

FIRST AMENDMENT TO DECLARATION
OF PROTECTIVE COVENANTS, CONDITIONS
AND RESTRICTIONS FOR RIDGELAND-
UNIVERSITY HEIGHTS SUBDIVISION

- -

This First Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivision is made as of May 6, 1986, to that certain Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivision, made as of October 18, 1985 (the "Declaration"), and recorded in Book 2303, Page 828, Document No. 1056996 on March 10, 1986 in the Official Records of Washoe County, Nevada, by San Marino Services, Inc., a California corporation, and Skyway View Subdivision, a Nevada general partnership, constituting the owners of all of the real property subject to the Declaration, pursuant to Section 12.02 thereof.

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The Declaration is hereby amended as follows:

1. Name and Organization of Association.

(a) Section 1.01 of the Declaration is amended in its entirety to provide as follows:

1.01 Association. "Association" shall mean Ridgeland Homeowners' Association, a Nevada non-profit corporation, its successors and assigns.

(b) Section 2.01 of the Declaration is amended in its entirety to provide as follows:

2.01 General Purposes and Powers. Ridgeland Homeowners' Association has been or will be incorporated as the Association to which reference is

made in this Declaration. If the Association has not been incorporated prior to the conveyance of the first Lot to a member of the public, all rights, duties and obligations of the Association shall be rights, duties and obligations of Declarant until such conveyance occurs. Upon dissolution of the Association, the assets of the Association shall be disposed of as set forth in its Articles of Incorporation or By-Laws.

(c) The first sentence of Section 4.01 of the Declaration is deleted and replaced by the following sentences:

Declarant and Skyway shall convey to the Association fee simple title to the Streets and Common Area, free and clear of all encumbrances and liens except those imposed by the City of Reno as conditions of approval of the Subdivision of the Real Property by Declarant, and subject to the provisions of this Declaration, prior to, or as promptly as practicable after, the conveyance of the first Lot to a member of the public. If the Association has not been incorporated prior to the conveyance of the first Lot to a member of the public, Declarant and Skyway shall retain title to the Streets and Common Area until such conveyance.

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2. Incorporator Members. Section 2.02 of the Declaration is hereby amended in its entirety to provide as follows:

2.02 Membership. Each Owner, by virtue of being an Owner, and only for so long as an Owner, shall be a Member of the Association. In addition, the persons executing the Articles of Incorporation of the Association (the "Incorporators") shall be Members of the Association; provided, however, that, unless any Incorporator is also an Owner, each Incorporator (a) shall not have any of the voting or other rights granted to the Owners and (b) shall automatically cease to be a Member upon the filing of the Articles of Incorporation with the Nevada secretary of state and the clerk of the county in which the Association transacts its principal business.

3. Expansion of Real Property. Exhibit A of the Declaration is hereby deleted in its entirety and replaced by the new Exhibit A which is attached hereto.

(a) The last sentence of the first paragraph of Section 6.01 of the Declaration is deleted and replaced by the following sentence:

The only buildings that may be constructed on residential Lots are the following: (i) on a residential Lot which is designated as a "patio" Lot, a single-family dwelling containing at least One Thousand One Hundred (1,100) square feet; (ii) on a residential Lot which is designated as a "luxury" Lot, a single-family dwelling containing at least One Thousand Three Hundred (1,300) square feet; and (iii) on a residential Lot which is designated as an "estate" Lot, a single-family dwelling containing at least One Thousand Five Hundred (1,500) square feet, in each case plus accessory buildings and a garage (whether or not attached to the dwelling structure).

(b) Section 6.05 of the Declaration is amended in its entirety to provide as follows:

6.05 Subdivision. No Lot may be subdivided unless such subdivision is approved by both the City of Reno and by the Association.

5. Architectural Committee.

Add to the end of Section 7.07 of the Declaration the following sentence as the last sentence of that Section:

The Committee shall require that the overall visual character of the Real Property be one of natural materials, rough textures, earth and green vegetation colors (or other colors acceptable to the Committee) and forms compatible with those occurring in the natural landscape, and that the roofs and other exterior portions of all buildings and other improvements on the Real Property conform to aesthetic standards contained in, and be constructed with materials specified in, its design rules.

5. No Further Amendments. Except as amended hereby,
the Declaration remains unmodified and in full force and effect.

SAN MARINO SERVICES, INC.

By [Signature]
Its President

By [Signature]
Its Secretary

SKYWAY VIEW SUBDIVISION

By [Signature]
Its General Partner

By [Signature]
Its General Partner

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STATE OF NEVADA,

County of Washoe

On May 13, 1986

DATE personally appeared before me,

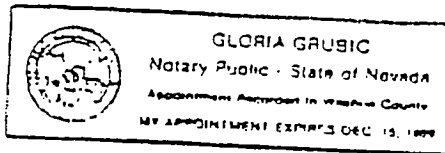
a Notary Public (or judge or other officer, as the case may be),

C.M. Murphy

who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office Washoe in the County of Washoe the day and year in this certificate first above written.

[Signature] Signature of Notary



MORFILL AND MACHABEE, INC. FORM NO. 38 M (ACKNOWLEDGMENT GENERAL)

STATE OF NEVADA,

County of Washoe

On May 13, 1986

DATE personally appeared before me,

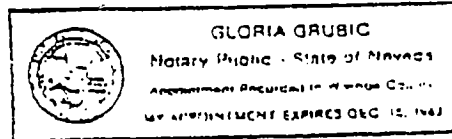
a Notary Public (or judge or other officer, as the case may be),

Steve C. Hamilton

who acknowledged that he executed the above instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official stamp at my office Washoe in the County of Washoe the day and year in this certificate first above written.

[Signature] Signature of Notary



MORFILL AND MACHABEE, INC. FORM NO. 38 M (ACKNOWLEDGMENT GENERAL)

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State of California } ss.
 County of Los Angeles }

On this the 2nd day of May 1986 before me,
Julie Felty
 the undersigned Notary Public, personally appeared
J.L. Rubin
 personally known to me
 proved to me on the basis of satisfactory evidence
 to be the person(s) who executed the within instrument as
Executive Vice President on behalf of the corporation therein
 named, and acknowledged to me that the corporation executed it.
 WITNESS my hand and official seal.

[Signature]
 Notary's Signature

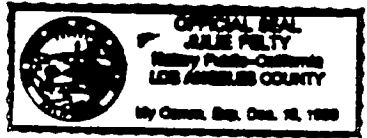


NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • Woodland Hills, CA 91364
 STATE ACKNOWLEDGMENT FORM 7120 002

State of California } ss.
 County of Los Angeles }

On this the 12th day of May 1986 before me,
Julie Felty
 the undersigned Notary Public, personally appeared
Elena M. Wraight
 personally known to me
 proved to me on the basis of satisfactory evidence
 to be the person(s) who executed the within instrument as
Secretary or on behalf of the corporation therein
 named, and acknowledged to me that the corporation executed it.
 WITNESS my hand and official seal.

[Signature]
 Notary's Signature



NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • Woodland Hills, CA 91364
 CORPORATE ACKNOWLEDGMENT FORM 7120 002



"EXHIBIT A"

(1) LOTS 11 THROUGH 20 AND LOTS 30 THROUGH 43 OF UNIVERSITY HEIGHTS, PHASE ONE SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 1972A.

(2) All lots and common areas shown on the official plats of the following described subdivisions:

University Heights, a Cluster Subdivision, Unit II, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760020, Official Records.

University Heights, a Cluster Subdivision, Unit II, Phase Two, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760021, Official Records.

University Heights, a Cluster Subdivision, Unit II, Phase Three, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760022, Official Records; and the Certificate of Amendment recorded December 5, 1983, as File No. 894356, Official Records.

University Heights, a Cluster Subdivision, Unit II, Phase Four, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760023, Official Records.

University Heights, a Cluster Subdivision, Unit II, Phase Five, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760024, Official Records; and the amended map thereto recorded April 17, 1984, as File No. 919297, Official Records.

University Heights, a Cluster Subdivision, Unit II, Phase Six, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760025, Official Records.

University Heights, a Cluster Subdivision, Unit II, Phase Seven, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760026, Official Records.

University Heights, a Cluster Subdivision, Unit III, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on July 26, 1984, as File No. 939025, Official Records.

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RECORDS
COUNTY CLERK
FILED BY
Steve Hamilton
86 MAY 13 P 2: 42

COUNTY CLERK
FEE 11.00 PER CK

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DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR RIDGELAND-UNIVERSITY HEIGHTS SUBDIVISION

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS is made as of this 18th day of October, 1985, by San Marino Services, Inc., a California corporation ("San Marino"), and by Skyway View Subdivision, a Nevada general partnership ("Skyway").

WHEREAS, San Marino and Skyway together own all of the real property described on Exhibit A hereto, which real property is located in the City of Reno, County of Washoe, State of Nevada; and

WHEREAS, such real property is in an area of natural beauty containing distinctive features of the Nevada landscape; and

WHEREAS, San Marino and Skyway desire to create a residential community on such real property in a manner which, to the extent practicable, is compatible with the ecology of the land while enhancing its value to its owners; and

WHEREAS, San Marino and Skyway intend by this Declaration to impose upon such property mutually beneficial restrictions running with the land that will assure the development and maintenance of such real property in such a manner; and

WHEREAS, San Marino and Skyway's predecessor-in-interest has previously recorded that certain declaration for Ridgeland University Heights Subdivision, Unit I, Phase 2, Unit II and Unit III, recorded on July 3, 1983, as document No. 865585, and re-recorded on July 13, 1983, as document No. 867345, both in Official Records, Washoe County, Nevada; and

WHEREAS, San Marino and Skyway desire to cancel said previously recorded documents and declare the same void;

NOW, THEREFORE, San Marino and Skyway hereby declare that the said declaration for Ridgeland-University Heights Subdivision, Unit I, Phase 2, Unit II and Unit III is hereby cancelled, withdrawn and void for all purposes, and all of the Real Property (as hereinafter defined) shall be held, sold and conveyed subject to the provisions of this Declaration.

ARTICLE I. DEFINITIONS.

The following terms shall have the following meanings when used in this Declaration:

1.01 Association. "Association" shall mean University Heights Association, a Nevada non-profit corporation, and its successors and assigns.

1.02 Association Property. "Association Property" shall mean all real and personal property owned by or leased to the Association, including without limitation, the Streets.

1.03 Board. "Board" shall mean the Board of Directors of the Association.

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1.04 Committee. "Committee" shall mean the Ridgeland Architectural Committee established pursuant to Article 7.

1.05 Common Area. "Common Area" shall mean any portion of the Real Property which is designated as Common Area on a Recorded Subdivision map for any portion of the Real Property and is owned by the Association (including, without limitation, the Streets) and all improvements thereon.

1.06 Declarant. "Declarant" shall mean San Marino Services, Inc., a California corporation, its successors and assigns. Under no circumstances shall Skyway be deemed to be the Declarant hereunder.

1.07 Declaration. "Declaration" shall mean this Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivision, as the same may be amended from time to time.

1.08 Guest. "Guest" shall mean any employee, tenant, guest (whether or not for hire) or invitee of an Owner, including transient guests and any person or entity who has acquired any title or interest less than fee simple title or interest in such Owner's Lot, by, through or under an Owner, including a lessee, licensee and any employee, tenant, guest or invitee (whether or not for hire) of any such person or entity.

1.09 Lot. "Lot" shall mean any parcel of land shown as a lot (whether or not improved) upon a recorded subdivision map for any portion of the Real Property, other than lots which are shown as Common Area.

1.10 Member. "Member" shall mean any person who is a member of the Association pursuant to Article 2.

1.11 Owner. "Owner" shall mean the person or persons or entity or entities, including Declarant, who own fee simple title to any Lot, other than the Association.

1.12 Real Property. "Real Property" shall mean the land described on Exhibit A hereto (as expanded pursuant to Article 10), together with all rights and interests appurtenant thereto.

1.13 Record. "Record", "Recorded", "Recording", and "Recordation" shall mean with respect to any document the recordation or filing of such document in the Office of the County Recorder, Washoe County, Nevada.

1.14 Rules and Regulations. "Rules and Regulations" shall mean the rules and regulations adopted by the Board, as such rules and regulations may be amended from time to time.

1.15 Streets. "Streets" shall mean parcels designated for road purposes which are not public roads.

ARTICLE 2. THE ASSOCIATION.

2.01 General Purposes and Powers. University Heights Association has been incorporated as the Association to which reference is made in this Declaration. Upon dissolution of the Association, the assets of the Association shall be disposed of as set forth in its Articles of Incorporation or By-Laws.

2.02 Membership. Each Owner, by virtue of being an Owner and only for so long as an Owner, shall be a Member of the Association.

2.03 Board of Directors. The affairs of the Association shall be managed by the Board which may by resolution delegate any portion of its authority permitted by law to an Executive Committee composed of not fewer than three (3) Directors. All members of the Board shall be elected annually. The number and qualifications of Directors shall be as provided in the Articles of Incorporation and By-Laws of the Association.

2.04 Voting Rights. Members shall have the following voting rights in the Association:

2.04.1 Class A Voting Rights. Each Owner shall have Class A voting rights and shall have one vote for each Lot owned by such Owner; provided, however, that Declarant shall not have Class A voting rights until the date specified in Section 2.04.2. In the event a Lot is owned by multiple Owners, the multiple Owners shall, prior to each meeting of Owners, provide the Association with a written statement, signed by all such multiple Owners, indicating how the vote assigned to the Lot owned by such multiple Owners is to be divided among such multiple Owners; provided, however, that in the event that the Association does not receive such a statement prior to any such meeting, the vote for such Lot shall be apportioned equally among the Owners of such Lot present at such meeting.

2.04.2 Class B Voting Rights. Declarant shall have Class B voting rights and shall have three votes for each Lot it owns, until the date which is the earlier of (a) the date on which the total Class A votes then existing equal the total Class B votes then existing, or (b) December 31, 1995. After such date, Declarant shall have Class A voting rights and shall have only one vote for each Lot it owns and Class B voting rights shall forever cease to exist. In all other respects there shall be no difference between Class A and Class B voting rights.

2.04.3 Voting for Directors. At any election of the Board, every Member entitled to vote shall have only one vote. Such vote shall be by secret written ballot.

2.04.4 Transfer of Voting Rights. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of fee interest in any Lot to a new Owner or Owners shall operate to transfer the appurtenant voting rights without the requirement of any express reference thereto.

2.04.5 Proxies. Every Member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by written proxy executed by such person or her or his duly authorized agent; provided, however, that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the Member executing it specifies therein the length of time for

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which such proxy is to continue in force; provided, however, that the maximum term of any proxy shall be three (3) years from the date of execution.

2.04.6 Actions. If a quorum is present, the affirmative vote on any matter of the majority of the votes represented at the meeting (or, in the case of elections in which there are more than two candidates, a plurality of the votes cast) shall be the act of the Members, unless the vote of a greater number is required by law, by the Articles of Incorporation or By-Laws of the Association, or by this Declaration.

2.05 Meetings. Meetings of the Members shall be held as follows:

2.05.1 Regular Meetings. Regular meetings of Members shall be held at least once each calendar year, at a time and place prescribed by the By-Laws of the Association.

2.05.2 Special Meetings. A special meeting of the Members shall be called by the Board upon the vote of a majority of the members of the Board, or upon receipt of written request therefor by Members representing ten percent (10%) or more of the voting power of the Association.

2.05.3 First Meeting. The first meeting of the Members shall be held no later than the date six (6) months after the issuance of the first certificate of occupancy for a house on a lot. At such first meeting, all positions on the Board shall be filled by persons elected by the Members.

2.05.4 Place of Meetings. Meetings of the Members shall be held within the Real Property or as close thereto as possible. Such meetings shall not be held outside of Washoe County, Nevada, unless the Board determines that unusual conditions exist that make a meeting elsewhere desirable.

2.06 Notices. Each Member shall be entitled to notice of any meeting. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting that is known to the Board at the time notice of the meeting is given; provided, however, that no business shall be conducted at a special meeting unless it is specified in such notice. Such notices shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting, except in such cases as are determined by the Board to be emergency situations. Any notice shall be deemed given and any budget or other information or material shall be deemed furnished or delivered to a party if sent in accordance with the provisions of Section 12.15 hereof.

2.07 Record Date. The Board shall have the power to fix in advance a date as a record date for the purpose of determining Members entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or material, or in order to make a determination of Members for any purpose.

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Notwithstanding any provisions hereof to the contrary, the Members of record on any such record date shall be deemed the Members for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice, information or material with respect to the same matter and for any adjournment of the same meeting. A record date shall not be more than ninety (90) days nor less than ten (10) days prior to the date on which the particular action requiring determination of Members is proposed or expected to be taken or to occur.

2.08 Quorums. The presence of Members who hold votes equal to twenty-five percent (25%) of the total voting power of the Association, in person or by proxy, at a meeting to consider a matter shall constitute a quorum for consideration of that matter. The Members present at a duly called meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If any action taken, other than adjournment, is approved by at least a majority of the Members required to constitute a quorum, unless a greater vote is required by law, by the Articles of Incorporation or By-Laws of the Association, or by this Declaration.

2.09 Consent of Absentees. The proceedings and transactions of any meeting of Members, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the Members not present in person or by proxy signs a written waiver of notice, a consent to the holding of such meeting or an approval of the minutes thereof. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of Members need be specified in any written waiver of notice. All such waivers, consents or approvals shall be filed with the Association records or made a part of the minutes of the meeting.

Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by law to be included in the notice but not so included, if such objection is expressly made at the meeting.

2.10 Action Without Meeting. Any action which may be taken at any annual or special meeting of the Members may be taken without a meeting and without prior notice, if authorized by a written consent setting forth the action so taken, signed by Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members were present and voted, and filed with the Secretary of the Association; provided, however, that directors may not be elected by written consent. Any Member giving a written consent, or such Member's proxyholder, may revoke any such consent by a writing received by the Association prior to the time that written consents of the number of Members required to authorize the proposed action have been filed with the Secretary of the Association, but may not do so thereafter. Such revocation shall be effective upon its receipt by the Secretary of the Association.

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Unless the consents of all Members have been solicited in writing and have been received, prompt notice shall be given, in the same manner as for annual meetings of Members, to those Members who have not consented in writing, of the taking of any Association action approved by Members without a meeting. Such notice shall be given at least ten (10) days before the consummation of the action authorized by such approval with respect to the following:

(a) Approval of any reorganization of the Association;

(b) A proposal to approve a contract or other transaction between the Association and one or more directors, or any corporation, firm or association in which one or more directors has a material financial interest; or

(c) Approval required by law of the indemnification of any person.

2.11 Adjourned Meetings and Notice Thereof. Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by a vote of a majority of the Members present either in person or by proxy thereat, but in the absence of a quorum, no other business may be transacted at any such meeting except as provided in Section 2.08 hereof. An adjournment of any Members' meeting, either annual or special, for lack of a quorum by those in attendance shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date, and the time and place of the adjourned meeting shall be announced at the meeting at which the adjournment is taken. When any Members' meeting, either annual or special, is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given to each Member as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, and at the adjourned meeting the Members may transact any business that might have been transacted at the original meeting.

2.12 Articles and By-Laws. The purposes and powers of the Association and the rights and obligations with respect to Owners as Members of the Association set forth in this Declaration may and shall be amplified by provisions of the Articles of Incorporation and By-Laws of the Association, including any reasonable provisions with respect to corporate matters, but in the event that any such provision may be, at any time, inconsistent with any provision of this Declaration, the provisions of this Declaration shall govern.

2.13 Notification of Association. Each Owner shall within ten (10) days of any sale, transfer or conveyance of the fee interest in her or his lot notify the Association of such sale, transfer or conveyance.

ARTICLE 3. RIGHTS AND OBLIGATIONS
OF THE ASSOCIATION.

3.01 Attorney-in-Fact for Owners. The Association is hereby irrevocably appointed attorney-in-fact for the Owners and each of them to manage, control and deal with the streets and the

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Common Area. The acceptance by any person or entity of any interest in any Lot shall constitute an appointment of the Association as such person's or entity's attorney-in-fact as herein provided.

3.02 Maintenance of Association Property. The Association shall be obligated to provide for the care, operation, management, maintenance, repair and replacement of Association Property. Without limiting the generality of the foregoing, such obligation shall include keeping Association Property in good, clean, attractive and sanitary condition, order and repair; repairing wind and other damage caused by the elements; removing any debris or materials to prevent obstruction of access to each Lot; taking such actions as are necessary or appropriate to keep Association Property in compliance with any applicable fire protection requirements; keeping Association Property safe, attractive and maintained in a manner desirable for a residential community; and making necessary or desirable alterations, additions, betterments or improvements to or on Association Property. The Association shall also be responsible for maintenance, repair and replacement of all sewer and storm drainage lines serving the Real Property and not owned by any governmental entity.

3.03 Association Functions. The Association may, but is not obligated to, undertake or contract for any lawful activity, function or service for the benefit of the Owners. The Association shall obtain from any governmental authority any licenses necessary or appropriate to carry out its functions hereunder.

The activities, functions or services undertaken or contracted for by the Association may include, without limitation: the providing of police or similar security services; the providing of legal and accounting services necessary or desirable in connection with the operation of the Association or the enforcement of this Declaration; the providing of utility services and garbage and trash collection and disposal for each Lot and area in the Real Property; the providing of sewer and water service and other common services; the providing of vegetation clearing and other fire suppression services; the granting or conveying of easements or rights of way over, across, along or under any real property of the Association; and the enforcement of all rights granted to the Association in any lease, easement or other instrument.

In addition to the assessments described in Article 5, all costs and expenses of activities, functions or services undertaken by the Association for the benefit of and at the request of fewer than all of the Owners shall be assessed to the Owners benefitted thereby, and such assessments shall be enforced in accordance with the provisions of Article 5.

3.04 Labor and Services. The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent it deems advisable, as well as the services of such other personnel as the Association shall determine to be necessary or desirable for the proper operation of Association Property or the Association, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts.

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3.05 Rules and Regulations. The Association or any person or entity contracted with by the Association to manage the Project may make and enforce reasonable and uniformly applied Rules and Regulations governing the use of Lots and of Association Property. Such Rules and Regulations may, without limitation: (i) regulate use and enjoyment of Association Property; (ii) regulate the burning of open fires and the vegetation clearing and other fire protection actions to be taken by Owners with respect to their Lots; (iii) regulate the use and parking of motor vehicles within the Property; (iv) prohibit noxious or offensive activities, nuisances, unsafe or hazardous activities or construction, emission of loud sounds or offensive odors and unsightliness; and (v) regulate the use of Association Property by Owners and their Guests.

The Association shall furnish each Owner with a written copy of each such Rule or Regulation, but failure to furnish such copy shall not be deemed to invalidate such Rules or Regulations to any extent.

The Rules and Regulations adopted in accordance with the provisions of this Section 3.05 shall not differentiate between Owners and Guests with respect to the use of the Lots and Association Property. No Guest of an Owner shall violate the provisions of this Declaration or of the Rules and Regulations, and violations of the provisions of this Declaration or of the Rules and Regulations by any Guest of an Owner shall be treated as a violation by such Owner.

3.06 Enforcement by Association. The Association shall have the right to enforce any of the Rules and Regulations and the obligations of any Owner under this Declaration or any provision of its Articles of Incorporation or By-Laws by assessing a reasonable fine against such Owner and/or suspending the right of such Owner to use Association Property and/or suspending the right of such Owner to vote at meetings of the Association; provided that such use and/or voting suspension may not be imposed for a period longer than thirty (30) days per violation; and provided further that if any such violation continues for a period of ten (10) days after notice of such violation has been given to such Owner, such continuing violation shall be deemed to be a new violation and shall be subject to the imposition of new penalties. If any such fine imposed on an Owner by the Association is not paid by said Owner within sixty (60) days after said Owner has received from the Association written notice of the imposition of such fine, then the amount of such fine shall be added to the amount of the regular Assessment charged to said Owner and shall be enforceable as an Assessment in accordance with Article 5. No penalty may be imposed under this Section until the Owner accused of any such violation has been afforded the following procedural safeguards:

(a) A written statement of the alleged violations shall be provided to any Member against whom such charges are made and such written statement shall provide a date on which the charges shall be heard;

(b) No proceedings under this Section 3.06 shall be brought against any Member unless such Member shall have received a written statement of charges at least thirty (30) days prior to that hearing;

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(c) No proceedings shall be brought against any Member more than sixty (60) days after such Member is provided a written statement of charges:

(d) The Board shall appoint a panel of three (3) capable persons (one of whom shall be designated a chairperson) who may or may not be Members and who shall hear the charges and evaluate the evidence of the alleged violation:

(e) At such hearing the Member so charged shall have the right to present oral and written evidence and to confront and cross-examine adverse witnesses; and

(f) The panel shall deliver to the Member so charged within seven (7) days after the hearing a written decision which specifies the fines or penalties levied, if any, and the reasons therefor.

The decision of the panel may be appealed to the Board by the Member within seven (7) days after the decision of the panel is rendered. On appeal, the Board shall conduct a hearing at which the Member may present evidence and confront and cross-examine adverse witnesses. The decision of the Board shall be final.

In the event that a Member shall correct an alleged violation prior to the hearing date, the Board shall discontinue the proceedings. The Association may also take judicial action against any Owner to enforce compliance with the Rules and Regulations or any other obligations or to obtain damages for noncompliance, all to the extent permitted by law.

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3.07 Dedication of Land. The Association may dedicate, transfer or grant easements in any part of any real property owned by it to any public agency, authority or utility if such dedication, transfer or easement is necessary for the proper operation of the Real Property.

3.08 Property Taxes. The Association shall pay all property taxes and assessments levied on any portion of Association Property. The Association may, in connection with any legal proceedings conducted in good faith and with due diligence, the amount, validity or application of any such taxes or assessments.

3.09 Right of Entry on Lots. The Association shall have the right, upon not less than twenty-four (24) hours' prior written notice, to enter upon any Lot for the purpose of enforcing this Declaration. Notwithstanding any provision of this Declaration to the contrary, the Association may enter upon any Lot for the purpose of causing compliance with any vegetation clearing or other fire protection regulations imposed by law or by this Declaration with respect to such Lot in the event the Owner fails or refuses to comply with such regulations after written request to do so by the Association. Any amount incurred by the Association in causing such compliance shall be collected by the Association from the Owner of such Lot, and such amount shall be secured by a lien on such Lot in accordance with the provisions of Article 5.

1.10 Implied Rights. The Association shall have and may exercise any right or privilege given to it expressly by this Declaration, or reasonably to be implied from the provisions of this Declaration, or given or implied by law, or which may be necessary or desirable to fulfill its duties, obligations, rights or privileges.

1.11 Reconveyance of Common Area. In the event that any portion of the Common Area is approved by the City of Reno for division into subdivided residential lots, the Association shall convey such portion of the Common Area to Declarant, without compensation, promptly upon receiving notice of such approval.

ARTICLE 4. COMMON AREAS AND EASEMENTS.

4.01 Title to and Use of Streets and Common Area. Declarant shall convey to the Association fee simple title to the Streets and Common Area, free and clear of all encumbrances and liens except those imposed by the City of Reno as conditions of approval of the subdivision of the Real Property by Declarant, and subject to the provisions of this Declaration, prior to the conveyance of the first Lot to a member of the public. Such conveyance shall provide that every Owner shall have a nonexclusive right and easement to use the Streets for pedestrian and vehicular traffic, and to use the Common Area for all appropriate purposes, and may delegate such rights and easements to such Owner's Guests, subject to the Rules and Regulations.

The Association shall have the right to offer, dedicate and transfer any or all of the Streets to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association consistent with the provisions of this Declaration; provided, however, that no such dedication or transfer shall be effective unless such dedication or transfer has been approved by the Board and by Members representing fifty-one percent (51%) or more of the voting power of the Association, and an instrument to such effect signed by the Secretary of the Association has been Recorded agreeing to such dedication or transfer.

4.02 Rights in Association Property. The rights of Owners and their Guests to use Association Property shall be subject to this Declaration and to the Rules and Regulations.

No Owner or Guest shall do anything or cause anything to be kept in or on Association Property that might result in an increase in the insurance premiums of insurance obtained by the Association or that might cause cancellation of such insurance, without the prior written consent of the Association. No Owner or Guest shall do anything or keep anything in or on Association Property that would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

No Owner or Guest shall obstruct, damage or commit waste to any Association Property. No Owner or Guest shall change, alter or repair, or store anything in or on, any Association Property, without the prior written consent of the Association.

4.03 Loss or Damage to Association Property. If, due to the act or neglect of an Owner or such Owner's Guest, loss or

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damage shall be caused to any Association Property, such Owner shall be liable and responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the Association and the insurer has waived its rights of subrogation against such Owner. The amount of such loss or damage may be collected by the Association from such Owner, and such amount shall be secured by a lien on the Lot of any such Owner in accordance with the provisions of Article 5.

4.04 Easements for Repair, Maintenance and Emergencies. The Association shall have an easement for access through each Lot for making emergency repairs thereon necessary to prevent damage to Association Property or to another Lot. Nothing herein shall be deemed to obligate the Association to make any such emergency repairs.

4.05 Negligence or Willful Misconduct. Any damage to any Lot caused by the gross negligence or willful misconduct of the Association or any of its agents during any entry onto any Lot shall be repaired by and at the expense of the Association.

4.06 Flowage Easement. Lots situated on higher elevations shall have a flowage easement over adjacent Lots having a lower elevation for the drainage of surface runoff of rainfall or other surface waters. The grade along or close to any side Lot line of the Lot situated on the higher elevation shall not be altered nor shall any structure or improvement be placed along or close to any Lot line of the higher elevation Lot so as to unduly concentrate the flow of surface waters or locate such flow in a manner that will be hazardous to the life or cause substantial damage to the property of the Owner of the Lot situated on the lower elevation, except following the Recordation in the Office of the County Recorder of Washoe County, Nevada of an appropriate document evidencing the approval of the Owner of the lower Lot. No structure or improvement shall be erected, made or maintained on the Lot situated on the lower elevation that will alter or change the drainage pattern of such lower Lot in a manner hazardous or detrimental to the Lot situated on the higher elevation, except following the Recordation in the Office of the County Recorder of Washoe County, Nevada of an appropriate document evidencing the approval of the Owner of the higher Lot.

4.07 Reservation of Construction Easement. Declarant reserves for a period of fifteen (15) years after the date of this Declaration an easement over the Real Property for the completion of construction of improvements thereon, including, without limitation, the Streets and Improvements on the Common Area.

ARTICLE 5. ASSESSMENTS.

5.01 Assessments. Each Owner (or, in the event of multiple Owners of the same Lot, such multiple Owners jointly and severally) shall be obligated to pay to the Association amounts as hereinafter provided for each Lot owned by such Owner or Owners, which amounts are herein called "Assessments." Assessments shall be classified as either "Regular" or "Supplementary" Assessments.

Subject to the provisions hereof, the Board shall have the power and authority to determine all matters in connection with Assessments, including, without limitation, power and authority to determine where, when and how Assessments shall be

paid to the Association, and each Owner shall comply with all such determinations.

5.02 Fiscal Year and Determination of Budgets. The fiscal year of the Association shall be the calendar year. No later than sixty (60) days prior to the commencement of each fiscal year or partial fiscal year, the Board shall determine the budget for the Association for such fiscal year or partial fiscal year, in the following manner:

5.02.1 Operating Budget. The Board shall prepare or cause to be prepared and approve an Operating Budget for the fiscal year or partial fiscal year showing, in reasonable detail, the estimated operating costs and expenses that will be payable in such fiscal year or partial fiscal year to fulfill the regular operating functions and obligations of the Association in such fiscal year or partial fiscal year, including amounts necessary to cover obligations made in connection with, or contemplated under, any previously approved budgets, plus an amount sufficient to provide a reasonable carry-over reserve for the next fiscal year.

5.02.2 Capital Replacement Reserve. The Board shall also determine the amount to be set aside in a special fund allocated for any periodic maintenance and replacement of the Project which could not ordinarily be undertaken within the parameters of the Operating Budget.

Upon determination of the budget for a fiscal year or partial fiscal year, the Board shall furnish a copy of the budget to each Owner, which budget shall separately identify amounts attributable to the Operating Budget and to the Capital Replacement Reserve fund.

5.03 Regular Assessments. The amount to be raised by Regular Assessments during a fiscal year or partial fiscal year shall be equal to (i) the Operating Budget for such period, plus (ii) the Capital Replacement Reserve for such period, if any, less (iii) any anticipated surplus attributable to the Operating Budget collected but not disbursed in the immediately preceding fiscal year or partial fiscal year; provided, however, that in lieu of such subtraction the Association may elect to refund to the Owners said anticipated surplus.

If the Board fails to determine or cause to be determined the total amount to be raised by Regular Assessments in any fiscal year or partial fiscal year, and/or fails to notify the Owners of the amount of such Regular Assessments for any fiscal year, then the amounts of Regular Assessments shall be deemed to be the amounts assessed in the previous fiscal year.

Except as emergencies may require, the Association shall make no commitments or expenditures in excess of the funds reasonably expected to be available to the Association.

5.04 First Assessments. Prior to the conveyance by Declarant of the first Lot to be sold to a member of the public, the Board shall estimate the costs and expenses to be incurred by the Association from the time of the sale by Declarant of the first Lot until the commencement of the first full fiscal year. The estimate shall be assessed to each Owner as provided in

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Section 5.06 as a Regular Assessment as of the date of the sale by Declarant of the first Lot. All costs and expenses incurred prior to such sale shall be the sole responsibility of Declarant.

5.05 Supplementary Assessments. In addition to Regular Assessments, the Association may levy Supplementary Assessments, payable over such period as the Association may determine: (i) for the purpose of defraying, in whole or in part, to the extent the amounts in the Capital Replacement Reserve fund are insufficient therefor, the cost of any construction or reconstruction, maintenance, repair or replacement of improvements or any part thereof; (ii) for the purpose of defraying any other expense incurred or to be incurred as provided in this Declaration; or (iii) to cover any deficiency, in the event that, for whatever reason, the amount received by the Association from Regular Assessments is less than the amount determined to be necessary and assessed by the Board. Supplementary Assessments in the aggregate in excess of five percent (5%) of the budgeted gross expenses of the Association for a fiscal year may not be levied without the prior approval by vote or written assent of seventy-five percent (75%) or more of all of each class of the voting power of the Association present at a duly noticed meeting held for the purpose of setting such Supplementary Assessment.

5.06 Apportionment of Assessments. The amount of the Regular or Supplementary Assessment for any fiscal period payable by the Owner of a Lot for each Lot owned by such Owner shall be determined by dividing the total amount to be raised by such Assessment by the number of Lots which are subject to this Declaration.

5.07 Accounting. All funds collected by the Association shall be promptly deposited in a commercial bank account and/or in one or more savings and loan or money market accounts in an institution or institutions to be selected by the Board. No withdrawals shall be made from said accounts except to pay the obligations of the Association. The Board shall maintain complete and accurate books and records of its income and expenses on the accrual basis in accordance with generally accepted accounting principles consistently applied and shall file such tax returns and other reports as shall be required by any governmental entity.

5.08 Time for Payments. The amount of any Assessment, charge, fine, penalty or other amount payable with respect to any Owner or such Owner's Guests or Lot shall become due and payable as specified by the Board but, if no date is specified, then thirty (30) days after any notice of the amount due as such Assessment, charge, fine, penalty or other amount shall have been given by the Association to such Owner, and any such amount shall bear interest at a rate specified by the Board but in no event greater than the maximum amount permitted by law from the date due and payable until paid.

5.09 Lien for Assessments and Other Amounts. The obligation to pay Assessments and other amounts provided herein shall be secured by each Lot which is subject to this Declaration, and the Association shall have the right to collect and enforce the collection of each Assessment or other amount as provided herein. If an Owner does not pay in full any Assessment, charge, fine, penalty or other amount or any installment thereof or any interest accrued thereon when due, the Owner shall be deemed to be

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in default and, upon Recording a notice of default signed by an officer of the Association describing the Lot owned by the defaulting Owner, the Association shall have a lien against such Lot to secure payment of any such Assessment, charge, fine, penalty or other amount due and owing to the Association with respect to the Owner or with respect to such Owner's Guest or Lot, plus interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount (including reasonable attorneys' fees). The Association shall Record such notice of default within sixty (60) days following the occurrence of such default, and shall commence proceedings to enforce such lien within six (6) months following such Recordation. The lien may be foreclosed in the manner for foreclosure of mortgages or deeds of trust in the State of Nevada. The foregoing remedies shall be in addition to any other remedies provided by law for the enforcement of such obligations. Upon the payment in full or other satisfaction of such Assessment, charge, fine, penalty or other amount, the Association shall Record a further notice stating the satisfaction and the release of the lien thereof.

5.10 Estoppel Certificate. Upon a payment of a reasonable fee and upon written request of any Owner the Association shall furnish a written statement setting forth the amount of Assessment, charges, fines or penalties, if any, due or accrued and then unpaid with respect to the Owner, the Lot owned by such Owner and such Owner's Guests, and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Lot owned by such Owner, which statement shall, with respect to the party to whom it is issued, be conclusive against the Association that no greater or other amounts were then due or accrued and unpaid.

5.11 Liability of Owners and Purchasers. The amount of any Assessment, charge, fine or penalty owing to the Association by any Owner under this Declaration shall be a joint and several obligation to the Association of such Owner and such Owner's heirs, personal representatives, successors and assigns. Each such amount, together with interest thereof, may be recovered by suit for a money judgment by the Association without foreclosing or waiving any lien securing the same.

5.12 Financial Statements. In addition to budgets, the Association shall distribute to its members within one hundred twenty (120) days after the last day of each fiscal year, a balance sheet as of the last day of such year, an operating (income) statement for such year, a statement of changes in financial position for such year. Such financial statements need not be audited by an independent public accountant unless the holder, insurer or guarantor of a first lien on any Lot requests that an audited statement be prepared, but shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

5.13 Inspection of Books and Records. The membership register, books of account, and minutes of meetings of the Members, of the Board and of committees of the Board, shall be made available for inspection and copying by any Member, or by her or his duly appointed representative, or by any holder, insurer or guarantor of a first lien on any Lot, at any reasonable time and for a purpose reasonably related to her or his interest as a

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Member, at the office of the Association or at such other place within the Real Property as the Board shall prescribe. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Member desiring to make the inspection, hours and days of the week when such an inspection may be made, and payment of the cost of reproducing copies of documents requested by a Member. Every Member of the Board shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a member of the Board includes the right to make extracts and copies of documents.

ARTICLE 6. RESTRICTIONS ON USE OF LOTS.

6.01 Residential Uses. All Lots shall be used only for single-family residential use (as defined in applicable zoning ordinances) except in those portions of the Real Property, if any, in which multi-family residential use is permitted by all applicable local ordinances. The only buildings that may be constructed on any such residential Lot are a single-family dwelling containing at least One Thousand (1,000) square feet, plus accessory buildings and a garage (whether or not attached to the dwelling structure).

No used buildings constructed or erected upon other real property shall be moved from other locations onto any Lot. Neither trailers nor mobile homes shall be permitted on any Lot unless housed in an enclosed structure. No structures of a temporary character, trailers, basements, tents, snacks, garages, barns or other outbuildings shall be used on any Lot at any time as a residence either temporarily or permanently. All temporary structures on any Lot during construction of a residence must be approved by the Committee and must be removed when construction is completed.

No auctions or similar events shall be conducted on any Lot.

6.02 Open Space. Notwithstanding any provision of this Declaration to the contrary, any portion of a Lot designated specifically in a recorded map for use only for open space retained in accordance with the natural environment of the Real Property, shall be used by the Owners thereof only for such purposes.

6.03 Excavation. No excavation shall be made on any Lot except in connection with construction of an improvement on such Lot, and upon completion thereof any exposed opening shall be back-filled and disturbed ground shall be compacted, graded and levelled in such a manner that the drainage over the disturbed ground shall be the same as it was prior to such excavation. All excavation shall be performed in accordance with plans approved by the Committee.

6.04 Fences. No fence, hedge, wall or other dividing structure higher than six (6) feet above the surface of the ground shall be permitted on any Lot except as otherwise provided herein.

6.05 Subdivision. No Lot may be subdivided.

6.06 Noxious Activity. No noxious, offensive or disturbing activity of any kind shall be permitted on any Lot or within any improvement located on any Lot.

6.07 Clearance from Paved Roads. No fire hazardous materials or vegetation (as the same may be determined from time to time by the Association) shall be permitted within fifteen (15) feet of any paved road or driveway on or abutting any Lot.

6.08 No Imperiling of Insurance. No Owner and no Owner's Guests shall do anything or cause anything to be kept in or on the Real Property that might result in an increase in the insurance premiums of insurance obtained for the Project or that might cause cancellation of such insurance, without the prior written consent of the Association.

6.09 Restriction on Signs. No signs or advertising devices of any nature shall be erected or maintained on any part of the Real Property, except signs in or on a Lot of a customary and reasonable dimension, advertising the sale or lease of such Lot, without the prior written consent of the Association. The Association shall permit the placing of signs of reasonable size and dignified form to identify the Real Property and the Lots therein. The Association shall also permit the placing of any sign required to be placed on the Real Property by any governmental body. Nothing contained herein shall prohibit or restrict in any way Declarant's right to construct such promotional signs or other sales aids on or about any portion of the Real Property that it shall deem reasonably necessary in connection with its sale of Lots.

6.10 Restriction on Animals. No live animals, reptiles, birds (other than birds which are kept within a residence) or insects shall be kept on any part of the Real Property without the prior written consent of the Association, except that an Owner may keep such numbers of dogs or cats as household pets on each Lot owned by such Owner as are in compliance with applicable zoning.

6.11 Disturbance of Other Lots. No use of any Lot or of any improvement located on any Lot shall annoy or adversely affect the use, value, occupation and enjoyment of any neighboring Lot or the Real Property.

ARTICLE 7. ARCHITECTURAL COMMITTEE.

7.01 Creation. The Ridgeland Architectural Committee is hereby created with all of the rights, powers, privileges and duties herein set forth. The Committee shall consist of three (3) members.

7.02 Term. Each member shall hold office for a period of three (3) years and until her or his successor has been duly appointed as herein set forth unless she or he has sooner resigned or been removed.

7.03 Appointment. Declarant shall have the sole right to appoint and remove the members of the Committee until the date on which ninety percent (90%) of the Lots are owned by Owners other than Declarant. Thereafter, the Board shall have the sole right to appoint and remove the members. Declarant may, at any time and from time to time, assign such right to appoint members of the Committee to the Board.

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Members of the Committee appointed by the Board shall be from the membership of the Association. Members of the Committee appointed by Declarant need not be Members of the Association.

7.04 Removal and Resignation. Any Committee member appointed by Declarant may be removed by Declarant with or without cause. Any Committee member appointed by the Board may be removed by the Board with or without cause. Any Committee member may resign by submitting a written notice to the Board stating the effective date of her or his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

7.05 Committee Functions. The functions of the Committee, in addition to any functions set forth elsewhere in this Declaration, shall be to consider and approve or disapprove any plans, specifications or other material submitted to it for the erection, construction, installation, alteration, placement or maintenance of any buildings or other improvements on Lots, or for the alteration or remodeling of, or construction of additions to, any then existing structures on Lots; to adopt Committee rules as provided in this Article 7; and to perform such other duties as may, from time to time, be delegated to it by the Association. The Committee shall meet from time to time as necessary to adequately perform its duties hereunder, and the Committee's action on matters shall be by majority vote of the Committee. Any action required to be taken by the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Committee members. The Committee shall keep and maintain a record of all actions taken by it.

7.06 Review of Plans. The Committee may, by the enactment of appropriate rules, specify the procedures for the submission and approval of said plans, specifications and other material; provided, however, that the Committee's approval or disapproval of any such plans, specifications and other materials shall be given in writing within a reasonable time, as specified in such rules, after submission of said plans, specifications and other materials. If the Committee shall disapprove of any such plans, specifications and other materials, it shall send notice of its disapproval to the person or persons applying for said approval at the address set forth in the application therefor within a reasonable time. If notice of disapproval is not so sent within the time specified in the Committee rules, the plans, specifications and other materials submitted shall be deemed to have been approved by the Committee.

7.07 Requirements for Plans. All plans and specifications for any new building or other improvement shall be prepared by an architect and shall include, without limitation, floor, elevation, plot and grading plans; specifications for the principal exterior materials; description (together with, if practicable, samples) of color schemes; landscaping plans; provisions to be made for automobile parking; outside lighting plans, if any; and a detailed description of the location, character and method of utilization of all utilities. The plans and specifications for any alteration, modification or addition to the exterior of any existing building or improvement including, without limitation, alterations such as exterior painting (except for repainting with the same color paint) and changes in or

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addition of fencing, shall contain the same information with respect to such work as is required for any new building or other improvement, except that plans for nonstructural alterations, modifications or additions need not be prepared by an architect. After approval of any plans, specifications and other materials, the Committee shall, upon written request from the Owner, provide said Owner with a statement of approval in a form appropriate for Recordation.

7.08 Standards of Review. The Committee shall, in reviewing plans, specifications and other materials submitted to it, consider the suitability of the proposed building or other improvement for the area in which it will be located; the quality of the materials to be used in construction; and the effect of the proposed building or other improvement on the Real Property.

7.09 Prosecution of Work After Approval. After approval by the Committee of any plans, specifications or other materials, the construction, alteration or other work described in such plans, specifications or other materials shall be performed as promptly and diligently as possible and in complete conformity with said plans, specifications or other materials. Failure to accomplish such construction, alteration or other work within one (1) year after the date of approval or to complete the proposed work strictly in accordance with said plans, specifications or other materials shall operate automatically to revoke the approval by the Committee and, upon demand by the Committee, the Lot upon which such construction, alteration or other work was undertaken shall be restored as nearly as possible to its state existing prior to any such construction, alteration or other work. If such Lot is not so restored the Committee may undertake such restoration and charge the cost thereof to the Owner of said Lot, which cost shall be enforceable as an Assessment in accordance with Article 5 hereof. The Committee and its duly appointed agents may enter upon any Lot at any reasonable time or times to inspect the progress or status of any such construction, alteration or other work. The Committee may record a notice to show that any such work has not been approved or that any approval given has been automatically revoked.

7.10 Fees. The Committee shall have the right to require payment of reasonable fees for review of proposed plans, specifications and other materials.

7.11 Ridgeland Design Rules. The Committee shall adopt rules and regulations (i) regulating construction at the Real Property, including, without limitation, dust and noise abatement requirements, use of temporary construction camps, trailers, construction offices, supply and equipment shelters and screening, hours of construction activity and construction equipment routes, and (ii) interpreting or implementing the provisions of this Declaration pertaining to the design of buildings and other improvements, including, without limitation, building height, minimum square footage requirements for improvements, types of building materials, permissible exterior colors, landscaping, and aesthetic requirements. Said rules and regulations shall be called the "Ridgeland Design Rules." A copy of the Ridgeland Design Rules is from time to time adopted, amended or repealed, certified by a member of the Committee, shall be maintained in the Association office and shall be available for inspection during normal business hours by any Owner or prospective Owner or any architect or agent of any Owner or prospective Owner.

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7.12 Liability of Committee Members. Provided that Committee members act in good faith and with due diligence, neither the Committee nor any member thereof shall be liable to the Association, any Owner or any other person for any damage, loss or prejudice suffered or claimed on account of: the approval or disapproval of any plans, specifications and other materials, whether or not defective; the construction or performance of any work, whether or not pursuant to approved plans, specifications and other materials; the development or manner of development of any land within the Real Property; the execution and Recordation of a form of approval pursuant to Section 7.07, or disapproval pursuant to Section 7.09, whether or not the facts stated therein are correct; or the performance of any other function pursuant to the provisions of this Declaration.

7.13 Professional Advice. The Committee may employ the services of an architect or engineer to render professional advice, and may pay a reasonable compensation for such services which compensation may be charged to any Owner who has submitted plans, specifications or other materials requiring review by such architect or engineer; provided that such compensation may only be charged to such Owner if she or he has been informed in advance that such compensation will be so charged.

7.14 Additional Requirements for Approval of Lot Development. As a condition to Committee approval of any plans, specifications or other materials for construction, the Committee may require the person submitting such plans, specifications or other materials to obtain the approval of governmental agencies or bodies having jurisdiction over the Real Property or improvements thereon.

ARTICLE 8. INSURANCE.

8.01 Insurance Requirements Generally. The Association shall obtain and maintain in full force and effect at all times certain fire, liability and other insurance as hereinafter provided. All such insurance shall be obtained, to the extent possible, from responsible companies duly authorized to do insurance business in the State of Nevada; shall name as insureds the Association, the Board of Directors of the Association, the Association's officers, employees and agents, and, if practicable, the Owners; and shall protect each of the insureds as if each were separately insured under separate policies. Certificates of insurance coverage or copies of insurance policies shall be issued to each Owner and each Mortgagee who makes written request to the Association for any such certificate or copy of an insurance policy. Any insurance policy may contain such deductible provisions as the Board of Directors of the Association deems consistent with good business practice, but not more than the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the policy face amount. The Board shall review all insurance policies annually to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacements.

8.02 Fire and All Risk Insurance. The Association shall obtain and maintain fire and all risk insurance covering loss or damage to Association property by fire and such other hazards as are covered under standard all risk extended coverage policies, with vandalism and malicious mischief endorsements and, if

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available, all risk endorsements, for the full insurable replacement cost of the Association Property.

The Association shall obtain an independent appraisal of the value of Association Property every three (3) years for the purpose of determining the amounts of insurance that may be desirable; provided, however, that said appraisal may be performed by an appraiser employed by an insurance company.

To the extent possible, such fire insurance shall: (i) provide for a waiver of subrogation by the insurer as to claims against Declarant, the Association, its directors, officers, employees and agents, and against each Owner and each Owner's employees and Guests; (ii) provide that the insurance cannot be cancelled, invalidated or suspended on account of the conduct of the Association, its officers, directors, employees and agents or of any Owner or such Owner's employees or Guests; and (iii) provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least ten (10) days prior written notice to the Association.

3.03 Public Liability and Property Damage Insurance.

The Association shall obtain and maintain comprehensive public liability and property damage insurance covering bodily injury, property damage liability and automobile bodily injury and property damage liability of the Association, its officers, directors, employees and agents and of each Owner and each Owner's employees and Guests, arising in connection with ownership, operation, maintenance, occupancy or use of the Common Area, with limits of not less than \$1,000,000 for each occurrence involving bodily injury liability and/or property damage liability. To the extent possible, public liability and property damage insurance shall provide for coverage of any cross liability claims of Owners against the Association or other Owners and of the Association against Owners without right of subrogation.

3.04 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain and maintain worker's compensation and employer's liability insurance as may be necessary to comply with applicable laws.

3.05 Insurance by Owners. Except to the extent coverage therefor may be obtained by the Association and be satisfactory to an Owner, each Owner shall be responsible for obtaining insurance she or he deems desirable, including without limitation insurance covering personal liability of such Owner and such Owner's employees and Guests. Any insurance policy obtained by an Owner shall not diminish or adversely affect or invalidate any insurance or insurance recovery under policies carried by the Association and shall, to the extent possible, contain a waiver of the right of subrogation by the insurer as to any claim against the Association, its officers, directors, agents and employees and against other Owners and their employees and Guests.

3.06 Receipt and Application of Insurance Proceeds. Except as some particular person has a legal right to receive insurance proceeds directly, all insurance proceeds and recoveries shall be paid to and received by the Association. All insurance proceeds or recoveries received by the Association shall be applied by the Association as expressly provided in this Declaration.

8.07 Other Insurance by Association. The Association shall have the power or authority to obtain and maintain other and additional insurance coverage, including without limitation fidelity bonds or insurance covering employees and agents of the Association and insurance indemnifying officers, directors, employees and agents of the Association. The Association shall obtain a fidelity bond for each person who handles or is responsible for Association funds.

8.08 Payment of Premiums. The cost and expense of all insurance obtained by the Association shall be an expense of the Association. In the event that, as a consequence of the hazardous use of any Lot, or of any Owner-installed improvements to any Lot, the premiums of any policy of insurance purchased by the Association are increased, or a special policy is required, the cost of such increase or specific policy shall be payable by the Owner of such Lot.

ARTICLE 9. RESTORATION OR SALE OF THE PROJECT.

9.01 Certain Definitions. As used in this Article 9, the following terms shall have the following definitions:

9.01.1 Available Funds. "Available Funds" shall mean any proceeds of insurance or condemnation awards or payments in lieu of condemnation and any uncommitted income or funds of the Association including funds from the Capital Replacement Reserve fund. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association.

9.01.2 Estimated Costs of Restoration. "Estimated Costs of Restoration" of the Common Area shall mean the estimated costs of Restoration as determined by the Board.

9.01.3 Restoration. "Restoration" of the Common Area shall mean: in the case of any damage or destruction, restoration of the Common Area to a condition the same or substantially the same as the condition in which it existed prior to the damage or destruction; in the case of condemnation, restoration of the remaining portion of the Common Area to an attractive, sound and desirable condition; and in the case of obsolescence, restoration of the Common Area to an attractive, sound and desirable condition.

9.01.4 Restored Value. "Restored Value" of the Common Area shall mean the value of the Common Area after Restoration as determined by the Board.

9.01.5 Substantial and Partial Condemnation. "Substantial Condemnation" shall exist whenever a complete taking of the Common Area has occurred, or a taking of part of the Common Area under eminent domain or by grant or conveyance in lieu of condemnation has occurred, and the excess of the Estimated Costs of Restoration of the Common Area over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Common Area. "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu of eminent domain.

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9.01.5 Substantial and Partial Destruction.
"Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Common Area or any part thereof, the excess of Estimated Costs of Restoration of the Common Area over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Common Area. "Partial Destruction" shall mean any other damage or destruction of the Common Area or any part thereof.

9.01.7 Substantial and Partial Obsolescence.
"Substantial Obsolescence" shall exist whenever the Common Area or any part thereof has reached such a state of obsolescence or disrepair that the excess of Estimated Costs of Restoration of the Common Area over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Common Area. "Partial Obsolescence" shall mean any state of obsolescence or disrepair that does not constitute Substantial Obsolescence.

9.02 Determination by the Board. Upon the occurrence of any damage or destruction to the Common Area or any part thereof, or upon a complete or partial taking of the Common Area under eminent domain or by grant or conveyance in lieu of condemnation, the Board shall make a determination as to whether the excess of Estimated Costs of Restoration of the Common Area over Available Funds is fifty percent (50%) or more of the estimated Restored Value of the Common Area. In addition, the Board shall, from time to time, review the condition of the Common Area to determine whether Substantial Obsolescence exists.

9.03 Restoration of the Common Area. Restoration of the Common Area shall be undertaken by the Association without a vote of the Owners in the event of Partial Destruction, Partial Condemnation or Partial Obsolescence, but in the event of Substantial Destruction, Substantial Condemnation or Substantial Obsolescence shall be undertaken only with the consent of the Owners holding seventy-five percent (75%) or more of each class of the voting power of the Association and the unanimous consent of all First Mortgagees. In the event any insurance proceeds actually received exceed the cost of Restoration when such Restoration is undertaken pursuant to this Article, the excess shall be paid and distributed to all of the Owners based on an equal distribution to each Lot in the Real Property.

9.04 Authority of Association to Restore or Sell. The Association, as attorney-in-fact for each Owner, shall have full power and authority to restore or to sell the Common Area whenever Restoration or sale, as the case may be, is undertaken as provided in this Article 9. Such authority shall include the right and power to enter into any contracts, deeds or other instruments that may be necessary or appropriate for Restoration or sale, as the case may be.

9.05 Payment of Proceeds. All insurance proceeds or proceeds of sale shall be paid to the Association subject to the obligation of the Association to restore the Common Area as provided herein.

9.06 Special Assessments for Restoration. Whenever Restoration is to be undertaken, the Association may levy and collect assessments from each Owner in an equal amount for each

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supplemental Declaration on the public record in the Official Records of Washoe County, Nevada. Any improvements included in any expansion of the Real Property shall be consistent with the initial improvements on the Real Property in terms of quality of construction.

10.05 Reservation of Construction Easement. Declarant reserves for ten (10) years an easement over the Real Property for the completion of construction of improvements on said Real Property, and an easement over the Real Property to the property described on Exhibit B hereto to the extent necessary for the construction of additional buildings and improvements.

ARTICLE 11. ADDITIONAL EASEMENTS.

11.01 General Reservation of Easements. There are hereby specifically reserved for the benefit of the Association, for the Owners in common and for each Owner severally, as their respective interests shall obtain, the easements rights and rights of way set forth in this Article.

11.02 Utility Easements. There is reserved for the benefit of each Lot and the improvement constructed thereon, as dominant tenement, an easement for utility services over, under and through the Real Property and each other Lot, jointly as the servient tenement.

11.03 Encroachments. There is reserved for the benefit of each Lot as dominant tenement, such portion of the Real Property as the servient tenement as shall be encroached upon, used and occupied by the Owner of the dominant tenement as a result of any construction errors, movement or subsidence of a structure or any portion thereof; provided, however, said easement shall not exceed ten (10) feet measured at right angles from any Lot line.

11.04 Reservation by Declarant. Declarant specifically reserves unto itself, its successors and assigns, a perpetual, nonexclusive easement and right of way and public utility as shown on any official map of University Heights for the purpose of constructing, maintaining, repairing, replacing and rebuilding underground pipelines, drains and/or mains for the purpose of conveying gas, water, and sewage over, across and through the Real Property, together with the right to excavate and level ditches and/or trenches for the location of said pipelines, drains and/or mains, provided, however, the Real Property is at all times to be replaced in its original state at the expense of the Declarant, its successors and assigns.

ARTICLE 12. GENERAL PROVISIONS.

12.01 Duration of Declaration. Each of the provisions contained in this Declaration shall run with the land and continue and remain in full force and effect for a period of sixty (60) years beginning as of the date of execution of this Declaration, after which time the term of this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument executed by not less than seventy-five percent (75%) of the voting power of the Association shall be Recorded, cancelling or terminating this Declaration.

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12.02 Amendment. Any provisions contained in this Declaration may be amended or changed by the recording of a written instrument or instruments specifying the amendment or change, executed by Owners who hold not less than seventy-five percent (75%) of the total voting power of the Association; provided, however, that the provisions of Section 12.05 shall not be amended without first obtaining the consent of sixty percent (60%) of the holders of first liens encumbering Lots (with each such holder deemed to have one vote for each first lien held by such holder).

12.03 Effect of Provisions of Declaration. Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right of interest to effectuate any provision of this Declaration: (i) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in the Real Property or in any Lot is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument; (ii) shall, by virtue of acceptance of any right, title or interest in the Real Property or in any Lot by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner; (iii) shall be deemed a real covenant by Declarant for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Real Property and each Lot and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of the Real Property and each Lot; and (iv) shall be deemed a covenant, obligation and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the Real Property and each Lot in favor of the Association.

12.04 Enforcement and Remedies. In addition to any other remedies herein provided, each provision of this Declaration with respect to an Owner or the Lot of an Owner shall be enforceable by the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages. If any court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover from the losing party its costs and expenses in connection therewith, including reasonable attorneys' fees.

12.05 Protection of Encumbrancer.

(a) No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on any Lot taken in good faith and for value and Recorded in the Office of the County Recorder of Washoe County, Nevada prior to the time of Recording in said Office of an instrument describing the Lot and listing the name or names of the Owner or Owners of fee simple title to the Lot and giving notice of such violation, breach or failure to

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comply; nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such mortgage, deed of trust, or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Upon foreclosure of any such mortgage, deed of trust or other lien, no such holder who thereby assumes title to a Lot shall be required to correct past violations hereof with respect to such Lot so long as such Lot is neither occupied nor used for any purpose by such holder but is merely held for prompt resale. The Association, at its sole cost and expense, may correct such past violations. Any such purchaser on foreclosure shall, however, take subject to this Declaration except only that violations or breaches of, or failures to comply with, any provisions of this Declaration that occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, or her or his heirs, personal representatives, successors or assigns.

(b) A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by the individual Lot mortgagor of any obligation hereunder which is not cured within sixty (60) days.

(c) Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned), or Owners (other than the Declarant) have given their prior written approval, the Association shall not be entitled to:

1. by act or omission, seek to abandon or terminate the Lot regime;

2. change the voting rights, pro rata interest or obligations of any Lot for purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

3. partition or subdivide any Lot;

4. by act or omission, seek to abandon, partition, subdivide, encumber, sell, or to transfer, the Common Area except as provided herein. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this clause;

5. change the insurance requirements set forth herein or use hazard insurance proceeds for losses to Common Area for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute or this Declaration in case of substantial loss to the Common Area of the project.

(d) First mortgagees shall have the right to examine the books and the records of the Association.

(e) The Association shall give notice in writing to the Federal Home Loan Mortgage Co. of any loss to or taking

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of the Common Area of the project if such loss, or taking exceeds \$10,000.00.

(f) All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the Lots.

(g) No provision of the University Heights Articles of Incorporation or of this Declaration of Covenants, Conditions and Restrictions for University Heights or of any By-Laws or any similar instruments pertaining to this project shall give an Owner or any other party priority over any rights of first mortgagees of Lots pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Lots and or Common Area.

12.06 Construction. The provisions of this Declaration shall be liberally construed to promote and effectuate the fundamental concepts of the Real Property as set forth in this Declaration, and no provision hereof shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over the Real Property.

12.07 Assignment of Powers. Any and all of the rights and powers vested in Declarant pursuant to this Declaration may be delegated, transferred, assigned, conveyed or released by Declarant to the Association and the Association shall accept the same effective upon the recording by Declarant of a notice of such delegation, transfer, assignment, conveyance or release.

12.08 Non-Avoidance. No Owner through non-use or abandonment of her or his Lot may avoid the burdens or obligations imposed on her or him by this Declaration.

12.09 Limited Liability. Neither Declarant, the Association, the Board of Directors of the Association, nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. The Association shall indemnify every present and former officer and director of the Association against all liabilities incurred as a result of holding such office, to the full extent permitted by law.

12.10 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the Association, each Owner and their respective heirs, personal representatives, successors and assigns.

12.11 Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

12.12 Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provision of this Declaration.

12.13 No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration.

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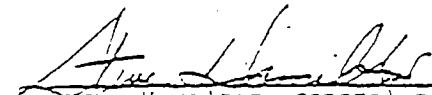
12.14 Further Assurances. The Association and each Owner hereby agree to do such further acts and execute and deliver such further instruments as may reasonably be required to effectuate the intent of this Declaration.

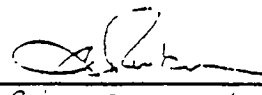
12.15 Notices. Any notice, information or material required to be given hereunder shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the mail or at a telegraph office, postage or charges prepaid, addressed to the party, and in any event, when such party actually receives such notice, information or material. Any notice, information or material shall be deemed properly addressed to an Owner if it is addressed to the name and address shown on the most recent written notice of name and address, if any, furnished to the Association by such Owner or, if a name and address is not so furnished, if it is addressed "To the Owner" at the address of the Lot of such Owner, or at the principal executive office of the Association. Notices, information and material required to be given hereunder to Declarant, the Association or the Board shall be addressed to such entity care of the Association at the main office of the Association at the Real Property.

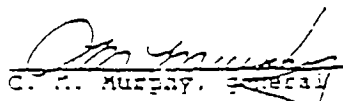
IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year written above.


SKYWAY VIEW SUBDIVISION

SAN MARINO SERVICES, INC.


Steve Hamilton, general partner

BY 
F.L. Rubin, Executive Vice President


C. A. Murphy, general partner

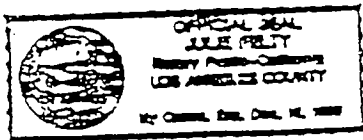
BY 
Ruth D. Connor, Assistant Secretary

B2303P0855

STATE OF California)
COUNTY OF Los Angeles) ss.

on January 17 1995 before me, the undersigned, a
Notary Public in and for said State, personally appeared
Ed Rubin personally known to me or
proved to me on the basis of satisfactory evidence to be the
person who executed the within instrument as the Executive Vice
President, and Ruth A Carter personally known to me or
proved to me on the basis of satisfactory evidence to be the
person who executed the within instrument as the
Assistant Secretary of the Corporation that executed
the within instrument and acknowledged to me that such
corporation executed the within instrument pursuant to its
bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



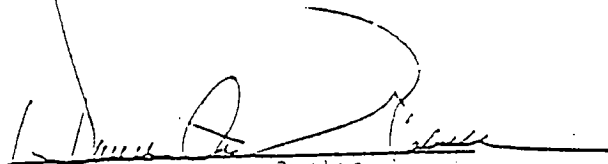
A handwritten signature in black ink, appearing to be "Ed Rubin", written over a horizontal line.

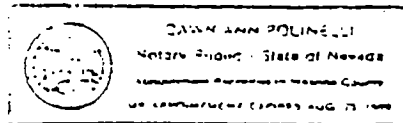
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1056356

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 7th day of March, in the year
1986
1986, before me the undersigned Notary Public in and for said
County and State, personally appeared Steve Hamilton
and C.M. Murphy, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the persons
that executed this instrument, on behalf of the partnership and
acknowledged to me that the partnership executed it.


Notary Public



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UNIVERSITY HEIGHTS

ALL THAT CERTAIN REAL PROPERTY LOCATED IN THE NE 1/4, THE N 1/2 OF THE S/E 1/4, THE N 1/2 OF THE SW 1/4 AND THE E 1/2 OF THE NW 1/4 OF SECTION 35, TOWNSHIP 20 NORTH, RANGE 19 EAST, M.D.B. 6 M. AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1

LOTS 11 THROUGH 20 AND LOTS 30 THROUGH 43 OF UNIVERSITY HEIGHTS, PHASE ONE SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 1972A.

PARCEL 2

LOTS 1 THROUGH 4 OF BLOCK "A" AND LOTS 1 THROUGH 14 OF BLOCK "B" OF UNIVERSITY HEIGHTS, UNIT II, PHASE 1 SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2017 AND 2017A THROUGH H.

PARCEL 3

LOTS 1 THROUGH 14 OF BLOCK "C" OF UNIVERSITY HEIGHTS, UNIT II, PHASE 2, SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2018 AND 2018A THROUGH F.

PARCEL 4

LOTS 1 THROUGH 40 OF BLOCK "D" AND LOTS 1 THROUGH 17 OF BLOCK "E" OF UNIVERSITY HEIGHTS, UNIT II, PHASE 3, SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2019 AND 2019A THROUGH E.

PARCEL 5

LOTS 1 THROUGH 28 OF BLOCK "F" AND LOTS 1 THROUGH 13 OF BLOCK "G" OF UNIVERSITY HEIGHTS, UNIT II, PHASE 4, SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2020 AND 2020A THROUGH G.

PARCEL 6

LOTS 13 THROUGH 17 AND 24 THROUGH 32 OF BLOCK "H," LOTS 1 THROUGH 17 OF BLOCK "I" AND LOTS 1 THROUGH 7 OF BLOCK "J" OF UNIVERSITY HEIGHTS, UNIT II, PHASE 5, SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2021 AND 2021A THROUGH H.

PARCEL 7

LOTS 1 THROUGH 32 OF BLOCK "K" OF UNIVERSITY HEIGHTS, UNIT II, PHASE 6, SUBDIVISION AS SAID LOTS ARE SHOWN ON THE MAP FILED IN THE OFFICE OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2022 AND 2022A THROUGH H.

PARCEL 3

LOTS 1 THROUGH 14 OF BLOCK "L" LOTS 1 THROUGH 23 OF BLOCK "M,"
LOTS 1 THROUGH 3 OF BLOCK "N" AND LOT 1 BLOCK "O" OF UNIVERSITY
HEIGHTS, UNIT II, PHASE 7 VISION AS SAID LOTS ARE SHOWN ON THE MAP
FILED IN TH OF THE WASHOE COUNTY RECORDER ON TRACT MAP 2023 AND
2023A THROUGH H.

PARCEL 9

LOTS 1-12 & 18-23 AND THE COMMON AREA IN BLOCK H OF UNIVERSITY
HEIGHTS, UNIT II, PHASE 5, AS SHOWN ON THE AMENDED MAP THEREOF
FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY,
NEVADA ON APRIL 17, 1984 AS FILE NO. 919297, TRACT MAP NO. 2161,
2161A and 2161B.

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All that real property situate in the City of Reno, County of Washoe, State of Nevada, described as follows:

PARCEL 1:

The NE 1/4 of NE 1/4, and NW 1/4 of NE 1/4, and N 1/2 of NE 1/4 of NW 1/4 of Section 35, Township 20 North, Range 19 East, M.D.S.M.

PARCEL 2:

All that land lying North of the Western Pacific Railroad Main Line Right of Way in the N 1/2 of the SE 1/4, and S 1/2 of NE 1/4, and SE 1/4 of NW 1/4, and NE 1/4 of SW 1/4 of Section 35, Township 20 North, Range 19 East, M.D.S.M.

EXCEPTING THEREFROM those parcels conveyed by deeds recorded in the office of the County Recorder of Washoe County, Nevada, under the respective dates and under the document numbers as follows: December 23, 1946, 148204; January 10, 1955, 237045; February 25, 1955, 239355; February 4, 1955, 238221; June 15, 1954, 229206; May 12, 1954, 228074; December 17, 1956, 268396; June 20, 1951, 196743; March 3, 1967, 82462; February 24, 1972, 235814; December 28, 1962, 374566; December 27, 1962, 374388; July 27, 1967, 93079; January 3, 1980, 649915; January 1, 1980, 649916.

ALSO EXCEPTING THEREFROM all of the lots and parcels shown on the map of PROSPECT HILL SUBDIVISION NO. 1, filed in the office of the County Recorder of Washoe County, Nevada, on October 24, 1952.

PARCEL 3:

COMMENCING at the North quarter section corner of Section 35, Township 20 North, Range 19 East, M.D.S.M.; thence running South 668.0 feet; thence South 89°17' West, 400.00 feet to the place of beginning for this description; thence South 670.00 feet; thence South 89°00' West, 60.00 feet; thence North 670.1 feet; thence North 89°17' East, 60.00 feet to the place of beginning.

PARCEL 4:

COMMENCING at the corner common to Sections 26, 27, 34 and 35 of Township 20 North, Range 19 East, M.D.S.M.; thence North 89°34' East, 964.16 feet to the point of beginning; thence North 89°34' East, 349.90 feet; thence South 0°26' East, 674.6 feet; thence North 89°17' East, 50.00 feet; thence North 0°26' West, 674.4 feet; thence South 89°34' West, 50.00 feet; thence North 0°26' West, 50.00 feet; thence South 89°34' West, 305.96 feet; thence South 49°42' West, 76.62 feet to the point of beginning, situate in Sections 26 and 35, Township 20 North, Range 19 East, M.D.S.M.

EXCEPTING from the above described parcels, any portion lying within the exterior boundaries of the following described subdivisions:

A) University Heights Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on February 18, 1981, as File No. 723876, Official Records.

B) University Heights, a Cluster Subdivision, Unit II, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760020, Official Records.

C) University Heights, a Cluster Subdivision, Unit II, Phase Two, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760021, Official Records.

D) University Heights, a Cluster Subdivision, Unit II, Phase Three, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 750022, Official Records; and the Certificate of Amendment recorded December 5, 1981, as File No. 894356, Official Records.

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September 22, 1981, as File No. 760023, Official Records.

F) University Heights, a Cluster Subdivision, Unit II, Phase Five, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760024, Official Records; and the amended map thereto recorded April 17, 1984, as File No. 919297, Official Records.

G) University Heights, a Cluster Subdivision, Unit II, Phase Six, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760025, Official Records.

H) University Heights, a Cluster Subdivision, Unit II, Phase Seven, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760026, Official Records.

I) University Heights, a Cluster Subdivision, Unit III, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on July 26, 1984, as File No. 939025, Official Records.

PARCEL 5: Lots 1 through 10 and Lots 21 through 29 University Heights Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on February 18, 1981 as File No. 723876, Official Records.

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36
8/20/86
OFFICIAL RECORDS
WASHOE COUNTY, NEV.
RECORD REQUESTED BY
LAWYERS TITLE OF NORTHERN NEVADA INC.

MAR 10 1986
COUNTY RECORDER
FEE 38.00 DEP SK

1056356

1056356

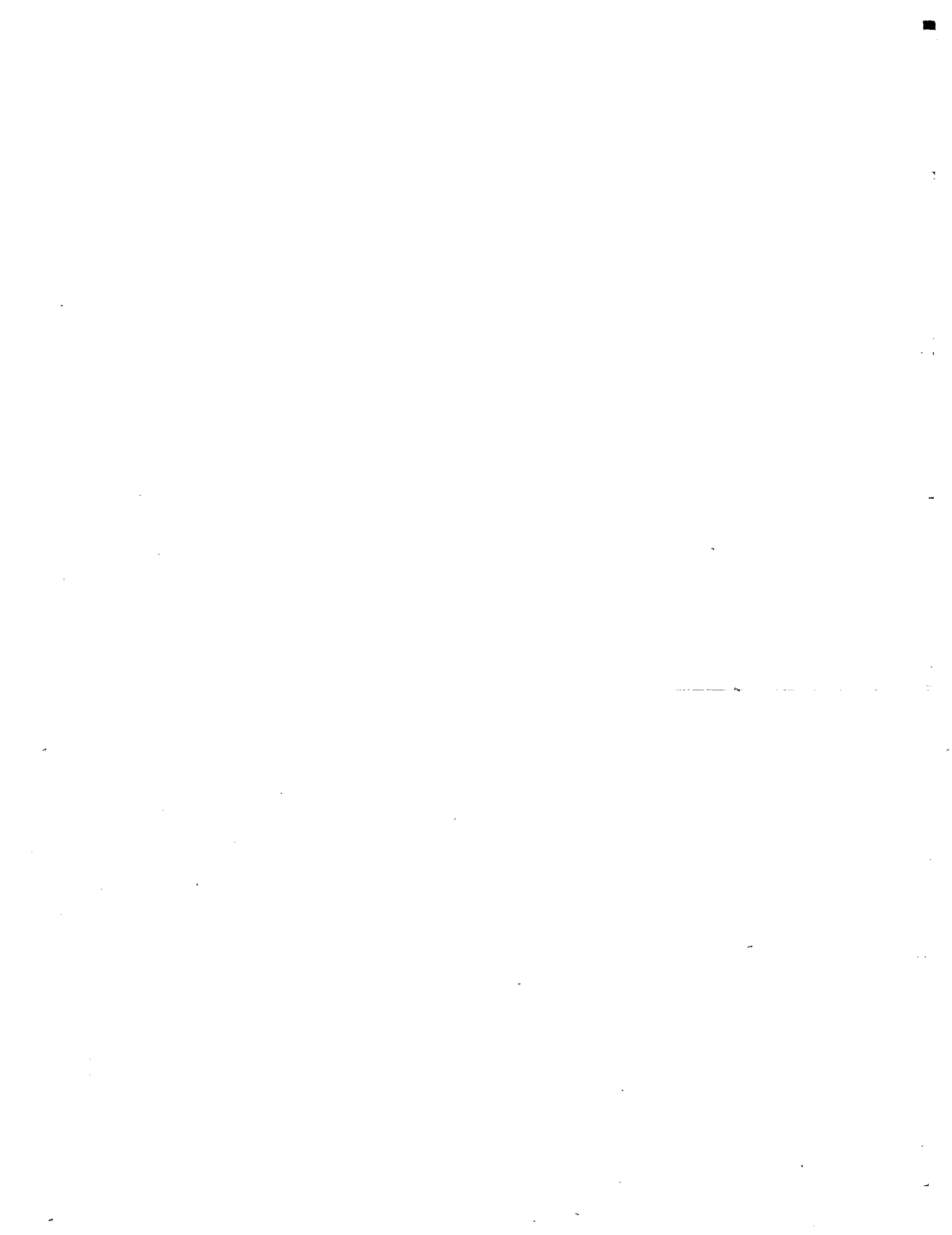


EXHIBIT "A"

LEGAL DESCRIPTION OF SUBJECT PROPERTY

All that real property situate in the City of Reno, County of Washoe, State of Nevada, including all lots, parcels, and common areas, but excluding any dedicated streets or roads, lying within the exterior boundaries of the following described subdivisions:

A. University Heights, a Cluster Subdivision, Unit II, Phase Three, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 750022, Official Records; and the Certificate of Amendment recorded December 5, 1983, as File No. 894356, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records.

B. University Heights, a Cluster Subdivision, Unit II, Phase Four, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 7860023, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records.

JAN 20 1989

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EXHIBIT 3

LEGAL DESCRIPTION OF NEIGHBORING SUBDIVISIONS

All that real property located in the City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

Parcel 1:

The parcel of land located within a portion of Section 15, Township 20 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at the section corner common to Sections 15, 16, 15 and 16, T.20N., R.19E., M.D.M., and proceeding thence along the east line of Section 15, S.01°22'15"W, 1631.24 feet to the east corner of said Section 15.

Thence continuing along said east line S. 01°20'08"W, 777.71 feet.

Thence leaving said east line S.69°58'59"W, 218.97 feet.

Thence S.71°34'21"W, 107.10 feet.

Thence N.33°42'38"W, 245.41 feet to a point on the easterly right-of-way line of Socrates Drive, said point being the beginning of a curve to the left, the tangent to which bears N.17°27'47"W.

Thence along said easterly right-of-way line, and along said curve to the left, having a central angle of 17°17'46", a radius of 119.89 feet, through an arc length of 36.57 feet.

Thence N.54°45'03"W, 134.02 feet to the beginning of a tangent curve to the right.

Thence along said curve, having a central angle of 38°46'38", a radius of 260.00 feet, through an arc length of 175.51 feet.

Thence N.16°1'55"W, 104.79 feet to the beginning of a tangent curve to the left.

Thence along said curve, having a central angle of 05°56'24", a radius of 195.00 feet, through an arc length of 40.37 feet at a point of reverse curvature.

Thence leaving said easterly right-of-way line of Socrates Drive and proceeding along said reverse curve to the right, having a central angle of 31°53'03", a radius of 30.00 feet, through an arc length of 42.87 feet.

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JAN 20 1989

Thence N. 59°51'12"E. 16.26 feet to the beginning of a tangent curve to the left.

Thence along said curve, having a central angle of 08°16'31", a radius of 199.06 feet, through an arc length of 57.64 feet.

Thence N. 18°24'59"W. 60.00 feet to the beginning of a curve to the left, the tangent to which bears N. 51°35'01"E.

Thence along said curve, having a central angle of 43°18'39", a radius of 20.00 feet, through an arc length of 15.12 feet.

Thence N. 40°12'52"W. 156.10 feet
Thence N. 16°48'26"E. 55.39 feet
Thence N. 11°45'20"E. 86.70 feet
Thence N. 17°44'49"W. 75.00 feet
Thence N. 53°12'25"W. 31.30 feet
Thence N. 41°05'08"W. 269.36 feet
Thence N. 37°31'00"W. 196.18 feet
Thence S. 51°58'21"W. 54.41 feet
Thence S. 20°48'58"W. 56.50 feet
Thence S. 00°13'25"E. 97.72 feet
Thence N. 32°12'14"W. 262.00 feet
Thence N. 60°41'17"W. 162.36 feet
Thence N. 42°34'40"W. 56.00 feet
Thence N. 07°21'14"W. 106.00 feet
Thence N. 36°27'20"W. 121.00 feet
Thence N. 40°54'15"W. 486.14 feet
Thence N. 05°06'07"E. 84.17 feet
Thence N. 06°06'12"W. 60.10 feet
Thence N. 03°16'41"W. 68.78 feet
Thence N. 06°16'45"E. 80.50 feet
Thence N. 25°01'19"E. 175.15 feet
Thence N. 25°21'00"E. 60.00 feet
Thence N. 54°36'20"W. 134.41 feet to the beginning of a tangent curve to the right.

Thence along said curve, having a central angle of 81°05'21", a radius of 10.00 feet, through an arc length of 42.46 feet to a point on the easterly right-of-way line of Socrates Drive, said point being the beginning of a reverse curve to the left.

Thence along said easterly right-of-way line and along said reverse curve, having a central angle of 15°41'22", a radius of 560.00 feet, through an arc length of 151.15 feet.

Thence N. 00°47'39"E. 500.00 feet.

Thence leaving said easterly right-of-way line N. 39°12'21"W. 230.00 feet.

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Thence S.00°47'39"W. 12.11 feet.

Thence N.89°56'00"W. 1,266.99 feet.

Thence N.01°19'39"E. 674.50 feet to the north line of Section 15, T.20N., R.19E., M.D.M.

Thence along said north line S.80°18'16"E. 1,260.59 feet to the north 1/4 corner of said Section 15.

Thence continuing along said north line S.39°56'59"E. 2,659.26 feet to the point of beginning.

Parcel 1:

Lots 11 through 14 in Block A, and Lots 15 through 20 and 30 through 43 Block B, of University Heights, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on February 18, 1981, as File No. 723876, Official Records, Tract Map No. 1972.

Parcel 1:

Lots 1 through 4 in Block A, Lots 1 through 14 in Block B, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760020, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2017.

Parcel 1:

Lots 2 and 6 through 16 in Block C, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Two, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760021, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2018.

Parcel 5:

Lots 1 through 12 in Block E, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Five, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760024, Official Records; and the amended map thereof recorded April 17, 1984, as File No. 919297, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Maps Nos. 2021 and 2161.

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Parcel 6:

Lots 23 through 32 in Block K, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Six, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as file No. 760025, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2022.

Basis of Bearings for Parcel 1 description:

Record of Survey for Hutton Trust Filed December 14, 1978, Document No. 577057, Official Records of Washoe County, Nevada.

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OFFICIAL RECORDS
WASHOE COUNTY, NEVADA
CLERK
Codega & Fricke Inc
JAN 20 P4 08

REC 26.00
3690 Grant Dr,
Reno 89509
Page 4 of 4

STATEMENT OF CORRECTION TO
AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE UNIVERSITY RIDGE SUBDIVISION
AND FOR UNIT 1, PHASE 2 AND
UNIT 2, PHASES 1, 2, 5 AND 6
OF THE UNIVERSITY HEIGHTS SUBDIVISION

The undersigned, the Declarant of that certain Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions for the University Ridge Subdivision and for Unit 1, Phase 2 and Unit 2, Phases 1, 2, 5 and 6 of the University Heights Subdivision recorded January 20, 1989 as Document No. 1300442, Official Records, Washoe County, Nevada (the "Amended and Restated Declaration"), makes this Statement of Correction with reference to the following facts:

A. Following recodification of the Amended and Restated Declaration, the Declarant discovered that an erroneous Exhibit A had been attached to and recorded with the Amended and Restated Declaration. The correct Exhibit A is also attached to and recorded with the Amended and Restated Declaration.

B. The erroneous Exhibit A consists of the final three (3) pages of the Amended and Restated Declaration which were recorded under page numbers 387, 388, and 389, in Book 2856, Official Records of Washoe County, Nevada, said pages being hereinafter referred to as the "erroneous Exhibit A."

Based upon the above, the undersigned, as the Declarant of the Amended and Restated Declaration, hereby files this Statement of Correction to delete in its entirety the erroneous Exhibit A from the Amended and Restated Declaration and to confirm that the correct Exhibit A is attached to and recorded with the Amended and Restated Declaration as pages 344, 345, 346, and 347 of Book 2856, Official Records, Washoe County, Nevada. For clarification, a true and correct copy of the correct Exhibit A to the Amended and Restated Declaration is attached hereto as Exhibit A, and incorporated herein by reference.

The undersigned hereby ratifies and confirms all provisions of the Amended and Restated Declaration as corrected hereby.

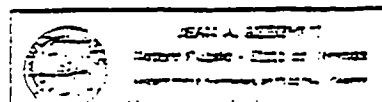
Dated this 13 day of Feb, 1989.

Ridgeland Land Company

By: Steven Hamilton
Steven Hamilton, President

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 13 day of February, 1989, personally appeared before me, a Notary Public, Steven Hamilton, who acknowledged that he executed the foregoing Statement of Correction on behalf of Declarant, Ridgeland Land Company.



Jean A. Berry
Notary Public

E X H I B I T A

LEGAL DESCRIPTION OF SUBJECT PROPERTY

All that real property located in the City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

Parcel 1:

The parcel of land located within a portion of Section 35, Township 20 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at the section corner common to Sections 25, 26, 35 and 36, T.20N., R.19E., M.D.M., and proceeding thence along the east line of Section 35, S.01°22'15"W. 2631.24 feet to the east corner of said Section 35.

Thence continuing along said east line S. 01°20'08"W. 777.73 feet.

Thence leaving said east line S.69°58'59"W. 218.97 feet.

Thence S.71°34'21"W. 107.30 feet.

Thence N.83°42'38"W. 245.41 feet to a point on the easterly right-of-way line of Socrates Drive, said point being the beginning of a curve to the left, the tangent to which bears N.37°27'47"W.

Thence along said easterly right-of-way line, and along said curve to the left, having a central angle of 17°17'46", a radius of 319.89 feet, through an arc length of 96.57 feet.

Thence N.54°45'33"W. 134.02 feet to the beginning of a tangent curve to the right.

Thence along said curve, having a central angle of 38°40'38", a radius of 260.00 feet, through an arc length of 175.51 feet.

Thence N.15°04'55"W. 104.79 feet to the beginning of a tangent curve to the left.

Thence along said curve, having a central angle of 05°56'36", a radius of 395.00 feet, through an arc length of 40.97 feet at a point of reverse curvature.

Thence leaving said easterly right-of-way line of Socrates Drive and proceeding along said reverse curve to the right, having a central angle of 31°53'03", a radius of 30.00 feet, through an arc length of 42.87 feet.

Thence N. 59°51'32"E. 16.26 feet to the beginning of a tangent curve to the left.

Thence along said curve, having a central angle of 08°16'31", a radius of 399.06 feet, through an arc length of 57.64 feet.

Thence N.38°24'59"W. 60.00 feet to the beginning of a curve to the left, the tangent to which bears N.51°35'01"E.

Thence along said curve, having a central angle of 43°18'39", a radius of 20.00 feet, through an arc length of 15.12 feet.

Thence N.40°32'52"W. 156.10 feet
Thence N.36°48'26"E. 65.99 feet
Thence N.13°45'20"E. 86.70 feet
Thence N.37°44'49"W. 75.00 feet
Thence N.53°32'25"W. 83.00 feet
Thence N.83°05'08"W. 269.96 feet
Thence N.87°31'00"W. 196.18 feet
Thence S.53°58'21"W. 54.41 feet
Thence S.20°48'58"W. 66.50 feet
Thence S.00°13'25"E. 93.72 feet
Thence N.62°32'34"W. 262.00 feet
Thence N.60°43'37"W. 162.86 feet
Thence N.42°34'40"W. 56.00 feet
Thence N.07°21'14"W. 106.00 feet
Thence N.36°27'20"W. 121.00 feet
Thence N.40°54'15"W. 486.14 feet
Thence N.05°06'07"E. 84.37 feet
Thence N.06°06'32"W. 60.10 feet
Thence N.03°16'41"W. 66.78 feet
Thence N.06°16'45"E. 80.50 feet
Thence N.25°01'19"E. 175.35 feet
Thence N.25°23'40"E. 60.00 feet

Thence N.64°36'20"W. 134.43 feet to the beginning of a tangent curve to the right.

Thence along said curve, having a central angle of 81°05'21", a radius of 30.00 feet, through an arc length of 42.46 feet to a point on the easterly right-of-way line of Socrates Drive, said point being the beginning of a reverse curve to the left.

Thence along said easterly right-of-way line and along said reverse curve, having a central angle of 15°41'22", a radius of 560.00 feet, through an arc length of 153.35 feet.

Thence N.00°47'39"E. 600.00 feet.

Thence leaving said easterly right-of-way line N.89°12'21"W. 230.00 feet.

Thence S.00°47'39"W. 32.11 feet.

Thence N.89°56'00"W. 1,266.99 feet.

Thence N.01°19'39"E. 674.50 feet to the north line of Section 35, T.20N., R.19E., M.D.M.

Thence along said north line S.80°38'16"E. 1,260.59 feet to the north 1 corner of said Section 35.

Thence continuing along said north line S.89°56'59"E. 2,659.26 feet to the point of beginning.

Parcel 2:

Lots 11 through 14 in Block A, and Lots 15 through 20 and 30 through 43 Block B, of University Heights, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on February 18, 1981, as File No. 723876, Official Records, Tract Map No. 1972.

Parcel 3:

Lots 1 through 4 in Block A, Lots 1 through 14 in Block B, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760020, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2017.

Parcel 4:

Lots 2 and 6 through 16 in Block C, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Two, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760021, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2018.

Parcel 5:

Lots 1 through 12 in Block E, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Five, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760024, Official Records; and the amended map thereof recorded April 17, 1984, as File No. 919297, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Maps Nos. 2021 and 2161.

Parcel 6:

Lots 23 through 32 in Block K, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Six, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as file No. 760025, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2022.

Basis of Bearings for Parcel 1 description:

Record of Survey for Hutton Trust Filed December 14, 1978, Document No. 577057, Official Records of Washoe County, Nevada.

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OFFICIAL RECORDS
WASHOE CO. NEVADA
REGISTERED BY
Walter, Key et al
39 FEB 16 12:24

JOE W. CHER
COUNTY RECORDER
FEE 9.00 - *AK*

P.O. Box 30000

Las Vegas NV 89520

AMENDED AND RESTATED DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE UNIVERSITY RIDGZ SUBDIVISION
AND FOR UNIT 1, PHASZ 2 AND
UNIT 2, PHASES 1, 2, 5, AND 6
OF THE UNIVERSITY HEIGHTS SUBDIVISION

1/20/89

The undersigned hereby amends and restates in its entirety, but only with respect to the real property affected hereby, which property is more particularly described below, the Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland - University Heights Subdivision, as amended. The undersigned is hereinafter referred to as the "Declarant". This Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions is made with reference to the following facts:

A. The Declarant is the developer of the real property which is the subject of this Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, and is the successor in interest to San Marino Services, Inc., the Declarant under the existing Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland - University Heights Subdivision.

B. This Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions amends the Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland - University Heights Subdivision recorded March 10, 1986, as Document No. 1056956, in Book 2303, Page 823, Official Records of Washoe County, Nevada, as amended by the First Amendment thereto recorded May 13, 1986, as Document No. 1071008, in Book 2336, Page 748, Official Records of Washoe County, Nevada, and as supplemented by the Supplemental Declaration thereto recorded July 7, 1986, as Document No. 1083193, in Book 2365, Page 111, Official Records of Washoe County, Nevada, herein referred to as the "Existing Declaration."

C. This Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions shall apply only to the real property described on Exhibit "A", which description is hereby incorporated herein by reference, which property is herein referred to as the "Subject Property". Concurrently herewith, the Declarant will be executing Amended and Restated Declarations of Protective Covenants, Conditions and Restrictions for the remaining property (other than the Subject Property) that is subject to the Existing Declaration.

D. The Declarant holds in excess of seventy-five percent (75%) of the voting power under, and therefore has the authority to amend, the Existing Declaration.

Based upon the above, Declarant hereby declares that the Subject Property is and shall be held, conveyed, encumbered, leased, used, occupied, improved, and otherwise affected in any manner subject to the provisions of this Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, all of which are hereby declared to be in furtherance of a general plan for the development, improvement, and sale of the Subject Property, and which are further declared to be for the purpose of enhancing, maintaining, and protecting the value and attractiveness of the Subject Property. All provisions hereof shall be deemed to be covenants running with the land or as equitable servitudes, as the case may be, and shall constitute benefits and

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persons to the declarant. Any persons hereafter acquiring or owning any interest in the Subject Property, however such interest may be acquired. Accordingly, the following covenants, conditions and restrictions are hereby imposed upon the Subject Property, and each and every Lot and Parcel thereof.

ARTICLE 1. DEFINITIONS

The following terms as used in this Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions are defined as follows:

1.01 Architectural Committee. The committee created by this Declaration to review the quality of residences to be constructed on the Subject Property and insure their compliance herewith.

1.02 Articles. The Articles of Incorporation of the Association, as amended from time to time.

1.03 Association. The Ridgeland Homeowner's Association, a Nevada non-profit corporation, the voting members of which shall be all of the several Owners of the Subject Property and the non-voting members of which shall be all of the several lot owners of the Neighboring Subdivisions. The Association is currently incorporated under the name of Ridgeland Homeowners' Association and the Articles of the Association shall be amended to change the name to the University Ridge Homeowners' Association.

1.04 Board. The Board of Directors of the Association.

1.05 Bylaws. The Bylaws of the Association, as amended from time to time.

1.06 Community Facilities. All facilities placed or erected on, or which are a part of the Common Area, including but not limited to, drives, walks, parking areas, sewers, electrical, water, gas, television and telephone services and fixtures, storage and equipment areas or enclosures, parks, open spaces, planted and landscaped areas, sprinkling systems, and recreation areas.

1.07 Common Area. Those portions of the Subject Property designated as common areas on any recorded subdivision Map affecting the Subject Property or which are hereafter designated as Common Area on a subdivision Map hereafter recorded affecting the Subject Property or as hereafter recorded affecting the Supplemental Declaration filed in accordance with this Declaration. The Common Area shall also include those portions of the Neighboring Subdivisions designated as common areas on any recorded subdivision map affecting the Neighboring Subdivisions or which are hereafter designated as common areas on a subdivision map hereafter recorded affecting the Neighboring Subdivisions. The Neighborhood Park, as defined below, shall not be included in the term Common Area unless and until such time as said park is conveyed by the Declarant to the Association pursuant to the provisions of Article 2 hereof.

1.08 Declarant. Ridgeland Land Company, the Declarant hereof and the developer of the Subject Property as of the date hereof, and such persons or entities shown of record from time to time to be the successors or assigns of Ridgeland Land Company.

1.09 Declaration. This Amended and Restated Declaration, as the same may be amended, changed, modified or supplemented from time to time.

1.10 Existing Declaration. The Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivision as amended and supplemented, which is more particularly defined in paragraph B. on page 1 of this Declaration, and which is being amended by this Declaration.

1.11 Lot. Any numbered single family lot shown on a Map affecting the Subject Property upon which one individual residence has been or will be erected and which will be conveyed to an Owner in fee.

1.12 Single Family Dwelling. Living facilities for a single family containing living quarters, kitchen and bath facilities, which have been or will be erected upon a Lot. Said Single Family Dwelling, together with the Lot upon which it is situate, will be owned by an Owner in fee.

1.13 Map. Any subdivision Map of the Subject Property as they are from time to time recorded.

1.14 Neighborhood Park. The portion of the Subject Property designated as the "Neighborhood Park" on the recorded Map affecting the Subject Property.

1.15 Neighboring Subdivisions. The real property, other than the Subject Property, governed by and subject to the Existing Declaration, which neighboring subdivision property is more particularly described on Exhibit "B" attached hereto.

1.16 Owner.

1.16.1 Any person or legal entity, including the Declarant, who holds fee simple title to any Lot or Parcel of the Subject Property.

1.16.2 Any person or legal entity who has contracted to purchase fee title to a Lot or Parcel of the Subject Property pursuant to a written agreement recorded in the Recorder's Office of Washoe County, Nevada in which case the seller under said agreement shall cease to be the Owner while said agreement is in effect.

1.16.3 A lessee of a Lot or Parcel of the Subject Property under a recorded lease from the Owner of fee simple title to said Lot for a term of not less than fifty (50) years, in which case the lessor under said leases ceases to be the Owner while said lease is in effect.

1.16.4 Owner does not include the Association or any person or entity owning a lot or parcel of the Neighboring Subdivisions.

1.17 Parcel. Any portion of the Subject Property other than a Lot, Common Area, or the Neighborhood Park.

1.18 Project. The Subject Property, including land, buildings, and other improvements and community facilities now or hereafter located thereon, all easements, rights and personal property

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of the Association or hereafter used in connection therewith, and any and all other real property which may be described in Supplemental Declarations, which shall commonly be known as University Ridge.

1.19 Record, Etc. "Record", "to record", "recorded", "recording" or "of record" shall mean that an instrument has been, is or is to be duly acknowledged and filed for recording, and in applicable instances, has been recorded, in a public record in the office of the County Recorder of Washoe County, Nevada.

1.20 Subject Property. That certain Parcel of land, excluding present or future improvement thereupon, situate in Washoe County, Nevada, and more particularly described upon the attached Exhibit "A", and all other real property which may be described in Supplemental Declarations annexing additional property recorded from time to time with the Washoe County Recorder's Office.

1.21 Supplemental Declaration. A recorded Supplemental Declaration of a Declarant which incorporates the provisions of this Declaration therein by reference and either annexes additional property described therein to the Project, or has building envelopes for units of the Project attached thereto as Exhibits.

ARTICLE 2. LAND USE

2.01 Single Family Residential. Only Single Family Dwellings and such outbuildings as are usually accessory thereto and as may be permitted by the Architectural Committee shall be permitted on any Lot or Parcel in the Project. In addition to the restrictions described in Article 3 hereof, the following restrictions shall specifically apply to all such Lots and Parcels:

2.01.1 Minimum Area. Each dwelling constructed shall have fully enclosed floor area (exclusive of roofed or unroofed porches, patios, terraces, garages, carports, guest houses or other outbuildings) not less than fifteen hundred (1,500) square feet.

2.01.2 Height Limitation. No structure or portion thereof (except chimneys) constructed on any Lot within the development shall extend to a point higher than that designated for such Lot on the applicable building envelope for such Lot. In the absence of a height limitation being specified on the applicable building envelope, height limitations within any unit shall be established for each Lot by the Architectural Committee. If, in the opinion of the Committee, the height limitation causes the Lot Owner undue hardship, variances may be permitted by the Committee. Any such variance must be in writing and signed by the Chairperson of the Architectural Committee.

2.01.3 Building Envelope. The Declarant shall establish a building envelope for each Lot based upon the topography of the Lot, its relationship to neighboring Lots, and any unique features that the Lot may have such as trees, meadows, rock outcroppings, etc. Building envelopes for each unit of the Project shall be attached as Exhibits to Supplemental Declarations recorded from time to time with respect to each unit of the Project, which Supplemental Declaration shall be filed prior to the Declarant conveying any Lots within any such unit. The building envelopes for Lots 1 through 37 of University Ridge Unit 1 are attached hereto as Exhibit "C" and incorporated herein by

reference. The size and shape of the building envelope may vary from Lot to Lot. If, in the opinion of the Declarant certain Lots do not warrant the establishment of a specially designated envelope, the envelope for those Lots shall be set according to the normal setbacks of the governing local agency for that type of Lot. In general, all building construction shall be confined to the building envelope area. If, in the opinion of the Committee, the building envelope shall cause the Lot Owner undue hardship in locating his home or accessory improvements, variances may be permitted by the Committee. Any such variance must be in writing and signed by the chairperson of the Architectural Committee.

2.01.4 Landscaping. In order to preserve the beauty of the Project and any unique features that Lot may have such as trees and rock outcroppings, etc., and to preserve the grading, erosion control, and slope stabilization plans for the Project, the portion of each Lot located outside of the building envelope shall be landscaped by the Owner in conformance with the "Landscaping and Recreation Development Standards" and any master landscaping plan for the Project which may be established and amended by the Architectural Committee from time to time. The portion of each Lot of the Project within the building envelope for such Lot shall be landscaped by the Owner in accordance with the provisions of Section 3.10 of this Declaration. No Owner shall commence any landscape work prior to receiving the written approval of the Architectural Committee to the landscape plan submitted to the Architectural Committee in accordance with the provisions of Article 4 hereof. All landscaping shall be completed in strict conformity with the landscape plans approved by the Architectural Committee. Except for those portions of Lots which are subject to open space, slope, or rock outcrop easements as designated on any Map recorded from time to time affecting the Subject Property, which portions are to be maintained by the Association pursuant to Section 2.02 below, each Owner shall have the obligation to provide, maintain, repair, and restore the landscaping in accordance with the approved landscape plan for such Lot. Each Lot Owner shall also be responsible for maintaining all trees located on the Owner's Lot and which are adjacent to public streets in accordance with the Class 1 or Class 2 standards of the National Arborists Association existing from time to time. Landscaping, if any, on the portion of a Lot encumbered by an open space, slope, or rock outcrop easements as specified in a recorded Map of the Subject Property shall be provided, maintained, repaired, and restored by the Association.

2.02 Open Space, Slope and Rock Outcrop Easements. Portions of certain Lots within the Project will be encumbered and subject to open space, slope, and/or rock outcrop easements as specifically designated on Maps affecting the Subject Property recorded from time to time. The portion of each Lot so designated in a recorded Map shall be retained to the extent possible, in its natural state and may not be altered, changed, disturbed, or landscaped in any manner by the Owner of such Lot. With respect to the portions of any Lot so designated, the Association shall be responsible for providing, maintaining, repairing, and restoring the landscaping and engaging in such other erosion control practices as the Association may deem advisable.

2.03 Common Areas. Except for the Neighborhood Park, all areas designated as Common Areas in Recorded Maps affecting the Subject Property and all areas designated as Common Areas in recorded maps affecting the Neighboring Subdivisions are and shall remain private property and Declarant's recordation of a Map

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showing such Common Areas shall not be construed as a dedication to the public of any such Common Areas located therein.

2.03.1 Ownership. Declarant will convey all such Common Areas to the Association, including the Common Areas of the Neighboring Subdivisions subject to the provisions of this Declaration and such easements and rights-of-way as then appear of record, such conveyances shall be accomplished in segments from time to time as improvements, if any, to be located thereon as shown on the recorded maps of the Subject Property and the Neighboring Subdivisions.

2.03.2 Use. The use and enjoyment of said Common Areas and improvements thereon, whether before or after conveyance to the Association, shall be subject to the powers of the Association as set forth in its Articles and Bylaws and to such Rules and Regulations governing the use of such property and improvements as may from time to time be adopted by the Board of the Association. All Owners of lots or parcels within the Subject Property and all owners of lots or parcels within the Neighboring Subdivisions shall be entitled to use and enjoy the Common Areas and any and all improvements thereon.

2.03.3 Maintenance. Maintenance of such Common Areas and repairs to any improvements thereon shall be the obligation and responsibility of Declarant until conveyance thereof to the Association; thereafter, the Association shall have sole responsibility therefor.

2.03.4 Subsequent Dedication. At any time after conveyance to the Association of any Common Areas, the Association may, subject to the approval of the membership as provided in the Bylaws of the Association, offer any such property for dedication to public use. Such offer shall be subject to acceptance by the appropriate governmental authority pursuant to its then applicable standards. Any available credit against the residential construction tax and other available benefits resulting from the dedication of any Common Area to public use shall be retained by and inure directly to the benefit of the Declarant.

2.04 The Neighborhood Park. Except as otherwise provided below, title to the portion of the Subject Property designated on the recorded Map of the Project as the "Neighborhood Park" shall be retained by the Declarant until such time as the City of Reno will accept dedication pursuant to its then applicable standards. The Declarant intends to enter into an agreement with the City of Reno providing plans, specifications, and a construction schedule acceptable to the Declarant and the City of Reno for the landscaping of, and the construction of improvements to the Neighborhood Park and further providing, in a manner to be agreed upon by the Declarant and the City of Reno, for the credit of residential construction tax funds to the Declarant within the meaning and to effectuate the purposes of Chapter 18.14 of the Reno Municipal Code and Chapter 278 of the Nevada Revised Statutes. Upon completion of the Neighborhood Park in accordance with the agreement to be entered into between the Declarant and the City of Reno, and at such time as the City of Reno will accept the dedication of the Neighborhood Park pursuant to its then applicable standards, the Declarant will dedicate the Neighborhood Park to the City of Reno; provided, however, that the Declarant shall have no obligation to dedicate the Neighborhood Park to the City of Reno unless the Declarant is to receive the credit of residential construction tax funds in an amount equal to the total cost of improvements

constructed on the Neighborhood Park and the value of the land to be dedicated as established by appraisal immediately prior to the dedication. If, for any reason, the Declarant and the City of Reno are unable to enter into the agreement for the development of the Neighborhood Park as contemplated hereby, or if for any reason the City of Reno will not accept the dedication of the Neighborhood Park as contemplated hereby, then the Declarant, in the sole discretion of the Declarant, may do any one of the following or any combination thereof:

(1) Convey title to all or any portion of the Neighborhood Park to the Association at which time the Neighborhood Park shall become Common Area subject to all provisions of this Declaration applicable to Common Areas; and

(2) Develop all or any portion of such property into additional Single Family Lots which shall, upon recording of a Map thereof, be subject to all provisions of this Declaration applicable to such Lots and the use thereof.

ARTICLE 3. RESIDENTIAL LOT RESTRICTIONS

The following restrictions shall be applicable to all Lots and Parcels within the Project and each Owner, as to his Lot or Parcel, covenants to observe and perform each of the following restrictions:

3.01 No Commercial Enterprise. No business or commercial enterprises shall be performed or conducted upon any Lot or within any dwelling or outbuilding within the Project, except for a home business as allowed under local planning and zoning laws and ordinances and for construction and sales activities directly related to and during the development stage of the Project. Permission for any temporary construction or sales facility must be approved in writing by the Association and may be revoked at any time by the Association.

3.02 Nuisances. No noxious, offensive or disturbing activity of any kind shall be permitted within any structure or upon any Lot or Parcel within the Project. No refuse, unsightly or abandoned vehicles, debris, noxious material, discarded personal effects, construction materials not for immediate use, compost materials and similar matter shall be permitted on any Lot or portion thereof. It is incumbent upon all property Owners to maintain their Lots and yards in a neat, orderly and well groomed manner and to subscribe to a regularly scheduled and established garbage collection service. There shall be no exterior burning of trash, garbage, or other like household refuse without the prior written permission of the Association.

The Association shall have the authority to declare any use of any Lot or structure within the Project which annoys or adversely affects the use, value, occupation and enjoyment of all or any portion of the Project to be a nuisance and, upon receipt of written notice from the Association describing the offensive use, such Owner shall immediately cease and desist the specified offensive use.

3.03 Further Subdivision of Lots Prohibited. No Lot in the Project shall be further subdivided without the prior written approval of the Association, and then only to the extent permitted by governmental authority. An Owner of two more or contiguous Lots within the Project may apply to the Architectural Committee

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for permission to use such Lots as the site of a single dwelling; however, said Lots shall remain as separate Lots for all other purposes.

3.04 Temporary Structures, Used Structures and Fabricated Homes Prohibited. No temporary structure of any form or type shall be permitted on any Lot or Parcel of the Project except during the period of construction on that Lot or Parcel as may be approved by the Architectural Committee. No used or existing or previously constructed buildings or structures, intended for use as a dwelling or outbuilding, shall be placed on any Lot or Parcel of the Project. In no event shall any temporary structure, trailer, tent, or mobile home ever be used for human occupancy or habitation on the Project. Only such guest houses, servant's quarters, or other accessory outbuildings approved in writing by the Architectural Committee be used for human occupancy or habitation on the Project.

3.05 Completion of Construction. Construction of any improvements on any Lot or Parcel of the Project, once commenced, shall be pursued diligently to completion. The construction of any dwelling unit within the Project shall be completed within twelve (12) months from the date of issuance of the building permit by the applicable governmental authority.

3.06 Maintenance of Lot. All Lots and Parcels within the Project, whether vacant or improved, occupied or unoccupied, and any improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly, unsanitary or a hazard to health. If not so maintained, the Association shall have the right, after giving thirty (30) days written notice to the Owner (by posting a copy of the notice on the property and mailing a copy of such notice to the Owner at the address appearing on the books of the Association) to undertake such work as may be necessary and desirable to remedy the unsightly, unsanitary or hazardous condition, the cost of which shall be added to and become a part of the annual assessment to which such Lot is subject. The Association shall have the sole discretion to determine what is unsightly or unsanitary. Neither the Association nor any of its agents, employees, or contractors shall be liable for any damage which results from any maintenance work as performed, nor shall the Association or any of its agents or employees be liable for any failure to exercise the right to maintain any Lot or Parcel.

3.07 Detached Outbuildings. No garage, servants quarters or other structure which is not attached to the main dwelling unit shall be constructed without the prior written approval of the Architectural Committee. In no event shall a garage or other detached outbuilding be constructed prior to the construction of a dwelling thereon.

3.08- Size of Garage. Every single family dwelling unit constructed within the Project shall have on the same Lot or Parcel a garage large enough to contain automobile storage space for at least two (2) automobiles.

3.09 Exterior Finish and Roofs. All buildings and other structures erected on any Lot within the Project shall have wood-shake or tile roofs. The exterior woodwork of all houses, buildings and structures erected or constructed on said property shall be of superior design and quality and painted with at least two (2) coats of paint, varnish, stain or other coating approved by

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receivers or dishes shall be painted in earthtone colors to conform with the surrounding landscape and/or may be required to be screened or enclosed.

3.15 Storage and Parking of Recreational Vehicles. The extended parking or storage of any travel trailer, motor home, house trailer, boat, boat trailer, or other type of recreational vehicle upon any lot within the Project shall be subject to reasonable rules and regulations as may be established by the Architectural Committee or the Association, which rules and regulations may require the prior written approval of the Architectural Committee prior to the Owner parking or storing a recreational vehicle within the Project. The intent of this paragraph is not to prohibit the extended parking or storage of recreational vehicles, but to authorize the Architectural Committee to establish rules and regulations to maintain the appearance and harmony of the Project, and to minimize the influence or effect which the storage or extended parking of the recreational vehicles may have upon the view or outlook of neighboring lots and Common Areas of the Project.

3.16 Drainage. Except for the initial development of the Subject Property, no Owner shall be permitted to change the location, size or depth of any drainage ditches or pipe, encompassed within or serving said Lot nor shall the Owner be permitted to change the natural flow of water over said Lot contained therein, except with the written permission of the Architectural Committee having been first obtained, or in an emergency for the purpose of protecting from damage structures built within the building envelope or setback lines.

3.17 Pets. No birds, poultry, goats, rabbits or other creatures of any kind, excepting only a reasonable number of usual household pets, shall be permitted on any Lot. Household pets shall be permitted on any Lot only when a Single Family Dwelling has been erected and certified for occupancy and after adequate provisions shall have been made for the confining of such pets to the particular Lot.

3.18 Excavation Limited. No excavation for minerals, stone, gravel or earth shall be made upon any Lot other than excavation within the building envelope for necessary construction purposes relating to Single Family Dwellings, retaining and court walls, outbuilding and pools and for the purpose of contouring, shaping, fencing and generally improving any Lot. Furthermore, no excavation shall commence for any purpose without prior approval in writing from the Architectural Committee.

3.19 No Severance of Subsurface Rights. There shall be no deed, conveyance, agreement or other document executed by any Owner which would effect or cause a separation of different ownership of the surface and subsurface rights of any Lot or Parcel within the Project.

3.20 Signs. Other than during the period of construction of a Single Family Dwelling, no signs shall be erected on any Lot or Parcel of the Project, except for signs advertising residences or Lots for sale, which signs shall not exceed four (4) square feet in total area and must be professionally or commercially lettered.

3.21 Utility Lines. With the exception of utility lines, if any, existing as of the date of recordation of this Declaration, all utility lines and connections within the Project shall be placed underground.

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ARTICLE 4. ARCHITECTURAL COMMITTEE

4.01 Creation and Membership. In order to provide for the orderly development of the Project and to aid in establishing a unique and prestigious architectural format, the University Ridge Architectural Committee is hereby established. The Committee shall be composed of not less than three (3) nor more than seven (7) members. The initial Architectural Committee shall consist of Steven Hamilton, Jeff Codega, Dave Brown, Al Brewer, and Don Mackey. Committee members shall be subject to removal by the Declarant, and any vacancy from time to time existing due to removal, resignation, incapacity, or death of any member or members of the Architectural Committee shall be filled by the remaining members of the Committee, except that the Committee need have no more than three members at any one time. The power to remove Committee members shall be transferred permanently to the Association upon the sale of all Lots and Parcels within the Project, or at any time prior thereto at the discretion of the Declarant. A quorum shall consist of a majority of the Committee members or three (3) members, whichever is less. A decision may be rendered by a majority of the Committee members at a meeting at which a quorum is present. The Architectural Committee shall have the power to establish its own internal rules, regulations, and procedures.

4.02 General Powers. In addition to the powers and duties delegated to the Architectural Committee by other provisions of this Declaration, the Architectural Committee shall consider and approve, disapprove, or stipulate reasonable changes or alterations to any plans, specifications or other materials submitted to it for the erection, construction, installation, alteration, placement or maintenance of any buildings, landscaping, fencing or other improvements on Lots, or for the alteration or remodeling of, or construction of additions to, any existing structures on Lots, and to perform such other duties as may, from time to time, be delegated to it by the Association.

4.03 Plans and Specifications Required.

4.03.1 Dwellings and Other Structures. No dwelling unit, garage, outbuilding, fence, wall, retaining wall or any other type of improvement shall be constructed, erected, or placed upon any Lot of the Project until the plans and specifications thereof have been approved in writing by the Architectural Committee. Such approval shall be granted only after written application has been made to the Committee accompanied by two (2) complete sets of plans and specifications, including front, side, and rear elevations, floor plans for each floor and basement, specifications for exterior materials and color scheme, and a detailed plot plan indicating the existing and finished topography of the subject lot and establishing the exact location of any structure. **IT IS STRONGLY RECOMMENDED THAT PRELIMINARY DRAWINGS BE PRESENTED BEFORE FINAL PLANS AND SPECIFICATIONS ARE COMPLETED.** Because of the sloping terrain of the Subject Property, front, rear, and side elevations of every dwelling to be constructed must be submitted to the Architectural Committee clearly showing the finished grade slope of the Lot (as determined from a topographic plot plan) in accurate relation to front, rear, and side elevations. The Committee's approval will be evidenced by the endorsement of the Architectural Committee on both sets of plans, with one endorsed set to be retained by the Architectural Committee and the other endorsed set to be returned to the Owner. All improvements shall be constructed in strict conformity to the plans and

specifications approved by the Architectural Committee. The Architectural Committee shall establish a reasonable inspection fee which shall be paid to the Committee by the Owner at the time the plans and specifications are submitted.

4.03.2 Remodelling. No redecoration or alterations of, or additions to, the exterior of any existing structure shall be constructed, erected, commenced, or placed without the prior written approval of the Architectural Committee to the plans and specifications therefor. If the exterior redecoration, alteration, or addition requires structural changes, then the requirements of paragraph 4.03.1 above must be complied with. If the exterior redecoration, alteration, or addition does not entail structural changes, then the Architectural Committee, in its sole discretion, shall determine and advise the Owner of the nature of the plans and specifications which will be required to be submitted for approval.

4.03.3 Landscape and Fencing. No landscaping, fencing, wall, or retaining wall shall be constructed, erected, placed, or planted upon any Lot until the plans and specifications thereof have been approved in writing by the Architectural Committee. The Architectural Committee, in its sole discretion, shall determine and advise the Owner of the nature and extent of the plans and specifications, and the amount of the inspection fee which will be required to be submitted for approval in connection with landscaping, fencing, walls, or retaining walls.

4.04 Grounds for Disapproval. The Committee may disapprove any application, or suggest reasonable changes or alterations to the plans and specifications for (1) failure of such plans and specifications to comply with any specific requirement of this Declaration or (2) the reasonable dissatisfaction of the Architectural Committee as to the location of the proposed improvement on a Lot, appearance, construction or landscaping materials to be used, the Lot grading plan, the harmony of the proposed structure or landscaping with the Project and the surrounding neighborhood, or the influence or effect any structure or landscaping may have upon the view or outlook of neighboring Lots and Common Areas of the Project.

Failure to the Committee to comment on any application, properly submitted with the required inspection fee, within forty-five (45) days of receipt by the Architectural Committee at its office shall be deemed to be approval of such application by the Committee. If requested by the Committee, applications must be resubmitted to the Committee in which case the Committee shall have forty-five (45) days after the resubmission to comment thereon. The Architectural Committee may grant reasonable variances or adjustments from any specific requirement in this Declaration where literal application thereof results in unnecessary hardship and if the granting of the variance, in the opinion of the Committee, will not be detrimental or injurious to the Project or Owners of other Lots.

4.05 Enforcement. In the event construction of any improvement or landscaping shall be commenced without Committee approval, or in the event any improvement or landscaping is not constructed in conformance with approved plans therefor, the Owner shall be deemed to be in violation of this Declaration. In addition to the remedies for violation of any portions of this Declaration as provided herein, the Architectural Committee shall also have the power and authority to institute legal and other appropriate pro-

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ceedings to enjoin or otherwise prevent a violation of the provisions of this section. All costs of litigation, including attorneys' fees, shall be charged to and paid by the defendant if the Architectural Committee prevails. Such charges shall constitute a lien on such Owner's Lot from the date of entry of the judgment therefor and shall be enforceable as any judgment. In the event the Architectural Committee is not successful, each party shall pay its own costs and attorneys' fees.

4.06 Liability. No member of the Committee shall have liability to any person, including, but not limited to, an Owner of a Lot or Parcel within the Project, on account of any action or inaction of the Committee. Notwithstanding the approval by the Architectural Committee of plans and specifications, the Architectural Committee, the members thereof, the Association, and the agents and employees thereof shall not be responsible in any way for any defects in any plans and specifications or other materials submitted to the Committee, nor for any defects in any work performed pursuant thereto. Each person submitting such plans and specifications shall be solely responsible for the sufficiency thereof and the adequacy of the improvements constructed pursuant thereto.

4.07 Committee Address. All plans, notices, correspondence, or other communication to the Architectural Committee should be directed to the following address:

University Ridge Architectural Committee
c/o Ridgeland Land Company
910 Demos Court
Reno, Nevada 89512

ARTICLE 5. THE ASSOCIATION

5.01 General Purposes and Powers. Ridgeland Homeowners' Association has been incorporated as the Association to which reference is made in this Declaration. Although the Association is currently incorporated under the name of Ridgeland Homeowners' Association, the Articles of the Association shall be amended to change the name of the Association to University Ridge Homeowners' Association. The Association is a Nevada non-profit corporation organized to maintain, develop and operate the common areas and open space, slope, and rock outcrop easements of the Project, and all improvements located thereon. The powers and purposes of the Association are more fully described in paragraph 5.05 below and in the Articles and Bylaws of the Association.

5.02 Membership. There shall be two (2) classes of membership in the Association, Voting Memberships and Non-Voting Memberships, as follows:

5.02.1 Voting Membership. Voting Membership in the Association is limited to Owners of Lots within the Project and Voting Membership is automatic with and appurtenant to such ownership. Voting Memberships shall be entitled to the voting rights described in paragraph 5.03 below, and shall be subject to assessment as provided in Article VI below. Voting members shall have such other rights, duties, privileges and obligations as are provided in the Articles and Bylaws of the Association as amended from time to time.

5.02.2 Non-voting Membership. Non-Voting Membership in the Association is limited to the several owners of lots and

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parcels within the Neighboring Subdivisions, and is automatic with and appurtenant to such ownership. Non-voting members shall not have voting rights in the Association nor shall non-voting members be subject to assessments of the Association pursuant to article VI below. Non-voting members shall be entitled to attend all meetings of the Association, to receive notices thereof, to serve on committees or as officers and directors of the Association and to such other rights, duties, privileges and obligations as may be provided in the Articles and Bylaws of the Association as amended from time to time.

5.02.3 Membership Exclusive. Only those persons or entities entitled to Voting Membership or Non-Voting Membership may become members of the Association. No other persons or entities may become members of the Association.

5.03 Voting Rights. Voting members shall have voting rights in the Association as provided in the Bylaws of the Association, as such Bylaws are amended from time to time. As of the date of this Declaration, the Bylaws provide that the voting members have the following voting rights in the Association; however, the provisions of the Bylaws may be amended and, subject to the provisions of section 9.06 hereof, any such amendments to the Bylaws shall control over the provisions of this Declaration:

5.03.1 Class A Voting Rights. Each Owner shall have Class A voting rights and shall have one vote for each Lot owned by such Owner; provided, however, that Declarant shall not have Class A voting rights until the date specified in Section 5.03.2 below. In the event a Lot is owned by multiple Owners, the multiple Owners shall, prior to each meeting of Owners, provide the Association with a written statement, signed by all such multiple Owners, indicating how the vote assigned to the Lot owned by such multiple Owners is to be divided among such multiple Owners; provided, however, that in the event that the Association does not receive such a statement prior to any such meeting, the vote for such Lot shall be apportioned equally among the Owners of such Lot present at such meeting.

5.03.2 Class B Voting Rights. Declarant shall have Class B voting rights and shall have three votes for each Lot it owns, until the date which is the earlier of (a) the date on which the total Class A votes then existing equal the total Class B votes then existing, or (b) December 31, 1998. After such date, Declarant shall have Class A voting rights and shall have only one vote for each Lot it owns and Class B voting rights shall forever cease to exist. In all other respects there shall be no difference between Class A and Class B voting rights.

5.04 Other Membership Rights, Privileges and Obligations. The rights, duties, privileges and obligations appertaining to membership in the Association, including penalties for failure to comply with the Association's Rules and Regulations are as set forth in its Articles and Bylaws. Membership in the Association may be represented by a membership certificate issued by the Association. No membership certificate shall be transferred on the books of the Association until all prior charges and assessments against said membership shall have been paid in full. One (1) Owner of more than one (1) Lot or Parcel shall be considered as one (1) member for the purpose of use of the facilities of the Association. In the event a corporation, partnership or association shall own any Lot or Parcel, such corporation, partnership or association shall designate, by resolution certified by the

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5.05.1 Maintenance of Association Property. The Association shall be expressly required to operate, manage, maintain, and repair all Common Areas owned or controlled by the Association, all open space, slope, and rock outcrop easements for the benefit of the Association, and all landscaping improvements or community facilities erected or constructed on the Common Areas. In this regard, the Association may employ such personnel, contractors, and other consultants as may be reasonably necessary to contact for such services and engage such engineers, accountants, architects, and other consultants as may be reasonably necessary to perform the duties hereunder. The expenses of the Association, including the salaries and fees of all employees and fees of all professional consultants shall be established and paid for by the Association. The Association may also purchase such equipment, materials, and supplies as may be necessary to perform the duties as imposed by this Declaration, the Articles, the Bylaws, or otherwise imposed by law.

5.05.2 Assessments. The Association shall have the power to assess the Voting Membership in accordance with the provisions of Article 6 of this Declaration and as otherwise provided by law, but the Non-Voting Membership shall not be subject to assessment by the Association without the unanimous written consent of the Non-Voting Membership.

5.05.3 Rules and Regulations. The Association may make and enforce reasonable and uniformly applied Rules and Regulations governing the use of Lots and Common Areas. Such Rules and Regulations may, without limitation: (a) regulate the burning of open fires and the vegetation clearing and other protection actions to be taken by Owners with respect to their Lots; (c) regulate the use and parking of motor vehicles within the property; (d) prohibit the use of Common Areas, including the use of Common Areas, for the purpose of construction, emission of loud sounds or offensive odors and unpleasantness; and (e) regulate the use of Association property by members and their guests.

5.05.4 Construction of Improvements. The Association shall have the authority and power to construct, improve, repair, demolish, remove and reconstruct any part of the Common Area not within this Declaration, and appropriate for the use and benefit of the members of the Association, and to change, alter and amend the Declaration, and to provide for the use and benefit of the members of the Association. The Association shall have the authority and power to construct, improve, repair, demolish, remove and reconstruct any part of the Common Area not within this Declaration, and to provide for the use and benefit of the members of the Association, and to change, alter and amend the Declaration, and to provide for the use and benefit of the members of the Association.

5.05.5 Powers, Duties, and Authority of the Association. In addition to any other duties, powers, and authority conferred upon the Association by the Articles and Bylaws of the Association, or otherwise provided by law, the Association shall specifically have the following powers, duties, and authority:

secretarily or by written consent of all partners or members who, together with his family, shall have the right to receive the facilities of the Association.

delivered in each case to the Association, the name of the person who, together with his family, shall have the right to receive the facilities of the Association.

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In any assessment, annual or special, the cost of any new capital improvement which exceeds \$1,000.00 in cost to be expended in any one calendar year, unless 51% or more of both classes of voting members previously have approved said expenditure.

5.05.5 Disposition or Dedication of Association Property. Subject to the procedures specified in the Bylaws of the Association requiring the approval of the membership, the Association shall have the authority and power to sell, transfer, dedicate, or otherwise dispose of any real or personal property owned by the Association for such price and on such terms as the Association may approve; provided, however, that prior to disposing of any Common Area of the Association by sale or other disposition, the Association must first offer to dedicate the Common Area to the City of Reno as provided by law.

5.05.6 Property Taxes. The Association shall pay all property taxes and assessments levied on any real or personal property owned by the Association. The Association may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity, or application of any such taxes or assessments.

5.05.7 Enforcement. The Association shall have the right to enforce all provisions of this Declaration, the provisions of the Articles and Bylaws of the Association and any Rules and Regulations promulgated by the Association. The Association may proceed at law or in equity to prevent the occurrence, or continuation of a violation of any provision of this Declaration. In addition, the Association may suspend all voting rights and all rights to use the Association's Common Area of any member for any period during which any Association assessment against such Owner's property remains unpaid, or during the period of any continuing violation of the provisions of this Declaration by such member after the existence thereof has been declared by the Board, including a violation by virtue of the failure of the member to comply with the Bylaws or Rules and Regulations of the Association.

5.05.8 Insurance. The Association shall have the duty to obtain and maintain in full force and effect at all times policies of fire and all risk insurance covering loss or damage to property owned by the Association by fire and such other hazards as are covered under standard all risk extended coverage policies, with vandalism and malicious mischief endorsements, in the amount of the full insurable replacement value of such property. The Association shall also obtain and maintain a policy of public liability and property damage insurance having such limits as the Board shall determine from time to time insuring against all liability arising out of and in connection with the use and occupation of the real property owned by the Association. The Association shall also have the power and authority to obtain and maintain other and additional insurance coverage, including, without limitation, fidelity bonds or insurance covering employees and agents of the Association and insurance indemnifying officers, directors, employees, and agents of the Association and of the Architectural Committee. The cost and expense of all insurance obtained by the Association shall be an expense of the Association.

5.05.9 Repair and Restoration. If any real or personal property owned by the Association is damaged or destroyed by a risk covered by insurance maintained by the Association, and if

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the insurance proceeds are sufficient to pay for the cost of the repair, restoration, or replacement of the damage or destruction, then the Association shall repair, restore, or replace the damage or destruction. If any property owned by the Association is damaged or destroyed from a risk not covered by the insurance maintained by the Association, or if the insurance proceeds are not sufficient to pay for the cost of the repair, restoration, or replacement of insured damage or destruction, then the Association may either dispose of the property which has been damaged or destroyed, or repair, replace, or restore such property as determined by the vote of the membership of the Association.

5.05.10 Implied Rights. The Association shall have and may exercise any right or privilege given to it expressly by this Declaration or as may be reasonably implied from the provisions of this Declaration or implied by law and the Association shall have such additional rights, privileges, and powers as may be necessary to fulfill its duties, obligations, rights, and privileges provided hereby.

ARTICLE 6. ASSESSMENTS

6.01 Assessments. Each Owner (or, in the event of multiple Owners of the same Lot, such multiple Owners jointly and severally) shall be obligated to pay to the Association such amounts as are assessed for each Lot owned by such Owner or Owners, which amounts are herein called "Assessments." Assessments shall be classified as either "Regular" or "Special" Assessments.

Subject to the provisions hereof, the Board shall have the power and authority to determine all matters in connection with Assessments, including, without limitation, the power and authority to determine where, when and how Assessments shall be paid to the Association, and each Owner shall comply with all such determinations.

6.02 Fiscal Year and Determination of Budgets. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board. No later than sixty (60) days prior to the commencement of each fiscal year or partial fiscal year, the Board shall determine the budget for the Association for such fiscal year or partial fiscal year, in the following manner:

6.02.1 Operating Budget. The Board shall prepare or cause to be prepared and approve an Operating Budget for the fiscal year or partial fiscal year showing, in reasonable detail, the estimated operating costs and expenses that will be payable in such fiscal year or partial fiscal year to fulfill the regular operating functions and obligations of the Association in such fiscal year or partial fiscal year, including amounts necessary to cover obligations made in connection with, or contemplated under, any previously approved budgets, plus an amount sufficient to provide a reasonable carry-over reserve for the next fiscal year.

6.02.2 Capital Replacement Reserve. The Board shall also determine the amount to be set aside in a special fund allocated for any periodic maintenance and replacement of the Project which could not ordinarily be undertaken within the parameters of the Operating Budget.

Upon determination of the budget for a fiscal year or partial fiscal year, the Board shall furnish a copy of the budget

to each Owner, which budget shall separately identify amounts attributable to the Operating Budget and to the Capital Replacement Reserve Fund.

6.03 Regular Assessments. The amount to be raised by Regular Assessments during a fiscal year or partial fiscal year shall be equal to (a) the Operating Budget for such period, plus (b) the Capital Replacement Reserve for such period, if any, less (c) any anticipated surplus attributable to the Operating Budget collected but not disbursed in the immediately preceding fiscal year or partial fiscal year; provided, however, that in lieu of such subtraction the Association may elect to refund to the Owners said anticipated surplus.

If the Board fails to determine or cause to be determined the total amount to be raised by Regular Assessments in any fiscal year or partial fiscal year, and/or fails to notify the Owners of the amount of such Regular Assessments for any fiscal year, then the amounts of Regular Assessments shall be deemed to be the amounts assessed in the previous fiscal year.

Except as emergencies may require, the Association shall make no commitments or expenditures in excess of the funds reasonably expected to be available to the Association.

6.04 First Assessment. Assessments pursuant to this Declaration shall commence upon the conveyance of any Common Area by the Declarant to the Association as provided in section 2.03.1 hereof; provided, however, that the first assessment pursuant to this Declaration shall not be due and payable to the Association prior to January 1, 1990. Prior to the conveyance of any Common Area by the Declarant to the Association, the Board shall estimate the costs and expenses to be incurred by the Association from the date of the conveyance of Common Area by the Declarant to the Association until the end of that fiscal year. The estimate shall be assessed to each Owner as provided in Section 6.06 as a regular assessment as of the date of the conveyance of any Common Area by the Declarant to the Association. All costs and expenses incurred prior to such conveyance shall be the sole responsibility of the Declarant.

6.05 Special Assessments. In addition to Regular Assessments, the Association may levy Special Assessments, payable over such period as the Association may determine: (1) for the purpose of defraying, in whole or in part, to the extent the amounts in the Capital Replacement Reserve Fund are insufficient therefor, the cost of any construction or reconstruction, maintenance, repair or replacement of improvements or any part thereof; (2) for the purpose of defraying any other expense incurred or to be incurred as provided in this Declaration; or (3) to cover any deficiency, in the event that, for whatever reason, the amount received by the Association from Regular Assessments is less than the amount determined to be necessary by the Board. Special Assessments in the aggregate in excess of five percent (5%) of the budgeted gross expenses of the Association for a fiscal year may not be levied without the prior approval by vote or written assent of seventy-five percent (75%) or more of all of each class of the voting power of the Association present at a duly noticed meeting held for the purpose of setting such Special Assessment.

6.06 Apportionment of Assessments. The amount of the Regular or Special Assessment for any fiscal period payable by the Owner of a Lot for each Lot owned by such Owner shall be deter-

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determined by dividing the total amount to be raised by such Assessment by the number of Lots which are subject to this Declaration.

6.07 Accounting. All funds collected by the Association shall be promptly deposited in a commercial bank account and/or in one or more savings and loan or money market accounts in an institution or institutions to be selected by the Board. No withdrawals shall be made from said accounts except to pay the obligations of the Association. The Board shall maintain complete and accurate books and records of its income and expenses on the accrual basis in accordance with generally accepted accounting principles consistently applied and shall file such tax returns and other reports as shall be required by any governmental entity.

6.08 Time for Payments. The amount of any assessment, charge, fine, penalty or other amount payable with respect to any Owner or Lot shall become due and payable as specified by the Board but, if no date is specified, then thirty (30) days after any notice of the amount due as such Assessment, charge, fine, penalty or other amount shall have been given by the Association to such Owner, and any such amount shall bear interest at a rate specified by the Board but in no event greater than the maximum amount permitted by law from the date due and payable until paid.

6.09 Lien for Assessments and Other Amounts. If any Assessment or other amounts required to be paid by an Owner to the Association pursuant to this Declaration or pursuant to the Articles and Bylaws of the Association is not paid when due, then the amount of such Assessment or other charge, including interest, costs of collection, and reasonable attorneys' fees, if any, shall constitute and become a lien on the Lot so assessed when the Board causes to be recorded in the office of the Washoe County, Nevada Recorder a notice of delinquent assessment, which notice shall state the amount of such Assessment, interest, costs, fees and any other charges, a description of the Lot which has been assessed, and the name of the record Owner of the Lot in accordance with the provisions of NRS §278A.150. Such notice shall be signed by an authorized representative of the Association on behalf of the Association. Upon payment of said Assessment and charges, or other satisfaction thereof, the Board shall within a reasonable time cause to be recorded a further notice stating the satisfaction and the release of said lien.

6.10 Enforcement. The lien provided for herein may be enforced by sale of the Lot which is subject to a notice of delinquent assessment. Such sale shall be made by the Association or any of its authorized officers or attorneys in accordance with the provisions of NRS 278A.150 and 278A.160, and, to the extent not inconsistent with said provisions, also in accordance with the provisions of Covenants Nos. 6, 7, and 8 of NRS 107.030 and the provisions of NRS 107.080 and 107.090, or in any other manner permitted by law. In exercising the power of sale herein contained, the Association shall be deemed to be the trustee and beneficiary, with full power to substitute the trustee or to assign its beneficial interest, and the delinquent Lot Owner shall be deemed to be the defaulting trustor. The Association may be a bidder at the sale.

6.11 Priority of Lien. Conveyances of any Lot shall not affect any lien for Assessments provided herein. Such lien shall be prior to all other liens and property taxes recorded subsequent to a notice of assessment.

6.12 Estoppel Certificate. Upon payment of a reasonable fee and upon written request of any Owner, the Association shall furnish a written statement setting forth the amount of Assessments, charges, fines or penalties, if any, due or accrued and then unpaid with respect to the Owner, the Lot owned by such Owner, and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Lot owned by such Owner, which statement shall, with respect to the party to whom it is issued, be conclusive against the Association that no greater or other amounts were then due or accrued and unpaid.

6.13 Financial Statements. In addition to budgets, the Association shall distribute to its members within one hundred twenty (120) days after the last day of each fiscal year, a balance sheet as of the last day of such year, an operating (income) statement for such year, and a statement of changes in financial position for such year. Such financial statements need not be audited by an independent public accountant, but shall be accompanied by the certificates of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

ARTICLE 7. EASEMENTS

7.01 General Reservation. The following easements over each Lot, Parcel, and Common Areas of the Project, together with the right of ingress and egress to the extent reasonably necessary to exercise such easements, are reserved to the Declarant and his licensees, and where applicable, for the benefit of the Association and its successors and assigns and the Owners and their successors and assigns.

7.02 Utilities. Such utility easements as are shown on Maps of various units of the Project recorded from time to time together with the right to extend all utility services within such easements to other areas being developed within the Project for the installation, maintenance, and operation of all utilities, and the accessory right to locate or to cut, trim or remove trees and plantings wherever necessary in connection with such installation, maintenance and operation.

There is reserved for the benefit of each Lot, as dominant tenement, an easement for utility services under and through the Subject Property and each other Lot, jointly as the servient tenement.

7.03 Construction Easement. Declarant reserves, for a period of ten (10) years, an easement over the Subject Property, including all Lots, Parcels, and Common Areas thereof, for the purpose of completing construction of improvements on the Subject Property.

7.04 Association Easement. An easement in favor of the Association, and in favor of the Architectural Committee as may be necessary, of entry to and access through each and every Lot and Parcel of the Project and each and every lot and parcel of the Neighboring Subdivisions for the purpose of construction and maintenance of Common Areas, community facilities and open space, slope and rock outcrop easements, for performing emergency repairs necessary to prevent damage to property owned or maintained by the Association or to any Lot or Parcel of the Project and the Neighboring Subdivisions, and for the performance generally of all rights and duties of the Association as provided in this Declara-

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tion; provided, however, that any damage to a Lot or Parcel of the Project, to a lot or parcel of the Neighboring Subdivisions, or to an improvement thereon, resulting from the exercise of this easement shall be the responsibility of the Association.

7.05 Flowage Easement. Lots situated on higher elevations shall have a flowage easement over adjacent Lots having a lower elevation for the drainage of surface runoff of rainfall or other surface waters. The grade along or close to any side Lot line of the Lot situated on the higher elevation shall not be altered nor shall any structure or improvement be placed along or close to any Lot line of the higher elevation Lot so as to unduly concentrate the flow of surface waters or locate such flow in a manner that will be hazardous to the life or cause substantial damage to the property of the Owner of the Lot situated on the lower elevation, except following the Recordation in the Office of the County Recorder of Washoe County, Nevada of an appropriate document evidencing the approval of the Owner of the lower Lot. No structure or improvement shall be erected, made or maintained on the Lot situated on the lower elevation that will alter or change the drainage pattern of such lower Lot in a manner hazardous or detrimental to the Lot situated on the higher elevation, except following the Recordation in the Office of the County Recorder of Washoe County, Nevada of an appropriate document evidencing the approval of the Owner of the higher Lot.

7.06 Other Easements. Any other easement, including open space, slope and rock outcrop easements as shown on Maps of the Project recorded from time to time.

7.07 Disclaimer of Duties. The reservation of the easements described herein shall not be construed to impose upon the Declarant or the Association any duty or obligation not otherwise imposed by other provisions of this Declaration for the maintenance of utility lines, Common Areas, landscaping, or improvements thereon.

7.08 Effect of Easements on Servient Tenements. The areas of any Lot or Parcel affected by the easements reserved herein shall, except as otherwise specifically provided herein with respect to open space, slope and rock outcrop easements, be landscaped and maintained continuously by the Owner of such Lot, but no structures or other improvements shall be placed or permitted to remain or other activities undertaken thereon which damage or interfere with the use of said easements for the purposes herein set forth.

ARTICLE 8. ANNEXATION OF ADDITIONAL PROPERTY

8.01 Reservation of Right to Expand. Declarant reserves, for a period not to exceed ten (10) years from the date hereof, the right to expand the Subject Property and Project to include additional land. Any such additional land shall be adjacent to the Subject Property and be owned or acquired, in whole or in part, by the Declarant.

8.02 Procedure for Expansion. In order to accomplish such an expansion, the Declarant shall record a Supplemental Declaration which shall (1) describe the real property being annexed, (2) declare that said additional property is held and shall be held, conveyed, encumbered, leased, rented, used, occupied, and improved subject to the provisions of this Declaration, as supplemented, and (3) set forth any new or modified restrictions

or covenants which may be applicable to such annexed property. Upon the recording of the Supplemental Declaration, the additional land shall become a part of the Project and shall be subject to the provision of this Declaration and of the Supplemental Declaration.

8.01 Reciprocal Easements. Declarant reserves for the benefit of the Owners of property hereafter annexed an easement of use, access, enjoyment, egress and ingress to all of the Common Area; and by annexation of any additional property, grants an appurtenant easement of use, access, enjoyment, egress and ingress to all of the Common Area of the annexed property for the benefit of each Lot within the Project and each lot within the Neighboring Subdivisions. Such reciprocal easements may be used by Declarant, its successors, all members of the Association, their guests, tenants and invitees for such purposes as are reasonably necessary to the use and enjoyment of the Common Area.

ARTICLE 9. MISCELLANEOUS

9.01 Term and Amendment. Each of the provisions contained this Declaration shall run with the land and continue and remain in full force and effect for a period of fifty (50) years beginning as of the date of recordation of this Declaration, after which time the term of this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument executed by not less than seventy-five percent (75%) of the voting power of the Association shall be Recorded, cancelling or terminating this Declaration.

Except as otherwise provided below, this Declaration may be amended only with the approval of seventy-five percent (75%) of the total voting power of the Association. Any amendment to this Declaration must be in writing and duly executed by (1) members of the Association holding at least seventy-five percent (75%) of the total voting power of the Association or (2) the Association, in which case, such amendment shall have attached to it a copy of the resolution of the Board attesting to the affirmative vote of the requisite number of such members to effect the amendment, certified by the Secretary of the Association.

Except for amendments approved by seventy-five percent (75%) of the first mortgagees pursuant to section 9.06 C. below, any provision of an amendment which impairs, reduces, or otherwise affects any right, title, or interest of a mortgagee or beneficiary of a deed of trust under a previously recorded mortgage or deed of trust shall not be effective or enforceable against such mortgagee or beneficiary unless such mortgagee or beneficiary shall have consented thereto in writing.

9.02 Effect on Existing Mortgages: Any provision of this Declaration which changes any term or condition of the Existing Declaration and which is deemed to impair, reduce, or otherwise affect any right, title, or interest of a mortgagee or beneficiary of a deed of trust under a mortgage or deed of trust recorded prior to the date of this Declaration shall not be effective or enforceable against such mortgagee or beneficiary unless the mortgagee or beneficiary shall have consented thereto in writing. The invalidity or unenforceability of any provision of this Declaration in whole or in part as against a mortgagee or beneficiary shall not affect the validity or enforceability of any other provision of this Declaration or of any valid and enforceable part of a provision of this Declaration as against such mortgagee or

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beneficiary, and such invalidity or unenforceability as against a mortgagee or beneficiary shall not affect the validity or enforceability of such provision or any other provision of this Declaration as against the Owners, members of the Association, the Declarant, and the Association.

9.03 Effect of Provisions of Declaration. Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right of interest to effectuate any provision of this Declaration: (1) shall be deemed incorporated in each deed or other instrument by which any right, title or interest in the Subject Property or in any Lot is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument; (2) shall, by virtue of acceptance of any right, title or interest in the Subject Property or in any Lot by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and, as a personal covenant, shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner; (3) shall be deemed a real covenant by Declarant for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Subject Property and each Lot and, as a real covenant and servitude for the benefit of the Subject Property and each Lot; and (4) shall be deemed a covenant, obligation and restriction secured by a lien in favor of the Association, burdening and encumbering the title to the Subject Property and each Lot in favor of the Association.

9.04 Enforcement and Remedies. In addition to any other remedies provided herein or in the Articles and Bylaws of the Association, each provision of this Declaration with respect to an Owner or the Lot of an Owner shall be enforceable by the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages. If any court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover from the losing party its costs and expenses in connection therewith, including reasonable attorneys' fees. If additional funds are required by the Association to commence an action, such additional funds shall be the subject of a Special Assessment pursuant to the procedures set forth in Section 6.05 hereof.

9.05 Enforcement and Modification by City of Reno. The City of Reno, or such other political subdivision as may have jurisdiction over the Project, shall be entitled to enforce, modify, remove, and release provisions of this Declaration as provided by Sections 278A.380 through 278A.410 of the Nevada Revised Statutes. Any amendment, modification, or release of any provisions of this Declaration by the Owners or by the Association pursuant to the provisions of Section 9.01 above shall not affect the right of the City of Reno to enforce the provisions of this Declaration unless the consent and approval of the City of Reno is first obtained.

9.06 Mortgage Protection.

A. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair

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the lien of any mortgage, deed of trust or other lien on any Lot taken in good faith and for value and Recorded in the Office of the County Recorder of Washoe County, Nevada prior to the time of Recording in said Office of an instrument describing the Lot and listing the name or names of the Owner or Owners of fee simple title to the Lot and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce affect, defeat, render invalid or impair the title or interest of the holder of any such mortgage, deed of trust, or other lien or result in any liability, personal or otherwise, of any such holder or purchaser. Upon foreclosure of any such mortgage, deed of trust or other lien, no such holder who thereby assumes title to a Lot shall be required to correct past violations hereof with respect to such Lot so long as such Lot is neither occupied nor used for any purpose by such holder but is merely held for prompt resale. The Association, at its sole cost and expense, may correct such past violations. Any such purchaser on foreclosure shall, however, take subject to this Declaration except only that violations or breaches of, or failures to comply with, any provisions of this Declaration that occurred prior to the vesting of fee simple title in such purchaser shall not be deemed breaches or violations hereof or failures to comply herewith with respect to such purchaser, or her or his heirs, personal representatives, successors or assigns.

B. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by the individual Lot mortgagor of any obligation hereunder which is not cured within sixty (60) days.

C. Unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned), or Owners (other than the Declarant) have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission, seek to abandon or terminate the Lot regime;

(2) change the voting rights, prorate interest or obligations of any Lot for purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

(3) partition or subdivide any Lot;

(4) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or to transfer, the Common Area except as provided herein. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this clause;

(5) change the insurance requirements set forth herein or use hazard insurance proceeds for losses in Common Area for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute.

D. First mortgagees shall have the right to examine the books and the records of the Association.

E. The Association shall give notice in writing to the Federal Home Loan Mortgage Co. of any loss to or taking of the

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Common Area of the Project if such loss or taking exceeds \$10,000.00.

F. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the Lots.

G. No provision of this Declaration or of the Articles or Bylaws of the Association or any similar instruments pertaining to this Project shall give an Owner or any other party priority over any rights of first mortgagees of Lots pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Lots and/or Common Area.

9.07 Interpretation of Declaration. In interpreting and applying the provisions of this Declaration, said provisions shall be held to be minimum requirements adopted for the promotion of the health, safety, comfort, convenience and general welfare of the Owners and occupants of dwellings within the Project. It is not the intent of this Declaration to interfere with the provision of any law or ordinance or any rules, regulations or permits previously adopted or issued or which may be adopted or issued pursuant to law relating to the use of buildings or premises; nor is it the intention of this Declaration to interfere with or abrogate or annul easements, covenants, or other agreements between parties, provided, however, that where this Declaration imposes a greater restriction upon the use or occupancy of any individual residence or upon the construction of buildings or structures, or in connection with matters other than are imposed or required by such provisions of law or ordinances, by such rules, regulations or permits or by such easements, covenants and agreements, then in that case the provisions of this Declaration shall control.

9.08 Exemption for Existing Structures. All existing dwellings or structures on the Subject Property, and any dwellings or structures currently under construction on the Subject Property as of the date of the recordation of this Declaration shall be exempt from the requirements of this Declaration relating to the construction thereof; however, the requirements of the Existing Declaration amended by this Declaration shall remain applicable to all construction in progress as of the date of the recordation of this Declaration. All other provisions of this Declaration shall apply to each and every Lot and Owner of the Subject Property from the date of recordation of this Declaration; provided, however, that the Owners of each and every Lot of the Subject Property shall have a reasonable period of time in which to conform the use of their Lots with the requirements of this Declaration.

9.09 Assignment of Powers. Any and all of the rights and powers vested in Declarant pursuant to this Declaration may be delegated, transferred, assigned, conveyed or released by Declarant to the Association and the Association shall accept the same effective upon the recording by Declarant of a notice of such delegation, transfer, assignment, conveyance or release.

9.10 Limited Liability. The Declarant, the Association, the Board, the Architectural Committee, and any member, officer, agent or employee of any of the same shall not be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice. The Association shall indemnify every present and

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former officer and director of the Association and every present and former member of the Architectural Committee against all liabilities incurred as a result of holding such office, to the full extent permitted by law.

9.11 Disclaimer of Liability. Declarant disclaims any liability for repairs or maintenance of roads or other improvements, including utility lines located within the Common Areas of the Project from and after the date of conveyance of such Common Areas to the Association.

9.12 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the Association, each Owner and their respective heirs, personal representatives, successors and assigns.

9.13 Severability. Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

9.14 Captions. The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provision of this Declaration.

9.15 No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration, nor shall such failure constitute a waiver of the right to enforce the same or any other provision of this Declaration for any subsequent violation.

9.16 Gender and Number. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine and neuter as the context requires.

Dated as of the 23rd day of January, 1989, to be effective upon Recordation.

Declarant:

Ridgeland Land Company

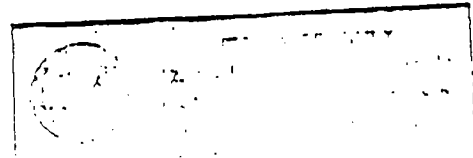
By Steven Hamilton
Steven Hamilton, President

0280610043

STATE OF NEVADA)
COUNTY OF WASHOE)

ss.

On this 12th day of January, 1989, personally appeared before me, a Notary Public, Steven Hamilton, who acknowledged that he executed this Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions on behalf of Declarant, Ridgeland Land Company.



Steven A. Beeghly
Notary Public

Thence along said easement line of Section 25, Township 20 North, Range 19 East, M.D.M., more particularly described as follows:

Beginning at the section corner common to sections 25, 26, 35 and 36, 2.20N., R.19E., M.D.M., and proceeding thence along the east line of Section 35, S.01°22'15"W. 2631.24 feet to the east corner of said Section 35.

Thence continuing along said east line S. 01°20'08"W. 777.73 feet.

Thence leaving said east line S.69°58'59"W. 218.97 feet.

Thence S.71°34'22"W. 107.30 feet.

Thence N.83°42'38"W. 245.41 feet to a point on the easterly right-of-way line of Section 35, said point being the beginning of a curve to the left, the tangent to which bears N.57°27'47"W.

Thence along said easterly right-of-way line, and along said curve to the left, having a central angle of 17°17'46", a radius of 119.89 feet, through an arc length of 96.57 feet.

Thence N.54°45'33"W. 134.02 feet to the beginning of a tangent curve to the right.

Thence along said curve, having a central angle of 18°40'18", a radius of 260.00 feet, through an arc length of 175.51 feet.

Thence N.16°04'55"W. 104.79 feet to the beginning of a tangent curve to the left.

Thence along said curve, having a central angle of 10°05'56", a radius of 195.00 feet, through an arc length of 40.97 feet to a point of tangency between curves.

Thence leaving said easterly right-of-way line of Section 25, Township 20 North, Range 19 East, M.D.M., more particularly described as follows:

The parcel of land located within a portion of Section 35, Township 20 North, Range 19 East, M.D.M., more particularly described as follows:

Parcel 1:

All that real property located in the City of Reno, County of Washoe, State of Nevada, more particularly described as follows:

LEGAL DESCRIPTION OF SUBJECT PROPERTY

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Thence N. 59°51'32"E. 16.26 feet to the beginning of a tangent curve to the left.

Thence along said curve, having a central angle of 08°16'31", a radius of 399.06 feet, through an arc length of 57.64 feet.

Thence N.38°24'59"W. 60.00 feet to the beginning of a curve to the left, the tangent to which bears N.51°35'01"E.

Thence along said curve, having a central angle of 43°18'39", a radius of 20.00 feet, through an arc length of 15.12 feet.

Thence N.40°32'52"W. 156.10 feet
Thence N.36°48'26"E. 65.99 feet
Thence N.13°45'20"E. 86.70 feet
Thence N.37°44'49"W. 75.00 feet
Thence N.53°32'25"W. 83.00 feet
Thence N.83°05'08"W. 269.96 feet
Thence N.87°31'00"W. 196.18 feet
Thence S.53°58'21"W. 54.41 feet
Thence S.20°48'58"W. 66.50 feet
Thence S.00°13'25"E. 93.72 feet
Thence N.82°32'34"W. 262.00 feet
Thence N.60°43'37"W. 162.86 feet
Thence N.42°34'40"W. 56.00 feet
Thence N.07°21'14"W. 106.00 feet
Thence N.36°27'20"W. 121.00 feet
Thence N.40°54'15"W. 486.14 feet
Thence N.05°06'07"E. 84.37 feet
Thence N.06°06'32"W. 60.10 feet
Thence N.03°16'41"W. 68.78 feet
Thence N.06°16'45"E. 80.50 feet
Thence N.25°01'19"E. 175.35 feet
Thence N.25°23'40"E. 60.00 feet

Thence N.64°36'20"W. 134.43 feet to the beginning of a tangent curve to the right.

Thence along said curve, having a central angle of 81°05'21", a radius of 30.00 feet, through an arc length of 42.46 feet to a point on the easterly right-of-way line of Socrates Drive, said point being the beginning of a reverse curve to the left.

Thence along said easterly right-of-way line and along said reverse curve, having a central angle of 15°41'22", a radius of 560.00 feet, through an arc length of 153.25 feet.

Thence N.00°47'39"E. 600.00 feet.

Thence leaving said easterly right-of-way line N.89°12'21"W. 230.00 feet.

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Thence S.00°47'39"W. 32.11 feet.

Thence N.89°56'00"W. 1,266.99 feet.

Thence N.01°19'39"E. 674.50 feet to the north line of Section 35, T.20N., R.19E., M.D.M.

Thence along said north line S.80°38'16"E. 1,260.59 feet to the north & corner of said Section 35.

Thence continuing along said north line S.89°56'59"E. 2,639.26 feet to the point of beginning.

Parcel 2:

Lots 11 through 14 in Block A, and Lots 15 through 20 and 30 through 43 Block B, of University Heights, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on February 18, 1981, as File No. 723876, Official Records, Tract Map No. 1972.

Parcel 3:

Lots 1 through 4 in Block A, Lots 1 through 14 in Block B, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase One, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760020, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2017.

Parcel 4:

Lots 2 and 6 through 16 in Block C, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Two, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760021, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2018.

Parcel 5:

Lots 1 through 12 in Block E, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Five, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 760024, Official Records; and the amended map thereof recorded April 17, 1984, as File No. 919297, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Maps Nos. 2021 and 2161.

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Parcel 6:

Lots 23 through 32 in Block K, and all common areas, if any, located outside the boundaries of Parcel 1 described above, of University Heights, a Cluster Subdivision, Unit II, Phase Six, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as file No. 760025, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records, Tract Map No. 2022.

Basis of Bearings for Parcel 1 description:

Record of Survey for Hutton Trust Filed December 14, 1978, Document No. 577057, Official Records of Washoe County, Nevada.

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E X H I B I T "B"

LEGAL DESCRIPTION OF NEIGHBORING SUBDIVISIONS

All that real property situated in the City of Reno, County of Washoe, State of Nevada, including all lots, parcels, and common areas, but excluding any dedicated streets or roads, lying within the exterior boundaries of the following described subdivisions:

A. University Heights, a Cluster Subdivision, Unit II, Phase Three, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 750022, Official Records; and the Certificate of Amendment recorded December 5, 1983, as File No. 894256, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records.

B. University Heights, a Cluster Subdivision, Unit II, Phase Four, filed for record in the office of the County Recorder, Washoe County, Nevada, on September 22, 1981, as File No. 7860022, Official Records; and amendment thereto recorded May 13, 1986, as Document No. 1071007, Official Records.

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EXHIBIT "C"

Exhibit C consists of the following thirty-seven (37) pages describing the building envelopes for Lots 1 through 37 of Unit 1 of the University Ridge Subdivision.

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JUL 07 1986

SUPPLEMENTAL DECLARATION
OF PROTECTIVE COVENANTS, CONDITIONS
AND RESTRICTIONS FOR RIDGELAND-
UNIVERSITY HEIGHTS SUBDIVISION

This Supplemental Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivision is made as of July 3, 1986, to that certain Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivision, made as of October 19, 1985, and recorded as Document No. 1056956, on March 10, 1986, in the Official Records of Washoe County, Nevada, as amended by a First Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Ridgeland-University Heights Subdivisions, made as of May 5, 1986, and recorded as Document No. 1071008, on May 13, 1986, in the Official Records of Washoe County, Nevada (as so amended, the "Declaration"), by San Marino Services, Inc., a California corporation, pursuant to Section 10.01 thereof.

RECITALS

A. Section 10.01 of the Declaration authorizes Declarant to expand the Real Property to include certain additional property (the "Expansion Property") described therein. (Except as otherwise provided, capitalized terms in this Amendment shall have the meaning given to them in the Declaration.)

B. Declarant now desires to expand the Real Property by adding thereto a portion of the Expansion Property for which a final subdivision map has been recorded.

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JUL 07 1986

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Addition of Portion of the Expansion Property.

Exhibit A of the Declaration is hereby amended by adding to the Real Property that portion of the Expansion Property described as follows:

University Heights, a Cluster Subdivision, Unit IV, filed for record in the Office of the County Recorder, Washoe County, Nevada,

on July 7, 1986, as File No. 1083192, Official Records.

2. Use of Recreational Vehicle Parking Area in

Unit IV. The Recreational Vehicle Parking Area, as designated on the map for University Heights, a Cluster Subdivision, Unit IV, shall be reserved exclusively for use by the owners of Lots in said Unit IV.

3. No Further Modifications. Except as amended

hereby, the Declaration remains unmodified and in full force and effect.

Dated: 7-3, 1986

SAN MARINO SERVICES INC.

By [Signature]
Its Executive Vice President
J. L. RUBIN

By _____
Its _____

B2365P0312

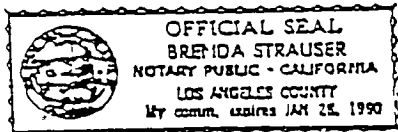
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

JUL 07 1986

On July 3, 1986, ~~was~~ before me, the undersigned, a Notary Public in and for said State, personally appeared J.L. Rubin personally known to me ~~or provided to me on the basis of satisfactory evidence~~ to be the person who executed the within instrument as the Executive Vice President and ~~personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as~~ _____ of the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Brenda Strauser
Brenda Strauser



B2555P 0013

1083193

OFFICIAL RECORDS
WILLIAMSON REYNOLDS
REQUESTED BY
ROY N. HIBDON
66 JUL 7 P 4: 33
1479 S WEZLS #45
JTSJZ

COUNTY CLERK
FEE 7.00 PER LS

