

AFTER RECORDING, MAIL TO:

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"B" COURT - HUNTER LAKE TOWNHOUSE ASSOCIATION
FIRST AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

This FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 4th day of October, 2007, by the Owners of "B" Court - Hunter Lake Townhouse Association ("Owners").

WITNESSETH:

WHEREAS, Owners and "B" Court Hunter Lake Townhouse Association ("Association") are successors to Gamboni Construction Co., Inc., identified as Declarant; and

WHEREAS, Owners and "B" Court Hunter Lake Townhouse Association ("Association") are the owners of certain real property in the County of Washoe, State of Nevada, the legal description of which is attached hereto marked Exhibit "A" and made a part hereof which property consists of twenty-four (24) townhouse lots commonly known as, "B" Court - Hunter Lake Townhouse Association and certain common area; and

WHEREAS, Owners and Association desire to subject such property to the covenants, conditions and restrictions for the benefit of such property and its present and subsequent owners as hereinafter specified; and

WHEREAS, the power to enforce certain of such covenants, conditions, restrictions, reservations and charges is to reside in "B" Court - Hunter Lake Townhouse Association, a non-profit corporation organized under the laws of the State of Nevada; and

WHEREAS, Declarant, executed the "B" Court - Hunter Lake Townhouse Association Declaration of Covenants, Conditions and Restrictions, recorded on April 14, 1977, as Document No. 459332, Book 1071, Page 800, in the Official Records of the County of Washoe, State of Nevada;

NOW, THEREFORE, the undersigned who are the present owners of the land subject to this Declaration and who constitute all of such owners, hereby declare that all properties described in Exhibit "A" shall be held, sold and conveyed subject to following easements, covenants, conditions, restrictions and charges. Such easements, covenants, conditions and restrictions (hereinafter sometimes referred to as "covenants and restrictions") shall run with such property and shall be binding on all parties having or acquiring any right, title or interest in such property or any part thereof, and shall inure to the benefit of each owner thereof and to the benefit of Association as hereinafter provided. The Owners and the Association do hereby declare that the above-referenced limitations, easements, covenants, restrictions, conditions, the Lien and charges set forth in the deeds from the Declarant be and are hereby restated in their entirety. In the place and stead of the restated limitations, easements, covenants, restrictions, conditions, the Lien and charges set forth in the Declaration of Covenants, Conditions & Restrictions, the Members, Owners and Association hereby adopt and substitute this "B" Court - Hunter Lake Townhouse Association First Amended and Restated Declaration of Covenants, Conditions & Restrictions;

ARTICLE I

DEFINITIONS

The following words when used in this Declaration or any supplemental declaration, unless the context shall prohibit, shall have the following meanings:

1.1 "ASSOCIATION" means "B" Court - Hunter Lake Townhouse Association, a non-profit corporation organized under the laws of the State of Nevada, its successors and assigns, and operated pursuant to Chapters 82, 116 and 116A of the Nevada Revised Statutes.

1.2 "THE PROPERTIES" shall mean all the property described in Exhibit "A."

1.3 "COMMON PROPERTIES" shall mean those areas of land described in Exhibit "A" and shown in the subdivision plat of the Properties recorded as Document No. 234648 on February 11, 1972 set out and intended to be devoted to the common use and enjoyment of the Owners of the

Properties or hereafter acquired by the Association for such purpose and such improvements as may be made or erected upon such areas of land.

1.4 "B" COURT means "THE PROPERTIES" as defined above.

1.5 "LOT" shall mean any numbered plot of land shown upon any recorded subdivision plat of the Properties which is not designated as Common Properties.

1.6 "MEMBER" shall mean every person or entity who holds membership in the Association.

1.7 "MORTGAGE" shall mean a Deed of Trust as well as a mortgage.

1.8 "MORTGAGEE" shall mean a beneficiary of, or a holder of a Deed of Trust, as well as a mortgage.

1.9 "OWNER" shall mean the record owner, whether one or more persons or entities, of fee simple title to any lot situated upon the Properties, including contract purchasers but excluding those having such interest merely as security for performance of an obligation.

1.10 "RULES AND REGULATIONS" shall mean those rules and regulations that may be adopted or amended by the Board of Directors of the Association.

ARTICLE II

ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

2.1 ASSOCIATION. The Association shall have the rights and duties with respect to the common area of the Association and the units surrounding such Court as are set forth herein. The Association may enter into contracts for the maintenance of common areas and management of the Association, and shall provide for adequate reserve funding.

2.2 MEMBERSHIP. Members of the Association shall be every Owner of a fee or undivided fee interest in any lot subject by covenants of record to assessment by the Association and every person who holds a contract purchaser's interest of record in a lot. There shall be no other qualification for membership except as set forth above. Membership shall terminate on transfer of fee simple title by an Owner or the contract purchaser's interest by a contract purchaser who qualifies as a member. If an Owner sells a lot by contract of sale, upon recordation thereof, the Owner's membership shall terminate and the contract purchaser's membership shall commence.

2.3 VOTING RIGHT. There shall be one class of voting membership consisting of all Owners. All members will be entitled to one vote for each lot in which they hold the interest required for membership by Section 2.2. If more than one person holds such interest or interests, all such persons shall be members, but the vote for such lot shall be exercised as the persons holding such interest shall determine between themselves, provided that in no event shall more than one vote be cast with respect to any such lot.

2.4 EXERCISE OF VOTING RIGHTS. Any member entitled to vote may attend and vote at meetings in person, or by agent or agents as provided herein except when the Secretary shall receive actual notice of the death or judicially declared incompetence of such member or upon disqualification of the member to exercise the rights of membership pursuant to the terms hereof. During any period in which an Owner shall be in default in the payment of any annual or special assessment levied by the Association or shall be in violation of the Declaration or Rules and Regulations, the voting rights of such Owner may be suspended by the Board of Directors until such assessment has been paid, fine has been paid and/or violation cured. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days for any single infraction of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE III

PROPERTY RIGHTS IN COMMON PROPERTIES

3.1 MEMBERS EASEMENTS OF ENJOYMENT. Subject to the provisions of Section 3.3, every member shall have a right of easement and enjoyment in and to the Common Properties, and such easement shall be appurtenant to and shall pass with the title to every lot and upon the recordation of the Contract of Sale of any lot.

3.2 TITLE TO COMMON PROPERTIES. Fee simple title to the Common Properties is held by the Association.

3.3 EXTENT OF MEMBER'S EASEMENTS. The rights and easements of enjoyment created hereby shall be subject to the following:

3.3.1 The right of the Association to limit the number of guests of members permitted to use the Common Properties.

- 3.3.2 The right of the Association to suspend the voting rights and right to use all the recreational facilities by an Owner (i) for any period during which any assessment against his lot remains unpaid; or (ii) for a period not to exceed thirty (30) days for any infraction of its adopted rules and regulations.
- 3.3.3 The right of the Association in accordance with its Articles and Bylaws to mortgage said property as security for any loan, the purpose of which is improvement of the Common Properties. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right after taking possession of such properties to charge admission and other fees as a condition of continued enjoyment by the members, and, if necessary, to open the enjoyment of such property to a wider public until the mortgage debt is satisfied, whereupon the possession of such property shall be returned to the Association and all rights of the members hereunder shall be fully restored.
- 3.3.4 The right of the Association to dedicate or transfer all or any part of the Common Properties to any municipal corporation, public agency or authority for such uses and purposes and subject to such conditions as may be agreed to by the members by an affirmative vote of 75% of the voting members. No such dedication or transfer, however, shall be effective except pursuant to a vote of the members as provided by the Articles of Incorporation.

3.4 DELEGATION OF USE. Any member may delegate in accordance with the Bylaws his right of enjoyment to the Common Properties to the members of his family and his tenants.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENT

4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENT. Each Owner of any lot by acceptance of the deed or contract therefore whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual assessments and special assessments for capital improvements. Such assessments shall be fixed, established and collected from time to time as hereinafter provided and shall constitute a lien as provided in Chapter 116 of the Nevada Revised Statutes. The annual and

special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided shall be a continuing lien upon the property against which each such assessment is made from the date hereinafter set forth. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be a personal obligation of the person who is the Owner of such property at the time when the assessment fell due. Such personal obligation shall not pass to his successors in title unless expressly assumed by them.

4.2 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, enjoyment and welfare of the residents of the Properties and in particular for the improvement and maintenance of property, services and facilities devoted to the purpose and related to the use and enjoyment of the Common Properties and of the dwelling units situated upon the Properties.

4.3 BASIS OF ANNUAL ASSESSMENT. The Board of Directors of the Association shall determine the annual assessment each year based upon the ongoing and needed expenses for each annual year. The Board of Directors shall include an amount in each annual budget sufficient to fund the reserves adequately pursuant to Chapter 116 of the Nevada Revised Statutes and Chapter 116 of the Nevada Administrative Code. The budget shall be prepared, mailed and ratified as required by Chapter 116 of the Nevada Revised Statutes.

4.4 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. Upon vote of the members of the Association in the manner hereinafter set forth, the Association may levy in addition to annual assessments a special assessment in any calendar year applicable to that year only, for the purpose of defraying in whole or in part the cost of construction or reconstruction or expected repair or replacement of a described capital improvement upon the Common Properties including necessary fixtures and personal property related thereto.

4.5 UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on a monthly basis.

4.6 VOTING AND NOTICES FOR SPECIAL ASSESSMENT. Except for a special assessment needed to fund the reserves, any special assessment must have the assent of fifty-one percent (51%) of the votes of members who are voting, in person or by proxy, by written ballot or at a meeting duly called for that purpose, written notice of which shall be sent to all members at least

ten (10) days in advance of the date of such meeting, setting forth the purpose of the meeting. Any special assessment needed to fund the reserves may be imposed by the Board of Directors of the Association and no membership vote is required.

4.7 DATE OF COMMENCEMENT OF ANNUAL ASSESSMENT. The initial annual assessments shall commence on the first day of such month as determined by the Board of Directors of the Association, shall be made for the balance of the fiscal year and shall be due and payable on the monthly dates fixed by the Board.

4.8 STATEMENT OF PAYMENT. Upon receipt of a written request from an Owner or Owner's agent, the Association shall, within ten (10) days or any greater period of time allowed by Chapter 116 of the Nevada Revised Statutes, furnish to any Owner liable for an assessment a statement in writing setting forth whether the assessments on the property owned by such Owner have been paid.

4.9 THE EFFECT OF NON-PAYMENT OF ASSESSMENTS, PENALTIES, FEES, CHARGES, LATE CHARGES, FINES AND INTEREST; LIEN OF ASSOCIATION. If an assessment, or any other amount due, is not paid on the date when due, such assessment, or any other amount due, shall become delinquent and interest at 18% per annum on each unpaid assessment and a monthly penalty as determined and adopted by the Board of Directors shall be levied after the 15th of each month. The Secretary of the Association or other person authorized by the Board of Directors may file in the Office of the County Recorder of Washoe County after sixty (60) days after such delinquency, a statement of the amount of the delinquent assessments, together with penalty, foreclosure fees, collection costs, any attorneys fees and costs incurred. Upon payment in full thereof the Secretary, or other authorized person, shall execute and file a proper release of such lien. Such assessment with penalty set forth above shall constitute a lien as provided in Chapter 116 of the Nevada Revised Statutes. The Association may bring an action at law to enforce payment of a delinquent assessment against the Owner personally obligated to pay the same and may enforce such lien in the manner provided by Chapter 116 of the Nevada Revised Statutes with respect to a lien on real property.

In the event a Judgment or Decree is obtained in favor of the Association, the Owner shall be liable for the Association's court costs and disbursements and a reasonable attorney's fee to be

fixed by the Court, such costs, disbursements and attorney's fees to be further secured by such lien. No Owner may waive or otherwise escape liability for assessments by non-use of the Common Properties or abandonment of his lot.

4.10 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessment provided for herein shall be subordinate to the lien of the first mortgage or Deed of Trust except as provided in Chapter 116 of the Nevada Revised Statutes. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to any mortgage or Deed of Trust, pursuant to a Decree of Foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, including sale under a Deed of Trust, shall extinguish any lien of an assessment except as to all assessments, late charges, fines, fees or costs which became due in the six (6) months prior to such sale or transfer. Such sale or transfer shall not release such lot from liability from any assessments thereafter becoming due or from the lien thereon.

4.11 EXEMPT PROPERTY. The following property subject to this Declaration shall be exempted from the assessment, charges and liens created herein:

- A. All easements or other interests therein dedicated and accepted by a municipal corporation or other local public authority and devoted to public use.
- B. All Common Properties.

4.12 ASSESSMENTS. All assessments, whether annual assessments or special assessments for capital improvements shall be held by the Association for the uses and purposes allowed by applicable Nevada law and/or as set forth in Section 4.2 of this Declaration, and special assessments for the purposes as allowed by applicable Nevada law and/or as set forth in Section 4.4 of this Declaration. It is understood that the purposes set forth in Section 4.2 shall include, without limiting the generality of that section, all expenses relating to the maintenance of the Common Properties, property taxes thereon, liability insurance with respect to the use and operation of the Common Properties, payment of premiums on policies of fire insurance with extended coverage endorsements with respect to all dwelling units and other buildings located on the Properties, a reasonable management fee for managing the affairs of the Association, and the exterior maintenance of the buildings and lots as required by Article VIII of the Declaration, including establishing such

reserves for such purposes as may be required by applicable Nevada law.

The Association shall deposit all sums paid to it under this Declaration in an institution, and that it will not thereafter withdraw such sums or any portion thereof, except for the uses and purposes herein set forth; provided that the Association may, at its discretion withdraw such sums for the purpose of redeposit in some other institution as may be required by Chapter 116 of the Nevada Revised Statutes or Nevada Administrative Code.

ARTICLE V

PARTY WALLS

5.1 GENERAL RULES OF LAW TO APPLY. Each wall which is built as a part of the original construction of the dwelling units upon the Properties and placed on the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, Chapter 116 of the Nevada Revised Statutes, the general rules of law regarding party walls and liability for property damage due to willful or negligent acts or omissions shall apply thereto.

5.2 SHARING OF REPAIR AND MAINTENANCE. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. The word "use" as referred to in this Article means Ownership of a dwelling unit or other structure which incorporates any part of such wall.

5.3 DESTRUCTION BY FIRE OR OTHER CASUALTY. If a party wall is destroyed or damaged by fire or other casualty covered by insurance maintained by the Association, the Association shall repair the damage in accordance with the provisions of Article X hereof. But if such wall is destroyed or damaged by any casualty not covered by insurance maintained by the Association in accordance with Article IX hereof, Owners who have used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

5.4 WEATHERPROOFING. Notwithstanding any other provisions of Article V, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall

bear the whole cost of furnishing the necessary protection against such elements but such obligation shall not be the basis of any claim by any insurer which has insured the Association pursuant to Article IX hereof.

5.5 RIGHT TO CONTRIBUTION RUNS WITH LAND. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

5.6 ARBITRATION. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, the Board of Directors of the Association shall have authority to adjudicate such dispute, including without limitation, the authority to apportion the costs of repair or restoration of a party wall.

ARTICLE VI

ARCHITECTURAL CONTROL

6.1 ARCHITECTURAL CONTROL. The Board of Directors may act as the Architectural Control Committee or the Board of Directors may appoint an Architectural Control Committee of three or more persons who need not be members of the Association, which Committee may act for the Board to the extent set forth in this Declaration.

6.2 RESTRICTIONS ON CONSTRUCTION, MAINTENANCE AND IMPROVEMENTS. The following restrictions are applicable to construction, alteration, maintenance and improvements on the Properties.

6.2.1 No building alterations or improvements of any kind to the Properties, fence, hedge, wall or other structure, landscaping or planting, shall be commenced, erected or maintained upon the Properties, until the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors or the Committee. If the Board of Directors or the Committee fails to approve or disapprove such design and location within sixty (60) days after such plans and specifications have been submitted to it, approval will not be required and this Article will be deemed

to have been fully complied with unless such alteration is prohibited by this Declaration or other governing documents of the Association.

- 6.2.2 The location, color, size, design, lettering and other particulars of mail or paper delivery boxes shall be subject to prior approval of the Board of Directors or the Committee.
- 6.2.3 Except as may be allowed by law, all outside television and radio aerials and antennas are prohibited without express written approval of the Association or the Committee.
- 6.2.4 Except as allowed by law, no sign or other advertising device of any character shall be erected on any unit or maintained upon any part of the Properties except one sign not larger than 18 inches by 24 inches advertising a unit for sale or for rent. Signs advertising the property for sale or for rent by a real estate broker shall not be permitted.

ARTICLE VII

RESTRICTIONS ON USE OF PROPERTY BY OCCUPANTS; RULES AND REGULATIONS

7.1 USE RESTRICTIONS. The following restrictions shall be applicable to the use of any property subject to the Declaration.

- 7.1.1 No lot shall be used for any purpose other than residential purposes.
- 7.1.2 No animals or fowls shall be raised, kept or permitted upon the Properties or any part thereof, excepting only domestic dogs or cats and excepting caged pet birds kept within the dwelling unit, provided said dogs, cats and pet birds are not permitted to run at large and are not kept, bred or raised for commercial purposes or in unreasonable numbers.
- 7.1.3 No noxious or offensive activity shall be carried on upon the Properties or any part thereof, nor shall anything be done or maintained thereon which may be or become any annoyance or nuisance to the neighborhood or detract from its value as a high-class residential district.
- 7.1.4 No campers, trailers, recreational vehicle of any kind or boats shall be parked or permitted to remain in the Properties unless inside the Owner's garage or

in such specific parking area as may be assigned by the Association to a particular recreational vehicle.

- 7.1.5 No commercial vehicles shall be parked or permitted to remain in the Properties unless inside the Owner's garage or in such specific parking area as may be assigned by the Association to a particular commercial vehicle.
- 7.1.6 No Owner or occupant shall remove or significantly alter any tree or shrub in any street, right-of-way, park or recreational area or other part of the Common Properties unless permission in writing is first granted by the Association.
- 7.1.7 All walks and driveways are for the use of Members on an equal basis. It shall be the responsibility of each Member to allow maximum ease of pedestrian and vehicular ingress and egress over walks and driveways by prohibiting parking in front of garages or in the alleyways and allowing no obstruction or barrier on, across or adjacent to sidewalks.
- 7.1.8 Nothing shall be done or kept by any Owner occupant in any dwelling unit or in the Common Properties which will increase the rate of insurance applicable to the Properties and improvements thereon without written consent of the Association.
- 7.1.9 The Board of Directors shall have jurisdiction over activities permitted in the common use areas. All disputes, complaints or matters of change in existing use restrictions will be submitted to the Board of Directors for arbitration. Judgment of the Board of Directors shall be final and binding as to all parties concerned.

7.2 RESIDENTIAL USE; COMMUNITY-WIDE LEASE LIMITATION. No Lot shall be used for any purpose other than Single-Family Residential Use. At no time may more than nine of the total number of Lots, or such lower number as may be required by any so-called secondary mortgage market source, be leased, rented, licensed, or let (collectively referred to as "leased") unless an exception in writing for hardship purposes pursuant to adopted rules and regulations is granted by the Board of Directors as provided herein. If, prior to the adoption of Declaration, the

percentage of leased Lots exceeds nine of the Lots in the Project, no other Lots shall be leased until such time as the number of leased Lots falls below nine of the Lots. Except as provided below, the terms of this provision shall apply to all owner-occupied Lots upon the effective date of this Amendment and shall apply to any leased Lot on the sale or transfer of that Lot which time that residence must be occupied by the Owner thereof until the number of leased Lots falls below nine of the Lots. Lots that are being leased to third parties pursuant to a valid lease on the effective date of this Amendment may continue to be leased until the lease terminates or the Lot is sold. At that time the Lot will be subject to the terms of this provision. However, once the maximum number of leased Lots has been reached, no Owner may sell their Lot to an Owner unless the Purchasing Owner will occupy the Lot as the Lot will become subject to this provision upon the transfer of ownership of the Lot. Once the maximum number of Lots have been leased, Owner shall be allowed to lease their Lots as opening become available under the maximum allowed percentage on a first come, first served basis as logged on the Association's waiting list. Any Owner of a Lot which is leased on the effective date of this Amendment shall place on file with the Board of Directors a copy of the lease agreement in effect within thirty (30) days of the date on which this Amendment is recorded. No residence may be leased for a term of less than thirty (30) days and the lease must cover the entire Lot. The Board of Directors may, from time to time establish Rules and Regulations regarding the procedures for leasing including, but not limited to, written requests, consent, terms, occupancy, subletting and penalties.

7.3 RULES AND REGULATIONS. The Board of Directors of the Association may from time to time adopt Rules and Regulations for the regulation of the occupancy and use of the lots.

ARTICLE VIII

MAINTENANCE OF THE PROPERTIES AND IMPROVEMENTS

8.1 MAINTENANCE OF COMMON AREAS AND EXTERIOR MAINTENANCE.

The Association shall maintain or provide for the maintenance of the Common Properties and shall restore improvements thereon in the event of destruction of such improvements. In addition, the Association shall provide exterior maintenance upon and for each lot subject to assessment hereunder and the improvements thereon, including, without being limited to, the following: paint, repair, replace and care for roofs, gutters, down spouts, exterior building surfaces, exterior fences

of end units, trees, shrubs, grass, landscaped areas, walks, streets, alleys and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In the event that the need for such maintenance or repair is caused through the willful or negligent act or omission of the Owner, his family, tenants, guests or invitees, the cost of such maintenance or repairs may, in the discretion of the Directors, be added to and become a part of the assessment to which such dwelling unit or lot is subject, and a lien thereon enforceable in the same manner as an assessment. Damage from causes not covered by insurance maintained by the Association and other than normal wear from use shall be the responsibility of each Owner and not included in the maintenance provided by the Association. If such Owner does not commence repair of such damage within ten (10) days and complete the repair within a reasonable time, the Association may make such repair for Owner's account, and the costs thereof shall be added to and become a part of the assessment to which such lot is subject and a lien thereon enforceable in the same manner as an assessment. Each owner shall be responsible for maintaining and keeping in good order and repair the interior of his own dwelling unit.

8.2 OWNERS NOT TO PAINT EXTERIORS. Owners and occupants are expressly prohibited from painting or changing the exterior of any building, garage, fence or wall without prior written approval of the Board of Directors or the Architectural Control Committee.

8.3 COMPLIANCE WITH CODES. Repairs or restoration of improvements on the Properties, whether by the Association or the Owner, shall comply in all respects with applicable statutes, ordinances and code requirements of applicable governmental authorities. Repairs or restoration by an Owner shall not be deemed completed until a Certificate of Completion is given by the Association.

ARTICLE IX INSURANCE

9.1 DUTY TO OBTAIN INSURANCE. The Association, acting for itself and for all Owners, shall obtain and maintain at all times insurance of the type of policy and amount as set forth hereinafter for the benefit of the Owners and the Association as its interest may appear. Payments of premiums for such insurance shall be considered a purpose for which assessments may be levied by the Association pursuant to Article IV hereof:

9.1.1 A policy or policies of fire insurance with extended coverage endorsement for the full insurable replacement value of all dwelling units and other structures and improvements located on the Properties. To the extent available at a reasonable cost and in the discretion of the Board of Directors, such policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee of each lot in the Properties.

9.1.2 A policy or policies insuring the Association, its officers and Board of Directors, Owners and employees against any liability to the public, the Owners, contract purchasers in possession, their invitees or tenants, incident to ownership or use of the Common Properties. Limits of liability under such policy shall not be less than provided for in Chapter 116 of the Nevada Revised Statutes and for personal injury and for property damage in each occurrence. Such policy or policies shall be issued on a comprehensive liability basis to provide cross-liability endorsements wherein the rights of the named insured under the policy shall not be prejudiced as respects the right of action of any such insurance against any other named insured.

9.2 QUALITY OF INSURANCE POLICIES. To the extent obtainable at a reasonable cost in the sole discretion of the Board of Directors, all insurance policies required under this Article shall be written in a company licensed to do business in Nevada and holding a rating of A or better by Best's Insurance Reports.

9.3 AUTHORITY TO ADJUST LOSSES. Exclusive Authority to adjust losses under policies obtained by the Association pursuant to this Article shall be vested in the Association or its authorized representatives.

9.4 CONTRIBUTION. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by undivided Owners or their mortgagees.

9.5 OWNER'S ADDITIONAL INSURANCE. Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such way as to decrease the amount which the Association

may realize under any insurance policy which the Association may have in force on the Properties and the improvements thereon at any particular time.

9.6 DUTY TO FILE COPIES OF INDIVIDUAL POLICIES. Any Owner who obtains individual insurance policies covering any portion of the Properties other than personal property belonging to such Owner shall file copies of such individual policy or policies with the Association within seven (7) days after purchase of such insurance.

9.7 PROVISIONS OF INSURANCE POLICIES. The Association shall make every effort to obtain insurance policies that will provide:

9.7.1 A waiver of subrogation by the insurer as to any claims against the Association, its officers, Board of Directors and manager, the Owners and their respective servants, agents and guests.

9.7.2 The master policy with respect to the Properties cannot be cancelled, invalidated or suspended on account of the conduct of any one or more Owners, on account of the conduct of any officer or employee of the Association, or the manager, without prior demand in writing that the Association cure the defect.

9.7.3 That any "no other insurance" clause in the master policy excludes individual Owners' policies from consideration.

9.7.4 That the Insurer issue subpolicies specifying the portion of the master policy earmarked for each Owner's interest, and that until the insurer furnishes written notice and a grace period to the mortgagee or insured under the loss payable clause thereof, such mortgagee's coverage is neither jeopardized by the conduct of the mortgagor-owner or the Association or other Owners nor cancelled for non-payment of premiums.

9.8 ANNUAL REVIEW OF INSURANCE. At least annually, the Association shall review all insurance carried by it and such review shall include review of all structures and other improvements located on the Properties by a representative of the insurance carrier providing the master policy.

ARTICLE X

DAMAGE AND DESTRUCTION

10.1 APPLICATION OF INSURANCE PROCEEDS. In the event of fire or other insured loss, the insurance proceeds of policies covering such loss, if sufficient to reconstruct the buildings damaged or destroyed with the addition of the amount deductible under such policies, shall be applied to such reconstruction. The Association shall pay such deductible amount toward the cost of such reconstruction. "Reconstruction" of the damaged or destroyed buildings means restoring the buildings to substantially the same condition in which they existed prior to such loss, with each building being located within the boundaries of the lot on which it was located prior to the loss. Such reconstruction shall be accomplished by or at the direction and under the supervision of the Association or its representative.

10.2 PROCEDURE IF INSUFFICIENT INSURANCE PROCEEDS. If the insurance proceeds plus the amount deductible under the insurance policies covering such loss are insufficient to reconstruct the damaged or destroyed building, nevertheless such building shall be promptly reconstructed by or under the direction of the Association or its representative. The Association shall use the proceeds of the insurance on the building for that purpose and pay from its general funds the amount deductible under such policy. The balance of the cost of such reconstruction shall be financed by means of a special assessment for capital improvements, in accordance with the provisions of Article IV hereof. In making such assessment, however, the Association shall take into consideration with respect to any Owner's individual assessment, any individual policy of insurance, the proceeds of which have been made available for the reconstruction or repair of such building.

If damage or destruction to a building is caused by casualty not within the coverage of insurance policies required to be maintained hereunder by the Association, the obligation to repair such damage shall be in accordance with the provisions of Article VIII hereof.

ARTICLE XI

EASEMENTS

11.1 RESERVATION OF EASEMENTS. The Association and Owners hereby grant to the City of Reno and also reserves to itself, themselves, its and their successors and assigns, perpetual easements under, over and across all Common Properties for the purpose of erecting,

constructing, maintaining, and operating sewers and drainage systems, and poles, pipes, wires, cables, guys, anchors and conduits for lighting, heating, power, water systems, telephone, television transmission and any other method of conducting and performing any public or quasi-public utility service of function beneath, upon or above the surface of such Common Properties. The Association shall have the right to cut and/or trim any tree or other growth on such Common Properties which may interfere with or menace the construction, maintenance or operation of such utilities.

On all Common Properties shown as such on recorded plats, the easement herein granted to the City of Reno shall be limited to a strip five (5) feet on either side of the center line of each sewer or other pipeline, conduit, cable or other utility instrument as initially placed in, on or under such Common Properties.

11.2 EASEMENTS TO ASSOCIATION AND OWNERS.

11.2.1 There is hereby granted to the Association, its agents and servants, an easement in gross, with respect to all of the properties for the purpose of entry and access for the installation and maintenance of utility services of any kind or the landscaping and maintenance of the Common Properties and with respect to improvements on the lots and on Common Properties as specified in Article VII hereof and for the execution generally of its rights and obligations as otherwise provided in this Declaration.

11.2.2 There is hereby granted to Owners, Members, their tenants, invitees and guests a non-exclusive easement for egress and ingress over the Common Properties and including without limitation all streets, alleys and sidewalks on such Common Properties. Such easements shall be in addition to and not in diminution of any other easements and rights granted in Article III of this Declaration.

11.3 ENCROACHMENTS. If any portion of a party wall or other part of any improvements as originally constructed upon the Properties, including without limitation, caves or other overhangs of a structure, encroaches upon any part of the Common Properties or upon the lot or lots used or designated for use by another Owner, an easement for the encroachment and for the maintenance of the same is granted to and for the benefit of the Owners of such encroaching

structure.

In the event a dwelling unit constructed on a lot becomes partially or totally destroyed or in need of repair or replacement, mutual and reciprocal easements are granted to the Owner of the lot upon which the damaged or destroyed dwelling unit is located, the Owners of the abutting lots and the Association to the extent reasonably necessary to make repairs and replacement to the damaged or destroyed property and protecting the structure on the lot adjacent thereto. Any dispute as to the extent of such easement shall be submitted to the Board of Directors for arbitration and their judgment thereon shall be final and binding as to all parties concerned.

ARTICLE XII

GENERAL PROVISIONS

12.1 DURATION AND AMENDMENT. Covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owner of any lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of twenty (20) years from the date this Declaration is recorded. After such term, such covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then Owners of a majority of the lots has been recorded agreeing to change said covenants and restrictions in whole or in part. The covenants and restrictions of this Declaration may be amended by an instrument signed by not less than a majority of the Owners of lots. Any amendment must be properly recorded. This Declaration shall not be revoked, if such revocation would result in a violation of the ordinances of the City of Reno.

12.2 NOTICES. Unless otherwise provided herein, any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

12.3 ENFORCEMENT AND NO WAIVER. The Association or any Owner shall have the right to enforce by any proceedings at law or in equity all restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration and a similar right shall exist with respect to recovery of damages for any such violations, failure of the Association or of any Owner to enforce

any covenant or restriction herein contained, shall in no event be deemed a waiver of the right to do so thereafter.

12.4 SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court decree shall in no way Affect any other provision which shall remain in full force and effect.

12.5 EFFECT OF MUNICIPAL ORDINANCES. Police, fire and other public safety ordinances of any municipal corporation having jurisdiction over any portion of the Properties shall govern where more restrictive than these covenants and restrictions.

12.6 EXCHANGE OF PORTIONS OF COMMON PROPERTIES. The Association shall have power to exchange any part of the Common Properties not in excess of 10,000 square feet for a like amount of property contiguous to such Common Properties provided that the Board of Directors of the Association by unanimous vote of all of the Board of Directors then in office, finds:

- A. That such an exchange will be beneficial to the Association; and
- B. The value of the property exchanged is at least equal to the value of the Common Properties involved in the exchange.

12.7 CONDEMNATION OF COMMON PROPERTIES. In the event of a taking in condemnation or by eminent domain of part or all of the Common Properties, the award or settlement made for such taking shall be payable to the Board of Directors, who shall promptly call and notice, pursuant to Association Bylaws, a special meeting of the Members for the purpose of determining:

- i. Collective and individual injury or damage to Owners and their lots; and
- ii. Acquisition of available and adjacent property in the place and stead of the condemned Common Properties.

The Board of Directors may appoint committees in accordance with the Association Bylaws to study and report on application and distribution of the award proceeds. If the Members can unanimously agree upon a division, distribution or application of the award proceeds, then the Board of Directors shall so disburse the proceeds of the award to arrange for all aspects of acquiring, improving and maintaining the new Common Properties in accordance with the foregoing Declaration and Association Articles of Incorporation and Bylaws, or shall so divide the proceeds

of such award among the lot Owners, all without prejudice to the priority of holders of first mortgages secured by lots or Common Properties herein described. In the event the members cannot unanimously agree upon a division, distribution or application of award proceeds, then the Board of Directors shall promptly interplead the award proceedings into an appropriate court for division and distribution, with all fees and costs incurred by the Board of Directors to be first paid from the award proceeds upon court distribution.

12.8 MANAGEMENT AGREEMENT. Any Management Agreement entered into with the Association shall be terminable by either party thereto for cause upon thirty (30) days written notice thereof, and the term of any such agreement shall not exceed one year, renewable by Agreement of the parties for successive one-year periods.

ARTICLE XIII

RIGHTS OF MORTGAGEES

13.1 The following actions by the Owners or the Association may not be taken without the prior written consent of the holders of seventy-five percent (75%) of first mortgages then encumbering lots within the Properties who have recorded a Notice with the Washoe County Recorder requesting such consent be exercised.

- A. Actions permitted under Sections 3.3.3, 3.3.4 or 12.6
- B. Any decision to terminate or materially amend this Declaration as permitted under Section 12.1

13.2 The holders of all first mortgages recording such Notice and encumbering lots within the Properties shall be given notice by the Association of any taking of the common area by eminent domain or any damage to the Common Properties in excess of Ten Thousand Dollars (\$10,000.00)

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the undersigned being the Association and Owners herein, have hereunto set their hands and seal as of the day and year first above written.

"B" COURT - HUNTER LAKE
TOWNHOUSE ASSOCIATION

By: James B. D'Angelo
James B. D'Angelo
Its: President

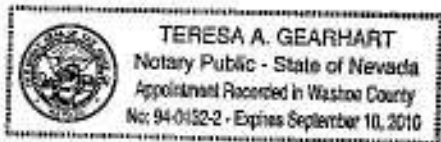
By: Jane C. Sunday
Jane C. Sunday
Its: Secretary

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

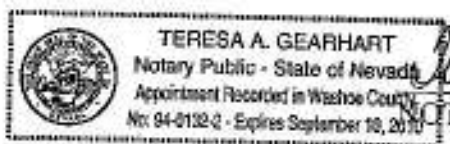
On this 4th day of October, 2007, personally appeared before me, a notary public, James B. D'Angelo, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, who acknowledged to me that he is the President of the Board of Directors of "B" Court Hunter Lake Townhouse Association, and who further acknowledged to me that he executed the foregoing instrument on behalf of said association for the uses and purposes therein stated.

Teresa A. Gearhart
NOTARY PUBLIC

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)



On this 4th day of October, 2007, personally appeared before me, a notary public, Jane C. Sunday, personally known (or proved) to me to be the person whose name is subscribed to the above instrument, who acknowledged to me that she is the Secretary of the Board of Directors of "B" Court Hunter Lake Townhouse Association, and who further acknowledged to me that she executed the foregoing instrument on behalf of said association for the uses and purposes therein stated.



Teresa A. Gearhart
NOTARY PUBLIC

CERTIFICATE OF SECRETARY

I, Jane C. Sunday, being duly elected and acting as Secretary of "B" Court - Hunter Lake Townhouse Association hereby certifies as follows:

1. That not less than seventy-five percent (75%) of the Owners of the "B" Court - Hunter Lake Townhouse Association approved the "B" Court - Hunter Lake Townhouse Association First Amended and Restated Declaration of Covenants, Conditions and Restrictions; and
2. The affirmative action was taken by those members whose votes are recorded in the official records of the Association; and
3. The total number of Units in the Association is twenty-four (24) and the number of Owners indicating their approval of this Restated Declaration is eighteen (18).

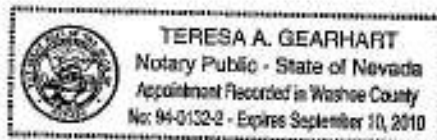
DATED this 14th day of October, 2007.

BY: Jane C. Sunday
Jane C. Sunday, Secretary

STATE OF NEVADA)
) ss:
COUNTY OF WASHOE)

On this 14th day of October 2007 personally appeared before me, Jane C. Sunday, known to me or proved to me to be the person mentioned in the above and foregoing documents, and who acknowledged to me that he executed the same for the uses and purposes therein mentioned.

Teresa A. Gearhart
Notary Public





WASHOE COUNTY RECORDER

OFFICE OF THE RECORDER
KATHRYN L. BURKE, RECORDER

1001 E. NINTH STREET
POST OFFICE BOX 11130
RENO, NEVADA 89520-0027
PHONE (775) 328-3661
FAX (775) 325-8010

LEGIBILITY NOTICE

The Washoe County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies reproduced from the recorded document would not be legible. However, the customer demanded that the document be recorded without delay as the parties rights may be adversely affected because of a delay in recording. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally, based on the undersigned's representation (1) that a suitable copy will be submitted at a later date (2) it is impossible or impracticable to submit a more suitable copy.

By my signing below, I acknowledge that I have been advised that once the document has been microfilmed it may not reproduce a legible copy.

Gayle A. Kern
Signature

10-4-07
Date

Gayle A. Kern
Printed Name