

Appendix A  
Excerpts from  
Spanish Springs Business Center CC&Rs

## APPENDIX A - EXCERPTS FROM SPANISH SPRINGS BUSINESS CENTER CC&R<sub>s</sub>

### ARTICLE 2 - SSBC OWNERS ASSOCIATION

#### 2.1 Membership.

Each and every person or legal entity who is an Owner of a Lot in the Property shall automatically be a Member of the Association, provided that any person or entity who holds such an interest merely as security for the performance of any obligation shall not be a Member. Membership is mandatory.

#### 2.2 Classes of Voting Members.

The Association shall have two (2) classes of voting membership:

CLASS A. Class A Members shall be all those Members described in Section 2.1 hereof with the exception of Declarant. Class A Members shall be entitled to one (1) vote for each one (1) acre of Developable Acreage owned within the Property. Partial increments of one (1) acre shall entitle a Member to fractional voting rights. If any property interest, ownership of which entitles the Owner thereof to vote, is held jointly or in common by more than one (1) person, the vote or votes to which such property interest is entitled may also be held jointly or in common in the same manner. However, the vote or votes for such property interest shall be cast, if at all, as a unit, and neither fractional votes nor split votes shall be allowed. In the event that the persons who constitute an Owner are unable to agree among themselves as to how their vote or votes shall be cast as a unit, they shall lose their right to cast their vote or votes on the matter in question. Any person who constitutes part of an Owner shall be entitled to cast the vote or votes for that Owner unless another person who constitutes part of that Owner shall have delivered to the Secretary of the Association before the vote a written statement to the effect that the person wishing to cast the vote or votes has not been authorized to do so by the other persons who constitute part of the Owner.

CLASS B. The Class B Member shall be Declarant. The Class B Member shall be entitled to ten (10) votes for each one (1) acre of Developable Acreage owned within the Property. A partial increment of one (1) acre shall entitle the Member to fractional voting rights.

### 2.3 Assignment.

Class A voting rights may be assigned, in whole or in part, as such rights relate to a particular Lot, to an Occupant, provided that written notice of the assignment is given to Association prior to the exercise of voting rights by the Occupant. Class B voting rights may only be assigned concurrently with the assignment of Declarant rights held by the assignor, and only to the extent of the portion of the Property owned by the assignor for which said Declarant rights are assigned.

### 2.4 Powers Conferred by Corporate Law.

In addition to any powers described herein, the Association shall have all of the powers of a Nevada nonprofit corporation, subject only to such limitations upon the exercise of such powers as are expressly described in this Declaration, the Association Articles of Incorporation, or its Bylaws. It shall further have the power to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers granted to it by the laws of Nevada or by this Declaration.

### 2.5 Association Establishment and Purpose.

2.5.1 Establishment. The Association shall be created by Declarant as a nonprofit Nevada corporation. The Association shall be created for the purposes, charged with the duties, and invested with the powers prescribed by law or described in its Articles of Incorporation, Bylaws and in this Declaration. Neither the Articles of Incorporation nor the Bylaws of the Association shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In case of conflict between the terms of this Declaration and the Articles of Incorporation or the Bylaws of the Association, this Declaration shall control.

2.5.2 Purpose. The purpose of the Association shall be to:

- (a) Own and maintain all easements and deeded real property for Common Area within the Property; including without limitation the funding, operation and maintenance of the following common elements: recreational facilities; parks; paths; sidewalks; trails; open space; fences; landscaping; gates; gatehouses; signs; entry ways; drainage ways and drainage facilities; ESFR System; private

streets and curbs (if any); private security, snow removal and storage areas, landscaping, fire and fuelbreaks, lighting, and surface water detention areas.

- (b) Provide for removal of ice and snow from Common Area streets (if any) and parking areas owned by the Association at any time when such a condition may restrain access within the Property. The Association shall either contract for snow and ice removal or acquire equipment and hire personnel to effect the provisions of this subsection. In the event that snow removal operations require exporting of snow or ice from roads or parking areas, said material may be exported outside the perimeter of the Property to a suitable location, said material may also be deposited within the perimeter of the Property on an appropriate easement, open area or Common Area in such a manner as to not unreasonably restrict access or create a unreasonable hazard to any road, parking area or common walkway.
- (c) Enforce and administer any provisions of this Declaration pertaining to Association's rights, obligations, powers and duties.

2.5.3 Purchase Of Equipment. The Association shall purchase any and all equipment, materials and supplies necessary to undertake its duties imposed by this Declaration, its Articles and Bylaws. The Association may purchase any equipment, materials and supplies from the Declarant provided the purchase price shall be the fair market value thereof.

2.5.4 Security Disclaimer. The Association may, but shall not be obligated, to maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system, security personnel or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants that the Association and the Declarant, are not insurers or liable to any person for conduct resulting from acts of third parties.

## 2.6 Architectural Committee.

2.61 Designation of Committee. The Association shall have an Architectural Committee ("Committee"), which shall consist of not less than three (3) persons nor more than seven (7) persons who shall be natural persons, and who shall be appointed by the Board. The Committee members need not be Members and may be independent, paid consultants. Until twenty (20) years after execution of this Declaration, the appointment of the members of the Committee must be approved by Declarant, and any and all members of the Committee may be removed by the Board (with Declarant approval) or the Declarant without cause. After such date, the Board shall have the exclusive right and power at any time and from time to time to fill vacancies on the Committee. Declarant may waive its right to appoint or approve, but any incident of waiver shall not adversely affect Declarant's subsequent rights hereunder.

2.6.2 Function of Architectural Committee. No Improvement (except as exempted in Section 2.6.3) shall be erected, constructed, placed, altered (by addition or deletion), maintained or permitted to remain on any portion of the Property until plans and specifications, in such form and detail as the Committee may deem necessary, shall have been submitted to and approved in writing by the Committee. The Committee shall have the power to employ professional consultants to assist it in discharging its duties. The decision of the Committee shall be final, conclusive, and binding upon the applicant.

2.6.3 Certain Improvements Exempted. Landscaping Improvements which are garden, lawn, shrub or tree replacements, or any construction of another type of Improvement which is a replacement or repair of a magnitude which ordinarily would be expensed in accounting practice and which does not change exterior colors or exterior appearances shall not be required to be submitted and approved by the Committee.

2.6.4 Standards of Approval. Approval of plans and specifications shall be based, among other things, on adequacy of site dimensions, structural design, utility and Landscaping design, street and emergency access, drainage design, conformity and harmony of external design and location with neighboring structures and sites, relation of finished grades and elevations to neighboring sites, conformity to both the specific and general intent of this Declaration, as well as compliance with any other federal, state or local laws, rules or regulations. In addition to these standards of approval, the Committee may promulgate both substantive and procedural rules and standards in addition to those stated above in this

Section, in a standards and procedures handbook (the "Design Guidelines") or as rules and regulations.

2.6.5 Failure of the Committee to Act. If the Committee fails to approve or to disapprove submitted plans and specifications or to reject them as being inadequate within thirty (30) days after submittal, it shall be conclusively presumed that the Committee has approved the said plans and specifications. If plans and specifications are not sufficiently complete or are otherwise inadequate, the Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance.

2.6.6 Fees. The Committee may assess fees to applicants or others who require or use Committee services. If assessed, the fees shall reasonably reflect the costs and expenses of the Committee to perform its duties, including compensation to Committee members. The Committee may disapprove plans submitted for failure of the applicant to prepay fees. Any fees which are assessed but not paid when due shall be deemed a Special Assessment.

2.6.7 Construction Requirements. Upon receipt of approval of its plans and specifications, any Owner or Occupant shall diligently proceed with the commencement and completion of all approved construction. Unless work on the approved construction shall be commenced one (1) year from the date of such approval and diligently pursued thereafter, then the approval shall automatically expire, except in cases where the Committee has given a written extension of time. The Committee may, as a condition of its approval, specify a different construction timetable for commencement and completion of all or any phase of Improvement construction.

2.6.8 Prior Approval. Approval of plans and specifications by the Committee may be secured prior to acquisition of a Lot pursuant to the terms of a sale contract or lease.

2.6.9 Submittal and Inspection Requirements. Information shall be submitted to the Committee in connection with its consideration of any development plans, as stated in the Committee's Design Guidelines, rules or regulations. Inspections may also take place, but the Committee is not required to inspect Improvements.

2.6.10 Variances. The Committee in its sole discretion may grant variances to the provisions of this Article, Design Guidelines, rules or regulations due to undue hardship, extraordinary or exceptional circumstances, or if the granting of the variance will not



significantly undermine or adversely affect the intent and purposes of this Declaration. No variances granted by the Committee shall be deemed to create a variance from (or right of noncompliance with) any applicable ordinance, law, rule or regulation of a governmental agency with jurisdiction.

## 2.7 Provision for Fines.

The Association and the Architectural Committee shall each have the right pursuant to the enforcement rights set forth in this Article and Article 8 hereof to assess fines, not to exceed \$1,000.00 for each occurrence, for any violation or failure to comply with the provisions of this Declaration, any rules or regulations authorized by this Declaration, or provisions of the Association Articles of Incorporation or Bylaws. Upon assessment of such fine pursuant to written notice thereof provided to an Owner or Occupant, such Owner or Occupant shall have thirty (30) days from receipt of such written notice to effectuate a cure or remedy for the violation (provided the violation is capable of remediation). If such cure or remedy is deemed complete and sufficient by the Association or Architectural Committee, as applicable, the fine shall be extinguished and written notice thereof shall be provided to such Owner or Occupant. Should such Owner or Occupant fail to effectuate a cure or remedy within the thirty (30) day period specified (or if the violation is not continuing and not capable of remediation), the amount of such fine, together with interest on said fine pursuant to Section 6.6 hereof, shall be immediately due and payable and shall constitute a Special Assessment and lien upon such Owner's Lot until paid. If the fine is assessed for a continuing violation, payment of the fine does not excuse the violation and the Committee may fine again or avail itself of other enforcement rights, or both, in order to correct the violation.

## 2.8 Liability.

Neither the Declarant, the Association, the Architectural Committee or the members or designated representatives thereof shall be liable to (i) anyone submitting plans or specifications to them for approval, (ii) any Owner, or (iii) any other person or entity, in damages, loss or prejudice suffered or claimed on account of any mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval, or failure to approve or disapprove, of (a) any plans or specifications, whether or not defective; (b) any construction or performance of any work whether or not pursuant to approved plans, drawings and specifications; (c) any improvement or development of any property within the Property; (d) any execution and filing of a notice of non-compliance whether or not the facts

therein are correct; or (e) any inspection or failure to inspect Improvements. Plans and specifications are not approved by the Architectural Committee for engineering design or adequacy. Every person who submits plans or specifications to the Architectural Committee for approval agrees, by submission of such plans and specifications, and every Owner agrees that he shall not bring any action or suit against the Declarant, the Association, the Architectural Committee or any of the members or designated representatives thereof to recover any damages for conduct of the Committee or its members described in this Section.

## 2.9 Board Representation By Leviton.

The first Lot to be developed and occupied by an Owner other than Declarant is a Lot ("Leviton Lot") owned by Leviton Manufacturing Co. or an affiliate, subsidiary or related entity ("Leviton"). The Leviton Lot is described on Exhibit "C". In order to induce Leviton to purchase the Leviton Lot and develop it into a warehousing and office facility, which benefits Declarant and all future Lot Owners by opening up the Property for development and sale or lease of Lots, Leviton shall be allocated the right to designate a representative to occupy one seat on the Board of the Association by appointment of Leviton. This right of appointment shall supercede the right of members to elect all Directors of the Association as specified in the Bylaws as to the one seat subject to appointment by Leviton. Leviton may waive this right as to any election cycle of Directors without waiving the right to appoint a Director in the next election of Directors.

# ARTICLE 3 - USE RESTRICTIONS

## 3.1 Permitted Uses.

No operation or use within the Property shall be permitted until the plans and specifications therefor have been submitted and approved in writing by the Architectural Committee pursuant to the procedures of Article 2. In order to maintain consistency and uniformity among various permitted uses contemplated for the Property, Declarant may (but shall not be under any obligation) group certain permitted uses together throughout the Property. By means of illustration only, research and development operations or medium industrial uses of different Owners may be strategically placed within a certain segment or portion of the Property.



The Architectural Committee may restrict, control or prohibit any use or uses of any Lot subject to this Declaration which the Architectural Committee in its sole discretion deems to create a nuisance to adjacent Lots or which the Architectural Committee deems to be offensive or detrimental to any other property subject to this Declaration.

### 3.2 Prohibited Uses.

In addition to uses prohibited pursuant to this Declaration, any use which is not authorized pursuant to the SSSP, applicable zoning or land-use ordinances (or other entitlement permits/requirements) of Washoe County, Nevada is expressly prohibited on the Property.

### 3.3 General Prohibitions and Covenants.

No use shall be permitted on the Property which is not allowed under applicable public codes, regulations and ordinances either already adopted or as may be adopted by the County or other applicable public authority. Each Owner, Occupant or other user of any portion of the Property at all times shall comply with this Declaration and the Design Guidelines and with any and all laws, ordinances, policies, rules, regulations and orders of all federal, state, county and municipal governments or their agencies having jurisdictional control over the Property, including, without limitation, applicable land use restrictions placed upon the Property as they exist from time to time. In some instances, governmental requirements may be more or less restrictive than the provisions of this Declaration and the Design Guidelines. In the event a conflict exists between any such governmental requirement and any requirement of this Declaration or the Design Guidelines, the more restrictive requirement shall prevail, except in circumstances where compliance with a more restrictive provision of the Declaration or the Design Guidelines would result in a violation of mandatory applicable governmental requirements, in which event those governmental requirements shall apply. Compliance with mandatory governmental requirements shall not result in the breach of this Declaration or the Design Guidelines even though such compliance may result in non-compliance of provisions of this Declaration or the Design Guidelines. Where a governmental requirement does not clearly conflict with the provisions of this Declaration or the Design Guidelines but permits action that is different from that required by this Declaration or the Design Guidelines, the provisions of this Declaration and the Design Guidelines shall prevail.

### 3.4 Fire Protection.

All Buildings shall be designed, constructed and maintained so as to comply fully at all times with any applicable public codes, ordinances, rules, regulations and orders relating to fire protection. All such Buildings and their associated ingress and egress from and to Streets and surface parking areas shall be so related to one another and arranged as to permit ease of access for fire and other emergency vehicles. Designated fire lanes within any Lot shall be so located, marked and protected from encroachment as to function effectively at all times. Appropriate signage, as required by applicable governmental entities and approved by the Architectural Committee, shall be installed for such fire lanes and maintained in readable condition.

### 3.5 Parking.

Each Owner or Occupant shall provide on its Lot adequate parking areas for employees, the disabled, visitors and service vehicles. No parking shall be permitted on Streets and on entrance driveways.

### 3.6 Signage/Use Of Name.

No sign or other advertising device of any nature shall be placed on the Property except as approved by the Architectural Committee. Declarant or the Association shall have the right to install and maintain signs advertising the Property. No Owner or Occupant may use the name "Spanish Springs Business Center" or the "Spanish Springs Business Center" logo or mark in the name of any Building or in any advertisement or promotional material of any kind or nature whatsoever without first obtaining the prior written consent of Declarant.

### 3.7 Loading Docks and Areas.

Each Lot shall provide sufficient on-site loading facilities to accommodate Lot activities, and all loading movements, including, without limitation, turnarounds, shall be made off of Streets. Loading docks and areas and maneuvering areas shall be located on a Lot in accordance with the provisions of the Design Guidelines.

### 3.8 Landscaping.

Each Owner, contemporaneously with the development of Improvements on a Lot, shall install Landscaping on areas on its Lot in accordance with the Design Guidelines and subject to approval by the Architectural Committee. An Owner shall keep Landscaping in good condition and repair and in a neat and orderly appearance and shall be responsible for all expenses relating to the maintenance, repair or replacement of Landscaping on the Owner's Lot. Automatic underground irrigation systems shall be installed in all landscaped areas on a Lot. No changes shall be made to the Landscaping plan for a Lot without the prior written approval of the Architectural Committee.

### 3.9 Surface Water Flow and Drainage.

Plans for all detention basins, ponds, other water features or facilities of any kind, and general Lot drainage, must be submitted in advance for Architectural Committee approval. Each Owner shall control water runoff drainage from his Lot to prevent damage to other Lots, Streets or any other area in the Property, pursuant to applicable County standards.

### 3.10 Trash and Garbage.

No Lot nor any portion thereof, shall be used or maintained as a dumping ground for rubbish, trash or garbage before, during or after the installation of any Improvements. Trash collection containers shall be situated as required by the Architectural Committee. Each Owner shall observe and comply with any and all requirements established by the Architectural Committee in connection with the storage and removal of trash and garbage. If within ten (10) days after the issuance of written notice by the Association to an Owner, said Owner shall have failed either to remove any trash, rubble or construction debris, or to exercise reasonable care or conduct to prevent or remedy a dangerous, unclean or unsightly condition, then the Association shall have the authority and right (but not the obligation) to go on the Lot for the purpose of cleaning said Lot or otherwise correcting said condition, or conditions. Should the Association undertake such corrective action on behalf of an Owner, it shall bill such Owner for the costs and expenses related thereto and if such bill is not paid within thirty (30) days, the amount thereof shall be a Special Assessment and constitute a lien upon the Lot and shall also be the personal obligation of the Owner of the Lot as set forth in Article 6 hereof.

### 3.11 Environmental Issues.

No Owner or Occupant of the Property or any portion thereof shall handle, store, deposit, use, process, manufacture, dispose of or release or allow any of its agents, employees, contractors or invitees to handle, store, deposit, use, process, manufacture, dispose of or release any Hazardous Substances (defined below) of any kind from, on, in, under or in the air above any part of the Property, including, without limitation, any surface waters or groundwater located on the Property, or into public sanitary sewer systems serving the Property without complying with all Environmental Laws (defined below) including, without limitation, performing pre-treatment, obtaining permits and giving notices as required by Environmental Laws. "Hazardous Substances" means those substances now or hereafter included within (whether as a result of such substance's inclusion on a list, physical characteristics or otherwise) any of the definitions of, without limitation, "hazardous substances", "hazardous waste", "hazardous materials", "pollutant", "contaminant" or "toxic substance" under, or otherwise regulated by, any Environmental Law; including, without limitation (i) mixtures containing listed Hazardous Substances and waste generated from the treatment, storage or disposal of Hazardous Substances; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) radioactive materials; and (v) petroleum (including crude oil or any fraction thereof), natural gas, natural gas liquids, liquified natural gas and synthetic gas. "Environmental Laws" shall mean and include, without limitation, all present and future federal, state or local laws, rules, orders, ordinances and regulations pertaining to environmental regulation, or the use, processing, storage, disposal, generation or transportation of Hazardous Substances, or any contamination, cleanup or disclosure related thereto, including, without limitation, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. • 6901 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. • 9601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. • 1251 et seq., Nev. Rev. Stat. ch. 459, Nev. Rev. Stat. ch. 444, Nev. Rev. Stat. ch. 445, Nev. Rev. Stat. ch. 590, Nev. Rev. Stat. Sections 618.750 through 618.850, inclusive, Nev. Rev. Stat. Section 477.045, the Uniform Fire Code, 1988 Edition, and such amendments as may be made to these statutes and such regulations as may be promulgated with respect thereto.

Each Owner and Occupant shall be responsible for and shall pay all costs and expenses related to the disposal or release by such Owner or Occupant of any Hazardous Substances, sewage or wastes of any kind in, on, under or in the air above the Property, which costs and expenses shall include, without limitation, closure, removal, remediation, cleanup, containment and other response costs, injuries to persons, damages to property (whether real or personal), legal expenses, and interest paid to any governmental entity; provided, however, that this

covenant does not apply to Hazardous Substances generated on or migrating from other Lots or already existing on the Lot in question as of the date of the acquisition of such Lot by such Owner. The covenant in the immediately preceding sentence itself does not create any obligation of an Owner or Occupant other than for the payment of the costs and expenses described in such sentence, and no person has any rights under the covenant in such sentence to enforce any claim for any remedy against such Owner or Occupant other than for the payment or recovery of the costs and expenses described in such sentence.

### 3.12 Fuel Facilities.

Fuel storage and dispensing facilities may be installed on a Lot only after prior written authorization of the Architectural Committee has been obtained. The Owner of the Lot on which such facilities are installed shall be fully responsible for insuring that such facilities and their installation comply fully with all applicable laws and regulations, and the provisions of this Article.

### 3.13 Fences.

The use of fences on the Property is permitted only if such fencing complies fully with applicable provisions of the Design Guidelines, if any, and the Architectural Committee has approved of such fencing in writing.

### 3.14 Construction Standards.

3.14.1 Any builder, contractor, or subcontractor engaged to construct Improvements on any portion of any Lot may conduct its construction operations and activities and do all things necessary as required to expeditiously commence, continue and diligently complete construction of any such Improvements, including the provision of temporary buildings or trailers for administration of work and for the storage of materials and equipment, and the construction of temporary security fences and lighting. Each Owner is responsible for, and shall cause, through appropriate contractual provisions, all costs of cleaning up any debris or waste improperly disposed of anywhere on the Property. Each Owner and its agents must maintain an attractive, clean, nuisance-free environment during the period of construction, including dust control. Declarant shall have the right to designate points of ingress and egress on the Lot and within the Property for construction vehicles, and each Owner of a Lot on which Improvements are being constructed shall keep all Streets cleared of mud and dirt left by



construction vehicles entering such Lot. Once commenced, all construction on a Lot shall be continued with due diligence and good faith until completion.

3.14.2 Each Owner expressly covenants that it shall use its good faith efforts to prevent adverse impacts, including, without limitation, air, soil, dust and water pollution, soil erosion, elimination of vegetation without replacement or increased runoff rates to areas outside its Lot in any way resulting from construction, reconstruction, alteration, maintenance, repair, replacement or removal of Improvements and that it shall indemnify and hold harmless the Association, the Architectural Committee, Declarant and other Owners from any and all damages resulting therefrom. All possible contaminants must be stored in a containment facility that will not allow such to enter any soils on or off the Lot.

3.14.3 Prior to any excavation on a Lot, the Owner shall determine and mark the location of and will protect all existing utilities and landscape irrigation lines. Utility lines and landscape irrigation lines are to be located before earth moving or drilling equipment operations are allowed to commence near underground utilities or landscape irrigation lines.

### 3.15 Owners' Maintenance Responsibilities.

Each Owner shall have the duty and responsibility, at its sole cost and expense, to keep its Lot, and the Buildings and Improvements thereon in a well-maintained, safe, clean, neat, orderly and attractive condition at all times, normal wear and tear and deterioration excepted. Such maintenance includes, without limitation, the following: prompt removal of all litter, trash, refuse and waste; lawn mowing; tree and shrub care; watering; other Landscaping maintenance; keeping exterior lighting and mechanical facilities in working order; keeping driveways and private roads in good repair; keeping all signs in good repair; complying with all government, health and police requirements; repairing exterior damage to Improvements; and striping of parking areas and repainting of Improvements. The Association shall have the right (but not the obligation) to perform any maintenance, repair or replacement required of Owner by this Section on a Lot upon the failure of the Owner to do so if such failure continues for seven (7) days after written notice thereof is given by the Association to such Owner (or after such longer notice period as may be allowed by the Architectural Committee due to the nature of such deficiency). Should the Association undertake such corrective action on behalf of an Owner, it shall bill such Owner for the costs and expenses related thereto (plus a reasonable administrative fee not to exceed 15%) and if such bill is not paid within thirty (30) days the amount thereof shall constitute a



Special Assessment and shall be a lien upon the Lot and shall also be the personal obligation of the Owner as set forth in Article 6 hereof.

3.16 Other Operations and Uses.

Operations and uses that are neither specifically prohibited nor specifically authorized by this Declaration may be permitted in a specific case if written operational plans and specifications for such operations or uses, containing such information as may be requested by the Architectural Committee, are submitted to and approved in writing by the Architectural Committee, which approval shall be based upon analysis of the anticipated effect of such operations or uses upon other Lots, upon other real property in the vicinity of the Property, and upon the occupants thereof, but shall in all cases be the sole and absolute discretion of the Architectural Committee.

3.17 Restrictive Covenants for Exclusive or Permitted Uses.

Declarant may, by covenant duly recorded in the office of the Washoe County Recorder, limit uses on any Lot by any of the following methods:

- (a) specify an exclusive use on a Lot, thereby prohibiting other Lots from engaging in that use. However, no exclusive use granted to another shall be binding against a Lot without the Owner's consent, if: (1) the Lot was transferred by sale or lease by Declarant to an Owner prior in time to the imposition of the exclusive use for the benefit of another; and (2) the permitted uses on the Lot allow the use otherwise prohibited by the exclusive use;
- (b) specify certain permitted uses on a Lot, thereby restricting the uses to be engaged in on that parcel; and
- (c) limit uses on a Lot by restrictive covenants or easements.

3.18 Variance.

Upon good cause being shown by any Owner of any portion of the Property as determined by the Architectural Committee in its sole discretion, the Architectural Committee is hereby granted the discretion and right to permit a variance from any of the requirements of this

Article under extraordinary or exceptional circumstances, or in order to prevent any Owner from experiencing an undue hardship; provided that the granting of the variance will not significantly undermine or adversely affect the intent and purposes of this Declaration.

#### ARTICLE 4 - DESIGN GUIDELINES

##### 4.1 General Provisions.

The Design Guidelines, including development standards and criteria for the Property shall be promulgated or amended by majority vote of the Committee. Design Guidelines, to be effective, do not have to be recorded against the Property.

##### 4.2 Conflicts.

The parties hereto expressly acknowledge and agree that in the event of a conflict between the terms, conditions, covenants and provisions of this Declaration and the Design Guidelines, the terms, conditions, covenants and provisions of this Declaration shall control.