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DECLARATION OF RESERVATIONS

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THIS DECLARATION, made and entered into the last day, month and year hereinafter written, by CATTLEMEN'S TITLE GUARANTEE COMPANY, a Nevada corporation, as Trustee for AREA-WEST, INCORPORATED, a Nevada corporation, having a principal office at Fountain Hills, Arizona (hereinafter referred to as the "Declarant").

WHEREAS, the Declarant is the owner of that certain real property described on Exhibit "A," attached hereto and made a part hereof by reference (which, together with the Parcels thereof as hereinafter defined, is hereinafter sometimes referred to as the "Property"),

WHEREAS, the Declarant intends to sell, dispose of or convey all of the Property and desires to subject the same to certain protective reservations, covenants, conditions and restrictions (hereinafter referred to as "Reservations") between it and the acquirers and/or users of the Property.

NOW, THEREFORE, Declarant hereby certifies and declares that it does hereby establish a general plan for the protection, maintenance, development and improvement of the Property, and that:

THIS DECLARATION is designed for the mutual benefit of the Property and the Parcels thereof, and Declarant has fixed and does hereby fix the protective conditions upon and subject to which the Property and the Parcels thereof and all interests therein shall be used, held, leased, or sold and/or conveyed by the Owners and for the mutual benefit of the Property and of each subsequent Owner thereof, and shall run with the land and shall inure to and pass with the Property, and shall apply to and bind the Owners and their respective successors and assigns, and further are imposed upon the Property and

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every part thereof as a mutual equitable servitude in favor of each and every other Parcel of the Property herein as the dominant tenement.

In interpreting and applying these Reservations, they shall be held to be the minimum covenants and requirements for the promotion of the public health, safety and general welfare of the Property. It is not intended by these Reservations to interfere with, abrogate or annul any County of Washoe or State of Nevada ordinance, law, rule or regulation adopted or issued to regulate the use of the Property, construction, structures, buildings, utilities or improvements, or existing improvements, structures, buildings or utilities within, upon or under the Property. IN THE EVENT THIS DECLARATION OF RESERVATIONS CONFLICTS WITH ANY COUNTY OF WASHOE, STATE, DISTRICT OR LOCAL REGULATIONS, THE MORE RESTRICTIVE SHALL GOVERN.

SAID RESERVATIONS ARE AS FOLLOWS:

THAT all of the Property shall be used, improved, and occupied in accordance with and subject to the provisions set forth under the A2 SECOND AGRICULTURAL ZONE of Land Use Ordinance No. 57, Washoe County, Nevada, including any amendments thereto, provided, however, should any subsequent amendment change the title of the zoning, it is the intent of Declarant that the new designation be the one which most closely conforms to the above designated zoning as it exists as of the date of the recording of these Reservations, these Reservations, and all other state, county, district and local laws, ordinances, rules, regulations, now existing or hereafter amended pertaining thereto and all reservations, exceptions, conditions, restrictions and the like appearing of record and in the Deeds from Declarant.

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A. ROADWAY AND UTILITY EASEMENTS: CONSTRUCTION AND MAINTENANCE

1. The Property is subject to any and all easements and rights of way as set forth on any document of record (hereinafter sometimes referred to as "easements") for ingress, egress, roadway and utility purposes.

Declarant shall in no way at any time be liable or obligated to any Owner to provide, install, construct or maintain any utilities, including but not limited to power, water, sewer, telephone, to, under or upon the Property or construct, provide or maintain any roads, roadways, streets, highway or the like or in any way provide or maintain any vehicular or physical means of ingress or egress to, from or upon the Property now or at any time and, subject to the provisions of Article E, any such construction or maintenance thereof and provisions therefor, when and if made, shall be at the sole cost, expense, obligation and liability of the Owners desiring the same, subject to availability. That at such time as any such roads or utilities are desired, the then Owner, so desiring, subject to availability and expressly subject to and in compliance with all statutes, laws, ordinances, rules and regulations pertaining thereto, including, but not limited to utility company requirements, shall make all necessary applications and obtain all necessary and appropriate permits therefor.

The Property is located within the boundaries of the Palomino Valley General Improvement District ("District"). The District has, or will, accept the roads within certain units of Palomino Valley for maintenance. None of these roads are within the Property. The District levies an ad valorem tax each year to cover its general

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operations, including the maintenance of any roads that it has accepted. Notwithstanding the fact that none of the roads which the District has accepted for maintenance are within the Property, the Owners will be required to pay the ad valorem tax levied by the District against their parcels.

B. IMPROVEMENT STANDARDS

1. No construction or improvement shall be commenced upon the Property until the appropriate permits are issued by Washoe County, Nevada.

2. All structures shall conform to the requirements of the Uniform Building Code, as published by the International Conference of Building Officials, current edition, and the requirements of the National Electrical Code as published by the National Fire Protection Association, current edition, as a guide to sound construction and electrical installation practices, and the Washoe County Building Department, whichever are the more restrictive.

C. DEFINITIONS

1. "Parcel" or "Parcels" shall mean the parcels shown on the Division of Land Into Large Parcels map for Wilcox Ranch 2 more particularly described on Exhibit "A" hereto including any parcels into which the original parcels may be split or subdivided in the future and the Northeast quarter (NE 1/4) of Section 18, Township 21 North, Range 22 East of the M.D.B. and M. for the limited purpose of Section F.

2. "Owner" or "Owners" shall include:

a. those who hold fee simple title to a Parcel;

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b. those who have entered into an agreement to purchase fee simple title to a Parcel, (which for the purpose of these Reservations shall include real estate purchase agreements, promissory notes secured by a mortgage or deed of trust and any other similar documents or instruments) in which event the Seller under the agreement shall cease to be the Owner while such agreement is in effect;

c. those who occupy or use a Parcel.

3. Unless the context shall otherwise provide, the meaning of all other words used in these Reservations shall be determined by the definitions set forth in the Land Use Ordinance of Washoe County, Ordinance No. 57, including any subsequent amendments thereto.

D. LAND USE - GENERAL PROVISIONS

The following provisions shall be applicable to the Property:

1. Animals - Livestock & Domestic

Domestic animals such as dogs, cats or other household pets may be kept provided they are confined to the limits of the Owner's Parcel.

Horses (including burros, donkeys and mules, calves, cows, sheep, goats, lambs, pigs, chickens, roosters, or any other farm animals, livestock or fowl will be permitted on the Property provided they are fenced in with good and adequate fencing and not permitted to roam at large. In no case shall the use and care of such animals, livestock or fowl be allowed to become a nuisance or cause noxious odors.

Notwithstanding the provisions of the immediately preceding sentence, each Owner will be permitted to graze for the period from May 1 to October 1 of each year six (6) head of cattle for each Parcel of 80 acres or more without fencing them within the Owner's Parcel. Such

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cattle will graze at the Owner's sole risk and responsibility. The right to graze, however, shall be subject to the determination of available grazing land by the Wilcox Ranch Property Owners Association, utilizing good animal husbandry practices. If an Owner owns a Parcel of less than 80 acres, the Owner may graze a prorated share thereof to the next lowest whole number. This right to graze may be assigned by an Owner to another Owner of a Parcel only. In the event an Owner does not want cattle to graze on the Owner's Parcel, the Owner will be required to keep the cattle out by fencing his Parcel with good and adequate fencing, at Owner's sole cost.

2. Ecological Control

Under no circumstances shall the Owner of any Parcel disturb the natural soil, trees, or grasses unless the Owner immediately thereafter constructs improvements thereon, paves, gravels, or plants such disturbed areas with ground cover.

3. Nuisances

No offensive activities shall be carried on upon the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the area. The exploration, development and production of all oil and minerals, including geothermal steam and energy, shall not be deemed to be offensive activities.

4. Plumbing

All structures shall have complete and approved plumbing installations before occupancy. Such plumbing shall conform to the requirements of the Uniform Plumbing Code as published by the International Association of Plumbing and Mechanical Officials, current edition, as a guide to sound plumbing practices.

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5. Sewage Disposal Systems; Domestic Water Wells

Where and when approved for such use, the design, construction, use and installation of all individual sewage disposal systems and domestic water wells shall be in compliance with all laws or requirements of the local, county, district and state governing agencies or entities, all at the sole cost and expense of the Owner.

6. Storage of Tools, Trash and Junk; Care of Property

Tools, landscaping instruments, household effects, machinery or machinery parts, empty or filled containers, boxes or bags, trash materials or any other items that may detract from the aesthetic values of the Property shall be removed routinely from time to time or stored in appropriate containers or structures which shall be placed so as to be concealed from view from easements used for roadway purposes. The Property shall be maintained at all times in a clean, neat and orderly manner. Storage of junk, unlicensed or inoperative vehicles and other unsightly items or objects on the Property is expressly prohibited.

7. Unnatural Drainage

Under no circumstances shall any Owner be permitted to alter the topographic conditions of his Parcel in any way that would change the natural course of drainage to the detriment of any other Parcel, easement or right of way nor shall any Owner who has the right to use water for irrigation purposes pursuant to Section F hereof permit the irrigation water to flow over or across any other Parcel, easement or right of way except in specific defined creeks, streams, ditches or laterals operated or authorized by the Wilcox Ranch Ditch Company.

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8. Occupancy of Structures

No structure shall be occupied or used for the purpose for which it is designed or built until the same shall have been substantially completed and a certificate to that effect shall have been issued by the appropriate Washoe County Agency.

9. Natural Flowing Springs or Creeks

The surface water rights for the water which flows from the springs located on the Property and in the creeks, streams, ditches and laterals on the Property is owned, controlled and managed by the Wilcox Ranch Ditch Company (Ditch Company), see Section F. The use of such water is limited to those Owners who are shareholders in the Ditch Company. No Owner of a Parcel will be permitted to obstruct, dam, or divert water from a naturally-flowing spring, creek, stream or ditch. The right to obstruct, dam or divert water is specifically reserved to the Ditch Company. Further, each Owner agrees that no applications will be filed or made to appropriate or use any water from a naturally-flowing spring, stream, creek or ditch located on the Property except as provided in Section F below. Said restriction on filing applications shall not be deemed to prohibit the drilling of domestic wells, provided said domestic wells are drilled in accordance with the laws of the State of Nevada.

10. Solid Waste Material

The dumping or burying of solid waste on the Property is strictly forbidden.

11. Temporary Buildings

No temporary buildings, including shacks, shanties and other such structures shall be erected or placed upon any parcel, and no tempo-

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rary buildings, including basements, cellars, shacks, shanties, garages, barns or other temporary out-buildings or similar structures shall at any time be used for human habitation.

12. Use of Premises

No Owner shall use the Property for any purpose other than that expressly permitted in these Reservations or in compliance with the Land Use Ordinances of Washoe County, whichever is more restrictive.

13. Hunting

Hunting only by Owners and their guests, not to exceed two guests at any one time, will be permitted on the Property, provided however, that all hunters will be responsible and liable for any damage caused by them. Further, Owners will be responsible for the acts of their guests while hunting. No hunting will be permitted within fenced areas of the Property, except by the Owner of the fenced areas. There shall be no hunting within 100 yards of any structure used for human, animal or fowl habitation.

E. PROPERTY OWNER'S ASSOCIATION

1. Declarant has formed a non-profit corporation known as "Wilcox Ranch Property Owners Association" (POA) which is to be composed of all of the Owners of Parcels of the Property. The POA shall have as its principal purpose the ownership of the roadway easements within the Property and the maintenance of the roads within said easements until such time as said easements and roads are accepted for maintenance by an appropriate government agency and such other powers and purposes as are set forth in the Articles of Incorporation and By-laws of the POA and laws of the State of Nevada, as these documents and laws may be amended from time to time.

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2. Each Owner of a Parcel shall automatically become, by virtue of such ownership and throughout the time such ownership shall continue, a member of the POA and shall have the rights and privileges of membership as set forth in the Articles and By-laws thereof.

3. By entering into an agreement to purchase a Parcel or by accepting conveyance thereof, the Owner agrees to pay to the POA such amount as may be assessed ratably against each Parcel and the Owner thereof. Each annual assessment will be determined by and payable in accordance with the provisions of the By-laws. The first annual assessment will be for the calendar year 1982 and shall be \$100.00 per Parcel regardless of the size of the Parcel. The assessment shall accrue starting January 1, 1982. Thereafter the annual assessment in any given year shall not exceed 125% of the previous year's assessment or the amount of \$125.00, whichever is greater, without the approval of members of the POA as provided in the By-laws. The amount of the assessment shall be based on the cost of the services to be provided by the POA. The POA is also empowered to fix and levy a special assessment ("Special Assessment") for capital improvements subject to the appropriate limitations and criteria set forth in the By-laws.

4. Any and all annual and Special Assessments made by the POA shall constitute a lien in favor of the POA on the Parcel against which it is made, and shall be payable together with interest thereon at the maximum legal rate and any cost of collection thereof, in the manner herein prescribed. Each such assessment shall also constitute the personal obligation of the Owner of the Parcel at the time the assessment is levied. The POA shall be entitled to enforce its lien hereunder following the procedure provided by state law for the en-

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forcement of mechanic's and materialmen's liens, except that the enforceability of such lien shall not depend upon any action by the POA, nor the timeliness thereof, in filing a claim for payment of charges or assessments secured by such lien, nor shall any failure by the POA to assert or file such claim at any time, with respect to any particular charge or assessment, constitute or be construed to constitute a waiver by the POA of any such charge(s) or assessment(s). Any claim against the POA shall not constitute a defense or offset in any action by the POA for non-payment of any amount which may be assessed hereunder. Any lien created hereby shall be subject and subordinate to the lien of any contract of sale, mortgage or deed of trust now or hereafter placed upon a Parcel.

F. DITCH COMPANY

1. Wilcox Ranch Ditch Company, a non-profit Nevada corporation, ("Ditch Company"), has been formed by Declarant to own and administer certain surface water rights, water storage rights and the water represented thereby on the Property. The Owners of the Parcels described below own all of the shares of stock in the Ditch Company which will entitle these Owners to use the water for irrigation, recreation and storage purposes provided the Owners fully comply with the Articles of Incorporation, By-laws and Rules and Regulations of the Ditch Company, including the prompt payment of any assessments or charges levied for the use of the water.

2. The stock of the Ditch Company is divided into two classes, Class A and Class B, both of which are common stock. Class A stock will permit the Owner to use one acre foot per share per year, subject to availability, for irrigation purposes only and Class B stock will

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permit the Owner to use one acre foot per share per year, subject to availability, for recreation and storage purposes only. The Parcels of Property entitled to Class A stock and the number of shares per Parcel are:

Parcel No.	No. of Shares
5	15
6	30
7	30
8	30
9	30
42	15
44	15
45	15
55	24
56	24
57	24
58	24
60	30

The Parcels of Property entitled to Class B stock and the number of shares per Parcel are:

Parcel No.	No. of Shares
5	2
6	2
7	2
8	2
9	2
10	2

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21	2
22	2
31	2
33	2
34	2
35	2
36	2
37	2
38	2
39	2
40	2
41	2
42	2
43	2
44	2
45	2
50	2
51	2
52	2
53	2
54	2
55	2
56	2
57	2
58	2
59	2
60	2

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The Northeast quarter (NE 1/4) of Section 18, Township 21 North, Range 22 East of the M.D.B. and M., Washoe County, Nevada, which is not a part of the Property, will however be entitled to use water owned by the Ditch Company. The number of shares of Class A stock to be assigned to this parcel is sixty (60) and the number of shares of Class B stock is two (2). The Owner of this Parcel shall be bound by all the terms and conditions of this Section F as well as the Articles of Incorporation, By-laws and Rules and Regulations of the Ditch Company. The only part of these Reservations which are applicable to this Parcel is Section F.

These shares of stock may not be owned separate and apart from the ownership of a Parcel and any sale, assignment, or transfer shall be subject to the approval of the Ditch Company. Any attempt to sell, assign or transfer these shares without the prior written approval of the Ditch Company shall be void.

3. Water used pursuant to Class B stock shall be stored in a pond, to be constructed at the Owner's cost, which shall have a maximum surface area of Ten Thousand (10,000) square feet and a maximum depth of six (6) feet. There shall be a limit of one pond per 40 acres.

4. The right of each Owner to use the water represented by the shares owned shall be subject to compliance with the provisions of the Articles of Incorporation, By-laws and Rules and Regulations of the Ditch Company, payment of all assessments and charges by the Ditch Company, all approvals required by the Nevada State Water Engineer and the laws of the State of Nevada, the availability of water due to climatic reasons and the rights of owners of senior or junior water

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rights, if any. In the event the supply of water is short due to climatic reasons, the water will be apportioned on a prorated basis among all qualified users.

5. By entering into an agreement to purchase a Parcel or by accepting conveyance thereof, including the Northeast quarter (NE 1/4) of Section 18, the Owner agrees to pay to the Ditch Company such amount as may be assessed ratably against each Parcel, based on the number of shares owned and the Owner thereof. Each annual assessment will be determined by and payable in accordance with the provisions of the By-laws. The amount of the assessment shall be based on the cost of the services to be provided by the Ditch Company. The Ditch Company is also empowered to fix and levy a special assessment ("Special Assessment") for capital improvements subject to the appropriate limitations and criteria set forth in the By-laws.

6. Any and all annual and Special Assessments made by the Ditch Company shall constitute a lien in favor of the Ditch Company on the Parcel against which it is made, and shall be payable together with interest thereon at the maximum legal rate and any cost of collection thereof, in the manner herein prescribed. Each such assessment shall also constitute the personal obligation of the Owner of the Parcel at the time the assessment is levied. The Ditch Company shall be entitled to enforce its lien hereunder following the procedure provided by state law for the enforcement of mechanic's and materialmen's liens, except that the enforceability of such lien shall not depend upon any action by the Ditch Company, nor the timeliness thereof, in filing a claim for payment of charges or assessments secured by such lien, nor shall any failure by the Ditch Company to assert or file

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such claim at any time, with respect to any particular charge or assessment, constitute or be construed to constitute a waiver by the Ditch Company of any such charge(s) or assessment(s). Any claim against the Ditch Company shall not constitute a defense or offset in any action by the Ditch Company for non-payment of any amount which may be assessed hereunder. Any lien created hereby shall be subject and subordinate to the lien of any contract of sale, mortgage or deed of trust now or hereafter placed upon a Parcel. The lien of the POA levied pursuant to Section E will be prior and superior to the lien of the Ditch Company.

G. GENERAL PROVISIONS

1. Duration

Subject to the assessments for ingress, egress, roadway and utility purposes as shown on the filed Division Into Large Parcels map, the reservations, covenants, conditions and restrictions of this Declaration shall run with and bind the land and shall be effective for a term of twenty (20) years from the date this Declaration is recorded. The reservations, conditions, covenants and restrictions contained herein may be amended at any time by an instrument executed by the Owners of 80% of the Parcels in existence at the time of the amendment and shall continue to be effective as amended after each such amendment for the term above provided. No amendment or revocation shall be effective until recorded in the office of the County Recorder of Washoe County, Nevada.

2. Notices

Any notice required to be sent to any Owner under the provisions of these Reservations shall be deemed to have been properly given when

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mailed to the last known address of the person who appears as Owner on the records of the Washoe County Recorder at the time of such mailing.

3. Severability

In the event that any of the provisions of these Reservations conflict, the more restrictive shall govern. If any paragraph, section, sentence, clause or phrase of the Reservations herein contained, or incorporated herein by reference, shall be or become illegal, null or void, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses or phrases herein contained or incorporated shall not be affected thereby.

4. Enforcement

In the event of any existing or threatened violation of any provisions of this Declaration of Reservations, any Owner of any Parcel, or the respective legal representatives, heirs, successors and assigns of any of the foregoing may bring any action at law or in equity to enforce these Reservations. All remedies shall be cumulative, and the bringing of such action(s), or the failure to do so by anyone so entitled, shall not affect the right of another to avail himself or itself of any available remedy, nor shall a failure to enforce any provision of these Reservations be deemed a waiver of the right to do so thereafter.

DATED:

August 24, 1981

CATTLEMEN'S TITLE GUARANTEE COMPANY,
a Nevada corporation, as Trustee
for Area-West, Incorporated.

By:

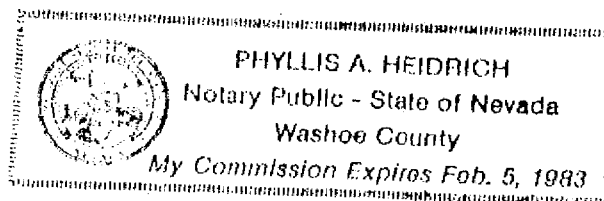
Charlotte V. Mills, President

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STATE OF NEVADA)
County of WASHOE) ss

On AUGUST 24, 1981, personally appeared before me, a Notary Public, CHARLOTTE MILLS, a duly qualified and acting officer of Cattlemen's Title Guarantee Company, a Nevada corporation, who acknowledged that SHE executed the above instrument in that capacity.

Phyllis A. Heidrich
Notary Public



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Parcels 1 through 61, inclusive, Wilcox Ranch 2,
according to the Division Into Large Parcels map
filed of record on Aug. 26, 1991 as File
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County Recorder, Washoe County, Nevada;

and

the Northeast quarter (NE 1/4) of Section 18,
Township 21 North, Range 22 East of the M.D.B. and
M., Washoe County, Nevada; BUT ONLY as to
Section F.

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OFFICIAL RECORDS
WASHOE COUNTY, NEVADA
RECORDED REQUESTED BY
Thomas Foot of Assoc.
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JOE MELCHER
COUNTY CLERK
FEE 22.00 *DL*

Exhibit A

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