

SECTION -3

SUMMARY TABLE	
ACRES	100.00
PROPOSED UNIT DEVELOPMENT	3,200
LAND COVER	2,500
ROADS	100.00
PLANTINGS	100.00
PERCENTAGE IMPERVIOUS	15%
PERCENTAGE PAVED	15%
PERCENTAGE GRASS	85%
PERCENTAGE TREES	15%
PERCENTAGE SHRUBS	15%
PERCENTAGE FLOWERS	15%
PERCENTAGE HERBS	15%
PERCENTAGE VEGETATION	15%
PERCENTAGE WOODS	15%

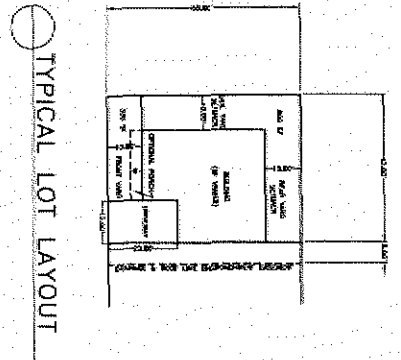
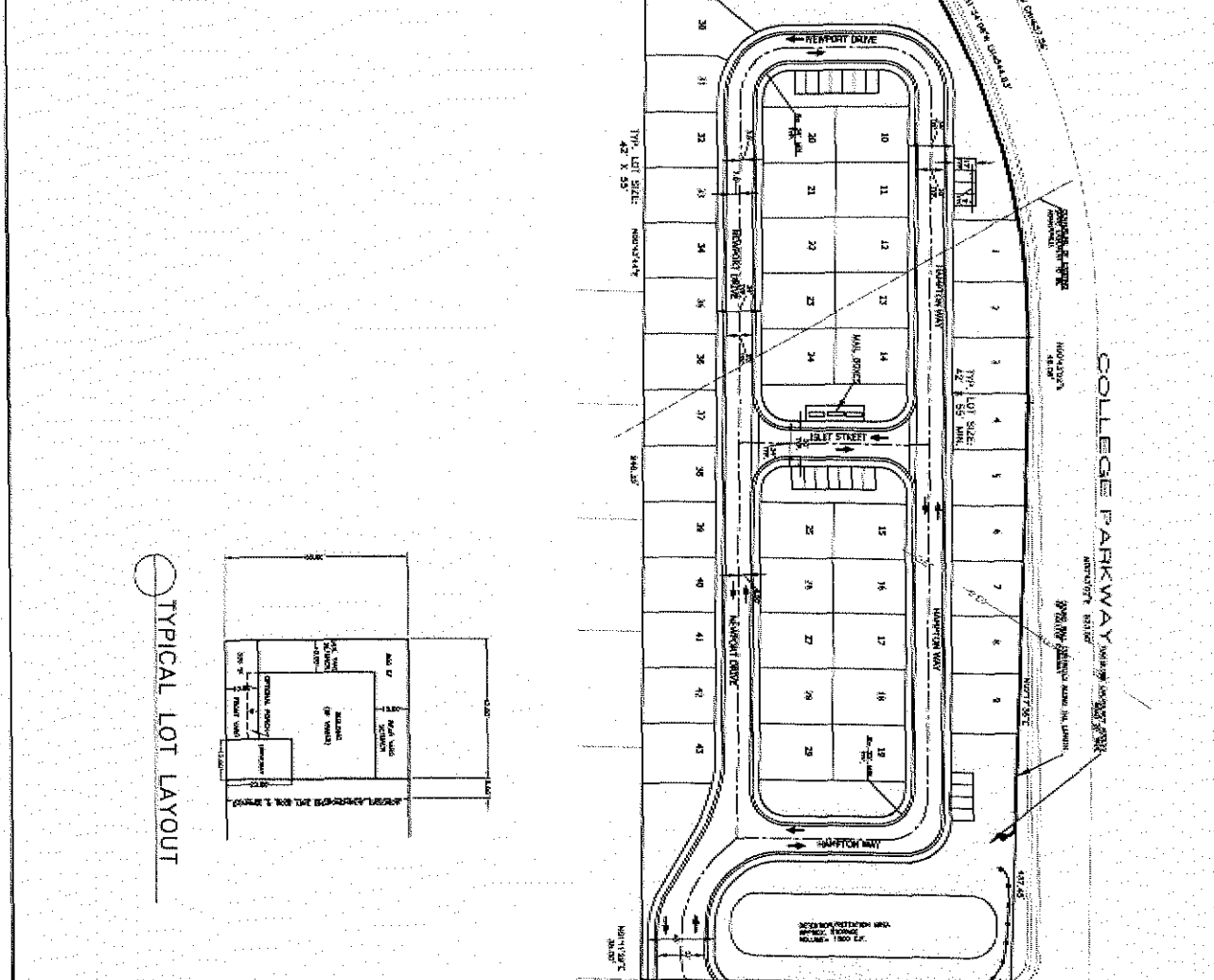
LEGEND

CIRCULATION

COMMON AREA

UNIMPROVED COMMON AREA

UNIMPROVED COMMON AREA



REVISIONS

DATE

BY

DESCRIPTION

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DATE: 12/15/04

TIME: 10:00 AM

SHEET: 03

TENTATIVE MAP FOR

NEWPORT VILLAGE

A PLANNED UNIT DEVELOPMENT

SITE PLAN

Quad Knopf

1800 PROSPECT II

IRVING, TEXAS 75038

TEL: 972-414-2800

FAX: 972-414-2801

WWW.QUADKNOPF.COM

DATE: 12/15/04

TIME: 10:00 AM

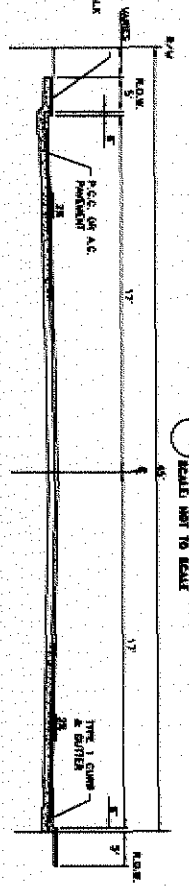
SHEET: 03

- NOTES:**
1. THERE ARE NO FEMA 100 YR FLOOD PLAIN ZONES WITHIN THE DEVELOPMENT. PARCEL IS DESIGNATED UNSHADOWED ZONE X - OUTSIDE THE 500 YR FLOOD PLAIN.
 2. THERE ARE NO SEISMIC FAULTS CROSSING THE PARCEL. THE NEAREST FAULT IS APPROXIMATELY 3 MILES. REFER TO GEOTECHNICAL REPORT.

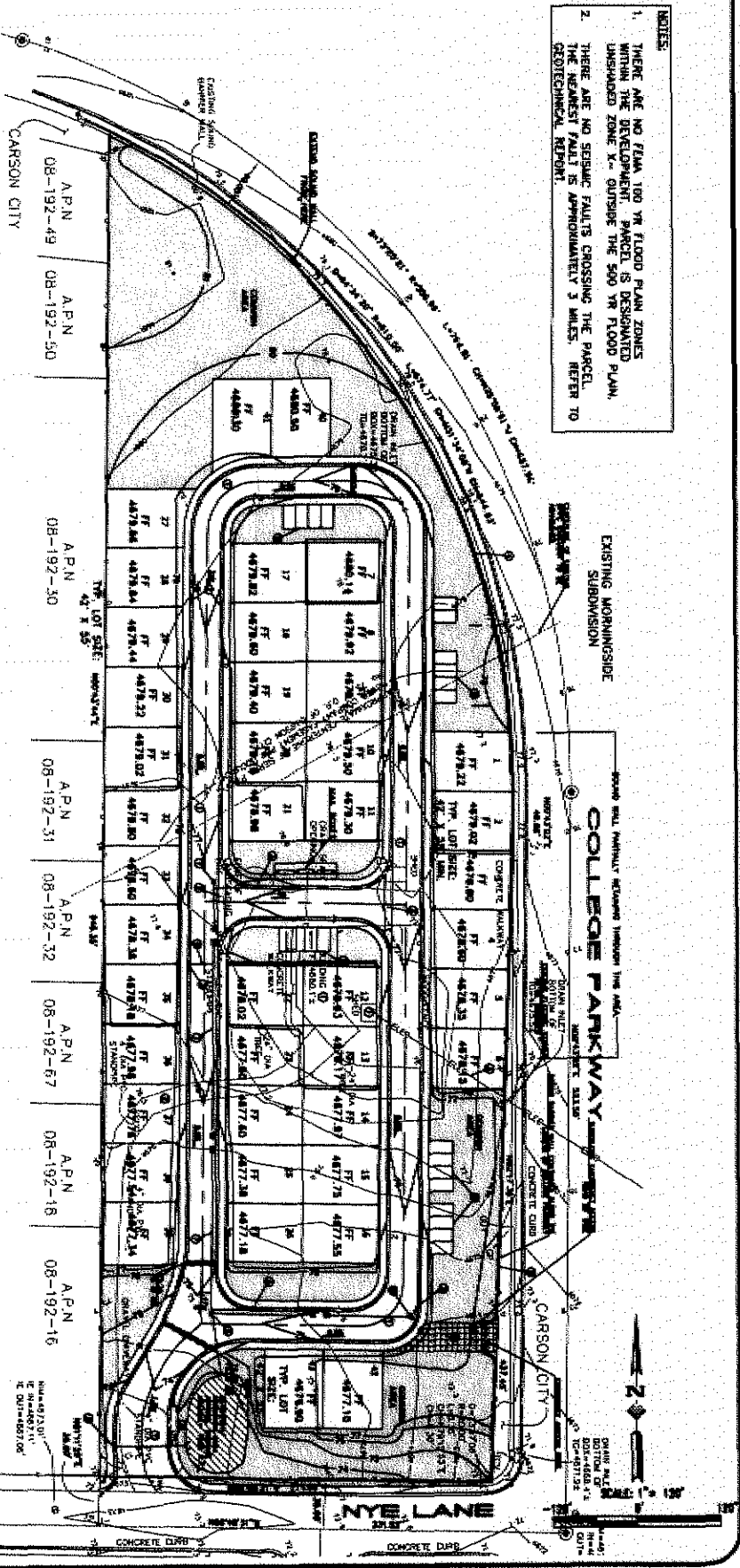
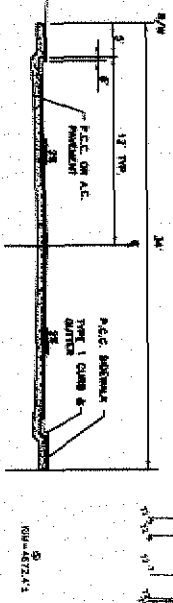
- CONSTRUCTION LEGEND: O**
1. PROPOSED 3" A.C. ON 6" TYPE 2 CLASS B AGG. BASE (COMPACTED TO 95%) SUBJECT TO VERIFICATION BY THE GEOTECHNICAL ENGINEER.
 2. PROPOSED RIBBON CUTLER
 3. PROPOSED TYPE IV CATCH BASIN
 4. PROPOSED SCRECH WALL (PARTIALLY RETAINING IN SOME AREAS).
 5. PROPOSED CURB & GUTTER (TYPE 1).
 6. PROPOSED SDMH
 7. PROPOSED SD
 8. PROPOSED CONCRETE EMERGENCY ACCESS ROAD (20' WIDE).
 9. PROPOSED WEDGON CURB/ROUND PARKING STALLS.
 10. CONSTRUCT 5' WIDE PATH TO INTERSECTION.

- DEMOLITION LEGEND: O**
1. EXISTING HOUSE & APPURTENANT STRUCTURES TO BE DEMOLISHED.
 2. EXISTING DRIVEWAY TO BE REMOVED.
 3. EXISTING POWER DROP TO BE REMOVED.

STREET CROSS-SECTION - MAIN ENTRANCE
SCALE: NOT TO SCALE



STREET CROSS-SECTION - ALL LOCAL ROADS
SCALE: NOT TO SCALE

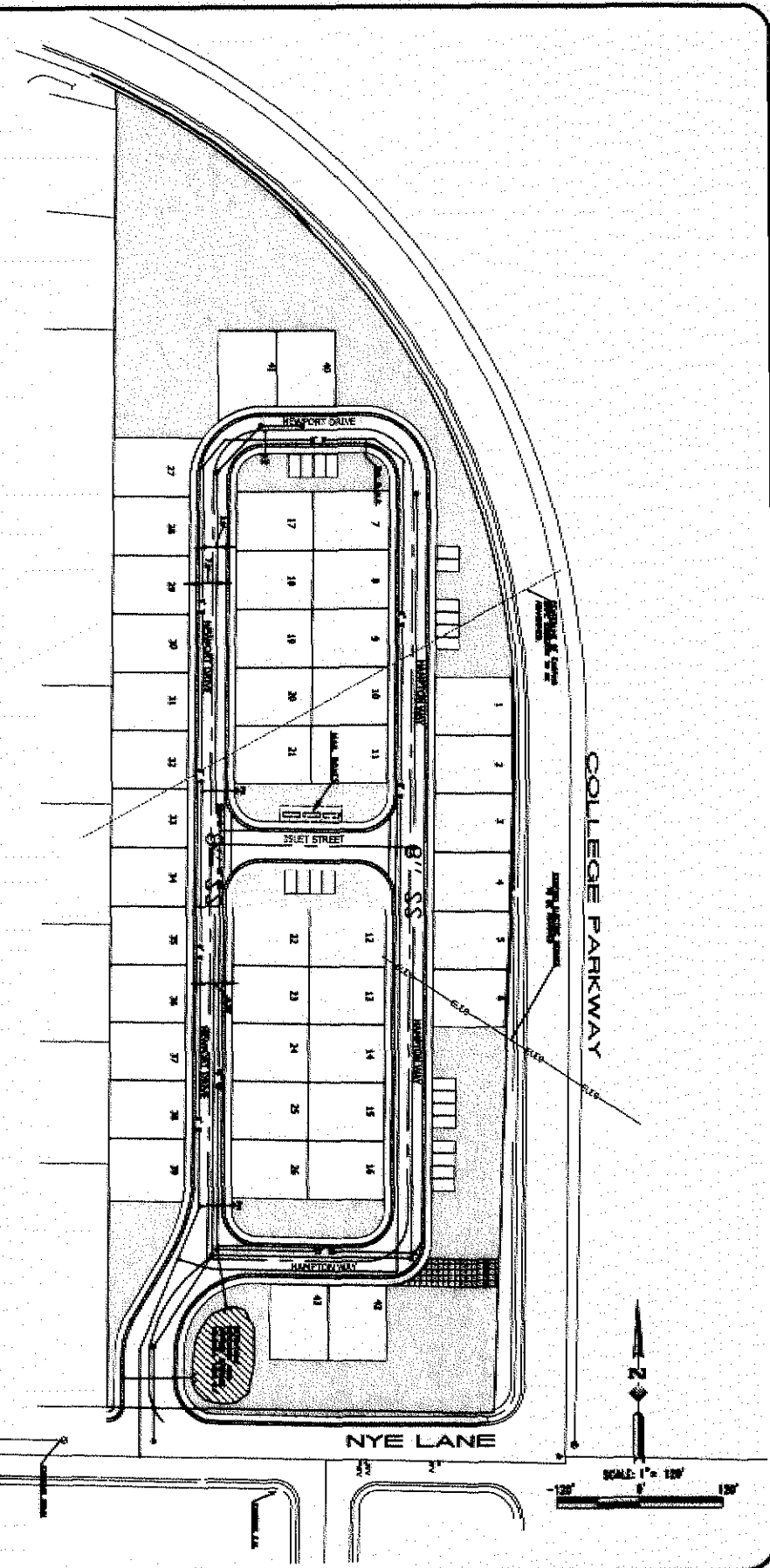


9600 Prototype Ct.
RENO, NEVADA 89521
TEL: (775) 324-1212
FAX: (775) 324-2311

**NEWPORT VILLAGE
A PLANNED UNIT DEVELOPMENT
GRADING PLAN**


PROJECT NO.:	060195
DATE:	7-18-06
SHEET NO.:	1 OF 3

CIVIL ENGINEER CONSULTING COMPANY, INC. 1000 S. 10TH STREET, SUITE 100, RENO, NEVADA 89502
 775-324-1212 FAX 775-324-2311



NOTE:
 UTILITY MAINS SHALL BE LOCATED
 IN THE STREET PER CARSON CITY
 DWG. NO. C-5-0, EXCEPTING FOR
 THE DISTANCES FROM THE CENTERLINE
 AS SHOWN ON THIS PLAN.

COLLEGE PARKWAY (CONTRACTOR TO BE DETERMINED) SITE PLAN SHEET NO. 11
 UTILITY, 7/27/06
 NO. 05-CLIP-D-08-03 11

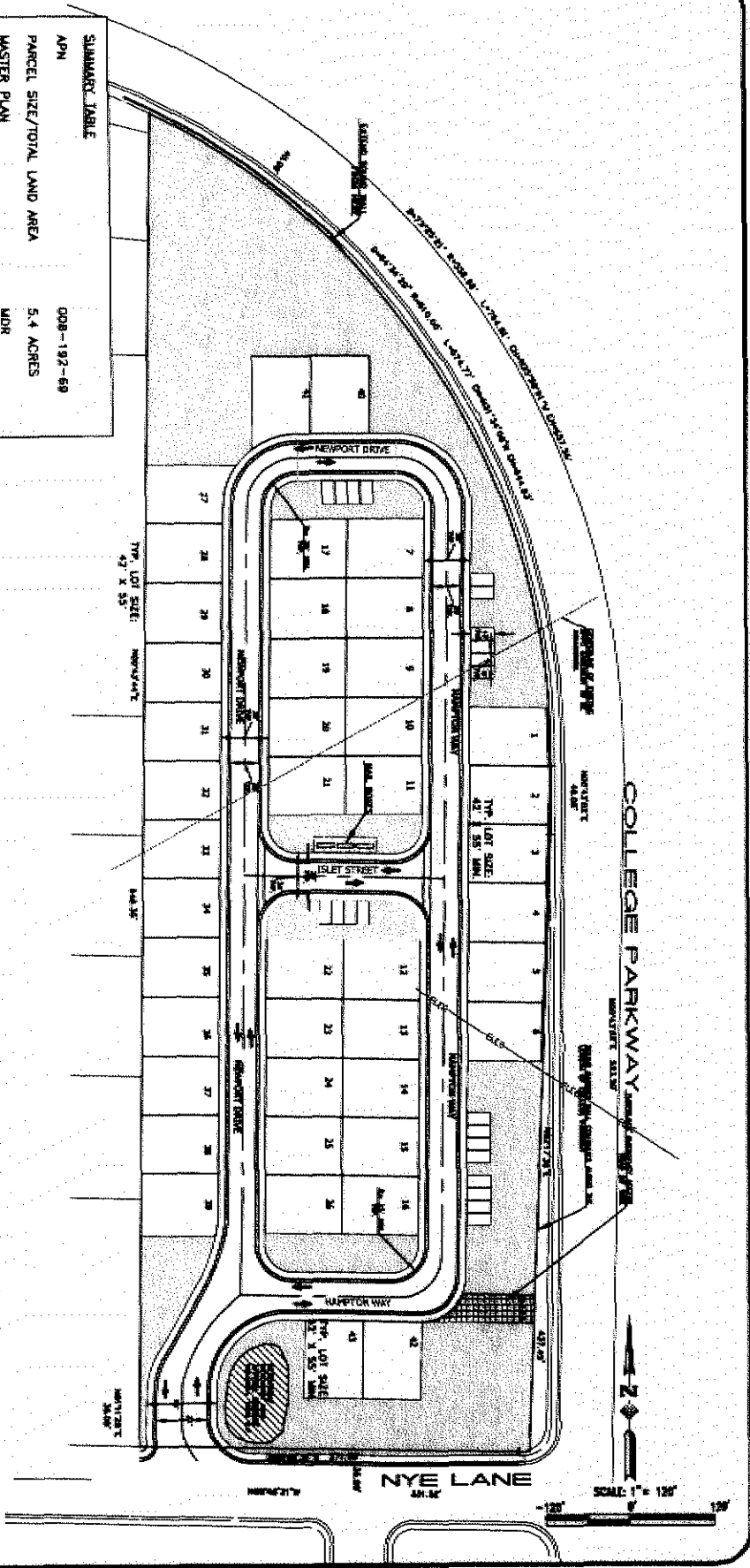
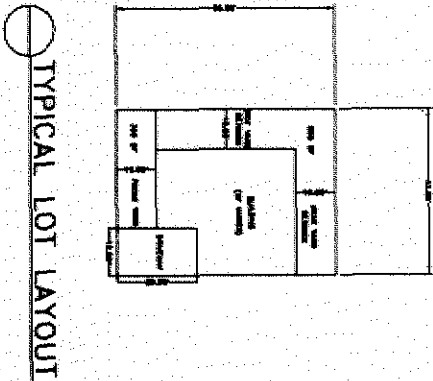
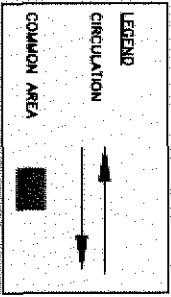


Quad Knopf
 9600 Prototype Ct.
 RENO, NEVADA 89521
 TEL: (775) 324-1212
 FAX: (775) 324-2311

**NEWPORT VILLAGE
 A PLANNED UNIT DEVELOPMENT
 UTILITY PLAN**

PROJECT NO.:	060195
DATE:	7-18-06
SHEET NO.:	2 OF 3

SUMMARY TABLE	
APN	008-192-69
PARCEL SIZE/TOTAL LAND AREA	5.4 ACRES
MASTER PLAN	MDR
CURRENT ZONING	MH12
PROPOSED ZONING	MH6
LOTS	43
PUD GUEST PARKING SPACES	
MINIMUM PROVIDED	22
RESIDENTIAL DENSITY	
MAXIMUM PERMITTED PUD DENSITY UNDER MH6 ZONING	8 UNITS/ACRE
PROPOSED DENSITY	8 UNITS/ACRE
% LAND USE:	
% COMMON OPEN SPACE (INCLUDES FRONT YARDS)	31%
% OPEN SPACE	(38%)
% LOTS	51%
% PARKING/CURB/GUTTER/SIDEWALK/ROAD	18%
FLOOD ZONE DESIGNATION	UNSHADOWED ZONE X



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Quad Knopf

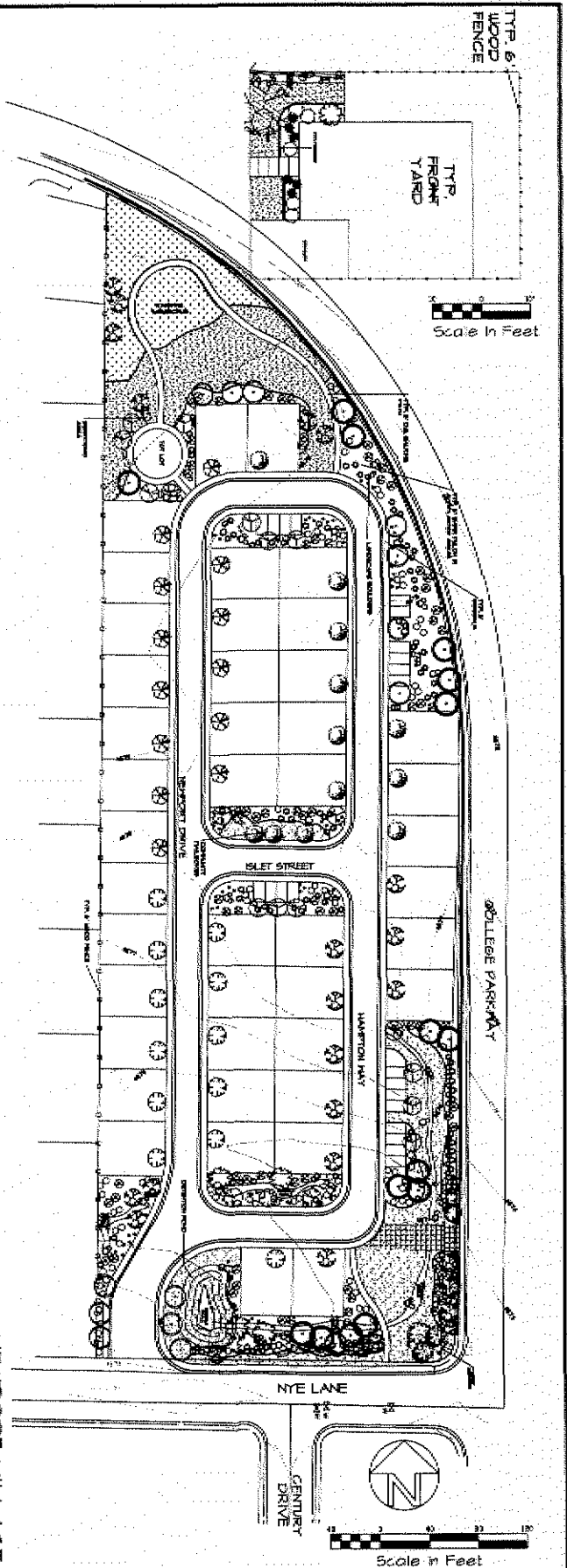
9600 Prototype Ct.
 RENO, NEVADA 89521
 TEL: (775) 324-1212
 FAX: (775) 324-2311

**NEWPORT VILLAGE
 A PLANNED UNIT DEVELOPMENT
 SITE PLAN**

PROJECT NO.:
 060195

DATE:
 7-18-06

SHEET NO.:
 3 OF 3



LANDSCAPE SITE STATISTICS

TYPE	PLANT	NO. PLANTS	TOTAL AREA	TOTAL COST
TYP & WOOD FENCE				
TYP FRONT YARD				
TYP SIDE YARD				
TYP REAR YARD				
TYP DRIVE				
TYP WALKWAY				
TYP PLANTING				
TYP TOTAL				

1) All landscape improvements and materials shall be installed in accordance with the requirements of local governing authorities.

2) All landscape improvements shall be accomplished using locally available, horticulturally sound stock selections. Plants shall be installed in accordance with the requirements of local governing authorities.

3) All landscape areas not otherwise designated shall be planted with ground cover such as: Turf and grasses.

4) Types shall be provided with adequate irrigation for proper tree and shrub establishment in consideration of the soil conditions.

5) All plants shall be installed in accordance with the requirements of local governing authorities.

6) All plants shall be installed in accordance with the requirements of local governing authorities.

7) All plants shall be installed in accordance with the requirements of local governing authorities.

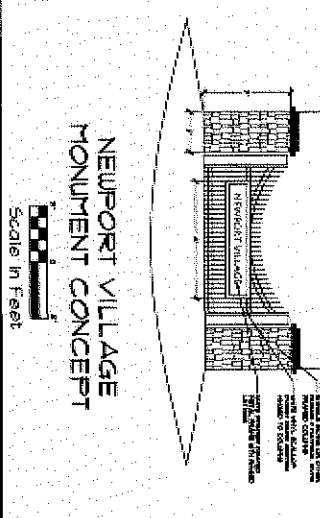
8) All plants shall be installed in accordance with the requirements of local governing authorities.

9) All plants shall be installed in accordance with the requirements of local governing authorities.

10) All plants shall be installed in accordance with the requirements of local governing authorities.

PLANT LEGEND

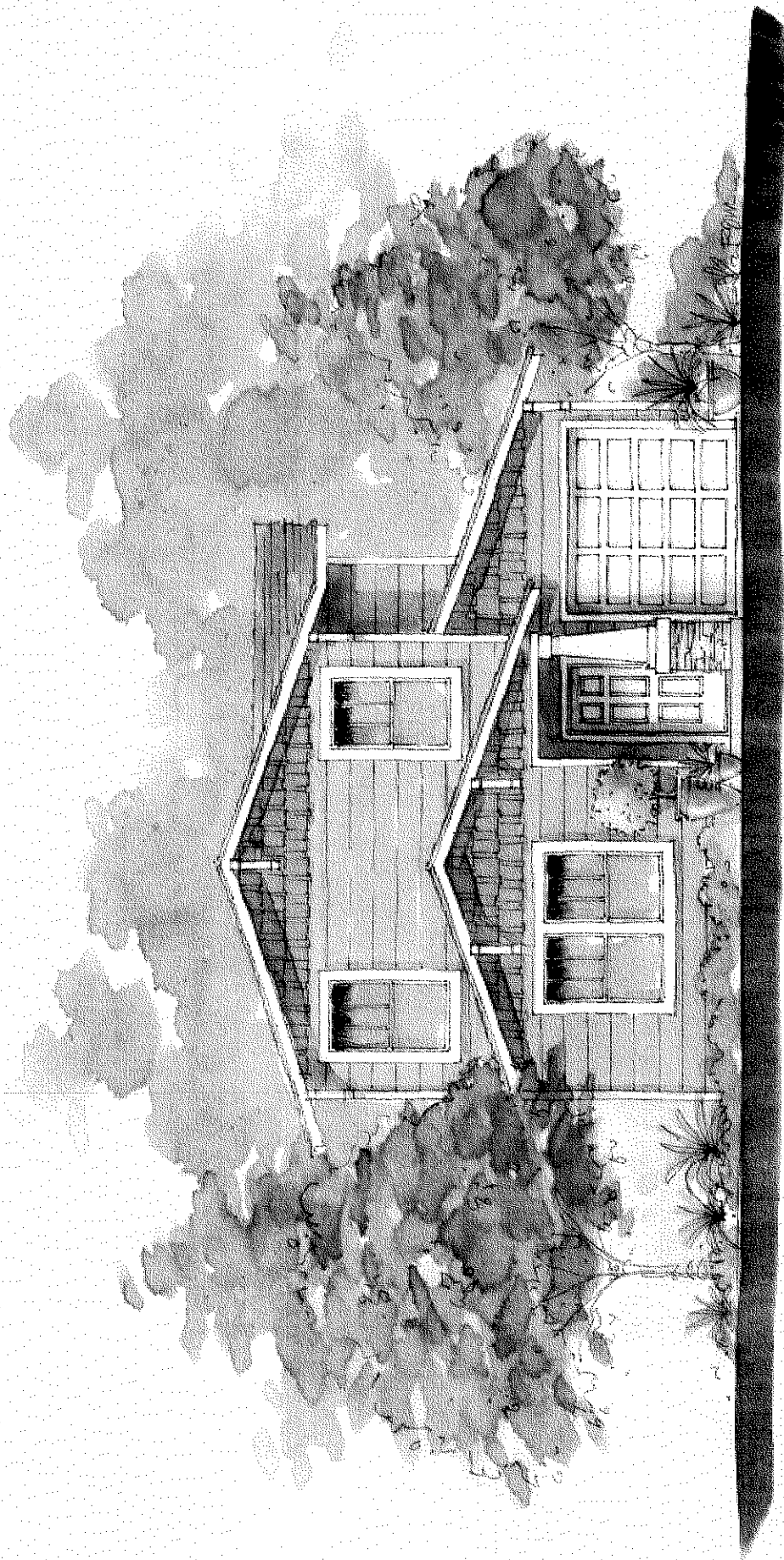
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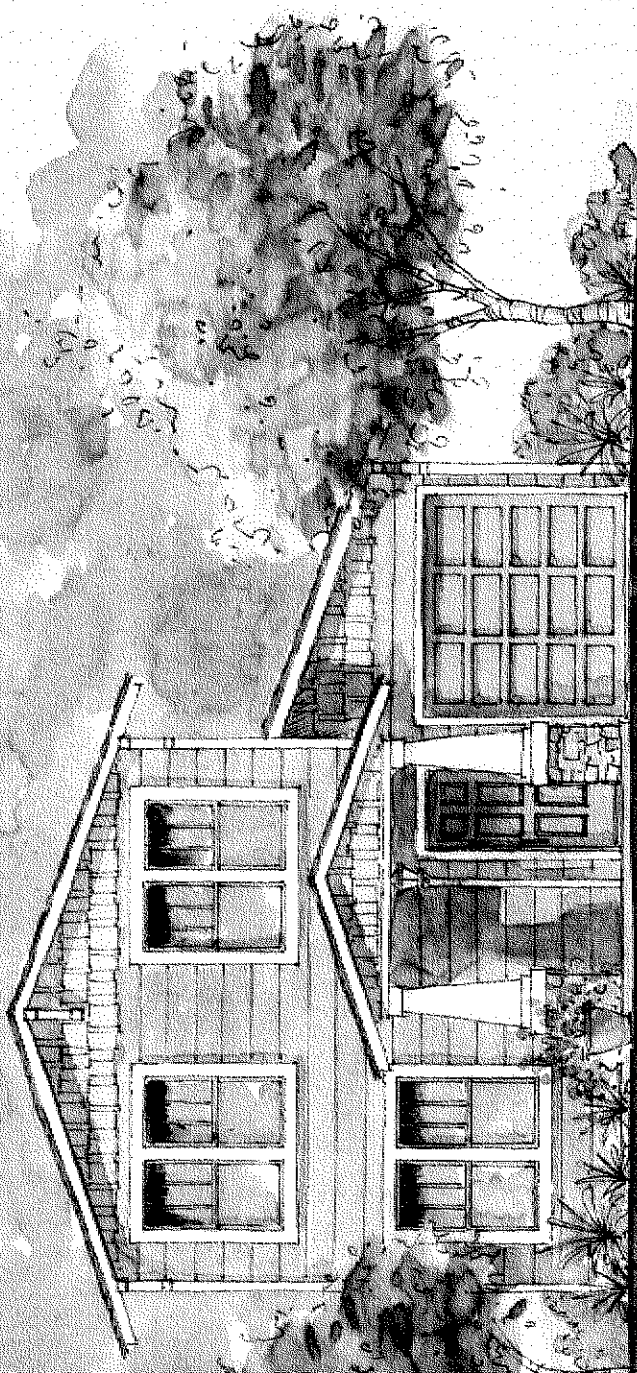
FOOTWILL ASSOCIATES
 ENVIRONMENTAL CONSULTING PLANNING LANDSCAPE ARCHITECTURE
 1100 W. WASHINGTON BLVD. SUITE 200
 DENVER, CO 80202
 (303) 733-8800
 www.footwill.com

NEWPORT VILLAGE
CARSON CITY, NEVADA
 FOR OLIVER KNAPP AND
 ASSOCIATES, LLC

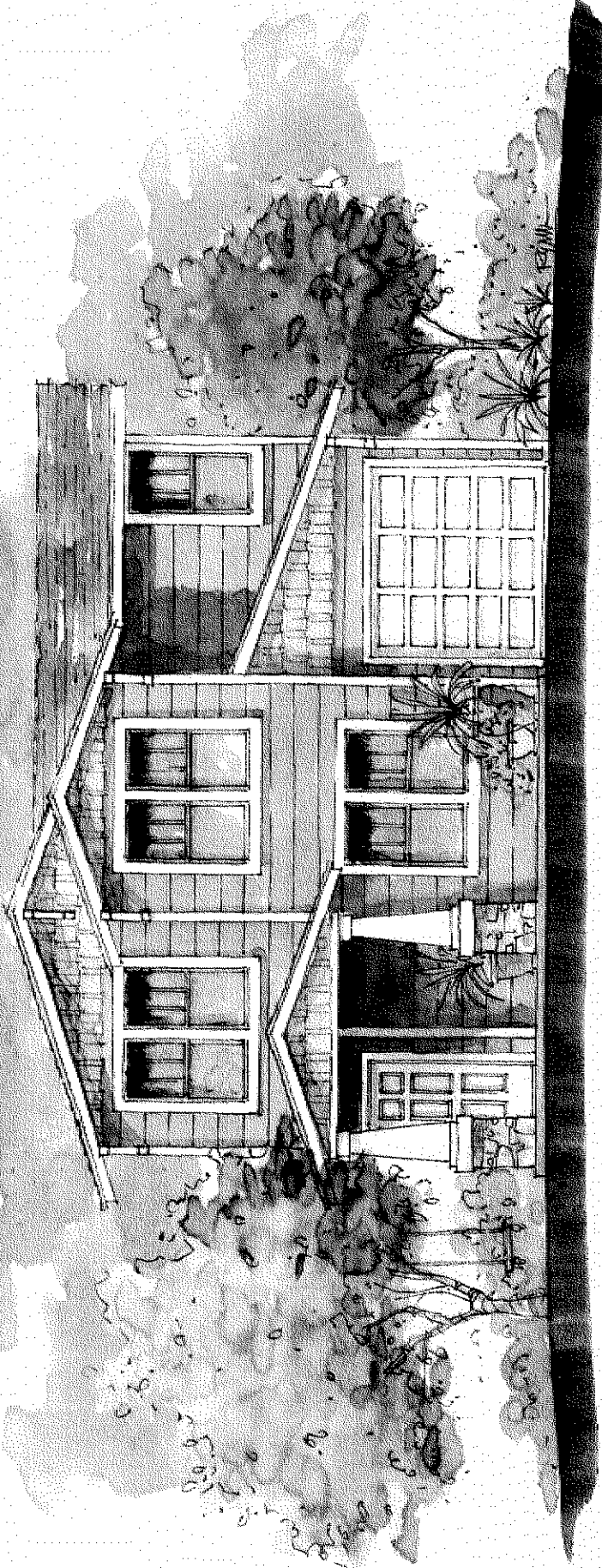
PRELIMINARY LANDSCAPE PLAN



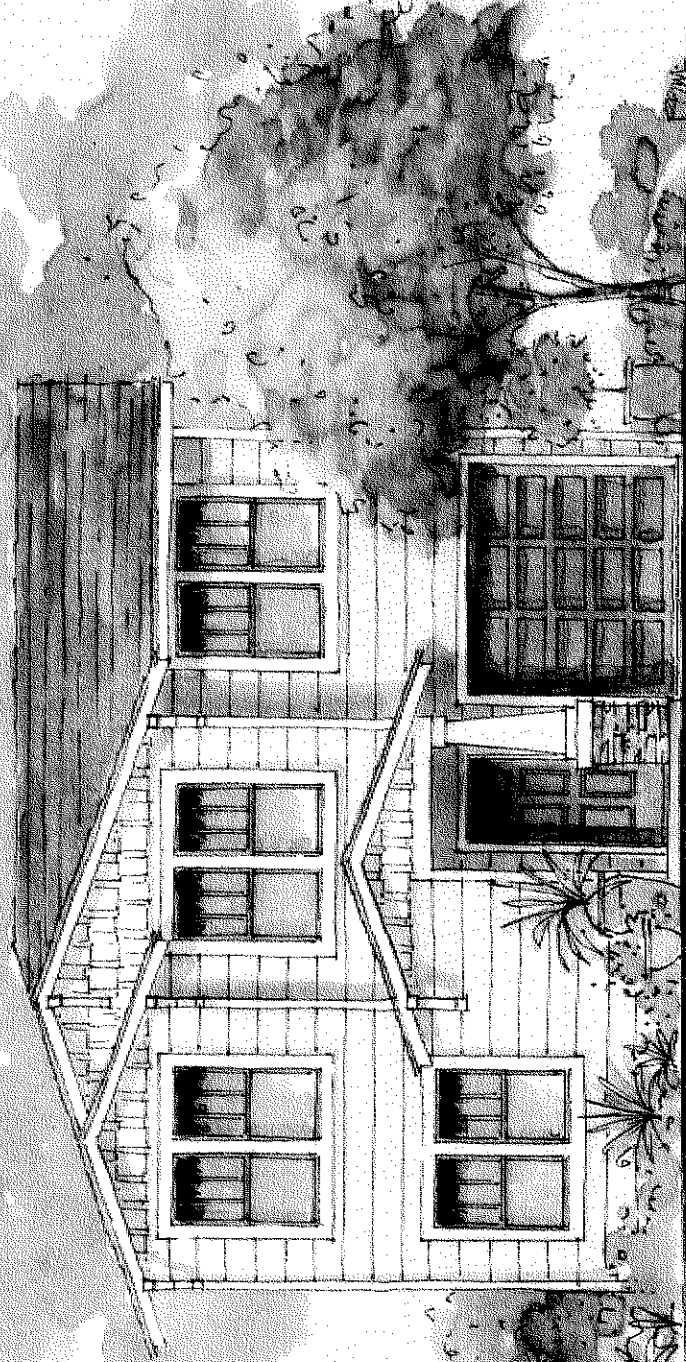
1206 PLAN



1300 PI AN



1460 PLAN



1637 PLAN

SECTION -4

When Recorded Mail To:
Ascend 2006,LLC
Marvin Gates, Manager
512 N. Division Street
Carson City, Nevada 89703-4013

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR NEWPORT VILLAGE
A PLANNED UNIT DEVELOPMENT

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
NEWPORT VILLAGE
A PLANNED UNIT DEVELOPMENT

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this _____ day of _____, 2006, by ASCEND 2006, LLC (hereinafter referred to as "Declarant")

RECITALS:

The Declarant is the owner of all that certain real property located in Carson City, Nevada and more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference, and which is hereinafter referred to as the "Project".

The Project is located in the northern portion of Carson City and contains distinctive geographic and aesthetic features which Declarant desires and intends to enhance, maintain and preserve wherever possible. The residential restrictions and provisions of this Declaration are intended to blend the natural characteristics of the site with the natural surroundings.

The Declarant intends by this Declaration to impose upon the Project beneficial conditions and restrictions for the benefit of all owners of Lots or property within the Project and to create a community and environment in which the aesthetic features and beauty of the property and surrounding area will be substantially preserved for the enjoyment and benefit of all persons living within the Project.

In furtherance of such intent, Declarant declares that all of the real property referred to herein as the Project and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference is and henceforth shall be owned, held, conveyed, encumbered, improved, used, occupied and enjoyed subject to the following covenants, conditions and restrictions and equitable servitudes and the same shall constitute a general plan for the division, ownership, improvement, parceling, sale, use and occupancy of the Project to enhance the value, desirability and quality of the property.

This Declaration shall run with the real property described in Exhibit "A" and all parts and parcels thereof and shall be binding on all parties having any right, title or interest in the Exhibit "A" property and their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner or member thereof. Each, all and every one of the limitations, easements, uses, obligations, covenants, conditions and restrictions herein imposed shall be deemed to be and construed as equitable servitudes enforceable by any of the owners of any portion of the real property subject to this Declaration against any other owner or occupant of said real property or portion thereof similarly restricted by this Declaration.

ARTICLE I
DEFINITIONS

Unless the context otherwise specifies or requires, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

1.01 Architectural and Landscape Control Committee. The committee created pursuant to Article VI hereof (hereinafter sometimes referred to as "Committee" or "ALCC").

1.02 Architectural and Landscape Control Committee Rules. The rules adopted by the Architectural and Landscape control Committee pursuant to Section 6.03 hereof (hereinafter sometimes referred to as "Design Guidelines").

1.03 Architectural Design Guidelines. Rules and regulations that may from time to time be adopted by the Architectural and Landscape Control Committee interpreting the terms of this Declaration, setting fees and design and construction criteria in accordance with Section 6.03 of this Declaration.

1.04 Articles. The Articles of Incorporation of the Association which have been or will be filed in the office of the Secretary of State of the State of Nevada, as the same may from time to time be amended.

1.05 Assessments. Assessments of the Association including both regular and special assessments as set forth in Article VIII hereof.

1.06 Association. The Villas Homeowners Association, a Nevada non-profit corporation described in Article II, including its successes and assigns.

1.07 Association Property. All real and personal property now or hereafter owned by or leased to the Association.

1.08 Association Maintenance Fund. The fund created for the receipts and disbursements of the Association, pursuant to Section 8.02 hereof.

1.09 Association Rules. The rules adopted by the Board pursuant to Section 2.06 hereof, as they may be amended from time to time.

1.10 Association Restrictions. This Declaration, together with any and all supplemental declarations which may be recorded, as this Declaration or said supplemental declarations may be amended from time to time, together with Association rules from time to time in effect, and the Articles and Bylaws of the Association from time to time in effect.

1.11 Beneficiary. A mortgagee under a mortgage or a beneficiary under a deed of trust, as the case may be.

1.12 Board. The Board of Directors of the Association as provided in the Articles and Bylaws.

1.13 Bylaws. The Bylaws of the Association which may be adopted by the Board, as such Bylaws may be amended from time to time.

1.14 Common Area. All real and personal property which the Association now or hereafter owns within the Project that is available for the common use and enjoyment of any member, or their invitees, including parking areas, entry improvements, access easements, open spaces, planted and landscaped areas, and utility facilities designed on the plan unit development map as common area whether or not the same is owned in fee by the Association or whether by easement or equitable servitude, lease, license, or other contractual entitlement.

1.15 Declarant. The owner or owners of the property described in Exhibit "A", and their successors and assigns, if such successors or assigns acquire the majority of the Lots subject to this Declaration for the purpose of resale to others.

1.16 Declaration. This document, as it may be amended from time to time.

1.17 Deed of Trust. A mortgage or a deed of trust, as the case may be.

1.18 Homesite. Any unit of land which is designated on any recorded planned unit development plat, or final subdivision map, whether or not improved, for a single-family residence.

1.19 Improvement. Any structure and all appurtenances thereto of every type and kind, including but not limited to a building, outbuilding, patio, garage, shed, doghouse, mailbox, aerial, antenna, road, driveway, parking area, walk, fence, screening wall, retaining wall, stair, deck, landscaping, court, gate, statue, marker, hedge, windbreak, plant, planted tree and shrub, sign, exterior air conditioning, pole, pump, well, ditch, tank, reservoir, pipe, line, meter, tower and other facilities used in connection with water, sewer, gas, electric, telephone, regular or cable television, or other utilities.

1.20 Lot. Any unit of land which is designated on any recorded planned unit development plat, whether or not improved, for a single-family residence.

1.21 Manager. Manager shall name the person, firm, or corporation, if any, employed by the Association pursuant to Section 2.07 and delegated the duties, powers, or functions of the Association pursuant to said section.

1.22 Member. Any person who is designated as a member pursuant to Section 2.03 hereof.

1.23 Mortgage. Any mortgage or deed of trust given to secure the payment of a debt.

1.24 Notice. Ten (10) days' written notice given as provided in Section 9.03.

1.25 Owner. The record owner of any Lot subject to this Declaration. "Owner" shall include the vendee under an Installment Contract of Sale and shall exclude the vendor thereunder and those having an interest in any property that is subject to this Declaration solely for security for the performance of an obligation.

1.26 Person. A natural individual or any other entity with the legal right to hold title to real property.

1.27 Planned Unit Development. The real property identified and described in Exhibit "A" to this Declaration as the same is now and as it may, from time to time, be developed and improved.

1.28 Plans and Specifications. Any and all documents designed to guide or control an Improvement including, but not limited to those indicating size, shape, configuration or materials, all site plans, excavation and grading plans, foundation plans, drainage plans, landscaping and fencing plans, elevation drawings, floor plans, specifications on all building products and construction techniques, samples of exterior colors, plans for utility services, and all other documentation or information relevant to the Improvement.

1.29 Project. All real property and improvements thereto situated in Carson City and more particularly described as NEWPORT VILLAGE described on Exhibit "A" hereto.

1.30 Purchaser. A purchaser who is unrelated to Declarant or any corporation, partnership joint venture, or other business entity in which Declarant has an ownership interest or over which

Declarant exercises contractual or other control relating to the improvement, development or sale of Property.

1.31 Record, Recorded and Recordation. With respect to any document, the recordation of such document in the office of the Clerk and Recorder of the county wherein the land lies.

1.32 Single Family. One (1) or more persons each related to the other by blood, marriage or legal adoption Or a group of not more than four (4) persons not all so related, together with their domestic employees and servants who maintain a common household in a residential unit and casual guests or as defined under the provisions of the Carson City Municipal Code.

1.33 Single Family Residential Use. The occupancy and use of a residential unit or lot by a Single Family in conformity with the covenants, conditions and restrictions hereof , the rules and requirements imposed by applicable zoning laws and other state or local rules and regulations.

1.34 Supplemental Declaration. Any declaration of covenants, conditions and restrictions which may be hereafter recorded by Declarant or by Declarant and a Major Developer.

1.35 Unit. "Unit" shall mean a portion of the Project, whether developed or undeveloped, intended for development, use, and occupancy as a detached residence for a single family on a separately platted homesite, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or part of the Project.

1.36 Visible From Neighboring Property. With respect to any given object, such object is or would be visible to a person six (6) feet tall standing on an assumed floor elevation two (2) feet above the surface of any neighboring property in the area involved, assuming that the property had an elevation equal to the highest elevation of the ground surface of that portion of the area upon which the object is located.

ARTICLE II

The Newport Village Homeowners Association

2.01 Operation.

A. Organization. The Association is a non-profit Nevada membership corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law or set forth in its Articles and Bylaws or in this Declaration. Neither the Articles nor Bylaws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

B. Successor Associations. In the event that the Association as a corporate entity is dissolved, a non-profit unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association hereunder. The affairs of said unincorporated association shall be governed by the laws of the State of Nevada and, to the extent not inconsistent therewith, by the Articles and By-Laws of the Association as if of governing the affairs of an Association shall cease to exist any supplemental Declaration are vote of a majority of the Owners they were created for the purpose unincorporated association. The Association shall cease to exist at any time this Declaration and abolished by written consent or consistent with Section 2.13.

2.02 Construction Consistent with Law. This Declaration and all subsequent actions by the Association shall be construed whenever possible so as to be consistent with all applicable laws, federal state and local. If a provision of this Declaration cannot be construed as being consistent with the law or the applicable approval, the law and/or the approval shall control and all whenever federal, cannot be applicable

2.03 Membership Rights.

A. Membership. Only Owners and Declarant shall be Each Owner shall automatically be a Member of the Association without the necessity of any further action on his part, and Association membership shall be appurtenant to and shall run with the property interest ownership of which qualifies the Owner thereof to membership. Membership may not be severed from, or in any way transferred, pledged, mortgaged or alienated except together with the title to the property interest, ownership of which qualifies the Owner thereof to membership, and then only to the transferee of title to said property interest. Each unit is allocated one (1) vote for purposes of organization and operation of the Association. In no event, shall any unit be allocated a greater interest with regard to the Association than any other Unit. Any attempt to make a prohibited severance, pledge, mortgage or alienation shall be void.

2.04 Voting Rights.

A. Notwithstanding any other provision of this Declaration or of the By-Laws of the Association, the Declarant does hereby retain the exclusive right to designate, appoint and remove the officers, directors of the Association and any executive board of the Association to and until the earlier of:

(1) Sixty (60) days after the conveyance of seventy-five percent (75%) of the Units that may be created to Unit owners other than the Declarant;

(2) Two (2) years after the Declarant has ceased to sell Units to third parties;

Provided, however, that the Declarant may, but is not obligated to, surrender the right to appoint and remove officers and board members as provided herein before the termination period set forth above, provided that the Declarant, if it does surrender the right to appoint and

remove, may require that specified actions of the Association or the board of directors may require Declarant approval prior to becoming effective.

B. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Units' Owners other than Declarant, at least one (1) of the Board must be elected by Units' Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Units' Owners other than a Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board must be elected by Units' Owners other than the Declarant.

C. Notwithstanding any provision of the Declaration of By-Laws to the contrary, the Units' Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Units' Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant.

D. Joint or Common Ownership. If any property interest, ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one (1) Person, the vote or votes to which such property interest is entitled shall also be held jointly or in common in the same manner. However, the vote or votes for such property interest shall be cast, if at all, as a unit, and neither fractional votes nor split votes shall be allowed. In the event that such joint or common owners are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose the right to cast their vote or votes on the matter in question. Any joint or common Owner shall be entitled to cast the vote or votes belonging to the joint or common Owner unless another joint or common Owner shall have delivered to the Secretary of the Association prior to the time for casting such vote, a written statement to the effects that the Owner wishing to cast the vote or votes has not been authorized to do so by the other joint or common Owner or Owners.

E. Proxy Voting. Any Owner, including Declarant, may give a revocable written proxy to any person authorizing the latter to cast the Owner's votes on any matter. Such written proxy shall be in such form as may be prescribed by the By-Laws of the Association and shall terminate one (1) year after its date, unless it specifies a shorter term.

F. Cumulative Voting. The Cumulative system of voting shall not be used for any purpose.

2.05 Meetings of Members. The Association shall hold an annual regular meeting of the Members of the Association on the first Saturday in March of each year at 10:00 o'clock a.m., at the principal office of the Association. Said annual regular meeting may be held at such other reasonable place or time (not more than thirty [30] days before or after the aforesaid date) as may be designated by notice of the Board given to the Members not less than ten (10) days nor more than sixty (60) days prior to the date fixed for said regular meeting. Special meetings of the Members may be called at any reasonable time and place by notice by the Board or by notice by members having twenty percent (20%) of the total votes, delivered not less than ten (10) or mailed not less than fifteen (15) days prior to the dated fixed for said special meeting, to all Members if given by the Board and to all other Members if given by said Members. All notices of meetings shall be addressed to each Member as their address appears on the books of the Association and

shall state the time and place of the meeting, the items on the agenda, any budgeting changes and any proposal to remove an officer or member of the Board.

The presence at any meeting, in person or by proxy, of Members entitled to vote at least twenty percent (20%) of the total votes outstanding shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time set for the original meeting, at which adjourned meeting the quorum requirement shall be the Members entitled to vote fifteen percent (15%) of the total votes.

The Chairman of the Board of Directors, or in his absence the Vice-Chairman, shall call meeting of Members to order and act as chairman of such meetings. In the absence of both of said officers, any Member entitled to vote thereafter or the holder of any proxy of any such Member may call the meeting to order, and a chairman of the meeting shall be elected. The Secretary of the Association, or in his absence the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner aforesaid for selecting a chairman of the meeting.

Except as provided otherwise in the Declaration, any action may be taken at any legally convened meeting of the Members upon the affirmative vote of the Members having votes present at such meeting in person or by proxy.

2.06. Duties of the Association. Subject to and in accordance with this Declaration, the Association shall have and perform each of the following duties for the benefit of the Members of the Association

(a) Members. The Association shall accept Owners as Members.

(b) Parking Areas, Open Space Areas, and Common Area. The Association shall accept, own, operate and maintain all parking areas, open Space areas and other Common Area which may be conveyed, leased, licensed or otherwise enjoyed by it from the Declarant, together with all Improvements of whatever kind and for whatever purpose which may be located in said areas; and to accept, own, operate and maintain all other property easements, or rights of use whether real or personal, for which it, its members or the Project receives any benefits whether aesthetic or tangible.

(c) Front Yards. The Declarant shall be responsible for the initial landscaping of the front yard areas in the Project and the Association shall be responsible for the maintenance thereon.

(d) Title to Property Upon Dissolution. The Association shall pay over or convey, upon dissolution of the Association, the assets of the Association to one or more exempt organizations of the kind described in Section 501(c) of the Internal Revenue Code, as amended from time to time.

(e) Repair and Maintenance of Association Property. The Association shall maintain in good repair and condition all parking areas, access easements, lands, Improvements, and other Association Property enjoyed by, owned by, licensed to or leased to the Association.

(f) Payment of Taxes. The Association shall pay all real and personal property taxes and other taxes and assessments levied upon or with respect to any property owned by or leased to the Association, to the extent that such taxes and assessments are not levied directly upon the Members. The Association shall have all rights granted by law to contest the legality and the amount of such taxes and assessments.

(g) Insurance. The Association shall obtain and maintain in effect policies of insurance adequate, in the opinion of the Board, in kind and amount. Without limiting the generality of the preceding sentence, such policies of insurance shall include:

(1) Fire and extended coverage insurance on all Improvements owned by or leased to the Association, the amount of such insurance to be not less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement cost exclusive of the costs of excavations, foundations and footings. Such insurance shall insure the Association and the mortgagees, as their interests may appear. As to each such policy which will not be thereby voided or impaired, the Association hereby waives and releases all claims against the Board and Declarant, and the officers, agents and employees of each thereof, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss. If the foregoing exculpatory clause is held to be invalid, then the liability of the insurance company shall be primary, and the liability of the Board, Declarant and the Officers, agents and employees of the Board and of Declarant shall be secondary.

(2) Bodily injury liability insurance, with limits in amounts determined by the Board and property damage liability insurance in amounts determined by the Board, insuring liability for each bodily injury or property damage arising from activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured. The liability insurance policies referred to above shall name as separately protected insureds Declarant, the Association, the Board and each of its members, the Architectural Review Committee and each of its members, and the Manager, and such policies may also name some or all of the respective officers, employees and agents of the foregoing.

(3) Workmen's Compensation Insurance to the extent necessary to comply with all applicable laws.

(4) A fidelity bond in an amount determined by the Board, naming the members of the Board and such other persons as may be designated by the Board as principals and the Association as obligee.

(5) Such other insurance, including indemnity and other bonds, as the Board shall deem necessary or expedient to carrying out the Association's functions.

The Association shall be deemed trustee of the interests of all Members in all insurance proceeds, and shall have full power to receive and to deal with such proceeds.

(h) Association Rules. The Association may make, establish and promulgate, and in its discretion amend or repeal and reenact Association Rules, not in contradiction to this Declaration, as it deems proper covering any and all aspects of its functions, including the use and occupancy of Association Property. Without limiting the generality of the foregoing sentence, such Rules may set dues and fees and prescribe the regulations governing the operation of Association Property. Each Member shall be entitled to examine such Rules at any time during normal working hours at the principal office of the Association.

(i) Enforcement Hereof. The Association shall enforce, in accordance with the sound discretion of the Board, on its own behalf and on behalf of all Owners, all of the covenants, conditions and restrictions set forth in this Declaration, under an irrevocable agency (hereby granted) coupled with an interest, as beneficiary of said covenants, conditions and restrictions, and as assignee of Declarant; and shall perform, in accordance with the sound discretion of the Board, all other acts, whether or not anywhere expressly authorized, as may be reasonably necessary to enforce any of the provisions of the Association Rules or of the ARC.

(j) Accounting. The Association shall provide an annual accounting by an independent certified public accountant of the accounts of the Association and make a copy of such accounting available to each Member during normal business hours at the principal office of the Association. Any Member may at any time and at their own expense cause and accounting or inspection to be made of the books and records of the Association by a certified public accountant provided that such accounting or inspection is made during normal business hours and without unnecessary interference with the operations of the Association.

(k) Other. The Association shall carry out all duties of the Association set forth in the Association Rules or the Articles or Bylaws of the Association.

2.07 Powers and Authority if the Association. The Association shall have all of the powers of a non-stock, non-profit cooperative corporation organized under the laws of the State of Nevada in operation for the benefit of its members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, By-Laws and this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of this Declaration, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. Without in any way limiting the generality of the foregoing, the Association and the Board shall have the following power and authority, without the obligation to exercise such power and authority:

(a) Rights of Entry and Enforcement. Upon reasonable notice except in cases of an emergency, the Board and its agents and representatives shall have the power and right to enter upon any Homesite and the Improvements thereon without liability to any Owner, for the purpose

of enforcing any of the provisions of this Declaration, or for the purpose of maintaining and repairing the improvements located on said Homesite as provided in this Declaration or, if for any reason whatsoever, the Owner thereof fails to maintain and repair any portion of a Homesite as required by this Declaration to be maintained or repaired by said Owner. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or on the behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration. The costs of any such action or suit, including reasonable attorneys' fees, shall be paid to the prevailing party as part of its judgment.

(b) Easements and Rights-of-Way. The Association shall have the power to grant and convey to any third party, easements, licenses for use and rights-of-way, in, on, over or under any Common Area conveyed or otherwise transferred to the Association or under its jurisdiction, upon the affirmative vote or written consent of the Board of Directors as ratified by the voting members at the next annual meeting.

(c) Employment of Manager. The Board shall have the power to employ by written agreement the services of a manager or other employee, or a professional manager or management company subject to the direction and control of said Board, to manage and carry out the affairs of the Association and, to the extent consistent with the laws of the State of Nevada and upon such conditions as are otherwise deemed advisable by the Board, to delegate to the manager any of its powers; provided, however, that any contract with such professional manager or management company, and the compensation to be paid, for a term greater than two (2) years must be approved by at least fifty-one percent (51%) of the Members of the Association. In no event shall any management agreement be for a term greater than three (3) years and any such agreement shall provide for termination for cause on a minimum of ninety (90) days written notice.

(d) Services. The Board shall have the power to provide for and engage the services of others for the maintenance, protection and preservation of Association Property and the Common Areas, including grounds keepers, painters, plumbers and any such other maintenance personnel, as the nature and character of such common area may require, and including any such necessary personnel as the nature and character of any roadways or parking areas within such Association Property or Common Area may require; provided, however, that no contract for such services shall be for a duration of more than three (3) years, except with the approval of a majority of the Members of the Association. Said contract shall provide for immediate termination if breached or on a minimum of thirty (30) days written notice otherwise.

(e) Utilities. The Board shall have the power to contact, use and pay for utility services to the Association Property and Common Area and their facilities.

(f) Other Property. The Board shall have the power to acquire and hold, as trustee for the benefit of its Members, tangible and intangible personal property and to dispose of the same by sale or otherwise.

(g) Mergers. The Association shall have the power, to the extent permitted by law, to participate in mergers and consolidations with other non-profit corporations organized for the same purposes as the Association, provided that any such merger or consolidation shall have the approval by affirmative vote or of the Board of Directors as ratified by a majority at the next succeeding annual meeting.

(h) Dedication. The Association shall have the power to dedicate any of its property to an appropriate public authority for public use, provided that any such dedication shall approval either by affirmative vote or written consent of the Board, and such dedication is subject to the existing easements of use of all of the Members of the Association as this Declaration and any Supplemental Declaration.

(i) Delegation. The Board may delegate any of its powers to any such committees, officers or employees as it deems necessary and proper.

(j) Construction on Association Property. The Association shall have the power to construct new Improvements or additions to Association Property, or demolish existing Association Property or Improvements, subject to the approval of the Architectural Review Committee as required in this Declaration.

(k) Conveyances. To grant and convey to any person real property and interests therein, including fee title, leasehold estates, easements, rights of way, mortgages and deeds of trust, out of, in, on, over or under any Association Property for the purpose of constructing, erecting, operating or maintaining thereon, therein, or thereunder:

- (1) Parks, parkways, or other recreational facilities;
- (2) Lines, cables, wires, conduits, pipelines or other devices for utility purposes;
- (3) Sewers, water systems, storm water drainage systems, sprinkler systems, and pipelines; and
- (4) Any similar public, quasi-public, or private improvements or facilities.

Nothing above contained, however, shall be construed to permit use or occupancy of land, Improvement or other facility in a way which would violate applicable zoning or use and occupancy restrictions imposed thereon by other provisions of this Declaration.

(l) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of the Association, the operation and management of its Property, the enforcement of Association Restrictions, or in the performance of any other duty, right, power or authority of the Association.

(m) Association Property Services. To pay for water, sewer, garbage removal, electricity, telephone, gas, snow removal, landscaping, gardening, road maintenance and all other utilities, services and maintenance for property owned by or leased to the Association.

(n) Other Areas. To maintain and repair easements, rights of way, parks, parkways, median strips, sidewalks, paths, trails, ponds, lakes, entry details, entry houses or other areas of the Project whether owned by or leased to the Association, and to contribute toward the cost of operation and maintenance of private roads and any other Improvements or other facilities owned by the Association.

(o) Other Services and Properties. To obtain and pay for any other property and services, and to pay any other taxes or assessments which the Association or the Board secure or to pay for pursuant to applicable law, the terms of the Association Restrictions, or the Articles or By-Laws of the Association.

(p) Contracts. To enter into contracts with Declarant and other Persons on such terms and provisions as Board shall determine, to operate and maintain any Common Area recreational or other facility or area, or to provide any service or perform any function on behalf of Declarant or other Person.

(q) Wildlife Population. The Association shall, in accordance with the sound discretion of the Board, have the authority to pay for the removal of wildlife from all areas of the Project in a humane manner if it is determined by the Association that the population of a particular species has become so large that it is damaging property, posing a risk to the viability of another species or is significantly interfering with Owners' use and enjoyment of their property or any of the property or improvements within the Project. Reasonable expenses for removal of overpopulated wildlife shall be borne equitably by The Association.

(r) To acquire and own and to dispose of all manner of real and personal property, whether by grant, lease, gift or otherwise.

2.08 Indemnification.

(a) Third Party Actions. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or based on the right of the Association) by reason of the fact that he or she is or was a director, officer, employee, servant or agent of the Association against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

If a member of the Board of Directors is sued for liability for actions undertaken in their role as a Board member or officer of the Association, the Association shall indemnify said Board member and/or officer for their losses or claims and undertake all costs of defense until and unless it is proved that such member 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 for the Board member and/or officer.

Board members are not liable to the victims of crimes which may occur on the property. Punitive damages may not be recovered against the Association, but may be recovered only from persons whose intentional activities are proven to have resulted in damages.

(b) Derivative Actions. The Association may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, servant or agent of the Association, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action, proceeding or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action, proceeding or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly reasonably and reasonably entitled to indemnity for such expense which such court shall deem proper.

(c) Determination. Any indemnification which the Association has elected to provide under paragraph (a) or (b) of this Section 2.08 (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the officer, director, employee, servant or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Section 2.08. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraph (a) or (b) of this Section 2.08, or in defense of any claim, issue or matter therein, then, to the extent that the Association has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in paragraph (a) or (b) of this Section 2.08.

(d) Payment in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may, in the discretion of the Board, be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board as provided in paragraph (c) of this Section 2.08 upon receipt of an undertaking by or on behalf of the director, officer, employee, servant or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section 2.08.

(e) Insurance. The Board shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, servant, or agent of the Association, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

(f) Other Coverage. The indemnification provided by this Section 2.08 shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under this Declaration, agreement, vote of the Members, vote of disinterested directors, Nevada law, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a director, officer employee, servant or agent and may inure to heirs and personal representatives of such a person.

2.09 Diseased Trees. Upon reasonable notice, the Association and/or the Declarant may enter upon any part of the Project at any time to inspect for, prevent and control diseased trees and other plant life and insect infestation of trees. If any diseased or insect infested trees or other plant life are found, the Association and/or the Declarant may spray, remove diseased trees and other plant life, and take such other remedial measures as deemed expedient. The cost thereof applicable to privately owned property may be levied by the Association as a specific assessment against such property pursuant to the provisions hereof.

2.10 Rules:

(a) Rulemaking Power. The Board may, from time to time and subject to the provisions of this Declaration, propose, enact and amend rules and regulation to be known as "The Villas Homeowners Association Rules". Any rules which relate to the management, operation and control of the Association or the Common Area, common facilities or interest shall become effective and binding on all Owners only after adoption by the Board. Such rules may concern, but need not be limited to: matters pertaining to the use of the Common Area and Recreation and Open Space, signs, collection and disposal of refuse; minimum standards of maintenance of property; parking and traffic restrictions; limitations on maintenance of landscaping or other improvements on any property which obstruct the vision of motorists or which create a hazard for vehicular or pedestrian traffic; and any other subject or matter within the jurisdiction of the Association as provided in this Declaration. Said rules may restrict and govern the use of Common Area by any Members, by the family of such Members or by any invitee, guest or licensee of such Member. Declarant has retained the right to establish rules relating to the use of any portion of the Common Area and Recreation and Open Space owned by it, and the Association may incorporate such rules in its Rules; the right of an Owner or the Board to enforce Association Rules is limited to those Owners that are subject to this Declaration.

(b) Notification of Rules. A copy of the Association Rules, as they may be from time adopted, amended or repealed, shall be mailed or otherwise delivered to each Member and may be recorded. The recordation of said rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. No Association Rules may be adopted which materially impair the rights, preferences, or privileges of any Owner as specifically set forth herein.

2.11. Breach of Rules or Restrictions. In the event a breach of any Association Rule or of any of the Association Restrictions contained in this Declaration by an Owner, their family, guests, employees, invitees, or licensees, the Board, and on behalf of itself and all other Owners, shall enforce the obligations of each Owner to obey such Rules or Restrictions in any manner provided by law or in equity, including, but not limited to appropriate hiring of legal counsel, the pursuit of legal action, or suspension of the Owner's right to use the facilities of the Common Area or suspension of the Owners voting rights; provided, however, such suspension may not be for a period in excess of thirty (30) days, without notice and hearing as herein provided, for an infraction if such Rules. In addition to the Other remedies herein set forth, including without limitation, assessing the cost of repair of any damage resulting from an infraction of the Rules, the Board, by majority vote, may levy a fine against such Owner, after appropriate notice and hearing as herein provided, in an amount not to exceed an amount equal to six (6) months of the assessments made under Section 8.03 for each such violation and the payment of such fine may be enforced in the same manner as set forth in Section 8.07 hereof. Prior to imposing any penalty provided herein for breach of any rules enacted hereunder or of the Restrictions contained in this Declaration, the Board shall send written notice to the Owners specifying the nature of the infraction and shall provide an opportunity to the Owner for a hearing before the Board regarding such infraction and the penalty to be imposed in the event that the Board determines that said infraction has occurred and that a penalty shall be imposed, after a reasonable opportunity for a hearing had been provided, the determination of the Board shall be final. In the event legal counsel is retained or legal action is instituted by the Board pursuant to this paragraph, any settlement prior to judgment or any judgment rendered in any such action shall include costs of collection, court costs, and reasonable attorney's fees.

2.12 Liability of Members of Board. No member of the Board shall be personally liable to any of the other Board members, to the Members or to any other person, including Declarant, for any error or omission of the Association, its representatives and employees, or the ALCC, provided that such Board member has, upon the basis of such information as may be possessed by him, acted in good faith.

2.13 Amendment. The provisions of Section 2.01, 2.02 and 2.03 shall not be amended without the vote or written consent of a majority if all of the Owners.

ARTICLE III GENERAL RESTRICTIONS

All real property within the Project shall be owned, held, conveyed, encumbered, leased, used, occupied and enjoyed subject to the Architectural and Landscape Control Committee Design Guidelines and the following limitations and restrictions:

3.01 Antennas. Television antennas and radio transmitting and receiving antennas for shortwave or ham radio installation shall not be installed on any lot. Satellite dishes shall be allowed if not visible from the street.

3.02 Insurance Rates. Nothing shall be done or kept in the Project which will increase the rate on insurance on any Lot, nor shall anything be done or kept in the Project which

would result in the cancellation of insurance on any Lot, if any, or which would be in violation of any law.

3.03 Sins. No signs, billboards or advertising structures of any kind may be displayed for public view on any lot except one professional sign not more than two (2) square feet advertising the property for sale or rent, or signs used by a builder or Declarant to advertise the property during the construction and sales period.

3.04 Fences. All rear yard fences shall be designed and constructed in accordance with the Design Guidelines in order to preserve the natural views from the homesites. All fences must be approved by the ALCC, in accordance with the Design Guidelines.

3.05 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any property within the Project and no odors shall be permitted to arise therefrom so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property or to its occupants. No noise or other nuisance shall be permitted to exist or operate upon any such property so as to be offensive or detrimental to any other property or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, insect control lights, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on any such property without the prior written approval of the Architectural and Landscape Control Committee.

3.06 Repair of Building. No Improvement hereafter constructed upon any land within the Project shall be permitted to fall into disrepair, and each such Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof.

3.07 Improvements and Alterations. There shall be no construction, excavation, alteration other than repairs, which any way alters the exterior appearance of any Improvement, nor the removal of any Improvement without the prior written approval the Architectural and Landscape Control Committee.

3.08 Drainage. There shall be no interference with the established drainage patterns over any property within the Project, except by Declarant, unless adequate provision is made for proper drainage and approved by the Architectural and Landscape Control Committee.

3.09 Slope. Each owner shall maintain any slope occurring on Lot or Lots owned by them individually in the Project, by use of rip rap or other, to prevent erosion of said slopes.

3.10 No Hazardous Activities. No activities shall be conducted on any property and no Improvements constructed on any property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any property, and no open fires shall be lighted or permitted on any property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed exterior fireplace.

3.11 No Temporary Structures. No tent or shack or other temporary building, Improvement or structure shall be placed upon any property, except temporary structures necessary for storage of tools and equipment and for office space for architects, builders, and foreman during actual construction which may be maintained with the prior approval of ALCC, such approval to include the nature, size and location of such structure.

3.12 Accessory Outbuildings. No accessory outbuildings (e.g. garages or sheds) shall be erected on any lot or parcel prior to the erection thereon of a dwelling. In no event shall any accessory outbuilding or temporary structure or trailer or tent ever be used for human occupancy or habitation. Unattached accessory outbuildings may be constructed only as may be approved in writing by ALCC.

3.13 No Mining and Drilling. No property shall be used for the purpose of mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals of any kind, rocks, stones, sand, gravel, aggregate or earth, except that Declarant may, by appropriate written permit, grant, license or easement: allow the drilling of wells and the installation of infiltration galleries for the extraction of water; and except that Declarant, may, by appropriate written permit, grant, license or easement, allow any of the foregoing activities to the extent permitted by applicable zoning and as required for purposes of the Declarant.

3.14 No Dumping. No Owner shall dump any rubbish or refuse on any area located within the Project.

3.15 Vehicles. The use of all vehicles, including but not limited to helicopters, gliders, trucks, automobiles, golf carts, graders, boats, tractors, pickups, mobile homes, trailers, busses, campers, recreational vehicles, bicycles, motorcycles, motor scooters, wagons, sleighs, and snowmobiles, shall be subject to the Association Rules. Rules may be established by Declarant and who may from time to time, in its sole discretion, adopt, amend and repeal said rules. Rules may prohibit or limit the use thereof within specified parts of the Project and may also provide parking regulations and may adopt other rules regulating the same. In no event shall any travel trailer, motor home (R.V.), snow mobile, boat, or boat trailer or unlicensed vehicle of any kind be kept, parked in or upon any portion of any lot, except within the garage or behind a six (6) foot fence constructed in accordance with the provisions of Section 4.09; provided, however, that guests of a residence may park their recreational vehicle on a lot for not more than two (2) nights and thereafter the vehicle will be subject to being towed at the owner's expense.

(a) No personal automobile shall be permitted to remain upon any lot unless within the garage or on the driveway.

(b) No personal automobile, recreational vehicle or equipment, commercial vehicle or equipment, or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced, or repainted on a lot unless: 1) such activity is performed within a completely enclosed garage, 2) such activity has received the prior written approval of ALCC, and 3) such activity is reasonably screened from the sight and sound from streets and neighboring residences. The foregoing restriction shall not be deemed to prevent temporary parking for loading or unloading of vehicles or washing and polishing and those activities normally incident to washing and polishing vehicles.

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

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

(e) No boat, truck, trailer, camper, recreational vehicle, or tent shall be used as a living area while parked or located with in the Project.

(f) On-street parking is prohibited in the Project.

3.16 Construction Activities. This Declaration shall not be construed so as to unreasonably interfere with or prevent normal construction activities during the construction of Improvements by any Owner (including Declarant) upon property within the Project provided that when completed such Improvements shall in all ways conform to his Declaration and the Design Guidelines. Specifically, no such construction activities shall be deemed to constitute a nuisance or a violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, posting of signs or similar activities; provided that such construction is pursued to completion with reasonable diligence, in compliance with applicable federal, state and local laws and ordinances and any rules and regulations adopted pursuant thereto, and conforms to usual construction practices in the area. In the event of any dispute, a temporary waiver of the applicable provision, including but not limited to any provision prohibiting temporary structures, may be granted by the Architectural and Landscape Control Committee, provided that such waiver shall be only for the reasonable period of such construction. Such waiver may, but need not be recorded or in recordable form.

3.17 Exemption of Declarant. Notwithstanding anything in this Declaration to the contrary, neither Declarant nor any of Declarant's activities shall in any way be subject to the control of or under the jurisdiction of the Architectural and Landscape Control Committee. Without in any way limiting the generality of the preceding sentence, this Declaration shall not prevent or limit the right of Declarant to excavate end grade, to construct and alter drainage patterns and facilities, to construct any and all other types of Improvements, to maintain model homes and construction, sales leasing offices and similar facilities, and to post signs incidental to construction and sales anywhere on the Project.

3.18 Assignment by Declarant. Any other provision of this Declaration to the contrary notwithstanding, Declaration may adding in whole or in part any of its privileges, exemptions, rights and duties under this Declaration to any other Person and may permit the participation on whole or in part by any other Person in any of its privileges, exemptions, rights and duties hereunder.

3.19 Building Permits. Building permits for any structures on property which is the subject of this Declaration, shall only be issued in accordance with the Carson City Municipal; Code and Design Guidelines.

ARTICLE IV
PERMITTED USES AND RESTRICTIONS-RESIDENTIAL AREAS

4.01 Residential Areas. All property within any residential area shall be improved and used solely for residential use; except that for models utilized by Declarant or Declarant's representative, Declarant or Declarant's representative may, in its sole and absolute discretion, permit the use of models for sales activity.

4.02 Lot Lines. The residences located on the lots within the Project shall have zero lot lines.

4.03 Parking on Streets. There shall be no parking in the streets within the Project. All guests of Owners shall park in the designated guest parking areas located within the common areas of the Project.

4.04 Improvement and Use. No lot shall be improved or used except by a dwelling or structure designed to accommodate no more than a single family plus a garage, and such other Improvements as are necessary or customarily incident to a Single-Family residence.

4.05 Residential Use; Owner Occupied. No residence on any Lot shall be used for any purpose other than Single-Family Residential Use. All residences shall have a minimum of ___ square feet of living space and a one (1) car garage. All Lots within the Project shall be occupied by the Owner thereof.

4.06 Animals. No kennel or other facility for raising or boarding dogs or other animals for commercial purposes shall be kept on any Lot. No more than two (2) of each species of household pets shall be raised, or kept on any Lot and all pets shall be restrained or confined to the Lot and not allowed to run at large. No horses, cattle, sheep, pigs or other non-household animals shall be kept on any Lot.

4.07 Unightly Articles. No unsightly article shall be permitted to remain on any Lot so as to be Visible from Neighboring Property or public or private thoroughfares; provided, however, that trailers, motor homes, recreational vehicles, graders, boats, tractors, campers, wagons, busses, sleighs, motorcycles, motor scooters, snowmobiles, snow removal equipment and garden and maintenance equipment may be kept, except when in actual use, in an enclosed structure or screened behind a six (6) foot fence constructed in accordance with the provisions on 4.011. Refuse, garbage and trash shall be kept at all times in a covered container and any such container shall be an area so as not to be Visible from Neighboring Property. Service areas, storage areas, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view; no lumber, grass, plant waste, shrub or tree clippings, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on property except within an enclosed structure or kept so as not be Visible from Neighboring Property.

4.08 Window Covers. Curtains, drapes, shutters or blinds which are compatible with the external décor may be installed as window covers. No window cover shall be made or shall any window be covered with aluminum foil, or similar material.

4.09 External Decor. No structure shall be painted or otherwise decorated in any color or in any manner which is not in keeping with the natural surroundings or is otherwise objectionable or detrimental to surrounding residences. No patio cover, trellis, arbor, or other type structure shall be placed on, over or attached too the rear area of any structure that would cause an encroachment into the set back areas. The determination of what is objectionable or detrimental to surrounding residences shall be made by the ALCC.

4.10 Maintenance of Lawns, Plantings and Landscape. Except as otherwise provided in Section 2.06 (c), each Owner shall keep all shrubs, trees, grass and plantings on his lot neatly trimmed, properly cultivated and free from trash, weeds and other unsightly material.

4.11 Fences. Except as otherwise provided in Section 3.04, each Owner shall complete a fence, six (6) feet in height, made of wood, on the Owner's Lot within one hundred eighty (180) days of the date of the purchase of the Lot by Owner with a completed residential structure. The fence shall entirely enclose the rear portion of the Lot and shall extend to the front of the Lot no further than the front of the garage structure on the Lot. From the street to the front of the garage structure there shall be no structural improvements, fences or walls. There shall be no fences or walls over six (6) feet in height anywhere within the Development without Committee approval. All fences and walls shall conform to the specifications set forth in Exhibit "B" attached hereto and by this referenced incorporated herein, or shall be approved by the Committee prior to installation and detailed plans therefore shall be submitted to the Committee as in the case of other structures if the specifications differ from Exhibit "B". Nothing herein contained shall prevent necessary erection of retaining walls required by topography and approved by the Committee. Security boundary fences or decorative fences within the Development shall not be removed, tampered with, painted, altered or injured in any way.

4.12 Slope. Each owner shall maintain all slopes on his Lot and shall re-establish any slope that suffers the effects of erosion or other activity that may cause breakdown of the slope. No owner shall alter a uniform slope on the project without approval of the ALCC. The Architectural and Landscape Control Committee and their respective authorized agents shall have the right (without the duty) to enter upon any Lot at any reasonable time for the purposes of maintaining or re-establishing any slope.

ARTICLE V PERMITTED USES AND RESTRICTION-OTHER AREAS

5.01 Utilities Easement. There is hereby granted in favor of Declarant or its successors or assigns an easement for purposes of installing, facilitating, maintaining, repairing, replacing or inspecting utility, drainage, cable TV, telephone and underground power or gas lines or other utilities over, under and across the property described in Exhibit "A". Any repair or excavation within the Exhibit "A" property shall not be undertaken until all plans and specifications and procedures have been approved by Declarant, its successors and assigns.

5.02 Easement in Favor of Declarant to Facilitate Sales and Resale's. There is hereby reserved to Declarant, its agents and employees, the right and exclusive easement to use any lots owned or leased by the Declarant as models, management offices, sales and resale offices, or customer service offices. The Declarant reserves the right to relocate the same from time to time within the property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the property such advertising signs as may comply with applicable governmental regulations which may be placed in any location on the property and may be relocated or removed all at the sole discretion of the Declarant. The Declarant shall have the right to restrict the use of certain parking spaces for sales purposes and to use such spaces for sales purposes. Further, the Declarant shall have the exclusive right to erect temporary offices, models, sales, resales, management, customer service, and similar purposes. The reservation of this easement to facilitate sales also applies to any land covered by these Covenants, Conditions and Restrictions. Any such sales and marketing facilities and areas shall be maintained at the sole cost of the Declarant so long as Declarant is the sole user of such areas.

ARTICLE VI ARCHITECTURAL AND LANDSCAPE CONTROL COMMITTEE

6.01 Architectural and Landscape Control Committee. Whenever in this declaration or in any supplemental declaration the approval of the Architectural and Landscape Control Committee is required, it shall have the right to consider all of the plans and specifications for the improvement or proposal in question and all other facts which in its sole discretion are relevant.

.02 ALCC Approval. No action described in Section 6.01 above may be taken by an Owner or caused by an Owner to be taken until all requirements which may be imposed by Carson City have been fully satisfied, and the plans and specifications showing the nature, kind, color, dimensions, materials, and location of the same shall have been submitted for approval in writing as to harmony of external design and location in relation to surrounding structures and to topography by the ALCC provided in Section 6.03 herein below. In the event the ALCC fails to approve or disapprove such design and location in writing within forty-five (45) days after said plans and specifications have been submitted to it, approval by the ALCC shall not be required.

6.03 Architectural and Landscape Control Committee.

(a) Organization. The ALCC shall consist of three (3) members each of whom shall serve a term of one (1) year. The Declarant shall appoint all of the original members of the Committee and all replacements thereto until the second anniversary of the recording of the Final Map of the Project, and further, Declarant reserve the power to appoint a majority of the members of the Committee until ninety percent (90%) of all lots in the Project have been sold. Any members of the ALCC not selected by the Declarant as provided for hereinabove shall be elected by a majority of the owners. Any meeting conducted by the owners shall require written notice sent to all members, at least ten (10) days in advance of such meeting, and any such meeting, to constitute

a quorum, shall require fifty-one percent (51%) of the owners being present in person or by proxy. A majority of owners present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion to select members of the ALCC. Each owner shall have one (1) vote for every lot owned. The vote for each such lot may be cast only as a unit and fractional votes shall not be permitted. In the event joint owners are unable to agree among themselves as to how their vote(s) shall be cast, they shall lose their right to vote on the matter in question. All members appointed to the ALCC by the owners shall be lot owners. Members appointed to the Committee by the Declarant, however, need not be lot owners. Members appointed or elected to the ALCC may serve more than one (1) term.

(1) Quorum. For purposes of any action to be taken by the ALCC as provided for in this Article VI, a quorum of the ALCC shall be two (2) or more members. Action may be taken by the ALCC by a majority vote of the members of the Committee.

(2) Appointment and Removal. Except as otherwise provided above, the election and removal of ALCC members shall be by Fifty-One Percent (51%) of the Owners.

(3) Resignations. Any member of the ALCC may at any time resign from the ALCC upon written notice.

(4) Vacancies. Except as otherwise provided above, vacancies on the ALCC, however caused, shall be filled by the Owners. Any new member elected to replace a member who has resigned or has been removed shall serve such member's unexpired term.

(5) Compensation. No member of the ALCC shall receive any compensation or make any charges for his services as such.

(b) Duties. It shall be the duty of the ALCC to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof, to adopt, if necessary or desirable as set forth in subparagraph (k) below, Architectural Design Guidelines, and to carry out all other duties imposed upon it by these restrictions.

(c) Meeting. The ALCC shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of a quorum of the members shall constitute an act by the Committee and the Committee shall keep and maintain a written record of all actions taken by it at any such meeting. Any owner who has submitted proposals or plans as provided hereunder which are to be considered by the ALCC at a meeting shall have the right to attend said meeting, although said Owners' participation at said meeting may be limited by the Committee, in its sole discretion.

(d) Application for Preliminary Approval. Any owner proposing to perform any work that requires a prior approval of the ALCC may apply to the Committee for preliminary approval by submission of preliminary drawings of the proposed improvements. The purpose of the preliminary approval procedure is to allow an owner proposing to make substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Applications for preliminary approval shall be considered and disposed of as follows:

(1) Within forty-five (45) days after proper application for preliminary approval, the ALCC shall consider and act upon such request. The ALCC shall grant the approval only if the proposed improvements would be entitled to a final approval on the basis of a full and complete application. Failure of the ALCC to act within said forty-five (45) day period shall constitute approval. In granting or denying approval, the ALCC shall issue such directions, in writing, concerning the form and substance of the final application for approval as it deems proper or desirable for the guidance of the applicant.

(2) Any preliminary approval granted by the ALCC shall be effective for a period of 120 days from the date of the issuance thereof. During said period, an application for final approval of plans for proposed improvements in accordance with the provisions of the preliminary approval and is otherwise acceptable under the terms of these Restrictions, shall be approved by the ALCC.

(3) In no event shall any preliminary approval be deemed to be an approval authorizing construction of the subject improvements.

(e) Application for Final Approval. Whether or not preliminary approval was applied for or granted, any owner proposing to perform any work that requires the prior approval of the ALCC shall apply to such Committee for approval by notifying the ALCC of the nature of the proposed work as the Committee may require by any *Architectural Design Guidelines*. A building permit shall not be obtained by an owner without obtaining the prior final approval of the ALCC described herein.

(f) Basis for Approval of Improvements. The ALCC shall grant the requested approval only if:

(1) The owner shall have complied with the provision of subparagraph 6.03(e) and

(2) A majority of a quorum of the ALCC in their sole discretion determine that the proposed improvements would be compatible with the other property subject to these restrictions and the purposes of these restrictions as to quality of workmanship and materials, as to harmony of external design with existing structures, and as to location with respect to topography and finished grade elevations. The discretion of the members of the Committee in acting upon any proposals and plans shall be exercised in a reasonable manner.

(g) Form of Approval. All approvals given under subparagraph 6.03(f) shall be in writing; provided, however, that any request for approval which has not been rejected within thirty (30) days from the date of submission thereof to the ALCC shall be deemed approved.

(h) Proceedings with Work. Upon receipt of approval from the ALCC pursuant to subparagraph 6.03(g) above, the owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations excavations pursuant to said approval.

(i) Failure to Complete Work. The Owner shall complete the construction, reconstruction, or any such improvement within one (1) year after commencing construction

thereof, except and for is rendered impossible or would result in great hardship to the owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the owner or his agents.

(j) Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(1) Upon completion of any construction or refinishing of any improvements for which approval of the ALCC required or was obtained and after all construction debris materials have been removed from the site, the owner shall written notice thereof to the ALCC.

(2) Within thirty (30) days thereafter, the ALCC may, but shall not be obligated to, inspect such improvement to determine whether it was constructed or refinishing in substantial compliance with the approved plans. If the ALCC finds that such construction or refinishing was not done in substantial compliance with the approved plans, it shall notify the owner in writing of such non-compliance within such thirty (30) day period, specifying particulars of non-compliance, and shall require the owner to remedy such non-compliance.

(3) If upon the expiration of thirty (30) days from the date of such notification, the Owner shall have failed to remedy such non-compliance, the ALCC shall set a date on which a hearing before it shall be held regarding the alleged non-compliance. The hearing date shall be not more than thirty (30) days nor less than fifteen (15) days after notice of the non-compliance is given to the Owner by the ALCC. Notice of the hearing date shall be given at least ten (10) days in advance thereof by the Committee to the owner and in the discretion of the Committee to any other interested party. Any owner shall be permitted to attend said hearing.

(4) At the hearing, the Owner, and in the ALCC's discretion, any other interested person, may present information relevant to the question of the alleged non-compliance. After considering all such information, the Committee shall determine whether there is a non-compliance, and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Committee shall require the owner to remedy or remove the same within a period of not more than forty five (45) days from the date of the Committee's ruling. If the owner does not comply with the Committee ruling within such period or within any extension of such period as the Committee, in its discretion, may grant, the Committee at its opinion may either remove the non-complying improvement or remedy the non-compliance and the owner shall reimburse the Committee for all expenses incurred in connection therewith upon demand. If not promptly repaid by the owner to the Committee, the Committee may levy a reimbursement assessment against such Article VII of these Restrictions.

(5) If for any reason the ALCC fails to of any non-compliance within thirty (30) days said notice of completion from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

(k) Architectural Design Guidelines. The ALCC may from time to time adopt, amend and repeal by majority vote of a quorum of its members rules and regulations to be known as Architectural Design Guidelines, interpreting and implementing the provisions of these restrictions and setting forth procedures and design and construction criteria to be followed in submitting

proposals to the Committee. Except for Architectural Design Guidelines adopted by the ALCC appointed by Declarant, any such rules adopted, amended and repealed by the Committee shall not become effective until ratified by 51% of the owners. A copy of the Architectural Design Guidelines as they may from time to time be adopted, amended or repealed and ratified by owner action as hereinabove set forth, shall be *maintained by the Committee and shall be available for inspection and copying by any owner at any reasonable time.* The following minimum standards and restrictions any construction work performed on the property:

(1) No more than one residence unit shall be constructed on any private lot. The residential structure shall not contain less than 678 square feet of living area.

(2) All improvements shall be constructed full compliance with all applicable zoning laws, building codes other laws, ordinances and regulations applicable to construction, use and occupancy of improvements.

(3) The placement of the improvements on a private lot, the type of roofs, exterior materials add building shapes shall be established in such a manner as be determined to be reasonable by the ALCC.

(l) Estoppel Certificates. Within thirty (30) days after written demand is delivered to the ALCC by any Owner, and upon payment to the Committee of a reasonable fee as fixed from time to time by the Committee, the ALCC shall record an estoppel certificate executed by a majority of its members certifying, with respect to any private lot of said Owner, that as of the date thereof either: (a) all improvements made and other work done upon or within said private lot comply with these restrictions; or (b) such improvements or work do not so comply in which event the certificate shall also identify the non-complying improvements or work and set forth in particularity the basis of such non-compliance. Any purchaser from the owner or from anyone deriving any interest in said private lot through such owner shall be entitled to rely on said certificate with respect to the matters therein set forth, and such matters shall be conclusive as between all Owners an such person deriving any interest through them.

(m) Liability. Neither the ALCC nor any member thereof shall be liable to any owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not *defective*; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (c) the development of any property subject to these Restrictions, or, (d) the execution and filing of an estoppel certificate pursuant to 6.03(1) above, and whether or not the facts therein are correct; provided, however, that such member has acted in good faith on the basis of such information as may be possessed by him.

ARTICLE VII

REPAIR AND MAINTENANCE

7.01 Repair and Maintenance by Owner. Every owner shall maintain the exterior of his residence, walls fences and roof of such residences in good condition and repair.

7.02 Standards for Maintenance and Installation. (a) Maintenance of the exterior of the residences, including without limitation, walls, fences, roofs, and landscaping shall be accomplished in accordance with the architectural and/or performance standards and policies, only after approval of the Committee; and (b) all slopes or terraces on any residence shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining residences.

ARTICLE VIII FUNDS AND ASSESSMENTS

8.01 Agreement to Pay. Each Owner, by his acceptance of a deed, for each Homesite owned, covenants and agrees to pay to the Association such regular and special assessments as are established, made and collected, as provided in this Declaration. Until such time as each Homesite within the Project has a residence constructed thereon and such Homesite is owned by Declarant, Declarant's assessments under this Article VIII shall be limited to five dollars (\$5.00) per year, per Homesite. Provided, however, that until the Association makes an assessment for common expenses, the Declarant shall pay all common expenses which may, at Declarant's sole discretion be necessary.

8.02 The Association Maintenance Fund. The Board shall establish a fund (the "The Villas Homeowners Maintenance Fund") into which shall be deposited all monies paid to the Association and from which disbursements shall be made in performing the functions of the Association under the Association Restrictions. The funds of the Association must be used solely for purposes related to the areas and improvements owned by or leased to the Association, or subject to the Association Restrictions, to maintenance or operation by the Association, including maintenance and repair of all front lawn landscaping within the Project, or otherwise for purposes authorized by the Association Restrictions as they may from time to time be amended.

8.03 Regular Annual Assessments. Prior to the beginning fiscal year, the Board shall estimate the expenses to be incurred by the Association during such year in performing its functions under this Declaration, including reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform and equal assessments sufficient to pay such estimated net charges shall then be levied and collected as provided in this Article VIII. If the sums collected prove inadequate for any reason including nonpayment of any individual Assessment, the Association may at any time and from time to time levy further Assessments in the same manner as aforesaid. All such regular Assessments shall be due and payable to the Association during the fiscal year in equal monthly installments on or before the first day of each month, or in such other manner as the Board may designate in its sole and absolute discretion, which shall at least be annually.

8.04 Special Assessments. In addition to the regular annual Assessments provided for above in Section 8.03, the Board may levy special Assessments, upon the property and in the manner set forth in this Article VIII, whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the mandatory functions of the Association under the Association Restrictions, and the Board may levy such special Assessments whenever in the Board's opinion such special Assessments are necessary to enable the Board to carry out the optional functions of the Association under the Association Restrictions.

8.05 Notice of Special Assessments: Time for Payment. The Association may, in its discretion, give written notice of special Assessments to each Owner, which notice shall specify the amount of the special Assessment and the date or dates of payment of the same. No payment shall be due fewer than fifteen (15) days after such written notice has been given. Failure of the Association to give notice of the special Assessment shall not affect the liability of the Owner of any Unit or Homesite for such special Assessment, but the date when payment shall become due in such a case shall be deferred to a date fifteen (15) days after such notice shall have been given.

8.06 Late Charges. If any Assessment, whether regular or special, is not paid within fifteen days (15) after it is due, the Owner may be required by the Board to pay a late charge at such rate as the Board may designate from time to time not to exceed the eighteen percent (18%) per annum.

8.07 Unpaid Assessments as Liens. The amount of any delinquent Assessment, whether regular or special, assessed against any property and any late payment charge attributable thereto plus interest on such Assessment and charge at a rate not to exceed eighteen percent (18%) per annum simple interest, and the costs of collecting the same, including reasonable attorneys' fees, shall be a lien upon such Homesite and the Improvements thereto. Such lien shall be prior to any declaration of homestead. Such lien shall be created in accordance with NRS 116.3116 and shall be foreclosed in the manner provided for in NRS 116.31162, 116.31164 and 116.31168. A certificate executed and acknowledged by any two (2) members of the Board stating the indebtedness secured by such lien amount be conclusive upon the Association as to the amount of such indebtedness as of the date of the certificate, in favor of all Persons who rely thereon in good faith, and such certificate shall be furnished to the owner upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

8.08 Mortgage Protection. Notwithstanding any other provision of the Association Restrictions. No lien created under this Article VIII or under any other Article of this Declaration, nor may lien arising by reason of any breach of the Association Restrictions, nor the enforcement of any provision of this Declaration or of any Supplemental declaration shall defeat or render invalid the rights of the Beneficiary under any recorded Mortgage or Deed of Trust of first and senior priority now or hereafter upon a Homesite made in good faith and for value perfected before the date on which the assessment sought to be enforced became delinquent. However, after the foreclosure of any such first Mortgage or Deed of Trust or after any conveyance in lieu of foreclosure, such Homesite shall remain subject to Association Restrictions and shall be liable for all regular Assessments and all special Assessments levied subsequent to completion of such foreclosure or delivery of such conveyance in lieu of foreclosure, and to all installments of all regular and special Assessments levied prior to the completion of such foreclosure or delivery of such conveyance but falling due after such completion or such delivery.

8.09 Effect of Amendment on Mortgages. Notwithstanding the provisions of Section 9.02, below, no amendment of Section 8.08 of this Declaration shall affect the rights of any Beneficiary whose Mortgage or Deed of Trust has the first and senior priority as provided in Section 8.08 and who does not join in the execution thereof, provided that its Mortgage or Deed of Trust is recorded in the real property records of Carson City, prior to the recordation of such amendment; provided, however, that after foreclosure or conveyance in lieu of foreclosure the property which was subject to such Mortgage or Deed of Trust shall be subject to such amendment.

8.10 Subordination. By subordination agreement executed by the Association, the benefits of sections 8.08 and 8.09, above, may in the sole and absolute discretion of the Board, be extended not otherwise entitled thereto.

ARTICLE IX MISCELLANEOUS

9.01 Term. This Declaration, including all of the Covenants, Conditions and Restrictions hereof, shall run until December 31, 2030, unless amended as herein provided. After December 31, 2030, this Declaration, including all such Covenants, Conditions and Restrictions, shall be automatically extended for successive periods of ten (10) years, unless amended or extinguished by a written instrument executed by at least a majority of the Owners in the Project and recorded in the Carson City Real Property Records.

9.02 Amendment.

A. Special Provisions. No amendment of Article VIII shall be effective as to any Beneficiary who does not join in the execution thereof provided that its Mortgage or Deed of Trust is recorded in the real property records of the county prior to the recordation of such amendment. Subject to the preceding sentence, and except as set forth below, no amendment of this Declaration shall be effective unless adopted by a vote of owners of percent (80%) or more of the total number of lots in the project at the time of the proposed amendment. No amendment of this Declaration shall be effective until executed and recorded in the real property records of Carson City in the manner herein provided.

B. By Declarant. Except as provided in Section 9.02 A., this declaration may be amended by the Declarant until eighty percent (80%) of the total number of lots in the project are sold or so long as the Declarant is entitled to exercise development rights, whichever is longer, provided, however, that no such amendment by Declarant shall be effective without Notice and if the Owners, other than Declarant, controlling eighty percent (80%) or more of the total number of lots, object to such amendment proposed by Declarant, such amendment shall not be effective. No Declarant shall be effective until there has been recorded in the real property records of the county, an instrument acknowledged by Declarant and setting forth the amendment.

9.03 Notices. Any notice permitted or required to be given by the Declaration 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 on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to the Person at the address given by such Person to the Committee for the purpose of service of notices, or to the residence of such Person if no address had been given to the Committee. Such address may be changed from time to time by notice in writing given by such Person to the Committee.

9.04 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development and operation of NEWPORT VILLAGE and of promoting and effectuating the fundamental concepts of NEWPORT VILLAGE as set forth in Article I of this Declaration. This Declaration will be construed and governed under the laws of the State of Nevada.

9.05 Enforcement and Nonwaiver.

A. Right of Enforcement. Except as otherwise provided herein, any Owner, at their own expense, and Declarant shall have the right to enforce all of the provisions of these Covenants, Conditions and Restrictions against any property within and the Owners thereof. Such right of enforcement shall include both damages for and injunctive relief against the breach of any such provision.

B. Violation a Nuisance. Every act or omission whereby any provision of these Covenants, Conditions and Restrictions is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated by any Owner, at their own expense, by Declarant, whether or not the relief sought is for negative or affirmative action. However, only Declarant and the duly authorized agents may enforce by self-help any of the provisions of these Covenants, Conditions and Restrictions, and then only if such self-help is preceded by reasonable notice to the Owner in question.

C. Violation of Law. Any violation of any federal, state or local law, ordinance or regulation pertaining to the ownership, occupancy or use of any property within NEWPORT VILLAGE, A PLANNED UNIT DEVELOPMENT is hereby declared to be a violation of these Covenants, Conditions and Restrictions and subject to all of the enforcement procedures set forth in these Restrictions.

D. Remedies Cumulative. Each remedy provided for herein is cumulative and not exclusive.

E. Nonwaiver. The failure to enforce any provision of these Restrictions at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provision of said Restrictions.

9.06 Construction.

A. Restrictions & Severable. Each of the provisions of these Covenants, Conditions and Restrictions 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.

B. 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.

C. Captions. All captions and titles used are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which of the paragraphs, Sections or Articles hereof.

D. Liberal Construction. It is the intent of the Declarant that this Declaration be liberally construed to promote the purpose of a well planned community, reserving to the rights necessary to complete the project and integrity of the interrelated land uses.

9.07 Continuing Liability for Assessments. No Owner may exempt himself from liability for assessments by abandonment of his property.

9.08 Cumulative Remedies. Each and all legal or equitable remedies provided for herein, shall be deemed to be cumulative, whether so expressly provided for or

9.09 Joint and Severable Liability. In the case of joint ownership of a lot, the liability of each of the owners thereof in connection with the liabilities and obligations or owners, set forth in or imposed by this declaration, shall be joint and several.

9.10 Subordination of Assessment Lien to Mortgages. Any first mortgage or any third party purchasers who come into possession of a lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, (or by deed in lieu of foreclosure) shall take the property free of any claim for unpaid or charges against the mortgage lot, which accrued prior to the time such holder comes into possession of a lot. The lien assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed on the properties subject to assessments; provided, however, that said subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property by foreclosure or deed in lieu. Such sale or transfer shall not relief such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first above written.

ASCEND 2006, LLC

By: _____
Marvin Gates, Manger

EXHIBIT 'A'

LEGAL DESCRIPTION

NEWPORT VILLAGE

A PLANNED UNIT DEVELOPMENT

All the lands shown on the Final Plat of NEWPORT VILLAGE, a Planned Unit
Development, as filed in Official Records the Office the Recorder of Carson City, Nevada
on the _____ day of _____, 2006, in Book _____ of
Maps, at page _____ as file Number _____.

STATE OF NEVADA }
 } SS
COUNTY OF CARSON CITY }

On _____, 2006, personally appeared before me, a notary public, Marvin Gates, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument and who acknowledged to me that he executed the foregoing Declaration of Covenants, Conditions and Restrictions for The Villas at Nye Lane, A Planned Unit Development.

CARSON CITY SCHOOL DISTRICT

PROPOSED SUBDIVISION PLAN
IMPACT STATEMENT

SUBDIVISION NEW PORT VILLAGE UNITS 43

NRS 278.349 - Availability of School Services:

This property consists of 43 single family detached homes on 2,000+/- square foot lots. Our impact statement indicates the total number of children that this project generates and which schools are affected.

Transportation: Transportation will be provided to the applicable, zoned schools in accordance with Carson City School District policies and regulations.

- A. Transportation would be provided to Fremont Elementary, Carson Middle School and Carson High School from this area

Staffing/Supplies/Other: As enrollment increases, funds for staffing, materials and other costs are made available through the State of Nevada per pupil funding allocations, 2003-04 allotment is approximately \$4,800 per pupil.

Elementary School (s): Fremont Elementary # Students 17

Middle School: Carson Middle School # Students 7

High School: Carson High School # Students 10

Discussion: Fremont Elementary School, Carson Middle School and Carson High School are currently at capacity and to accommodate these additional students will require increasing either the square footage of the facilities or by increasing the student teacher ratio.

NRS 278.346 - Site Acquisition: Being reviewed by Master Plan Committee.

Michael A. Mitchell

Signature

Director of Operations

Title

July 13, 2006

Date

Engineering

Planning

Architecture

Land Development

Biology

Survey/GIS

5110 W. Cypress Avenue
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