

OFFICIAL RECORD

Requested By:

KIT CARSON DEVELOPMENT

Recording requested by:

Kit Carson Development Ltd.
1226 Kimmerling Rd
Gardnerville NV 89460


Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 32 Fee: 42.00
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Mailing address:

Kit Carson Development Ltd.
PO Box 487
Minden NV 89423

I, the undersigned hereby affirm that this document submitted for recording does not contain the social security number of any person or persons. (per NRS 239B.030)



MCM B&B

AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION,

made on the date hereinafter set forth by

KIT CARSON DEVELOPMENT, LTD.,
a Nevada Limited Liability Company

AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by KIT CARSON DEVELOPMENT, LTD., a Nevada Limited Liability Company, hereinafter referred to as Declarant,

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Gardnerville, County of Douglas, state of Nevada, which is more particularly described as:

See Legal Description attached as Exhibit A and Map attached hereto as Exhibit B.

NOW, THEREFORE, Declarant hereby declares that all of the properties described herein shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant hereby repeals any covenants, conditions and restrictions heretofore recorded against the subject property, including but not necessarily limited to the Declaration of Covenants, Conditions and Restrictions filed on 3 April 2006 in the Official Records of Douglas County, Nevada in Book 0406, at Page 829, as Document No. 0671968, and any amendments thereto.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to KIT CARSON VILLAGE HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Board" shall mean the Board of Directors of the Association.

Section 3. "By-laws" shall mean and refer to the duly adopted By-laws of the Association.

Section 4. "CC&Rs" means this Declaration of Covenants, Conditions and Restrictions.

Section 5. "Common Elements" and "Common Area" shall be used synonymously and shall mean all real property, including the improvements thereto, owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All Property subject to these CC&Rs other than Lots 1- 59 identified on Exhibits A and B shall be Common Area. Lots 2A-1, 60 and 61 as depicted on Exhibit 1 and 2 are not part of the Property and are not subject to these CC&Rs.

Section 6. "Condominiums" shall mean any condominiums as defined in Nevada Revised Statutes Chapters 116 and 117 constructed on or annexed to the Property.

Section 7. "Declarant" shall mean and refer to KIT CARSON DEVELOPMENT, LTD., a Nevada Limited Liability Company, its successors and assigns, if such successors or

assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Governing Documents" means these CC&Rs and the Articles of Organization of the Association and the duly adopted By-laws.

Section 9. "Homes" means Lot numbers 1 – 59 as shown on the attached map.

Section 10. "Kit Carson Village Homeowners Association" shall refer to the owners of the Homes (Lot Nos. 1-59), whether organized as an incorporated entity, or not.

Section 11. "Limited Common Elements" and "Limited Common Area" shall be used synonymously and shall mean a portion of the common elements allocated by the map attached hereto as Exhibit "A", if any, or by operation of subsection 2 of NRS 116.2102 for the exclusive use of one or more but fewer than all of the Lots.

Section 12. "Lot" and "Unit" shall be used synonymously and shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Elements and Limited Common Elements and shall include Homes and Condominiums.

Section 13. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 14. "Property" shall mean and refer to that certain real property hereinbefore described in Exhibits 1 and 2, and such additions thereto as may hereafter be brought within the jurisdiction of the Association. The Property does not include Lot 2A-1 or Lots 60 and 61 which Lots are excluded from these CC&Rs, but which may be annexed in to the Property in the future.

Section 15. "Rules" shall mean any Rules and/or Regulations adopted by the Association in conformance with these CC&Rs or the Nevada Revised Statutes.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Common Elements;

(b) the right of the Association to suspend the voting rights and right to use of the facilities located on the Common Elements by owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published Rules;

(c) the right of the Association to dedicate or transfer all or any part of the Common Elements free and clear of any easements of quiet enjoyment.

(d) the right of individual owners to the exclusive use of Limited Common Elements, if any.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Creation of Association. The owners of units shall constitute the Association. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Membership. The Association shall have two classes of voting membership:

Class A. Class A members shall be the owners of the Homes (Lots 1-59), and shall be entitled to one vote for each Home owned.

Class B. Class B member(s) shall be all owners of all Lots, exclusive of Class A members.

Section 3. Voting: When more than one person holds an interest in any Lot, such persons shall be members of the Association. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV

AUTHORITY OF BOARD

Section 1. Administration of Project. Prior to the organizational meeting and thereafter, until their successors are elected, the initial Board or its duly appointed successors, shall manage the affairs of the Association. The Board as constituted, from time to time, shall at all times be responsible for the day-to-day operation and management of the affairs of the Association, and shall have the sole power and duty to perform and carry out the powers and duties of the Association, as set forth in the governing documents, except for action or activity

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expressly set forth in the governing documents or the Nevada Revised Statutes as requiring the vote or assent of members of the Association, or a given percentage thereof. Without limiting the generality of the foregoing, the Board shall have the following powers and duties:

(a) To enforce the applicable provisions of the governing documents, the Board shall have the right to adopt reasonable rules and to amend the same from time to time relating to the use of the Common Area and limited common area and any recreational and other facilities situated thereon, by owners and their tenants or guests, and conduct of such persons with respect to: automobile maintenance and parking, outside storage of boats, trailers, bicycles, and other objects, visitors and their length of stay, disposal of waste materials, drying of laundry, control of pets, television and radio antennas, flags signs and other public displays, noise, landscaping, and other activities, which, if not so regulated might detract from the appearance of the community or offend or cause inconvenience or danger to persons residing or visiting therein. Such rules may provide for the imposition of fines or penalties for the violation of such rules, and that the owner whose occupants leave property on the Common Elements in violation of the rules, may be assessed to cover the expense incurred by the Association in removing such property and storing and disposing thereof. The Board may provide in such rules for reasonable rental charges to be made with respect to the use of any storage areas or facilities which may exist upon the Common Elements, provided that such charge shall, in no way, impose liability upon the Directors or any of its members for damage or loss to property so stored, it being intended that the use of any such, storage area or facility be solely at the risk of the person using the same. A copy of such rules and all amendments thereto, shall be mailed to each owner and a copy shall be posted in one or more places on the Common Elements where the same may be conveniently inspected.

(b) To pay taxes and assessments which are or could become a lien on the Common Elements or some portion thereof.

(c) To delegate its powers to committees, officers, or employees.

(d) To maintain the Common Area, all improvements thereon and all utilities thereunder, except those maintained by public utility companies, in, good, clean, attractive, and sanitary order and repair.

(e) To maintain, repair, and keep in good operating condition that portion of the sewer system, which is located upon the project and which connects to the public sewer.

(f) To operate all recreational equipment and facilities located within the Common Area.

(g) To maintain the portion of the project not occupied by the units in good, clean, attractive and sanitary order and repair.

(h) To pay premiums, taxes and other assessments against the Common Area.

(i) To meet the costs of any liability insurance and fire insurance of Common Area, fidelity bonds, Board of Director errors and omissions insurance, out-of-pocket expenses of the Board relating to the operation of the Association, legal and accounting a fees and, including without limitation, fees of any manager hereinbefore provided and a reasonable reserve for contingencies with respect to the Common Area.

(j) To contract for fire, casualty, liability, and other insurance on behalf of the Association.

(i) The Association shall carry a blanket policy or policies of fire and/or casualty insurance with extended coverage endorsement or other form of coverage providing protection equal to or greater than the amount of the full

insurable replacement value (as determined by appraisal or such other method as shall be deemed appropriate by the Board and be acceptable to the insurance carrier and reviewed at least annually), of all buildings, structures, and other improvements (including furnishings and equipment related thereto) situated upon the Common Elements excluding trees, shrubs and other foliage. In the event of damage to or destruction of any building, structure or other improvement situated upon the Common Area, the Board shall cause the same to be repaired, rebuilt or replaced. In the event the cost of such repair, rebuilding or replacement exceeds the insurance proceeds payable by reason of said damage or destruction, the amount of the difference shall be prorated among the owners and assessed to such owners in accordance with the provisions of Articles VI and X. In the event the amount of such insurance proceeds exceed the cost of such repair, rebuilding, or replacement, the surplus shall be retained by the Association and shall be taken into consideration in determining the amount of the annual assessment for the next budget period.

(ii) The Association shall carry a policy or policies insuring the Association, the Board and each and all of the owners and management agent, if any, against any liability to the public or to the owners or any other person, resulting from or incident to, the ownership, management, and use of the Common Elements by the Association, the Board, the owners, their invitees and guests, tenants, and members of the public, the liability limits under which insurance shall not be less than \$1,000,000 for the total personal injury from any one accident, \$500,000 personal injury to one person, and \$500,000 for property

damage (such limits to be reviewed annually by the Board and increased in its discretion).

(iii) The Board shall have authority to obtain such errors and omissions insurance or other insurance as it deems advisable, insuring the Board and each member thereof, against any liability for an act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board, or any committee thereof. The premiums for insurance purchased pursuant to the foregoing, shall be payable out of the maintenance fund.

(iv) If any additional insurance is required due to use made of any Lot or because of improvements to any Lot installed by its owner, which increases the premiums for the required amount of coverage, the costs thereof shall be assessed to the owner of such Lot.

(v) In order to facilitate the provision and maintenance of adequate and proper insurance covering the Property or any portion thereof, including any improvements located thereon, prior to or concurrently with the financing or sales of any Lots, any obligations or commitments for the payment of premiums or expenses otherwise incurred by Declarant, whether or not the same is also a personal obligation of the purchaser or purchasers of any Lot, shall become an obligation of the Association and shall be paid out of the maintenance fund as provided herein.

(vi) The owner of any Lot shall purchase fire, casualty and general liability insurance for his own account and at his own expense with the minimal amounts of such insurance to be established by the Board from time to time. The

carrying of any insurance individually by any owner shall not relieve him of the obligation to pay such portion of assessments as may be made, from time to time, for the purpose of paying premiums or other charges on fire and casualty insurance carried or contracted for by the Association. No such insurance coverage or the terms of any such insurance policy shall defeat or contravene the purpose and intent of these CC&Rs.

(k) To enter upon any privately owned Lot and any Improvements thereon for the purpose of enforcing any of the provisions of the governing documents or Rules or for the purpose of maintaining and repairing such Lot and any improvements located thereon, if for any reason whatsoever, the owner thereof fails to maintain and repair the same as required by the governing documents.

(l) To send to each member of the Association written notice of regular and special meetings. Except in emergency situations, at least 10 days notice of any meeting shall be provided. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

(m) The fiscal year shall commence on January 1st and shall end on December 31st. The Board shall prepare or cause to be prepared a balance sheet and an operating (income) statement for the Association, on a biannual basis, for the periods ending June 30th and December 31st. The Board shall distribute the balance sheet and operating statement to each of the owners on not less than 90 days after the close of accounting period. The operating statement shall include a schedule of assessments received and receivable, identified by the number of the unit interest and the name of the owner so assessed. Ordinarily, an audit by an independent accountant shall be required for fiscal year financial statements (other than budgets) for any

fiscal year in which the gross income to the Association exceeds \$75,000.

(n) To establish and collect regular monthly assessments to defray expenses attributable to ownership, use and operation of the Common Area and facilities with said assessments to be levied against each owner, including Declarant, according to the fractional interest in the Common Area owned by each owner.

(o) To establish and collect special assessments for capital improvements or other purposes on the same basis as regular assessments.

(p) To file liens against unit owners on account of nonpayment of assessments duly levied and to foreclose said liens.

(q) To receive complaints concerning violations of the Restrictions, By-Laws, and/or other instruments for management and control of the Association; to hold hearings to determine whether or not to discipline members of the Association who violate said management documents to suspend use privileges and voting rights of members who violate said management documents after a hearing on the alleged violation has been held pursuant to the provisions of the By-Laws.

(r) To acquire and hold for the benefit of the unit owners, tangible and intangible personal property and to dispose of same by sale or otherwise.

(s) To bond any members of any management body which participates in management affairs of the Association.

(t) Following the expiration of the period of Declarant's rights, to appoint a professional management body. Neither Declarant nor its agent nor the Board shall enter into any professional management contract which binds the Association for a period in excess of one year, unless said contract is approved by a majority of members of the Association with the

following exception: (i) a management contract, the terms of which have been approved by FHA or VA; (ii) a contract with a public utility company if the rates charged for materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; (iii) prepaid casualty and/or liability insurance policies not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.

(u) The Board shall carry worker's compensation insurance covering all persons employed by it in performance of its responsibilities under this Declaration and may obtain fidelity bonds for such of its employees as it may deem advisable.

(v) With respect to each contract made by the Board for repainting of exterior surfaces of buildings and car storage spaces and each contract for work and/or materials related to maintenance, repair, rebuilding, or replacement of any building, structure, or other improvement situated upon the Common Area, in which the amount to be paid by the Board exceeds \$500, the Board shall secure at least three bids from responsible contractors, if available, and shall accept the lowest qualified bid so obtained. The Board shall require from each contractor which it engages, satisfactory evidence that adequate worker's compensation and liability insurance is carried with respect to the employees and activities of such contractor. In cases where a completion bond is not required, the Board shall require labor and material releases to be furnished by the contractor prior to making payment to same, unless the Board deems such requirements to be impractical or unnecessary to afford protection against liens.

(w) Only with written consent of a majority of both classes of members of the Association to incur aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that

fiscal year.

(x) The Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

(y) To adopt a budget, in accordance with the reserve requirements and other requirements of the Nevada Revised Statutes and the governing documents, and to fix annual assessments accordingly.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest and any costs and reasonable attorney's fees incurred in collecting said assessments, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the

Properties, and for the improvement and maintenance of the Common Area and any improvements situated thereon.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be TWO HUNDRED FIFTY Dollars (\$250.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership as provided below.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two thirds (2/3rds) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. Notwithstanding any other restrictions in these CC&Rs, the maximum annual assessment may be increased beyond this limit without a vote of the membership as may be necessary to meet the statutory reserve requirements as set forth in the Nevada Revised Statutes.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, including any percentage increases as authorized above.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that

any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Notwithstanding any other restrictions in these CC&Rs, the Board may levy a special assessment without a vote of the membership as may be necessary to meet the statutory reserve requirements as set forth in the Nevada Revised Statutes.

Section 5. Notice and Quorum For Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Sections 4 or 5 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held, more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or quarterly basis as determined by the Board of Directors.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the issuance of the first Certificate of Occupancy. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall

be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association.

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. Before any such lien may be sold at foreclosure sale, the Association must comply with the following:

1. For Condominiums, the Association must comply with Nevada Revised Statutes Chapter 117;
2. For Homes, the Association must comply with Nevada Revised Statutes Chapter 116.

Section 9. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer

shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

ARCHITECTURAL CONTROL

The architectural committee shall consist of the same number of members as constitute the Board and shall be appointed by the Board. The Board may, but need not, serve as the architectural committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, 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 architectural committee. In the event the architectural committee fails to approve or disapprove such design and location within thirty (30) days after said 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. The Board may adopt reasonable rules and standards for the workings of the architectural committee and the review of matters that come before the committee.

Neither the architectural committee nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of any of the committee's activities.

ARTICLE VII

USE RESTRICTIONS

Section 1. One use, business usage prohibited. All units in the project above described shall be used solely for single family residences.

Section 2. Management of Lot. The owners of each Lot [exclusive of owners of any condominium units] shall maintain in, good repair, the interiors and exteriors of their units and shall have the exclusive right, at their sole cost and expense, to paint, repaint, tile, wax, paper, or otherwise refinish and decorate the surfaces of the walls, ceilings, floors, windows and doors bounding their respective units. If an owner fails to so maintain his unit or make repairs thereto in such manner as may be deemed necessary if the judgment of the Board, to preserve and protect the attractive appearance and value of the project, the Board shall give written notice to such owner, stating with particularity the work of maintenance or repair which the Board finds to be required and requesting that same be carried out within a period of 60 days from the giving of such notice. If such owner fails to carry out such maintenance or repair within the period specified by the Notice, the Board shall cause such work to be done and shall assess the cost thereof to such owner, such assessment to be due and payable within 30 days after the Board gives written notice thereof.

Section 3. Other structural changes. No owner shall, at his own expense or otherwise, make any alteration, addition or modification to the improvements on his Lot or to any part or portion of the Common Elements without the prior written approval of the Board. With respect to the installation of awnings, sunshades, screen doors and other minor installations to any individual unit, the prior written consent of the Board shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the Property as a whole. No radio or television receiving or transmitting antennae or external apparatus shall be installed on or upon any Lot, or in, on or upon any part of the Common Elements, without prior written approval of the Board, which approval may also be set forth in rules or regulations adopted by the Board pursuant to Article IV. Approval of the Board is not required for normal

radio and television installations within an individual Home or Condominium unit.

Section 4. Signs. Exterior signs other than house numbers and restricted real estate signs are prohibited. During construction or sale, one approved structure may be placed more than five feet from the sidewalk on the front of each residential lot. Such a sign structure may contain up to three separate signs identifying the designer, builder and/or real estate agent. Additional signs, flags, banners etc. are prohibited. Signs shall be removed upon completion of construction or closing of sale or rental of residence. Specific sign requirements will be developed and approved by the HOA Board. Political signs, within reason and as allowed by law, are exempted from this prohibition. Declarant has the right to construct such promotional signs or other sales aids on or about any portion of the premises which it shall deem reasonably necessary in conjunction with its original sales program, for a period not to exceed three years after the issuance of the Final Subdivision Public Report.

Section 5. Association Maintenance and Decoration Authority. The Board or its duly appointed agent, including the Manager, if any, shall have the exclusive right to paint, decorate, repair, maintain, and alter or modify the exterior walls, balconies, railings, exterior door surfaces, roof and all installations and improvements in the Common Area, and no owner of a unit shall be permitted to do or have done any such work.

Section 6. Offensive activity. No owner shall permit or suffer anything to be done or kept upon the project which shall increase the rate of insurance thereon or which shall obstruct or interfere with the rights of other owners or annoy them by unreasonable noises or otherwise, nor shall he commit or permit any nuisance on the Property, or commit or suffer any immoral or illegal act to be committed thereon. Each owner shall comply with all applicable ordinances, statutes, and requirements of any local or state agency with respect to the occupancy and use of

his unit.

Section 7. Owner liability

(a) General. Each owner shall be liable to the Association, and shall indemnify the Association, for any damage to the Common Elements or to any of the equipment or improvements thereon, sustained by reason of the conduct of said owner or of his family members, his relatives, guests, or invitees, both minor and adult. Said owner shall be assessed by the Board for the cost of repair or replacement thereof, together with costs and attorneys fees, such assessment to be due and payable within 30 days after written notice thereof by the Board. In the case of joint ownership of a Lot, the liability of such owners shall be joint and several. In the event of personal injury or property damage sustained by any one person while physically within a unit or private balcony, patio or limited common area thereof, and in the further event the Association or any other owner shall be sued or a claim made against him for said injury or damage, the owner(s) of the units in which said injury or damage shall occur, shall fully indemnify and hold harmless the Association and any such other owners against whom such claim shall be made and shall further defend any such other owners at their own expense in the event of litigation of such claim; provided, however, that such protection shall not extend to any other owner whose own negligence may have caused or contributed to the cause of any such injury or damage. The liability of any owner to the Association under this section shall not be diminished to the extent that any such damage is covered by any policy of insurance carried by the Association.

(b). Lessees, Renters, Guests, and Invitees.

It shall be the duty of the owners to comply with these CC&Rs and the Rules and

Regulations, including any amendments thereto. It shall also be the duty of the owner to ensure that all persons who occupy his unit comply with these CC&Rs and the Rules.

Any owner who allows another to occupy his unit, whether as a lessee, renter, guest, licensee or otherwise, shall advise such person in writing that the unit, and all persons occupying the unit, are subject to the governing documents and to the Rules. It shall be the duty of the owner to provide a written copy of the CC&Rs and Rules to any persons occupying the unit. Any lease entered into after the recording date of this amendment shall expressly require the lessee to abide by these CC&Rs and the Rules.

(c). Damages, Costs and Attorney's Fees.

If a violation of the governing documents or Rules continue after the owner has received written notice of the violation, the owner may be joined in any suit in law or equity, or arbitration or other proceeding, instituted by the Association to enforce the provisions of these governing documents or Rules. In the event that the Association is the prevailing party in any suit in law or equity, or arbitration or other proceeding, instituted to enforce this Declaration or Rules, the owner and the violating party, if not the owner, shall be responsible for damages that shall include costs to correct the violation, if any, and all costs and attorney's fees associated with the proceedings. These provisions apply regardless of whether the violation was caused by the owner or by some other person occupying the owner's unit, and regardless of whether the judgment, decision or award was entered against the owner or against a person other than the owner who caused the violation. If any amount awarded to the Association as the prevailing party, whether denoted as damages, costs, attorney's fees or otherwise, shall go unpaid, the same shall be assessed to the owner, and the assessment may be enforced in accordance with Article V of these CC&Rs.

Section 8. Common Area Improvements. No fence, hedges or walls shall be erected and maintained upon the Common Area, except such as are installed in accordance with the initial construction of the building located thereon, or approved in writing by the Board and further, no building, fence, structure, or wall shall a be constructed upon any of the open spaces unless approval for such construction has been specifically obtained from the Architectural Control Board of the Association.

Section 9. Child Provision. Each owner shall be accountable to the remaining owners for the behavior and conduct of children..

Section 10. Exploration of minerals. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the project, or within five hundred (500) feet below the surface of the property, and no derrick or other structure designed for use in boring for water, oil, or natural gas, shall be erected, maintained, or permitted upon any portion of the project.

Section 11. All subject to the Declaration. All units in the project above described shall be subject to the terms and conditions of these CC&Rs and any amendments hereto. These CC&Rs shall run with the land, and shall be binding on owners, their heirs, successors and assigns.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of these CC&Rs or elsewhere in the governing documents or rules.. Failure by the Association or by 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.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time by an instrument signed by the Secretary of the Association certifying that the amendment has been approved by a vote of not less than seventy-five percent (75%) of each class of members and that the vote was taken in accordance with the Nevada Revised Statutes and the governing documents of the Association. Any amendment must be recorded.

Section 4. Alternative Dispute Resolution. Any dispute relating to the interpretation, application or enforcement of these CC&Rs, or any by-laws, rules or regulations adopted by the Association, or the procedures used for increasing, decreasing or imposing additional assessments, shall be submitted for alternative dispute resolution in compliance with Chapter 38 of the Nevada Revised Statutes.

Section 5. Douglas County has declared it a policy to protect and encourage agricultural operations. If your property is located near an agricultural operation, you may at some time be subject to inconvenience or discomfort arising from agricultural operations. If conducted in a manner consistent with proper and accepted standards, these inconveniences do not create a nuisance for purposes of Douglas County Code.

ARTICLE IX
ANNEXATION

At any time, and from time to time, the Association may annex property to the subdivision and designate it as Common Elements or otherwise, and subject the same to the provisions of these CC&Rs. The property to be annexed may be shown on subsequent maps and may include a condominium building or buildings and clubhouse located on Lot 60 as depicted on Exhibits A and B, with a maximum of 140 condominium units, and a commercial center comprised of one or more buildings located on Lot 61 as depicted on Exhibits A and B. These properties may be annexed into the Association upon completion subject only to approval of the Declarant. The annexation of any additional property requires the approval of a majority of each class of members. Any annexation shall become effective when the Declarant or the Association and the owners of the portion of property to be so annexed have executed and recorded in the office of the Recorder of Douglas County, Nevada, a Supplemental Declaration which may consist of more than one document and which shall, among other things:

(a) Set forth a legal description of the real property which is to be annexed, consisting of one or more adjacent parcels, or a portion thereof, and such property shall be referred to as "Added Property";

(b) Declare that such Added Property is held and shall be held, conveyed, hypothecated, encumbered, leased, used, occupied and improved subject to this declaration, and such other limitations, restrictions, covenants or conditions as may be imposed on such Added Property by the Supplemental Declarations. The Association's right to annex Added Property is

subject to the restriction that no such annexation shall result in an increase in assessments attributable to such annexation, without the vote of members holding not less than seventy-five percent (75%) of each class of voting rights..

(c) Set forth or refer to such additional or other limitations, restrictions, covenants or conditions, applicable to such Added Property. In the event that the Added Property consists of condominium units, the Supplemental Declaration shall, at a minimum require the following:

(i) The owners of those units to organize as a sub-association, with the voting power as identified in Article III Section 2, above;

(ii) The sub-association shall provide exterior maintenance upon each Lot which is subject to assessment thereunder, to paint, repair, replacement and care of roof, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall include exterior window frames, but shall not include glass surfaces;

(iii) The sub-association shall carry insurance of the condominium, the terms of which policy shall be approved by the Board;

(iv) The sub-association shall establish a budget in accordance with the Nevada Revised Statutes and the Supplemental Declaration and shall fix dues and assessments to provide therefore;

(iv) Any of other provisions that the Board may require as applicable to condominium owners associations;

(d) The owners of the Added Property so annexed shall thereupon become Members of the Association and shall be subject to the governing documents and any rules and

assessments that thereafter may be made which shall be enforceable in the manner described in these CC&Rs. The Added Property shall be subject to the limitations set forth in these CC&Rs as if said Added Property were Lots; provided, however, if any use of structure on any additional parcel is in violation of any of the provisions of these CC&Rs, and such violation existed prior to the annexation, the Board may issue the Owner of the Added Property a variance therefrom if such Board determines that the violation was not intentionally done in contravention of the governing documents or in anticipation of the property becoming annexed.

ARTICLE X

DECLARANT'S RIGHTS; SPECIAL DECLARANT'S RIGHTS;

AND DECLARANT'S CONTROL

Declarant reserves to itself all right permitted by the Nevada Revised Statutes as enacted as of the date of these CC&Rs as currently enacted, or as may be enacted in the future, provided that no future enactments may diminish any rights reserved to the Declarant as of the recording of these CC&Rs. Rights reserved to the Declarant includes but are not necessarily limited to the following:

1. The right but not the obligation to construct and/or annex 140 Condominium Units and a Clubhouse in one or more condominium buildings situated on Lot 60 as depicted in Exhibits A and B;
2. The right but not the obligation to construct and/or improve the Common Areas, including the right but not the obligation to construct a putting green behind Lots 34, 35, 36 and 37 as depicted on Exhibits A and B;
3. The right but not the obligation to construct and/or annex a commercial center in one or more buildings situated on Lot 61 as depicted on Exhibits A and B;

4. The right to allocate Limited Common Elements, including but not limited to, patios, balconies, decks said right to be exercised with respect to all or fewer than all Lots;
5. The right to prepare, execute and record any maps or plats, or amendments thereto, in furtherance of the exercise of developmental rights;
6. The right to subdivide or convert a Lot into additional Lots, Common Elements, or both;
7. The right to withdraw any portion of the Property, including Lots and Common Elements, from these CC&Rs;
8. To amend these CC&Rs without the vote of members that is otherwise required by Article IX, Sec. 3;
9. To appoint and remove officers and directors of the Association;
10. To select and contract with a professional management agent on behalf of the Association;
11. The Declarant's rights as specified in this Article XI shall expire on the later of:
 - a. Sixty (60) days after conveyance of seventy-five percent (75%) of the total number of Lots that may be created pursuant to these CC&Rs to persons other than Declarant;
 - b. Five (5) years after Declarant has ceased to offer Lots for sale in the ordinary course of business;
 - c. Five (5) years after Declarant last exercised the right to add new Lots. whichever occurs earlier.

IN WITNESS WHEREOF, the undersigned, being the Declarant(s) herein, have hereunto set their hands this Fourth day of September 2009


KIT CARSON DEVELOPMENT, LTD.

STATE OF NV
COUNTY OF Douglas ss.

On 9-4- 2009, before me, the undersigned, a Notary Public, personally appeared Bryon White known to me or proved to be the person who executed the foregoing instrument.

Mary Kelsh
Notary Public



EXHIBIT "A"

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

All that certain real property situate within a portion of the Northwest 1/4 of the Northwest 1/4 of Section 21, Township 12 North, Range 20 East, Mount Diablo Meridian, further described as Parcel 2A, as shown on the Parcel Map #2035 under Document Number 394380, of the Official Records of Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 2A of Parcel Map No. 2035, which is also located on the Southerly right-of-way of Kimmerling Road the TRUE POINT OF BEGINNING; thence North 89°49'53" East, a distance of 156.50 feet along the South right-of-way of Kimmerling Road; thence leaving said right-of-way South 00°03'57" East, a distance of 102.67 feet to the beginning of a tangent curve concave to the Northeast; thence along said curve a distance of 394.55 feet, with a radius of 206.50 feet and a central angle of 109°28'16" to a point of compound curve, which is concave to the Northwest; thence continuing along said curve, a distance of 350.21 feet, with a radius of 284.50 and a central angle of 70°31'44"; thence North 00°03'57" West, a distance of 29.96 feet to the Southern right-of-way of Kimmerling Road; thence North 89°49'53" East, a distance of 35.50 feet along the Southern right-of-way of Kimmerling Road to the Northeast corner of said Parcel 2A, which is the Northwest corner of Parcel 2B of said Parcel Map; thence South 00°03'57" East, a distance of 615.75 feet along the common property line between said Parcels 2A and 2B to the Southeast corner of Parcel 2A; thence North 85°21'36" West, a distance of 659.22 feet along the South line of Parcel 2A to the Southwest corner of said parcel; thence North 00°03'57" West, a distance of 560.49 feet along the West line of Parcel 2A to the Northwest corner of said parcel to THE TRUE POINT OF BEGINNING.

ALSO SHOWN as Parcel 2A-2 on Parcel Map # LDA 04-083 for Sierra Assisted Living, Inc. recorded January 6, 2005 in Book 0105, Page 1808, as Document No. 633822.

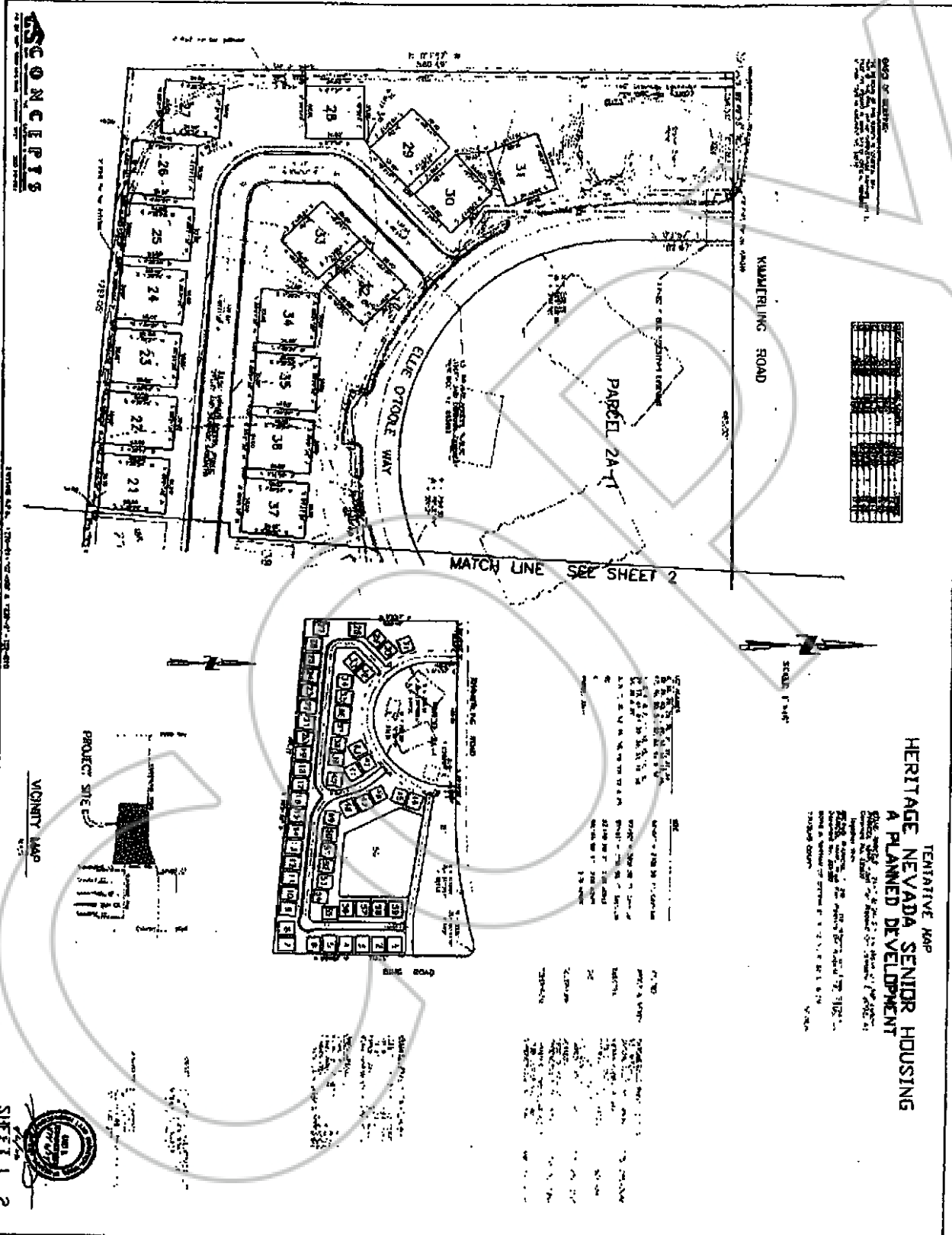
Per NRS 111.312, this legal description was previously recorded on January 28, 2005, in Book 0105, at Page 9672, as Document No. 635389, of Official Records.

APN: 1220-21-102-010

All that certain real property situate within a portion of the Northwest 1/4 of the Northwest 1/4 of Section 21, Township 12 North, Range 20 East, M.D.M., County of Douglas, State of Nevada, being further described as:

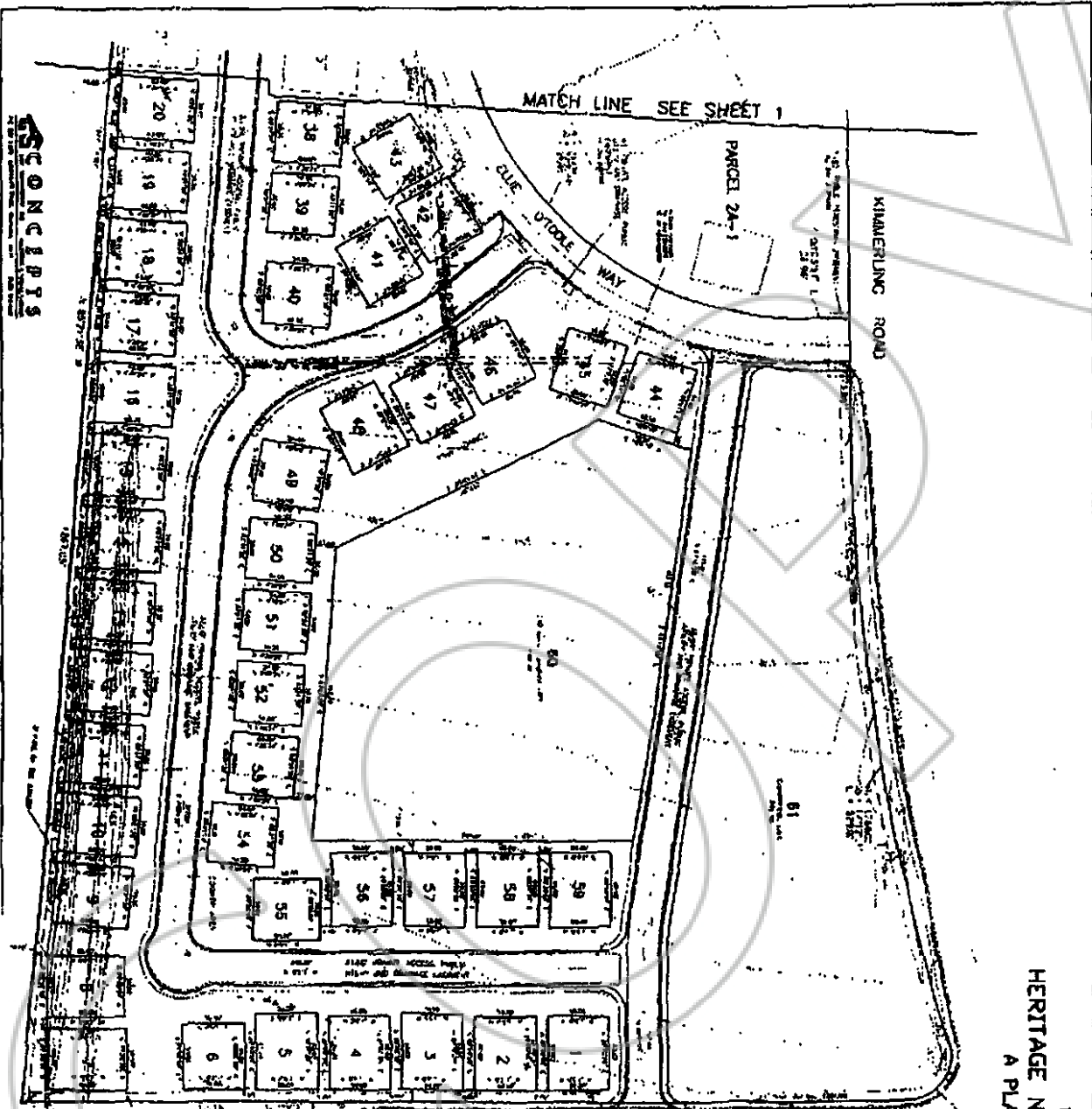
Parcel 2B, as set forth on the Parcel Map #2035 for SIERRA ASSISTED LIVING, INC., filed for record in the Office of the County Recorder, Douglas County, Nevada, on August 16, 1998, in Book 896, Page 2843, as Document No. 394380.

Assessor's Parcel No. 1220-21-102-002



SHEET 1 2

B-2



HERITAGE NEVADA SENIOR HOUSING
A PLANNED DEVELOPMENT
INITIATIVE MAP

SCONCIRPS

SHEET P. 2