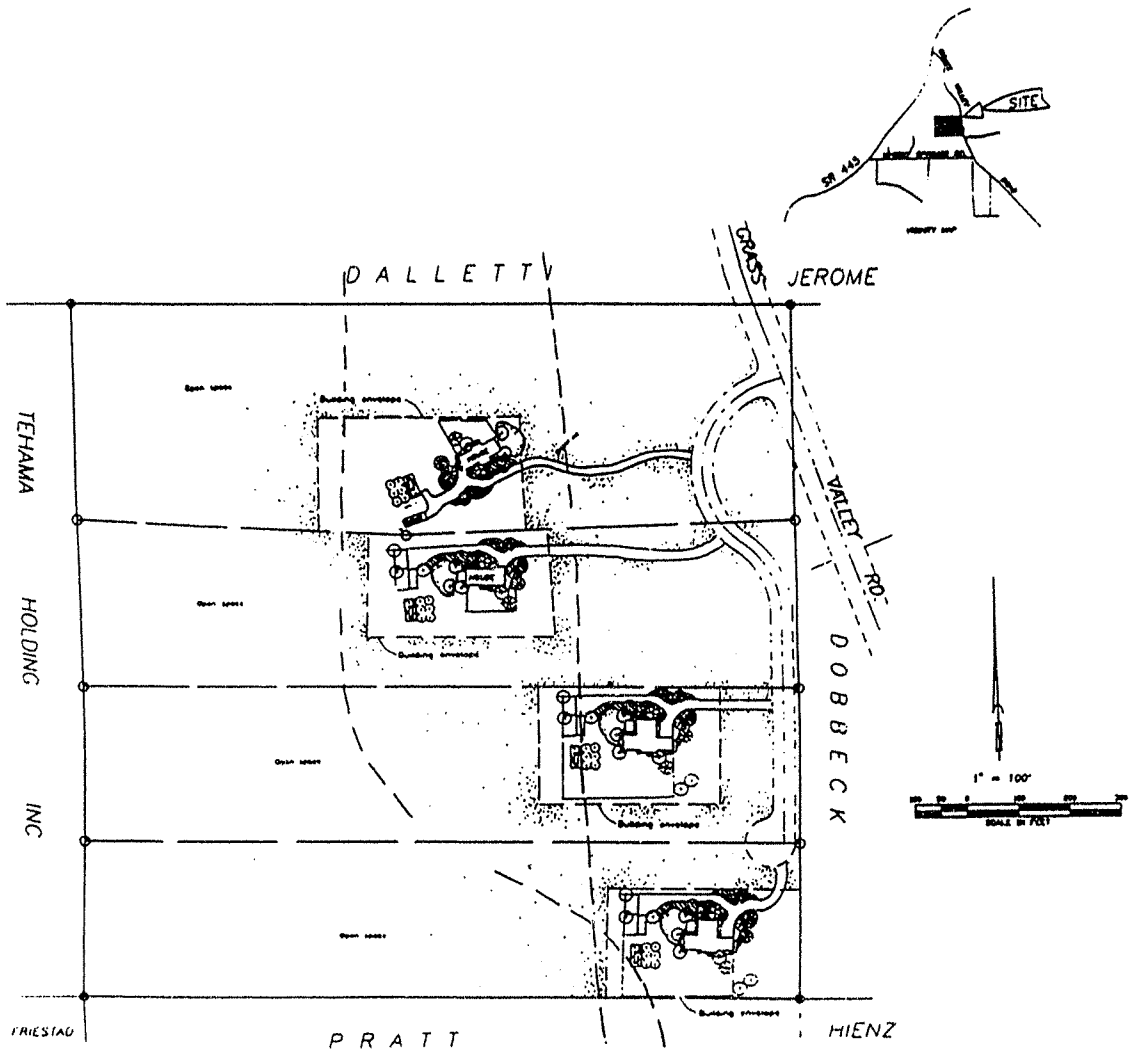
**STANDARDS**

**Lot Concepts**

The 10.0± acre lot concepts are designed to promote the rural character of the Warm Springs Valley. The lots have designated building envelopes. (Refer to the Tentative Parcel Map, Figure 1.)

2h-6b





2h-bb

Figure 1  
Tentative Parcel Map

**Building Envelopes**

The building setbacks from the street vary, providing a more rural atmosphere to the streetscape. All lots have an established building envelope with a minimum building front yard setback of 50 feet. Building side and rear yard setbacks shall conform to current Development Code Requirements. Buildings may be located anywhere within the envelope; however, all buildings, structures or storage of any type will be confined to this area on each lot. A 30-foot clean zone around all structures utilizing fire retardant/resistant ornamental landscaping shall be required. The relationship between building envelopes is designated to provide an open space corridor. (Refer to the 10.0± Acre Lot Concept, Figure 2.)

**Viewsheds**

The proposed building envelopes are staggered and setbacks increased to provide views and vistas from each building envelope to the surrounding valleys and mountains.

**Open Space**

The designated open space portion of the lot will be left undisturbed, and temporarily fenced off during construction to prohibit use by construction activities. All open space areas shall be maintained by the individual property owner. These corridors are designated to protect the rural character of the Valley that currently exists. No use of motorized vehicles is allowed within the designated open space areas. Open space corridors may be utilized as a non-motorized trail system for equestrian use. No fencing shall be permitted in the open space area beyond the rear edge of the building envelope.

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**Conservation**

All building construction shall utilize methods of energy conservation and the use of low water demand features. The units shall incorporate Sierra Pacific Power Company's "Good Cents" standards in design construction. (Refer to the SPPCo "Good Cents Standard" included in the appendix.) Table 1 provides a list of mandatory and recommended energy and water conservation features, which will be incorporated.

TABLE 1

| Mandatory Conservation Features  |
|--|
| Water saving fixtures, shower heads, and toilets.                                  |
| Dual glaze 1/4" air space windows and sliding glass doors.                         |
| Thermostat setback timers.   |
| Sierra Pacific Power Company's "Good Cents" standards.                             |
| Recommended Conservation Features  |
| State-of-the-art water saving appliances such as washing machines and dishwashers. |
| The use of trash compactors to limit the use of garbage disposals in sinks.        |
| Passive solar design.  |
| Solar water heater.  |
| Zoned heating controls.  |
| Plumbed gray water storage and distribution for irrigation of landscaping.         |

Building design and orientation shall be considered in conservation of energy. All buildings will be designed and orientated to benefit from passive solar heating if practiced. (Refer to the 10.0± Acre Lot Concept, Figure 2.) Passive solar construction guidelines for Northern Nevada are available through the Sierra Pacific Power Company<sup>1</sup>.

Homes will be designed to utilize the following minimum guidelines of energy conservation in site and architectural design. Some simple alterations in building design and siting can enable the use of the sun, wind, landform, and vegetation to provide for supplemental heating, cooling, and insulation for a structure. Such methods can result in up to a 40% reduction in energy use.

99-42

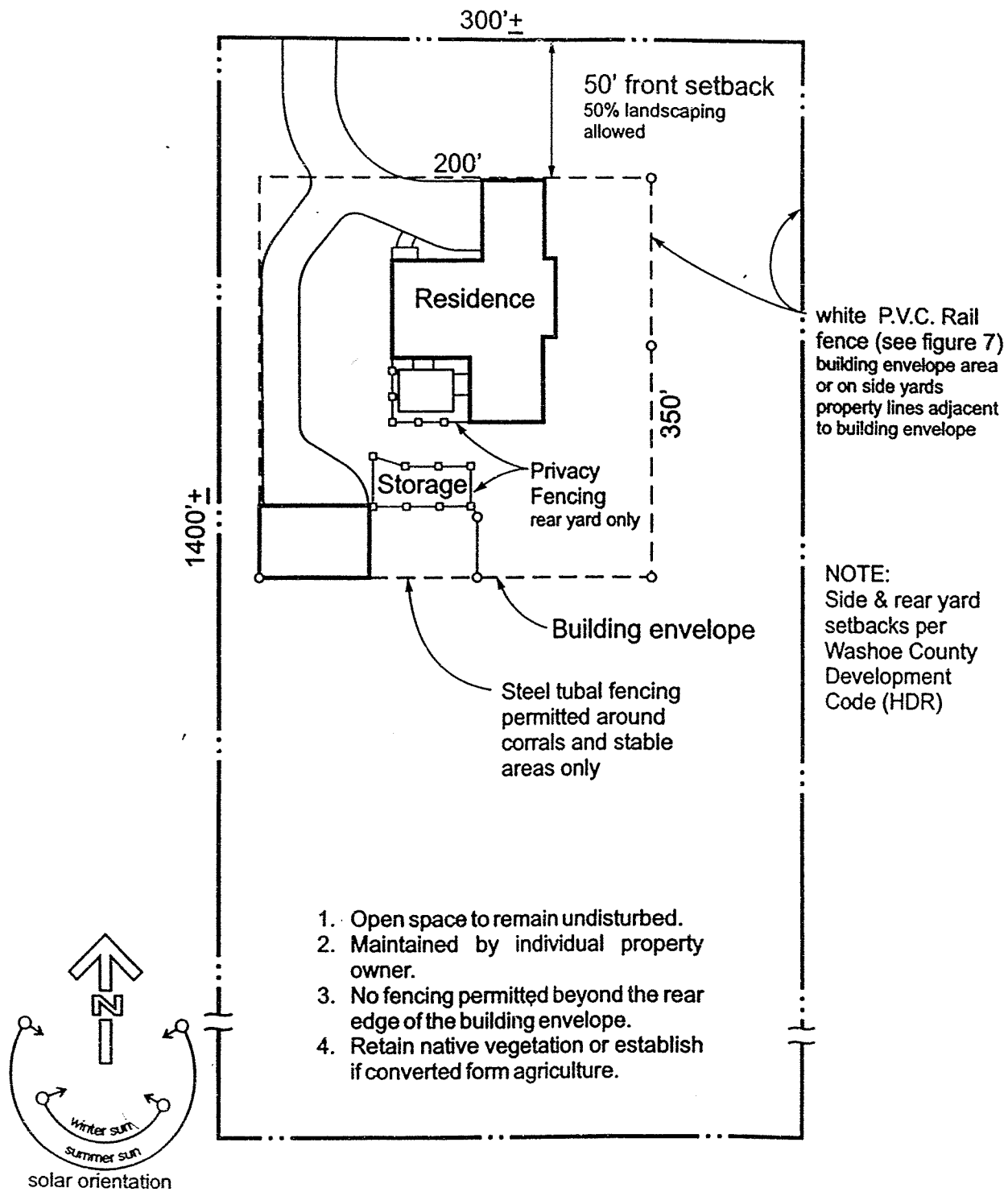


Figure 2  
10.0± ACRE LOT CONCEPT

## GUIDELINES

All buildings should be located and oriented to benefit from passive solar heating. The desirable exposure is towards the south, southeast, or southwest. The simple east-west orientation of a rectangular building in northern Nevada has been found to reduce energy consumption by 40%.

Site development should use plant materials and landforms to enhance energy conservation. Coniferous trees planted along the windward side of the property can act as a windbreak to deflect winter winds. Shrubs and trees planted against the structure can help to insulate the building. Deciduous trees planted on the south side of the structure will shade the building during the summer and enable sun to penetrate during the winter. The creation of earth berms on the windward side can reduce heat loss due to wind and help to insulate the structure. (Refer to the Landscape Concepts Figure 3.)

The structure should be designed to keep energy needs for heating and cooling to a minimum. Passive energy conservation measures include the following:

- Good insulation
- Location of active living spaces on south side
- Location of closets, mud-room, garages, or storage space on north and east sides
- Air-lock entries
- Concentration of windows on south side
- Reduction in number and size of openings on north side
- Maximum use of double glazing
- Building overhangs to shield windows from summer sun and to let in winter sun
- Use of paved surfaces, rock or masonry on south side to absorb radiation
- Builders are encouraged to utilize the complete solar construction guidelines incorporated in the appendix.

Active solar energy systems shall also be permitted, provided solar panels are integrated into the architectural design, or if detached, cannot be placed on the roof and must be screened from public view.

<sup>1</sup> More information may be obtained from the Passive Solar Industries Council, 1090 Vermont Avenue, Suite 1200, Washington D.C. 20005, (202) 371-0357.

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## Architecture

All buildings must incorporate a "western ranch" theme or identity architecturally, in a manner that is complimentary and compatible with the Warm Springs Valley Area and its surroundings. All building plans shall be submitted to the Architectural Review Committee to ensure this policy is enforced in a way that encourages creative design. No mobile homes are allowed except for construction purposes. To enhance the development and maintain the rural character, buildings and structures shall adhere to the following guidelines:

### Exterior Walls and Trims

Building materials to support the "western ranch" theme are wood, brick, stucco, or stone material finish which are required for all exterior walls. Hardboard composite siding or cultural stone materials may be used with Architectural Review Committee approval.

Siding must run one consistent direction on all exterior walls. Exterior colors must be earth tone and harmonize with the surrounding landscape. No true primary or secondary colors are allowed, nor any gloss finishes.

Large unbroken expanses of the same wall material shall be avoided. Trim shall be used on all exterior walls to create highlight and shadow. All reflective material such as chimney stacks, flashings, exhaust vents and pipes, must be painted to match or blend with surrounding materials.

All draperies and window coverings should also be of materials and colors which harmonize with the surroundings. Aluminum windows, door frames, solar panels, and skylights must be bronzed or anodized. Steel windows and door frames must be painted to match or blend with surrounding materials.

### Roofing

Roofing materials shall be of a color that harmonizes with the surrounding area and color scheme of the structure. Building materials to support the "western ranch" theme shall be limited to slate or concrete tile, or architectural composition extra dimensional 30-year roofing. Flat roofs shall not be allowed. Metal roofs may be permitted with Architectural Review Committee approval.

### Building Heights

To promote the "western ranch" theme, single story homes are encouraged, but all homes shall be limited to two stories and 35 feet in height, per Washoe County Development Code requirements.

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### **Animals**

Horses or 4-H animals will be allowed. No lot shall have more animals than the parcel can maintain. Adequate ground cover to eliminate dust and prevent erosion shall be maintained at all times. The usual household pets are allowed provided they are not kept for commercial purposes and are kept reasonably confined so as not to become a nuisance. Horses, animals and household pets shall not unreasonably interfere with the comfort, privacy, or safety of other properties. Animals shall be kept in accordance with Washoe County ordinances.

All lots are designated for horses/4-H animals. Homeowners may provide irrigated pasture as an exercise area or for supplemental feed in which the animals may be kept when not stabled or corralled. Livestock may be considered an optional use for water allocated for landscape use. Additional water rights will be required to be dedicated for pasture lands. Irrigated pastures require additional water rights at 4 afy. per 1-¼ acre of irrigated pasture, or a total of 5 afy. (Refer to Optional Usage Water Consumption Table 2A in the Landscape/Irrigation Section.)

### **Garbage and Refuse Disposal**

There shall be no burning of trash, garbage or other like household refuse, nor shall any property owner accumulate on their lot junked or unsightly vehicles or litter, refuse or garbage, except in receptacles provided for such purposes.

### **Concealment of Fuel Storage Tanks and Trash Receptacles**

Fuel storage tanks, limited to propane or heating oil and every receptacle for ashes, trash, rubbish or garbage shall be so placed and kept as not to be visible from any street, lot, parcel, or open space except at the times when refuse collections are made.

### **Antennas**

Satellite dishes and home radio antennas shall be screened from view from any adjacent parcels, streets, or open space by locating in rear yards behind screen fences at a minimum.

### **Travel Trailers, Motor Homes and Boat Storage**

Travel trailers, motor homes (R.V.), or boats and trailers shall be stored within the building envelope in the rear yard and screened from any street, lot, parcel, or open space area. Screening shall be consistent with the designated neighborhood privacy fence. (Refer to the 10-Acre Lot Concept Figure 2.)

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### Nuisances

No noxious or offensive activities, odors, or nuisances shall be permitted on any lot or parcel in the development. No refuse, animal manure, unsightly or abandoned vehicles, debris, noxious materials, discarded personal effects, and construction materials not for immediate use shall be permitted on any lot or portion thereof. It is incumbent upon all property owners to maintain their lots and yards in a neat, orderly and well-groomed manner, whether said lots are vacant or improved. The Homeowner's Association shall be responsible for timely enforcement for this provision.

### Completion of Construction

Construction of any improvement, once commenced, shall be pursued diligently to completion within 12 months of commencement. Improvements not so completed or upon which construction has ceased for ninety (90) consecutive days or which have been partially or totally destroyed and not rebuilt within a reasonable period shall be deemed nuisances. The Homeowner's Association may remove any such nuisance or repair or complete the same at the cost of the owner provided the owner has not commenced required work within thirty (30) days from posting a notice to commence such work upon the property. Such notice shall state the steps to be taken to eliminate the nuisance.

### Maintenance of Lots

All lots and parcels, whether vacant or improved, occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent them becoming unsightly, unsanitary, or a hazard to health. If not so maintained, the Homeowner's Association, after giving thirty (30) days written notice, will undertake such work as may be necessary and desirable to remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be assessed to the lot.

### Clothes Lines

No clothes lines shall be constructed or erected which would be visible from any street, other lot, or open space.

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### Garage/Auxiliary Structures

Every dwelling unit constructed shall have on the same lot or parcel enough covered and completely enclosed automobile storage space for at least two automobiles. Garage doors shall be encouraged to face side yards away from streets.

The architectural style, colors and materials used on all auxiliary structures shall be the same as those used on the main or principle structure.

Washoe County Development Code requirements for auxiliary structures shall govern.

### Landscaping/Irrigation

#### Landscape

Landscape design should fit the particular use and blend with the natural environment. The lot concept limits the area in which a homeowner may provide landscaping. A maximum of 50% of the front yard setback may be landscaped, the remaining 50% or whatever portion is not landscaped is not to be disturbed and left in natural vegetation. 100% of the building envelope may be landscaped not to exceed the limits of the per lot water allocation. The areas not landscaped within the building footprint shall be left in natural vegetation or reseeded if disturbed, as specified in the revegetation of open space section. Plant selection should include only drought tolerant and low water demand material. (Refer to plant list in appendix) These factors contribute to a decreased average annual residential water demand that is mandatory for implementation of the Area's Master Plan.

#### Water Allocation - Domestic

The SPA Plan mandates compliance with a per lot water allocation. The designated water allocation for this subdivision is 1.12 a.f.y. per lot. Domestic water use for the average household is 70,260 gallons per year. This leaves 294,693 gallons of water for selection of optional landscape elements. Livestock pasture irrigation will require dedication of additional water rights. Each lot owner shall incorporate the following minimum required landscape elements. A minimum of 50% of the required landscaping shall be oriented to the front yard of the lot. (Refer to Figure 4.)





- 2,000 s.f. of landscaped area
- 5 evergreen or deciduous trees within the front yard setback (1-specimen; 4-15 gal. min.)
- 5 deciduous or evergreen trees within the building envelope (15 gal. min.)
- 12 evergreen shrubs (1 gal. min.)
- 12 deciduous shrubs (1 gal. min.)

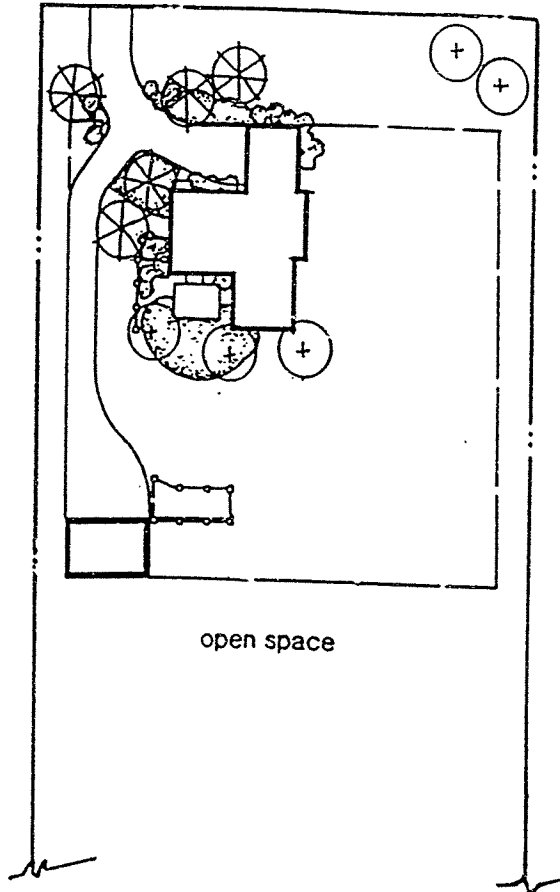
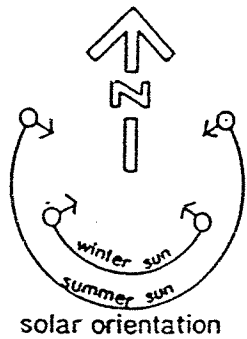
The required landscape elements plus the estimated domestic water use utilize 147,468± gallons per year, which leaves 217,728 gallons per year for optional use.

99-42

| water use elements | gallons of water |
|--------------------|------------------|
| domestic use       | 70,260           |
| 2000 s.f. lawn     | 42,160           |
| 24 shrubs          | 20,088           |
| 10 trees           | 14,960           |
| <b>total</b>       | <b>147,468</b>   |

legend

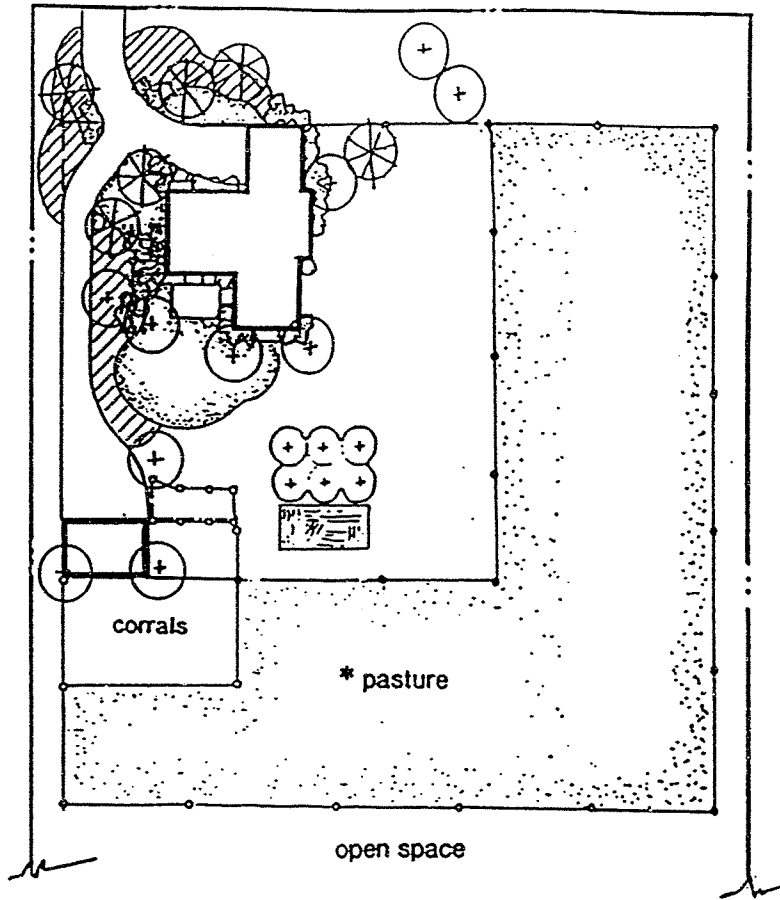
-  lawn -spray irrigation
-  shrubs -drip irrigation
-  trees -drip irrigation
-  groundcover -drip irrigation



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



Figure 3

MINIMUM REQUIRED LANDSCAPE WATER USAGE



| water use elements        | gallons of water |
|---------------------------|------------------|
| domestic use              | 70,260           |
| 4000 s.f. lawn            | 84,320           |
| 45 shrubs                 | 37,665           |
| 22 trees                  | 32,912           |
| 800 s.f. vegetable garden | 12,896           |
| 3000 s.f. groundcover     | 48,360           |
| 2 livestock               | 14,600           |
| <b>total</b>              | <b>301,013</b>   |

\* 1 1/4 acre pasture requires dedication of an additional 4 afy for a total of 5 afy per lot

- legend
-  lawn -spray irrigation
  -  shrubs -drip irrigation
  -  trees -drip irrigation
  -  groundcover -drip irrigation

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Figure 4

Possible Optional Water Usage

**Table 2**  
**Residential Water Usage - Gallons**

| Lot Size | Water Allocation         | Domestic Use | Required Trees | Required Turf | Required Shrubs | Total   | Residual/Optional Usage |
|----------|--------------------------|--------------|----------------|---------------|-----------------|---------|-------------------------|
| 10.0± AC | 1.12 AFY<br>364,896 Gal. | 70,260       | 14,960         | 42,160        | 20,088          | 147,468 | 217,728                 |

The following chart provides a list of optional water use estimated that can be used in any combination on any lot provided the water allocation per lot is not exceeded. The intent is to mandate compliance with the designated water allocation while at the same time providing alternatives to permit a variety in individual landscape designs.

**Table 2A**

| Optional Landscape Uses - Water Consumption |               |  |
|---|---------------|--|
| Item  | Quantity      | Yearly Water Use                                   |
| Turf  | 100 sq. ft.   | 2,108 gallons                                      |
| Vegetable/Flower Garden                     | 100 sq. ft.   | 1,612 gallons<br>(based on 16 wk. watering season) |
| Deciduous Shrub                             | 1 each        | 744 gallons  |
| Evergreen Shrub                             | 1 each        | 930  |
| Deciduous Tree                              | 1 each        | 1,330  |
| Evergreen Tree                              | 1 each        | 1,662  |
| Livestock                                   | 1 each        | 7,300  |
| Pasture                                     | 1,000 sq. ft. |  |

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A specified number of trees are required in the front yard setback. Plant material per neighborhood, should be kept similar to strengthen neighborhood unity and identity.

Selection of materials should contain a mixture of plants with fast, medium, and slow growth rates and a variety of sizes should be planted to provide a more natural appearance.

All surface water drainageways within the subdivision shall be graded to resemble a natural drainage swale and incorporated in the overall design. Drainageways should be lined with native wildflowers, grasses, shrubs, and rocks and boulders to slow velocities.

### Water Allocation - Pasture

The designated water for pasture irrigation is 4 a.f.y. per acre. For 1¼ acres of pasture per parcel, a total of 5 a.f.y. is required. Water rights of 5 a.f.y. per lot will be sold with each parcel and permitted through the State Engineers Office. These water rights will be used to irrigate the pasture and/or livestock on each lot.

### Maintenance

All plant material and lawn areas shall be kept in healthy condition. Any dead plant material shall be removed and replaced within 30 days.

### Revegetation of Open Space/Drainageways

All open space areas shall be left in native material. All disturbed areas within the building footprint that are not to be landscaped will be revegetated with a combination of native grass and wildflower seed mixtures incorporated in this document.

Areas currently in agricultural use that are designated as Open Space will be left undisturbed. As agricultural practices are abandoned as development occurs, these areas will be reseeded with a native grass mixture as described in Table 3. A gradual transition of plant material will occur.

The soils and precipitation in Warm Springs Valley greatly reduce plant species available for revegetation. The species selected will survive with little or no supplemental irrigation water being applied after establishment.

The potential combination or mixtures for most areas is listed in Table 3.

The Indian Ricegrass must be drill seeded at 3-4 inches below the surface. The Pubescent wheatgrass, Kochia, Winterfat, and Globe Mallow should be drill seeded to a depth of 1/2 inch below the surface.

Basin wildrye (*elymus cinereus*) should be substituted for ricegrass in clay soil areas. Wildrye is not adapted to shallow soils and placement should be monitored. The seed should be drill seeded no deeper than 1/2 inch below the surface. Wildrye will require more supplemental irrigation water than ricegrass during the first year, but once established will survive with no additional water.

Seeding should be completed during late fall or early winter. This will assure seed is placed ready to germinate when soil moisture and temperature conditions are ideal the following spring.

To improve establishment chances seeded area could be hydromulched as a rate of 2,000 lbs./acre. Supplemental irrigation water can be applied the first growing season. Irrigations should be light and infrequent. This will promote root development which will be essential once irrigation water is eliminated.

99-9-2

Table 3

| Common Name                            | Botanical Name                             | Amount        |
|--|--|---------------|
| Scarlet Globe Mallow                   | Sphaeralcea coccinea                       | 1/2 lbs./acre |
| Indian Ricegrass                       | Oryzopsis Hymenoides                       | 4 lbs./acre   |
| Immigrant Forage Kochia                | Kochia prostrata                           | 1 lb./acre    |
| Winterfat                              | Eurotia lanata                             | 3 lbs./acre   |
| <b>Conversion of Agricultural Land</b> |  |               |
| Pubescent wheatgrass                   | Elytrigia Intermedia<br>S.SP. Trichophorum | 6-7 lbs/acre  |

**Irrigation**

**1. Irrigation Requirements**

Each residential lot will be required to install an irrigation system with automatic controller and backflow prevention device to meet County/State health codes. The irrigation system shall include an overhead spray system for any turf areas, with uniform head to head coverage and matched sprinkler head precipitation rates. The system shall also include a drain down method for winterization.

All trees, shrubs, and groundcovers shall be watered with a drip system with a separate control clock or a dual program controller. Each tree, shrub, or groundcover shall be watered with individual drip emitters or collectively in groups with micro sprayers.

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## 2. Landscape and Irrigation Plan Submittal Requirement

Each future homeowner or builder will be required to submit landscape grading and irrigation plans to the Homeowner's Association Architectural Review Committee for approval as a part of the building permit application process. The plans shall be prepared by a qualified landscape industry professional, landscape contractor, or a landscape architect.

The landscape plan shall include a site base map prepared to a 1"=20' minimum scale with the house and driveway footprint, property lines, utility locations, etc. This base map must clearly show proposed landscape areas with square footage area calculations to meet the water usage requirement specified in this document. In addition to the above, the landscape plan must include:

- A plant species list keyed to plant locations on the plan. The plant list must include plant sizes and quantities.
- An indication of surface material(s) in non-landscaped areas; and
- Agricultural soils test results and proposed soils improvement/amendment methods.

The irrigation plan shall be prepared to scale on the same base map as the landscape plan. The irrigation plan must include the following:

- Point of connection to water source;
- Location, type of installation detail of backflow prevention device;
- Remote control valve location, manufacturer's name, product number, size and gallons per minute for each lateral zone;
- Irrigation main and lateral line type, size and depth of bury;
- Sprinkler head locations, manufacturer's name, product number, nozzle size and number, radius, gallons per minute and psi operation rate;
- Drip system - valve location and size, lateral line type and location, emitter type, product number and amount per plan, and
- Control clock manufacturer's name, product number and installation location.

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The grading plan shall be prepared to scale on the same base map as the landscape and irrigation plan.

The grading plan must include the following:

- Limits of grading and construction;
- Location, type of temporary fencing to protect open space and native vegetation from construction traffic;
- Revegetation of disturbed areas, seeding, quantity and need for temporary irrigation.

**3. Maintenance**

All irrigation systems shall be maintained in good operating condition. The irrigation system shall be extended to any new plant material at the time of installation.

Within nine (9) months of completion of the main dwelling unit, each lot or parcel shall be completely landscaped with automatic irrigation systems in place and operating. All landscaping shall be maintained to harmonize with and sustain the attractiveness of the development.

**Fencing**

All property lines from the dwelling units to the street shall be kept free and open.

A solid six-foot high maximum privacy fence may be constructed within the building envelope and limited to the rear of the house. Side yards will not be enclosed with a privacy fence. A typical type and style privacy fence is established to promote neighborhood unity. (Refer to Privacy Fencing, Figure 5.)

Front, side and rear yards within the building envelope may be fenced with open ranch style fencing limited to four feet in height. Fencing will be consistent within the neighborhood for this development. (Refer to Split Rail Fencing Figure 6.) There shall be no chainlink, woven wire or any type of wire fence within the development except for back yard pet enclosures, swimming pools or sport tennis courts, which may have fencing heights up to ten feet. Chain link fencing will be coated.

Pasture lands, stables and corrals may be fenced with white rail PVC fencing or steel tubing fencing material. (Refer to Figure 7.) White rail PVC fencing may be constructed within the designated building envelope per lot. (Refer to the 10.0± Acre Lot Concept Figure 2.)

**Exterior Lighting**

The functional objectives in providing exterior area lighting to illuminate areas necessary for safe and comfortable use. In certain situations, area lighting can add to the aesthetic appeal of a site

24-42

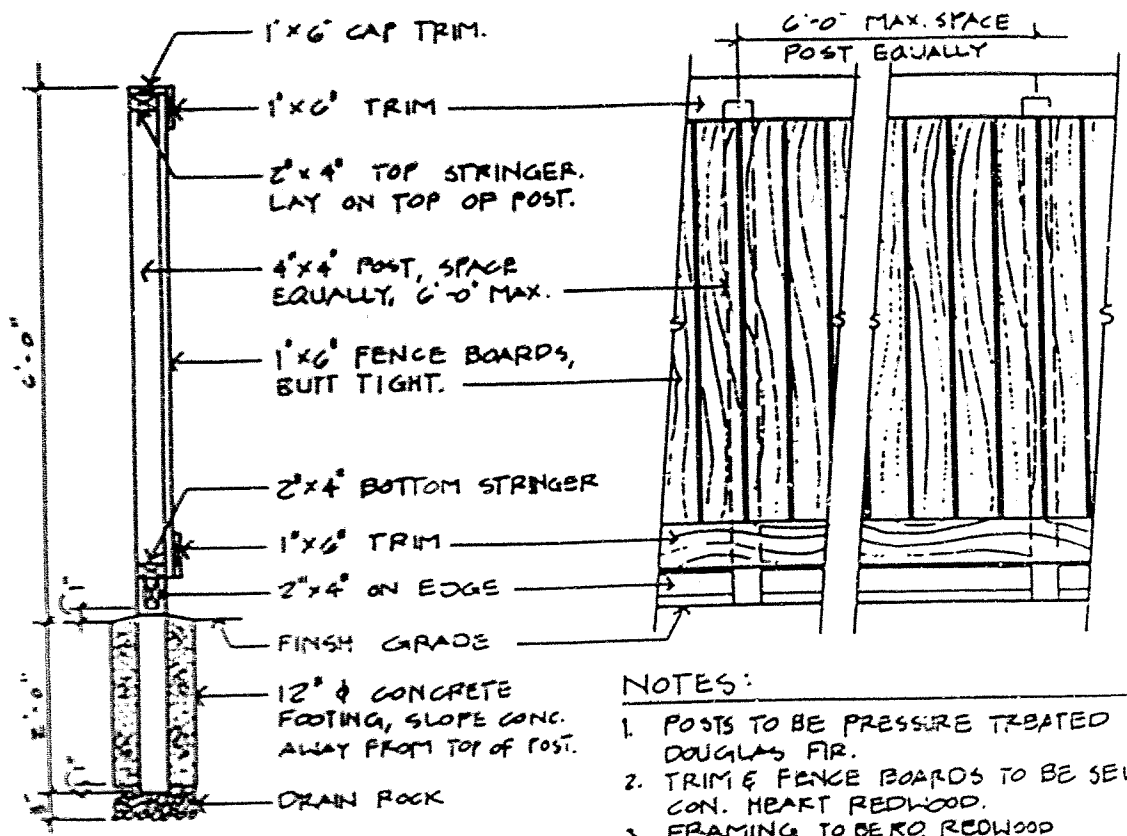


by highlighting architectural features of a building or illuminating pathways and landscape plantings. In these instances, only the special features of a building or landscape should be illuminated. It should be noted that the standards and guidelines contained in this section address area lighting on individual properties, and not overhead street lighting along public and private rights-of-way.

### Standards

1. Exterior lights shall not blink, flash or change intensity. String lights, building or roofline tube lighting, reflective or luminescent wall surfaces are prohibited.
2. Exterior lighting shall not be attached to trees except for the Christmas season.
3. Driveway, walkway, and building lights shall be directed downward.
4. Fixture mounting height shall be appropriate to the purpose.

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- NOTES:
1. POSTS TO BE PRESSURE TREATED DOUGLAS FIR.
  2. TRIM & FENCE BOARDS TO BE SELECT CON. HEART REDWOOD.
  3. FRAMING TO BE KO REDWOOD
  4. FENCE BOARDS TO BE INSTALLED ON PUBLIC VIEW SIDE OF POST, INSIDE YARD ALTERNATE FENCE BOARDS.

99-42

Figure 5  
PRIVACY FENCING

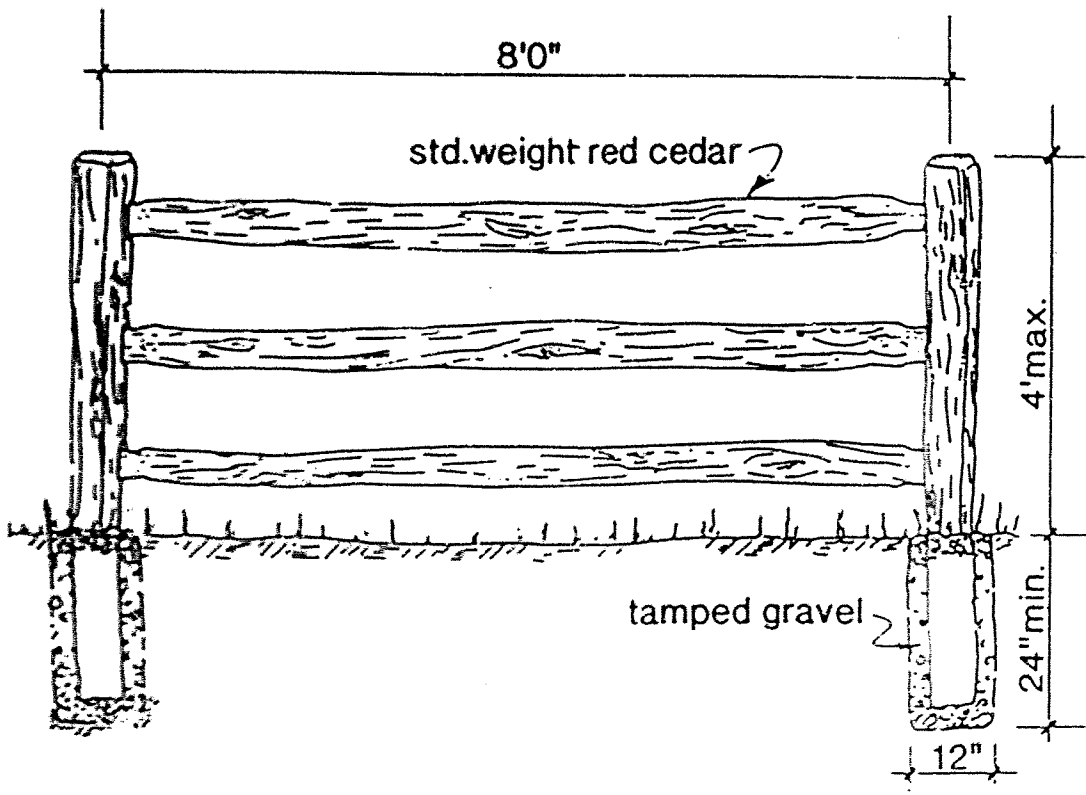


Figure 6


SPLIT RAIL FENCE DESIGN

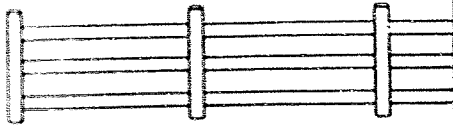
# NOTICE

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By   
Deputy

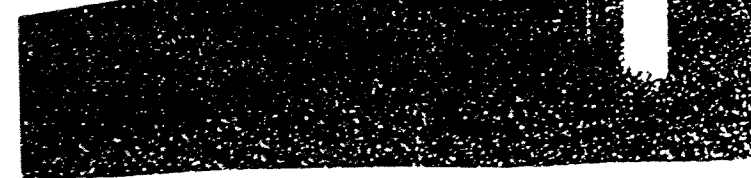
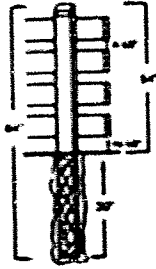
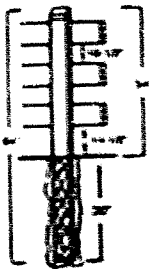


**Ranch Rail**

Available in  
the following  
heights:

7'

5 1/2'



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|             |                    |
|-------------|--------------------|
| Post        | 5 x 5              |
| Rail        | 1 1/2 x 3 1/2 x 16 |
| Postspacing | 8 x 8              |

Figure 7

WHITE P V C RAIL FENCE DESIGN

5. Illumination for aesthetic or dramatic purposes of any building or surrounding landscape utilizing exterior light fixtures projected above the horizontal is prohibited.
6. Seasonal lighting displays and lighting for special events which conflict with other provisions of this section may be permitted on a temporary basis.

### Guidelines

1. Lighting Design - Exterior lighting should be designed as an integral part of the architecture and landscape and located in a manner that minimizes the impact of lighting upon adjacent structures and properties.
2. Lighting Levels - Avoid consistent overall lighting and overly bright lighting. The location of lighting should respond to the anticipated use and should not exceed the amount of light actually required by users. Lighting for pedestrian movement should illuminate entrances, changes in grade, path intersections, and other areas along paths which, if left unlit, would cause the user to feel insecure. Lighting suppliers and manufacturers have lighting design handbooks which can be consulted to determine fixture types, illumination needs and light standard heights.
3. Fixture Design - Exterior lighting fixtures should be simple in design and should be well-integrated with other architectural site features.
4. Structural Lighting - Night lighting of building exteriors should be done in a selective fashion: highlight special recognizable features; keynote repeated features; or use the play of light and shadow to articulate the facade. The purpose of illuminating the building should be to add visual interest and support building identification. Harsh overall lighting of a facade tends to flatten features and diminish visual interest.
5. Lighting Height - As a rule, the light source should be kept as low to the ground as possible while ensuring safe and functional levels of illumination. Area lighting should be directed downward with no splay of lighting directed off-site. The height of light fixtures of standards must meet the County standards. Direct light downward in order to avoid sky lighting. Any light source over 10 feet high should incorporate a cut-off shield to prevent the light source from being directly visible from areas off-site. The height of luminaries should be in scale with the setting and generally should not exceed 10-12 feet.

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### Utilities

All individual services to each unit for all lot sizes shall be undergrounded from the neighborhood service line. All on site utility lines to outbuildings, pump houses, etc. shall be undergrounded.



EXHIBIT "F"

**FINAL ORDER**

Washoe County  
Department of  
Community  
Development

1001 E. North St. Bldg. A  
Post Office Box 11130  
Reno, NV 89520-0027  
Tel 702-328-3600  
Fax 702-328-3648

June 5, 1998

Realty Corner  
Attn Reed Smith/Cathy Foote  
801 Greenbrae Drive  
Sparks, Nevada 89431

Dear Applicant:

As filed with the Department of Community Development, at its regular meeting of June 2, 1998, the Washoe County Planning Commission conditionally approved (20 conditions) the following:

Parcel Map Case No. PM4-12-98 (Grass Valley/Pruitt): To divide a ±44 714 acre site into four parcels, ranging from 10 to 14 acres in size (see Case No DA4-1-98). The property is located north of Whiskey Springs Road and west of Grass Valley Road, approximately 2.0 miles east of the Pyramid Lake Highway. The property is designated High Density Rural (HDR) in the Warm Springs Specific Plan and is situated in the SW1/4 of Section 33, T23N, R21E, MDBM, Washoe County, Nevada. (APN No 077-350-10)

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The conditional approval for the parcel map was based on the following findings

- 1 That the division is in conformance with the Comprehensive Plan, the Warm Springs Area Plan, and the Warm Springs Specific Plan,
- 2 That the proposal will adequately provide for access, floodwaters, utilities, wastewater disposal, water supply, and fire protection; and
- 3 That the Planning Commissioners gave reasoned consideration to the information contained within the staff report and information received during the meeting

John B. Hester, AICP  
Director

Dean Dedrich, AICP  
Planning Manager

Jess S. Traver, P.E.  
County Building  
Official



Realty Corner  
Re PM4-12-98 (Grass Valley/Pruitt)  
June 5, 1998 - Page 2

Should no appeals be filed in the time period stipulated in the Washoe County Development Code, the decision by the Planning Commission is final.

Yours truly,



W. Dean Diederich, AICP  
Acting Secretary to the Planning Commission

WDD/CJM/ma (PM1298F1)

Attachments: Conditions, District Health Department letter dated May 14, 1998

xc: Rusty Nash, DA's Office; Judy Ramos, Assessor's Office; John Faulkner, Chief Appraiser, Assessor's Office; Tern Svetich, Utility Division; Engineering Division; Truckee Meadows Fire Protection District; Nevada Division of Environmental Protection, 333 West Nye Lane, Suite 138, Carson City, NV 89706; Regional Transportation Commission, P.O. Box 30002, Reno, NV 89520; Truckee Meadows Regional Planning Agency, 1400-A Wedekind Road, Reno, NV 89512; MacKay & Sorns; Attn: Randal Walter, AICP, 1380 Greg Street, Suite 210, Sparks, NV 89431; James & Darlene Pruitt, 801 Greenbrae Drive, Sparks, NV 89431; Jerry Stanton Surveying, P.O. Box 1664, Winnemucca, NV 89446; Warm Springs Citizen Advisory Board; Attn: Angela Mann, Chair, 5800 Twin Springs Road, Reno, NV 89510; Warm Springs General Improvement District.

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Realty Corner  
Re PM4-12-98 (Grass Valley/Pruitt)  
June 5, 1998 - Page 3

**CONDITIONS  
FOR  
TENTATIVE PARCEL MAP CASE NO. PM4-12-98  
(GRASS VALLEY/PRUITT)**

(As approved by the Washoe County Planning Commission on June 2, 1998)

**ALL CONDITIONS MUST BE MET OR FINANCIAL ASSURANCES SHALL BE PROVIDED IN AN APPROPRIATE FORM AND AMOUNT, TO THE SATISFACTION OF THE PUBLIC WORKS DEPARTMENT, PRIOR TO FINALIZATION OF THE TENTATIVE PARCEL MAP, UNLESS OTHERWISE STATED.**

**COMPLIANCE WITH THE CONDITIONS OF THIS TENTATIVE PARCEL MAP IS THE RESPONSIBILITY OF THE DEVELOPER, ITS SUCCESSOR IN INTEREST, AND ALL OWNERS, ASSIGNEES, AND OCCUPANTS OF THE PROPERTY AND THEIR SUCCESSORS IN INTEREST.**

1. The final map shall be in substantial compliance with all plans and documents submitted as part of this tentative map application, and with any amendments imposed by the Planning Commission or the County Commission. All documentation necessary to satisfy the conditions noted below shall accompany the final map when submitted to the County Engineer and the Community Development Department.
2. A note shall be placed on the final parcel map stating that the original developer, its successor in interest, and all owners, assignees, and occupants of the property, and their successors in interest shall comply with all the terms and conditions of the recorded Development Agreement described in Case No. DA4-1-98. The Department of Community Development shall be responsible for determining compliance with this condition.
3. Prior to final map recordation, the applicant shall provide proof of a recorded Development Agreement as described in Case No. DA4-1-98. The Department of Community Development shall be responsible for determining compliance with this condition.
4. According to the Warm Springs Specific Plan, development within the High Density Rural (HDR) land use designation is required to pay its proportionate share of fees to support future development of infrastructure. All applicable fees must be paid prior to final map recordation, as outlined in the adopted Final Development Agreement Case No. DA4-1-98. The Department of Community Development shall be responsible for determining compliance with this condition.
5. Failure of the applicant to record a parcel map within one (1) year of the date that the Final Development Agreement Case No. DA4-1-98 is approved by the Washoe County Commission terminates all proceedings, and a new application shall be required. The County Engineer shall be responsible for determining compliance with this condition.

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Realty Corner  
 Re: PM4-12-98 (Grass Valley/Pruitt)  
 June 5, 1998 - Page 4

6. The following technical corrections and additions shall be shown on the final map to the satisfaction of the County Engineer:
- a. The proposed access to Parcel D from Grass Valley Road be constructed in conformance with the Warm Springs Specific Plan adopted March 7, 1995.
  - b. All proposed and existing structures be removed from the final map.
  - c. Indicate documented access to this proposed division.
  - d. Correct the location of Section 33 and state what lot of the recorded land map this division occurs in the Title Block.
  - e. All property lines must be solid.
  - f. Clearly identify the section corner.
  - g. Use the new Tax Certificate and remove the old one
  - h. State which side of the flood plain line the flood plain exists.
  - i. Indicate area to the nearest 0.01 of an acre.
  - j. Identify and provide centerline data for access to Parcel D.
  - k. Provide for appropriate access, drainage and public utility easements
  - l. A 50 foot wide drainage easement shall be recorded along the northern boundary of parcel A, in order to accommodate the possible construction of a 100 year weir structure. The easement shall remain until such time as the necessary flood control improvements have been determined and constructed as part of the Warm Springs Specific Plan.
7. The following erosion and sediment control notes shall be placed on the grading plans or in the general notes, to the satisfaction of the County Engineer:
- a. Clearly delineate the proposed limits of grading.
  - b. Stabilize construction entrances and equipment parking areas with gravel prior to grading.
  - c. Install principal basins and sediment barriers before grading occurs.
  - d. Stabilize existing streambanks at culvert or drainage swale outfalls and install drainage systems as early as possible.
  - e. Before construction begins, install silt control devices at all storm drain inlets receiving runoff from the site and maintain them during construction.

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Realty Corner  
Re: PM4-12-98 (Grass Valley/Pruitt)  
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- f. Prepare a cleaning schedule for detention basins and all other temporary and permanent sediment control devices.
- g. The owner is responsible for erosion and sediment control during grading activities.
- h. When work has been completed, the temporary erosion control measures should be removed.
- i. Disturbed areas left undeveloped for more than 30 days shall be treated with a dust palliative. Should the disturbed areas left undeveloped for more than 30 days consist of slopes steeper than 3:1, they shall be mulched to reduce erosion until work at the site resumes. Disturbed areas left undeveloped more than 90 days must be revegetated per approved methods; if revegetation occurs between the months of April and September, supplemental irrigation is required.

8. An advisory note shall be included on all final maps recorded for this parcel map that states the following information:

|   |  |
|---|--|
| Regulatory Zone for Review Purposes   | High Density Rural (Max. 1 unit per 2.5 acres times 75%) |
| Minimum Lot Area Required   | 10.0 acres   |
| Minimum Lot Width   | 315 feet   |
| Minimum Front Yard  | 30 feet  |
| Minimum Side Yard   | 15 feet  |
| Minimum Rear Yard   | 30 feet  |
| Maximum Building Height   | 35 feet / 2 story maximum                                |
| <i>Variances to these standards may be processed as per Washoe County Code.</i> |  |

- 9. All existing and proposed main and accessory structures shall conform to property line setback requirements of the Washoe County Development Code.
- 10. Prior to final map recordation, 2.5 acre feet per lot of water rights shall be dedicated to Washoe County for the 2nd, 3rd, and 4th parcel created, in accordance with the Warm Springs Area Plan and the Warm Springs Water Budget. The water rights must be in good standing with the State Division of Water Resources and shall reflect the point of diversion, place of use, and manner of use satisfactory to the Utility Services Division. The Water Resources Department shall be responsible for determining compliance with this condition.
- 11. The water rights dedicated to Washoe County are intended for an individual domestic well and therefore shall specifically prohibit use for agricultural purposes. A totalizing meter shall be installed to monitor water resource use not to exceed 1,800 gallons per day. The Water Resources Department and District Health Department shall be responsible for determining compliance with this condition.

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Realty Corner  
Re: PM4-12-98 (Grass Valley/Pruitt)  
June 5, 1998 - Page 6

- 12. Prior to parcel map approval by the Washoe County District Health Department, a plan administered by the Washoe County Department of Water Resources shall be set up to operate and maintain the nitrogen-reducing septic systems. The proposed treatment system design, the monitoring, reporting, maintenance schedule, and enforcement procedures shall be approved by the District Health Department and the Department of Water Resources.
- 13. Prior to the approval of any individual sewage disposal system construction permit, the property owner shall submit to the District Health Department an operation and maintenance agreement with the Department of Water Resources.
- 14. Prior to parcel map recordation, the design engineer shall submit a domestic water well construction design for each of the proposed parcels. The design shall include the required elevation of the top of the well casing to ensure that it is at least two feet above the 100 year flood plain. Prior to the certificate of occupancy approval of the proposed homes or buildings, the design engineer shall inspect the wells during construction and certify to the District Health Department that the wells are constructed in a manner that will prevent commingling of the shallow and deep aquifers, pursuant to Nevada Administrative Codes 534.370 and 534.375. The Washoe County District Health Department shall be responsible for determining compliance with this condition.
- 15. Prior to approval of the certificate of occupancy for the proposed homes or buildings, the domestic water wells shall be sampled to verify that the water supply meets the drinking water standards. The Washoe County District Health Department shall be responsible for determining compliance with this condition.
- 16. Prior to parcel map recordation, the applicant shall submit a site plan showing all existing and proposed wells and proposed nitrogen-reducing individual sewage disposal systems on the property. The Washoe County District Health Department shall be responsible for determining compliance with this condition. The site plan shall include the following items.
  - a. The limits of the 100 year flood plain.
  - b. The design of all proposed individual sewage disposal systems within the 100 year flood plain pursuant to Section 100.070 of the Washoe County District Board of Health Regulations Governing Sewage, Wastewater, and Sanitation.
  - c. The location of all proposed wells and the elevation of the top of the well casings within the 100 year flood plain.
  - d. Any water system improvements required for fire protection
- 17. A notice describing the conditions 13 through 17 shall be recorded simultaneously with the parcel map. The notice shall be approved by the District Attorneys Office and be recorded in a manner that will show up in a routine title search. The Washoe County District Health Department shall be responsible for determining compliance with this condition.

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Realty Corner  
Re: PM4-12-98 (Grass Valley/Pruitt)  
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18. Prior to final map recordation, the developer shall submit a cultural resources inventory survey to the Department of Community Development. The Department of Community Development shall submit the survey to the State Historic Preservation Office of the Department of Museums, Library and Arts for review. Following that review, the State Historic Preservation Office shall submit a letter to the Department of Community Development that indicates the survey was acceptable.
19. A note shall be placed on all final maps recorded, grading plans and construction drawings stating, to the satisfaction of the County Engineer:

NOTE

Should any prehistoric or historic remains/artifacts be discovered during site development, work shall temporarily be halted at the specific site and the State Historic Preservation Office of the Department of Museums, Library and Arts, shall be notified to record and photograph the site. The period of temporary delay shall be limited to a maximum of two (2) working days from the date of notification.

20. The final map shall contain the following jurat:

This final map is in substantial compliance with the tentative map, PM4-12-98, and all conditions of approval have been met. Therefore, this parcel map is approved on this \_\_\_ day of \_\_\_\_\_ 199\_.

\_\_\_\_\_  
W. Dean Diederich, AICP  
Acting Secretary to the Planning Commission

99-42



# DISTRICT HEALTH DEPARTMENT

**DATE:** May 14, 1998

**TO:** Current Planning Program  
Washoe County Community Development Department  
Attn: Catherine McCarthy

**FROM:** Douglas L. Coulter, P.E.

**SUBJECT:** James and Darlene Pruitt, Assessor's Parcel Number 077-350-10  
Parcel Map #PM4-12-98 (Grass Valley) and  
Development Agreement #DA4-1-98 (Realty Corner).  
E98-080

RECEIVED  
MAY 18 1998  
WASHOE COUNTY  
COMMUNITY DEVELOPMENT

This Department has reviewed the referenced proposal with regard to sewage disposal, domestic water supply, solid waste, vector control, water quality and air pollution. We have the following comments:

1. Mac Kay & Soms Civil Engineering, Inc. and the applicants have proposed the use of nitrogen reducing individual sewage disposal systems and domestic water wells that are constructed with the sanitary seals extended to a depth of 50 feet below the water table.
2. In 1993, the Washoe County (WC) Department of Comprehensive Planning, the WC Public Works Department, and the WC Department of Water Resources' Utility Services Division prepared a report entitled "Monitoring Well Construction and Testing". In the Discussion and Conclusions on page 13 of this report, is the following statement:

"Quasi static heads in the wells indicate that a downward gradient exists. The pumping test showed that drawdowns occurred in all three wells during the testing of wells 2 and 3. From this data, (it) is reasonable to argue that the pumping of one section of the aquifer induces flow from the other sections of the aquifer. Either the "aquitards" are not laterally extensive or the hydraulic conductivity allows for leakage, or both given the relatively small pumpage rates and durations. Pumping tests of longer duration and of larger pumping rates are needed to more fully understand this relationship."

"The pumping tests conducted were inadequate to analyze the aquifer parameters of each section in any detail. However, given the approximate values determined it is clear that the aquifer section from 200-440 feet is more productive, but at more risk to nitrate contamination than the lower section."

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James and Darlene Pruitt  
Page Two

The above comments certainly support the recommendation of nitrogen-reducing individual sewage disposal systems and domestic water wells which are properly sealed to prevent commingling of the shallow and deep aquifers.

There are two issues that need to be addressed in order to ensure that groundwater supply for the area is protected from further contamination:

1. To ensure that the nitrogen reducing individual sewage disposal systems are operated and maintained to continually discharge effluent with a nitrogen concentration of less than 10 mg/l.
2. To ensure that the domestic water wells are properly sealed to prevent commingling the shallow and deep aquifers.

Approval of the referenced proposal is recommended by this Department subject to the following conditions:

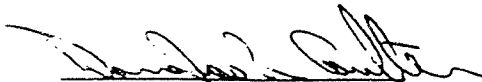
- ✓ 1. A plan administered by the WC Department of Water Resources shall be set up to operate and maintain the nitrogen-reducing systems prior to parcel map approval by the WC District Health Department. The proposed treatment system design, the monitoring, reporting, maintenance schedule, and enforcement procedures shall be approved by the District Health Department and the Department of Water Resources.
- ✓ 2. Prior to the approval of any individual sewage disposal system construction permit, the property owner shall submit to the District Health Department an operation and maintenance agreement with the Department of Water Resources.
- ✓ 3. The design engineer shall submit a domestic water well construction design for each of the proposed parcels. The design shall include the required elevation of the top of the well casing to ensure that it is at least two feet above the 100 year flood plain. Prior to the certificate of occupancy approval of the proposed homes or buildings, the design engineer shall inspect the wells during construction and certify to the District Health Department that the wells are constructed in a manner that will prevent commingling of the shallow and deep aquifers, pursuant to Nevada Administrative Codes 534.370 and 534.375.
- ✓ 4. Prior to approval of the certificate of occupancy for the proposed homes or buildings, the domestic water wells shall be sampled to verify that the water supply meets the drinking water standards.

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James and Darlene Pruitt  
Page Three

5. The applicant shall submit a site plan showing all existing and proposed wells and proposed nitrogen-reducing individual sewage disposal systems on the property. The site plans shall include the following items:
  - a. The limits of the 100 year flood plain.
  - b. The design of all proposed individual sewage disposal systems within the 100 year flood plain pursuant to Section 100.070 of the Washoe County District Board of Health Regulations Governing Sewage, Wastewater, and Sanitation.
  - c. The location of all proposed wells and the elevation of the top of the well casings within the 100 year flood plain.
  - d. Any water system improvements required for fire protection.
6. A notice describing the above requirements shall be recorded simultaneously with the parcel map. The notice shall be approved the District Attorneys Office and be recorded in a manner that will show up in a routine title search.

Should you have any questions on the foregoing, please call me at 328-2429.



Douglas L. Coulter, P.E.  
Engineering Supervisor  
Environmental Health Services

DLC:sw

cc: James and Darlene Pruitt  
Cathy Foote, Realty Corner  
Reed Smith, Realty Corner  
Jerry Stanton, Stanton Surveying  
Randy Walter, MacKay & Somps Civil Engineering

99-4-2



## NITRATE REDUCING ON-SITE WASTE WATER TREATMENT SYSTEMS

### General

Current technology for residential waste water treatment systems has focused on the need to provide relatively passive and cost effective, nitrate reducing systems. All commercially available nitrate-reducing septic systems use some form of biological denitrification. In general these systems consist of three chambers in one tank, a primary settlement chamber, an aeration chamber, and a clarification and filtration chamber. These systems appear to require minimal user operational control, have low energy use requirements, and maximum nitrate removal.

For biological denitrification to occur, nitrogen in waste water must first be nitrified, i.e. transformed from the reduced forms of ammonium and organic nitrogen to nitrates (Whitmyer et al., 1991). Bacteria in the waste water require an aerobic environment, a source of energy, near neutral pH, and temperatures above 5° C (41° F). The organic components, pH, and temperature of domestic waste water usually provide a sufficient energy source. Therefore, waste water treatment systems need only to provide aerobic conditions. This is usually accomplished by mechanical aeration of waste water with an exterior electric compressor providing flow to an aeration chamber in the tank.

Denitrification occurs through biochemical reduction of nitrate to nitrogen gas under anaerobic conditions (Whitmyer et al., 1991). Dissolved oxygen concentrations in waste water must be kept below 1.0 mg/L and a usable form of carbon must be added since the nitrification process removes much of the carbohydrates (energy source) originally in the waste water. Carbon can be added in the form of untreated waste water or as a chemical such as methanol. Denitrification may be induced by on and off cycling of the aerator, a process commonly referred to as extended aeration. During off periods, the aeration chamber becomes anoxic, allowing anaerobic decomposition of nitrate to occur. Denitrification may also be promoted during the final clarification process by allowing accumulated sludge to become anaerobic (Whitmyer et al., 1991).

Plate 8 provides an example of plan and cross-sectional views of a typical single family home installation, including an optional primary settlement tank (standard septic tank) and a typical leach field. This particular system is the Whitewater DF-50 individual sewage treatment system distributed by Delta Environmental Products, Inc. and Bio-Microbics, Inc. Most manufacturers indicate that

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additional or total effluent treatment can often be obtained if effluent is routed to a shallow subsurface trickle irrigation system. Evapotranspiration by landscaped vegetation often completely removes any remaining organic contaminants. In addition, use of treated waste water in subsurface irrigation systems reduces total household water use and is, therefore, an effective water conservation measure. However, these systems require additional hardware such as dosing tanks, level sensors, pumps, subsurface irrigation system lines, and emitters, which require additional capital expenditures and installation costs.

Some systems require the use of a separate upstream septic tank to provide primary settlement. The advantage of a separate septic tank for primary settlement is that non-organic wastes such as plastics are separated from the treatment unit where they can be easily removed during regular septic tank pumping procedures. However, organic solid wastes may tend to accumulate at greater rates in separated septic tank units, thereby requiring more frequent pumping. In single unit treatment systems, most of the solid wastes are broken down and degraded in the treatment process. Therefore, solid wastes accumulate at a slower rate and require less frequent pumping if non-organic waste inputs are kept to a minimum.

#### Performance Standards for Nitrate-Reducing Septic Systems

The American National Standards Institute (ANSI) and the National Sanitation Foundation (NSF) are responsible for establishing minimum materials, design and construction, and performance requirements for residential waste water treatment systems. ANSI/NSF Standard 40, approved in May 1996, provides the standards for residential waste water treatment systems (ANSI/NSF 40, 1996). NSF certified products must meet specific design and construction criteria—such as durable materials, specific surface textures, structural integrity requirements, and reliable, safe mechanical and electrical components. NSF International certified products must possess failure sensing and signaling equipment, a two year warranty, and a specific set of product literature. Certified products are tested for a six-month period for hydraulic loading, structural integrity, and effluent water quality.

Effluent samples are tested for pH, total suspended solids (TSS), carbonaceous five-day biochemical oxygen demand (CBOD<sub>5</sub>), color, odor, oily film, and foam in accordance with American Public Health Association's (APHA) Standard Methods for the Examination of Water and Waste Water. Class I systems must meet EPA secondary treatment guideline parameters for CBOD<sub>5</sub>, TSS, and pH: the 30-day and 7-day average of CBOD<sub>5</sub> concentrations shall not exceed 25 mg/L and 40 mg/L, respectively; the 30-day and 7-day average of TSS concentrations shall not exceed 30 mg/L

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and 45 mg/L, respectively; and the pH of individual effluent samples shall be between 6.0 and 9.0. It is important to note that NSF International certified Class I systems are not required to meet the federal drinking water standard for nitrate of 45 mg/L. However, most manufacturers of nitrate reducing on-site waste water treatment systems report that their products are capable of meeting this additional criteria.

A search of the NSF International Certified Product Database yielded twelve companies in the U.S. that manufacture and/or distribute Class I certified systems. Table 3 lists NSF approved companies, their corporate offices, nearest authorized distributor to the Reno, Nevada, area, and whether these companies currently have any systems operating in Nevada. Design flow for residential sewage is normally considered to be 100 gallons per capita per day. Therefore, a 500 gallon per day (gpd) treatment system is the recommended size for a 4 bedroom house with 5 persons. Table 4 lists the 500 gpd treatment systems by company name, tank construction material, treatment process, whether an additional standard septic tank is required, and the approximate costs per unit. Unit costs are assumed to include tax and shipping, cost of the treatment tank, all mechanical and electrical components such as pumps, blowers, and timers, a two-year initial service policy, and all required product literature. Additional costs not included in Table 4 include contractor engineering and installation fees, leach field material costs, additional septic tank costs, and system maintenance, sampling, and analysis fees beyond the two-year initial service policy.

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## Discussion

Nitrate reducing on-site waste water treatment systems can provide a high level of treatment and reduce the threat of ground water contamination from standard septic tank systems. In addition, use of these systems generally greatly extends leach field life, reportedly provides a more reliable system with less maintenance, and treated effluent can be used in shallow subsurface irrigation systems for additional treatment and as a water conservation measure. Although recommended revisions to Washoe County SWS regulations may only require that these systems are used in specific hydrographic basins in Washoe County with known nitrate contamination, it is likely that future regulations will apply to all areas in the County not served by a municipal sewer system.

Two local firms are reportedly developing nitrate reducing on-site waste water treatment systems, Jensen Precast and American Environmental Resources, Inc. These companies currently do not have NSF certification and may not apply for certification due to the high cost of the process. However, both companies are reportedly in the process of obtaining letters of acceptance from the Nevada Division of Environmental Protection (NDEP). The NDEP criteria for system acceptance is reportedly one year of data, including certified test results that system effluent did not exceed 10 mg/L nitrogen, and the system was economical with low energy operation requirements.

## Nitrate-Reducing Septic System Operation and Maintenance

In addition to the requirement that advanced treatment systems reduce total nitrogen concentration levels in effluent to less than 10 mg/L, WCDHD is recommending that a long-term operation and maintenance service agreement be established with all nitrate reducing on-site waste water treatment systems. This agreement must ensure that the mechanical operation of the systems is checked on a frequent basis and effluent samples are collected by a qualified professional and analyzed for nitrate by a certified laboratory at least twice a year. WCDHD currently is establishing pilot operations to monitor the effectiveness of various systems currently in use and their associated maintenance agreements. Several units recently installed in Cold Springs Valley are reportedly part of this pilot project. Data from this pilot project will be used to develop future regulations. The currently proposed Warm Springs Ranch subdivision (55 residential lots) provides an opportunity for a model residential development to become part of the WCDHD pilot project and develop a unique cost effective long-term operation and maintenance agreement. Successful agreements in other states have consisted of maintenance and sampling being conducted by a local septic tank contractor with monthly fees being collected by a homeowners association. Many systems have automatic failure

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sensing and signaling equipment that can transmit a warning signal to the local maintenance contractor via standard phone lines.

### **Septic Inspection**

Each system constructed shall be reviewed by the design engineer during the rough-in and again at final completion. The final sign off of the rough and final on the building permit will be accomplished by the WCDHD based upon their receipt of certifications by the engineers and the Health Department periodic quality checks of the installation and engineer's reviews.

## **POTABLE WATER SUPPLY**

### **Municipal Water Wells**

A municipal water system is planned for the Warm Springs SPA. Municipal wells are recommended to be constructed with screened intervals tapping deeper aquifers. Washoe County 1993 Monitoring Well 3 at Test Well Site #2 is a good example of well siting and construction with a deeper screened interval (380 to 600 feet) to avoid shallow nitrate degraded water. Municipal wells will also need to be located away from elevated fluoride in the westernmost portion of the SPA.

### **Domestic Water Wells**

Domestic wells are planned for use on many developed lots which exceed approximately 2 acres, including Warm Springs Ranch. Because the shallowest ground water exceeds current drinking water standards for nitrate concentrations, domestic water wells will need to be constructed to a depth sufficient to draw water of acceptable quality. The sanitary well seal should extend in depth to 50 feet below the water table elevation. A schematic domestic well design is included as Plate 10.

With conversion of water use from agricultural to domestic/municipal and with implementation of nitrate reducing septic systems, water quality of the shallowest aquifer will improve with time. In addition, water table elevations in the vicinity of Warm Springs SPA will rise due to a lower total quantity of water pumped from the region (discount of agricultural water rights to municipal water rights). Some of the larger size lots may continue to have small plots of irrigated

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pasture. It is further recommended that irrigation water supply tap the shallowest, nitrate impacted waters to the degree possible so that this lower quality water can be extracted and utilized.

99-4-2

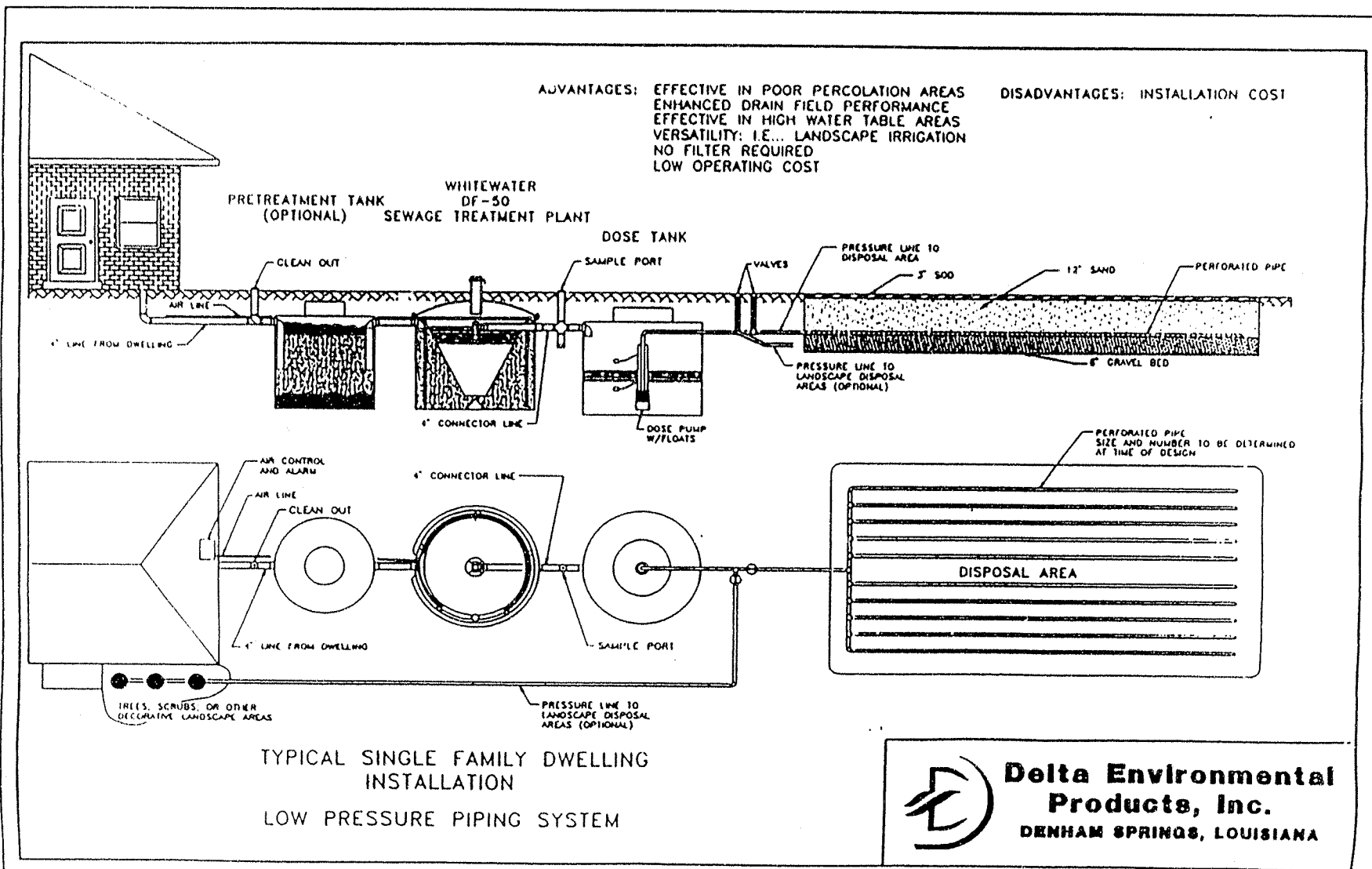
Table 2. NSF Certified Companies - Nitrate Reducing Septic Systems

| Company Name                         | Corporate Office   | Nearest Distributor  | Systems in Nevada |
|--------------------------------------|--------------------|--|-------------------|
| Advanced Environmental Systems, Inc. | Sparks, NV         | same as corporate<br>Tom Murphy (702) 425-0911                         | Yes               |
| Aquarobic International              | Front Royal, VA    | Gardner Engineering, Minden, NV<br>Robert Gardner (702) 782-5050       | ?                 |
| Bio-Microbics, Inc.                  | Lenexa, KS         | Biological Environmental Technologies, Phoenix, AZ                     | No                |
| Clearstream Wastewater Systems, Inc. | Beaumont, TX       | Clear Springs Wastewater Treatment, Las Vegas, NV                      | ?                 |
| Clearwater Ecological Systems        | Moss Beach, CA     | same as corporate  | No                |
| Delta Environmental Products, Inc.   | Denham Springs, LA | Western Environmental, Carson City, NV<br>Dave Winchell (702) 884-3200 | Yes               |
| Hydro-Action, Inc.                   | Kountze, TX        | Environmental Compliance, Flagstaff, AZ                                | ?                 |
| Jet, Inc.                            | Cleveland, OH      | Several in California  | ?                 |
| Klargester Biodisc Systems, Inc.     | England            | Wastewater Systems International, MA                                   | ?                 |
| Multi-Flo Waste Treatment Systems    | Franklin, OH       | Peninsula Septic Tank Service, Carmel, CA                              | ?                 |
| Nayadic, Inc.                        | Franklin, OH       | Peninsula Septic Tank Service, Carmel, CA                              | ?                 |
| Norwich, Inc.                        | Norwalk, OH        | Outback Materials, O'Neals, CA   | ?                 |

Notes:

? Information from company has not yet been received.

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**Stantech Consulting Inc.**  
 950 Industrial Way  
 Sparks, Nevada 89431 USA  
 Phone: (702) 368-6931

Originally NITRATE REDUCING SEPTIC SYSTEM SCHEMATIC  
 Prepared for: **TEHAMA HOLDINGS**  
 WASHOE COUNTY

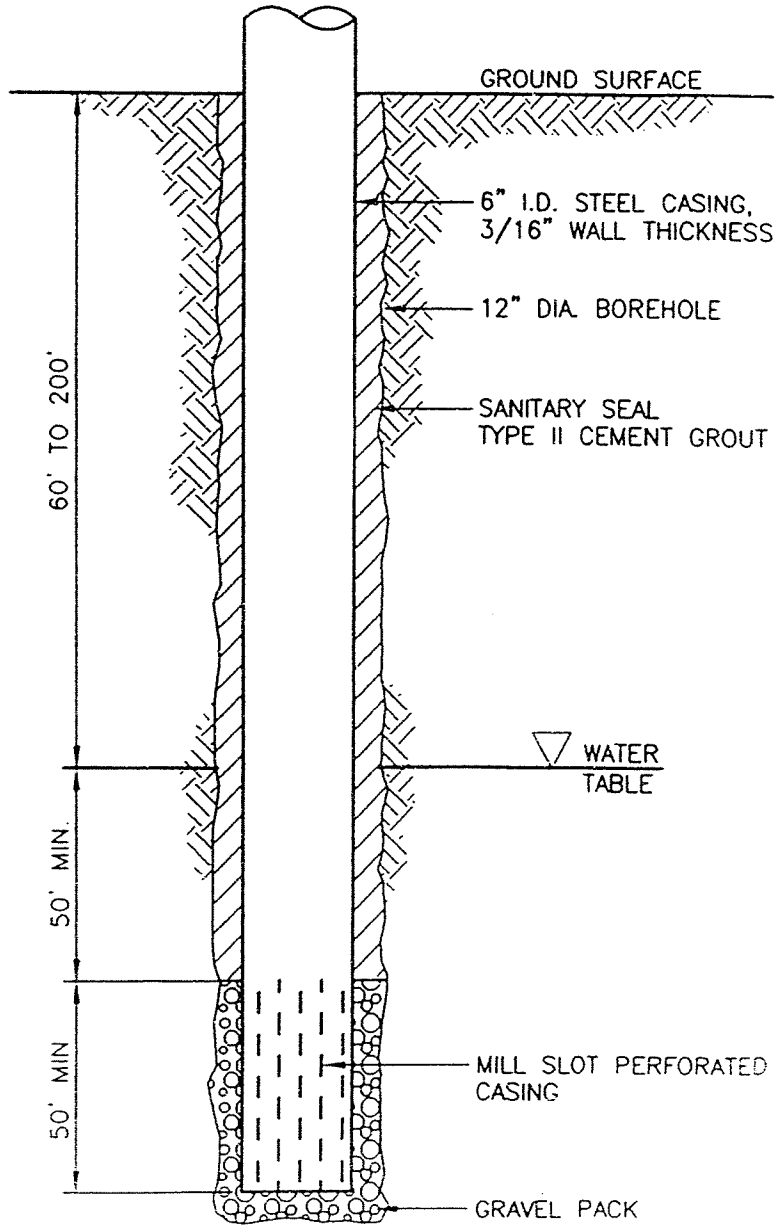
Project No 2308-05-5

NEVADA

PLATE NO. 8

26-bb





24-66

Originally prepared for:



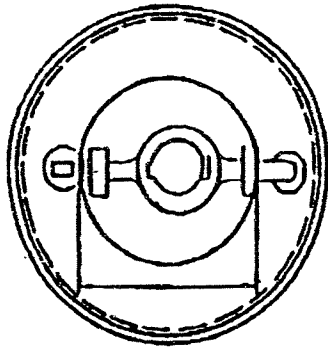
Stantech Consulting Inc.  
950 Industrial Way  
Sparks, Nevada 89431 USA  
Phone: (702) 358-6931

DOMESTIC WELL SCHEMATIC  
TEHAMA HOLDINGS

WASHOE COUNTY

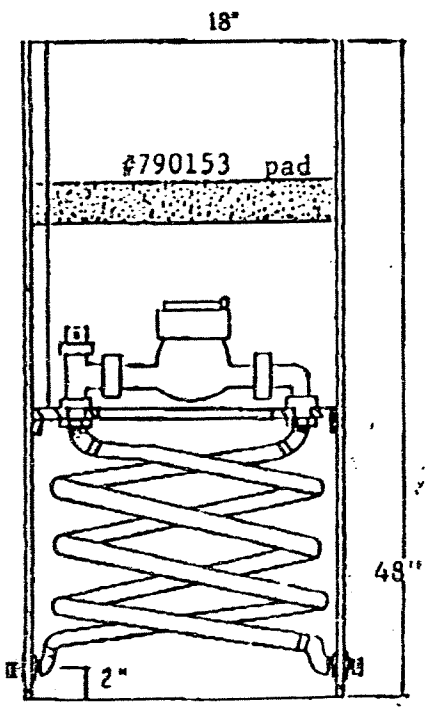
NEVADA

PROJECT NO  
2308-05-5  
PLATE NO. 10



Optional Style. Lids

see pg. 8.77



18" Single Coil Meter Pit for 1" meter

includes Class 250 polybutylene tubing, lockwing angle valve (H-14265) on meter inlet, dual angle check valve (H-14244) on meter outlet, 1" MIP inlet and outlet connections.

#330CS1348LBBL

Attached Aluminum Bottom  
Optional

99-4-2

# NOTICE

THE NEXT DOCUMENT(S) WHEN FILED WAS IN THE CONDITION REFLECTED BY THIS MICROFILM.

THE WORKMANSHIP ON THE DOCUMENT IS OF POOR QUALITY AND ITS LEGIBILITY IMPAIRED.

AMY HARVEY, COUNTY CLERK

By   
Deputy

# SR II® WATER METERS



## DISPLACEMENT TYPE MAGNETIC DRIVE COLD WATER METERS 5/8" (DN 15mm), 3/4" (DN 20mm) and 1" (DN 25mm)

### DESCRIPTION

**APPLICATIONS:** Measurement of cold water where flow is in one direction only; in residential, commercial and industrial services.

**CONFORMANCE TO STANDARDS:** Sensus SR II Water Meters comply with ANS/WYMA Standard C700-latest revision. Each meter is tested to insure compliance.

**CONSTRUCTION:** Sensus SR II Water Meters consist of three basic components: maincase; measuring chamber; and sealed register. Maincases are of bronze with externally-threaded spuds. Registers are housed in a bronze bonnet, a bonnet of synthetic polymer is available as an option. Measuring chambers are of Rocksyn® a corrosion-resistant, tailored thermoplastic material formulated for long-term performance and especially suitable for aggressive water conditions. Maincase bottom plates are available in bronze or, if frost protection is desired, in cast iron or synthetic polymer.

**REGISTER:** Hermetically sealed; proven magnetic drive design eliminates dirt and moisture contamination, tampering and lens fogging problems. Standard register includes a straight-reading, odometer-type totalization display; a 360° test circle with center sweep hand; and a low flow (leak) detector. Gears are self-lubricating, molded plastic for long life and minimum friction.

No change gears are required for accuracy calibration. Encoder-type remote reading systems are available for all SR II Water Meters. (See other side of sheet for additional information.)

**TAMPER RESISTANT FEATURE:** A unique locking system prevents customer removal of the register to obtain free water. A special lock, available only to water utilities, is required to remove the register bonnet. When the optional plastic register bonnet is selected, a tamper detection seal is available.

**MAGNETIC DRIVE:** The SR II features a hydrodynamically cushioned design that eliminates premature wear of components. The meter utilizes a patented positive, reliable drive coupling. The high-strength magnets used will eliminate "drive slip" in normal use and also provide adequate strength to drive remote register units.

**OPERATION:** Water flows through the meter's strainer and into the measuring chamber where it drives the piston. The hydrodynamically balanced piston oscillates around a central hub, guided by the division plate.

A drive magnet transmits the motion of the piston to a driven magnet located within the hermetically sealed register. The driven magnet is connected to the register gear train. It reduces the piston oscillations into volume totalization units displayed on the register dial face.

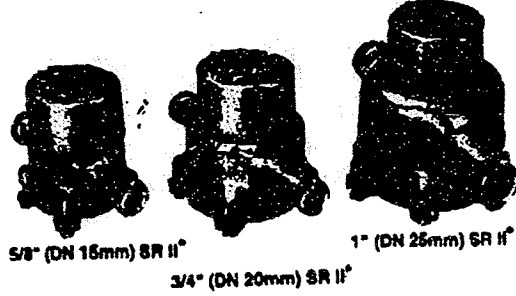
**MAINTENANCE:** Sensus SR II Water Meters are engineered to provide long-term value and virtually maintenance-free operation. Simplicity of design and precise machining of components allows interchangeability of parts of like-size meters, reduced parts inventory requirements, and ease of maintenance. The register can be removed without relieving the water pressure or removing the maincase from the installation.

As an alternative to utility repair, Sensus offers maintenance programs to provide factory reconditioning of the maincase and replacement components at low fixed prices. See bulletin PD-299.

**CONNECTIONS:** Teepieces/Unions for installing the meters on a variety of pipe types and sizes are available.

**GUARANTEE:** Sensus SR II Water Meters are backed by "The Sensus Guarantee." Ask your Sensus representative for details or see Bulletin G-500.

### SPECIFICATIONS



5/8" (DN 15mm) SR II®      3/4" (DN 20mm) SR II®      1" (DN 25mm) SR II®

| SERVICE                              | Measurement of cold water with flow in one direction only.  |
|--------------------------------------|---|
| <b>NORMAL OPERATING FLOW RANGE</b> ⤵ | 5/8" (DN 15mm) size: 1 to 20 gal/min. (0.25 to 4.5 m <sup>3</sup> /h)<br>3/4" (DN 20mm) size: 2 to 30 gal/min. (0.45 to 7.0 m <sup>3</sup> /h)<br>1" (DN 25mm) size: 3 to 50 gal/min. (0.7 to 11.0 m <sup>3</sup> /h)   |
| <b>ACCURACY</b>                      | 100% ± 1.5% of actual thruput   |
| <b>LOW FLOW REGISTRATION</b>         | 5/8" size: 95% at 1/4 gal/min. (0.06 m <sup>3</sup> /h)<br>3/4" size: 96% at 1/2 gal/min. (0.10 m <sup>3</sup> /h)<br>1" size: 95% at 3/4 gal/min. (0.15 m <sup>3</sup> /h)   |
| <b>MAXIMUM PRESSURE LOSS</b>         | 5/8" size: 7.0 psi at 20 gal/min. (0.5 bar at 4.5 m <sup>3</sup> /h)<br>3/4" size: 9.0 psi at 30 gal/min. (0.6 bar at 7.0 m <sup>3</sup> /h)<br>1" size: 7.3 psi at 50 gal/min. (0.5 bar at 11.0 m <sup>3</sup> /h)   |
| <b>MAXIMUM OPERATING PRESSURE</b>    | 150 psi (10.0 bar)  |
| <b>MEASUREMENT ELEMENT</b>           | Oscillating piston  |
| <b>REGISTER</b>                      | Straight reading, hermetically sealed, magnetic drive. Remote reading unit optional.  |
| <b>REGISTRATION</b>                  | 10 gallons, 1 cubic foot or 0.1 m <sup>3</sup> /sweep hand revolution.<br>10,000,000 gallons, 1,000,000 cubic feet or 100,000 m <sup>3</sup> capacity.<br>8 odometer wheels.  |
| <b>METER CONNECTIONS</b> ⤵           | 5/8" (DN 15mm) size: 3/4" (26.4mm) threads<br>5/8" x 3/4" (DN 15mm x 33mm) size: 1" (33.25) threads<br>3/4" (DN 20mm) size: 1" (33.25 threads)<br>3/4" x 1" (DN 20mm x 42mm) size: 1-1/4" (41.91mm) threads<br>1" (DN 25mm) size: 1-1/4" (41.91mm) threads<br>(All threads are straight pipe, external type conforming to ANSI B2.1 or ISO R228, if specified.) |
| <b>MATERIALS</b>                     | Maincase—Bronze<br>Register box—Bronze (standard), synthetic polymer (optional)<br>Measuring chamber—Rocksyn®<br>Bottom plate—Bronze, cast iron or synthetic polymer®<br>Magnets—Plasticized material<br>Casing bolts—Stainless steel<br>Strainer—Synthetic polymer   |

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Ⓞ Synthetic polymer maincase bottom plate available on 5/8" meter only.  
Ⓞ Maximum rates listed are for intermittent flow only. Maximum continuous flow rates as specified by AWWA are: 5/8" (DN 15mm)—10 gal/min (2.3 m<sup>3</sup>/h), 3/4" (DN 20mm)—15 gal/min (3.4 m<sup>3</sup>/h), 1" (DN 25mm)—25 gal/min (5.7 m<sup>3</sup>/h).  
Ⓞ Unless otherwise noted, 5/8" size and 5/8" x 3/4" characteristics are identical.  
(5/8" x 3/4" designates 5/8" with 3/4" connection thread.) Also unless otherwise noted 3/4" size and 3/4" x 1" size characteristics are identical (3/4" x 1" designates 3/4" with 1" connection thread.)  
Metric designation is the nominal bore x the outside diameter.

**EXHIBIT "H"**  
**CC&R'S**

**MASTER DECLARATION**  
**Of**  
**COVENANTS, RESTRICTIONS AND EASEMENTS**

This Declaration is made as of \_\_\_\_\_, 1998 by the Realty Corner Inc., Nevada Corporation and James & Darlene Pruitt (the Declarant).

**RECITALS**

Declarant is the developer of that certain real property located in the County of Washoe, State of Nevada; more particularly described on **Washoe County, Nevada Parcel Map #4-12-98 (Exhibit "A")** attached hereto and made part hereof. Owners of additional land more particularly described in **the Warm Springs Specific Plan (WS SP) (Exhibit "B")** attached hereto. The subsequent property or properties thereof, shall be made subject to the provisions of this Master Declaration ("annexed" by the recordation of a Declaration of Annexation pursuant to the provisions of below. Reference to "Properties" herein shall mean and include both the real property described in **Exhibit "A"** hereto and that portion of the subsequent property or properties, which may be annexed from time to time in accordance with **Article II**. In no event shall the term "properties" include any portion of the subsequent properties for which a Declaration of Annexation has not been recorded or which has been deannexed by the recordation of a Declaration of Deannexation pursuant to the provisions of **Article II**.

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The name of the Master Planned Community created by the Warm Springs Specific Plan; a part of the Warm Springs Area Plan, Washoe County Comprehensive Plan and this Master Declaration is

\_\_\_\_\_

This Master Declaration is intended to create equitable servitude's and covenants appurtenant to and for the benefit of all of the "Properties", and the owners and residents thereof, and to (1) provide for the formation of a master association (the "Master Association"), (2) to administer and enforce the provisions of this Master Declaration, and (3) to collect and disburse the Assessments, all as set forth herein and in the Articles and the Bylaws. This Master Declaration contemplates the preservation of a common plan and

scheme of development within the "Properties" by providing for maintenance, care, use and management of the "Properties" subject to certain protective covenants, conditions, restrictions, rights, reservations, easements, equitable servitude's, limitations, liens and charges (collectively, Restrictions), all of which run with the properties and constitute equitable servitude's as set forth herein.

Declarant intends to improve, or allow parcel developers to construct family residential lots, consistent with the architectural and landscape control requirements for improvements set forth in this Master Declaration and the Development Agreement – Case No. DA4-1-98, Washoe County, Nevada.

As part of the various phases of development of the properties, Declarant may dedicate portions of the properties to the public for such purposes as streets, roadways, drainage, flood control, water storage, utility service and such other purpose which may enhance the properties as a whole or which are required pursuant to any land use ordinance or land use approval.

## DECLARTION

Now, therefore, Declarant hereby covenants, agrees and declares that all of the properties shall be held, sold, conveyed, encumbered hypothecated, leased, used, occupied and improved subject to the restrictions containing this Master Declaration all of which are for the purpose of uniformly enhancing and protecting the, value, attractiveness and desirability of the properties, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, sale and lease of the properties, or any portion thereof. The restrictions set forth herein shall: (1) run with and burden the properties; (2) be binding upon all persons having or acquiring any rights, title or interest in the properties, or any part thereof, their heirs, successive Owners and assigns; (3) inure to the benefit of and be binding upon, and may be enforced by, Declarant, the parcel Developers, the Master Association, the Architectural Review Committee, each Owner, and their respective heirs, executors, administrators, successive owners and assigns.

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## ARTICLE I. Definitions

Section 1.1. Architectural Review Committee. "Architectural Review Committee" means the committee created pursuant to the provisions of this Master Declaration.

Section 1.2. Articles. "**Articles**" means the Articles of Incorporation of the Master Association, as such Articles may be amended from time to time.

Section 1.3. Assessment. "**Assessment**" is a collective term which refers to Capital Improvement Assessments, Common Assessments, Reconstruction Assessments and Reimbursement Assessments made or assessed by the Master Association against an Owner and his or her Separate Interest in accordance with the provisions of this Master Declaration.

Section 1.4. Assessment. Capital Improvement. "**Capital Improvement**" Assessment. means a charge against each Owner and his or her Separate Interest, representing a portion of the costs to the Master Association for installation or construction of any Improvements on any portion of the Association Properties which the Master Association may from time to time authorize pursuant to the provisions of this Master Declaration.

Section 1.5. Assessment. Common. "**Common Assessment**" means the annual charge against each Owner and his or her Separate Interest, representing a portion of the Common Expenses, which are to be paid by each Owner to the Master Association in the manner and proportions provided in this Master Declaration.

Section 1.6. Assessment. Reconstruction. "**Reconstruction Assessment**" means a charge against each Owner and his or her Separate Interest, representing a portion of the cost to the Master Association for reconstruction of any portion of the Improvements on the Association Properties, levied pursuant to the provisions of this Master Declaration.

Section 1.7. Assessment. Reimbursement. "**Reimbursement Assessment**" means a charge against a particular Owner, directly attributable to or reimbursable by the Owner, equal to the cost incurred by the Master Association for correction of a nonconforming Improvement or land use violation or amounts representing a reasonable fine or penalty assessed by the Master Association, plus interest and other charges on such Reimbursement Assessment as provided for in this Master Declaration. Reimbursement Assessments shall not be deemed to include any late payment penalties, interest charges, attorneys' fees or other costs incurred by the Master Association in its efforts to collect any Assessment duly imposed pursuant to this Master Declaration, which costs may be recovered by the Master Association.

Section 1.8. Assessment Special. "**Special Assessment**" means a Special Assessment that may occur if the Board determines that the estimated total amount of funds necessary to defray the Common Expenses for a given:

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fiscal year is or will become inadequate to meet the Common Expenses for any reason, including, but not limited to, delinquencies in the payment of Assessments, or in the event the Master Association has insufficient reserves to perform its obligations under this Declaration, then the Board shall determine the approximate amount of such shortfall, shall provide a summary thereof to all of the Owners with the Board's recommendation for a special assessment to meet such shortfall.

Section 1.9. Association Properties. "**Association Properties**" means all the real property and Improvements which are owned in fee at any time by the Master Association, or over which the Master Association has an easement for use, care or maintenance, for the common benefit, use and enjoyment of the Owners and all personal property owned or leased by the Master Association. Association Properties shall include, without limitation, an easement over the Wetlands Area, the open space surrounding the Wetlands Area, entry nonumentation for the Properties and any other real or personal property hereafter conveyed to the Master Association in fee, by easement or by lease.

Section 1.10. Beneficiary. "**Beneficiary**" means a Mortgagee under a Mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such Mortgagee or beneficiary.

Section 1.11. Board of Directors. "**Board of Directors. or Board**" means the Board of Directors of the Master Association.

Section 1.12. Bylaws. "**Bylaws**" means the Bylaws of the Master Association, as such Bylaws may be amended from time to time.

Section 1.13. Close of Escrow. "**Close of Escrow**" means the date on which a deed or other such instrument is recorded conveying a Separate Interest in the Properties, with the exception of deeds between Declarant and Parcel Developers or deeds between Parcel Developers.

Section 1.14. Common Area/Common Areas. "**Common Area**" or "**Common Areas**" shall mean (a) the Association Properties which are real property; (b) all land within the Properties, together with the Improvements thereon, which is not owned or leased by the Association, but which is designated in this Master Declaration for management, repair and maintenance by the Association; (c) any and all areas on a Lot or outside of the Properties within easements granted to the Association or its Members for purposes of

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location, construction, maintenance, repair and replacement of a public road, wall, fence, sidewalk, landscaped area or utility, for utility easement access, general access or other uses, and (d) all land, together with the Improvements thereon, located outside the Properties which is owned privately or by a governmental agency for which the Association has accepted responsibility for maintenance, and for which the Association or the Members benefit by limited use, full use, or aesthetic consistency, including, but not limited to, any median strips within any public street which provides access to any portion of the Properties. The terms "Common Area" and "Common Areas" shall exclude Common Areas within Planned Developments if designated as Common Areas of a Sub-Association for a particular Planned Development or Phase.

Section 1.15. Common Expenses. "Common Expenses" means the actual and estimated costs of the Master Association with respect to the maintenance, management, operation, repair and replacement of the Association Properties and other areas which the Master Association is obligated to maintain or repair, including unpaid Common Assessments, Reconstruction Assessments and Capital Improvement Assessments.

Section 1.16. Declarant. "Declarant". Means Realty Corner Inc. / James & Darlene Pruitt, and any successors-in-interest to all or any portion of Declarant's interest in the Properties by assignment-from Declarant and who specifically assume, in writing, the rights and-obligations of Declarant as set forth herein, or who succeed to Declarant's rights and obligations hereunder by operation of law (in each instance, a "Successor Declarant-). Declarant's and any Successor Declarant's rights and obligations under this Master Declaration are assignable and assumable as to all or any portion of Declarant's interests in the Properties or the -Subsequent Phase Properties and as to all or any portion of the Properties or Subsequent Phase Properties.

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Section 1.17. Declarant's Control Termination Date. "Declarant's Control Termination Date" is the earlier of the following events:

- a) Sixty (60) days after conveyance of seventy-five (75%) of the Separate Interests that may be created in the Properties and Subsequent Phase Properties to Owners other than Declarant; or
- b) Five years after Declarant has ceased to offer Separate Interests for sale in the ordinary course of business; or
- c) Five years after any right to annex Subsequent Phase Properties was last exercised; or

Section 1.18. Declaration of Deannexation of Territory. "**Declaration of Deannexation of Territory**" means an instrument Recorded pursuant to the provisions of this Master Declaration to deannex from the Properties Park, school or open space areas for the purpose of conveyance to an appropriate public agency.

Section 1.19. Delegate. "**Delegate**" means a Person who is selected by Members owning Separate Interests in a particular Delegate District to represent such Members and to vote on their behalf, as further provided in this Master Declaration, in the Bylaws and in any Supplemental Declaration applicable to a Delegate District. The purpose of Delegates is to facilitate the operation and management of the Master Association by creating a structure of private governance where a few Persons (the Delegates), elected by their peers, can represent the Members within their Delegate Districts and cast votes on behalf of such Members. '

Section 1.20. Delegate District. "**Delegate District**" means a common interest community subject to the Master Association in which the Members shall elect a single Delegate to represent their collective Voting Power. A Delegate District may be established when a Supplemental Declaration or Declaration of Annexation creates a Sub-Association and the Supplemental Declaration so provides; in such event, the property subject to the Supplemental Declaration or Declaration of Annexation shall be a Delegate District.

Section 1.21. Design Guidelines. "**Design Guidelines**" means the rules adopted by the Architectural Review Committee pursuant to the provisions of Development Standards Handbook and this Master Declaration. Documents of any Sub-Association and any Supplemental Declaration applicable to any Phase of Development, as the context herein requires.

Section 1.22. Improvement. "**Improvement**" means all structures and appurtenances thereto of every type and kind, including without limitation dwelling units, commercial, industrial or office buildings, and other buildings, outbuildings, walkways, sprinkler pipes, garages, swimming pools, tennis courts, spas or other recreational facilities, television satellite reception dishes, antennae, carports, roads, driveways, parking areas, fences, paint, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, and exterior lighting and air conditioning equipment.

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Section 1.23. Land Use Ordinance. "**Land Use Ordinance**" shall mean any zoning law, comprehensive plan, master plan, regional master plan or other ordinance or regulation governing the use of land adopted by the County or State and applicable to any of the Properties or the Subsequent Phase Properties.

Section 1.24. Majority of a Quorum. "**Majority of a Quorum**" means the vote of a majority of the votes cast at a meeting or by written ballot when the numbers of Members attending the meeting (in person or by proxy) or the number of Members casting ballots equals or exceeds the minimum quorum requirement specified in the Bylaws.

Section 1.25. Master Association. "**Master Association**" means \_\_\_\_\_ Master Association.

Section 1.26. Master Declaration. "**Master Declaration**" means this instrument, as it may be amended from time to time.

Section 1.27. Member. "**Member**" means every person or entity that holds a membership in the Master Association.

Section 1.28. Owner. "**Owner**" means the Person or Persons, including Declarant and any Parcel Developer who holds a fee simple interest of Record to a Separate Interest within the Properties, including buyers under executor contracts of sale, a memorandum of which has been Recorded.

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Section 1.29. Parcel Developer. "**Parcel Developer**" means a Person (a) who is designated as such by Declarant and (b) who acquires a portion of the Properties zoned for residential and related uses, for the purpose of developing such portion for resale to the general public; provided, however, that the term "Parcel Developer" shall not mean or refer to Declarant or any Successor Declarant. Declarant shall determine, from time to time, which Persons shall qualify as Parcel Developers when property is sold to such Persons by Declarant.

Section 1.30. Person. "**Person**" means a natural individual, a corporation, a partnership or any other entity with the legal right to hold title to real property.

Section 1.31. Phase of Development or Phase. "**Phase of Development**" or "**Phase**" means any portion of the Properties designated by Declarant to be a Phase of Development, which is intended to be subdivided into Separate Interests.

Section 1.32. Properties. "**Properties**" means all of the real property described in Exhibit "A" attached hereto, together with any other property which may be annexed to the property subject to this Master Declaration and to the jurisdiction of the Master Association in accordance with Article II hereof.

Section 1.33. Rules and Regulations. "**Rules and Regulations**" means the Rules and Regulations adopted by the Board pursuant to the provisions of this Master Declaration, and the Design Guidelines adopted by the Architectural Review Committee pursuant to the provisions of Development Standards Handbook and this Master Declaration as such Rules and Regulations may be amended from time to time.

Section 1.34. Sub-Association. "**Sub-Association**" means any corporation or unincorporated association, or its successor in interest, organized and established or authorized pursuant to, or in connection with, the Recordation of a Supplemental Declaration in accordance with the provisions of this Master Declaration.

Section 1.35. Subdivision Map. "**Subdivision Map**" means the Recorded Map for any Phase of Development within the Properties.

Section 1.36. Supplemental Declaration. "**Supplemental Declaration**" means any declaration of covenants, conditions and restrictions and/or reservation of easements or similar document supplementing this Master Declaration and affecting a Planned Development or other portion of the Properties

Section 1.37. Subsequent Phase Properties. "**Subsequent Phase Properties**" This Master Declaration contemplates that those portions of the Properties which are not initially subject to this Master Declaration may, from time to time, be made subject to this Master Declaration by annexation. Any portion of the real property described in Exhibit "B" attached hereto which are not at a particular time subject to this Master Declaration is referred to as Subsequent Phase Properties or Subsequent Phase Property.

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Section 1.38. Voting. "Voting Power" means the total number of votes attributable to those Members who are eligible to vote for the election of directors or with respect to any other matter; issue or proposal properly presented to the Members for approval at any time a determination of Voting Power is made.

## ARTICLE II. Development Annexation

Section 2.1. Land Classification of the Properties. Declarant hereby declares that the Properties are made subject to Development Agreement and Development Standard Handbook (CASE# DA4-1-98) Washoe County, Nevada and this Master Declaration, and shall be developed pursuant to the following.

Section 2.2. Unilateral Annexation. Owners shall have the right to annex from time to time all or any portion of the Subsequent Phase Properties, following which, such annexed portion of the Subsequent Phase Properties shall be subject to this Master Declaration as a portion of the Properties, and the Owners thereof shall be Members of the Association with the same rights, duties and obligations of existing Owners. Such annexation by Owners shall not require the prior approval of the Owners, the Association, the Board or Members.

2.2.1 Declaration of Annexation: Supplemental Declarations. Any annexations of Subsequent Phase Properties to the Properties authorized under this Article II shall be effected by Recording a Declaration of Annexation, or other similar instrument, with respect to the applicable Subsequent Phase Properties. The Declaration of Annexation: (a) shall be executed by Declarant or a successor Declarant, as the owner of the Subsequent Phase Properties; (b) shall extend the general plan and scheme of this Master Declaration to such portion of the Subsequent Phase Properties; and (c) may include supplemental Restrictions which shall comply with the requirements of a Supplemental Declaration.

2.2.2 Effect of Annexation. The Recordation of a Declaration of Annexation shall constitute and effectuate the annexation of the Subsequent Phase Properties described therein, and thereupon such portion of the Subsequent Phase Properties shall become and constitute a part of the Properties, and be subject to, and encompassed within, the general plan and

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scheme of this Master Declaration, subject only to such modifications in said general plan as may be imposed by the Supplemental Declaration. Separate Interests within the Subsequent Phase Properties shall thereupon become subject to Assessment by the Master Association and to the functions, powers, and jurisdiction of the Master Association, and the Owners of Separate Interests within the Subsequent Phase Properties shall automatically become Members of the Master Association. Any Association Properties (including private roads) which are included within the Subsequent Phase Properties shall be conveyed to the Master Association, free of all liens and encumbrances, other than liens, rights-of-way, or other encumbrances, which do not unreasonably or materially impair the use and enjoyment of such Association Properties. The conveyance of any Association Properties to the Master Association shall occur immediately following recordation of the Declaration of Annexation, unless otherwise agreed in writing by the owner of such portion of the Subsequent Phase Properties and the Board.

Section 2.3. Deannexation. The Master Plan for the Properties currently provides for the development of parks and schools, which are not currently identified as separate legal parcels on any Subdivision Map. When such park and school areas have been mapped as separate legal parcels, they may be deannexed by the owner thereof (by Recordation of a Declaration of Deannexation of Territory) for purposes of conveyance to an appropriate public agency, if required or requested by the agency. Owners of the applicable portion of the Properties agree to the removal affected from the coverage of the Master Declaration and the jurisdiction of the Master Association. For any portion of the Properties which is to be deannexed, a Declaration of Deannexation executed by Declarant and any other Owners of the Properties to be deannexed must be Recorded which describes the property which is being deannexed and which reallocates the allocated interests among the remaining Separate Interests within the Properties, using the formula set forth in Section 4.2.1, hereof.

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Section 2.4. Supplemental Declarations.

2.4.1 Authorization for recordation of Supplemental Declarations. During the course of developing the Properties, it may become necessary and appropriate for the Declarant or a Parcel Developer to Record a Supplemental Declaration which is applicable to Separate Interests and Common Areas within a particular Phase of Development, including, without limitation, any portion of the Properties which is not subject to a final Subdivision Map as of the date of this Master Declaration. Recordation of Supplemental Declarations by Declarant is hereby approved. Parcel Developers may Record Supplemental Declarations with respect to any Phase of Development they own.

2.4.2 Priority of Declarations in the Event of Conflict. This Master Declaration shall control if there is any conflict between any Supplemental Declaration and the provisions of this Master Declaration; provided, however, that to the extent that any provision hereof is expressly modified by a Supplemental Declaration, no conflict shall be deemed to exist and the Supplemental Declaration shall control; and, provided further that this Master Declaration and any Supplemental Declaration shall be construed to be consistent with one another to the extent possible. The inclusion in any Supplemental Declaration of covenants, conditions, restrictions, rights, reservations, easements, equitable servitude's, limitations, liens or charges which are more restrictive or more inclusive than the Restrictions contained in this Master Declaration shall not be deemed to constitute a conflict with the provisions of this Master Declaration.

**ARTICLE III**  
**Permitted Uses and Restrictions**  
**of the Association Properties**

Section 3.1. Owners' Rights of Enjoyment in Association Properties. Every Owner and, to the extent permitted by such Owner, such Owner's Family, guests, invitees, lessees, and contract purchasers who reside within such Owner's Separate Interest, shall have a right of ingress and egress and of enjoyment in, to and over the Association Properties which shall be appurtenant to and shall pass with title to every Separate Interest, subject to the following provisions:

3.1.1 The right of the Master Association to reasonably limit the number of guests of Owners who may use the Association Properties and any facilities located thereon, except for any facilities or Association Properties which are open to public access and use by virtue of applicable laws or governmental regulations.

3.1.2 The right of the Master Association to establish uniform Rules and Regulations pertaining to the use of the Association Properties and any facilities located thereon.

3.1.3 The right of the Master Association, in accordance with the Articles, the Bylaws and this Master Declaration, to borrow money for the purpose of improving the Association Properties and any facilities located thereon and in aid thereof, and, subject to the provisions of this Master Declaration, to mortgage, pledge, deed in trust, or hypothecate any or all of its

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real or personal property as security for money borrowed or debts incurred, with the vote or written assent of at least a majority of the Voting Power of the Master Association including a majority of the Votes in the Association allocated to Separate Interests not owned by Declarant. Any encumbrance of Association Property shall be evidenced by the execution in the same manner as a deed, of the requisite number of Separate Interest Owners of an agreement to that effect. The agreement or ratifications shall be recorded in the County. Recordation of such agreement or ratification shall constitute prima facie evidence that the required membership approval was obtained.

3.1.4 The right of the Master Association to suspend the voting rights of any Owner for any period during which any Assessment against such Owner's Separate Interest remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any non-continuing infraction of the Rules and Regulations. Any suspension of voting rights shall be made only by the Board and shall be conditioned upon providing the alleged violator with notice and an opportunity for a hearing in accordance with the provisions of this Master Declaration.

3.1.5 Subject to the provisions of this Master Declaration, the right of the Master Association to dedicate, release, alienate or transfer all or any portion of the Association Properties owned in fee by the Master Association to any public agency, authority, utility or other Person for such purposes and subject to such conditions as may be approved by the Members. No such dedication, release, alienation or transfer shall be effective, unless previously approved by at least a majority of the Voting Power of the Members including a majority of the votes in the Association allocated to Separate Interests not owned by Declarant and evidenced by the execution in the same manner as a deed, of the requisite number of Separate Interest Owners of an agreement to that effect. The agreement or ratification's shall be recorded in the County. Recordation of such certificate shall constitute prima facie evidence that the required membership approval was obtained.

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3.1.6 The right of Declarant and any Parcel Developers (and their respective guests, invitees, and successors) to the non-exclusive use of the Association Properties and the facilities thereof, for access, ingress and egress for purposes of developing and improving the Properties pursuant to this Master Declaration, which right Declarant hereby reserves; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein.



3.1.7 The right of the Master Association (by action of the Board) to reconstruct, repair, replace or refinish any Improvement or portion thereof which is located within or upon the Association Properties, in accordance with the original design, finish or standard of construction of such Improvement, or of the general Improvements within the Properties, as the case may be; and, subject to the other provisions of this Master Declaration, if not in accordance with such original design, Declarant may remove a portion of the Properties from coverage of this Master Declaration and the jurisdiction of the Master Association, so long as Declarant is the Owner of all of such property (other than publicly owned property), or Declarant and all of the appropriate for the Declarant or a Parcel Developer to Record a Supplemental Declaration which is applicable to Separate Interests and Common Areas within a particular Phase of Development, including, without limitation, any portion of the Properties which is not subject to a final Subdivision Map as of the date of this Master Declaration recordation of Supplemental Declarations by Declarant is hereby approved. Parcel Developers may Record Supplemental Declarations with respect to any Phase of Development they own.

## **ARTICLE IV**

### **The Master Association**

Section 4.1. Formation. The Master Association is a nonprofit corporation formed or to be formed under Chapter 82 of the Nevada Revised Statutes. Before or promptly after recordation of this Master Declaration, Declarant shall cause the Articles of Incorporation to be filed with the Secretary State of the State of Nevada. The Master Association shall be charged with the duties and invested with the powers set forth in the Articles or Bylaws, and this Master Declaration. In the event any provision of the Articles or Bylaws conflict with the provisions of this Master Declaration, then the provisions of this Master Declaration shall control.

#### Section 4.2. Master Association Membership.

4.2.1 Membership Qualifications. The members of the Master Association shall be the Owners (including Declarant and any Parcel Developers) of one (1) or more Separate interests. The Owner or Owners, collectively, of each Separate Interest shall have (1) membership in the Master Association (Membership). At any given time, the number of memberships in the Master Association shall be equal to the number of Separate interests in the properties. The number of memberships shall increase in proportion to the number of Separate interests within the Subsequent Phase Properties each time any of the Subsequent Phase Properties is annexed to the Properties and shall decrease in proportion to the number of Separate interests which are deannexed each time a Deannexation occurs pursuant to the provisions of Article II, hereof. As used in

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this Master Declaration, the term "Member" shall refer to the person owning a Separate interest if owned solely by such Person, or collectively to all of the Persons owning a separate interest if owned by more than one Person. Each Member shall have the rights, duties, and obligations set forth in this Master Declaration, Articles, Bylaws and Rules and Regulations, as the same may from time to time be amended. Membership in the Master Association shall be in addition to an Owner's membership in any Delegate District.

4.2.2. Transfer of Membership. Each Membership shall be appurtenant to the Member's Separate interest, and Memberships shall not be pledged, transferred, or assigned, except to the Person to whom the Separate interest is transferred. Declarant's Membership may not be partially assigned or held by more than one (1) Person, and may not be transferred except to a Successor Declarant under this Master Declaration. Any attempt to make a prohibited transfer of a Membership shall void and will not be reflected on the books of the Master Association. Any transfer of title or interest to a Separate interest shall operate automatically to transfer the appurtenant Membership to the grantee, and the Recordation of a contract of sale of a Separate interest shall operate to transfer the appurtenant Membership to the Buyer thereunder. Prior to any transfer of title to a Separate interest (excluding a transfer for security purposes), either the transferring Owner or the acquiring owner shall give notice to the Board of such transfer, including the name and address of the acquiring owner and the anticipated date of transfer. The Master Association may levy a reasonable transfer fee against new Owners and their Separate interest (which fee shall be added to the Assessment chargeable to such new Owner) to reimburse the Master Association for the administrative costs of transferring the memberships to the new Owner on the records of the Master Association.

4.2.3. Voting Classes. The Master Association shall have the following described voting classes ("Voting Classes") and, subject to the provisions of Section 4.3 below, shall have the following votes:

(1) Class "A" Members. Class A Members shall be the Owners (including any Parcel Developers) of any Separate interest. One class "A" Membership shall be appurtenant to each Separate interest and shall be entitled to one(1) vote.

(2) Class "B" Members. Class B Members shall be the Delarant only. Subject to the provisions of section 4.3 below, the Class B Member shall have one (1) vote for each Separate interest owned by Declarant. One Class B Membership shall be appurtenant to each Separate interest owned by Declarant.

4.2.4 Exercise of Voting Rights.

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(1) BY Declarant. Declarant shall have the right to designate to the Board in writing the Person or Persons entitled to exercise the rights reserved to Declarant under this Master Declaration, including the casting of votes on behalf of Declarant.

(2) By Delegates. Subject to the provisions of Sections 4.3, hereof, the votes allocated to Members within a Phase or Planned Development for which a Delegate District has been formed shall be cast by the Delegates of such Delegate District and not by the Members themselves.

(3) BY Owners. Members not represented by Delegates shall cast their votes in person or by proxy. In the case of a Membership owned by two (2) or more Persons, the vote or votes allocated to such Membership shall be exercised by only one of them. If only one (1) of several Persons owning a Membership is present at a meeting of the Master Association, that Person is entitled to cast the vote or votes allocated to that Membership. If more than one (1) of the Persons owning a Membership are present, the vote or votes allocated to that Membership may be cast only in accordance with the agreement of a majority in interest of the Persons owning such Membership. There shall be deemed to be a majority agreement among several Persons owning a Membership if any one (1) of such Persons casts the vote or votes allocated to that Membership without protest made promptly to the person presiding over the meeting by any of the other Persons owning such Membership. In the event there is no such protest, it will be conclusively presumed for all purposes that the Person who cast the vote or votes for a particular Membership was acting with the authority and consent of all other Persons owning such Membership. If such a protest is made, or more than one (1) Person owning a single Membership casts the vote or votes, then the vote for such Membership shall not be counted.

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Section 4.3. Composition of Board of Directors.

4.3.1 Declarant's Right of Appointment and Removal. Subject to the provisions of Section 4.3.2, below, Declarant reserves the right to appoint and remove all of the members of the Board and all of the officers of the Master Association until Declarant's Control Termination Date. Declarant shall have the right to designate a person or persons who are entitled to exercise the right reserved to Declarant under this paragraph.

4.3.2 Board Representation of Members (other than Declarant) Prior to Declarant's Control Termination Date.

(1) On the date which is sixty (60) days after Declarant's conveyance of Separate Interests equal to twenty-five percent (25%) of the total number of Separate which may be created in the Properties, including Subsequent Phase Properties, pursuant to the provisions of this Master Declaration to Owners other than Declarant, a Successor Declarant, or Parcel Developers, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Members other than the Declarant.

(2) Not later than the date which is sixty (60) days after Declarant's conveyance of Separate Interests equal to fifty percent (50%) of the total number of Separate Interests which may be created in the Properties, including Subsequent Phase Properties, pursuant to the provisions of this Master Declaration to Owners other than Declarant, a Successor Declarant or Parcel Developers, not less than thirty-three and one-third percent (33-1/3 %) of the members of the Board shall be elected by Members other than the Declarant.

4.3.3 Board Seats. The Board shall have seven (7) Members elected in the manner provided in Article IV hereof.

4.3.4 Persons Entitled to Serve on the Board. Except for the members of the Board appointed by Declarant pursuant to Section 4.3, hereof, and the members of the first Board named in the Articles, the members of the Board shall be Members of the Master Association. An officer, employee, agent or director of a corporate Owner of a Separate Interest, a trustee or designated beneficiary of a trust that owns a Separate Interest, a partner of a partnership that owns a Separate Interest, or a fiduciary of an estate that owns a Separate Interest may serve as an officer or a member of the Board. In all events where the Person serving or offering to serve as an officer of the Master Association or member of the Board is not the Owner of Record, such Person shall file proof of his, her or its authority in the records of the Master Association. All members of the Board must be at least eighteen (18) years of age.

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4.3.5 First Annual Meeting. The members of the first Board of the Master Association named in the Articles shall serve until the first annual meeting of the Members of the Master Association is called for the purpose of electing their successors. The first annual meeting of the Members of the Master Association shall be held not later than the earliest of: (a) sixty (60) days after the closing of the sale's of the Separate Interest to a Person other than Declarant, a

Successor Declarant or Parcel Developer, which closing represents the twenty-fifth (25th) percentile interest in the maximum number of Separate Interests which may be created in the Properties pursuant to this Master Declaration, or (b) one (1) year after the date of the filing of the Articles of Incorporation with the Secretary of State of the State of Nevada. Such meeting shall be called, noticed and conducted in accordance with the Articles and the Bylaws.

Section 4.4. Master Association Action. Except as to matters requiring the approval of the Members as set forth in the Articles, Bylaws, and this Master Declaration, the powers of the Mayer Association shall be vested in, exercised by, and under the control of, the Board, and the affairs of the Master Association shall be managed and controlled by the Board. Except as otherwise provided in the Articles, Bylaws, or this Master Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total Voting Power of the Master Association assent to such matters by written consent as provided in the Bylaws Or approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

Section 4.5. Powers and Duties. The Master Association shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Master Association as set forth in Chapters 116 and 82 of Nevada Revised Statutes. Without in any way limiting the generality of the foregoing provisions, the Master Association, acting through the Board, shall have the following powers and duties:

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4.5.1 Assessments. The power and the duty to levy Assessments and to enforce payment of such Assessments in accordance with the provisions of this Master Declaration.

4.5.2 Repair and Maintenance of Association Property.

(1) Overall Responsibility. The power and the duty to paint, plant, replace, remove, resurface, maintain and repair in a neat and attractive condition, in accordance with standards adopted by the Board, all Association Property and all Improvements thereon. The Master Association shall also have the power and duty to pay for utilities, landscaping services, security services and other necessary utility and/or other services for the benefit of the Association Property.

(2) Property Maintained by Governmental Agency or Sub-Association. Notwithstanding the foregoing, the Master Association shall have no responsibility to provide the services referred to in this subparagraph with respect to any property or Improvement which is accepted for maintenance by any state, local or municipal governmental agency or entity, or with respect to which the maintenance responsibility has been delegated to any Sub-Association pursuant to a Supplemental Declaration. In such case, the maintenance responsibility shall be that of the applicable agency, entity or Sub-Association.

(3) Maintenance of Association Property by Declarant. Additionally, to the extent that maintenance and/or services are provided by Declarant with respect to Association Property pursuant to a maintenance agreement, or any other type of agreement, the Master Association's responsibilities for maintaining the Association Property and providing other services hereunder shall be temporarily suspended for so long as the maintenance and/or other services are furnished by Declarant pursuant to such agreements.

4.5.3 Utility Services. The power and the duty to obtain, for the benefit of the Association Property, all commonly metered water, gas and electric services; and the power, but not the duty, to obtain cable television service and to provide for all refuse collection as deemed necessary.

4.5.4 Easements and Rights-of-Way. The power, but not the duty, to grant and convey, to any Person, easements and rights-of-way in, on, over or under the Association Property, including parcels or strips of land which comprise a portion of the Association Property, for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: (1) roads, streets, walks, driveways, parkways and open space areas; (2) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other similar purposes; (3) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (4) any similar public or quasi-public improvements or facilities.

4.5.5 Manager. The power, but not the duty, to employ or contract with a Manager to perform all or any part of the duties and responsibilities of the Master Association. Subject to the provisions of applicable law, the Board shall have the power to delegate its powers to committees, officers and employees. Each management agreement shall provide for its termination by either party with cause upon not more than thirty (30) days' written notice to the other party, and

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without cause and without penalty or payment of a termination fee upon not less than ninety (90) days' written notice to the other party.

4.5.6 Rights of Entry and Enforcement. Without limiting the foregoing description of powers, the Master Association and its agents shall have the specific right to enter on any Separate Interest, when necessary, to perform the Master Association's obligations under this Master Declaration, including: (1) obligations to enforce the Restrictions, Land Use Ordinances and Design Guidelines; (2) any obligations with respect to construction, maintenance and repair of any facilities located on the Association Property; or (3) to make necessary repairs or maintenance' that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, the Association Property or the Owners in common. The Association's rights hereunder shall not include the right to enter any private Residence with the exception of actions taken in response to emergency situations; except for such emergency situations, the Master Association shall have no right to initiate any corrective action or alter any improvement on the Owner's Separate Interest without complying with the notice and due process requirements required by this Master Declaration.

The Master Association's rights of entry under this subparagraph shall be exercisable as follows:

(1) The Master Association shall have an immediate right of entry in the case of an emergency originating in or threatening the Separate Interest where entry is required, or any adjoining Separate Interest or Association Property, and the Master Association's work may be performed under such circumstances whether or not the Owner or his or her lessee is present.

(2) In all other non-emergency situations the Master Association, or its agents, shall furnish the Owner or his or her lessee with at least ten (10) days' written notice of its intent to enter the Separate Interest, specifying the purpose and scheduled time of such entry. In case of all entries other than entries required to respond to emergency situations, the Association shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing in the Separate Interest.

4.5.7 Other Services. The power and the duty to maintain the integrity of the Association Property and provide such other services as may be necessary or proper to carry out the Master Association's obligations and business under the term' of this Master Declaration, in order to enhance the enjoyment of the Members of the Association Property or to facilitate the use of the Association Property by the Members in common.

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4.5.8 Legal and Accounting Services. The power, but not the duty, if deemed appropriate by the Board, to retain and pay for legal and accounting services which the Board considers necessary or appropriate to the proper operation and management of the Master Association and the Association Property, the enforcement of this Master Declaration, or the performance of any of the other duties or rights of the Master Association under the Governing Documents.

4.5.9 Construction on Association Property. The power, but not the duty, by action of the Board, to construct new Improvements or additions to the Association Property, or demolish existing Improvements in accordance with the provisions of this Master Declaration.

4.5.10 Contracts. The Master Association, acting through the Board, may enter into contracts with Declarant, Sub-Associations, Owners within the Properties, management, landscape maintenance companies and other Persons to provide services or to maintain and repair Improvements and maintenance areas within the Properties and elsewhere which the Master Association is not otherwise required to provide or maintain pursuant to this Master Declaration, provided, that any such contract or service agreement shall provide for the payment to the Master Association for the costs of providing such services or maintenance.

4.5.11 Management of Sub-Association. The power, but not the duty, to enter into an agreement, on behalf of the Master Association, to provide management services to any Sub-Association and to collect a fee for such services. Such management agreement may provide that the Master Association to collect, on behalf of the Sub-Association, assessments levied by such Sub-Association against the Members of such Sub-Association.

Section 4.6. Rules and Regulations. The Board may adopt such Rules and Regulations, as it deems proper for the use and enjoyment of the Association Property. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be available for inspection at the Master Association's principal office and may be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Rules and Regulations shall have the same force and effect as if they were set forth and were a part of the Governing Documents; provided, however, that the Rules and Regulations shall be enforceable only to the extent that they are consistent with the other Governing Documents, and the Rules and Regulations may not be used to amend any of such documents. In addition, if any Owner has actual knowledge of any particular Rule or Regulation, such Rules and Regulations shall be enforceable against such Owner as though notice of such Rules and Regulations had been given pursuant to this Section.

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**ARTICLE V.  
Master Association Assessments**

Section 5.1. Purpose and Amount of Assessments. The Assessments levied by the Master Association shall be the amount estimated to be required, and shall be used exclusively, to promote the health, safety, and welfare of the Members of the Master Association, for the performance of the duties of the Master Association as set forth in this Master Declaration, and for the repair, maintenance and upkeep of the Common Areas. Subject to and in accordance with applicable law, the average annual liability for Common Expenses shall never exceed FIVE HUNDRED AND NO/100THS DOLLARS (\$500.00) per Separate Interest, as adjusted by Chapter 116 of the NRS, exclusive of the cost of insurance premiums to the Association, any optional users' fees, any Reimbursement Assessment or any Reconstruction Assessment. Such FIVE HUNDRED AND NO/100THS DOLLARS (\$500.00) maximum amount is not, in any manner, indicative of the actual Common Assessment for each Separate interest estimated above, but is set forth herein to comply with requirements of applicable law.

Section 5. 2. Personal Obligations. Declarant, for each Separate Interest owned by it, and each Owner of each Separate Interest, hereby covenants and agrees to pay to the Master Association such Assessments as are made pursuant to this Article V. Declarant may, in lieu of payment of the Assessment and any Special Assessments attributable to Separate Interest owned by Declarant, enter into a Subsidy Agreement with the Master Association. Each Assessment or installment thereof, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the Person who is the Owner of the Separate Interest at the time such Assessment (or installment thereof) became due and payable. If more than one (1) Person is the Owner of the Separate Interest, the personal obligation to pay such Assessment (or installment) respecting such Separate Interest shall be both joint and several. Except as provided in this Declaration, a purchaser of a Separate Interest shall be jointly and severally liable with the seller for all unpaid Assessments against the Separate Interest, up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Master Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by non-use or abandonment of his Separate Interest.

Section 5.4. Assessments.

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5.4.1 Budget. The Assessment shall be determined by the amount of tire Master Association budget ("Budget") for each fiscal year to pay the Common expenses as established pursuant to the provisions of this Article.

5.4.2 Allocation of Assessment: Uniform Rate: Commencement. Subject to any Assessment for Unmapped Phases, the Assessment assessed against the Owners of a Separate Interest shall be the amount of the Common Expense liability portion of the Budget for the applicable fiscal year divided by the total number of Separate Interests subject to the limitations set forth in this Article. Assessments shall commence as to each Separate Interest and as to each Unmapped Phase, if applicable, upon the earlier to occur of (1) the date specified in a Notice of Commencement of Common Assessments, Recorded by Declarant, which date shall be after the date of Recordation of this Master Declaration; or (2) the first day of the first month following the month in which the first Close of Escrow occurs for the sale of a Separate Interest in that Phase of the Properties in which the Separate Interest is located. Each Separate Interest in that Phase of the Properties and each Unmapped Phase in the Properties shall, thereafter, is subject to its share of the then established Assessment as set forth herein.

5.4.3 Procedure for Establishing Assessment: Commencement. The Assessment period shall coincide with the fiscal year of the Master Association, which shall commence on January 1 of each year and shall terminate on December 31 of such year. Assessment shall be payable in equal quarterly installments payable on the first (1st) day of each fiscal quarter unless the Board adopts some other basis for collection. However, the initial Assessment period for the a Phase of the Properties shall commence on the first (1st) day of the calendar quarter following the Close of Escrow of the sale of the first Separate Interest within such Phase to an Owner (other than Declarant, a Successor Declarant or a Parcel Developer). Not less than ninety (90) days before the beginning of each fiscal year of the Master Association, the Board shall meet for the purpose of preparing the proposed Budget of the Common Expenses for the next succeeding fiscal year and establishing the Assessment for such fiscal year. Within thirty (30) days after adoption of the proposed Budget by the Board for such fiscal year, the Board shall provide a summary of the Budget to all Owners, and shall set a date for a meeting of the Owners to consider ratification of the Budget, which date shall be not less than forty-five (45) nor more than sixty (60) days after mailing of the summary.

5.4.4 Requirements for Adoption. Unless at the meeting of the Members described in Section 5.4.3, above, at least sixty-seven percent (67%) of the Voting Power of the Master Association votes to reject the proposed Budget, the Budget shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting. If the proposed Budget is so rejected, the Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Board.

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5.4.5 Emergency Situations. Notwithstanding any other provision contained in this Article V, the Board may increase the Assessment as necessary for emergency situations. For purposes of this Section, an emergency situation is any (1) one of the following:

(1) Extraordinary expense required by an order of a court;

(2) An he that you extraordinary expense necessary to repay or maintain Properties or any portion thereof for which the Master Association is responsible where a threat to personal safety on the property is discovered; or

(3) An extraordinary expense necessary to repair or maintain the Properties or any portion thereof for which the Master Association is responsible that could not have been reasonably foreseen by the governing body in preparing and distributing the proposed Budget. However, prior to the imposition or collection of an assessment under this Section, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of the emergency assessment.

5.4.6 Expenditure of Reserve Funds.

(1) The Board shall not expend funds designated as reserve funds for any purpose other than:

(a) The repair, restoration, replacement or maintenance of major components for which the Master Association is obligated and for which the reserve fund was established, or

(b) Litigation involving the purposes set forth in this Master Declaration.

(2) Notwithstanding the provisions of Subsection 5.4.6(1) above, the Board:

(a) May authorize the temporary transfer of money from the reserve account to the Master Association's operating account to meet short-term cash flow requirements or other expenses.

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(b) Shall cause the transferred funds to be restored to the reserve account within three (3) months of the date of the initial transfer; however, the Board may, upon making a documented finding that a delay of restoration of the funds to the reserve account would be in the best interest of the Association, delay the restoration until such time it reasonably determines to be necessary.

(c) Shall exercise prudent fiscal management in delaying restoration of the transferred funds to the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits specified. Any such Special Assessment shall not be subject to the limitations specified in Section 5.5, below.

Section 5.5. Special Assessments. In the event that the Board determines a Special Assessment is required, the Board shall set a date for a meeting of the Owners which is not more than thirty (30) days after the mailing of the summary of the Special Assessment to the Owners and unless at that meeting a majority of the votes comprising the Voting Power are voted to reject the proposed Special Assessment, the proposed Special Assessment shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting, and shall become a Special Assessment against, and allocated equally to, the Owners of the Separate Interests in the same manner as the Assessment is allocated. The Board may, in its discretion, provide for payment of any Special Assessment in any number of installments or provide that it is payable in one (1) installment within such time period as the Board deems reasonable.

Section 5.6. Capital Improvement Assessments.

5.6.1 Master Association's Power to Levy: Definition. The Master Association shall have the power to levy Capital Improvement Assessments on the terms and conditions set forth below. As used herein "Capital Improvement" means (1) any Improvement upon the Common Area which is not a repair or replacement of an existing Improvement, or (2) any expenditure relating to the Common Area which is outside the ordinary course of business of the Master Association.

5.6.2 Petition: Master Association Approval.

(1) Owners of thirty (30) or more of the Separate Interests may petition the Master Association for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement. Such petition shall be in writing and be in such form and shall contain such information as the Board may reasonably require. The Board may, on its own motion, move for the

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construction, installation, or acquisition of, or expenditure for, a Capital Improvement.

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

(3) The Board shall submit the Capital Improvement proposal to the Members at the annual meeting, or a special meeting called for such purpose. The Capital Improvement Assessment shall be deemed approved upon the affirmative vote of (1) a majority of quorum of the non-Declarant Members, constituting at least fifty percent (50%) of the Voting Power of the Master Association, and (2) the Declarant, unless Declarant's Annexation Rights pursuant to Article II hereof have expired and Declarant owns no portion of the Properties or the Subsequent Phase Properties.

5.6.3 Levy of Capital Improvement Assessments. Capital Improvement Assessments shall be levied in the same proportions as the Common Assessments are levied. A Capital Improvement Assessment shall be paid in such installments and during such period or periods as shall be voted upon by the Members at the time such Assessment is approved. If no terms of payment are specified by such vote of the Membership, the Capital Improvement Assessment shall be due and payable upon terms set by the Board.

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

5.6.5 Deficiency in Capital Improvement Assessment. If at anytime and from time to time a Capital Improvement Assessment proves or appears likely to be inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, subject to the limitations set forth in this Section, levy a further Capital Improvement Assessment in the amount of such actual or estimated inadequacy, which shall be levied against the Owners in the same proportion as the Common Assessments are levied.

Section 5.7. Notices of Assessments: Delinquencies. All Assessment notices shall be in writing and shall be given in the manner specified in this Section. The Master Association shall give written notice of the Assessment to the Owners of the Separate Interests within the Properties, which notice shall specify the amount of the Assessment and the date or dates payment of the same is due. Nothing contained herein shall be construed so as to require the

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Master Association to give periodic notices of the same Assessment. One notice of an Assessment shall be sufficient to meet the requirements of this Section, even though the Assessment may be payable in installments. Failure of the Master Association to give notice of any Assessment shall not affect the liability of the Owners of the Separate Interest for such Assessment; provided, however, that the date when payment of the first installment of such Assessment shall become due in such a case shall be deferred to a date, fifteen (15) days after such notice shall have been given, and the first installment of such Assessment shall not be deemed delinquent until fifteen (15) days after such deferred due date. Any Assessment installment hereunder which is not paid within fifteen (15) days following the date it is due as specified in the notice of such Assessment shall be deemed delinquent. All delinquent Assessments shall bear interest at the rate of eighteen percent (18%) per annum from the date the Assessment becomes delinquent hereunder until paid, and, in addition, a late charge as determined by the Master Association shall be charged for each delinquent installment and shall be due with each delinquent installment.

- Section 5.8. Statement of Account. Upon payment of a reasonable fee and upon written request of any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Separate Interest, the Master Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Separate Interest, the amount of all the current Assessments, and the date that such Assessment becomes or became due, and if there is any credit for advance payments. Such statement shall be conclusive upon the Master Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) business days following receipt of the written request and fee, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement.

Section 5.9. Collection of Assessments. The right to collect and enforce Assessments is vested in the Board acting for and on behalf of the Master Association. The Board, its attorney at law, its authorized representative, its attorney at law, and 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 by judicial proceedings or, to the extent permitted by applicable law, through the exercise of the power of sale granted to the Board pursuant to applicable statutes and laws, and Article V, to enforce the lien rights created. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts due hereunder shall be maintainable without first foreclosing against the Separate Interest which is subject to the lien for such assessment or waiving the lien rights granted hereby.

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5.9.1 Lien for Assessments: Priority. All sums assessed to any Separate Interest pursuant to this Master Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Owner's Separate Interest in favor of the Master Association from the date the Assessment becomes due. Such lien shall be prior to all other liens and encumbrances on such Lot, except for: (a) valid tax and special assessment liens in favor of any governmental assessing authority; (b) liens and encumbrances recorded before the recordation of this Master Declaration; and (c) a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent. The lien created by this Master Declaration for unpaid Assessments are also prior to a First Mortgage to the extent of the amount of such Assessment which would have become due in the absence of acceleration during the six (6)-month period immediately preceding institution of an action to enforce the lien securing such amount, without accelerations.

#### 5.9.2 Enforcement of Lien.

(1) Notice of Delinquent Assessment and Notice of Default. The Master Association may foreclose its lien by sale pursuant to NRS Chapter 116 after:

(a) The Master Association has mailed by certified or registered mail, return receipt requested to the record Owner of the Separate Interest or Unmapped Phase, a notice of delinquent assessment (herein "**Notice of Delinquent Assessment**"), which states the amount of the Assessment which is due together with all interest and late charges thereon in accordance with the provisions of this Master Declaration, a description of the Separate Interest against which the lien is imposed, and the name of the record Owner of the Separate Interest; and

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

(c) The Owners of the Separate Interest or Unmapped Phase or their successors in interest have failed to pay the amount of the lien, including interest

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and late charges, and costs, fees and expenses incident to its enforcement for a period of sixty (60) days which commences on the first day following the later of:

(2) The day on which the Notice of Default is so recorded; or

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

5.9.3 Notice of Sale. The Master Association or other person conducting the sale shall, at any time after the expiration of such sixty (60) day period and before selling the Separate Interest, give notice of the time and place of the sale (-Notice of Sale-) in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a copy of the Notice of Sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to Me Owners of the Separate Interest, or their successors in interest, at their address if known, or otherwise to the address of the Separate Interest and to any Mortgagee or purchaser of a Separate Interest pursuant to a contract of sale if they have notified the Master Association before the mailing of Notice of Sale of the existence of the security interest, lease, or contract of sale, as applicable. Such sale shall be conducted in any manner permitted by law. Each Owner who is liable for payment of the Assessment shall be required to pay the costs and expenses of such foreclosure proceeding including, but not limited to, the cost of preparation of all notices (whether or not such notice has been given to the Owners at the time payment is made), reasonable attorneys' fees, title company fees and charges, trustee's fees and costs and title insurance costs.

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

5.9.5 Release of Lien. A further notice stating the satisfaction and release of any such lien shall be executed by the Master Association and Recorded in the County, upon payment of all sums secured by such lien, in accordance with law.

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5.9.6 Subrogation Rights after Payment. Any encumbrance holding a lien on a Separate Interest may, but shall not be required to, pay any amounts secured by a lien for unpaid assessments, and upon such, payment, such encumbrance shall be subrogated to all rights of the Master Association with respect to such lien, including rights of priority.

5.9.7 Conduct of Sale. Such sale shall be conducted in accordance with applicable law and the proceeds thereof distributed as provided by law.

ARTICLE VI.  
Properties Use Restrictions

Section 6.0. Restrictions Applicable to Declarant and All Separate Interests within the Properties, shall comply with the Development Agreement / Development Standards Handbook between Realty Corner / James & Darlene Pruitt and Washoe County, Nevada Case No. DA4-1-98 , and the Master Declaration.

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OFFICIAL RECORDS  
WASHOE CO. NEVADA  
RECORDED BY

99 JUN 22 AM 11:56

KATHY L. WATKINS  
COUNTY CLERK

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2353363

COPY - has not been compared with the Original Document - WCR

**MASTER DECLARATION**  
**of**  
**COVENANTS, RESTRICTIONS AND EASEMENTS**

This Declaration is made as of JUNE 22, 1999 by the Realty Corner Inc., a Nevada Corporation and James & Darlene Pruitt (the Declarant).

**RECITALS**

Declarant is the owner/developer of that certain real property located in the County of Washoe, State of Nevada; more particularly described on **Washoe County, Nevada Parcel Map #4-12-98 (Exhibit "A") recorded in Washoe County as Map No. ~~P3533~~** attached hereto and made part hereof. Owners of additional land more particularly described in **the Warm Springs Specific Plan (WS SP) (Exhibit "B")** attached hereto are defined as owners of the Subsequent Phase Property or properties thereof and shall be made subject to the provisions of this Master Declaration if "annexed" by the recordation of a Declaration of Annexation pursuant to the provisions below. Reference to "Properties" herein shall mean and include both the real property described in **Exhibit "A"** hereto and that portion of the Subsequent Phase Property or properties, which may be annexed from time to time in accordance with **Article II**. In no event shall the term "properties" include any portion of the Subsequent Phase Properties for which a Declaration of Annexation has not been recorded or which has been deannexed by the recordation of a Declaration of Deannexation pursuant to the provisions of **Article II**.

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The name of the Master Planned Community created by the Warm Springs Specific Plan; a part of the Warm Springs Area Plan, Washoe County Comprehensive Plan and this Master Declaration is **"The Warm Springs Master Planned Community"**.

This Master Declaration is intended to create equitable servitudes and covenants appurtenant to and for the benefit of all of the "Properties", and the owners and residents thereof, and to (1) provide for the formation of a master association (the "Master Association"), (2) to administer and enforce the provisions of this Master Declaration, and (3) to collect and disburse the Assessments, all as set forth herein and in the Articles and the Bylaws. This Master Declaration contemplates the preservation of a common plan and scheme of development within the "Properties" by providing for

maintenance, care, use and management of the "Properties subject to certain protective covenants, conditions, restrictions, rights, reservations, easements, equitable servitude's, limitations, liens and charges (collectively, Restrictions), all of which run with the properties and constitute equitable servitudes as set forth herein.

Declarant intends to improve, or allow parcel developers to construct single family residential lots, consistent with the architectural and landscape control requirements for improvements set forth in this Master Declaration and the Design Handbook contained in recorded Document No. 2353361 Book \_\_\_\_\_ Pages \_\_\_\_\_ **Development Agreement – Case No. DA4-1-98, Washoe County, Nevada.**

As part of the various phases of development of the properties, Declarant may dedicate portions of the properties to the public for such purposes as streets, roadways, drainage, flood control, water storage, utility service and such other purpose which may enhance the properties as a whole or which are required pursuant to any land use ordinance or land use approval.

**DECLARATION**

Now, therefore, Declarant hereby covenants, agrees and declares that all of the properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the restrictions containing this Master Declaration all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the properties, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, sale and lease of the properties, or any portion thereof. The restrictions set forth herein shall: (1) run with and burden the properties; (2) be binding upon all persons having or acquiring any rights, title or interest in the properties, or any part thereof, their heirs, successive Owners and assigns; (3) inure to the benefit of and be binding upon, and may be enforced by, Declarant, the parcel Developers, the Master Association, the Architectural Review Committee, each Owner, and their respective heirs, executors, administrators, successive owners and assigns, and, with regard to certain provisions herein, by the County of Washoe, State of Nevada, or such other political subdivisions that may hereafter contain the properties.

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## ARTICLE I. Definitions

Section 1.1. Architectural Review Committee. "**Architectural Review Committee**" means the committee created pursuant to the provisions of this Master Declaration.

Section 1.2. Articles. "**Articles**" means the Articles of Incorporation of the Master Association, as such Articles may be amended from time to time.

Section 1.3. Assessment. "**Assessment**" is a collective term which refers to Capital Improvement Assessments, Common Assessments, Reconstruction Assessments and Reimbursement Assessments made or assessed by the Master Association against an Owner and his or her Separate Interest in accordance with the provisions of this Master Declaration.

Section 1.4. Assessment. Capital Improvement. "**Capital Improvement**" Assessment means a charge against each Owner and his or her Separate Interest, representing a portion of the costs to the Master Association for installation or construction of any Improvements on any portion of the Association Properties which the Master Association may from time to time authorize pursuant to the provisions of this Master Declaration.

Section 1.5. Assessment. Common. "**Common Assessment**" means the annual charge against each Owner and his or her Separate Interest, representing a portion of the Common Expenses, which are to be paid by each Owner to the Master Association in the manner and proportions provided in this Master Declaration.

Section 1.6. Assessment. Reconstruction. "**Reconstruction Assessment**" means a charge against each Owner and his or her Separate Interest, representing a portion of the cost to the Master Association for reconstruction of any portion of the Improvements on the Association Properties, levied pursuant to the provisions of this Master Declaration.

Section 1.7. Assessment. Reimbursement. "**Reimbursement Assessment**" means a charge against a particular Owner, directly attributable to or reimbursable by the Owner, equal to the cost incurred by the Master Association for correction of a nonconforming Improvement or land use violation or amounts representing a reasonable fine or penalty assessed by the Master Association, plus interest and other charges on such Reimbursement Assessment as provided for in this Master Declaration. Reimbursement Assessments shall not be deemed to include any late payment penalties, interest charges, attorneys' fees or other costs incurred by the Master Association in its efforts to collect any Assessment duly imposed pursuant to this Master Declaration, which costs may be recovered by the Master Association.

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Section 1.8. Assessment Special. "**Special Assessment**" means a Special Assessment that may occur if the Board determines that the estimated total amount of funds necessary to defray the Common Expenses for a given fiscal year is or will become inadequate to meet the Common Expenses for any reason, including, but not limited to, delinquencies in the payment of Assessments, or in the event the Master Association has insufficient reserves to perform its obligations under this Declaration, then the Board shall determine the approximate amount of such shortfall, shall provide a summary thereof to all of the Owners with the Board's recommendation for a special assessment to meet such shortfall.

Section 1.9. Association Properties. "**Association Properties**" means all the real property and Improvements which are owned in fee at any time by the Master Association, or over which the Master Association has an easement for use, care or maintenance, for the common benefit, use and enjoyment of the Owners and all personal property owned or leased by the Master Association. Association Properties shall include, without limitation, an easement over entry monumentation for the Properties and any other real or personal property hereafter conveyed to the Master Association in fee, by easement or by lease.

Section 1.10. Beneficiary. "**Beneficiary**" means a Mortgagee under a Mortgage or a beneficiary under a deed of trust, as the case may be, and the assignees of such Mortgagee or beneficiary.

Section 1.11. Board of Directors. "**Board of Directors, or Board**" means the Board of Directors of the Master Association.

Section 1.12. Bylaws. "**Bylaws**" means the Bylaws of the Master Association, as such Bylaws may be amended from time to time.

Section 1.13. Close of Escrow. "**Close of Escrow**" means the date on which a deed or other such instrument is recorded conveying a Separate Interest in the Properties, with the exception of deeds between Declarant and Parcel Developers or deeds between Parcel Developers.

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Section 1.14. Common Area/Common Areas. "**Common Area**" or "**Common Areas**" shall mean (a) the Association Properties which are real property; (b) all land within the Properties, together with the Improvements thereon, which is not owned or leased by the Association, but which is designated in this Master Declaration for management, repair and maintenance by the Association; (c) any and all areas on a Lot or outside of the Properties within easements granted to the Association or its Members for purposes of location, construction, maintenance, repair and replacement of a public road, wall, fence, trail, landscaped area or utility, for utility easement access, general access or other uses, and (d) all land, together with the Improvements thereon, located outside the Properties which is owned privately or by a governmental agency for which the Association has accepted responsibility for maintenance, and for which the Association or the Members benefit by limited use, full use, or aesthetic consistency, including, but not limited to, any median strips within any public street which provides access to any portion of the Properties. The terms "Common Area" and "Common Areas" shall exclude Common Areas within Planned Developments if designated as Common Areas of a Sub-Association for a particular Planned Development or Phase.

Section 1.15. Common Expenses. "**Common Expenses**" means the actual and estimated costs of the Master Association with respect to the maintenance, management, operation, repair and replacement of the Association Properties and other areas which the Master Association is obligated to maintain or repair, including unpaid Common Assessments, Reconstruction Assessments and Capital Improvement Assessments.

Section 1.16. Declarant. "**Declarant**" means Realty Corner Inc. / James & Darlene Pruitt, and any successors-in-interest to all or any portion of Declarant's interest in the Properties by assignment from Declarant and who specifically assume, in writing, the rights and obligations of Declarant as set forth herein, or who succeed to Declarant's rights and obligations hereunder by operation of law (in each instance, a "Successor Declarant"). Declarants and any Successor Declarant's rights and obligations under this Master Declaration are assignable and assumable as to all or any portion of Declarant's interests in the Properties or the Subsequent Phase Properties and as to all or any portion of the Properties or Subsequent Phase Properties.

Section 1.17. Declarant's Control Termination Date. "**Declarant's Control Termination Date**" is the earlier of the following events:

- a) Sixty (60) days after conveyance of seventy-five (75%) of the Separate Interests that may be created in the Properties and Subsequent Phase Properties to Owners other than Declarant; or
- b) Five years after Declarant has ceased to offer Separate Interests for sale in the ordinary course of business; or

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c) Five years after any right to annex Subsequent Phase Properties was last exercised;

Section 1.18. Declaration of Deannexation of Territory. "**Declaration of Deannexation of Territory**" means an instrument Recorded pursuant to the provisions of this Master Declaration to deannex from the Properties park, school or open space areas for the purpose of conveyance to an appropriate public agency.

Section 1.19. Delegate. "**Delegate**" means a Person who is selected by Members owning Separate Interests in a particular Delegate District to represent such Members and to vote on their behalf, as further provided in this Master Declaration, in the Bylaws and in any Supplemental Declaration applicable to a Delegate District. The purpose of Delegates is to facilitate the operation and management of the Master Association by creating a structure of private governance where a few Persons (the Delegates), elected by their peers, can represent the Members within their Delegate Districts and cast votes on behalf of such Members.

Section 1.20. Delegate District. "**Delegate District**" means a common interest community subject to the Master Association in which the Members shall elect a single Delegate to represent their collective Voting Power. A Delegate District may be established when a Supplemental Declaration or Declaration of Annexation creates a Sub-Association and the Supplemental Declaration so provides; in such event, the property subject to the Supplemental Declaration or Declaration of Annexation shall be a Delegate District.

Section 1.21. Design Guidelines. "**Design Guidelines**" means the rules adopted by the Architectural Review Committee pursuant to the provisions of Development Standards Handbook contained in the Development Agreement – Case DA4-1-98 Washoe County and this Master Declaration, documents of any Sub-Association and any Supplemental Declaration applicable to any Phase of Development, as the context herein requires.

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Section 1.22. Improvement. "**Improvement**" means all structures and appurtenances thereto of every type and kind, including without limitation dwelling units, commercial, industrial or office buildings, and other buildings, outbuildings, walkways, sprinkler pipes, garages, swimming pools, tennis courts, spas or other recreational facilities, television satellite reception dishes, antennae, carports, roads, driveways, parking areas, fences, paint, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, and exterior lighting and air conditioning equipment.

Section 1.23. Land Use Ordinance. "**Land Use Ordinance**" shall mean any zoning law, comprehensive plan, master plan, regional master plan or other ordinance or regulation governing the use of land adopted by the County or State and applicable to any of the Properties or the Subsequent Phase Properties.

Section 1.24. Majority of a Quorum. "**Majority of a Quorum**" means the vote of a majority of the votes cast at a meeting or by written ballot when the numbers of Members attending the meeting (in person or by proxy) or the number of Members casting ballots equals or exceeds the minimum quorum requirement specified in the Bylaws.

Section 1.25. Master Association. "**Master Association**" means **The Warm Springs Master Planned Community Master Association.**

Section 1.26. Master Declaration. "**Master Declaration**" means this instrument, as it may be amended from time to time.

Section 1.27. Member. "**Member**" means every person or entity that holds a membership in the Master Association.

Section 1.28. Owner. "**Owner**" means the Person or Persons, including Declarant and any Parcel Developer who holds a fee simple interest of Record to a Separate Interest within the Properties, including buyers under executor contracts of sale, a memorandum of which has been Recorded.

Section 1.29. Parcel Developer. "**Parcel Developer**" means a Person (a) who is designated as such by Declarant and (b) who acquires a portion of the Properties zoned for residential and related uses, for the purpose of developing such portion for resale to the general public; provided, however, that the term "Parcel Developer" shall not mean or refer to Declarant or any Successor Declarant. Declarant shall determine, from time to time, which Persons shall qualify as Parcel Developers when property is sold to such Persons by Declarant.

Section 1.30. Person. "**Person**" means a natural individual, a corporation, a partnership or any other entity with the legal right to hold title to real property.

Section 1.31. Phase of Development or Phase. "**Phase of Development**" or "**Phase**" means any portion of the Properties designated by Declarant to be a Phase of Development, which is intended to be subdivided into Separate Interests.

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Section 1.32. Properties. "**Properties**" means all of the real property described in Exhibit "A" attached hereto, together with any other property which may be annexed to the property subject to this Master Declaration and to the jurisdiction of the Master Association in accordance with Article II hereof.

Section 1.33. Rules and Regulations. "**Rules and Regulations**" means the Rules and Regulations adopted by the Board pursuant to the provisions of this Master Declaration, and the Design Guidelines adopted by the Architectural Review Committee pursuant to the provisions of Development Standards Handbook and this Master Declaration as such Rules and Regulations may be amended from time to time.

Section 1.34. Sub-Association. "**Sub-Association**" means any corporation or unincorporated association, or its successor in interest, organized and established or authorized pursuant to, or in connection with, the Recordation of a Supplemental Declaration in accordance with the provisions of this Master Declaration.

Section 1.35. Subdivision Map. "**Subdivision Map**" means the Recorded Map for any Phase of Development within the Properties.

Section 1.36. Supplemental Declaration. "**Supplemental Declaration**" means any declaration of covenants, conditions and restrictions and/or reservation of easements or similar document supplementing this Master Declaration and affecting a Planned Development or other portion of the Properties

Section 1.37. Subsequent Phase Properties. "**Subsequent Phase Properties**" means this Master Declaration contemplates that those portions of the Properties which are not initially subject to this Master Declaration may, from time to time, be made subject to this Master Declaration by annexation. Any portion of the real property described in Exhibit "B" attached hereto which are not at a particular time subject to this Master Declaration is referred to as Subsequent Phase Properties or Subsequent Phase Property.

Section 1.38. Voting. "**Voting Power**" means the total number of votes attributable to those Members who are eligible to vote for the election of directors or with respect to any other matter; issue or proposal properly presented to the Members for approval at any time a determination of Voting Power is made.

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## ARTICLE II. Development Annexation

Section 2.1. Land Classification of the Properties. Declarant hereby declares that the Properties are made subject to **Development Agreement and Development Standard Handbook CASE# DA4-1-98 Document No. 2353361 Book \_\_\_\_\_, Page \_\_\_\_\_** Washoe County, Nevada and this Master Declaration, and shall be developed pursuant to the following.

Section 2.2. Unilateral Annexation. Owners of Subsequent Phase Properties shall have the right to annex from time to time all or any portion of the Subsequent Phase Properties, following which, such annexed portion of the Subsequent Phase Properties shall be subject to this Master Declaration as a portion of the Properties, and the Owners thereof shall be Members of the Association with the same rights, duties and obligations of existing Owners. Such annexation by Owners of subsequent phase properties shall not require the prior approval of the Owners, the Association, the Board or Members.

2.2.1 Declaration of Annexation: Supplemental Declarations. Any annexations of Subsequent Phase Properties to the Properties authorized under this Article II shall be effected by Recording a Declaration of Annexation, or other similar instrument, with respect to the applicable Subsequent Phase Properties. The Declaration of Annexation: (a) shall be executed by Declarant or a successor Declarant, as the owner of the Subsequent Phase Properties; (b) shall extend the general plan and scheme of this Master Declaration to such portion of the Subsequent Phase Properties; and (c) may include supplemental Restrictions which shall comply with the requirements of a Supplemental Declaration.

2.2.2 Effect of Annexation. The Recordation of a Declaration of Annexation shall constitute and effectuate the annexation of the Subsequent Phase Properties described therein, and thereupon such portion of the Subsequent Phase Properties shall become and constitute a part of the Properties, and be subject to, and encompassed within, the general plan and scheme of this Master Declaration, subject only to such modifications in said general plan as may be imposed by the Supplemental Declaration. Separate Interests within the Subsequent Phase Properties shall thereupon become subject to Assessment by the Master Association and to the functions, powers, and jurisdiction of the Master Association, and the Owners of Separate Interests within the Subsequent Phase Properties shall automatically become Members of the Master Association. Any Association Properties (including private roads) which are included within the Subsequent Phase Properties shall be conveyed to the Master Association, free of all liens and encumbrances, other than liens for

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rights-of-way, or other encumbrances, which do not unreasonably or materially impair the use and enjoyment of such Association Properties. The conveyance of any Association Properties to the Master Association shall occur immediately following recordation of the Declaration of Annexation, unless otherwise agreed in writing by the owner of such portion of the Subsequent Phase Properties and the Board.

Section 2.3. Deannexation. The Master Plan for the Properties currently provides for the development of parks and schools, which are not currently identified as separate legal parcels on any Subdivision Map. When such park and school areas have been mapped as separate legal parcels, they may be deannexed by the owner thereof (by Recordation of a Declaration of Deannexation of Territory) for purposes of conveyance to an appropriate public agency, if required or requested by the agency. Owners of the applicable portion of the Properties agree to the removal affected from the coverage of the Master Declaration and the jurisdiction of the Master Association. For any portion of the Properties which is to be deannexed, a Declaration of Deannexation executed by Declarant and any other Owners of the Properties to be deannexed must be Recorded which describes the property which is being deannexed and which reallocates the allocated interests among the remaining Separate Interests within the Properties, using the formula set forth in Section 4.2.1. hereof.

Section 2.4. Supplemental Declarations.

2.4.1 Authorization for recordation of Supplement Declarations. During the course of developing the Properties, it may become necessary and appropriate for the Declarant or a Parcel Developer to Record a Supplemental Declaration which is applicable to Separate Interests and Common Areas within a particular Phase of Development, including, without limitation, any portion of the Properties which is not subject to a final Subdivision Map as of the date of this Master Declaration. Recordation of Supplemental Declarations by Declarant is hereby approved. Parcel Developers may Record Supplemental Declarations with respect to any Phase of Development they own.

2.4.2 Priority of Declarations in the Event of Conflict. This Master Declaration shall control if there is any conflict between any Supplemental Declaration and the provisions of this Master Declaration; provided, however, that to the extent that any provision hereof is expressly modified by a Supplemental Declaration, no conflict shall be deemed to exist and the Supplemental Declaration shall control; and, provided further that this Master Declaration and any Supplemental Declaration shall be construed to be consistent with one another to the extent possible. The inclusion in any Supplemental Declaration of covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, limitations, liens or charges which are more restrictive or more inclusive than the Restrictions contained in this Master Declaration shall not be deemed to constitute a conflict with the provisions of this Master Declaration.

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**ARTICLE III  
Permitted Uses and Restrictions  
of the Association Properties**

Section 3.1. Owners' Rights of Enjoyment in Association Properties. Every Owner and, to the extent permitted by such Owner, such Owner's Family, guests, invitees, lessees, and contract purchasers who reside within such Owner's Separate Interest, shall have a right of ingress and egress and of enjoyment in, to and over the Association Properties which shall be appurtenant to and shall pass with title to every Separate Interest, subject to the following provisions:

3.1.1 The right of the Master Association to reasonably limit the number of guests of Owners who may use the Association Properties and any facilities located thereon, except for any facilities or Association Properties which are open to public access and use by virtue of applicable laws or governmental regulations.

3.1.2 The right of the Master Association to establish uniform Rules and Regulations pertaining to the use of the Association Properties and any facilities located thereon.

3.1.3 The right of the Master Association, in accordance with the Articles, the Bylaws and this Master Declaration, to borrow money for the purpose of improving the Association Properties and any facilities located thereon and in aid thereof, and, subject to the provisions of this Master Declaration, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, with the vote or written assent of at least a majority of the Voting Power of the Master Association including a majority of the Votes in the Association allocated to Separate Interests not owned by Declarant. Any encumbrance of Association Property shall be evidenced by the execution in the same manner as a deed of the requisite number of Separate Interest Owners of an agreement to that effect. The agreement or ratifications shall be recorded in the County. Recordation of such agreement or ratification shall constitute prima facie evidence that the required membership approval was obtained.

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3.1.4 The right of the Master Association to suspend the voting rights of any Owner for any period during which any Assessment against such Owner's Separate Interest remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any non-continuing infraction of the Rules and Regulations. Any suspension of voting rights shall be made only by the Board and shall be conditioned upon providing the alleged violator with notice and an opportunity for a hearing in accordance with the provisions of this Master Declaration.

3.1.5 Subject to the provisions of this Master Declaration, the right of the Master Association to dedicate, release, alienate or transfer all or any portion of the Association Properties owned in fee by the Master Association to any public agency, authority, utility or other Person for such purposes and subject to such conditions as may be approved by the Members. No such dedication, release, alienation or transfer shall be effective, unless previously approved by at least a majority of the Voting Power of the Members including a majority of the votes in the Association allocated to Separate Interests not owned by Declarant and evidenced by the execution in the same manner as a deed, of the requisite number of Separate Interest Owners of an agreement to that effect. The agreement or ratification shall be recorded in the County. Recordation of such certificate shall constitute prima facie evidence that the required membership approval was obtained.

3.1.6 The right of Declarant and any Parcel Developers (and their respective guests, invitees, and successors) to the non-exclusive use of the Association Properties and the facilities thereof, for access, ingress and egress for purposes of developing and improving the Properties pursuant to this Master Declaration, which right Declarant hereby reserves; provided, however, that such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein.

3.1.7 The right of the Master Association (by action of the Board) to reconstruct, repair, replace or refinish any Improvement or portion thereof which is located within or upon the Association Properties, in accordance with the original design, finish or standard of construction of such Improvement, or of the general Improvements within the Properties, as the case may be; and, subject to the other provisions of this Master Declaration, if not in accordance with such original design. Declarant or a Parcel Developer may Record a Supplemental Declaration which is applicable to Separate Interests and Common Areas within a particular Phase of Development, including, without limitation, any portion of the Properties which is not subject to a final Subdivision Map as of the date of this Master Declaration recordation of Supplemental Declarations by Declarant is hereby approved. Parcel Developers may Record Supplemental Declarations with respect to any Phase of Development they own.

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**ARTICLE IV**  
**The Master Association**

Section 4.1. Formation. The Master Association is a nonprofit corporation formed or to be formed under Chapter 82 of the Nevada Revised Statutes. Before or promptly after recordation of this Master Declaration, Declarant shall cause the Articles of Incorporation to be filed with the Secretary State of the State of Nevada. The Master Association shall be charged with the duties and invested with the powers set forth in the Articles or Bylaws, and this Master Declaration. In the event any provision of the Articles or Bylaws conflict with the provisions of this Master Declaration, then the provisions of this Master Declaration shall control.

Section 4.2. Master Association Membership.

4.2.1 Membership Qualifications. The members of the Master Association shall be the Owners (including Declarant and any Parcel Developers) of one (1) or more Separate interests. The Owner or Owners, collectively, of each Separate Interest shall have (1) membership in the Master Association (Membership). At any given time, the number of memberships in the Master Association shall be equal to the number of Separate interests in the properties. The number of memberships shall increase in proportion to the number of Separate interests within the Subsequent Phase Properties each time any of the Subsequent Phase Properties is annexed to the Properties and shall decrease in proportion to the number of Separate interests which are deannexed each time a Deannexation occurs pursuant to the provisions of Article II, hereof. As used in this Master Declaration, the term "Member" shall refer to the person owning a Separate interest if owned solely by such Person, or collectively to all of the Persons owning a separate interest if owned by more than one Person. Each Member shall have the rights, duties, and obligations set forth in this Master Declaration, Articles, Bylaws and Rules and Regulations, as the same may from time to time be amended. Membership in the Master Association shall be in addition to an Owner's membership in any Delegate District.

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4.2.2. Transfer of Membership. Each Membership shall be appurtenant to the Member's Separate interest, and Memberships shall not be pledged, transferred, or assigned, except to the Person to whom the Separate interest is transferred. Declarant's Membership may not be partially assigned or held by more than one (1) Person, and may not be transferred except to a Successor Declarant under this Master Declaration. Any attempt to make a prohibited transfer of a Membership shall be void and will not be reflected on the books of the Master Association. Any transfer of title or interest to a Separate interest shall operate automatically to transfer the appurtenant Membership to the grantee, and the Recordation of a contract of sale of a Separate interest shall operate to transfer the appurtenant Membership to the Buyer thereunder. Prior to any transfer of title to a Separate interest (excluding a transfer for security purposes), either the transferring Owner or the acquiring owner shall give notice to the

Board of such transfer, including the name and address of the acquiring owner and the anticipated date of transfer. The Master Association may levy a reasonable transfer fee against new Owners and their Separate interest (which fee shall be added to the Assessment chargeable to such new Owner) to reimburse the Master Association for the administrative costs of transferring the memberships to the new Owner on the records of the Master Association.

4.2.3. Voting Classes. The Master Association shall have the following described voting classes ("Voting Classes") and, subject to the provisions of Section 4.3 below, shall have the following votes:

(1) Class "A" Members. Class A Members shall be the Owners (including any Parcel Developers) of any Separate interest. One class "A" Membership shall be appurtenant to each Separate interest and shall be entitled to one(1) vote.

(2) Class "B" Members. Class B Members shall be the Declarant only or its designated assigns. Subject to the provisions of section 4.3 below, the Class B Member shall have one (1) vote for each Separate interest owned by Declarant. One Class B Membership shall be appurtenant to each Separate interest owned by Declarant.

4.2.4 Exercise of Voting Rights.

(1) By Declarant or designated assigns. Declarant shall have the right to designate to the Board in writing the Person or Persons entitled to exercise the rights reserved to Declarant under this Master Declaration, including the casting of votes on behalf of Declarant.

(2) By Delegates. Subject to the provisions of Sections 4.3, hereof, the votes allocated to Members within a Phase or Planned Development for which a Delegate District has been formed shall be cast by the Delegates of such Delegate District and not by the Members themselves.

(3) BY Owners. Members not represented by Delegates shall cast their votes in person or by proxy. In the case of a Membership owned by two (2) or more Persons, the vote or votes allocated to such Membership shall be exercised by only one of them. If only one (1) of several Persons owning a Membership is present at a meeting of the Master Association, that Person is entitled to cast the vote or votes allocated to that Membership. If more than one (1) of the Persons owning a Membership are present, the vote or votes allocated to that Membership may be cast only in accordance with the agreement of a majority in interest of the Persons owning such Membership. There shall be deemed to be a majority agreement among

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several Persons owning a Membership if any one (1) of such Persons casts the vote or votes allocated to that Membership without protest made promptly to the person presiding over the meeting by any of the other Persons owning such Membership. In the event there is no such protest, it will be conclusively presumed for all purposes that the Person who cast the vote or votes for a particular Membership was acting with the authority and consent of all other Persons owning such Membership. If such a protest is made, or more than one (1) Person owning a single Membership casts the vote or votes, then the vote for such Membership shall not be counted.

Section 4.3. Composition of Board of Directors.

4.3.1 Declarant's Right of Appointment and Removal. Subject to the provisions of Section 4.3.2, below, Declarant reserves the right to appoint and remove all of the members of the Board and all of the officers of the Master Association until Declarant's Control Termination Date. Declarant shall have the right to designate a person or persons who are entitled to exercise the right reserved to Declarant under this paragraph.

4.3.2 Board Representation of Members (other than Declarant) Prior to Declarant's Control Termination Date.

(1) On the date which is sixty (60) days after Declarant's conveyance of Separate Interests equal to twenty-five percent (25%) of the total number of Separate interests which may be created in the Properties, including Subsequent Phase Properties, pursuant to the provisions of this Master Declaration to Owners other than Declarant, a Successor Declarant, or Parcel Developers, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board shall be elected by Members other than the Declarant.

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(2) Not later than the date which is sixty (60) days after Declarant's conveyance of Separate Interests equal to fifty percent (50%) of the total number of Separate Interests which may be created in the Properties, including Subsequent Phase Properties, pursuant to the provisions of this Master Declaration to Owners other than Declarant, a Successor Declarant or Parcel Developers, not less than thirty-three and one-third percent (33-1/3 %) of the members of the Board shall be elected by Members other than the Declarant.

4.3.3 Board Seats. The Board shall have seven (7) Members elected in the manner provided in Article IV hereof.



4.3.4 Persons Entitled to Serve on the Board. Except for the members of the Board appointed by Declarant pursuant to Section 4.3, hereof, and the members of the first Board named in the Articles, the members of the Board shall be Members of the Master Association. An officer, employee, agent or director of a corporate Owner of a Separate Interest, a trustee or designated beneficiary of a trust that owns a Separate Interest, a partner of a partnership that owns a Separate Interest, or a fiduciary of an estate that owns a Separate Interest may serve as an officer or a member of the Board. In all events where the Person serving or offering to serve as an officer of the Master Association or member of the Board is not the Owner of Record, such Person shall file proof of his, her or its authority in the records of the Master Association. All members of the Board must be at least eighteen (18) years of age.

4.3.5 First Annual Meeting. The members of the first Board of the Master Association named in the Articles shall serve until the first annual meeting of the Members of the Master Association is called for the purpose of electing their successors. The first annual meeting of the Members of the Master Association shall be held not later than the earliest of: (a) sixty (60) days after the closing of the sales of the Separate Interest to a Person other than Declarant, a Successor Declarant or Parcel Developer, which closing represents the twenty-fifth (25th) percentile interest in the maximum number of Separate Interests which may be created in the Properties pursuant to this Master Declaration, or (b) one (1) year after the date of the filing of the Articles of Incorporation with the Secretary of State of the State of Nevada. Such meeting shall be called, noticed and conducted in accordance with the Articles and the Bylaws.

Section 4.4. Master Association Action. Except as to matters requiring the approval of the Members as set forth in the Articles, Bylaws, and this Master Declaration, the powers of the Master Association shall be vested in, exercised by, and under the control of, the Board, and the affairs of the Master Association shall be managed and controlled by the Board. Except as otherwise provided in the Articles, Bylaws, or this Master Declaration, all matters requiring the approval of Members shall be deemed approved if Members holding a majority of the total Voting Power of the Master Association assent to such matters by written consent as provided in the Bylaws Or approved by a majority vote of a quorum of Members at any regular or special meeting held in accordance with the Bylaws.

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Section 4.5. Powers and Duties. The Master Association shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Master Association as set forth in Chapters 116 and 82 of Nevada Revised Statutes. Without in any way limiting the generality of the foregoing provisions, the Master Association, acting through the Board, shall have the following powers and duties:

4.5.1 Assessments. The power and the duty to levy Assessments and to enforce payment of such Assessments in accordance with the provisions of this Master Declaration.

4.5.2 Repair and Maintenance of Association Property.

(1) Overall Responsibility. The power and the duty to paint, plant, replace, remove, resurface, maintain and repair in a neat and attractive condition, in accordance with standards adopted by the Board, all Association Property and all Improvements thereon. The Master Association shall also have the power and duty to pay for utilities, landscaping services, security services and other necessary utility and/or other services for the benefit of the Association Property.

(2) Property Maintained by Governmental Agency or Sub-Association. Notwithstanding the foregoing, the Master Association shall have no responsibility to provide the services referred to in this subparagraph with respect to any property or Improvement which is accepted for maintenance by any state, local or municipal governmental agency or entity, or with respect to which the maintenance responsibility has been delegated to any Sub-Association pursuant to a Supplemental Declaration. In such case, the maintenance responsibility shall be that of the applicable agency, entity or Sub-Association.

(3) Maintenance of Association Property by Declarant. Additionally, to the extent that maintenance and/or services are provided by Declarant with respect to Association Property pursuant to a maintenance agreement, or any other type of agreement, the Master Association's responsibilities for maintaining the Association Property and providing other services hereunder shall be temporarily suspended for so long as the maintenance and/or other services are furnished by Declarant pursuant to such agreements.

4.5.3 Utility Services. The power and the duty to obtain, for the benefit of the Association Property, all commonly metered water, gas and electric services; and the power, but not the duty, to obtain cable television service and to provide for all refuse collection as deemed necessary.

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4.5.4 Easements and Rights-of-Way. The power, but not the duty, to grant and convey, to any Person, easements and rights-of-way in, on, over or under the Association Property, including parcels or strips of land which comprise a portion of the Association Property, for the purpose of constructing, erecting, operating or maintaining thereon, therein and thereunder: (1) roads, streets, walks, driveways, parkways and open space areas; (2) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other similar purposes; (3) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes; and (4) any similar public or quasi-public improvements or facilities.

4.5.5 Manager. The power, but not the duty, to employ or contract with a Manager to perform all or any part of the duties and responsibilities of the Master Association. Subject to the provisions of applicable law, the Board shall have the power to delegate its powers to committees, officers and employees. Each management agreement shall provide for its termination by either party with cause upon not more than thirty (30) days' written notice to the other party, and without cause and without penalty or payment of a termination fee upon not less than ninety (90) days' written notice to the other party.

4.5.6 Rights of Entry and Enforcement. Without limiting the foregoing description of powers, the Master Association and its agents shall have the specific right to enter on any Separate Interest, when necessary, to perform the Master Association's obligations under this Master Declaration, including: (1) obligations to enforce the Restrictions, Land Use Ordinances and Design Guidelines; (2) any obligations with respect to construction, maintenance and repair of any facilities located on the Association Property; or (3) to make necessary repairs or maintenance' that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, the Association Property or the Owners in common. The Association's rights hereunder shall not include the right to enter any private Residence with the exception of actions taken in response to emergency situations; except for such emergency situations, the Master Association shall have no right to initiate any corrective action or alter any Improvement on the Owner's Separate Interest without complying with the notice and due process requirements required by this Master Declaration.

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The Master Association's rights of entry under this subparagraph shall be exercisable as follows:

(1)The Master Association shall have an immediate right of entry in the case of an emergency originating in or threatening the Separate Interest where entry is required, or any adjoining Separate Interest or Association Property, and the Master Association's work may be performed under such circumstances whether or not the Owner or his or her lessee is present.

(2) In all other non-emergency situations the Master Association, or its agents, shall furnish the Owner or his or her lessee with at least ten (10) days' written notice of its intent to enter the Separate Interest, specifying the purpose and scheduled time of such entry. In case of all entries other than entries required to respond to emergency situations, the Association shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing in the Separate Interest.

4.5.7 Other Services. The power and the duty to maintain the integrity of the Association Property and provide such other services as may be necessary or proper to carry out the Master Association's obligations and business under the term' of this Master Declaration, in order to enhance the enjoyment of the Members of the Association Property or to facilitate the use of the Association Property by the Members in common.

4.5.8 Legal and Accounting Services. The power, but not the duty, if deemed appropriate by the Board, to retain and pay for legal and accounting services which the Board considers necessary or appropriate to the proper operation and management of the Master Association and the Association Property, the enforcement of this Master Declaration, or the performance of any of the other duties or rights of the Master Association under the Governing Documents.

4.5.9 Construction on Association Property. The power, but not the duty, by action of the Board, to construct new Improvements or additions to the Association Property, or demolish existing Improvements in accordance with the provisions of this Master Declaration.

4.5.10 Contracts. The Master Association, acting through the Board, may enter into contracts with Declarant, Sub-Associations, Owners within the Properties, management, landscape maintenance companies and other Persons to provide services or to maintain and repair Improvements and maintenance areas within the Properties and elsewhere which the Master Association is not otherwise required to provide or maintain pursuant to this Master Declaration, provided, that any such contract or service agreement shall provide for the payment to the Master Association for the costs of providing such services or maintenance.

4.5.11 Management of Sub-Association. The power, but not the duty, to enter into an agreement, on behalf of the Master Association, to provide management services to any Sub-Association and to collect a fee for such services. Such management agreement may provide that the Master Association to collect, on behalf of the Sub-Association, assessments levied by such Sub-Association against the Members of such Sub-Association.

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Section 4.6. Rules and Regulations. The Board may adopt such Rules and Regulations, as it deems proper for the use and enjoyment of the Association Property. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be available for inspection at the Master Association's principal office and may be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Rules and Regulations shall have the same force and effect as if they were set forth and were a part of the Governing Documents; provided, however, that the Rules and Regulations shall be enforceable only to the extent that they are consistent with the other Governing Documents, and the Rules and Regulations may not be used to amend any of such documents. In addition, if any Owner has actual knowledge of any particular Rule or Regulation, such Rules and Regulations shall be enforceable against such Owner as though notice of such Rules and Regulations had been given pursuant to this Section.

Section 4.7. Dedication to Palomino Valley General Improvement District (PVGID) of Public Access Easements for Public Roadways Purposes. Certain public access easements which may be specified on final maps of the Subdivision or included with Subsequent Phase Properties Parcel Maps or Subdivisions may be subject to these public roadways. These are specifically described in Parcel Map or Subdivision Map Cases. These public roadways shall be subject to the following provisions and conditions:

- (1) Declarant and the Master Association shall maintain ownership and control of all public roadways until such time as each roadway is transferred by Declarant and accepted by the PVGID.
- (2) Declarant and the Master Association or its contractors, representatives or agents, shall improve all or any portion of the public roadway prior to transfer to the PVGID pursuant to plans and specifications approved by the County, including flood control or drainage improvements. PVGID has the right to reject any offer of dedication. Prior to acceptance of dedication, PVGID needs to be assured that there will be future funding available to continue maintenance at a rate established at the time of acceptance as set forth in paragraph (3) below.
- (3) After transfer to PVGID, The Master Association shall nevertheless be obligated for the maintenance and repair of any improvements installed or constructed on the public access easements from the date of execution hereof, to standards required by the Warm Springs SPA Financing Plan as adopted by the County April 18, 1995. The amount of the obligation shall be limited to the difference between actual revenue generated through normal taxing sources (Ad Valorem, Motor Vehicle, SCCRT, etc.) and the amount specified to be required in the adopted Financing Plan. Should the amount of revenue generated or costs increase in the future which would require the PVGID to expend funds otherwise allocated for the maintenance of other roads outside the SPA, then the PVGID retains the ability to return maintenance to HOA, but only after a mandatory negotiation period between HOA and PVGID has occurred to explore other solutions, e.g. increase in HOA contribution. This will only occur after PVGID has performed an analysis that demonstrates inability of PVGID to continue maintenance.

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- (4) Upon Transfer of any public roadway to PVGID, said roadway shall be open to public access and use pursuant to standard practices of county for similar public roadway facilities.
- (5) In addition to the remedies provided in Section 4.9.1 of this Article IV, in the event County has given three (3) notices to Association as provided in Section 4.9 of this Article in any twelve (12) month period, County may in such event require The Master Association to post a bond in favor of County in the amount of one year's maintenance cost, such bond to remain until Association is relieved of its maintenance responsibilities or until County consents to termination of the bond whichever first occurs.
- (6) The Master Association shall indemnify, hold harmless and defend County and PVGID, their respective officers, employees and agents from any claims, demands, losses, defense costs, or liability of any kind or nature which County or PVGID, its officer, agents, or employees may sustain or incur or which may be imposed upon them out of actions by or the negligence of association caused by the failure of the association to fulfill its maintenance obligations of public roadways as required here.
- (7) County and/or PVGID shall indemnify, defend and hold Declarant and The Master Association harmless of and from any all liability and risks of any kind or nature arising from the PVGID's ownership and use of the public roadways after transfer which are not the responsibility of Declarant or Association pursuant to this Section, or are not caused by Declarant's or Association's negligence.
- (8) If for any reason PVGID terminates or breaches its obligation to assume ownership of any public roadway prior to transfer to PVGID, then Declarant may, at Declarant's option at any time thereafter, deed said public roadway to The Master Association, and Association shall upon such transfer assume all responsibility for maintenance and control of said public roadway.

Section 4.8. Maintenance of PVGID Roadways. Declarant shall establish and maintain, at such time as the public roadways are constructed and/or dedicated to the PVGID within the Warm Springs SPA, a trust account for the benefit of the Warm Springs SPA for the exclusive purpose of funding the cost of maintaining any and all public roadway easements within the Subdivision, as specified in the Warm Springs SPA Financing Plan, dated April 18, 1995.

- (1) All areas in the development designated as PVGID roadway easements (owned and to be owned by the PVGID) shall be for the use and enjoyment of the general public and in no way shall be construed to mean private property held by the Association.

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(2) Declarant will convey all such PVGID roadway easements (except as set forth herein) free and clear of all liens and encumbrances (other than liens for taxes), but subject to such easements and right-of-way as they appear of record, such conveyances shall be accomplished in segments from time to time as improvements, to be located there on as shown on the recorded maps of the development are completed.

(3) Maintenance of such PVGID roadway easements and repairs to any improvements thereon shall be the obligation and responsibility of Declarant until conveyance to the PVGID; thereafter, the Master Association shall have responsibility to provide revenue for maintenance thereof as specified in this article except as to improvements conducted thereon by the PVGID above the beyond that specified in the Warm Springs SPA Plan, as to which improvements the PVGID shall have the duty to maintain the same.

Section 4.9 County as Third Party Beneficiary. The County or other political subdivision in which the property may be located, is hereby expressly made a third party beneficiary to this Article of Declaration, and to the following provisions:

Section 4.9.1 Enforcement of Special Assessment and Lien Provisions by County. In the event that Association fails to enforce any of the following described provisions of this Declaration:

- (1) the provisions relating to the lot owners' and Association's obligation to properly maintain fuel modification and firebreak areas on lots in accordance with applicable fire and safety codes;
- (2) the obligation of the Master Association to provide maintenance funds for all public roadways in the Subdivision; or
- (3) the obligation of the Master Association to pay prior to delinquency all taxes and assessments levied against Master Association property if any 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 special assessment equally against all of the owners of the lots, which special assessment shall be secured by a lien against all of the lots in the manner provided in Article V hereof.

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Section 4.9.2 Notwithstanding the foregoing the County shall be entitled to commence such action only after:

- (1) The County has given reasonable notice (which shall be not less than thirty (30) days) to the Master 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

- (2) The Master Association or other Owners of the lots shall have failed to cure such violation within a reasonable time thereafter to the reasonable satisfaction of Washoe County.

**Section 4.10 FEMA Disclosure.** Certain lots within the Subdivision are, at the time of execution of this Declaration, within the 100-year flood plain, in whole or in part, as designated on Flood Insurance Rate Map No. 322031 C Panel No. 2850E of the Federal Emergency Management Agency ("FEMA"). These lots are as follows: Case No. PM4-12-98. Unless any of the above-referenced lots are subsequently removed from 100-year flood plain by applications to and approvals of FEMA, all lot owners are advised that:

- (1) such lots may be required to obtain food insurance;
- (2) such lots may be assessed higher rates for flood insurance; and
- (3) structures must comply with the Washoe County Flood Hazard Reduction Ordinance, which includes procurement of Elevation Certificates and may preclude the construction of basements. These requirements shall be demonstrated to the satisfaction of the County Engineer and the Department of Development Review.

**Section 4.11 Reciprocal Private Drainage Easements.** Certain lots within the Subdivision shall have reciprocal private drainage easements, which are granted hereby, effective upon recordation of a final map for those lots and which shall be more particularly described on the final map for each affected lot, for the creation and maintenance of drainage ways from and to other lots in the Subdivision. It shall be the sole responsibility of the individual lot owner to maintain and repair said drainage ways, at the lot owner's sole cost and expense, including any concrete valley gutters or other improvements, in order to maintain the free flow of water for drainage as shown on the final map and as required by Washoe County ("County") conditions for the Subdivision approvals.

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ARTICLE V.  
Master Association Assessments

**Section 5.1. Purpose and Amount of Assessments.** The Assessments levied by the Master Association shall be the amount estimated to be required, and shall be used exclusively, to promote the health, safety, and welfare of the Members of the Master Association, for the performance of the duties of the Master Association as set forth in this Master Declaration, and for the repair, maintenance and upkeep of the Common Areas. Subject to and in accordance with applicable law, the average annual liability for Common Expenses shall never exceed FIVE HUNDRED AND NO/100THS DOLLARS (\$500.00) per Separate Interest, as adjusted by Chapter 116 of the NRS, exclusive of the cost of insurance premiums to the Association, any optional users' fees, any



Reimbursement Assessment or any Reconstruction Assessment. Such FIVE HUNDRED AND NO/100THS DOLLARS (\$500.00) maximum amount is not, in any manner, indicative of the actual Common Assessment for each Separate interest estimated above, but is set forth herein to comply with requirements of applicable law.

Section 5.2. Personal Obligations. Declarant, for each Separate Interest owned by it, and each Owner of each Separate Interest, hereby covenants and agrees to pay to the Master Association such Assessments as are made pursuant to this Article V. Declarant may, in lieu of payment of the Assessment and any Special Assessments attributable to Separate Interest owned by Declarant, enter into a Subsidy Agreement with the Master Association. Each Assessment or installment thereof, together with any late charges, interest, collection costs, and reasonable attorneys' fees, shall be the personal obligation of the Person who is the Owner of the Separate Interest at the time such Assessment (or installment thereof) became due and payable. If more than one (1) Person is the Owner of the Separate Interest, the personal obligation to pay such Assessment (or installment) respecting such Separate Interest shall be both joint and several. Except as provided in this Declaration, a purchaser of a Separate Interest shall be jointly and severally liable with the seller for all unpaid Assessments against the Separate Interest, up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such Assessments. Suit to recover a money judgment for such personal obligation shall be maintainable by the Master Association without foreclosure or waiver of the lien securing the same. No Owner may avoid or diminish such personal obligation by non-use or abandonment of his Separate Interest.

Section 5.3. Assessments.

5.3.1 Budget. The Assessment shall be determined by the amount of the Master Association budget ("Budget") for each fiscal year to pay the Common expenses as established pursuant to the provisions of this Article.

5.3.2 Allocation of Assessment: Uniform Rate: Commencement. Subject to any Assessment for Unmapped Phases, the Assessment assessed against the Owners of a Separate Interest shall be the amount of the Common Expense liability portion of the Budget for the applicable fiscal year divided by the total number of Separate Interests subject to the limitations set forth in this Article. Assessments shall commence as to each Separate Interest and as to each Unmapped Phase, if applicable, upon the earlier to occur of (1) the date specified in a Notice of Commencement of Common Assessments, Recorded by Declarant, which date shall be after the date of Recordation of this Master Declaration; or (2) the first day of the first month following the month in which the first Close of Escrow occurs for the sale of a Separate Interest in that Phase of the Properties in which the Separate Interest is located. Each Separate Interest in that Phase of the Properties and each Unmapped Phase in the Properties

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shall, thereafter, is subject to its share of the then established Assessment as set forth herein.

5.3.3 Procedure for Establishing Assessment: Commencement. The Assessment period shall coincide with the fiscal year of the Master Association, which shall commence on January 1 of each year and shall terminate on December 31 of such year. Assessment shall be payable in equal quarterly installments payable on the first (1st) day of each fiscal quarter unless the Board adopts some other basis for collection. However, the initial Assessment period for a Phase of the Properties shall commence on the first (1st) day of the calendar quarter following the Close of Escrow of the sale of the first Separate Interest within such Phase to an Owner (other than Declarant, a Successor Declarant or a Parcel Developer). Not less than ninety (90) days before the beginning of each fiscal year of the Master Association, the Board shall meet for the purpose of preparing the proposed Budget of the Common Expenses for the next succeeding fiscal year and establishing the Assessment for such fiscal year. Within thirty (30) days after adoption of the proposed Budget by the Board for such fiscal year, the Board shall provide a summary of the Budget to all Owners, and shall set a date for a meeting of the Owners to consider ratification of the Budget, which date shall be not less than forty-five (45) nor more than sixty (60) days after mailing of the summary.

5.3.4 Requirements for Adoption. Unless at the meeting of the Members described in Section 5.3.3, above, at least sixty-seven percent (67%) of the Voting Power of the Master Association votes to reject the proposed Budget, the Budget shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting. If the proposed Budget is so rejected, the Budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent Budget proposed by the Board.

5.3.5 Emergency Situations. Notwithstanding any other provision contained in this Article V, the Board may increase the Assessment as necessary for emergency situations. For purposes of this Section, an emergency situation is any (1) one of the following:

- (1) Extraordinary expense required by an order of a court;
- (2) Any other extraordinary expense necessary to repair or maintain Properties or any portion thereof for which the Master Association is responsible where a threat to personal safety on the property is discovered; or

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(3) An extraordinary expense necessary to repair or maintain the Properties or any portion thereof for which the Master Association is responsible that could not have been reasonably foreseen by the governing body in preparing and distributing the proposed Budget. However, prior to the imposition or collection of an assessment under this Section, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of the emergency assessment.

5.3.6 Expenditure of Reserve Funds.

(1) The Board shall not expend funds designated as reserve funds for any purpose other than:

(a) The repair, restoration, replacement or maintenance of major components for which the Master Association is obligated and for which the reserve fund was established, or

(b) Litigation involving the purposes set forth in this Master Declaration.

(2) Notwithstanding the provisions of Subsection 5.3.6 (1) above, the Board:

(a) May authorize the temporary transfer of money from the reserve account to the Master Association's operating account to meet short-term cash flow requirements or other expenses.

(b) Shall cause the transferred funds to be restored to the reserve account within three (3) months of the date of the initial transfer; however, the Board may, upon making a documented finding that a delay of restoration of the funds to the reserve account would be in the best interest of the Association, delay the restoration until such time it reasonably determines to be necessary.

(c) Shall exercise prudent fiscal management in delaying restoration of the transferred funds to the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits specified. Any such Special Assessment shall not be subject to the limitations specified in Section 5.5, below.

99-42

Section 5.4. Special Assessments. In the event that the Board determines a Special Assessment is required, the Board shall set a date for a meeting of the Owners which is not more than thirty (30) days after the mailing of the summary of the Special Assessment to the Owners and unless at that meeting a majority of the votes comprising the Voting Power are voted to reject the proposed Special Assessment, the proposed Special Assessment shall be deemed ratified by the Owners, whether or not a quorum is present at such meeting, and shall become a Special Assessment against, and allocated equally to, the Owners of the Separate Interests in the same manner as the Assessment is allocated. The Board may, in its discretion, provide for payment of any Special Assessment in any number of installments or provide that it is payable in one (1) installment within such time period as the Board deems reasonable.

Section 5.5. Capital Improvement Assessments.

5.5.1 Master Association's Power to Levy: Definition. The Master Association shall have the power to levy Capital Improvement Assessments on the terms and conditions set forth below. As used herein "Capital Improvement" means (1) any Improvement upon the Common Area which is not a repair or replacement of an existing Improvement, or (2) any expenditure relating to the Common Area which is outside the ordinary course of business of the Master Association.

5.5.2 Petition: Master Association Approval.

(1) Owners of thirty (30) or more of the Separate Interests may petition the Master Association for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement. Such petition shall be in writing and be in such form and shall contain such information as the Board may reasonably require. The Board may, on its own motion, move for the construction, installation, or acquisition of, or expenditure for, a Capital Improvement.

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

(3) The Board shall submit the Capital Improvement proposal to the Members at the annual meeting, or a special meeting called for such purpose. The Capital Improvement Assessment shall be deemed approved upon the affirmative vote of (1) a majority of quorum of the non-Declarant Members, constituting at least fifty percent (50%) of the Voting Power of the Master Association, and (2) the Declarant, unless Declarant's Annexation Rights pursuant to Article II hereof have expired and Declarant owns no portion of the Properties or the Subsequent Phase Properties.

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5.5.3 Levy of Capital Improvement Assessments. Capital Improvement Assessments shall be levied in the same proportions as the Common Assessments are levied. A Capital Improvement Assessment shall be paid in such installments and during such period or periods as shall be voted upon by the Members at the time such Assessment is approved. If no terms of payment are specified by such vote of the Membership, the Capital Improvement Assessment shall be due and payable upon terms set by the Board.

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

5.5.5 Deficiency in Capital Improvement Assessment. If at anytime and from time to time a Capital Improvement Assessment proves or appears likely to be inadequate for any reason, including nonpayment of any Owner's share thereof, the Board may, subject to the limitations set forth in this Section, levy a further Capital Improvement Assessment in the amount of such actual or estimated inadequacy, which shall be levied against the Owners in the same proportion as the Common Assessments are levied.

Section 5.6. Notices of Assessments: Delinquencies. All Assessment notices shall be in writing and shall be given in the manner specified in this Section. The Master Association shall give written notice of the Assessment, to the Owners of the Separate Interests within the Properties, which notice shall specify the amount of the Assessment and the date or dates payment of the same is due. Nothing contained herein shall be construed so as to require the Master Association to give periodic notices of the same Assessment. One notice of an Assessment shall be sufficient to meet the requirements of this Section, even though the Assessment may be payable in installments. Failure of the Master Association to give notice of any Assessment shall not affect the liability of the Owners of the Separate Interest for such Assessment; provided, however, that the date when payment of the first installment of such Assessment shall become due in such a case shall be deferred to a date, fifteen (15) days after such notice shall have been given, and the first installment of such Assessment shall not be deemed delinquent until fifteen (15) days after such deferred due date. Any Assessment installment hereunder which is not paid within fifteen (15) days following the date it is due as specified in the notice of such Assessment shall be deemed delinquent. All delinquent Assessments shall bear interest at the rate of eighteen percent (18%) per annum from the date the Assessment becomes delinquent hereunder until paid, and, in addition, a late charge as determined by the Master Association shall be charged for each delinquent installment and shall be due with each delinquent installment.

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Section 5.7. Statement of Account. Upon payment of a reasonable fee and upon written request of any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Separate Interest, the Master Association shall issue a written statement setting forth the amount of the unpaid Assessments, if any, with respect to such Separate Interest, the amount of all the current Assessments, and the date that such Assessment becomes or became due, and if there is any credit for advance payments. Such statement shall be conclusive upon the Master Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within ten (10) business days following receipt of the written request and fee, all unpaid Assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement.

Section 5.8. Collection of Assessments. The right to collect and enforce Assessments is vested in the Board acting for and on behalf of the Master Association. The Board, its attorney at law, its authorized representative, its attorney at law, and 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 by judicial proceedings or, to the extent permitted by applicable law, through the exercise of the power of sale granted to the Board pursuant to applicable statutes and laws, and Article V, to enforce the lien rights created. Suit to recover a money judgment against an Owner for unpaid assessments together with all other amounts due hereunder shall be maintainable without first foreclosing against the Separate Interest which is subject to the lien for such assessment or waiving the lien rights granted hereby.

5.8.1 Lien for Assessments: Priority. All sums assessed to any Separate Interest pursuant to this Master Declaration, together with interest thereon as provided herein, shall be secured by a lien on such Owner's Separate Interest in favor of the Master Association from the date the Assessment becomes due. Such lien shall be prior to all other liens and encumbrances on such Lot, except for: (a) valid tax and special assessment liens in favor of any governmental assessing authority; (b) liens and encumbrances recorded before the recordation of this Master Declaration; and (c) a First Mortgage recorded before the date on which the Assessment sought to be enforced became delinquent. The lien created by this Master Declaration for unpaid Assessments are also prior to a First Mortgage to the extent of the amount of such Assessment which would have become due in the absence of acceleration during the six (6)-month period immediately preceding institution of an action to enforce the lien securing such amount, without accelerations.

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5.8.2 Enforcement of Lien.

(1) Notice of Delinquent Assessment and Notice of Default. The Master Association may foreclose its lien by sale pursuant to NRS Chapter 116 after:

(a) The Master Association has mailed by certified or registered mail, return receipt requested to the record Owner of the Separate Interest or Unmapped Phase, a notice of delinquent assessment (herein "**Notice of Delinquent Assessment**"), which states the amount of the Assessment which is due together with all interest and late charges thereon in accordance with the provisions of this Master Declaration, a description of the Separate Interest against which the lien is imposed, and the name of the record Owner of the Separate Interest; and

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

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

(1) The day on which the Notice of Default is so recorded: or

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

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5.8.3 Notice of Sale. The Master Association or other person conducting the sale shall, at any time after the expiration of such sixty (60) day period and before selling the Separate Interest, give notice of the time and place of the sale (**-Notice of Sale-**) in the manner and for a time not less than that required by law for the sale of real property upon execution, except that a copy of the Notice of Sale must be mailed, on or before the date of first publication or posting, by certified or registered mail, return receipt requested, to the Owners of the Separate Interest, or their successors in interest, at their address if known, or otherwise to the address of the Separate Interest and to any Mortgagee or purchaser of a Separate Interest pursuant to a contract of sale if they have notified the Master Association before the mailing of Notice of Sale of the existence of the security interest, lease, or contract of sale, as applicable. Such sale shall be conducted in any manner permitted by law. Each Owner who is liable for payment of the Assessment shall be required to pay the costs and expenses of such foreclosure proceeding including, but not limited to, the cost of preparation of all notices (whether or not such notice has been given to the Owners at the time payment is made), reasonable attorneys' fees, title company fees and charges, trustee's fees and costs and title insurance costs.

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

5.8.5 Release of Lien. A further notice stating the satisfaction and release of any such lien shall be executed by the Master Association and Recorded in the County, upon payment of all sums secured by such lien, in accordance with law.

5.8.6 Subrogation Rights after Payment. Any encumbrance holding a lien on a Separate Interest may, but shall not be required to, pay any amounts secured by a lien for unpaid assessments, and upon such, payment, such encumbrance shall be subrogated to all rights of the Master Association with respect to such lien, including rights of priority.

5.8.7 Conduct of Sale. Such sale shall be conducted in accordance with applicable law and the proceeds thereof distributed as provided by law.

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**ARTICLE VI.**  
Properties Use Restrictions

Section 6.0. Restrictions Applicable to Declarant and All Separate Interests within the Properties, shall comply with the Development Agreement / Development Standards Handbook between Realty Corner / James & Darlene Pruitt and Washoe County, Nevada Case No. DA4-1-98, and the Master Declaration.

**ARTICLE VII**  
Miscellaneous

Section 7.1 Term of Declaration. The Restrictions of this Master Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Master Association or the Owner of any of the Properties subject to this Master Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Master Declaration is Recorded, after which time such Restrictions shall be automatically extended for successive periods of ten (10) years, unless a Declaration of Termination meeting the requirements of an amendment to this Master Declaration as set forth in Section 7.2 of this Article has been Recorded.

Section 7.2 Amendments.

7.2.1 Amendments Approved By Declarant. Prior to the sale of a Separate Interest in the Properties to a member of the public, the provisions of this Master Declaration may be amended or terminated by Recordation of a written instrument signed by Declarant setting forth such amendment or termination.

7.2.2 General Amendments Approved By the Members. Except as provided in subparagraphs 7.2.3, 7.2.4, 7.2.5 and 7.2.6 below, the provisions of this Master Declaration may be amended by Recordation of a certificate, signed and acknowledged by two (2) officers of the Master Association, setting forth the amendment and certifying that such amendment has been approved by at least two thirds (2/3) of the Voting Power and the requisite percentage of holders and insurers of first Mortgages in the case of those amendments which this Master Declaration requires to be approved by the first Mortgagees, and such an amendment shall be effective upon Recordation. Notwithstanding the foregoing, the specified percentage of the Voting Power necessary to amend a specific section or provision of this Master Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision. The Master Association shall maintain in its files the record of all such votes, Mortgagee consent solicitations and disapprovals for a period of at least four (4) years.

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7.2.3 Amendments Requiring Declarant Approval. Notwithstanding subparagraph 7.2.2, and in addition thereto, Articles II, IV, and V this Master Declaration may not be amended without the prior written consent of the Declarant until Declarant's Control Termination Date.

7.2.4 Amendments Affecting Land Uses Within Specific Delegate Districts. The provisions of Article IV of this Master Declaration which pertain to a specific land classification may be amended by the affirmative vote of at least two thirds (2/3) of the Voting Power of Owners of Separate Interests within the particular Delegate District established for the land classification, subject to satisfaction of the following conditions precedent to said Member vote:

(i) The written consent of Declarant shall be required so long as subparagraph 7.2.3 remains in effect;

(ii) The requisite percentage of holders and insurers of first Mortgages of Separate Interests within the Delegate District has been obtained in the manner described in subparagraph 7.2.5, below, if such approval is required hereunder; and

(iii) The Architectural Review Committee has approved the amendment proposal by majority vote of the Architectural Review Committee members, said approval not to be unreasonably withheld. Notwithstanding the foregoing, it is expressly agreed that the Architectural Review Committee shall be entitled to take into consideration the effect of any land use changes permitted by the proposed amendment on neighboring properties, whether or not located within the Delegate District affected by the proposed amendment.

Compliance with the requirements of this subparagraph 7.2.4 shall be evidenced by Recordation of a certificate, signed and acknowledged by two (2) officers of the Master Association, setting forth in the amendment a legal description of the Properties to which the amendment applies and certifying that all required approvals have been obtained. The requirements of this subparagraph 7.2.4 shall not apply to land use or other amendments contained in any Supplemental Declaration Recorded pursuant to provisions of the Master Declaration.

7.2.5 Approval of First Mortgagees. Any of the following amendments, to be effective, must be approved by the Beneficiaries, insurers and guarantors of fifty-one percent (51 %) of the first Mortgages on all of the Separate Interests in the Properties at the time of such amendment, based upon one (1) vote for each Mortgage owned or insured:

(i) Any amendment which affects or purports to affect the validity of priority of Mortgages or the rights or protection granted to Beneficiaries, insurers or guarantors of first Mortgages as provided in Article V hereof.

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(ii) Any amendment which would necessitate an encumbrance after it has acquired a Separate Interest through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure.

(iii) Any amendment which would or could result in a Mortgage being cancelled by forfeiture, or in the individual Separate Interest not being separately assessed for tax purposes.

(iv) Any amendment relating to the insurance provisions as set out here, or to the application of insurance proceeds as set out here, or to the disposition of any money received in any taking under condemnation proceedings.

(v) Any amendment which would or could result in termination or abandonment of the Properties for partition or subdivision of a Separate Interest, in any manner inconsistent with the provision of this Master Declaration.

(vi) Any amendment concerning:

(a) Voting rights;

(b) Rights to use the Association Properties;

(c) Reserves and responsibility for maintenance, repair, and replacement of the Association Properties;

(d) Annexation or deannexation of real properties to or from the Properties;

(e) Boundaries of any Separate Interests;

(f) Leasing of Separate Interests;

(g) Establishment of self-management by the Master Association where professional management has been required by any institutional holder or insurer of a first Mortgage;

(h) Assessments, assessment liens, or the subordination of such liens: and

(i) Imposition of any restrictions on an Owner's right to sell or transfer his or her Separate Interest.

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Any approval by a Beneficiary, insurer or guarantor of a first Mortgage required under this Section, or required pursuant to any other provisions of this Master Association, shall be given in writing; provided that prior to any such proposed action, the Master Association or Declarant, as applicable, may give notice by registered or certified mail with a return receipt requested of such proposed action to any or all Beneficiaries, insurers and guarantors of first Mortgages, and for thirty (30) days following the receipt of such notice, such Beneficiary, insurer or guarantor of a first Mortgage shall have the power to disapprove such action by giving written notice to the Master Association or Declarant, as applicable. If no written notice of disapproval is received by the Master Association or Declarant, as applicable, within such thirty (30) day period, then the approval of such Beneficiary, insurer or guarantor shall be deemed to have been given with respect to the proposed action! and the Master Association or Declarant, as applicable, may proceed as if such approval was obtained with respect to the request contained in such notice.

Section 7.2.6. Governmental Approval. No amendment to the Declaration modifying the rights and benefits extended to any governmental entity shall be made without the written consent of such entity.

Section 7.3. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered two (2) business days after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any Person at the address given by such Person to the Master Association for the purpose of service of such notice, or to the Residence owned by such Person if no address has been given to the Master Association. Such address may be changed from time to time by notice in writing to the Master Association.

Section 7.4. Interpretation

7.4.1 Restrictions Construed Together. All of the provisions of this Master Declaration shall be liberally construed together to promote and effectuate the fundamental concepts as set forth in the Recitals to this Master Declaration. The Master Declaration shall be construed and governed by the laws of the State of Nevada.

7.4.2 Restrictions Severable. Notwithstanding the provisions of the foregoing subparagraph 7.4.1, each of the provisions of the Master Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

7.4.3 Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

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

IN WITNESS WHERE OF, the parties hereto have executed this Agreement as of the day and year appearing above.

Realty Corner Inc.

[Signature]  
President: Reed Smith

[Signature]  
James Pruitt

[Signature]  
Secretary and Treasurer: Cathy Foote

[Signature]  
Darlene Pruitt

STATE OF NEVADA )  
                          ) ss.  
COUNTY OF WASHOE )

On 28th Day of April, 19 99, personally appeared before me [Signature] a Notary Public, who acknowledged to me that they executed the foregoing instrument.

- \* REED SMITH
- \* CATHY FOOTE
- \* JAMES PRUITT
- \* DARLENE PRUITT

[Signature]  
NOTARY PUBLIC



99-42

Exhibit "B"

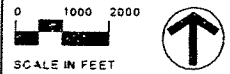


99-42

WARM SPRINGS SPECIFIC PLAN  
LAND USE PLAN

- |                         |                      |                                   |
|-------------------------|----------------------|-----------------------------------|
| LOW DENSITY RURAL       | LOW DENSITY URBAN    | INDUSTRIAL                        |
| MEDIUM DENSITY RURAL    | MEDIUM DENSITY URBAN | PUBLIC AND SEMI-PUBLIC FACILITIES |
| HIGH DENSITY RURAL      | HIGH DENSITY URBAN   | PARKS AND RECREATION              |
| LOW DENSITY SUBURBAN    | GENERAL COMMERCIAL   | OPEN SPACE                        |
| MEDIUM DENSITY SUBURBAN | OFFICE COMMERCIAL    | RURAL RESIDENTIAL / GENERAL RURAL |
| HIGH DENSITY SUBURBAN   | TOURIST COMMERCIAL   | SPECIFIC PLAN                     |

NOTE: THE SCALE AND ORIENTATION OF ALL SYMBOLS AND SHADING ARE APPROXIMATE ONLY AND ARE NOT GUARANTEED AS A BASIS FOR DESIGN OR CONSTRUCTION. REPRESENTATIONS ARE NOT INTENDED TO BE USED FOR ANY PURPOSE OTHER THAN THAT FOR WHICH THEY WERE DESIGNED. THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, NEVADA, HAS REVIEWED THIS PLAN AND HAS APPROVED IT AS A PART OF THE WASHOE COUNTY COMPREHENSIVE PLAN, AS AMENDED BY THE BOARD OF COUNTY COMMISSIONERS ON SEPTEMBER 12, 1995.



WASHOE COUNTY  
DEPARTMENT OF  
COMPREHENSIVE  
PLANNING



POST OFFICE BOX 11130  
RENO, NEVADA 89529  
(702) 786-3460

SOURCE: WASHOE COUNTY DEPARTMENT OF COMPREHENSIVE PLANNING

DATE: JULY 1995

# INTRODUCTION

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## VISION STATEMENT

Our vision of the Warm Springs Specific Plan area is to establish a mix of land uses including agricultural, residential, parks and recreation, public facilities, low density office commercial, limited light industrial, and small-scale general commercial. The Specific Plan area will serve as both the center of residential development and as the community service center for the Warm Springs planning area. Development within the SP should maintain and enhance the rural character of the Warm Springs planning area.

## RURAL CHARACTER

1. The provision of open spaces to foster retention of natural vegetation and to provide corridors for wildlife to traverse the area.
2. Restriction of development on individual lots through building envelope designations to limit disturbance of existing native vegetation, and provide effective open space areas on all individual lots.
3. The ability to conduct agricultural related activities within the area, and the ability to keep and raise 4H/FFA animals within designated areas.
4. Use of muted, earth-tone coloration of buildings and structures, vegetative screening, low-impact on-premise signs, reduction of glare from outside lighting and roadway design to encourage pedestrian/equestrian traffic.
5. Development of equestrian facilities and trails to establish a bucolic atmosphere within the SP.
6. Development of design guidelines that require variations in building envelopes that link individual lot open spaces and create open space corridors.
7. Home businesses would be permitted based on compliance with County regulations.
8. Preservation of the air quality and of the serene aspects of the valley, such as the quiet and the clear views of the mountains and the night sky.

2353364

COPY - has not been compared with the Original Document - WCR

21520-00  
RLW:kio  
9/22/98

When Recorded Return To:  
Realty Corner  
Grass Valley Road/Warm Springs  
C/O Reed Smith  
801 Greenbrae  
Sparks, NV 89431

**NOTICE OF WASHOE COUNTY DISTRICT HEALTH DEPARTMENT'S  
CRITERIA FOR PARCEL MAP #PM 4-12-98 AND DEVELOPMENT  
AGREEMENT #DA 4-1-98**

Notice is hereby given that the Smith & Foote Parcel Map Design Guidelines required by Washoe County District Health Department are incorporated into the Development Agreement #DA 4-1-98. A copy of these Health Department guidelines is attached hereto and incorporated herein.

The Development Agreement #DA 4-1-98, the Design Handbook, and Parcel Map #PM 4-12-98 were recorded in the office of the Washoe County Recorder on ~~JUNE 22, 1999~~ as document no. ~~235336~~ 1 in Book \_\_\_\_\_ at pages \_\_\_\_\_ through \_\_\_\_\_.

Dated this 14<sup>th</sup> day of May 1999.

*Cathy Foote Secretary/Treasurer*  
Cathy Foote, Secretary/Treasurer  
Realty Corner, Inc.

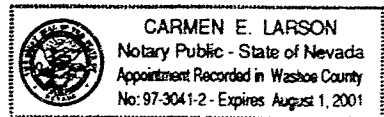
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State of Nevada }  
                          }ss  
County of Washoe }

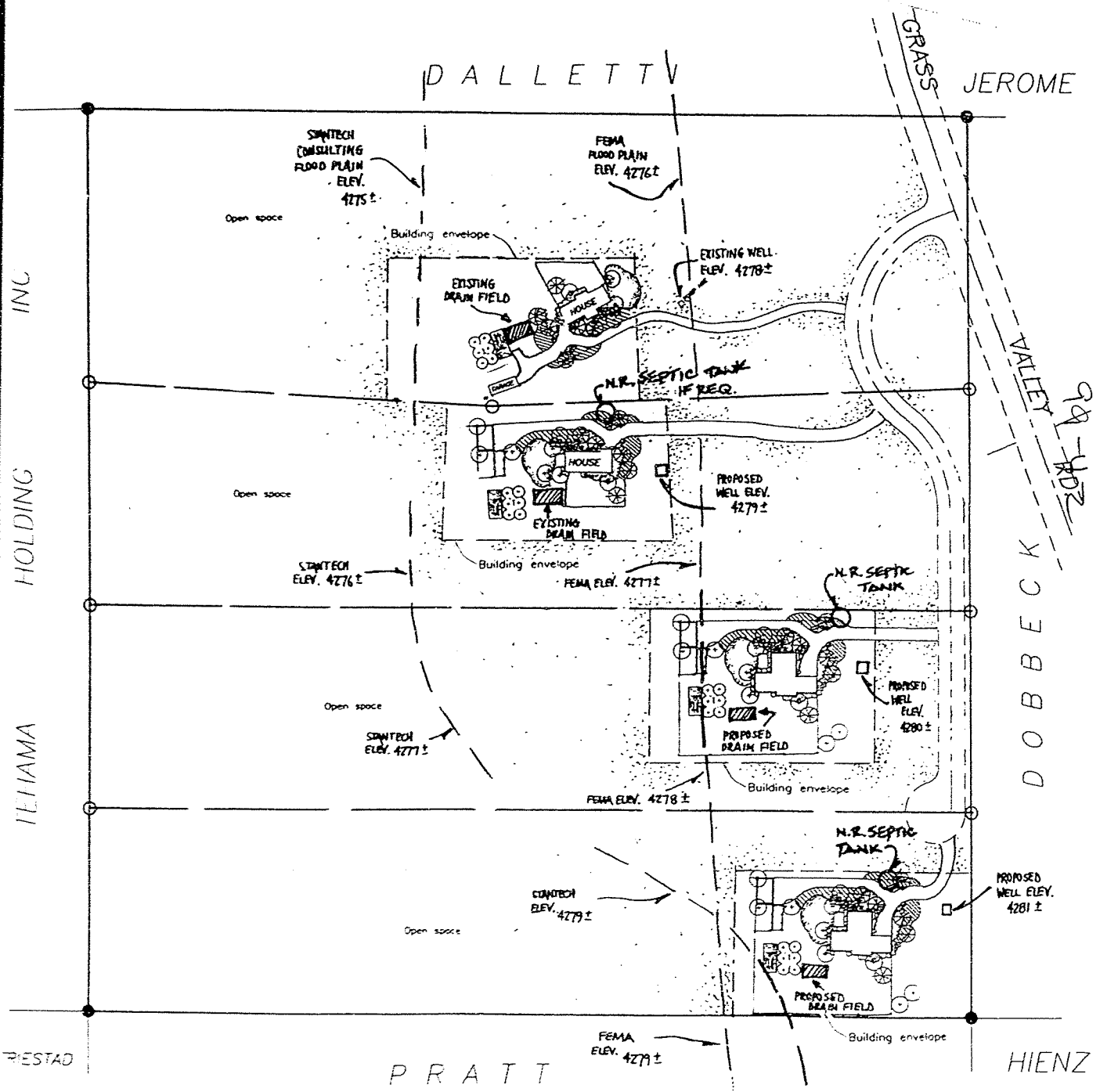
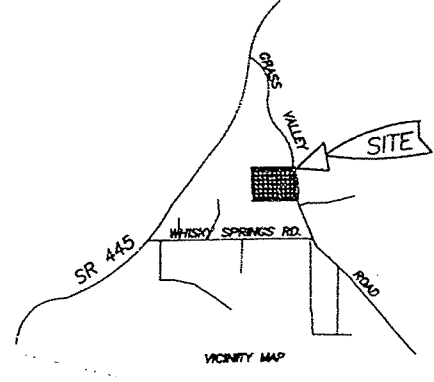
On this 14<sup>th</sup> day of May, 1999 personally appeared before me a Notary Public, Cathy Foote, Secretary/Treasurer of the Realty Corner, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he executed the instrument.

In witness whereof, I have hereunto set my hand and affixed my official stamp at my office in the County of Washoe the day and year in this certificate first above written.

*Carmen E. Larson* (Seal)  
\_\_\_\_\_  
Signature of Notary Public









# DISTRICT HEALTH DEPARTMENT

**DATE:** May 14, 1998

**TO:** Current Planning Program  
Washoe County Community Development Department  
Attn: Catherine McCarthy

**FROM:** Douglas L. Coulter, P.E.

**SUBJECT:** James and Darlene Pruitt, Assessor's Parcel Number 077-350-10  
Parcel Map #PM4-12-98 (Grass Valley) and  
Development Agreement #DA4-1-98 (Realty Corner).  
E98-080

RECEIVED  
MAY 18 1998  
WASHOE COUNTY  
COMMUNITY DEVELOPMENT

This Department has reviewed the referenced proposal with regard to sewage disposal, domestic water supply, solid waste, vector control, water quality and air pollution. We have the following comments:

1. Mac Kay & Soms Civil Engineering, Inc. and the applicants have proposed the use of nitrogen reducing individual sewage disposal systems and domestic water wells that are constructed with the sanitary seals extended to a depth of 50 feet below the water table.
2. In 1993, the Washoe County (WC) Department of Comprehensive Planning, the WC Public Works Department, and the WC Department of Water Resources' Utility Services Division prepared a report entitled "Monitoring Well Construction and Testing". In the Discussion and Conclusions on page 13 of this report, is the following statement:

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"Quasi static heads in the wells indicate that a downward gradient exists. The pumping test showed that drawdowns occurred in all three wells during the testing of wells 2 and 3. From this data, (it) is reasonable to argue that the pumping of one section of the aquifer induces flow from the other sections of the aquifer. Either the "aquitards" are not laterally extensive or the hydraulic conductivity allows for leakage, or both given the relatively small pumpage rates and durations. Pumping tests of longer duration and of larger pumping rates are needed to more fully understand this relationship."

"The pumping tests conducted were inadequate to analyze the aquifer parameters of each section in any detail. However, given the approximate values determined it is clear that the aquifer section from 200-440 feet is more productive, but at more risk to nitrate contamination than the lower section."

May 15, 1998  
James and Darlene Pruitt  
Page Two

The above comments certainly support the recommendation of nitrogen-reducing individual sewage disposal systems and domestic water wells which are properly sealed to prevent commingling of the shallow and deep aquifers.

There are two issues that need to be addressed in order to ensure that groundwater supply for the area is protected from further contamination:

1. To ensure that the nitrogen reducing individual sewage disposal systems are operated and maintained to continually discharge effluent with a nitrogen concentration of less than 10 mg/l.
2. To ensure that the domestic water wells are properly sealed to prevent commingling the shallow and deep aquifers.

Approval of the referenced proposal is recommended by this Department subject to the following conditions:

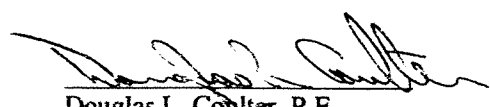
- ✓ 1. A plan administered by the WC Department of Water Resources shall be set up to operate and maintain the nitrogen-reducing systems prior to parcel map approval by the WC District Health Department. The proposed treatment system design, the monitoring, reporting, maintenance schedule, and enforcement procedures shall be approved by the District Health Department and the Department of Water Resources.
- ✓ 2. Prior to the approval of any individual sewage disposal system construction permit, the property owner shall submit to the District Health Department an operation and maintenance agreement with the Department of Water Resources.
- ✓ 3. The design engineer shall submit a domestic water well construction design for each of the proposed parcels. The design shall include the required elevation of the top of the well casing to ensure that it is at least two feet above the 100 year flood plain. Prior to the certificate of occupancy approval of the proposed homes or buildings, the design engineer shall inspect the wells during construction and certify to the District Health Department that the wells are constructed in a manner that will prevent commingling of the shallow and deep aquifers, pursuant to Nevada Administrative Codes 534.370 and 534.375,
- ✓ 4. Prior to approval of the certificate of occupancy for the proposed homes or buildings, the domestic water wells shall be sampled to verify that the water supply meets the drinking water standards.

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May 15, 1998  
James and Darlene Pruitt  
Page Three

- 5. The applicant shall submit a site plan showing all existing and proposed wells and proposed nitrogen-reducing individual sewage disposal systems on the property. The site plans shall include the following items:
  - a. The limits of the 100 year flood plain.
  - b. The design of all proposed individual sewage disposal systems within the 100 year flood plain pursuant to Section 100.070 of the Washoe County District Board of Health Regulations Governing Sewage, Wastewater, and Sanitation.
  - c. The location of all proposed wells and the elevation of the top of the well casings within the 100 year flood plain.
  - d. Any water system improvements required for fire protection.
  
- 6. A notice describing the above requirements shall be recorded simultaneously with the parcel map. The notice shall be approved the District Attorneys Office and be recorded in a manner that will show up in a routine title search.

Should you have any questions on the foregoing, please call me at 328-2429.



Douglas L. Coulter, P.E.  
Engineering Supervisor  
Environmental Health Services

DLC:sw

- cc: James and Darlene Pruitt
- Cathy Foote, Realty Corner
- Reed Smith, Realty Corner
- Jerry Stanton, Stanton Surveying
- Randy Walter, MacKay & Soms Civil Engineering

99-42

OFFICIAL RECORDS  
WASHOE COUNTY, NEVADA  
RECORDED BY

99 JUN 22 AM 11:56

KATHRYN L. DUNKE  
COUNTY RECORDER

FEE \_\_\_\_\_

WARM RECORDED RETURN TO:  
REALTY CORNER INC.  
46 RENO SMITH  
801 GREENBRIAR DR  
SPRINGS NV 89431

2353365

COPY - has not been compared  
with the Original Document - WCR

BYLAWS  
of  
THE WARM SPRINGS MASTER PLANNED COMMUNITY  
ASSOCIATION

ARTICLE ONE  
NAME AND LOCATION

1.01 NAME AND LOCATION. The name of the coloration THE WARM SPRINGS MASTER PLANNED COMMUNITY " (the association.).

ARTICLE TWO

DEFLECTIONS

2.01 Declaration' for the purposes of these Bylaws shall mean that certain Master Declaration of Covenants, Restrictions and Easements for coloration THE WARM SPRINGS MASTER PLANNED COMMUNITY recorded on , JUNE 22, 1996, in Book , \_\_\_\_\_ as Document No. 2353363, of Official Records, Washoe County, Nevada, as the same may from time to time be amended in accordance with the terms thereof.

2.02 Terms used herein and not defined herein shall have the meanings given to them in the Declaration and the Articles of Incorporation which are incorporated herein and made a part hereof by reference.

ARTICLE THREE  
MEMBERSHIP VOTING RIGHTS OF MEMBERS  
AND RIGHT OF DECLARANT TO APPOINT  
DIRECTORS AND OFFICERS

3.01 MEMBERSHIP. The Members of the Association shall be the Owners of the Lots The Owner(s) of each Lot shall have one (1) membership in the Association. The number of Memberships in the Association shall be equal to the number of Lots within the Property As used in these Bylaws, the term Member, shall refer to the Owner of a Lot if there is one Owner, or collectively to all of the Owners of a Lot if there is more than one Owner Each Member shall have the rights, duties, and obligations set forth in the Declaration, the Articles, these Bylaws, and Rules and Regulations as the same may from time to time be amended.

3.02 VOTING RIGHTS. Only Members of the Association shall have voting rights. The voting privileges of the Members shall be as set forth below and as otherwise provided in the Declaration and the Articles of Incorporation Votes may be cast either by voice or by ballot

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(a) General. The Master Association shall have the following described voting classes (.Voting Classes.) and, subject to the provisions of subs paragraph (b) immediately below, shall have the following votes:

(i) Class A Members. Class A Members shall be the Owners (including any Parcel Developers) of any Separate Interest. One Class A Membership shall be appurtenant to each Separate Interest and shall be entitled to one (1) vote.

(ii) Class B Members. Blase B Members shall be the Declarant only. Subject to the provisions of sub-paragraph (b) immediately below, the Class B Member shall have. One Class B Membership shall be appurtenant to each Separate Interest owned by Declarant.

(b) Appointment and Removal of Members of Board and Officers of Association. Declarant has reserved the right to appoint and remove all of the members of the Board and all of the officers of the Association until the earlier of the following events:

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

(ii) Two (2) years after Declarant has ceased to offer for sale in the ordinary course of business any Lots within the Property; or

(iii) In the event and at such time as Declarant waives by written instrument the rights reserved by Declarant under this subparagraph (b), and such written waiver is recorded in the official records of the County Recorder of Washoe County, Nevada. Declarant shall have the right to designate a person or persons who are entitled to exercise the rights reserved to Declarant under this subparagraph (b). The date on which the rights reserved by Declarant under this subparagraph (b) terminate is herein called The Declarant's Control Termination Date. From and after the Declarant's Control Termination Date, the Board of Directors and the officers of the Association shall be elected and appointed as provided in the Articles and these Bylaws.

(c) Composition of Board of Erectors. Notwithstanding anything to the contrary set forth herein, not later than sixty (60) days after conveyance of twenty five percent (25 %) of the Lots which may be created within the Project to Owners other than Declarant, at least one member and not less than twenty five percent (25%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots which may be created within the Project to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board shall be elected by Owners other than the Declarant. Not later than the Declarant's Control Termination

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Date, the Owners shad a Board of at least three (3) members, at least a majority of whom must be Owners.

3.03 PROXIES. At any meeting of the Members of the Association, any Member may designate another person or persons to act as a proxy or proxies. If any Member designates two or more persons to act as proxies, a majority of those persons present at the meeting, or, if only one is present, then that one, has and may exercise all of the powers conferred by the Member upon an of the persons so designated unless the Member provides otherwise. If a Lot is owned by more than one person or entity, each owner of a Lot may vote or register protest to the casting of votes by the other Owner or Owners of such Lot through an executed proxy. No proxy shad be valid after the expiration of one (1) year from the date of its execution, unless it specifies a shorter term. An Owner of a Lot may revoke a proxy only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or if it purports to be revocable without notice.

3.04 EXERCISE OF VOTING RIGHTS. In the case of a Lot owned by two (2) or more persons or entities, the voting power shall be exercised by only one of them. If only one (1) of several Owners of a Lot is present at a meeting of the Association, that Owner is entitled to cast the vote allocated to that Lot. If more than one (1) of the Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners of that Lot. There shall be deemed to be a majority agreement among several Owners of a Lot if any one of the Owners casts the vote allocated to that Lot without protest made promptly to the person presiding over the meeting by any of the other Owners of the Lot. In the event there is no such protest, it win be conclusively presumed for an purposes that the Owner who cast the vote for a particular Lot was acting with the authority and consent of an other Owners of the same Lot.

ARTICLE FOUR  
MIMI NGS OF MEMBERS

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4.01 QUORUM. The presence at any meeting of the Members having twenty percent (70%) of the then total voting power of the Association shad constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Members at **which** a quorum is present upon the affirmative vote of a majority of the total voting power present at such a meeting in person or by proxy. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting without further notice to a time of not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which time the quorum requirement shall be at least fifteen percent (15%) of the total votes.

4.02 ANNUAL MEETING. There shall be an annual meeting of the Members held not later than the earlier of (a) sixty (60) days after the closing of the sale of the Lot which represents the twenty-fifth percentile interest in the total number of Lots in the Project, or (b) one year after the date of the filing of the Articles of Incorporation of the Association with the

Secretary of State of Nevada and in the same month of each year thereafter upon the Project or at such other reasonable place within Washoe County, State of Nevada, as may be designated by written notice of the Board delivered to the Members not less than ten (10) nor more than sixty (60) days prior to the date fixed for such meeting.

4.03 SPECIAL MEETINGS. Special meetings of the Members may be called by the President of the Association, a majority of the Board or by Members having five percent (5%) or more of the votes in the Association. The demand by the Members must state the purpose for the meeting. The Members making the demand on the Association must sign, date and deliver their demand to the president or the treasurer of the Association. The Association must then immediately give notice of a special meeting of the Members.

4.04 RECORD DATE FOR MEMBERS. For the purpose of determining Members entitled to notice of or to vote at any meeting or at any adjournment thereof, the Board may fix, in advance, a date as a record date for any such determination of Members. Such record date shall not be more than sixty (60) or less than ten (10) days before the date of such meeting.

4.05 ACTION BY CONSENT. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting of the Members if a written consent thereto is signed by Members holding at least a majority of the voting power of the Association, except that if a greater proportion of the voting power is required for such an action at a meeting, then that proportion of written consents is required.

#### ARTICLE FIVE NOTICES

5.01 METHOD FOR MAILING NOTICE. Any notice permitted or required to be delivered by the terms of these Bylaws may be delivered either by hand delivery or by mail. If delivery is by mail, it must be directed to the Member at the mailing address of each Lot or to any other mailing address designated in writing by a Member, and upon the mailing of any notice, the service thereof is complete and the time of the notice begins to run from the date on which such notice is deposited in the mail for transmission to the Member. The address of any Member may be changed on the records of the Association from time to time by notice in writing to the Secretary. The notice of any meeting shall be in writing and shall be signed by the President or the Secretary of the Association or by such other persons as may be designated by the Board of Directors. The notice of any meeting of Members must state the time and place of the meeting and the items on the agenda including the general nature of any proposed amendment to the Declaration or these Bylaws, any budgetary changes or any proposal to remove an officer of the Association or any member of the Board.

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5.02 WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the statutes or of the Articles of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE SIX  
NOMINATION. ELECTION. TENURE. MEETINGS.  
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.01 EXERCISE OF POWERS OF ASSOCIATION. The powers of the Association shall be vested in, exercised by, and under the authority of, and the affairs of the Association shall be managed and controlled by the Board. The Association shall have seven (7) directors. At the initial annual meeting of the Association, two-thirds (2/3rds) of the members of the Board elected at such meeting shall be elected to serve for two (2) year terms, and the remaining members for one (1) year terms; and upon the expiration of such terms, the members of the Board elected to fill such vacancies shall serve for like terms. Subject to the right of the Declarant to appoint the Board in accordance with the Declaration, the Articles and these Bylaws, the exact number of directors shall be set by the Members of the Association at any regular or special meeting. The members of the Board, except for the members of the Board appointed by Declarant in accordance with these Bylaws, the Declaration and the Articles, and the first Board named in the Articles of Incorporation, shall be Members of the Association. The following described persons may serve on the Board as representatives of Members which are not natural persons: one officer or director of a corporation which is a Member, one general partner of a partnership which is a Member, one trustee or beneficiary of a trust which is a Member and one personal representative of an estate which is a Member. In all events where the person serving or offering to serve as an officer of the Association or a member of the Board is not the record owner of a Lot, he shall file proof of authority in the records of the Association.

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6.02 POWERS AND DUTIES OF DIRECTORS. The Board shall have:

(a) The power to exercise for the Association all powers, duties and authority vested in the Association and not reserved to the Members by other provisions of these Bylaws, the Articles, the Declaration, or Chapters 82 or 116 of the Nevada Revised Statutes.

(b) The powers and duties specifically conferred upon it by Chapter 82 and Section 116.3102 of the Nevada Revised Statutes, the Articles, these Bylaws and the Declaration.

(c) All other powers and duties necessary for the administration of the affairs of the Association and for the enforcement of the provisions of the Articles, these Bylaws and the Declaration.

6.03 NOMINATION AND ELECTION OF DIRECTORS. Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, nominations for election to the Board shall be made by a nominating committee which may be comprised of all or a portion of the Board. Nominations may also be made from the floor at the annual meeting or special meeting, as the case may be. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two, (2) or more Members of the Association. The nominating committee shall be appointed by the Board prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting. The nominating committee shall make, as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies there are to be filled.

6.04 ELECTION. Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, and unless elected by written consent in accordance with Section 4.05 hereof, the directors of the corporation shall be elected at the annual meeting of the Members, except as provided in Section 6.05 hereof and in Article Eight of the Articles of Incorporation, and each director elected shall hold office until his successor shall have been elected and qualified. Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, the directors shall be chosen by a plurality of the votes cast at the election for such directors to be held in accordance with the Articles and these Bylaws. Subject to the right of the Declarant to appoint the Board in accordance with these Bylaws, the Declaration, and the Articles, if for any reason a director shall not be elected at the annual meeting of Members, they may be elected at any special meeting of the Members called and held for that purpose.

6.05 VACANCIES RESULTING FROM RESIGNATION OR DEATH. Vacancies in the Board, including those caused by an increase in the number of directors or the removal of a director, may be filled by a majority vote of the directors in office, though less than a quorum, and the directors so chosen shall hold office until the next annual meeting of Members

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6.06 REMOVAL BY MEMBERS. The Members by a two-thirds (2/3rds) vote of the then total voting power of the Association may remove any Member of the Board, with or without cause, other than a member of the Board appointed by Declarant.

6.07 PLACE OF MEETINGS. The Board may hold meetings, both regular and special, upon the Property or at any other reasonable place within Washoe County, State of Nevada.

6.08 COMPENSATION OF DIRECTORS. No director shall receive compensation for any services he may render to the Association; however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

6.09 ACTION TAKEN WITHOUT A MEETING. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if, before or after the action, a written consent thereto is signed by a majority of the members of the Board. If the vote of a greater proportion of the directors is required for an action, then the greater proportion of written consents is required. Such written consent must be filed with the minutes of the proceedings of the Board.

6.10 ANNUAL. The first meeting of each newly elected Board shall be held at such time and place as shall be fixed by a vote of the Members at the annual meeting of the Members and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the Members to fix the time or place of such first meeting of the newly elected Board or in the event that such meeting is not held at the time and place so fixed by the Members, the meeting may be held at such time and place as shall be specified in the notice given as hereinafter provided for special meetings of the Board or as shall be specified in a written waiver signed by all of the directors. The Board shall meet not less than quarterly.

6.11 SPECIAL MEETING OF DIRECTORS. Special meetings of the Board may be called by the President on three, (3) days' notice to each director. Special meetings of the directors shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more directors.

6.12 QUORUM IN VOTING. A majority of the Members of the Board at a meeting duly assembled is necessary to constitute a quorum, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

6.13 WAIVER OF NOTICE. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice.

6.14 RECORD. The Board shall cause to be kept a complete record of an its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members.

6.15 DELEGATION OF MAJORITY OF BOARD. The Board may delegate only those of its powers to other persons or a managing agent as are specifically provided for in the Declaration.

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ARTICLE SEVEN  
OFFICERS

7.01 DESIGNATION. The principal officers of the Association shall be a president, vice president, a secretary and a treasurer, all of whom shall be appointed by and from the Board. The directors may appoint an assistant secretary-treasurer or such other officers as in their judgment may be necessary.

7.02 ELECTION OF OFFICERS. Except as otherwise provided in this Section 7.02, the officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. The directors named in the Articles shall elect officers to serve until the first annual meeting of Members. The directors elected at such annual meeting shall elect of peers to serve until the annual meeting of the directors or until their successors shall be elected and qualified.

7.03 REMOVAL OF OFFICERS. Upon affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any special meeting of the Board called for such purpose.

7.04 PRESIDENT. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association. The president shall execute all leases, deeds of trust, deeds and other written instruments and shall co-sign all checks and promissory notes on behalf of the Association unless others are so authorized by resolution of the Board.

7.05 VICE PRESIDENT. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The vice president shall also perform such other duties as from time to time shall be imposed upon him by the Board.

7.06 SECRETARY. The secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of secretary.

7.07 TREASURER. The treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association. He shall be responsible for the deposit of all monies and valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. The treasurer shall co-

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sign all checks and promissory notes on behalf of the Association unless others are so authorized by resolution of the Board.

7.08 EXECUTION OF AMENDMENTS TO DECLARATION. The president, the secretary and the treasurer of the Association, or any one of them, may prepare or cause to be prepared, and shall execute, and record amendments to the Declaration on behalf of the Association.

ARTICLE EIGHT  
AMENDMENT TO BYLAWS

8.01 AMENDMENT. These Bylaws may be amended at any regular or special meeting of the Members by a vote of a majority of the Members or by the written consent of a majority of the Members.

ARTICLE NINE  
RECORDS TO BE MAINTAINED BY THE ASSOCIATION

office:

9.01 The Association shall keep a copy of the following records at its registered

(a) A copy, certified by the Secretary of State, of the Articles of corporation of the Association and all amendments thereto;

(b) A copy, certified by an officer of the Association, of the Bylaws of the Association and all amendments thereto;

(c) A Members' ledger or a duplicate Members' ledger, revised annually, containing the names, arranged by Lot address, of all persons who are members of the Association, showing their places of residence, if known, or, in lieu of the Members' ledger or duplicate Members' ledger specified above, a statement setting out the name of the custodian of the Members' ledger or duplicate Members' ledger, and the present and complete post office address, including street and number, if any, where the Members' ledger or duplicate Members' ledger specified in this Article Nine is kept.

(d) The Association must maintain the records required by subsections a, b and c in written form or in another form capable of conversion into written form within a reasonable time.

ARTICLE TEN  
INDEMNIFICATION

When a member of the Board is sued for liability for actions undertaken in his role as a member of the Board, the Association shall indemnify him for his losses or claims, and

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undertake all costs of defense, until and witless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Board who so acted. Members of the Board are not personally liable to the victims of crimes occurring on the Property.

CERTIFICATE OF SECRETARY

I, the undersigned, do certify:

That I am the duly elected, qualified and acting Secretary and that the above and foregoing Bylaws were adopted as the Bylaws of THE WARM SPRINGS MASTER PLANNED COMMUNITY, Association by the Directors by unanimous written consent on the 28th day of, April 1999.

IN WITNESS WHEREOF, I have hereunto set my hand this

day of April 28, 1999.

Cathy Foote  
Secretary and Treasurer: Cathy Foote

CONSENT OF MEMBERS

The undersigned, constituting members of THE WARM SPRINGS MASTER PLANNED COMMUNITY Association, a Nevada nonprofit corporation, representing a majority of the votes of such Association, hereby consent, pursuant to NRS 82.276, to the adoption of the Bylaws in the form of Exhibit (A) attached hereto and made a part hereof by reference, as the Bylaws of THE WARM SPRINGS MASTER PLANNED COMMUNITY Association.

94-42

Member

1. Realty Corner Inc.
- 2.
- 3.
- 4.
- 5.

UNANIMOUS WRITTEN CONSENT OF DIRECTORS OF  
THE WARM SPRINGS MASTER PLANNED COMMUNITY ASSOCIATION  
A Nevada Corporation

The undersigned, being all of the members of the Board of Directors THE WARM SPRINGS MASTER PLANNED COMMUNITY Association, a Nevada nonprofit corporation (the Associations), do hereby unanimously consent, in writing, pursuant to NRS 82.271, to the adoption of the following resolution:

RESOLVED: That the following persons are appointed as officers of the Association to serve at the pleasure of the Board of Directors:

President: [Signature]  
Realty Corner Inc. / Reed Smith

Secretary: [Signature]  
Realty Corner Inc. / Cathy Foote

Treasurer: [Signature]  
Realty Corner Inc. / Cathy Foote

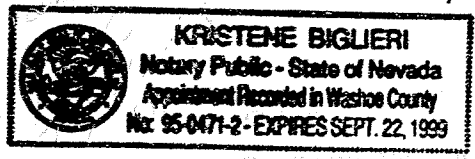
RESOLVED: That the Bylaws in the form of Exhibit (A), attached hereto and made a part hereof by reference are hereby adopted as the Bylaws of the Association.

IN WITNESS WHEREOF, the above signed have executed this Unanimous Written Consent as of the 28<sup>th</sup> day of, April 1999.

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STATE OF NEVADA )  
 ) ss.  
COUNTY OF WASHOE )

On 28<sup>th</sup> of April, 19 99, personally appeared before me, a Notary Public, who acknowledged to me that they executed the foregoing instrument. \*REED SMITH  
\*CATHY FOOTE



[Signature]  
NOTARY PUBLIC

CERTIFIED COPY

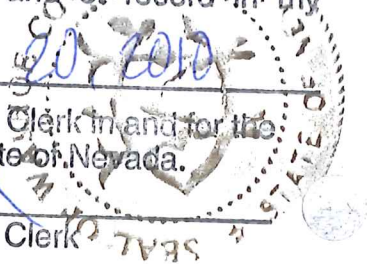
The foregoing document is a full, true and correct copy of the original on file and of record in my office.

Date: September 20, 2010

AMY HARVEY, County Clerk in and for the County of Washoe, State of Nevada.

By [Signature] Deputy Clerk

Pursuant to NRS 239B.030 the SSN may be redacted, but in no way affects the legality of the document.







# WASHOE COUNTY RECORDER

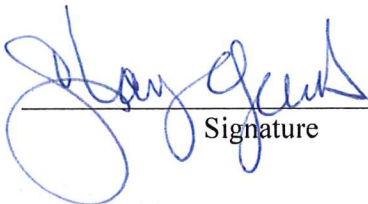
OFFICE OF THE RECORDER  
KATHRYN L. BURKE, RECORDER

1001 E. NINTH STREET  
POST OFFICE BOX 11130  
RENO, NEVADA 89520-0027  
PHONE (775) 328-3661  
FAX (775) 325-8010

## LEGIBILITY NOTICE

The Washoe County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies reproduced from the recorded document would not be legible. However, the customer demanded that the document be recorded without delay as the parties rights may be adversely affected because of a delay in recording. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally, based on the undersigned's representation (1) that a suitable copy will be submitted at a later date (2) it is impossible or impracticable to submit a more suitable copy.

By my signing below, I acknowledge that I have been advised that once the document has been microfilmed it may not reproduce a legible copy.

  
\_\_\_\_\_  
Signature

9-20-10  
\_\_\_\_\_  
Date

Stacy Gonzales  
\_\_\_\_\_  
Printed Name